



Performance Summaries

by Strategic 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 and Performance Results by Strategic Goal sections on pages 18-46). For each objective, we include the following:

- **Bar charts** that show:
 - FY 2006 actual level of performance.
 - FY 2006 performance target.
 - Long-range strategic target.
 - Up to 5 years of historical data.
- **Impact statements** describing the impact on the veteran of the 2006 performance result.
- **Data use statements** describing how VA management uses the performance data.
- 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 2006 there were 14 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 tables beginning on page 71 for this information. In the measures tables beginning on page 195, 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 tables. 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 a leader in providing specialized health care services.

Making a Difference for the Veteran

New Amputee Rehabilitation Center Opens at Miami VA Medical Center



Army Sgt. 1st Class Mike McNaughton in the VA's new amputee center in Miami, FL. McNaughton lost his leg in a land mine explosion in Afghanistan.

A new million-dollar amputee rehabilitation center at the Miami VA Medical Center aims to bring to older veterans the aggressive, high-tech rehabilitation given to many of the troops coming back from the Middle East. The center, which opened in March 2006, has physical therapy beds alongside treadmills and weight machines. In a nearby room, computerized machines test patients' ability to stand, balance, and walk.

Physical therapist Bob Gailey helped design the center to meet the needs of all veteran amputees, young and old. According to Gailey, in the past 5 years, more than 400 U.S. troops have returned as amputees from Iraq and Afghanistan. During that time, he said, more than 40,000 veterans have lost feet or limbs because of diabetes, other vascular diseases, and injuries. "Everybody wants to take care of amputees who are coming back from Afghanistan and Iraq," Gailey said, "but there's also this large population of veteran amputees who want the same level of care."

Gailey has worked with athletes training for the Paralympics and other events for disabled athletes. In recent years he spent time at Walter Reed Army Medical Center in Washington, DC, helping to create training regimens for amputees returning from the Operation Enduring Freedom and Operation Iraqi Freedom.



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 Prevention Index II (Special Populations)</p> <table border="1"> <caption>Performance Trend Data</caption> <thead> <tr> <th>Year/Target</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>80%</td> </tr> <tr> <td>2004</td> <td>86%</td> </tr> <tr> <td>2005</td> <td>87%</td> </tr> <tr> <td>2006 Result*</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 May 2006. Final data are not yet available.</p>	Year/Target	Percentage	2003	80%	2004	86%	2005	87%	2006 Result*	86%	2006 Plan	86%	Strategic Target	86%	<p>Meeting the 2006 target means that VA efforts to promote healthy lifestyle changes and health promotion activities such as immunizations, smoking cessation, and early screening for chronically disabling diseases for our most vulnerable populations (traumatic brain injured, amputees, spinal cord injured, etc.) are having the desired impact. 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. For this measure, the index is applied to those patients who meet the definition of a special population as a sub-group.</p>	<p>This measure serves as a tool for early identification and intervention for risky behaviors and for disease prevention; the measure also enables VA to target education and immunization programs and enhance clinic access to prevent and or limit potential disabilities and diseases.</p>
Year/Target	Percentage															
2003	80%															
2004	86%															
2005	87%															
2006 Result*	86%															
2006 Plan	86%															
Strategic Target	86%															

Related Performance Information

Major Management Challenges

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

OIG

- Access to Long-Term Health Care in Community Settings (see page 226 for more details)
- Access to Health Care in VA Medical Facilities (see page 227 for more details)
- Clinical Staffing Guidelines (see page 229 for more details)

- Medical Outcome Measures (see page 231 for more details)
 - Budget Process (see page 232 for more details)
- GAO
- Access to Acute Care, Long-Term Care, and Specialized Health Care Services (see page 248 for more details)
 - Patient Safety (see page 252 for more details)
 - Resources and Workload Management (see page 261 for more details)
 - Health Care Delivery (see page 265 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." Please see OMB PART reviews on page 67 for more information.

New Policies and Procedures

Each Polytrauma Rehabilitation Center must provide social work case management services for the OIF/OEF polytrauma patients, with a ratio of one social worker case manager to no more than six polytrauma inpatients.

VA is collaborating with DoD and its medical treatment facilities (MTFs) to seamlessly transition the health care of injured or ill returning combat active duty servicemembers and veterans from the MTF to a VA facility. VA has assigned part-time and full-time social workers to major MTFs to serve as liaisons. Each VA facility has selected a point of contact who works closely with these liaisons and with VBA representatives to ensure a seamless transition and transfer of care. While this initiative pertains primarily to military personnel returning from Iraq and Afghanistan, it also includes active duty military personnel returning from other combat theater assignments. It does not include active duty military personnel who are serving in non-combat theaters of operation.

VA supports the DoD Post Deployment Health Reassessment program for returning deployed servicemembers. The program is a force health protection program designed to enhance and extend the post-deployment continuum of care. It offers education, screening, and a global

health assessment to identify and facilitate access to care for deployment-related physical health, mental health, and re-adjustment concerns for all servicemembers, including the Reserve Component personnel deployed for over 30 days in a contingency operation. At this time, VA's involvement is focused on managing referrals from the Reserve Component servicemembers and separated veterans.

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.



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

Regional Office's Support Services Division Receives Customer Service Team Award for Hurricane Katrina Response



L-R: Rick Madison, Patricia Ford, Lynda Armstrong, Nancy Cowan, Scott Bargsten, Bettina Fuller, and Gary Holland

The Muskogee, Oklahoma, VA Regional Office (VARO) Support Services Division is this year's recipient of the Veterans Benefits Administration Leo C. Wurschmidt, Jr., Customer Service Team Award. The award recognizes the team effort of employees who are "Making a Difference in VBA" through their commitment to provide the highest level of customer service.

The Muskogee team, responsible for the day-to-day financial operations of the Muskogee VARO, was cited for its quick response to the needs of veterans and VA employees affected by Hurricane Katrina. Immediately after Katrina struck and

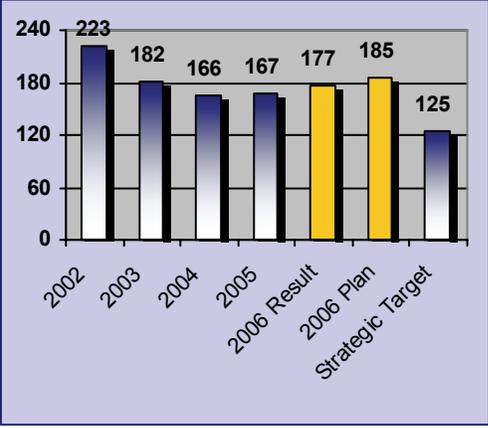
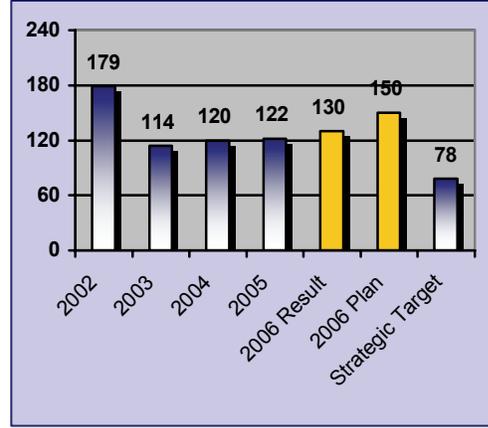
the levees surrounding New Orleans broke, the New Orleans Regional Office was closed and its active case workload transferred to Muskogee.

The Muskogee VARO was also one of four offices chosen to field customer service calls for the New Orleans office, and the team handled numerous requests for special payments from displaced veterans unable to receive benefit payments. This generated a 1,500 percent workload increase for the finance team in September 2005.

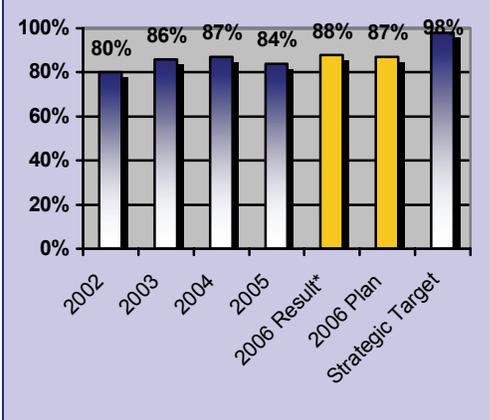
In addition to the 532 employees this team normally serves, it processed payroll for 190 New Orleans VARO employees for 7 consecutive pay periods, while beginning the transfer to the new Enhanced Time and Attendance system. "This unbelievable demand for support was met with an even more unbelievable response," said Lynda Armstrong, the team's coach. "This group never once complained about the additional workload. We all felt it was extremely gratifying to be able to help the folks in New Orleans. This team would not hesitate to do the same amount of work again."



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="370 434 537 464">Key Measure</p> <p data-bbox="215 470 690 527">Average Days to Process Compensation and Pension Rating-Related Actions</p>  <table border="1" data-bbox="207 533 695 961"> <caption>Average Days to Process Compensation and Pension Rating-Related Actions</caption> <thead> <tr> <th>Year/Target</th> <th>Days</th> </tr> </thead> <tbody> <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</td> <td>167</td> </tr> <tr> <td>2006 Result</td> <td>177</td> </tr> <tr> <td>2006 Plan</td> <td>185</td> </tr> <tr> <td>Strategic Target</td> <td>125</td> </tr> </tbody> </table>	Year/Target	Days	2002	223	2003	182	2004	166	2005	167	2006 Result	177	2006 Plan	185	Strategic Target	125	<p>Although VA met its 2006 target by 8 days, the timeliness increased from 167 days in 2005 to 177 days in 2006. Therefore, it took an average of 10 additional days for veterans to receive their benefits.</p>	<p>VA uses the results data to manage the compensation and pension programs and to implement performance improvement strategies. For example, as performance is monitored during the year, if performance declines are manifested in certain field offices, management takes corrective actions such as providing additional training and realigning workload or staffing levels.</p>
Year/Target	Days																	
2002	223																	
2003	182																	
2004	166																	
2005	167																	
2006 Result	177																	
2006 Plan	185																	
Strategic Target	125																	
<p data-bbox="370 1001 537 1031">Key Measure</p> <p data-bbox="215 1037 690 1094">Average Days Pending for Rating-Related Compensation Actions</p>  <table border="1" data-bbox="207 1100 695 1528"> <caption>Average Days Pending for Rating-Related Compensation Actions</caption> <thead> <tr> <th>Year/Target</th> <th>Days</th> </tr> </thead> <tbody> <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</td> <td>122</td> </tr> <tr> <td>2006 Result</td> <td>130</td> </tr> <tr> <td>2006 Plan</td> <td>150</td> </tr> <tr> <td>Strategic Target</td> <td>78</td> </tr> </tbody> </table>	Year/Target	Days	2002	179	2003	114	2004	120	2005	122	2006 Result	130	2006 Plan	150	Strategic Target	78	<p>Although VA met its 2006 target by 20 days, the average increased from 122 days in 2005 to 130 days in 2006. An increase in the average age of the pending claims inventory indicates veterans are waiting longer for decisions on their claims.</p>	<p>VA uses the results data to manage the compensation and pension programs and to implement performance improvement strategies. For example, as performance is monitored during the year, if performance declines are manifested in certain field offices, management takes corrective actions such as providing additional training and realigning workload or staffing levels.</p>
Year/Target	Days																	
2002	179																	
2003	114																	
2004	120																	
2005	122																	
2006 Result	130																	
2006 Plan	150																	
Strategic Target	78																	



Performance Trend	2006 Impact on Veterans	How VA Uses The Data
<p data-bbox="198 323 703 415">Key Measure National Accuracy Rate for Compensation Core Rating Work</p>  <p data-bbox="201 871 675 907">* Actual data through July 2006. Final data are not yet available.</p>	<p data-bbox="724 323 1060 520">The veteran is entitled to an accurate decision on his or her compensation claim. Despite increased workload, VA has improved its accuracy.</p>	<p data-bbox="1081 323 1412 653">VA uses technical accuracy reviews to identify areas where specialized training is needed on either a local or national level. Over the last several years, VA has placed great emphasis on helping employees deal with increasingly complex compensation claims.</p>

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 224 for more details)
- Fiduciary Program (see page 225 for more details)

GAO

- Timeliness and Accuracy (see page 255 for more details)
- Consistency of Claims Decisions (see page 255 for more details)
- Staffing Level Justification (see page 258 for more details)
- Program Transformation and Modernization (see page 259 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 will conclude its work in October 2007.

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 OMB PART reviews on page 65 for more information.



New Policies and Procedures

Three VA forms have been reinstated to verify and monitor entitlement to individual unemployability. Additionally, VA now sends a motivational letter to all new individual unemployability recipients to advise them of possible eligibility for Vocational Rehabilitation and Employment benefits.

In March 2006 VA completed the final consolidation of all Benefits Delivery at Discharge rating activity sites for processing claims from separating servicemembers.

Other Important Results

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, coherent, 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.

Data Verification and Measure Validation

Verification and validation information for the three key measures that support this objective is provided in the Key Measures Data Table on page 178.



STRATEGIC OBJECTIVE 1.3

Suitable Employment and Special Support

Provide eligible service-connected disabled veterans with the opportunity to become employable and obtain and maintain employment, while delivering special support to veterans with serious employment handicaps.

Making a Difference for the Veteran

Maximizing a Veteran's Potential Through the 5 Tracks to Employment Program

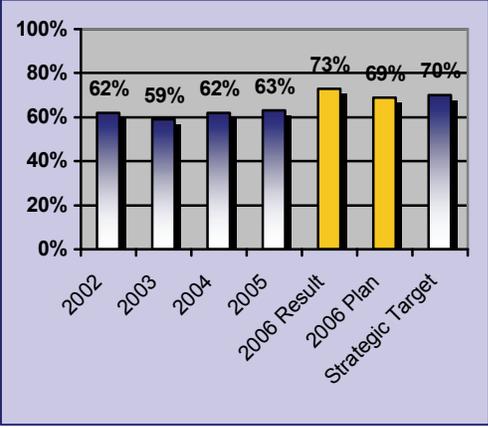


A critical component of the Vocational Rehabilitation and Employment (VR&E) program's new focus on employment is the "5 Tracks to Employment" initiative. A key element of this effort has been the establishment of Job Resource Labs in each VBA regional office jurisdiction to provide veterans and their counselors with the tools and resources required to enable a timely return to work.

In addition to the Labs, a newly developed VetSuccess.gov Web site provides access to numerous on-line employment tools including expert advice on writing cover letters and resumes and preparing for job interviews, links to labor market information and small business information, and detailed information about the VR&E program.



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="220 434 688 527">Key Measure Vocational Rehabilitation and Employment (VR&E) Rehabilitation Rate</p>  <table border="1" data-bbox="207 533 695 961"> <caption>Vocational Rehabilitation and Employment (VR&E) Rehabilitation Rate</caption> <thead> <tr> <th>Year/Target</th> <th>Rate (%)</th> </tr> </thead> <tbody> <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</td> <td>63%</td> </tr> <tr> <td>2006 Result</td> <td>73%</td> </tr> <tr> <td>2006 Plan</td> <td>69%</td> </tr> <tr> <td>Strategic Target</td> <td>70%</td> </tr> </tbody> </table>	Year/Target	Rate (%)	2002	62%	2003	59%	2004	62%	2005	63%	2006 Result	73%	2006 Plan	69%	Strategic Target	70%	<p data-bbox="727 434 1073 800">A “rehabilitated” veteran is one who enters the rehabilitation program and successfully completes the program plan with the objective to obtain employment or gain independence in daily living. This rate is a critical indicator of success for VA’s VR&E program.</p>	<p data-bbox="1101 434 1411 863">The effectiveness of the VR&E program and how well the program is meeting the needs of the veteran is measured by this rate. The measure is also used to assess individual performance for all vocational rehabilitation counselors, counseling psychologists, VR&E officers, and regional office directors.</p>
Year/Target	Rate (%)																	
2002	62%																	
2003	59%																	
2004	62%																	
2005	63%																	
2006 Result	73%																	
2006 Plan	69%																	
Strategic Target	70%																	

Related Performance Information

Major Management Challenges

The following major management challenge has been identified for this strategic objective:

OIG

- Vocational Rehabilitation and Employment Contracts (see page 241 for more details)

Program Evaluations

The Secretary’s Task Force Report of 2004 on the Vocational Rehabilitation and Employment program made over 100 recommendations. Over 72 recommendations have been completed/implemented. One of the major recommendations was to implement the Five-Track Employment Model, which was completed during 2006.

Program Assessment Rating Tool (PART) Evaluation

In relation to this strategic objective, the Administration conducted a PART evaluation of VA’s Vocational Rehabilitation and Employment program during 2006. The rating has not yet been issued.

New Policies and Procedures

The formula to calculate the rehabilitation rate was modified beginning with the 2006 fiscal year. The rehabilitation rate previously included all discontinued cases; now any discontinued case that falls under one of the three Maximum Rehabilitation Gain categories as follows is excluded from the formula:

- The veteran accepted a position incompatible with disability limitations.
- The veteran is employable but has informed VA that he/she is not interested in seeking employment.



- The veteran is not employed and not employable for medical or psychological reasons.

VBA produced an orientation video, “Veterans & VR&E Working Together: VR&E’s 5-Track Employment Program,” which was disseminated to all VA regional offices. In addition to using the video in Disabled Transition Assistance Program presentations, all VR&E offices are using this standardized information about the VR&E program as part of the veterans’ orientation process.

Evaluation and planning (E/P) guidelines were developed to address concerns pertaining to the consistency of the entitlement determinations made during the E/P phase of the Vocational Rehabilitation and Employment program. The standard of practice outlines the steps counselors and case managers must follow. Each section has mandatory and/or optional job aids. The job aids provide both structure and assistance to counselors and case managers as they complete required actions.

Other Important Results

VBA conducted an Employment Coordinators Training Conference and Five Tracks to Employment Model training sessions. These focused on the success of the recently completed Five Tracks to Employment pilot, which was the first step in the national deployment of the Five Tracks to Employment process. The conferences focused on topics including:

- The role and function of the employment coordinator.
- Job Resource Lab functionality.
- Vetsuccess.gov Web site functionality.
- Partnership with the Department of Labor’s Veterans Employment and Training Service.

Data Verification and Measure Validation

Verification and validation information for the key measure that supports this objective is provided in the Key Measures Data Table on page 180.



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

“The Little Things”



Tom Visser, Casualty Assistance Officer, Pittsburgh VA regional office, shares his visit with the surviving spouse of an Iraqi Freedom casualty and her young daughter in the spring of 2006.

“I knew it was the right house as I saw two large flags on the front porch. One flag was a U.S. Army flag and the other a flag of the United States of America. While waiting, the little girl asked if I wanted to hear a song. I said sure. She held a small flag up in front of her and began singing “God Bless the USA.” She was so careful to hit every note and sing the words just right. Here is a little child who has lost her father to war and yet she’s so proud of him that she sings this song. The mother came down to the living room and she must have noticed my red eyes. She said, “Oh, did she sing ‘God Bless the USA’ to you too?”

We finished the paperwork for Dependency and Indemnity Compensation and discussed other benefits. Almost a week had gone by when I received a telephone call from the surviving spouse. She just wanted to say thank you. She mentioned that she was so impressed by VA making the time to provide the briefing and for the quick service provided by the insurance center. She also thanked me for listening to her daughter sing. The spouse explained that it must have left an impression on her daughter because she told the neighbors that she had gotten the chance to sing “to the government guy.”

It is the little things that make the biggest differences, and it is the little things that people remember.



