



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

VA Medical Center Named as a *Nursing Magnet Facility*



*Portland VA Medical Center
Nurse Magnet Team*

In May 2006 the Portland, Oregon, VA Medical Center joined an elite group of only 3 percent of the Nation's hospitals by being named a nursing "magnet facility." It shares this distinction with VA medical centers in Tampa and Houston. Magnet designation recognizes facilities that provide the very best nursing care and encourage an environment where nurses do quality work.

The Magnet Recognition Program for Excellence in Nursing Services comes from the American Nurses Credentialing Center, the Nation's largest and most respected nursing accrediting and credentialing organization. As the professional nursing Gold Standard, the magnet program grew up around the study of what attracts nurses to a given institution, what contributes to their decision to stay or leave, and the associated quality of patient care.

Sherri Atherton, MS, RN, CNS, CIC, and Nadine Johnson, MSN, RN, CPHQ, led the Magnet team, which included nurses representing every unit in the medical center. They meticulously compiled documentation for the application process—documentation that ultimately stood 15.5 inches tall and weighed 40 pounds. In June 2005 the application was submitted, with more information requested and submitted in November.

After initial evaluation, two nurse surveyors visited the medical center in March 2006 to verify the documentation and meet with a variety of people at the medical center, including patients and their families, representatives from affiliated health-care and teaching institutions, and others outside the medical center to learn more about the facility and quality of care. "This formal recognition only validates what I have known for a long time: our nurses are world class, supported by an environment of world-class colleagues," said Medical Center Director James Tuchs Schmidt, MD, MM.



Significant Trends, Impacts, and VA's Use of FY 2006 Results

Performance Trend	2006 Impact on Veterans	How VA Uses The Data														
<p data-bbox="321 434 581 464">Supporting Measure</p> <p data-bbox="250 468 652 520">Percentage of VA employees who are veterans</p> <table border="1"> <caption>Percentage of VA employees who are veterans</caption> <thead> <tr> <th>Year/Target</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>24%</td> </tr> <tr> <td>2004</td> <td>26%</td> </tr> <tr> <td>2005</td> <td>28%</td> </tr> <tr> <td>2006 Result</td> <td>30.6%</td> </tr> <tr> <td>2006 Plan</td> <td>30%</td> </tr> <tr> <td>Strategic Target</td> <td>36%</td> </tr> </tbody> </table>	Year/Target	Percentage	2003	24%	2004	26%	2005	28%	2006 Result	30.6%	2006 Plan	30%	Strategic Target	36%	<p>In 2006 the National Veterans Employment Program continued to develop and implement effective outreach and recruiting strategies to increase the number of veterans capable of filling vacancies in VA. Increased emphasis was given to returning servicemembers from Operation Enduring Freedom and Operation Iraqi Freedom.</p>	<p>Background: A 2006 report submitted to Congress cited a “lack of knowledge of special appointing authorities” as a key barrier to the hiring of veterans in the federal sector. To help facilitate the hiring of veterans, VA human resources (HR) offices have been asked to designate an HR specialist as a Veterans Employment Coordinator (VEC). The VEC will help guide the facility’s effort to attract, recruit, and select veteran applicants for employment.</p> <p>Use: This measure is a critical success indicator. Continual results monitoring will become increasingly important as the pace of retirements of Vietnam-era veterans quickens and thus makes it more difficult for VA to maintain its veteran employment level.</p>
Year/Target	Percentage															
2003	24%															
2004	26%															
2005	28%															
2006 Result	30.6%															
2006 Plan	30%															
Strategic Target	36%															

Related Performance Information

Major Management Challenges

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

GAO

- Strategic Human Capital Management: A Governmentwide High-Risk Area (see page 277 for more details)

Program Evaluations

No independent program evaluations have been conducted recently 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

HR offices are designating an HR specialist as the Veterans Employment Coordinator.

VA produced and distributed CD-ROMs providing information on VA careers to military separation centers.

Other Important Results

Retirements of Vietnam-era veteran employees are accelerating, compounding the difficulties in maintaining veteran employment levels.

Data Quality

VA's data quality improvement efforts including its work on data verification and validation are described in the Assessment of Data Quality on page 166.



ENABLING OBJECTIVE E-2

Outreach and Communications

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

Making a Difference for the Veteran

Emissary of Hope Honored for Aid to Combat Veterans



Army Specialist Brian Anderson delivers the milkshake he promised Jim Mayer while hospitalized at Walter Reed. Anderson lost both legs and an arm in an IED explosion in Iraq. At right is Army Maj. David Rozelle, who lost a foot in a land mine explosion and later became the first Iraq war amputee to return to combat.