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

Performance Trend	2006 Impact on Veterans	How VA Uses The Data																
<p>Key Measure Average Days to Process Dependency and Indemnity Compensation (DIC) Actions</p> <table border="1"> <caption>Average Days to Process Dependency and Indemnity Compensation (DIC) Actions</caption> <thead> <tr> <th>Year/Target</th> <th>Days</th> </tr> </thead> <tbody> <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</td> <td>124</td> </tr> <tr> <td>2006 Result</td> <td>136</td> </tr> <tr> <td>2006 Plan</td> <td>120</td> </tr> <tr> <td>Strategic Target</td> <td>90</td> </tr> </tbody> </table>	Year/Target	Days	2002	172	2003	153	2004	125	2005	124	2006 Result	136	2006 Plan	120	Strategic Target	90	<p>VA missed the 2006 target by 16 days. The timeliness increased from 124 days in 2005 to 136 days in 2006. Thus, compared with 2005, survivors and dependents waited on average an additional 12 days to receive their benefits.</p>	<p>VA uses the results data to manage the compensation and pension programs and to implement performance improvement strategies. For example, as performance declines are manifested in certain field offices, management takes corrective actions such as providing additional training and realigning workload or staffing levels.</p>
Year/Target	Days																	
2002	172																	
2003	153																	
2004	125																	
2005	124																	
2006 Result	136																	
2006 Plan	120																	
Strategic Target	90																	

Related Information

Major Management Challenges

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

OIG

- Fiduciary Program (see page 225 for more details)

GAO

- Timeliness and Accuracy (see page 255 for more details)
- Consistency of Claims Decisions (see page 255 for more details)
- Staffing Level Justification (see page 258 for more details)
- Program Transformation and Modernization (see page 259 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 will conclude its work in October 2007.

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 OMB PART reviews on page 65 for more information.



Data Verification and Measure Validation

Verification and validation information for the key measure that supports this objective is provided in the Key Measures Data Table on page 180.



Strategic Goal Two

Ensure a smooth transition for veterans from active military service 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

VA Holds Summit to Help Veterans' Transition to Civilian Life



Signing of the Memorandum of Understanding creating the Arizona OEF/OIF Summit.

More than 9,000 active duty, National Guard, and reserve military personnel have returned to Arizona after serving in Operation Enduring Freedom/Operation Iraqi Freedom (OEF/OIF). In order to assist them with a seamless transition from military to civilian life, VA facilities throughout the state – regional office, medical centers, Vet Centers, and national cemeteries – have formed the Arizona OEF/OIF Summit. Summit members Larry Johnson, Tucson Vet Center, and Annette Lavelle, Phoenix Vet Center, are OEF/OIF veterans who are able to provide insight to the

needs of returning servicemembers.

The goal of the Summit is to enhance communications, review shared services, and provide outreach to servicemembers and their families. The Summit created a One VA package to distribute at outreach events and National Guard and Reserve briefings.

The package includes information and contact information for all VA facilities and programs in Arizona. At a recent Summit meeting, an advocate for severely injured veterans presented an overview of the benefits offered by the Military Severely Injured Center. The Summit's membership of caring VA employees representing diverse professions and programs is making a difference in the quality of service delivered to our newest combat veterans.



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 Implementation Guides developed for those Consolidated Health Informatics Standards adopted by VA and DoD</p> <table border="1"> <caption>Number of Implementation Guides Developed</caption> <thead> <tr> <th>Year/Target</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>2</td> </tr> <tr> <td>2006 Result</td> <td>3</td> </tr> <tr> <td>2006 Plan</td> <td>3</td> </tr> <tr> <td>Strategic Target</td> <td>9</td> </tr> </tbody> </table>	Year/Target	Count	2005	2	2006 Result	3	2006 Plan	3	Strategic Target	9	<p>The development of additional implementation guides further enhanced the ability of VA to share electronic health data with DoD by advancing the implementation of the Joint Electronic Health Records, thus facilitating the transfer of medical records between the two agencies.</p>	<p>The electronic health data that are currently shared and will be shared with DoD directly support the ability of VHA clinicians and VBA claims adjudicators to deliver medical care and benefits to veterans.</p>
Year/Target	Count											
2005	2											
2006 Result	3											
2006 Plan	3											
Strategic Target	9											

Related Performance Information

Major Management Challenges

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

GAO

- VA/DoD Efficiencies (see page 262 for more details)
- VA/DoD Information Sharing (see page 270 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.

Other Important Results

The continuing success of its industry-leading electronic medical record system has earned VA a prestigious national award in information technology. The Excellence.Gov award cites VA's collaboration with the Department of Defense on an innovative capability to exchange electronic medical record data for patients receiving care from both Departments. Competition was among more than 80 federal executive branch information technology projects. The award was given by the American Council for Technology, a non-profit organization of industry and government executives who work together to improve the government's computerized programs.

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.



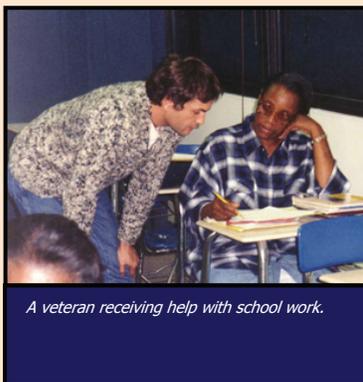
STRATEGIC OBJECTIVE 2.2

Decisions on Education Claims

Enhance the ability of veterans and servicemembers to achieve educational and career goals by providing timely and accurate decisions on education claims and continuing payments at appropriate levels.

Making a Difference for the Veteran

VA Develops New Education Outreach Program



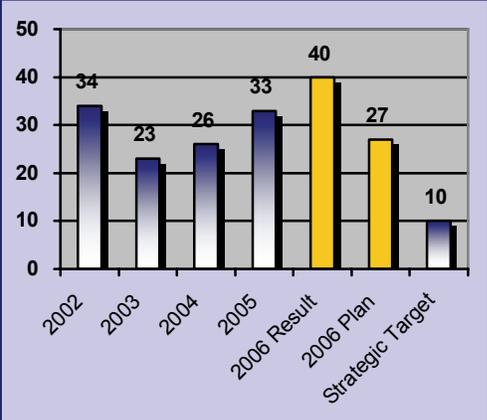
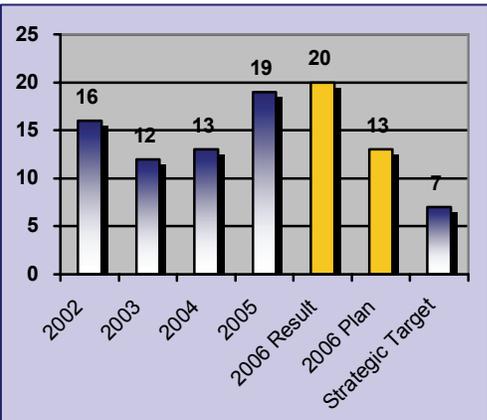
A veteran receiving help with school work.

During the past five decades, the GI Bill has made possible the investment of billions of dollars in education and training for millions of veterans, and the Nation has in return earned many times the investment in increased taxes and a dramatically changed society.

In May 2006, VA's Education Service implemented a pilot program entitled "VA Education Benefit Outreach Program" that VA is hoping will increase the outreach efforts to veterans. The purpose of the pilot is to provide veterans, reservists, and dependents who are potentially eligible for benefits with information about VA's education benefits. In order to communicate information, we are inviting faith-based and community organizations to partner with us in expanding current outreach efforts. The pilot program began in Bay Pines, Florida.



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="201 428 698 520">Key Measure Average Days to Complete Original Education Claims</p>  <table border="1" data-bbox="211 546 698 966"> <caption>Average Days to Complete Original Education Claims</caption> <thead> <tr> <th>Year/Target</th> <th>Days</th> </tr> </thead> <tbody> <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</td> <td>33</td> </tr> <tr> <td>2006 Result</td> <td>40</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	2002	34	2003	23	2004	26	2005	33	2006 Result	40	2006 Plan	27	Strategic Target	10	<p>VA missed the 2006 target by 13 days. The timeliness increased from 33 days in 2005 to 40 days in 2006. Thus, compared with 2005, veterans waited on average an additional 7 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>	<p>VA management uses performance results information to pinpoint areas of performance weakness and then takes appropriate corrective actions. Such actions include hiring additional employees to process claims and authorizing additional funding at the processing offices to enable employees to work overtime.</p>
Year/Target	Days																	
2002	34																	
2003	23																	
2004	26																	
2005	33																	
2006 Result	40																	
2006 Plan	27																	
Strategic Target	10																	
<p data-bbox="201 1058 698 1150">Key Measure Average Days to Complete Supplemental Education Claims</p>  <table border="1" data-bbox="211 1176 698 1596"> <caption>Average Days to Complete Supplemental Education Claims</caption> <thead> <tr> <th>Year/Target</th> <th>Days</th> </tr> </thead> <tbody> <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</td> <td>19</td> </tr> <tr> <td>2006 Result</td> <td>20</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	2002	16	2003	12	2004	13	2005	19	2006 Result	20	2006 Plan	13	Strategic Target	7	<p>VA missed the 2006 target by 7 days. The timeliness increased from 19 days in 2005 to 20 days in 2006. Thus, compared with 2005, veterans waited on average one additional day 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>	<p>VA management uses performance results information to pinpoint areas of performance weakness and then takes appropriate corrective actions. Such actions include hiring additional employees to process claims and authorizing additional funding at the processing offices to enable employees to work overtime.</p>
Year/Target	Days																	
2002	16																	
2003	12																	
2004	13																	
2005	19																	
2006 Result	20																	
2006 Plan	13																	
Strategic Target	7																	



Performance Trend	2006 Impact on Veterans	How VA Uses The Data																
<p style="text-align: center;">Supporting Measure</p> <p style="text-align: center;">Payment Accuracy Rate (Education)</p> <table border="1"> <caption>Payment Accuracy Rate (Education) Data</caption> <thead> <tr> <th>Year/Category</th> <th>Accuracy Rate (%)</th> </tr> </thead> <tbody> <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</td> <td>96%</td> </tr> <tr> <td>2006 Result</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/Category	Accuracy Rate (%)	2002	93%	2003	94%	2004	94%	2005	96%	2006 Result	95%	2006 Plan	95%	Strategic Target	97%	<p>The payment accuracy rate assesses whether payments are made at the proper rate for the correct period of time. This is critical to the veteran who is dependent on VA for educational assistance. Meeting the target means that the veteran is obtaining the correct educational payment.</p>	<p>VA management uses performance results information to pinpoint areas of performance weakness and then takes appropriate corrective actions. With regards to payment accuracy, this measure helps VA assess the quality of benefits delivery and identify where additional training is needed.</p>
Year/Category	Accuracy Rate (%)																	
2002	93%																	
2003	94%																	
2004	94%																	
2005	96%																	
2006 Result	95%																	
2006 Plan	95%																	
Strategic Target	97%																	

Related Performance 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 OMB PART reviews on page 66 for more information.

Other Important Results

The new Contact Management Support Center (CMSC), established in September 2006, is designed to assist customers with their education claims. The CMSC staff responds to all telephone and electronic inquiries about payments, claims status, and other questions about the education programs. Telephone workload is directly related to pending claims inventory. The heaviest times of the year are during fall and spring enrollment. Since both equipment and staffing remain relatively constant, the level of performance achieved is inversely related to workload.

At times, in 2005 the abandoned call rate was above 40 percent because claims examiners were required to process claims and respond to all telephone and electronic inquiries. During the 2007 academic enrollment period, CMSC staff will handle all inquiries. The CMSC's goal is to reduce its abandoned call rate to 4 percent or below.



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.

Data Verification and Measure Validation

Verification and validation information for the two key measures that support this objective is provided in the Key Measures Data Table on page 180.



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 Marks its 18 Millionth Home Loan Guaranty

One of the most widely used veterans benefits in America reached a major milestone on May 13, 2006, when Secretary of Veterans Affairs R. James Nicholson announced that an Operation Iraqi Freedom veteran from Texas was the recipient of the 18 millionth home loan guaranteed by the Department of Veterans Affairs.

"VA's home loan guaranty program has been helping veterans purchase homes for more than 60 years,"

Secretary Nicholson said. "This VA no-downpayment loan program was presented to veteran Robert A. Laurent of Kyle, Texas."



The 18 Millionth Home

Laurent holds son Cameron, and wife, Briley, holds son Robert Casey outside their new VA-backed home in Kyle, Texas, the 18 millionth to receive a VA home loan guaranty since 1944.

Laurent, an Army veteran and Purple Heart recipient, was discharged after four years in uniform because of combat-related injuries in Iraq. His family's new home was built by Legacy Homes of Plano, Texas, a division of Meritage Homes Corporation of Scottsdale, Arizona, and purchased through First Continental Mortgage, Ltd. of Houston.

"The no-downpayment VA program has been a cornerstone of the Nation's housing finance system for more than 60 years," said National Association of Home Builders

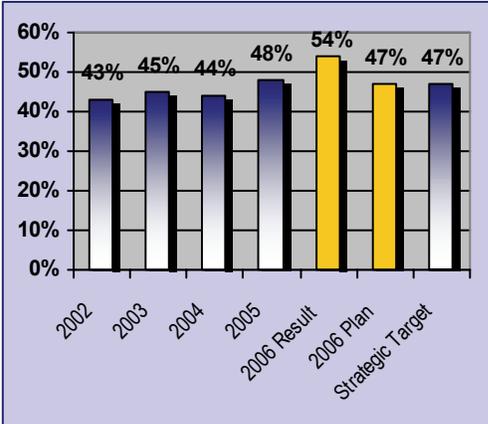
President David Pressly, a home builder from Statesville, North Carolina. "It has opened the door to homeownership for millions of veterans who have, in turn, been able to build equity and household wealth, put down roots in the communities where they live, and enjoy the many benefits of owning a home."

Since 1944 when President Franklin Roosevelt signed the Servicemen's Readjustment Act into law, the GI Bill, as it is popularly known, has secured more than \$892 billion of financing for veterans' and servicemembers' home loans. In 2005 alone, VA guaranteed more than 165,000 loans for mortgages valued at more than \$24.9 billion.

VA-guaranteed home loans are made by banks and mortgage companies to veterans, servicemembers, and eligible reservists. With VA backing a portion of the loan, veterans can receive a competitive interest rate without a downpayment, making it easier to buy a home. On January 1, 2006, the VA loan guaranty limit for no-downpayment loans was increased to \$417,000. The previous ceiling was \$359,650.



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="370 434 537 464">Key Measure</p> <p data-bbox="224 468 680 527">Foreclosure Avoidance Through Servicing (FATS) Ratio</p>  <table border="1" data-bbox="207 537 695 961"> <caption>FATS Ratio Data</caption> <thead> <tr> <th>Year/Category</th> <th>FATS Ratio (%)</th> </tr> </thead> <tbody> <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</td> <td>48%</td> </tr> <tr> <td>2006 Result</td> <td>54%</td> </tr> <tr> <td>2006 Plan</td> <td>47%</td> </tr> <tr> <td>Strategic Target</td> <td>47%</td> </tr> </tbody> </table>	Year/Category	FATS Ratio (%)	2002	43%	2003	45%	2004	44%	2005	48%	2006 Result	54%	2006 Plan	47%	Strategic Target	47%	<p>The 2006 FATS ratio means that 54 percent of veterans who otherwise could have lost their homes through foreclosure were able to retain ownership with VA assistance, or at least had the impact of loss lessened by either tendering a deed in lieu of foreclosure or arranging a private sale with VA claim payment to help close the sale. VA avoided claim payments in most of the FATS cases or else paid smaller claims than if foreclosure had occurred.</p>	<p>VA uses the data to measure the effectiveness of field station efforts to assist veterans in avoiding foreclosure.</p> <p>Since veterans benefit substantially from foreclosure avoidance and at the same time VA realizes cost savings, VA has begun to redesign the program to promote greater loss mitigation efforts by primary servicers.</p>
Year/Category	FATS Ratio (%)																	
2002	43%																	
2003	45%																	
2004	44%																	
2005	48%																	
2006 Result	54%																	
2006 Plan	47%																	
Strategic Target	47%																	

Related Performance 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 OMB PART reviews on page 66 for more information.

Other Important Results

VA began a complete review and redesign of the guaranteed loan default servicing in 2002. New processes and procedures will be fully implemented by 2008. This will bring VA very close to performance and operational standards used by large private sector servicers and lenders. The emphasis will be on providing financial incentives and greater flexibility to primary servicers of VA-guaranteed loans to prevent foreclosures, which will in turn improve the FATS ratio.

Data Verification and Measure Validation

Verification and validation information for the key measure that supports this objective is provided in the Key Measures Data Table on page 182.



Strategic Goal Three

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

STRATEGIC OBJECTIVE 3.1

Delivering Health Care

Provide high-quality, reliable, accessible, timely, and efficient health care that maximizes the health and functional status of enrolled veterans, with special focus on veterans with service-connected conditions, those unable to defray the costs, and those statutorily eligible for care.

Making a Difference for the Veteran

VA Receives 2006 Innovations in Government Award



Secretary James Nicholson accepts congratulations from Carl Fillichio, Vice President, Council for Excellence in Government, at a news conference announcing that VA had won the Innovations in American Government Award for its development and use of VistA.

The Department of Veterans Affairs' model system of electronic health records, developed with extensive involvement of front-line health-care providers, has won the prestigious "Innovations in American Government Award." The annual award, sponsored by Harvard University's Ash Institute for Democratic Governance and Innovation at the Kennedy School of Government and administered in partnership with the Council for Excellence in Government, honors excellence and creativity in the public sector.

"This great honor is testimony to the vision of health-care professionals throughout VA," said the Honorable R. James Nicholson, Secretary of Veterans Affairs. "Our electronic health records are without peer and ensure that our Nation's veterans

receive the best care this country can provide." While health-care costs in the United States continue to soar, VA is reducing costs and errors while increasing safety and efficiency.

Outside of VA, because patient records are not readily available, one out of seven Americans ends up hospitalized when outpatient care is all that's needed. For the same reason, one out of five lab tests is needlessly repeated outside the VA system. And while the costs of health care continue to soar for most Americans, VA is reducing costs, reducing errors, and becoming the model for what modern health care management and delivery should look like.

"The involvement of front-line providers, use of performance measures, and universal use of electronic health records have enabled VA to set the national benchmark in quality of care," said VA's Under Secretary for Health. "The electronic records system is called VistA, and it is an essential part of VA's commitment to giving every patient safe, effective, efficient, compassionate health care."

continued...



VA's complete adoption of electronic health records and performance measures has resulted in high-quality, low-cost health care with high patient satisfaction. A recent RAND study found that VA outperforms all other sectors of American health care across a spectrum of 294 measures of quality in disease prevention and treatment. For 6 straight years, VA has led private-sector health care in the independent American Customer Satisfaction Index.



Electronic health records also provide numerous other benefits in cost, quality, and access to care. The cost of maintaining the system is \$80 per patient per year, less than the cost of one unnecessarily repeated lab test. In the last 10 years, VistA's efficiencies have offset cost increases associated with a 100 percent increase in the number of veterans receiving VA care. For example, VistA has helped VA save 6,000 lives by improving rates of pneumonia vaccination among veterans with emphysema, cutting pneumonia hospitalizations in half, and reducing costs by \$40 million per year. Patient waiting times have declined while customer service improved, and access to care has increased because of on-line availability of health information.

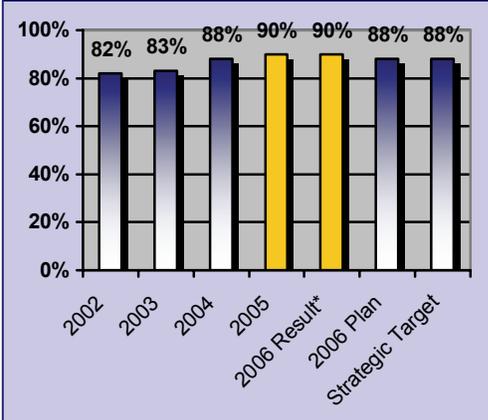
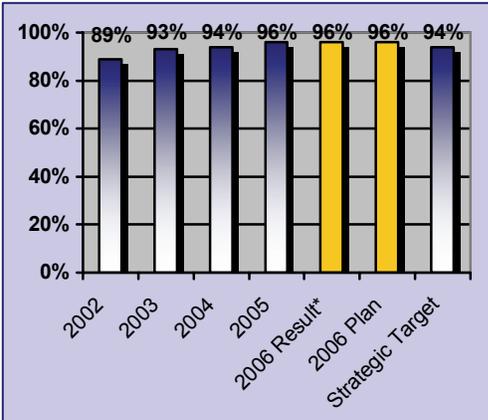
In addition to saving money, VistA saves lives and ensures continuity of care even under the most extreme circumstances. Many of the thousands of residents who fled the Gulf Coast because of Hurricane Katrina left behind vital health records. Records for the 40,000 veterans in the area were almost immediately available to clinicians across the country, even though the VA Medical Center in Gulfport, Mississippi, was destroyed and the New Orleans VA Medical Center was closed and evacuated. Veterans were able to resume their treatments, refill their prescriptions, and get the care they needed because their medical records were immediately accessible to providers at other VA facilities.

VistA is 1 of 7 government initiatives chosen from 1,000 applications to receive this year's Innovations awards. Because the programs are models for government's capacity to do good and do it well, the \$100,000 grant specifically supports sharing of program information with other organizations.

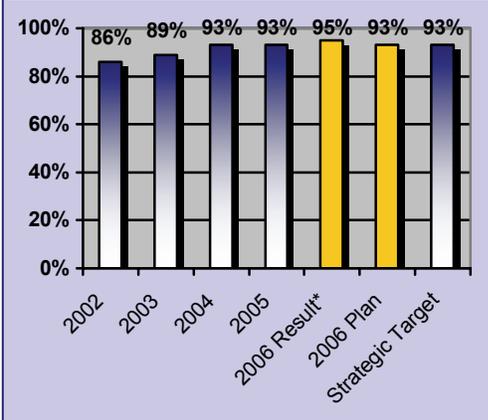
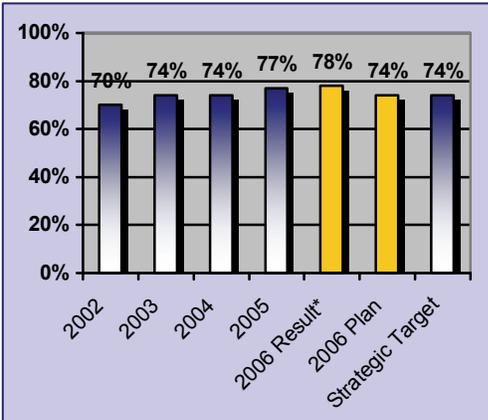
Significant Trends, Impacts, and VA's Use of FY 2006 Results

Performance Trend	2006 Impact on Veterans	How VA Uses The Data
<p>Key Measure Clinical Practice Guidelines Index</p> <p>* Actual data through May 2006. Final data are not yet available.</p>	<p>This measure targets promotion of early identification and treatment of potentially disabling and/or deadly diseases such as acute cardiac diseases, hypertension, diabetes, major depressive disorder, schizophrenia, and tobacco use cessation.</p>	<p>Early identification and intervention of acute and potentially disabling chronic diseases enables VA to target education, disease management, and care access to prevent and/or limit the effects of potentially disabling diseases and improve the quality of life for the veteran.</p>



Performance Trend	2006 Impact on Veterans	How VA Uses The Data
<p data-bbox="367 323 537 352">Key Measure</p> <p data-bbox="347 357 557 384">Prevention Index II</p>  <p data-bbox="203 852 678 898">* Actual data through May 2006. Final data are not yet available.</p>	<p data-bbox="727 323 1057 617">This measure targets promotion of healthy lifestyle changes and health promotion activities such as immunizations, smoking cessation, and early screening for chronically disabling diseases for our many veterans.</p>	<p data-bbox="1084 323 1414 653">Early identification and intervention for risky behaviors and disease risk enables VA to target education, immunization programs, and clinic access to prevent and/or limit potential disabilities resulting from these activities and/or diseases.</p>
<p data-bbox="367 911 537 940">Key Measure</p> <p data-bbox="224 945 683 1003">Percent of <i>Primary</i> Care Appointments Scheduled Within 30 Days of Desired Date</p>  <p data-bbox="203 1463 678 1509">* Actual data through May 2006. Final data are not yet available.</p>	<p data-bbox="727 911 1052 1276">Delivery of primary care is critical to preventative health care and timely disease identification and management as well as being the source of entry for specialty care. Timely access to primary health care services is critical to providing high-quality care to veterans.</p>	<p data-bbox="1084 911 1414 1276">VA uses the results of this measure to inform and drive quality improvement activities that promote shorter waiting times by improving efficiencies, addressing missed opportunities, and providing management with information to make resource decisions.</p>



Performance Trend	2006 Impact on Veterans	How VA Uses The Data
<p data-bbox="198 323 703 359">Key Measure</p> <p data-bbox="198 359 703 415">Percent of <i>Specialty Care</i> Appointments Scheduled Within 30 Days of Desired Date</p>  <p data-bbox="207 877 695 919">* Actual data through May 2006. Final data are not yet available.</p>	<p data-bbox="724 323 1060 688">Specialty care appointments are the vehicle by which VA treats veterans with diseases and disabilities requiring specialized medical, rehabilitation, surgical, and other unique resources. Timely access is therefore critical to those veterans in need of specialty care.</p>	<p data-bbox="1081 323 1417 688">VA uses the results of this measure to inform and drive quality improvement activities that promote shorter waiting times by improving efficiencies, addressing missed opportunities, and providing management with information to make resource decisions.</p>
<p data-bbox="198 926 703 961">Key Measure</p> <p data-bbox="198 961 703 1018">Percent of Patients Rating VA <i>Inpatient</i> Service as “Very Good” or “Excellent”</p>  <p data-bbox="207 1480 695 1522">* Actual data through May 2006. Final data are not yet available.</p>	<p data-bbox="724 926 1060 1560">Veterans are entitled to health care that includes emotional support, education, shared decision-making, safe environments, family involvement, respect, and management of pain and discomfort. The veteran’s level of overall satisfaction is impacted by the extent to which his or her needs are met. Satisfaction is a key indicator of how well VA rises to these expectations. This measure addresses how well these expectations are met in the <i>inpatient</i> setting.</p>	<p data-bbox="1081 926 1417 1192">VA facilities target improvement efforts on areas where scores were less than “very good.” Facilities that achieve high scores serve as models and mentors for lower-scoring facilities.</p>



Performance Trend	2006 Impact on Veterans	How VA Uses The Data
<p>Key Measure Percent of Patients Rating VA <i>Outpatient</i> Service as “Very Good” or “Excellent”</p> <p>* Actual data through May 2006. Final data are not yet available.</p>	<p>Veterans are entitled to health care that includes emotional support, education, shared decision-making, safe environments, family involvement, respect, and management of pain and discomfort. The veteran’s level of overall satisfaction is impacted by the extent to which his or her needs are met. Satisfaction is a key indicator of how well VA rises to these expectations. This measure addresses how well these expectations are met in the <i>outpatient</i> setting.</p>	<p>VA facilities target improvement efforts on areas where scores were less than “very good.” Facilities that achieve high scores serve as models and mentors for lower scoring facilities. These improvement efforts may target any level of the facility from programs to individual clinics based on performance.</p>
<p>Key Measure Number of Patients under Non-Institutional Long-Term Care as Expressed by Average Daily Census</p> <p>* Estimated data. Final data are not yet available.</p>	<p>Increasing the number of veterans receiving Home and Community-Based Care (HCBC) services provides veterans with an opportunity to improve the quality of their lives. HCBC promotes independent physical, mental, and social functioning of veterans in the least restrictive settings.</p>	<p>VA uses the data to project the need for services, evaluate existing services, and promote access to required services.</p>

Related Performance Information

Major Management Challenges

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

OIG

- Access to Long-Term Health Care in Community Settings (see page 226 for more details)
- Access to Health Care in VA Medical Facilities (see page 227 for more details)
- Clinical Staffing Guidelines (see page 229 for more details)



- Medical Outcome Measures (see page 231 for more details)
- Budget Process (see page 232 for more details)

GAO

- Access to Acute Care, Long-Term Care, and Specialized Health Care Services (see page 248 for more details)
- Patient Safety (see page 252 for more details)
- Resources and Workload Management (see page 261 for more details)
- Health Care Delivery (see page 265 for more details)

Program Evaluations

In 2006 VA continued 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 OMB PART reviews on page 67 for more information.

Other Important Results

Tens of thousands of veterans are now receiving their prescription drug refills from VA with greater convenience, speed, and security because of a new service available to veterans over the Internet. More than 70,000 prescriptions have been refilled using the latest service added to VA's "MyHealtheVet," the personal online

health record system designed for veterans in the VA health care system. The prescription refill service began in August 2006.

Veterans continue to be more satisfied with their health care than the average American, according to an annual report on customer satisfaction that compares the VA health care system with private-sector health care. The ratings came in the annual American Customer Satisfaction Index (ACSI), which ranks "customer satisfaction" with various federal programs and private-sector industries. The latest findings mark the 6th consecutive year VA's health-care system has outranked the private sector for customer satisfaction.

The computerized patient record system of the Department, already a world leader among health-care providers, has achieved a major milestone with the entry of its billionth "vital sign."

Data Verification and Measure Validation

Verification and validation information for the key measures that support this objective is provided in the Key Measures Data Table on pages 182-187.



STRATEGIC OBJECTIVE 3.2

Decisions on Pension Claims

Provide eligible veterans and their survivors a level of income that raises their standard of living and sense of dignity by processing pension claims in a timely and accurate manner.

Making a Difference for the Veteran

Virtual VA - - Benefits Information On-Line

The screenshot shows a web browser window titled "Virtual VA - Microsoft Internet Explorer". The address bar shows "http://virtualva/". The page header identifies the user as "#123456789 VETERAN, JOE" and displays fields for Date of Birth, Jurisdictional RC, Social Security, Current RC, Service Number, and Created On. Below the header is a "Documents" section with a table listing documents. The table has columns for Doc ID, Date of Receipt, Doc Type, Document Date, and Read status. The table contains 8 rows of data.

Doc ID	Date of Receipt	Doc Type	Document Date	Read
1	1263033330	SHARE Print Screens	06/02/2006	Y
2	1263033330	DIC - First Demand Letter	05/04/2006	N
3	1721946330	Notification Letter (e.g. VA 20-8993, VA 21-0290, PCGL)	04/20/2006	Y
4	1604410330	DIC - First Demand Letter	02/18/2006	Y
5	1569760330	Notification Letter (e.g. VA 20-8993, VA 21-0290, PCGL)	02/03/2006	Y
6	1566325330	SHARE Print Screens	02/02/2006	Y
7	1484903330	Notification Letter (e.g. VA 20-8993, VA 21-0290, PCGL)	12/07/2005	Y
8	1244675330	Notification Letter (e.g. VA 20-8993, VA 21-0290, PCGL)	06/29/2005	Y

Virtual VA provides significantly improved information access for veterans and their families inquiring about their pension benefits eligibility. It houses more than 1.7 million e-folders and is available to nearly 6,500 registered users nationally across VA's 58 regional offices, satellite extensions, and medical centers.

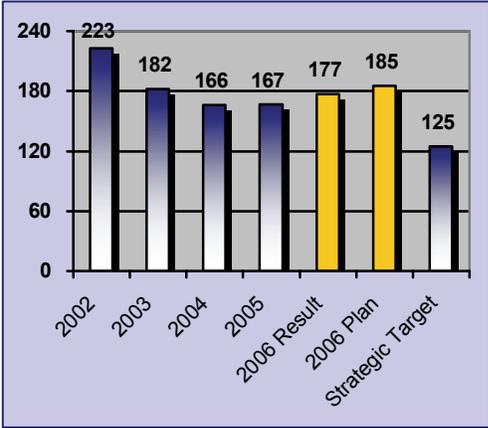
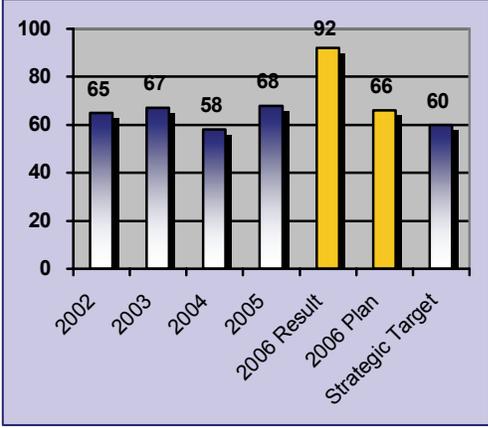
In recognition of the positive benefit of the system, VA designated Virtual VA a "mission-critical" application in 2004. This categorization recognizes the benefits

of Virtual VA in enabling VBA to provide veterans and family beneficiaries with on-time, accurate delivery of benefit payments, as well as rapid, complete customer service.

Virtual VA offers a complete, highly accessible repository for pension-related information that enables streamlined benefits processing and decision-making.



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

Performance Trend	2006 Impact on Veterans	How VA Uses The Data																
<p>Key Measure Average Days to Process Compensation and Pension Rating-Related Actions</p>  <table border="1"> <caption>Average Days to Process Compensation and Pension Rating-Related Actions</caption> <thead> <tr> <th>Year/Target</th> <th>Days</th> </tr> </thead> <tbody> <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</td> <td>167</td> </tr> <tr> <td>2006 Result</td> <td>177</td> </tr> <tr> <td>2006 Plan</td> <td>185</td> </tr> <tr> <td>Strategic Target</td> <td>125</td> </tr> </tbody> </table>	Year/Target	Days	2002	223	2003	182	2004	166	2005	167	2006 Result	177	2006 Plan	185	Strategic Target	125	<p>Although VA met its 2006 target by 8 days, the average number of days to process a claim increased from 167 days in 2005 to 177 days in 2006. Therefore, it took an average of 10 additional days for veterans to receive their benefits.</p>	<p>VA uses the results data to manage the compensation and pension programs and to implement performance improvement strategies. For example, as performance is monitored during the year, if performance declines are manifested in certain field offices, management takes corrective actions such as providing additional training and realigning workload or staffing levels.</p>
Year/Target	Days																	
2002	223																	
2003	182																	
2004	166																	
2005	167																	
2006 Result	177																	
2006 Plan	185																	
Strategic Target	125																	
<p>Key Measure Average Days to Process Non-Rating Pension Actions</p>  <table border="1"> <caption>Average Days to Process Non-Rating Pension Actions</caption> <thead> <tr> <th>Year/Target</th> <th>Days</th> </tr> </thead> <tbody> <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</td> <td>68</td> </tr> <tr> <td>2006 Result</td> <td>92</td> </tr> <tr> <td>2006 Plan</td> <td>66</td> </tr> <tr> <td>Strategic Target</td> <td>60</td> </tr> </tbody> </table>	Year/Target	Days	2002	65	2003	67	2004	58	2005	68	2006 Result	92	2006 Plan	66	Strategic Target	60	<p>VA missed the 2006 target by 26 days. The average number of days to process a claim increased from 68 days in 2005 to 92 days in 2006. Thus, compared with 2005, veterans waited on average an additional 24 days to receive their benefits.</p>	<p>VA uses the results data to manage the compensation and pension programs and to implement performance improvement strategies. For example, as performance is monitored during the year, if performance declines are manifested in certain field offices, management takes corrective actions such as providing additional training and realigning workload or staffing levels.</p>
Year/Target	Days																	
2002	65																	
2003	67																	
2004	58																	
2005	68																	
2006 Result	92																	
2006 Plan	66																	
Strategic Target	60																	



Performance Trend	2006 Impact on Veterans	How VA Uses The Data																
<p data-bbox="370 323 537 352">Key Measure</p> <p data-bbox="228 354 678 411">National Accuracy Rate for Authorization Pension Work</p> <table border="1"> <caption>National Accuracy Rate for Authorization Pension Work</caption> <thead> <tr> <th>Year</th> <th>Accuracy Rate</th> </tr> </thead> <tbody> <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</td> <td>86%</td> </tr> <tr> <td>2006 Result**</td> <td>88%</td> </tr> <tr> <td>2006 Plan</td> <td>88%</td> </tr> <tr> <td>Strategic Target</td> <td>98%</td> </tr> </tbody> </table> <p data-bbox="203 850 675 894">* Actual data through July 2006. Final data are not yet available.</p>	Year	Accuracy Rate	2002	76%	2003	81%	2004	84%	2005	86%	2006 Result**	88%	2006 Plan	88%	Strategic Target	98%	<p>The veteran is entitled to an accurate decision on his or her pension claim. Despite increased workload, VA has improved its accuracy.</p>	<p>VA uses technical accuracy reviews to identify areas where specialized training is needed on either a local or national level. Over the last several years, VA has placed great emphasis on helping employees deal with increasingly complex claims.</p>
Year	Accuracy Rate																	
2002	76%																	
2003	81%																	
2004	84%																	
2005	86%																	
2006 Result**	88%																	
2006 Plan	88%																	
Strategic Target	98%																	

Related Performance Information

Related Information

Major Management Challenges

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

OIG

- Fiduciary Program (see page 225 for more details)

GAO

- Timeliness and Accuracy (see page 255 for more details)
- Consistency of Claims Decisions (see page 255 for more details)
- Staffing Level Justification (see page 258 for more details)
- Program Transformation and Modernization (see page 259 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 Pension program during 2005, which resulted in a rating of "Adequate." Please see OMB PART reviews on page 68 for more information.

New Policies and Procedures

VA's Pension Maintenance Centers (PMC) traditionally receive one batch of Income Verification Matches (IVM) during the last quarter of the year. In 2006 the PMCs received two releases of IVMs to process instead of one. The earlier release during the first quarter had a negative impact on cumulative processing timeliness for the year.

Data Verification and Measure Validation

Verification and validation information for the three key measures that support this objective is provided in the Key Measures Data Table on pages 186-189.



STRATEGIC OBJECTIVE 3.3

Providing Insurance Service

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

Making a Difference for the Veteran

Traumatic Injury Protection Under the New Servicemembers' Group Life Insurance Program



TSGLI recipient John Keith addresses VA employees at the VA Regional Office and Insurance Center in Philadelphia to share how TSGLI benefited him and his family.

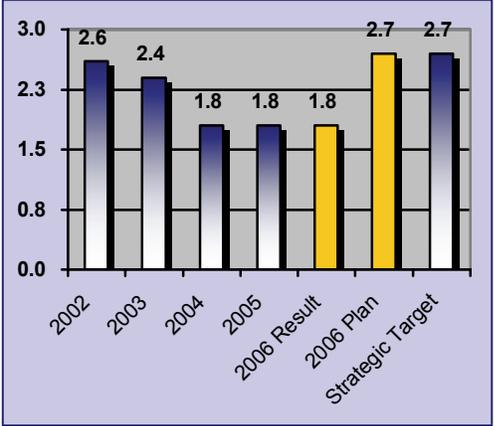
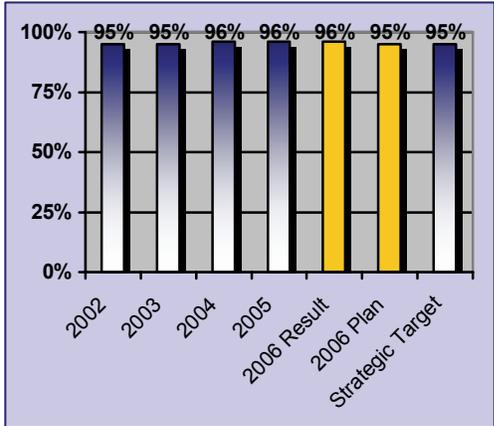
American troops and their families now have more financial security, thanks to VA's new Servicemembers' Group Life Insurance Traumatic Injury Protection (TSGLI) program. The new insurance program became effective December 1, 2005, and is designed to provide financial help to military families through extended periods of medical care and healing. "Injured servicemembers should be able to focus on their recovery and adjustment back to military or civilian life, as well as spending time with their families," said the Honorable R. James Nicholson, Secretary of Veterans Affairs. "This new insurance program will help families focus on what's most important without having to worry about financial difficulties."

The TSGLI payments, ranging from \$25,000 to \$100,000, are made to servicemembers who carry Servicemembers' Group Life Insurance (SGLI) coverage and who have suffered certain traumatic injuries. Benefits are also payable retroactively to October 7, 2001, for servicemembers and veterans who suffered certain traumatic injuries while serving in Operation Enduring Freedom or Operation Iraqi Freedom. TSGLI covers a range of traumatic injuries that are defined in the law and regulations. Some examples of the types of injuries covered include blindness or loss of limbs. The complete schedule of payments for traumatic losses can be found on the VA Insurance Web site at www.insurance.va.gov. Since the legislation was enacted, VA has paid approximately 2,700 traumatic injury claims, averaging \$62,000 per claim.

Eligible members can obtain a TSGLI certification form from the Web site or contact their service branch to begin the certification process. A list of service branch contacts is provided on the Web site.