On April 13, 2006, veterans honored the real-life volunteer introduced to 75 million Doonesbury readers as "Jim the Milkshake Man" for his bedside visits to wounded vets at the Walter Reed Army Medical Center.

Jim Mayer was recognized at Walter Reed for his 500th peer visit. It's called a peer visit because Mayer, like many of the war-wounded veterans in hospital beds, lost his legs in a land mine explosion.

Mayer's amputations arose from the Vietnam War. Besides the occasional milkshake, he brings to their bedside a message of hope based on lessons learned since his own traumatic injuries 37 years ago.

In a recognition ceremony, the Honorable R. James Nicholson, Secretary of Veterans Affairs, told Mayer, "Jim has a unique perspective; he has been through what these young troopers are enduring. He really helps them come to a renewed belief in themselves, in their capacity for challenge, change and opportunity -- and in their ability to do what they may have thought impossible."

The Milkshake Man became a household name after the Doonesbury character B.D. was depicted losing his leg in a 2004 cartoon. In B.D.'s recovery in Walter Reed's ward 57, he finds inspiration from dedicated staff and trained volunteers like Mayer.

A native of St. Louis who joined VA in 1974, Mayer currently is an outreach official in the Office of Seamless Transition, working to ensure that as combat veterans separate from military service, they can move seamlessly into VA programs.

But it is Mayer's volunteer work with wounded servicemembers that earned him special recognition. He is one of a group of Vietnam veteran volunteers who work together to help today's severely wounded veterans before and after their discharge by providing support and friendship.

Nicholson applauded him for making an "inspiring impact on the lives of all the young heroes you've cared for, cajoled, kidded, consoled and loved."



Significant Trends, Impacts, and VA’s Use of FY 2006 Results

Performance Trend	2006 Impact on Veterans	How VA Uses The Data																
<p>Supporting Measure Percentage of Statutory Reports that are Submitted to Congress by the Due Date</p> <table border="1"> <caption>Percentage of Statutory Reports Submitted to Congress by the Due Date</caption> <thead> <tr> <th>Year/Target</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>21%</td> </tr> <tr> <td>2006 Result</td> <td>13%</td> </tr> <tr> <td>2006 Plan</td> <td>35%</td> </tr> <tr> <td>Strategic Target</td> <td>100%</td> </tr> </tbody> </table>	Year/Target	Percentage	2005	21%	2006 Result	13%	2006 Plan	35%	Strategic Target	100%	<p>Congressionally mandated reports are used by Congress to determine how successful new legislative initiatives are or to monitor the continued appropriateness of other programs.</p> <p>By providing these reports to Congress in a timely manner, the Office of Congressional and Legislative Affairs (OCLA) is able to impact the passage of legislation that will benefit veterans.</p>	<p>In 2006 this measure was elevated to a “Departmental Management” measure in order to increase the Department’s emphasis on the need to improve the timeliness of the Department’s submissions of statutory reports to Congress.</p>						
Year/Target	Percentage																	
2005	21%																	
2006 Result	13%																	
2006 Plan	35%																	
Strategic Target	100%																	
<p>Supporting Measure Percent of Newly Elected/Appointed State Officials Briefed Within 60 days of Taking Office Regarding VA Programs/Services</p> <table border="1"> <caption>Percent of Newly Elected/Appointed State Officials Briefed Within 60 days of Taking Office Regarding VA Programs/Services</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</td> <td>100%</td> </tr> <tr> <td>2006 Result</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	100%	2006 Result	100%	2006 Plan	100%	Strategic Target	100%	<p>As the Chief Executive Officer and Commander-in-Chief for the National Guard of their respective states, governors serve as important outreach force multipliers and opinion leaders for veterans’ issues across the Nation. Establishing contact with each governor following election or appointment is essential to maintaining effective intergovernmental relationships. Governors’ appointed representatives, the State Directors of Veterans Affairs, work directly with VA and with state veterans programs to ensure that veterans in their states receive both federal and state earned benefits.</p>	<p>VA leadership uses these data to focus on initiating and maintaining continuous and productive relationships with key state leaders and to encourage their support of veterans and veterans’ programs both at the state and federal level.</p>
Year/Target	Percentage																	
2002	75%																	
2003	80%																	
2004	90%																	
2005	100%																	
2006 Result	100%																	
2006 Plan	100%																	
Strategic Target	100%																	



Related Performance 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 recently 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 2006 OCLA implemented a Congressionally Mandated Reports Web site to provide information to all VA offices on what reports are coming due.

Other Important Results

In 2006 VA submitted mandatory reports to Congress closer to the actual due dates.