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="198 464 701 554">Key Measure Average Number of Days to Process Insurance Disbursements</p>  <table border="1" data-bbox="207 569 701 995"> <caption>Average Number of Days to Process Insurance Disbursements</caption> <thead> <tr> <th>Year/Target</th> <th>Value</th> </tr> </thead> <tbody> <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</td> <td>1.8</td> </tr> <tr> <td>2006 Result</td> <td>1.8</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/Target	Value	2002	2.6	2003	2.4	2004	1.8	2005	1.8	2006 Result	1.8	2006 Plan	2.7	Strategic Target	2.7	<p>By processing these disbursements in an average of 1.8 days, 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>	<p>VA performance is considerably better than the insurance industry average of 5.7 workdays to process disbursements. VA uses this data to track the progress of this important product and to support the continued development and implementation of the Paperless Electronic Workflow System. This system has significantly cut processing time by providing employees with the capability of processing disbursements in a paperless electronic environment.</p>
Year/Target	Value																	
2002	2.6																	
2003	2.4																	
2004	1.8																	
2005	1.8																	
2006 Result	1.8																	
2006 Plan	2.7																	
Strategic Target	2.7																	
<p data-bbox="198 1100 701 1190">Supporting Measure High Veterans' Satisfaction Ratings on Services Delivered</p>  <table border="1" data-bbox="207 1205 701 1631"> <caption>High Veterans' Satisfaction Ratings on Services Delivered</caption> <thead> <tr> <th>Year/Target</th> <th>Value</th> </tr> </thead> <tbody> <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</td> <td>96%</td> </tr> <tr> <td>2006 Result</td> <td>96%</td> </tr> <tr> <td>2006 Plan</td> <td>95%</td> </tr> <tr> <td>Strategic Target</td> <td>95%</td> </tr> </tbody> </table>	Year/Target	Value	2002	95%	2003	95%	2004	96%	2005	96%	2006 Result	96%	2006 Plan	95%	Strategic Target	95%	<p>This performance score measures how well VA is meeting its strategic objective to maintain a high level of service to insurance policyholders and their beneficiaries, thus enhancing the financial security of veterans' families. Insurance will continue to maintain high levels of customer satisfaction by providing quality services.</p>	<p>VA management uses customer satisfaction ratings as a basis for improving services. Staff consistently reviews responses in order to improve work processes in areas where our customers point out deficiencies. VA has also made adjustments based on responses to a survey question that asks, "What could we do better?"</p>
Year/Target	Value																	
2002	95%																	
2003	95%																	
2004	96%																	
2005	96%																	
2006 Result	96%																	
2006 Plan	95%																	
Strategic Target	95%																	



Related Performance 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. The evaluation concluded the program was effective in meeting its Congressional intent. However, there were several recommendations for improvement, many of which were implemented in previous years.

In 2006 the Insurance Service continued to implement recommendations resulting from the program evaluation. For example, VA developed a formal Veterans' Mortgage Life Insurance (VMLI) outreach program, offering personal contact via telephone calls and letters to inform eligible veterans about the program.

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, which resulted in a rating of "Moderately Effective." Please see OMB PART reviews on page 68 for more information.

New Policies and Procedures

VA's Paperless Processing initiative allows 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 are new internal controls reports and tools

for monitoring Loan and Surrender disbursements and accounting actions. These improvements have resulted in a decrease in the processing time of disbursements.

The Insurance Service's major training initiative, "Skills, Knowledge and Insurance Practices and Procedures Embedded in Systems," successfully implemented three 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 information for Hurricane Katrina victims, comprehensive information about TSGLI, file transfer software to support uploading of documents by Web users, and the VA life insurance handbook. All of these features provide up-to-date information and improve veterans' access to insurance information.

Other Important Results

In February 2006 the Insurance Service began "combo printing" for insurance disbursements, such as dividends and insurance proceeds. Combo printing is initiated when VBA transmits a daily file to the Department of the Treasury (Treasury) in Austin, Texas. Treasury uses this file to print a letter to the policyholder and enclose it in the same envelope with a matching check. Previously, letters and checks were mailed in separate envelopes.

The "combo printing" process saves postage and is more customer-friendly than mailing a check and letter separately. This results in less confusion for the veteran and beneficiary customers and reduces the number of calls to VBA's telephone units.



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.

Data Verification and Measure Validation

Verification and validation information for the key measure that supports this objective is provided in the Key Measures Data Table on page 188.



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

Increasing Access to Burial Options



Barrancas National Cemetery in Pensacola, Florida.

VA continues to increase the percent of veterans served by a burial option. Two new national cemeteries began interment operations, providing service to veterans in the areas of Atlanta, Georgia, and Detroit, Michigan. With the opening of Georgia and Great Lakes National Cemeteries in 2006, VA operated and maintained 123 national cemeteries in 39 states and Puerto Rico. In 2006 VA national cemeteries interred nearly 97,000 veterans and eligible family members.

VA also administers the State Cemetery Grants program, which provides aid to states to establish, expand, or improve state veterans cemeteries. State veterans cemeteries complement VA national cemeteries by providing a burial option for veterans or eligible family members in areas of the country which may not be served by a national cemetery. In 2006 two new state veterans cemeteries opened in Killeen, Texas, and Redding, California. Overall, 63 operating state veterans cemeteries that have received grants from VA performed more than 20,000 interments in 2006.

With the establishment of these two new national cemeteries and two new state veterans cemeteries, VA now provides reasonable access to a burial option in a national or state veterans cemetery to more than 80 percent of the U.S. veteran population.



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

Performance Trend	2006 Impact on Veterans	How VA Uses The Data																
<p>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>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</td> <td>77.1%</td> </tr> <tr> <td>2006 Result</td> <td>80.2%</td> </tr> <tr> <td>2006 Plan</td> <td>81.6%</td> </tr> <tr> <td>Strategic Target</td> <td>90.0%</td> </tr> </tbody> </table>	Year/Target	Percentage	2002	73.9%	2003	75.2%	2004	75.3%	2005	77.1%	2006 Result	80.2%	2006 Plan	81.6%	Strategic Target	90.0%	<p>By the end of 2006, more than 19 million veterans and their families had reasonable access to a burial option. One of VA's primary objectives 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>	<p>VA analyzes census data to determine areas of the country that have the greatest unmet need for service by a burial option. This information is used in planning for new national cemeteries and for gravesite expansion projects to extend the service lives of existing national cemeteries, as well as in prioritizing funding requests for state veterans cemetery grants.</p>
Year/Target	Percentage																	
2002	73.9%																	
2003	75.2%																	
2004	75.3%																	
2005	77.1%																	
2006 Result	80.2%																	
2006 Plan	81.6%																	
Strategic Target	90.0%																	
<p>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>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</td> <td>94%</td> </tr> <tr> <td>2006 Result</td> <td>94%</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	2002	91%	2003	94%	2004	94%	2005	94%	2006 Result	94%	2006 Plan	96%	Strategic Target	100%	<p>Cemetery service goals are set high consistent with 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 2006 satisfaction rating. VA continuously strives to improve the quality of service provided by national cemeteries.</p>	<p>VA's annual Survey of Satisfaction with National Cemeteries is the source of data for this key measure. The survey collects data from family members and funeral directors who have recently received services from a national cemetery. These data are shared with NCA managers at the Central Office, Memorial Service Network, and national cemetery levels who use the data to improve the quality of service provided by the national cemeteries.</p>
Year/Target	Percentage																	
2002	91%																	
2003	94%																	
2004	94%																	
2005	94%																	
2006 Result	94%																	
2006 Plan	96%																	
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

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 do not have reasonable access to a burial option in a national or state veterans cemetery, and identify 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 2006 NCA continued a joint effort with VBA and VA's Office of Policy and Planning to perform 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 OMB PART reviews on page 69 for more information.

New Policies and Procedures

From 2006 through 2009, NCA will establish 10 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 2006 Georgia and Great Lakes National Cemeteries began interment operations, providing service to veterans in the areas of Atlanta, Georgia, and Detroit, Michigan. A new national cemetery that will provide service to veterans in the Sacramento, California, area began interment operations in October 2006. Another new national cemetery that will provide service to veterans in the South Florida area will begin interment operations in 2007. These four new cemeteries will provide reasonable access to a burial option to 1.5 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 2006 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 three currently operational national cemeteries.

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 2006, 63 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 4 states.

Data Verification and Measure Validation

Verification and validation information for the two key measures that support this objective is provided in the Key Measures Data Table on page 190.



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

Headstones and Markers



Camp Butler National Cemetery in Springfield, Illinois.

VA provides headstones and markers for the graves of eligible persons in national, state, other public, and private cemeteries. VA also provides memorial headstones and markers bearing the inscription “In Memory of” to memorialize eligible veterans whose remains were not recovered or identified, were buried at sea, donated to science, or cremated and scattered. VA furnishes approximately 350,000 headstones and markers annually, over 70 percent of which go to cemeteries other than VA national cemeteries.

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

Performance Trend	2006 Impact on Veterans	How VA Uses The Data																
<p>Key Measure</p> <p>Percent of Graves in National Cemeteries Marked Within 60 Days of Interment</p> <table border="1"> <caption>Performance Trend Data</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</td> <td>94%</td> </tr> <tr> <td>2006 Result*</td> <td>95%</td> </tr> <tr> <td>2006 Plan</td> <td>90%</td> </tr> <tr> <td>Strategic Target</td> <td>90%</td> </tr> </tbody> </table>	Year/Target	Percentage	2002	49%	2003	72%	2004	87%	2005	94%	2006 Result*	95%	2006 Plan	90%	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 2006 achievement not only represents continued improvement, but also indicates that VA is serving veterans and their families well in this area.</p>	<p>NCA field and Central Office employees have on-line access to monthly and fiscal year-to-date tracking reports on timeliness of marking graves in national cemeteries. Increasing the visibility and access of this information reinforces the importance of marking graves in a timely manner. This information is also used to drive process improvements, such as the development of NCA’s local inscription program, which further improve NCA’s ability to provide veterans and their families with these symbolic expressions of remembrance.</p>
Year/Target	Percentage																	
2002	49%																	
2003	72%																	
2004	87%																	
2005	94%																	
2006 Result*	95%																	
2006 Plan	90%																	
Strategic Target	90%																	



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

In 2006 NCA continued a joint effort with VBA and VA's Office of Policy and Planning to perform 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 OMB PART reviews on page 69 for more information.

New Policies and Procedures

The Veterans Education and Benefits Expansion Act of 2001, Public Law 107-103, as amended by the Veterans Benefits Improvement Act of 2002, Public Law 107-330, allows VA to furnish an appropriate marker for the graves of eligible veterans buried in private cemeteries whose deaths occur on or after September 11, 2001, regardless of whether the grave is already marked with a non-government marker. The authority expires on December 31, 2006. In February 2006, VA submitted a report to Congress recommending the extension of the authority. VA also recommended that it be granted permanent authority to furnish

headstones and markers for graves in private cemeteries previously marked with a non-government marker, and that the date of death clause under the authority be changed to November 1, 1990.

Other Important Results

In addition to VA national cemeteries, VA also furnishes headstones and markers for national cemeteries administered by the Department of the Army and the Department of the Interior and contracts for all columbaria niche inscriptions at Arlington National Cemetery. In 2006 VA processed over 336,000 applications for headstones and markers for placement in national, state, other public, or private cemeteries. Since 1973 VA has furnished more than 9 million headstones and markers for the graves of veterans and other eligible persons.

VA has established 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 the graves of such veterans. In 2005 (the baseline year), VA processed 13 percent of these applications within 20 days of receipt. In 2006 VA improved this performance to process 62 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.

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 2006, 96 percent of headstones and



markers were delivered undamaged and correctly inscribed. In 2006 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 2006 VA issued nearly 406,000 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.

Data Verification and Measure Validation

Verification and validation information for the key measure that supports this objective is provided in the Key Measures Data Table on page 190.



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 to support national, state, and local emergency management and homeland security efforts.

Making a Difference for the Veteran

The Secretary's Valor Award

Dedication, selflessness, and heroism took center stage at VA Central Office as Secretary of Veterans Affairs R. James Nicholson recognized the efforts of 73 VA police officers and security staff during hurricanes Katrina and Rita. "Our employees are true heroes," Secretary Nicholson said, as he presented them with the Department's Valor Award. "Their professionalism and bravery during an unprecedented catastrophe allowed us to focus on the well-being of our veterans. Even as they endured personal tragedy, they showed a commitment to their patients that never wavered."



The honorees in front of the White House

The Secretary's Valor Award recognizes employees and citizens for heroic efforts displayed during a major catastrophe. The Valor Award is the highest level of recognition and is given to VA employees who exhibit courage and who put their lives in jeopardy to save others. These employees were nominated because they exhibited great courage by voluntarily risking their personal safety to prevent the loss of human life or government property. As a result of their efforts, VA maintained continuity of care for several hundred acutely ill veterans under difficult conditions.

In addition to exhibiting heroism in catastrophic situations, hundreds of VA police officers across the country are working day to day in VA hospitals to ensure that they are a safe place for our patients, their families, and VA employees.



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 Percent of Emergency Planners Who Have Completed Orientation</p> <table border="1"> <caption>Percent of Emergency Planners Who Have Completed Orientation</caption> <thead> <tr> <th>Year/Target</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>100%</td> </tr> <tr> <td>2006 Result</td> <td>90%</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	2005	100%	2006 Result	90%	2006 Plan	100%	Strategic Target	100%	<p>The decrease in the percent of emergency planners completing orientation was due to personnel turnover at the end of the year. With the exception of the month of December, all emergency planners had received orientation.</p> <p>Continuity of operations (COOP) plans in most VA organizations are fully developed and routinely exercised. The slight reduction in results should not impact the veteran.</p>	<p>VA uses the data to determine contingency planning areas that may need increased attention.</p>
Year/Target	Percentage											
2005	100%											
2006 Result	90%											
2006 Plan	100%											
Strategic Target	100%											
<p>Supporting Measure Percent of VA Leadership Who Self-Certify Their Teams “Ready to Deploy” to their COOP Site</p> <table border="1"> <caption>Percent of VA Leadership Who Self-Certify Their Teams “Ready to Deploy” to their COOP Site</caption> <thead> <tr> <th>Year/Target</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>85%</td> </tr> <tr> <td>2006 Result</td> <td>85%</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	2005	85%	2006 Result	85%	2006 Plan	100%	Strategic Target	100%	<p>Most of VA leadership has certified that their teams are ready to deploy to their COOP site. Those who have not done so are in offices undergoing significant reorganizations. However, these organizations still routinely exercise deployment to their COOP site and demonstrate their ability to perform essential functions. Thus, this result should not impact the veteran.</p>	<p>VA uses the data to determine the need for additional exercises and leadership training. VA expects its leaders to be cognizant of COOP requirements and to gain hands-on experience.</p>
Year/Target	Percentage											
2005	85%											
2006 Result	85%											
2006 Plan	100%											
Strategic Target	100%											

Related Performance Information

Major Management Challenges

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

GAO

- Prepare for Biological and Chemical Acts of Terrorism (see page 266 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

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

As a result of lessons learned from Hurricane Katrina across the federal government, the National Response Plan has been revised to improve command and coordination. Under the new Natural Disaster Incident Management Unified Command and Coordination Structure that is employed during a national-level disaster, VA is represented at every level including the White House Homeland Security Council, the Department of Homeland Security National Operations Center, and the Joint Field Office involved in providing federal assistance at the site of the disaster or incident. The Department is positioned to ensure that minimum essential services to our veterans are maintained under all circumstances. VA will assist our Nation's veterans by providing support, along with all other federal partners involved with the National Response Plan, in those areas where our veterans and their families live and work.

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.



STRATEGIC OBJECTIVE 4.2

Medical Research and Development

Advance VA medical research and develop 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

Senior VA Research Scientist Receives “Distinguished Scientist Award” from Hepatitis B Foundation



Raymond Schinazi, Ph.D., one of the Atlanta VA Medical Center's prestigious Senior Career Research Scientists, received the “Distinguished Scientist Award” from the Hepatitis B Foundation during a ceremony on March 25, 2006, in New Hope, Pennsylvania.

Dr. Schinazi was honored with the foundation's highest scientific award in recognition of his extraordinary contributions to the science and discovery of new drugs for the treatment of chronic hepatitis B and his strong commitment to finding a cure for this chronic liver disease.

“The Hepatitis B Foundation is proud to recognize the accomplishments and commitment of Dr. Raymond Schinazi whose work is bringing hope to the 400 million people living with chronic hepatitis B worldwide – a liver disease that infects silently and can progress to fatal cirrhosis and/or liver cancer,” said Timothy M. Block, Ph.D., President of the Hepatitis B Foundation.

“It is estimated that as many as 70% of all people treated for HIV and HBV have been treated by a drug discovered all or in part by Dr. Schinazi, a record not equaled by any other university scientist,” Dr. Block said.

Dr. Schinazi, who is also a Professor of Pediatrics and Director of the Laboratory of Biochemical Pharmacology at Emory University School of Medicine, was one of three celebrated Emory researchers who helped discover a widely-used drug to treat HIV and hepatitis C. In July 2005 their discovery resulted in the single largest payout exceeding \$525 million for intellectual property ever awarded to an American university.



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

Performance Trend	2006 Impact on Veterans	How VA Uses The Data
<p>Key Measure Number of Peer-Reviewed Publications Authored by VA Investigators</p> <p>* Estimated data. Final data are not yet available.</p>	<p>VA's medical research directly impacts the health of veterans. An example of the impact VA research has on the quality of life of veterans and the general population, VA researchers and colleagues found that an experimental vaccine for shingles reduced the incidence by more than half. The results were published in the <u>New England Journal of Medicine</u> in June of 2005. The Food and Drug Administration approved the vaccine in May 2006.</p>	<p>The use of research results to improve health care usually involves publication of significant findings in peer-reviewed scientific journals. Following publication, VA may incorporate the results into VHA Clinical Practice Guidelines.</p>

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

An independent evaluation of the VA Research program was conducted in July 2006 by the National Research Advisory Council (NRAC), a federal advisory committee. The NRAC was instructed to consider the appropriateness of the research conducted to the VA health care mission. It was also to consider the balance of this research between the burden of disease and the special responsibilities of VA in the areas of mental health, central nervous system injury, and deployment health. The VA Research program was rated "Fully successful." The NRAC recommended that VA research should

include an emphasis on genomics research and research in areas of concern for OIF/OEF veterans.

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, which resulted in a rating of "Moderately Effective." Please see OMB PART reviews on page 69 for more information.

New Policies and Procedures

- VA has established Master Clinical Trial Cooperative Research and Development Agreements to provide a template and set the essential terms for negotiating study-specific agreements with major pharmaceutical companies. These agreements will streamline negotiations with companies that support VA clinical research.



- The Department has developed a streamlined process for collecting and analyzing regulatory approval information prior to the release of research funds.
- VA is publicizing clinical trials that veterans can participate in via a Web site:
www.csp.research.med.va.gov

Data Verification and Measure Validation

Verification and validation information for the key measure that supports this objective is provided in the Key Measures Data Table on page 192.



STRATEGIC OBJECTIVE 4.3

Academic Partnerships

Enhance the quality of care to veterans and provide high-quality educational experiences for health profession trainees, created internally in VA and via partnerships with the academic community.

Making a Difference for the Veteran

Interprofessional Fellowship Program in Patient Safety



James A. Haley VA Medical Center in Tampa, Florida

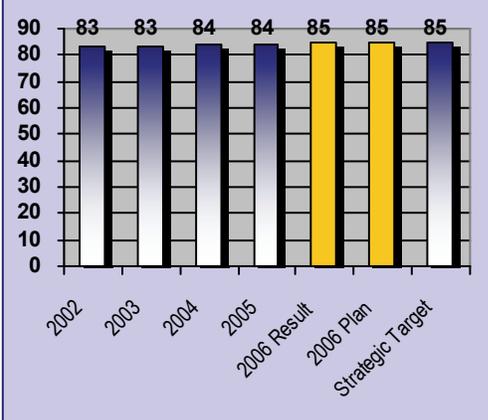
The Patient Safety Center of Inquiry, located at the James A. Haley VA Medical Center in Tampa, Florida, has been approved by the Office of Academic Affiliations as a site for the Interprofessional Fellowship Program in Patient Safety. Two fellows will be funded.

The purpose of this program is to provide post-residency trained physicians and post-doctoral or post-master's degree trained associated health professionals in-depth education in patient safety practice and leadership.

This program takes advantage of the resources of the internationally renowned VHA National Center for Patient Safety both to provide outstanding training opportunities and to contribute to the improvement of patient safety within the VA system, the body of knowledge of research in patient safety, patient safety education to clinicians in training and practice, and the recruitment and retention of patient safety practitioners, officers, managers, researchers, and administrators.



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="198 428 703 548">Supporting Measure Medical Residents’ and Other Trainees’ Scores on a VHA Survey Assessing Their Clinical Training Experience</p>  <table border="1" data-bbox="207 562 695 982"> <caption>Medical Residents’ and Other Trainees’ Scores on a VHA Survey</caption> <thead> <tr> <th>Year/Target</th> <th>Score</th> </tr> </thead> <tbody> <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</td> <td>84</td> </tr> <tr> <td>2006 Result</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>	Year/Target	Score	2002	83	2003	83	2004	84	2005	84	2006 Result	85	2006 Plan	85	Strategic Target	85	<p data-bbox="724 428 1060 621">In general, for all types of businesses, there is considerable evidence that employee satisfaction impacts customer satisfaction.</p> <p data-bbox="724 659 1060 989">The VA clinical training survey measures the satisfaction of VA clinical trainees who come in contact with veteran patients, the customers. Clinical trainees who are satisfied with their clinical training can impact how veterans view their care.</p>	<p data-bbox="1081 428 1416 621">The survey results are used by VA medical facilities, VA’s Integrated Service Networks (VISNs), and VA leadership to assess the VA clinical training program.</p> <p data-bbox="1081 659 1416 1587">At the facility level, the survey data are available in such granularity that VA program officials are able to identify areas of strength and opportunities for improvement in clinical training programs. The survey reports on the perceptions of the trainees concerning specific domains (quality of the faculty, learning environment, working environment, physical environment, and personal experience) and provides trend data so that program officials can monitor changes in specific areas over time. In order to maintain VA as a preferred training site for future health care professionals, it is important to know how trainees view VA training versus training in non-VA settings.</p>
Year/Target	Score																	
2002	83																	
2003	83																	
2004	84																	
2005	84																	
2006 Result	85																	
2006 Plan	85																	
Strategic Target	85																	

Related Performance Information

Major Management Challenges

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

OIG

- VA Disbursement Agreements with Affiliated Medical Schools (see page 232 for more details)



Program Evaluations

The Secretary of Veterans Affairs established a Federally Chartered Advisory Committee on Resident Education. The Advisory Committee was charged with examining the philosophy and deployment of VA's residency training positions and undertook a broad assessment of graduate medical education in relationship to veterans' future health-care needs. The Advisory Committee affirmed the critical role that VA plays in providing high-quality graduate medical education from the general perspective of the preparation of the Nation's future physicians and, more specifically, from the perspective of meeting VA health-care delivery needs. The Advisory Committee recommended, "VA should restore and maintain its historic support for 11 percent of total U.S. physician resident positions." The Under Secretary for Health tasked the Chief Academic Affiliations Officer to develop an implementation plan to increase the number of physician resident positions and the proportionate share of total U.S. positions funded by VA.

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.

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.



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 Leads Federal Government in Contracting with Disabled Veterans



Scott Denniston, left, director of VA's Center for Veterans Enterprise, talks with Danny Cobb, a Marine Corps veteran who recently started his own business in Frederick, Maryland, at the center's open house held in March 2006.

Edging closer to its target for contracting with service-disabled, veteran-owned businesses, the Department of Veterans Affairs has bested other federal agencies, according to a report on last year's federal contracting program.

Of 18 federal agencies that procured at least \$1 billion through contracts, VA led in its percentage – 2.15 percent – of total procurement dollars awarded to small businesses run by veterans disabled during military service. VA awarded more than \$200 million to these veteran-owned businesses in fiscal year 2005 – the most recent year for which complete data are available. Through July 2006, VA had awarded 3.68% of its total procurement dollars to service-disabled veteran-owned small businesses.

“VA is committed to helping veterans, not just with health care and other benefits, but in experiencing the opportunities of entrepreneurship,” said the Honorable R. James Nicholson, Secretary of Veterans Affairs.

VA's leadership role in supporting service-disabled, veteran-owned businesses was cited in the Small Business Goaling Report issued by the Small Business Administration in June 2006. According to the report, VA's \$9.8 billion in total acquisitions last year made it the fourth largest purchaser of goods and services within the federal government, behind the Department of Defense, the Department of Energy, and the National Aeronautics and Space Administration.

Across the federal government, the report said contracts with service-disabled veterans increased to \$1.9 billion last year, up by 58 percent since 2004.



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</p> <p>Attainment of statutory minimum goals for service-disabled veteran-owned small businesses expressed as a percent of total procurement dollars</p> <table border="1"> <caption>Supporting Measure Data</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>0.61%</td> </tr> <tr> <td>2003</td> <td>0.49%</td> </tr> <tr> <td>2004</td> <td>1.25%</td> </tr> <tr> <td>2005*</td> <td>2.15%</td> </tr> <tr> <td>2006 Result**</td> <td>3.68%</td> </tr> <tr> <td>2006 Plan</td> <td>3.00%</td> </tr> <tr> <td>Strategic Target</td> <td>3.00%</td> </tr> </tbody> </table> <p>* Corrected ** Actual data through July 2006. Final data are not yet available.</p>	Year	Percentage	2002	0.61%	2003	0.49%	2004	1.25%	2005*	2.15%	2006 Result**	3.68%	2006 Plan	3.00%	Strategic Target	3.00%	<p>VA continues to be a leader in contracting with veteran-owned and service-disabled veteran-owned small businesses. Contracting with these firms is a logical extension of the VA mission and contributes to the economic vitality of this important business community. Increased spending also makes entrepreneurship a viable and attractive career option for America's veterans.</p>	<p>These data assist VA leadership, the Congress, the veteran entrepreneurial community, and other stakeholders in gauging the extent of VA compliance and success in implementing the Veterans Entrepreneurship and Small Business Development Act of 1999 (P.L. 106-50); the Veterans Benefits Act of 2003; and Executive Order 13360, <i>Providing Opportunities for Service-Disabled Veteran Businesses to Increase Their Federal Contracting and Subcontracting</i>, issued in October 2004.</p> <p>The results help VA program management identify areas for improvement and assist in identifying training and vendor outreach needs.</p>
Year	Percentage																	
2002	0.61%																	
2003	0.49%																	
2004	1.25%																	
2005*	2.15%																	
2006 Result**	3.68%																	
2006 Plan	3.00%																	
Strategic Target	3.00%																	

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.

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.



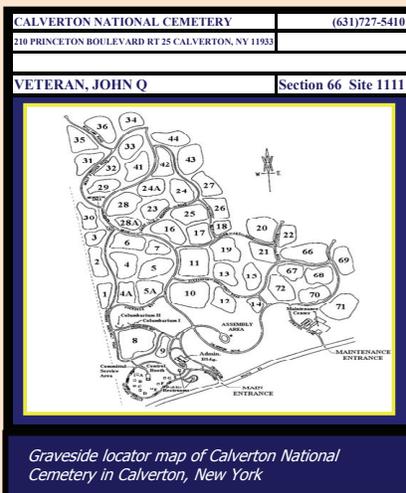
STRATEGIC OBJECTIVE 4.5

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

VA Adds Maps to Online Nationwide Gravesite Locator



The grave locations of more than 3 million veterans and dependents buried in national cemeteries can be found more easily now because the Department of Veterans Affairs has added maps of burial sections online that can be printed from home computers and at national cemetery kiosks.

The latest improvement builds upon a service begun 2 years ago, in which a VA online feature permits family members to find the cemetery in which their loved one is buried.

“This new map feature makes it easier for families, friends, and researchers to find the exact location of a veteran’s grave in all national cemeteries and some state veterans cemeteries,” said the Honorable R. James Nicholson, Secretary of Veterans Affairs. “It enhances VA’s service

at national cemeteries, already highly regarded, and our commitment to them as national shrines and historic treasures.”

The Nationwide Gravesite Locator (<http://gravelocator.cem.va.gov>), online since April 2004, makes it easier for anyone with Internet access to search for the gravesite locations of deceased family members and friends, and to conduct genealogical research. Making it easier to identify burial locations may bring more visitors to the honored resting places that VA considers national shrines and historic treasures.



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="370 422 537 449">Key Measure</p> <p data-bbox="220 455 683 512">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>Percentage</th> </tr> </thead> <tbody> <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</td> <td>98%</td> </tr> <tr> <td>2006 Result</td> <td>97%</td> </tr> <tr> <td>2006 Plan</td> <td>99%</td> </tr> <tr> <td>Strategic Target</td> <td>100%</td> </tr> </tbody> </table>	Year/Target	Percentage	2002	97%	2003	97%	2004	98%	2005	98%	2006 Result	97%	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 2006 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>	<p>VA's annual Survey of Satisfaction with National Cemeteries is the source of data for this key measure. The survey collects data from family members and funeral directors who have recently received services from a national cemetery. These data are shared with NCA managers at VA Central Office, Memorial Service Network, and national cemetery levels who use these data to improve the appearance of national cemeteries.</p>
Year/Target	Percentage																	
2002	97%																	
2003	97%																	
2004	98%																	
2005	98%																	
2006 Result	97%																	
2006 Plan	99%																	
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

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. Through 2006 NCA has addressed approximately 25 percent of the total repairs identified in this report.



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 OMB PART reviews on page 69 for more information.

New Policies and Procedures

In order to ensure a high-performing, well-trained workforce, VA established the National Cemetery Administration Training Center in 2004. Initially focused on training cemetery directors and assistant directors, the new facility has expanded its classes to train supervisors, foremen, gardeners, cemetery representatives, and contracting officer technical representatives. As the facility continues to expand its classes, training for other employees, such as equipment operators, will be added to the curriculum. As eight more new national cemeteries become operational by the end of this decade, 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.

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 2006 VA improved its Web-based (Internet) Nationwide Gravesite Locator (NGL) system to include a mapping feature that shows the burial

sections of each VA national cemetery and some state veterans cemeteries. This feature enables families, friends, and researchers to more easily find an exact grave location in these cemeteries. The NGL, originally launched in 2004, contains more than 3 million records of veterans and dependents buried in VA's 123 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.

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 2006, 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 in their time of need.

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.

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 2006 VA collected data that showed that 67 percent of headstones and/or markers in national cemeteries are at the proper height and alignment; 77 percent of headstones, markers, and niche covers are clean and free of debris or objectionable accumulations; and 86 percent of



gravesites in national cemeteries had grades that were level and blended with adjacent grade levels. In 2006 VA initiated National Shrine Commitment projects at 11 national cemeteries. These projects will raise, realign, and clean more than 145,000 headstones and markers and renovate gravesites in nearly 65 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.

In 2006 more than 97 percent of survey respondents (family members and funeral directors combined) agreed that the overall appearance of national cemeteries was excellent. The response rate solely among family members was slightly higher at nearly 98 percent. Performance on this key initiative is statistically unchanged from the previous year, and the results demonstrate VA's continued commitment to maintaining national cemeteries as shrines dedicated to preserving our Nation's history, nurturing patriotism, and honoring the service and sacrifice veterans have made.

NCA has also 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. NCA schedules 12 visits each year to a representative group of national cemeteries from each Memorial Service Network that illustrates the diversity of our system in terms of age, size, workload, and climate. To date, NCA has completed 25 site visits assessing 43 national cemeteries. Ten visits assessing 16 national cemeteries were conducted in 2006.

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.

Data Verification and Measure Validation

Verification and validation information for the key measure that supports this objective is provided in the Key Measures Data Table on page 192.



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 Tuchschnidt, 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="321 432 581 464">Supporting Measure</p> <p data-bbox="250 466 652 520">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 field (Patient: 1924 50050000 NON-VETERAN (OTHER)), and a main 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, WBC, HGB, HCT, PLT, and TUBC. 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

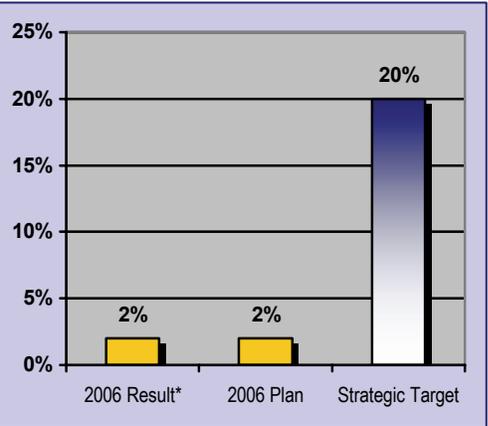


VA's inventory of real property includes over 5,000 owned buildings, approximately 1,000 operational leases, and nearly 33,000 acres of land. The Department's vast portfolio of capital assets is tracked and reported by the Capital Asset Management System (CAMS), a comprehensive performance portfolio 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> <p>* Estimated data. Final data are not yet available.</p>	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%									

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.



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. Data accuracy and reliability are paramount in delivering medical care, processing benefits, and providing burial services.

Each program office has initiated specific actions to improve data quality to better support business planning and day-to-day decision-making. 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 consistently focuses on data reliability, accuracy, and consistency. 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 focused on strategic planning to provide consistent definitions of clinical and business data for more effective clinical and organizational decision support. The members continue to seek collaboration with other parties including DoD, Indian Health Service (IHS), 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. In 2006, VHA and the Indian Health Service (IHS) began in earnest to plan coordinating and sharing of VetPro capabilities for IHS.

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 completes regular updates 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. The COTS product features standardized data sets, business rules, and file structures. This allows VA to standardize business practices across the larger organization in an automated fashion. 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 (VISNs).

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 are the advantages and disadvantages of our current system.
- 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. This

will enable veterans and veterans' health care providers to access and share the health record, trusted health information, and 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.

VHA's Administrative Data Quality (ADQ) Council was formed in 2004. The council has business authority over quality of the administrative data. This group has the primary responsibility for reviews of performance results, guideline implementation, risk management trends, and customer satisfaction information. They also determine appropriate actions, those accountable for implementing those actions, and the method to track implementation to completion. The ADQ Council is responsible for education and training as it relates to ADQ. Two national policy directives have been published to improve the quality of administrative data (Data Entry Requirements for Administrative Data and Data Quality Requirements for Identity Management and the Master Patient Index).

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 an enterprise 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 2006 VBA again invested resources in support of this commitment.



The Office of Performance Analysis and Integrity (OPA&I), which reports directly to the Under Secretary for Benefits, assesses data for completeness, validity, consistency, timeliness, accuracy, and appropriateness of use as indicators. These data are extracted from VBA's systems of record (for example, Benefits Delivery Network) and are imported into an enterprise data warehouse. All reports emanating from the enterprise data warehouse 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 OPA&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 enterprise data warehouse integrates the ability to convert large quantities of select information into a spreadsheet format for further analysis. This eliminates the need to develop and maintain individual databases or data marts, which negatively impact centralized data quality measures.
- The Gulf War Veteran Information System affords trend data on population growth for policy and legislation purposes, including those dealing with post-traumatic stress disorder and amyotrophic lateral sclerosis. Both VBA and VHA use these data routinely for operations and analysis. Data are analyzed for variations within the sub-cohorts as well as consistency across the

entire population from a longitudinal perspective.

- 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.
- 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 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. OPA&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, OPA&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 2002, actual performance was based on the VetPop2000 model using updated 1990 census data. For 2003 through 2005, actual performance was based on a revised VetPop2000 model using 2000 census data. Actual and target levels of performance for 2006 were based on the VetPop2004 version 1.0 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.



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 (C&P)	15,200	18
Education	1,189	4
Vocational Rehabilitation and Employment	4,669	5
Loan Guaranty (Housing)	4,530	14
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 May 31, 2006, are as follows:

	Rating Reviews		Authorization Reviews	
	Reviewed	Accuracy	Reviewed	Accuracy
Benefit Entitlement	6,458	88%	5,074	91%
Decision Documentation & Notification	6,458	92%	5,074	90%

The third type of review pertains to fiduciary work. The fiduciary review for 2006 was based on 3,668 cases with an accuracy rate of 84 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 corrective actions taken quarterly 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. Area offices continue to provide oversight for regional offices, directing the development and implementation of wellness plans as needs arise.

Enhancements to the STAR database and improved procedures to maintain adequate sample size increase feedback provided to the field offices for training purposes. STAR maintains a national review database available through an Intranet Web site. Monthly data reports are provided on a 12-month cumulative basis.

The fiduciary 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 discussion 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 CD-ROM and Web-based training materials, 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. Another collaborative VBA/VHA initiative in the examination improvement process is the creation of standardized computerized templates for all 57 VBA examination worksheets. VBA will complete a review and approval process of the content in all templates during fiscal year 2007. Revised templates have been and will continue to be distributed to all VHA examination facilities on targeted release dates.

Summary of Findings and Trends – Education

Education Service reviewed 1,189 cases in 2006. Of these, there were 45 decisions with payment errors and 131 with service errors (note: some cases had more than 1 service error). Eligibility and entitlement determinations constituted approximately 3.1 percent of the service errors, while development and due process notification errors were 16.8 and 24.4 percent, respectively. From 2005 to 2006, payment accuracy declined slightly from 96.9 to 96.2 percent.

Actions Taken to Improve Quality – Education

As in previous years, the 2006 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 provided recommendations for improving specific quality areas.



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 2006 VR&E completed quality assurance (QA) reviews on 4,669 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 (As of July 2006)	Target Score 2006	Actual Score 2006
Accuracy of Entitlement Determinations	96%	97.4%
Accuracy of Evaluation, Planning, and Rehabilitation Services	87%	82.8%
Accuracy of Fiscal Decisions	94%	79.3%
Accuracy of Outcome Decisions	92%	94.8%

In addition to review of cases from each regional office, the QA & Field Survey Team conducts site visits of regional offices. There were 15 offices surveyed this fiscal year.

Actions Taken to Improve Quality – Vocational Rehabilitation and Employment

The VR&E accuracy scores met or exceeded the target scores for FY 2006 in the following two elements: Accuracy of Entitlement Decisions and Accuracy of Outcome Decisions. 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.
- The redesign of the Site Survey Protocol now includes the review of contracting activities.

Summary of Findings and Trends – Loan Guaranty (Housing)

The Loan Guaranty housing program reviewed 4,530 cases under its statistical quality control program during 2006. The defect rate equaled 1.5 percent, with the current national accuracy index being 98.5 percent. This is an improvement of a 0.1 percentage point from 2005.

The housing quality assurance program includes elements beyond the review of cases. The VBA Lender Monitoring Unit performed 51 on-site audits and 44 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 83 billing invoices and completed 6,622 associated invoice reviews of the portfolio services contractor, as well as 18,579 non-invoice reviews related to contract compliance. PLOU also conducted special detailed analyses and research on 5,839 portfolio loans and Real Estate Owned properties, with a total of \$203,545 in associated dollar adjustments. Additionally, PLOU conducted research and tracking on funds due the Department based on monies flowing through the Department of Justice to VA. The amount traced and recovered for VA to date exceeds \$4.6 million.

Loan Guaranty staff conducted 10 on-site reviews of regional loan centers. 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 2006 the reviews by Loan Management/PLOU recovered excessive contractor charges in the amount of \$12,694. PLOU identified additional amounts relating to real estate tax penalties on GI loan property conveyances of some \$44,164 as of the end of 2006, and also identified or recovered taxes and penalties of approximately \$25,975. PLOU also discovered approximately \$295,200 of potentially recoverable amounts from GI lenders in connection with title issues. Additionally, PLOU has now identified in excess of \$3 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 2006 amounted to approximately \$3,200,000 in liability avoidance with 72 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 disseminated 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 Loan Servicing, LLC (Ocwen) 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 \$1 billion. 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 97.5 percent for 2006. Work products included correspondence, applications, disbursements, record maintenance, refunds, and telephone inquiries. Insurance Claims Divisions are 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 99 percent. Work products included death claims, awards maintenance, beneficiary and option changes, disability claims, and medical applications. In total, 98.2 percent of all 2006 insurance work products were accurate.

Over 98 percent of the work measured in Policyholders Services and 97.5 percent in Insurance Claims was within accepted timeliness standards. In all, 97.8 percent of 2006 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 98.4 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 recently updated error and discrepancy codes to correspond with changing processes.

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." 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.