Data Quality

VA's data quality improvement efforts including its work on data verification and validation are described in the Assessment of Data Quality on page 166.



ENABLING OBJECTIVE E-3

Reliable and Secure Information Technology

Implement a One-VA information technology framework that enables the consolidation of IT solutions and the creation of cross-cutting common services to support the integration of information across business lines and provides secure, consistent, reliable, and accurate information to all interested parties.

Making a Difference for the Veteran

VA Receives Major Award for Electronic Information Sharing

The continuing success of its industry-leading electronic medical records has earned VA a prestigious national award in information technology. The award was given in March 2006.

The award cites VA's collaboration with the Department of Defense (DoD) on electronic medical records for patients receiving care from both departments. The award was given by the American Council for Technology, an organization of industry and government executives who work together to improve the government's computerized programs.

"VA patients see the benefits of our electronic patient records every time a lab test isn't repeated because the results were lost, when health care professionals can see x-rays on their

The screenshot displays a medical software interface with a menu bar (File, Options, View, Reports, Help, Testing), a patient information section (Patient: 1924 50050000 NON-VETERAN (OTHER)), and a central window titled 'MADTLF F: 4 Images found.' Below this, there are sections for 'Lab Results' and 'Laboratory Results: Worksheet - All Results'. A table of lab results is visible, including columns for Date/Time, Specimen, PCV, HGB, HCT, RBC, and WBC. A line graph is also present, plotting HCT (Blood) over time. The interface includes various toolbars and navigation options.

Electronic Medical Record used in Bidirectional Health Information Exchange

laptops, when pharmacy prescriptions don't conflict with other medication," said the Honorable R. James Nicholson, Secretary of Veterans Affairs. "The VA-DoD partnership will provide the same high-quality records for all the patients treated by both departments."

Called the Bidirectional Health Information Exchange, the VA-DoD system permits the secure exchange of medical records, thereby avoiding duplicate testing or even surgeries. Currently, nine military medical centers are able to accept data from VA. All VA facilities can receive the military's health-care information electronically.

The kinds of data exchanged so far include demographic information on patients, outpatients' pharmaceuticals, laboratory and radiology test results, and drug and food allergies.

"An integrated health technology system that allows for the real-time transfer of patient information is the future of medicine," said VA's Under Secretary for Health. "We will continue to collaborate with DoD and all our federal health-care partners until that future becomes reality."

The Excellence.Gov award is for collaborative technologies proven effective in meeting objectives in business and service improvements and using accepted best standards and practices for shared information.



Significant Trends, Impacts, and VA's Use of FY 2006 Results

Performance Trend	2006 Impact on Veterans	How VA Uses The Data												
<p>Supporting Measure Number of Distinct Data Exchanges Between VA and DoD</p> <table border="1"> <caption>Data from Chart: Number of Distinct Data Exchanges</caption> <thead> <tr> <th>Category</th> <th>From DoD to VA</th> <th>From VA to DoD</th> </tr> </thead> <tbody> <tr> <td>2006 Result</td> <td>20</td> <td>8</td> </tr> <tr> <td>2006 Plan</td> <td>20</td> <td>10</td> </tr> <tr> <td>Strategic Target</td> <td>1</td> <td>1</td> </tr> </tbody> </table>	Category	From DoD to VA	From VA to DoD	2006 Result	20	8	2006 Plan	20	10	Strategic Target	1	1	<p>The gradual reduction in data exchanges between VA and DoD systems will eliminate data inconsistencies between the two agencies. This is critical, particularly in areas such as separation data and medical records.</p> <p>Our long-term effort will focus on establishing a central One VA data service that provides one-stop access to all data required in the processing of VA benefits.</p>	<p>The degree to which VA and DoD are successful in the consolidation of the many distinct data exchanges is an indication of the progress being made towards adapting legacy applications to a more modern enterprise data service-oriented architecture. In the long-term, this will have the following impact:</p> <ul style="list-style-type: none"> ▪ Less architecture complexity. ▪ Less redundant systems. ▪ Streamlined change request processes. ▪ Improved data quality. ▪ More automation potential for processing work.
Category	From DoD to VA	From VA to DoD												
2006 Result	20	8												
2006 Plan	20	10												
Strategic Target	1	1												

Related Performance Information

Major Management Challenges

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

OIG

- VA Information Security Program Reviews (see page 242 for more details)
- VA Information Security Controls (see page 244 for more details)

GAO

- Financial Management Weaknesses: Information Systems Security and Financial Management System Integration (see page 267 for more details)
- Enterprise Architecture Documentation (see page 269 for more details)

- Performance Measures (OIT) (see page 269 for more details)
- VA-DoD Information Sharing (see page 270 for more details)
- Protecting The Federal Government's Information Systems and the Nation's Critical Infrastructures: A Governmentwide High-Risk Area (see page 271 for more details)
- Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security: A Governmentwide High-Risk Area (see page 279 for more details)

Program Evaluations

During the summer of 2006, the Office of Cyber and Information Security contracted for and began an independent verification and validation



of its Certification and Accreditation (C&A) program to assess the quality of C&As conducted on 585 systems in 2005. Preliminary results have provided feedback for improvements that are being implemented in the C&A program.