Key Measures Data Table

Sorted by Owner, by Strategic Objective

Key Performance Measure Sorted by Strategic Objective	Definition	Data Source
<p><u>Objective 1.2</u> 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><u>Objective 1.2</u> 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><u>Objective 1.2</u> 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>Data source is the Benefits Delivery Network (BDN).</p>



Frequency	Data Limitations	Data Verification and Measure Validation
<p>Case reviews are conducted daily. The review results are tabulated monthly on a 12-month rolling basis.</p>	<p>None</p>	<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>
<p>Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.</p>	<p>None</p>	<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 provides improved focus on service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.</p>
<p>The element is a snapshot of the age of the inventory at the end of each processing day.</p>	<p>None</p>	<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 provides improved focus on 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><u>Objective 1.3</u> Vocational Rehabilitation and Employment Rehabilitation rate</p>	<p>The number of disabled veterans who acquire and maintain suitable employment and leave VA's vocational rehabilitation program, divided by the total number leaving the program minus those individuals who benefited from but left the program and have been classified under one of three "maximum rehabilitation gain" categories: (1) the veteran accepted a position incompatible with disability limitations, (2) the veteran is employable but has informed VA that he/she is not interested in seeking employment, and (3) the veteran is not employed and not employable for medical or psychological reasons. For those veterans with disabilities that make employment infeasible, 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><u>Objective 1.4</u> 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><u>Objective 2.2</u> 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
<p>Quality Assurance Reviews evaluate the accuracy and reliability of data and are conducted twice a month.</p>	<p>None</p>	<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. 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>
<p>Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.</p>	<p>None</p>	<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. Validation: This measure provides improved focus on service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.</p>
<p>Monthly</p>	<p>None</p>	<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. 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><u>Objective 2.3</u> 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><u>Objective 3.1</u> 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 VA surveys that are distributed to representative samples of inpatients and 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><u>Objective 3.1</u> Percent of primary care appointments scheduled within 30 days of desired date.</p>	<p>This measure tracks the number of days between the date of the primary care appointment request (entered into the computer) and the date for which the appointment is actually scheduled. This examines two populations: new patients and established 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 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 the Regional Loan Center 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><u>Objective 3.1</u> Percent of specialty care appointments scheduled within 30 days of desired date.</p>	<p>This measure tracks the number of days between the date of the specialty care appointment request (entered into the computer) and the date for which the appointment is actually scheduled. This examines two populations: new specialty care patients 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><u>Objective 3.1</u> 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><u>Objective 3.1</u> 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><u>Objective 3.1</u> Number of patients under 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, Purchased Skilled Home Health Care, Spinal Cord Injury Home Health Care, Adult Day Health Care (VA and Contract), Home Hospice, Outpatient Respite, Community Residential Care, 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><u>Objective 3.2</u> 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><u>Objective 3.2</u> 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>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>



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 provides improved focus on 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 provides improved focus on 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><u>Objective 3.2</u> 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><u>Objective 3.3</u> Average number of 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>



Frequency	Data Limitations	Data Verification and Measure Validation
<p>Case reviews are conducted daily. The review results are tabulated monthly on a 12-month rolling basis.</p>	<p>None</p>	<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>
<p>Monthly</p>	<p>None</p>	<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>



Key Performance Measure Sorted by Strategic Objective	Definition	Data Source
<p><u>Objective 3.4</u> 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 2002, the number of veterans and the number of veterans served were extracted from the VetPop2000 model using updated 1990 census data. For 2003 through 2005, the number of veterans and the number of veterans served were extracted from a revised VetPop2000 model using 2000 census data. For 2006 actual and target levels of performance, the number of veterans and the number of veterans served were extracted from the VetPop2004 version 1.0 model using 2000 census data.</p>
<p><u>Objective 3.4</u> 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><u>Objective 3.5</u> 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>



Frequency	Data Limitations	Data Verification and Measure Validation
<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.</p>	<p>Provides performance data at specific points in time as veteran demographics change.</p>	<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>
<p>Annually</p>	<p>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>	<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 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>
<p>Monthly</p>	<p>None</p>	<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>



Key Performance Measure Sorted by Strategic Objective	Definition	Data Source
<p><u>Objective 4.2</u> Number of peer-reviewed publications authored by VA investigators within the fiscal year</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>
<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>



Frequency	Data Limitations	Data Verification and Measure Validation
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>
Annually	<p>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>	<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 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>



Performance Measures Tables

By Strategic Goal and by Program

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 tables beginning on page 71 for this information.)

For those measures where 2006 results are partial or estimated, we will publish final data in the FY 2008 Congressional Budget and/or the FY 2007 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 178 provides the definition, data source, frequency of collection, any data limitations, and data verification and measure validation for each of VA’s 23 key measures. The Assessment of Data Quality beginning on page 166 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 370.



**Table 1 - FY 2006 Performance Measures by Strategic Goal and Objective
(G=Green; Y=Yellow; R=Red)**

Strategic Goal/Measure (Key Measures in Bold)	Results				Target		Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 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 a leader in providing specialized health care services.

Prevention Index II (Special Populations) (through May)	N/A	80%	86%	87%	* 86% G	86%	86%
Percent of veterans who were discharged from a Domiciliary Care for Homeless Veterans (DCHV) or Healthcare for Homeless Veterans (HCHV) Community-based Contract Residential Care Program to an independent or a secured institutional living arrangement (1) This measure should not have been included in the final FY 2006 performance plan (that is, the FY 2007 budget submission).	65%	72%	79%	83%	(1)	(1)	(1)
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 with an injury or illness	N/A	N/A	N/A	N/A	Baseline	Baseline	90%

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) (through July)	80%	86%	87%	84%	* 88% G	87%	98%
Rating-related compensation actions - average days pending	179	114	120	122	130 G	150	78
Compensation & Pension rating-related actions - average days to process	223	182	166	167	177 G	185	125
Overall satisfaction rate % (Compensation)	55%	58%	59%	Available 2007	TBD	58%	90%
Non-rating compensation actions - average days to process	57	49	50	59	76 R	58	40
Non-rating compensation actions - average days pending	93	95	94	98	116 R	95	60
National accuracy rate (compensation authorization work) (through July)	83%	88%	90%	90%	* 91% Y	93%	98%
Average number of days to initiate development of remands at the Appeals Management Center (Compensation)	N/A	N/A	N/A	28	32 R	16	15

* These are partial or estimated data; final data will be published in the FY 2008 Congressional Budget and/or the FY 2007 Performance and Accountability Report.



**Table 1 - FY 2006 Performance Measures by Strategic Goal and Objective
(G=Green; Y=Yellow; R=Red)**

Strategic Goal/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	
Percent of veterans in receipt of compensation whose total income exceeds that of like circumstanced veterans	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	40%	42%	43%	Available 2007	TBD	45%	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) (through July)	84%	77%	81%	85%	* 83% Y	90%	98%
Telephone activities - abandoned call rate % (Compensation & Pension)	9%	9%	7%	8%	8% Y	7%	3%
Telephone activities - blocked call rate % (Compensation & Pension)	7%	3%	2%	3%	4% Y	2%	2%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary Exams (percent completed untimely) (Compensation & Pension)	9%	11%	12%	11%	9% Y	8%	4%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary Exams (percent of total pending overdue) (Compensation & Pension)	16%	20%	14%	12%	12% G	12%	4%
Productivity Index (Compensation and Pension)	N/A	N/A	N/A	N/A	90% Y	96%	100%
Deficiency-free decision rate (BVA)	87.6%	89.0%	93.0%	89.0%	93.0% G	92.0%	95.0%
Appeals resolution time (Days) (Joint measure with VBA) (BVA)	731	633	529	622	657 R	600	365
BVA Cycle Time (Days)	86	135	98	104	148 R	105	104
Appeals decided per Veterans Law Judge (BVA)	321	604	691	621	698 G	625	732
Cost per case (BVA)	\$2,702	\$1,493	\$1,302	\$1,453	\$1,381 G	\$1,552	\$1,443
** Pending results of the Veterans' Disability Benefits Commission that began work in May 2005 and will conclude its work in October 2007.							

* These are partial or estimated data; final data will be published in the FY 2008 Congressional Budget and/or the FY 2007 Performance and Accountability Report.



**Table 1 - FY 2006 Performance Measures by Strategic Goal and Objective
(G=Green; Y=Yellow; R=Red)**

Strategic Goal/Measure (Key Measures in Bold)	Results				Target		Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	

Objective 1.3: Provide eligible service-connected disabled veterans with the opportunity to become employable and obtain and maintain employment, while delivering special support to veterans with serious employment handicaps.

Rehabilitation rate % (VR&E)	62%	59%	62%	63%	73% G	69%	70%
Speed of entitlement decisions in average days (VR&E)	65	63	57	62	60 Y	58	60
Accuracy of decisions (Services) % (VR&E)	81%	82%	86%	87%	82% Y	90%	96%
Customer satisfaction (Survey) % (VR&E)	77%	N/A **	79%	N/A **	TBD	82%	92%
Accuracy of Vocational Rehabilitation program completion decisions % (VR&E)	81%	81%	94%	97%	95% Y	96%	95%
Serious Employment Handicap (SEH) Rehabilitation Rate % (VR&E) ***	62%	58%	N/A	N/A	73% G	65%	66%
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
** No customer satisfaction survey was performed in 2003 or 2005. *** VR&E identified a potential weakness in the program because it had only one outcome measure. Therefore, the SEH Rehab. Rate measure was reinstated. This measure had been used until 2004. **** These Common Measures are in support of the President's Management Agenda to integrate budget and performance. Targets for these measures are being developed.							

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 (Compensation)	172	153	125	124	136 R	120	90
Percent of DIC recipients above the poverty level (Compensation)	N/A	N/A	99%	TBD **	TBD **	TBD **	100%
Percent of DIC recipients who are satisfied that VA recognized their sacrifice (Compensation)	N/A	N/A	80%	TBD **	TBD **	TBD **	90%
** Pending results of the Veterans' Disability Benefits Commission that began work in May 2005 and will conclude its work in October 2007.							

* These are partial or estimated data; final data will be published in the FY 2008 Congressional Budget and/or the FY 2007 Performance and Accountability Report.



**Table 1 - FY 2006 Performance Measures by Strategic Goal and Objective
(G=Green; Y=Yellow; R=Red)**

Strategic Goal/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 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.

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 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%
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 (Compensation) (1) The FY 2006 result is a more accurate depiction of BDD participation as VBA moved to a new automated BDN data collection methodology.	N/A	N/A	N/A	55%	(1) 44% Y	53%	65%
Number of implementation guides developed for those Consolidated Health Informatics Standards adopted by VA and DoD	N/A	N/A	N/A	2	3 G	3	9
Number of inpatient admissions and outpatient visits at Joint Ventures and significant sites (Facilities providing 500 or more outpatient visits and/or admissions per year) (1) Includes data for outpatient visits only. A way of collecting data on inpatient admissions has not yet been established.	N/A	N/A	N/A	N/A	(1) * 121,229	Baseline	TBD

Objective 2.2: Enhance the ability of veterans and servicemembers to achieve educational and career goals by providing timely and accurate decisions on education claims and continuing payments at appropriate levels.

Average days to complete original education claims	34	23	26	33	40 R	27	10
Average days to complete supplemental education claims	16	12	13	19	20 R	13	7
Montgomery GI Bill usage rate (%): All program participants (Education)	56%	58%	65%	67%	69% G	67%	75%
Montgomery GI Bill usage rate (%): Veterans who have passed their 10-year eligibility period (Education)	N/A	66%	71%	70%	71% Y	72%	80%

* These are partial or estimated data; final data will be published in the FY 2008 Congressional Budget and/or the FY 2007 Performance and Accountability Report.



**Table 1 - FY 2006 Performance Measures by Strategic Goal and Objective
(G=Green; Y=Yellow; R=Red)**

Strategic Goal/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	
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) TBD	TBD	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) TBD	TBD	TBD
Customer satisfaction-high rating (Education) % (1) Corrected (2) No customer satisfaction survey was performed in 2005	87%	89%	(1) 86%	(2) N/A	TBD	87%	95%
Telephone Activities - Blocked call rate (Education) %	26%	13%	20%	38%	38% Y	29%	10%
Telephone Activities - Abandoned call rate (Education) %	11%	7%	10%	17%	19% Y	13%	5%
Payment accuracy rate (Education) %	93%	94%	94%	96%	95% 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)	43%	45%	44%	48%	54% G	47%	47%
Veterans satisfaction level % (Housing) (1) No Housing survey was completed in 2004 and 2005.	94%	95%	(1) N/A	(1) N/A	TBD	96%	95%
Statistical quality index % (Housing) (through August)	97%	98%	98%	98%	* 99% G	97%	98%
Percent of active duty personnel and veterans who could not have purchased a home without VA assistance (Housing) (Measure under development)	N/A	N/A	N/A	N/A	TBD	TBD	TBD

* These are partial or estimated data; final data will be published in the FY 2008 Congressional Budget and/or the FY 2007 Performance and Accountability Report.



**Table 1 - FY 2006 Performance Measures by Strategic Goal and Objective
(G=Green; Y=Yellow; R=Red)**

Strategic Goal/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	

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 of enrolled veterans, with special focus on veterans with service-connected conditions, those unable to defray the costs, and those statutorily eligible for care.

Percent of patients rating VA health care service as very good or excellent: Inpatient (through May) Outpatient (through May)	70%	74%	74%	77%	* 78% G	74%	74%
	71%	73%	72%	77%	* 78% G	73%	73%
	89%	93%	94%	96%	* 96% G	96%	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 (through May)	(1) 86%	(2) 89%	(3) 93%	93%	* 95% G	93%	93%
Clinical Practice Guidelines Index (through May)	Baseline	70%	77%	87%	* 87% G	77%	80%
Prevention Index II (through May)	82%	83%	88%	90%	* 90% G	88%	88%
Number of patients under non-institutional long-term care as expressed by average daily census	24,126	24,413	25,523	27,469	* 29,496 Y	32,105	49,486
Percent of appointments scheduled within 30 days of desired appointment date (through May)	N/A	N/A	N/A	93.7%	* 95% G	93.7%	93%
Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities (through May)	65%	67%	69%	73%	* 74% G	68%	90%
Percent of outpatient encounters that have electronic progress notes signed within 2 days (through May)	N/A	N/A	84%	85%	* 86% G	86%	87%
Percent of admission notes by residents that have a note from attending physician within one day of admission: Medicine (through May) Psychiatry (through May) Surgery (through May)							
	N/A	N/A	N/A	95%	* 96% G	85%	95%
	N/A	N/A	N/A	95%	* 98% G	85%	95%
	N/A	N/A	N/A	75%	* 86% G	85%	95%

Objective 3.2: Provide eligible veterans and their survivors a level of income that raises their standard of living and sense of dignity by processing pension claims in a timely and accurate manner.

Non-rating pension actions - average days to process	65	67	58	68	92 R	66	60
National accuracy rate (authorization pension work) % (through July)	76%	81%	84%	86%	* 88% G	88%	98%
Compensation & Pension rating-related actions - average days to process	223	182	166	167	177 G	185	125

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**Table 1 - FY 2006 Performance Measures by Strategic Goal and Objective
(G=Green; Y=Yellow; R=Red)**

Strategic Goal/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	
National accuracy rate (core rating-related pension work) % (through July)	80%	91%	93%	90%	* 90% Y	93%	98%
Rating-related pension actions - average days pending	100	98	77	83	90 R	69	65
Overall satisfaction rate % (Pension)	65%	66%	66%	Available 2007	TBD	66%	90%
Non-rating pension actions - average days pending	90	61	102	111	161 R	73	50
Percent of pension recipients who were informed of the full range of available benefits	38%	39%	40%	Available 2007	TBD	40%	60%
Percent of pension recipients who said their claim determination was very or somewhat fair	65%	62%	64%	Available 2007	TBD	65%	75%
** Percent of VA beneficiaries receiving financial assistance for medical expenses (Pension)	N/A	N/A	N/A	N/A	TBD	TBD	TBD
** Percent of pension recipients who believe that the processing of their claim reflects the courtesy, compassion, and respect due to a veteran	N/A	N/A	N/A	N/A	TBD	TBD	TBD
National accuracy rate (fiduciary work) (%) (Compensation & Pension) (through July)	84%	77%	81%	85%	* 83% Y	90%	98%
Telephone activities - abandoned call rate (Compensation & Pension)	9%	9%	7%	8%	8% Y	7%	3%
Telephone activities - blocked call rate (Compensation & Pension)	7%	3%	2%	3%	4% Y	2%	2%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary exams (percent completed untimely) (Compensation & Pension)	9%	11%	12%	11%	9% Y	8%	4%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary exams (percent of total pending overdue) (Compensation & Pension)	16%	20%	14%	12%	12% G	12%	4%
Productivity Index (Compensation and Pension)	N/A	N/A	N/A	N/A	90% Y	96%	100%
** New measures added during Pensions PART review.							

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

Average number of days to process insurance disbursements (Insurance)	2.6	2.4	1.8	1.8	1.8 G	2.7	2.7
Percent of servicemembers covered by SGLI (Insurance)	N/A	N/A	N/A	98%	99% G	98%	98%
Conversion rate of disabled SGLI members to VGLI (Insurance)	N/A	N/A	N/A	35%	41% Y	53%	65%

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Table 1 - FY 2006 Performance Measures by Strategic Goal and Objective (G=Green; Y=Yellow; R=Red)

Strategic Goal/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	
Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average enlisted service member (Insurance)	N/A	N/A	N/A	1.9	1.8 G	1.8	1.0
Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average officer (Insurance)	N/A	N/A	N/A	1.0	0.9 G	0.9	1.0
Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average service member (Insurance)	N/A	N/A	N/A	1.6	1.6 G	1.6	1.0
Ratio of SGLI premium rates charged per \$1,000 compared to the premium rates charged by other organizations per \$1,000 for similar coverage (Insurance)	N/A	N/A	N/A	1.4	1.3 G	1.0	1.0
Ratio of VGLI premium rates charged per \$1,000 compared to the premium rates charged by other organizations per \$1,000 for similar coverage (Insurance)	N/A	N/A	N/A	0.9	0.9 Y	1.0	1.0
Rate of high veterans' satisfaction ratings on services delivered % (Insurance)	95%	95%	96%	96%	96% G	95%	95%
Rate of low veterans' satisfaction ratings on services delivered % (Insurance)	3%	3%	2%	2%	1% G	2%	2%
Toll-free telephone blockage (busy signals) rate % (Insurance)	1%	0%	1%	0%	0% G	2%	1%
Average caller hold time (caller wait time) in seconds (Insurance)	18	17	17	11	11 G	20	20
Number of disbursements (death claims, loans, and cash surrenders) per FTE (Insurance)	N/A	N/A	N/A	1,692	1,697 G	1,684	TBD

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	73.9%	75.2%	75.3%	77.1%	80.2% Y	81.6%	90.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	91%	94%	94%	94%	94% Y	96%	100%
Average number of days to process a claim for reimbursement of burial expenses	48	42	48	57	72 R	48	21
National Accuracy Rate for burial claims processed % (through July)	85%	92%	94%	93%	* 94% G	94%	98%

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Table 1 - FY 2006 Performance Measures by Strategic Goal and Objective
(G=Green; Y=Yellow; R=Red)

Strategic Goal/Measure (Key Measures in Bold)	Results				FY 2006 Result	Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target		
Percent of funeral directors who respond that national cemeteries confirm the scheduling of the committal service within 2 hours	73%	73%	73%	73%	74% Y	76%	93%
Cumulative number of kiosks installed at national and state veterans cemeteries	42	50	60	69	80 G	76	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	49%	72%	87%	94%	95% G	90%	90%
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	13%	62% Y	70%	90%
Percent of headstones and markers ordered by national cemeteries for which inscription data are accurate and complete	N/A	N/A	98%	99%	99% G	99%	99%
Percent of headstones and markers that are undamaged and correctly inscribed	96%	97%	97%	96%	96% Y	97%	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 to support national, state, and local emergency management and homeland security efforts.

Percent of Emergency Planners who have completed orientation (OS&P)	N/A	N/A	N/A	100%	90% Y	100%	100%
Percent of Under Secretaries, Assistant Secretaries, and Other Key Officials who self-certify their teams "ready to deploy" to their COOP site (OS&P)	N/A	N/A	N/A	85%	85% Y	100%	100%

Objective 4.2: Advance VA medical research and develop 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 authored by VA investigators within the fiscal year	N/A	N/A	2,557	2,793	* 2,897 G	2,655	3,000
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**Table 1 - FY 2006 Performance Measures by Strategic Goal and Objective
(G=Green; Y=Yellow; R=Red)**

Strategic Goal/Measure (Key Measures in Bold)	Results				Target	Strategic Target	
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result		
Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) (through August) (Five milestones to be achieved over 5 years)	N/A	N/A	33%	40%	* 47% Y	60%	100%
Progress towards development of a standard clinical practice for pressure ulcers (Six milestones to be achieved over 6 years)	N/A	N/A	43%	52%	61% Y	65%	100%

Objective 4.3: Enhance the quality of care to veterans and provide high-quality educational experiences for health profession trainees, created internally in VA and via partnerships with the academic community.

Medical residents' and other trainees' scores on a VHA Survey assessing their clinical training experience	83	83	84	84	85 G	85	85
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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 service-disabled veteran-owned small businesses expressed as a percent of total procurement dollars (OSDBU) (through July) (1) Corrected	0.61%	0.49%	1.25%	(1) 2.15%	* 3.68% G	3.00%	3.00%
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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	97%	97%	98%	98%	97% Y	99%	100%
Percent of respondents who would recommend the national cemetery to veteran families during their time of need	98%	97%	97%	98%	98% Y	99%	100%
Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment	N/A	N/A	64%	70%	67% Y	72%	90%
Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations	N/A	N/A	76%	72%	77% G	74%	90%
Percent of gravesites that have grades that are level and blend with adjacent grade levels	N/A	N/A	79%	84%	86% G	84%	95%

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Table 1 - FY 2006 Performance Measures by Strategic Goal and Objective
(G=Green; Y=Yellow; R=Red)

Strategic Goal/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	

Enabling Goal: Deliver world-class service to veterans and their families through effective communication and management of people, technology, business processes, and financial resources.

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

Percentage of VA employees who are veterans (HR&A)	N/A	24%	26%	28%	30.6% G	30%	36%
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Objective E-2: 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.

Percentage of statutory reports that are submitted to Congress within the required timeframe (OCLA)	59% w/i 45 days	70% w/i 30 days	54% w/i 15 days	21% by due date	13% by due date R	35% by due date	100%
Percent of newly elected/appointed state officials briefed within 60 days of taking office regarding VA programs and services (OPIA)	75%	80%	90%	100%	100% G	100%	100%

Objective E-3: 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.

Number of distinct data exchanges between VA and DoD (OI&T) DMDC is Defense Manpower Data Center	N/A	N/A	N/A	N/A	20 from DMDC to VA; 8 from VA to DMDC G	20 from DMDC to VA; 10 from VA to DMDC	1 from DMDC to VA; 1 from VA to DMDC
Number of business lines that are able to access a One VA Enterprise Data Service (OI&T) (1) This measure should not have been included in the final FY 2006 performance plan (that is, the FY 2007 budget submission).	(1)	(1)	(1)	(1)	(1)	(1)	(1)

Objective E-4: 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.

Percent of cases using alternate dispute resolution (ADR) techniques (BCA) (1) Corrected	43%	20%	9%	(1) 6%	53% G	15%	25%
Gross Days Revenue Outstanding (GDRO) for third party collections	N/A	N/A	N/A	Baseline	54 G	70	60

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**Table 1 - FY 2006 Performance Measures by Strategic Goal and Objective
(G=Green; Y=Yellow; R=Red)**

Strategic Goal/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	
Dollar value of 1st party and 3rd party collections:							
1st Party (\$ in millions)	\$486	\$685	\$742	\$772	\$863 G	\$827	\$1,019
3rd Party (\$ in millions)	\$690	\$804	\$960	\$1,056	\$1,096 Y	\$1,178	\$1,695
Total annual value of joint VA/DoD procurement contracts for high-cost medical equipment Measure description changed for clarification purposes only	N/A	N/A	N/A	Baseline	\$150M G	\$150M	\$200M
Obligations per unique patient user (VHA) (1) Corrected	\$4,928	\$5,202	(1) \$5,493	(1) \$5,597	* \$5,804 G	\$5,880	TBD
Average number of appointments per year per FTE (VHA) (1) Corrected	2,719	2,856	(1) 2,356	2,533	* 2,644 Y	2,678	TBD
Study subject accrual rate for multi-site clinical trials (through August)	N/A	N/A	N/A	29%	* 40% G	32%	50%
Percent of tort claims decided accurately at the administrative stage (OGC) Measure description changed for clarification purposes only	86.0%	86.0%	89.0%	88.4%	92.2% G	89.0%	90.0%
Cumulative % of FTEs (compared to total planned) covered by initiated Management Analysis/Business Process Reengineering studies of non-core commercial functions (OP&P)	N/A	N/A	N/A	N/A	0% R	33%	100%
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
Number of material weaknesses identified during the annual financial statement audit or identified by management (OM)	6	5	4	4	3 G	4	0
Percent of space utilization as compared to overall space (owned and direct-leased) (OAEM) (through August)	N/A	N/A	80% Baseline	98%	* 103% G	95%	95%
Percent Condition Index (owned buildings) (OAEM) (through August)	N/A	N/A	N/A	82% Baseline	* 80% Y	83%	87%
Ratio of non-mission dependent assets to total assets (OAEM) (through August)	N/A	N/A	N/A	22% Baseline	* 17% G	19%	10%
Ratio of operating costs per gross square foot (GSF) (OAEM) (through August) Targets and results have been adjusted to reflect Federal Real Property Council Tier 1 definitions and no longer include an inflation factor.	N/A	N/A	\$4.52	\$4.85	* \$4.83 Y	\$4.52	\$4.52

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**Table 1 - FY 2006 Performance Measures by Strategic Goal and Objective
(G=Green; Y=Yellow; R=Red)**

Strategic Goal/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	
Cumulative percentage decrease in facility traditional energy consumption per gross square foot from the 2003 baseline (OAEM)	N/A	Baseline	N/A	N/A	* 2% G	2%	20%
Number of arrests, indictments, convictions, administrative sanctions, and pretrial diversions	N/A	N/A	N/A	N/A	2,241	N/A	2,204
Percentage of successful prosecutions	N/A	N/A	N/A	N/A	96%	N/A	87%
Number of reports issued that identify opportunities for improvement and provide recommendations for corrective action	N/A	N/A	N/A	N/A	150	N/A	160
Number of CAP reports issued that include relevant health care delivery and benefits processing pulse points	N/A	N/A	N/A	N/A	64	N/A	76
Monetary benefits (dollars in millions)	N/A	N/A	N/A	N/A	\$900	N/A	\$1,033
Number of international benefit reviews conducted to determine the appropriateness of benefits processing for claimants living outside the 50 states	N/A	N/A	N/A	N/A	0	N/A	3
Maintain unqualified audit opinion of financial statements containing no material weaknesses or reportable conditions (Yes/No)	N/A	N/A	N/A	N/A	Yes	N/A	Yes
Percentage of recommendations implemented to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural change in VA	N/A	N/A	N/A	N/A	55%	N/A	90% ¹
Percentage of preaward recommendations sustained during contract negotiations	N/A	N/A	N/A	N/A	70%	N/A	65%
Achieve adoption of recommendations relative to IT systems in compliance with FISMA, regulations, and policies within one year from issuance of a report	N/A	N/A	N/A	N/A	0%	N/A	100%
Achieve a professional, competent, and credible reputation as a result of work performed (based on a scale of 0 to 5, where 5 is high):							
Investigations	N/A	N/A	N/A	N/A	4.9	N/A	5.0
Audit	N/A	N/A	N/A	N/A	4.3	N/A	5.0
Healthcare Inspections	N/A	N/A	N/A	N/A	4.6	N/A	5.0
CAP	N/A	N/A	N/A	N/A	4.7	N/A	5.0
¹ VA OIG intends that VA will implement all recommendations. This goal recognizes that some complex implementation actions may go beyond 2010, which is the out-year for OIG's Strategic Plan.							

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Table 2 - FY 2006 Performance Measures by Program
(G=Green; Y=Yellow; R=Red)

Organization/Program/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	
Veterans Health Administration							
	P&F ID Codes:		36-0152-0-1-703	36-0160-0-1-703;			
			36-0162-0-1-703	36-0181-0-1-703		36-5358-0-1-703	
			36-4014-0-3-705;	36-8180-0-7-705;		36-0165-0-1-703	
Medical Care Programs							
Resources							
FTE	183,712	186,553	194,272	197,650	197,902		
Total Program Costs (\$ in millions)	\$24,368	\$27,654	\$30,772	\$31,668	\$33,468		
Performance Measures							
Percent of patients rating VA health care service as very good or excellent:							
Inpatient (through May)	70%	74%	74%	77%	* 78% G	74%	74%
Outpatient (through May)	71%	73%	72%	77%	* 78% G	73%	73%
Percent of primary care appointments scheduled within 30 days of desired date (through May)	89%	93%	94%	96%	* 96% G	96%	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 (through May)	(1) 86%	(2) 89%	(3) 93%	93%	* 95% G	93%	93%
Clinical Practice Guidelines Index (through May)	Baseline	70%	77%	87%	* 87% G	77%	80%
Prevention Index II (through May)	82%	83%	88%	90%	* 90% G	88%	88%
Percent of appointments scheduled within 30 days of desired appointment date (through May)	N/A	N/A	N/A	93.7%	* 95% G	93.7%	93%
Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities (through May)	65%	67%	69%	73%	* 74% G	68%	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 (through May)	N/A	N/A	84%	85%	* 86% G	86%	87%
Gross Days Revenue Outstanding (GDRO) for third party collections	N/A	N/A	N/A	Baseline	54 G	70	60
Dollar value of 1st party and 3rd party collections:							
1st Party (\$ in millions)	\$486	\$685	\$742	\$772	\$863 G	\$827	\$1,019
3rd Party (\$ in millions)	\$690	\$804	\$960	\$1,056	\$1,096 Y	\$1,178	\$1,695
Total annual value of joint VA/DoD procurement contracts for high-cost medical equipment Measure description changed for clarification purposes only	N/A	N/A	N/A	Baseline	\$150M G	\$150M	\$200M

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Table 2 - FY 2006 Performance Measures by Program
(G=Green; Y=Yellow; R=Red)

Organization/Program/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	
Number of implementation guides developed for those Consolidated Health Informatics Standards adopted by VA and DoD	N/A	N/A	N/A	2	3 G	3	9
Number of inpatient admissions and outpatient visits at Joint Ventures and significant sites (Facilities providing 500 or more outpatient visits and/or admissions per year) (1) Includes data for outpatient visits only. A way of collecting data on inpatient admissions has not yet been established.	N/A	N/A	N/A	N/A	(1) * 121,229	Baseline	TBD
Common Measures							
Obligations per unique patient user (VHA) (1) Corrected	\$4,928	\$5,202	(1) \$5,493	(1) \$5,597	* \$5,804 G	\$5,880	TBD
Average number of appointments per year per FTE (VHA) (1) Corrected	2,719	2,856	(1) 2,356	2,533	* 2,644 Y	2,678	TBD
Special Emphasis Programs							
Number of patients under non-institutional long-term care as expressed by average daily census	24,126	24,413	25,523	27,469	* 29,496 Y	32,105	49,486
Prevention Index II (Special Populations) (through May)	N/A	80%	86%	87%	* 86% G	86%	86%
Percent of veterans who were discharged from a Domiciliary Care for Homeless Veterans (DCHV) or Healthcare for Homeless Veterans (HCHV) Community-based Contract Residential Care Program to an independent or a secured institutional living arrangement (1) This measure should not have been included in the final FY 2006 performance plan (that is, the FY 2007 budget submission).	65%	72%	79%	83%	(1)	(1)	(1)
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 with an injury or illness	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	83	83	84	84	85 G	85	85
Percent of admission notes by residents that have a note from attending physician within one day of admission:							
Medicine (through May)	N/A	N/A	N/A	95%	* 96% G	85%	95%
Psychiatry (through May)	N/A	N/A	N/A	95%	* 98% G	85%	95%
Surgery (through May)	N/A	N/A	N/A	75%	* 86% G	85%	95%

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Table 2 - FY 2006 Performance Measures by Program
(G=Green; Y=Yellow; R=Red)

Organization/Program/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	
Medical Research		P&F ID Codes:		36-0161-0-1-703; 36-4026-0-3-703	36-0160-0-1-703;		
Resources							
FTE	3,096	3,217	3,234	3,206	3,195		
Total Program Costs (\$ in Millions)	\$964	\$1,022	\$1,067	\$851	\$831		
Performance Measures							
Number of peer-reviewed publications authored by VA investigators within the fiscal year	N/A	N/A	2,557	2,793	* 2,897 G	2,655	3,000
Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) (through August) (Five milestones to be achieved over 5 years)	N/A	N/A	33%	40%	* 47% Y	60%	100%
Progress towards development of a standard clinical practice for pressure ulcers (Six milestones to be achieved over 6 years)	N/A	N/A	43%	52%	61% Y	65%	100%
Study subject accrual rate for multi-site clinical trials (through August)	N/A	N/A	N/A	29%	* 40% G	32%	50%

Veterans Benefits Administration

Compensation		P&F ID Codes:		36-0102-0-1-701	36-0151-0-1-705		
Resources							
FTE	7,164	7,525	7,568	7,538	7,772		
Total Program Costs (\$ in millions)	\$23,056	\$25,550	\$27,261	\$29,601	\$31,903		
Performance Measures							
National accuracy rate (core rating work) % (Compensation) (through July)	80%	86%	87%	84%	* 88% G	87%	98%
Compensation & Pension rating-related actions - average days to process	223	182	166	167	177 G	185	125
Rating-related compensation actions - average days pending	179	114	120	122	130 G	150	78
Average days to process - DIC actions (Compensation)	172	153	125	124	136 R	120	90
Overall satisfaction rate % (Compensation)	55%	58%	59%	Available 2007	TBD	58%	90%
Non-rating compensation actions - average days to process	57	49	50	59	76 R	58	40
Non-rating compensation actions - average days pending	93	95	94	98	116 R	95	60

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Table 2 - FY 2006 Performance Measures by Program
(G=Green; Y=Yellow; R=Red)

Organization/Program/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	
National accuracy rate (compensation authorization work) (through July)	83%	88%	90%	90%	* 91% Y	93%	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 (Compensation) (1) The FY 2006 result is a more accurate depiction of BDD participation as VBA moved to a new automated BDN data collection methodology.	N/A	N/A	N/A	55%	(1) 44% Y	53%	65%
Average number of days to initiate development of remands at the Appeals Management Center (Compensation)	N/A	N/A	N/A	28	32 R	16	15
Percent of veterans in receipt of compensation whose total income exceeds that of like circumstanced veterans	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	40%	42%	43%	Available 2007	TBD	45%	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 (Compensation)	N/A	N/A	99%	TBD **	TBD **	TBD **	100%
Percent of DIC recipients who are satisfied that VA recognized their sacrifice (Compensation)	N/A	N/A	80%	TBD **	TBD **	TBD **	90%
Productivity Index (Compensation and Pension)	N/A	N/A	N/A	N/A	90% Y	96%	100%
National accuracy rate (fiduciary work) % (Compensation & Pension) (through July)	84%	77%	81%	85%	* 83% Y	90%	98%
Telephone activities - abandoned call rate % (Compensation & Pension)	9%	9%	7%	8%	8% Y	7%	3%
Telephone activities - blocked call rate % (Compensation & Pension)	7%	3%	2%	3%	4% Y	2%	2%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary Exams (percent completed untimely) (Compensation & Pension)	9%	11%	12%	11%	9% Y	8%	4%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary Exams (percent of total pending overdue) (Compensation & Pension)	16%	20%	14%	12%	12% G	12%	4%

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Table 2 - FY 2006 Performance Measures by Program
(G=Green; Y=Yellow; R=Red)

Organization/Program/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	
Average number of days to process a claim for reimbursement of burial expenses	48	42	48	57	72 R	48	21
National Accuracy Rate for burial claims processed % (through July)	85%	92%	94%	93%	* 94% G	94%	98%
** Pending results of the Veterans' Disability Benefits Commission that began work in May 2005 and will conclude its work in October 2007.							

<i>Pension</i>		P&F ID Codes:			36-0151-0-1-705	36-0200-0-1-701			
Resources									
FTE	1,791	1,827	1,535	1,540	1,495				
Total Program Costs (\$ in millions)	\$3,328	\$3,378	\$3,495	\$3,569	\$3,872				
Performance Measures									
Non-rating pension actions - average days to process	65	67	58	68	92 R	66	60		
National accuracy rate (authorization pension work) % (through July)	76%	81%	84%	86%	* 88% G	88%	98%		
Compensation & Pension rating-related actions - average days to process	223	182	166	167	177 G	185	125		
National accuracy rate (core rating-related pension work) % (through July)	80%	91%	93%	90%	* 90% Y	93%	98%		
Rating-related pension actions - average days pending	100	98	77	83	90 R	69	65		
Overall satisfaction rate % (Pension)	65%	66%	66%	Available 2007	TBD	66%	90%		
Non-rating pension actions - average days pending	90	61	102	111	161 R	73	50		
Percent of pension recipients who were informed of the full range of available benefits	38%	39%	40%	Available 2007	TBD	40%	60%		
Percent of pension recipients who said their claim determination was very or somewhat fair	65%	62%	64%	Available 2007	TBD	65%	75%		
** Percent of VA beneficiaries receiving financial assistance for medical expenses (Pension)	N/A	N/A	N/A	N/A	TBD	TBD	TBD		
** Percent of pension recipients who believe that the processing of their claim reflects the courtesy, compassion, and respect due to a veteran	N/A	N/A	N/A	N/A	TBD	TBD	TBD		

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Table 2 - FY 2006 Performance Measures by Program
(G=Green; Y=Yellow; R=Red)

Organization/Program/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	
Productivity Index (Compensation and Pension)	N/A	N/A	N/A	N/A	90% Y	96%	100%
National accuracy rate (fiduciary work) (%) (Compensation & Pension) (through July)	84%	77%	81%	85%	* 83% Y	90%	98%
Telephone activities - abandoned call rate (Compensation & Pension)	9%	9%	7%	8%	8% Y	7%	3%
Telephone activities - blocked call rate (Compensation & Pension)	7%	3%	2%	3%	4% Y	2%	2%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary exams (percent completed untimely) (Compensation & Pension)	9%	11%	12%	11%	9% Y	8%	4%
Fiduciary Activities - Initial Appt. & Fiduciary - Beneficiary exams (percent of total pending overdue) (Compensation & Pension)	16%	20%	14%	12%	12% G	12%	4%
** New measures added during Pensions PART review.							

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 101-103.