Program Assessment Rating Tool (PART) Evaluation

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

New Policies and Procedures

The Office of Cyber and Information Security published two new policies: VA Directive 6500 entitled “Information Security Program,” establishes the VA’s information security program and assigns Department roles and responsibilities. VA Directive 6504 entitled “Restrictions on Transmission, Transportation and Use of, and Access to, VA Data Outside VA Facilities,” outlines the policy and procedures for protecting sensitive information when it is removed from VA facilities.

Other Important Results

The One VA IT Enterprise Program Management Office (EPMO) initiative proposes to achieve proactive oversight of information technology (IT) development and steady state programs through mentoring and assistance, tracking program execution, and establishing consistent, repeatable processes. To accomplish this, VA has begun to implement regularly scheduled program management reviews (PMRs), using a clear, uniform reporting format, to capture essential information regarding obligations and expenditures, adequacy of staffing, and schedule, risk, and performance assessments. The PMRs ensure that program officials have considered all tenets of good program management while allowing the program manager flexibility to tailor materials to meet specific program requirements. The PMR

process is a key step in maturing and improving VA’s IT program oversight.

In addition, EPMO has conducted extensive integrated baseline reviews (IBRs) on 75 percent of VA’s major development IT programs. The Office of Management and Budget has recently mandated IBRs, which are considered to be a best practice in program management oversight.

Data Quality

VA’s data quality improvement efforts, including its work on data verification and validation, are described in the Assessment of Data Quality on page 166.



ENABLING OBJECTIVE E-4

Sound Business Principles

Improve the overall governance and performance of VA by applying sound business principles; ensuring accountability; employing resources effectively through enhanced capital asset management, acquisition practices, and competitive sourcing; and linking strategic planning to budgeting and performance.

Making a Difference for the Veteran

VA Earns “Green” for PMA Real Property Initiative



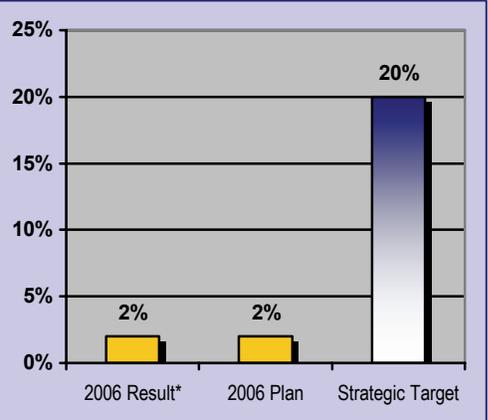
Palo Alto VA Medical Center

VA's inventory of real property includes over 5,000 owned buildings, approximately 1,000 operational leases, and nearly 33,000 acres of land. The Department's vast portfolio of capital assets is tracked and reported by the Capital Asset Management System (CAMS), a comprehensive performance portfolio management system. CAMS and its source systems have enabled VA to meet Federal Real Property Council requirements for reporting federal real property inventory and performance.

VA annually updates its five-year capital plan, which is the culmination of the Department's capital investment process. VA's three-tiered approach, including the use of CAMS and the five-year capital plan, ensures that assets fully support the mission, vision, and goals of the Department as well as the President's Management Agenda. VA's initiatives to improve and strengthen its capital asset management program earned the Department a “green” status for the President's Management Agenda Real Property Initiative. VA was the third agency to accomplish this important achievement.



Significant Trends, Impacts, and VA’s Use of FY 2006 Results

Performance Trend	2006 Impact on Veterans	How VA Uses The Data								
<p>Supporting Measure Total Annual Value of Joint VA/DoD Procurement Contracts for High-Cost Medical Equipment (\$ millions)</p>  <table border="1"> <caption>Total Annual Value of Joint VA/DoD Procurement Contracts for High-Cost Medical Equipment (\$ millions)</caption> <thead> <tr> <th>Category</th> <th>Value (\$ millions)</th> </tr> </thead> <tbody> <tr> <td>2006 Result</td> <td>\$150</td> </tr> <tr> <td>2006 Plan</td> <td>\$150</td> </tr> <tr> <td>Strategic Target</td> <td>\$200</td> </tr> </tbody> </table>	Category	Value (\$ millions)	2006 Result	\$150	2006 Plan	\$150	Strategic Target	\$200	<p>VA/DoD use of joint contracting saves money when compared to using individual contracting methods. Money saved can be devoted to the care of the veteran.</p>	<p>VA uses the data to verify that joint contracting vehicles are being used by the facilities as intended.</p>
Category	Value (\$ millions)									
2006 Result	\$150									
2006 Plan	\$150									
Strategic Target	\$200									
<p>Supporting Measure Cumulative Percentage Decrease in Facility Traditional Energy Consumption per Gross Square Foot from the 2003 Baseline</p>  <table border="1"> <caption>Cumulative Percentage Decrease in Facility Traditional Energy Consumption per Gross Square Foot from the 2003 Baseline</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2006 Result*</td> <td>2%</td> </tr> <tr> <td>2006 Plan</td> <td>2%</td> </tr> <tr> <td>Strategic Target</td> <td>20%</td> </tr> </tbody> </table>	Category	Percentage	2006 Result*	2%	2006 Plan	2%	Strategic Target	20%	<p>Increased savings in energy-related costs can be devoted to providing improved veteran services.</p>	<p>VA uses the data to monitor and report energy efficiency at facilities. The data help identify good energy performance practices for possible nationwide replication. Conversely, management also uses the data to identify where energy efficiency improvements may be needed.</p>
Category	Percentage									
2006 Result*	2%									
2006 Plan	2%									
Strategic Target	20%									

* Estimated data. Final data are not yet available.

Related Performance Information

Major Management Challenges

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

OIG

- VHA Budget Process (see page 232 for more details)
- Financial Management Controls (see page 233 for more details)



- Medical Care Collections Fund (see page 234 for more details)
- Permanent Change of Station Travel Program (see page 236 for more details)
- Data Validity in Outpatient Scheduling (see page 237 for more details)
- VA Acquisitions for Other Government Agencies (see page 237 for more details)
- Acquisition of Medical Transcription Services (see page 238 for more details)
- VA Central Office Acquisition Issues (see page 239 for more details)
- Vocational Rehabilitation and Employment Contracts (see page 241 for more details)
- VHA Sole Source Contracts (see page 241 for more details)

GAO

- VA/DoD Efficiencies (see page 262 for more details)
- Financial Management Weaknesses: Information Systems Security and Financial Management System Integration (see page 267 for more details)
- VA/DoD Information Sharing (see page 270 for more details)
- Federal Real Property: A Governmentwide High-Risk Area (see page 273 for more details)
- Management of Interagency Contracting: A Governmentwide High-Risk Area (see page 281 for more details)

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 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 OMB PART reviews on pages 67 and 70 for more information.

New Policies and Procedures

VA's Office of General Counsel (OGC) is partnering with VHA to improve the timeliness of medical reviews of medical malpractice tort claims. This includes providing OGC attorneys remote access to medical records of patients who have filed medical malpractice claims. This should have a positive impact on the ability of OGC to resolve claims at the administrative level with greater accuracy. New procedures are in place regarding neurosurgery and orthopedic review requests.

VA Directive and Handbook 7633, Managing Underutilized Real Property, Including Disposal, established policy that requires development of short- and long-term disposal plans. Effective May 2006, a disposal application must be completed in CAMS for any disposal request with a fair market value of \$7 million or more. The handbook outlines several management options, including disposal, steps for implementation, and requirements for an annual disposal plan mandated by Congress. Options for decreasing underutilized real property are to be considered in the order prescribed as feasible.

CAMS was updated to be in compliance with the Federal Real Property Council requirement to track and report real property inventory and Tier 1 performance at the constructed asset level. The Department fully complied through system changes, OMB-approved reporting methodologies, and comprehensive inventory and performance data updates.

VA's Office of Management reports on capital asset performance quarterly at the Department's Monthly Performance Review. The reports focus on performance in relation to Federal Real Property Council measures with performance



exceptions highlighted for possible best practices or corrective actions.

Other Important Results

VA earned a “green” status indicator for the President’s Management Agenda Real Property Initiative. Achieving this status requires that a department cohesively use a current asset management plan, have an accurate and current inventory, and use real property performance measures. VA was the third agency to achieve a green status for the Real Property Initiative.

Data Quality

VA’s data quality improvement efforts including its work on data verification and validation are described in the Assessment of Data Quality on page 166.