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	Claims Completed in FY 2006
Average days to process rating-related actions	223	182	166	167	177	774,378
Initial disability compensation	256	207	186	185	196	210,662
Initial death compensation/DIC	172	153	125	124	136	27,567
Reopened compensation	242	193	178	179	191	417,738
Initial disability pension	123	93	94	98	113	34,251
Reopened pension	128	101	101	103	120	49,222
Reviews, future exams	127	95	87	95	79	27,788
Reviews, hospital	74	54	54	55	53	7,130

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Table 2 - FY 2006 Performance Measures by Program
(G=Green; Y=Yellow; R=Red)

Organization/Program/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	
P&F ID Codes: 36-0137-0-1-702; 36-8133-0-7-702; 36-0151-0-1-705							
<i>Education</i>							
Resources							
FTE	864	866	841	852	884		
Total Program Costs (\$ in millions)	\$1,831	\$2,189	\$2,495	\$2,690	\$2,838		
Performance Measures							
Average days to complete original education claims	34	23	26	33	40 R	27	10
Average days to complete supplemental education claims	16	12	13	19	20 R	13	7
Montgomery GI Bill usage rate (%): All program participants (Education)	56%	58%	65%	67%	69% G	67%	75%
Montgomery GI Bill usage rate (%): Veterans who have passed their 10-year eligibility period (Education)	N/A	66%	71%	70%	71% Y	72%	80%
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) TBD	TBD	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) TBD	TBD	TBD
Customer satisfaction-high rating (Education) % (1) Corrected (2) No customer satisfaction survey was performed in 2005	87%	89%	(1) 86%	(2) N/A	TBD	87%	95%
Telephone Activities - Blocked call rate (Education) %	26%	13%	20%	38%	38% Y	29%	10%
Telephone Activities - Abandoned call rate (Education) %	11%	7%	10%	17%	19% Y	13%	5%
Payment accuracy rate (Education) %	93%	94%	94%	96%	95% G	95%	97%

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Table 2 - FY 2006 Performance Measures by Program
(G=Green; Y=Yellow; R=Red)

Organization/Program/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	

Vocational Rehabilitation and Employment

P&F ID Codes: 36-0135-0-1-702;
36-0151-0-1-705

Resources							
FTE	1,057	1,091	1,105	1,112	1,125		
Total Program Costs (\$ in millions)	\$606	\$631	\$676	\$741	\$700		
Performance Measures							
Rehabilitation rate % (VR&E)	62%	59%	62%	63%	73% G	69%	70%
Speed of entitlement decisions in average days (VR&E)	65	63	57	62	60 Y	58	60
Accuracy of decisions (Services) % (VR&E)	81%	82%	86%	87%	82% Y	90%	96%
Customer satisfaction (Survey) % (VR&E)	77%	N/A **	79%	N/A **	TBD	82%	92%
Accuracy of Vocational Rehabilitation program completion decisions % (VR&E)	81%	81%	94%	97%	95% Y	96%	95%
Serious Employment Handicap (SEH) Rehabilitation Rate % (VR&E) ***	62%	58%	N/A	N/A	73% G	65%	66%
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
** No customer satisfaction survey was performed in 2003 or 2005. *** VR&E identified a potential weakness in the program because it had only one outcome measure. Therefore, the SEH Rehab. Rate measure was reinstated. This measure had been used until 2004. **** These Common Measures are in support of the President's Management Agenda to integrate budget and performance. Targets for these measures are being developed.							

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Table 2 - FY 2006 Performance Measures by Program
(G=Green; Y=Yellow; R=Red)

Organization/Program/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 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 36-4130-0-3-704 36-0151-0-1-705						
Resources							
FTE	1,718	1,404	1,256	1,052	988		
Total Program Costs (\$ in millions)	\$1,017	\$1,520	\$393	\$2,068 ^(a)	\$210 ^(b)		
Performance Measures							
Foreclosure avoidance through servicing (FATS) ratio % (Housing)	43%	45%	44%	48%	54% G	47%	47%
Veterans satisfaction level % (Housing) (1) No Housing survey was completed in 2004 and 2005.	94%	95%	(1) N/A	(1) N/A	TBD	96%	95%
Statistical quality index % (Housing) (through August)	97%	98%	98%	98%	* 99% G	97%	98%
Percent of active duty personnel and veterans who could not have purchased a home without VA assistance (Housing) (Measure under development)	N/A	N/A	N/A	N/A	TBD	TBD	TBD

^(a)Includes \$1,886 in one-time re-estimates executed in FY 20005 for prior year loan cohorts. Re-estimation is a mandatory process conducted annually to comply with Credit Reform Act guidelines.

^(b)This is the total of administrative costs only. The total benefits program costs are \$0. This is due to negative subsidy of the Loan Guaranty program.

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Table 2 - FY 2006 Performance Measures by Program
(G=Green; Y=Yellow; R=Red)

Organization/Program/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	
<i>Insurance</i>	P&F ID Codes:		36-0120-0-1-701;		36-4012-0-3-701;		
	36-4010-0-3-701;		36-4009-0-3-701;		36-8132-0-7-701;		
	36-8150-0-7-701;		36-8455-0-8-701;		36-0151-0-1-705		
Resources							
FTE	479	493	490	488	503		
Total Program Costs (\$ in millions)	\$2,749	\$2,695	\$2,581	\$2,537	\$3,343		
Performance Measures							
Average number of days to process insurance disbursements (Insurance)	2.6	2.4	1.8	1.8	1.8 G	2.7	2.7
Percent of servicemembers covered by SGLI (Insurance)	N/A	N/A	N/A	98%	99% G	98%	98%
Conversion rate of disabled SGLI members to VGLI (Insurance)	N/A	N/A	N/A	35%	41% Y	53%	65%
Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average enlisted service member (Insurance)	N/A	N/A	N/A	1.9	1.8 G	1.8	1.0
Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average officer (Insurance)	N/A	N/A	N/A	1.0	0.9 G	0.9	1.0
Ratio of the multiple of salary that SGLI covers versus the multiple of salary that private sector covers for the average service member (Insurance)	N/A	N/A	N/A	1.6	1.6 G	1.6	1.0
Ratio of SGLI premium rates charged per \$1,000 compared to the premium rates charged by other organizations per \$1,000 for similar coverage (Insurance)	N/A	N/A	N/A	1.4	1.3 G	1.0	1.0
Ratio of VGLI premium rates charged per \$1,000 compared to the premium rates charged by other organizations per \$1,000 for similar coverage (Insurance)	N/A	N/A	N/A	0.9	0.9 Y	1.0	1.0
Rate of high veterans' satisfaction ratings on services delivered % (Insurance)	95%	95%	96%	96%	96% G	95%	95%
Rate of low veterans' satisfaction ratings on services delivered % (Insurance)	3%	3%	2%	2%	1% G	2%	2%
Toll-free telephone blockage (busy signals) rate % (Insurance)	1%	0%	1%	0%	0% G	2%	1%
Average caller hold time (caller wait time) in seconds (Insurance)	18	17	17	11	11 G	20	20
Number of disbursements (death claims, loans, and cash surrenders) per FTE (Insurance)	N/A	N/A	N/A	1,692	1,697 G	1,684	TBD

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Table 2 - FY 2006 Performance Measures by Program
(G=Green; Y=Yellow; R=Red)

Organization/Program/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	
National Cemetery Administration							
<i>Burial Program</i>	P&F Codes: 36-0129-0-1-705;		36-0183-0-1-705				
	36-5392-0-1-705		36-0151-0-1-705				
Resources							
FTE	1,454	1,476	1,492	1,523	1,566		
Total Program Costs (\$ in millions)	\$374	\$348	\$406	\$403	\$397		
Performance Measures							
Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence	73.9%	75.2%	75.3%	77.1%	80.2% Y	81.6%	90.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	91%	94%	94%	94%	94% Y	96%	100%
Percent of graves in national cemeteries marked within 60 days of interment	49%	72%	87%	94%	95% G	90%	90%
Percent of respondents who rate national cemetery appearance as excellent	97%	97%	98%	98%	97% Y	99%	100%
Percent of funeral directors who respond that national cemeteries confirm the scheduling of the committal service within 2 hours	73%	73%	73%	73%	74% Y	76%	93%
Cumulative number of kiosks installed at national and state veterans cemeteries	42	50	60	69	80 G	76	108
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	13%	62% Y	70%	90%
Percent of headstones and markers ordered by national cemeteries for which inscription data are accurate and complete	N/A	N/A	98%	99%	99% G	99%	99%
Percent of headstones and markers that are undamaged and correctly inscribed	96%	97%	97%	96%	96% Y	97%	98%
Percent of respondents who would recommend the national cemetery to veteran families during their time of need	98%	97%	97%	98%	98% Y	99%	100%
Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment	N/A	N/A	64%	70%	67% Y	72%	90%
Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations	N/A	N/A	76%	72%	77% G	74%	90%
Percent of gravesites that have grades that are level and blend with adjacent grade levels	N/A	N/A	79%	84%	86% G	84%	95%

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Table 2 - FY 2006 Performance Measures by Program
(G=Green; Y=Yellow; R=Red)

Organization/Program/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	

Board of Veterans' Appeals

P&F ID Code: 36-0151-0-1-700

Resources							
FTE	448	451	440	433	436		
Administrative costs only (\$ in millions)	\$47	\$47	\$50	\$50	\$54		
Performance Measures							
Deficiency-free decision rate (BVA)	87.6%	89.0%	93.0%	89.0%	93.0% G	92.0%	95.0%
Appeals resolution time (Days) (Joint measure with VBA) (BVA)	731	633	529	622	657 R	600	365
BVA Cycle Time (Days)	86	135	98	104	148 R	105	104
Appeals decided per Veterans Law Judge (BVA)	321	604	691	621	698 G	625	732
Cost per case (BVA)	\$2,702	\$1,493	\$1,302	\$1,453	\$1,381 G	\$1,552	\$1,443

Departmental Management

P&F ID Codes 36-0151-0-1-705; 36-0110-0-1-703
36-0111-0-1-703 36-4537-0-4-705
36-4539-0-4-705

Total Program Costs (less BVA and OIG costs, which are identified separately)							
FTE	2,825	2,597	2,697	3,167	2,162		
Total Program Costs (\$ in millions)	\$515	\$617	\$718	\$762	\$928		
Performance Measures							
Attainment of statutory minimum goals for service-disabled veteran-owned small businesses expressed as a percent of total procurement dollars (OSDBU) (through July) (1) Corrected	0.61%	0.49%	1.25%	(1) 2.15%	* 3.68% G	3.00%	3.00%
Percentage of VA employees who are veterans (HR&A)	N/A	24%	26%	28%	30.6% G	30%	36%
Percent of Emergency Planners who have completed orientation (OS&P)	N/A	N/A	N/A	100%	90% Y	100%	100%
Percent of Under Secretaries, Assistant Secretaries, and Other Key Officials who self-certify their teams "ready to deploy" to their COOP site (OS&P)	N/A	N/A	N/A	85%	85% Y	100%	100%
Cumulative % of FTEs (compared to total planned) covered by initiated Management Analysis/Business Process Reengineering studies of non-core commercial functions (OP&P)	N/A	N/A	N/A	N/A	0% R	33%	100%

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Table 2 - FY 2006 Performance Measures by Program
(G=Green; Y=Yellow; R=Red)

Organization/Program/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	
Percent of cases using alternate dispute resolution (ADR) techniques (BCA) (1) Corrected	43%	20%	9%	(1) 6%	53% G	15%	25%
Percent of tort claims decided accurately at the administrative stage (OGC) Measure description changed for clarification purposes only	86.0%	86.0%	89.0%	88.4%	92.2% G	89.0%	90.0%
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
Number of material weaknesses identified during the annual financial statement audit or identified by management (OM)	6	5	4	4	3 G	4	0
Number of distinct data exchanges between VA and DoD (OI&T) DMDC is Defense Manpower Data Center	N/A	N/A	N/A	N/A	20 from DMDC to VA; 8 from VA to DMDC G	20 from DMDC to VA; 10 from VA to DMDC	1 from DMDC to VA; 1 from VA to DMDC
Number of business lines that are able to access a One VA Enterprise Data Service (OI&T) (1) This measure should not have been included in the final FY 2006 performance plan (that is, the FY 2007 budget submission).	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Percentage of statutory reports that are submitted to Congress within the required timeframe (OCLA)	59% w/i 45 days	70% w/i 30 days	54% w/i 15 days	21% by due date	13% by due date R	35% by due date	100%
Percent of newly elected/appointed state officials briefed within 60 days of taking office regarding VA programs and services (OPIA)	75%	80%	90%	100%	100% G	100%	100%
Percent of space utilization as compared to overall space (owned and direct-leased) (OAEM) (through August)	N/A	N/A	80% Baseline	98%	* 103% G	95%	95%
Percent Condition Index (owned buildings) (OAEM) (through August)	N/A	N/A	N/A	82% Baseline	* 80% Y	83%	87%
Ratio of non-mission dependent assets to total assets (OAEM) (through August)	N/A	N/A	N/A	22% Baseline	* 17% G	19%	10%
Ratio of operating costs per gross square foot (GSF) (OAEM) (through August) Targets and results have been adjusted to reflect Federal Real Property Council Tier 1 definitions and no longer include an inflation factor.	N/A	N/A	\$4.52	\$4.85	* \$4.83 Y	\$4.52	\$4.52
Cumulative percentage decrease in facility traditional energy consumption per gross square foot from the 2003 baseline (OAEM)	N/A	Baseline	N/A	N/A	* 2% G	2%	20%

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Table 2 - FY 2006 Performance Measures by Program
(G=Green; Y=Yellow; R=Red)

Organization/Program/Measure (Key Measures in Bold)	Results					Target	Strategic Target
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Result	FY 2006 Target	
Office of Inspector General							
	P&F ID Code: 36-0170-0-1-705						
Resources							
FTE	393	399	434	454	510		
Administrative costs only (\$ in millions)	\$56	\$58	\$66	\$70	\$74		
Performance Measures							
Number of arrests, indictments, convictions, administrative sanctions, and pretrial diversions	N/A	N/A	N/A	N/A	2,241	N/A	2,204
Percentage of successful prosecutions	N/A	N/A	N/A	N/A	96%	N/A	87%
Number of reports issued that identify opportunities for improvement and provide recommendations for corrective action	N/A	N/A	N/A	N/A	150	N/A	160
Number of CAP reports issued that include relevant health care delivery and benefits processing pulse points	N/A	N/A	N/A	N/A	64	N/A	76
Monetary benefits (dollars in millions)	N/A	N/A	N/A	N/A	\$900	N/A	\$1,033
Number of international benefit reviews conducted to determine the appropriateness of benefits processing for claimants living outside the 50 states	N/A	N/A	N/A	N/A	0	N/A	3
Maintain unqualified audit opinion of financial statements containing no material weaknesses or reportable conditions (Yes/No)	N/A	N/A	N/A	N/A	Yes	N/A	Yes
Percentage of recommendations implemented to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural change in VA	N/A	N/A	N/A	N/A	55%	N/A	90% ¹
Percentage of preaward recommendations sustained during contract negotiations	N/A	N/A	N/A	N/A	70%	N/A	65%
Achieve adoption of recommendations relative to IT systems in compliance with FISMA, regulations, and policies within one year from issuance of a report	N/A	N/A	N/A	N/A	0%	N/A	100%
Achieve a professional, competent, and credible reputation as a result of work performed (based on a scale of 0 to 5, where 5 is high):							
Investigations	N/A	N/A	N/A	N/A	4.9	N/A	5.0
Audit	N/A	N/A	N/A	N/A	4.3	N/A	5.0
Healthcare Inspections	N/A	N/A	N/A	N/A	4.6	N/A	5.0
CAP	N/A	N/A	N/A	N/A	4.7	N/A	5.0
¹ VA OIG intends that VA will implement all recommendations. This goal recognizes that some complex implementation actions may go beyond 2010, which is the out-year for OIG's Strategic Plan.							

* These are partial or estimated data; final data will be published in the FY 2008 Congressional Budget and/or the FY 2007 Performance and Accountability Report.



Dropped Performance Measures That did not Report Final Results in The FY 2005 PAR

<i>Veterans Health Administration</i>	FY 2002	FY 2003	FY 2004	FY 2005 Final	FY 2005 Target
Ratio of collections to billings (expressed as a percentage)*	37%	41%	41%	41%	41%
Percentage of VAMCs contracted to serve as TRICARE network providers**	N/A	N/A	N/A	87%	Baseline
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	69%	63%
Number of discovery disclosures by VA investigators***	N/A	N/A	N/A	165	188
<p>* The ratio of collections to billings was dropped as a measure because it did not accurately portray the performance of the VHA revenue cycle. The ratio of collections to billings measure is not a key standard in the private sector due to the different strategic positions that health care systems adopt related to pricing and contracting. Collections are considered the best key measure to evaluate overall improvement in collection performance in the private sector.</p> <p>** This measure was dropped because OMB wanted the measure replaced with a measure that better represented the level of sharing between VA and DoD.</p> <p>*** These measures were dropped because they are no longer PART performance measures (as of the 2005 PART for R & D).</p>					

<i>Departmental Management****</i>	FY 2002	FY 2003	FY 2004	FY 2005 Final	FY 2005 Target
Attainment of statutory minimum goals for small business expressed as a percent of total procurement (OSDBU)	31.2%	31.8%	28.5%	27.8%	23%
<p>**** Measure dropped due to VA consistently exceeding minimum statutory goal since being increased to 23% by Congress in 1997.</p>					



Major Management Challenges

Identified by the Office of Inspector General

The Department’s Office of Inspector General (OIG), an independent entity, evaluates VA’s programs and operations. The OIG has submitted the following summary of the major findings and recommendations of the Major Management Challenges for 2006. These challenges are presented by strategic goal. VA has provided actions taken in 2006 as well as *next steps* planned for 2007 and the *estimated resolution timeframe* (fiscal year) for each challenge area. Note: In the “Major Findings and Recommendations” column, use of the words “we” and “our” refer to the OIG.

The table immediately below is a table of contents, which also shows the *estimated resolution timeframe* by challenge.

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STRATEGIC GOAL #1		
Restoration and Improved Quality of Life for Disabled Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #2 - Benefits Processing		
OIG #2A—State Variances in VA Disability Compensation Payments		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2008		
<p>OIG's May 2005 report concluded that some veterans' disabilities are more susceptible to variations in ratings. As of September 2006, four of eight recommendations remain open.</p>	<ul style="list-style-type: none"> VA contracted with the Institute for Defense Analyses (IDA) to conduct a scientific study of the major influences on compensation payments to develop baseline data and metrics for monitoring and managing rating variances. 	<ul style="list-style-type: none"> VBA will take appropriate action upon receipt of the IDA study report (expected January 2007).
	<ul style="list-style-type: none"> VBA's rating consistency analysis work group is drafting a plan to monitor decision-making consistency to conduct an accurate and focused analysis. Initial results analysis, in terms of causal relationships and other influencing factors, will not be completed prior to January 2007. 	<ul style="list-style-type: none"> VBA will monitor consistency on an ongoing basis.
	<ul style="list-style-type: none"> Staff from the Compensation and Pension Examination Program (CPEP)¹ and VBA's Compensation and Pension (C&P) Service began developing templates for C&P examinations to ensure that the medical evidence captured will enable consistent evaluation of disabilities. The templates are being tested and released to the field in the order of frequency of use. 	<ul style="list-style-type: none"> VA will work on full deployment and mandatory use of templates.

¹ CPEP is an office jointly staffed by VBA and VHA tasked to coordinate and lead efforts for change in the C&P examination process.



STRATEGIC GOAL #1		
Restoration and Improved Quality of Life for Disabled Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #2 - Benefits Processing		
OIG #2A—State Variances in VA Disability Compensation Payments, <i>continued</i>		
	<ul style="list-style-type: none"> As required by the Deficit Reduction Act of 2005, VBA will monitor the ongoing research study of veteran awareness. Findings are expected by December 2006. 	<ul style="list-style-type: none"> VBA will take appropriate action based on findings from the research study.
OIG #2B—Fiduciary Program		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2008		
<p>OIG's June 2006 report disclosed that VBA needed to improve fiduciary program case management to reduce the risk of misuse or theft of beneficiaries' funds. VARO staff needed to improve field examinations, monitoring of fiduciaries, and periodic accountings; verify beneficiary assets; and require documentation of some fiduciary-reported expenses.</p> <ul style="list-style-type: none"> As of September 2006, one of seven recommendations to strengthen fiduciary program operations remains open. 	<p>Action on the remaining recommendation is ongoing.</p> <p>VBA has implemented the following actions:</p> <ul style="list-style-type: none"> Developed a Legal Instruments Examiner (LIE) training program to enhance skills needed to effectively conduct fiduciary oversight responsibilities. In May 2006, training was provided to 75 field staff via a National Training Conference. Developed a comprehensive LIE training syllabus for both introductory and refresher training. Revised and expanded the LIE Program Guide to include detailed explanations of the account review process and administrative duties of the LIE position. Based on the above actions, OIG closed the recommendation addressing the LIE training program in August 2006. 	<ul style="list-style-type: none"> A work measurement study, which will include fiduciary program work products, is scheduled for the second quarter of 2007. VA will analyze results, examine fiduciary program staffing at the regional office level, and make recommendations regarding caseloads.



STRATEGIC GOAL #3		
Honoring, Serving, and Memorializing Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #1 — Health Care Delivery		
OIG #1A—Access to Long-Term Health Care in Community Settings		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<p>The <i>Veterans Millennium Health Care and Benefits Act of 1999</i>, Public Law 106-117, directs the Secretary of Veterans Affairs to provide extended services to eligible veterans, including nursing home care (NHC), in either VA or community-based facilities.</p> <ul style="list-style-type: none"> In December 2002 and 2003, and in May 2004, OIG identified long-term health care issues warranting attention. As of September 2006, one recommendation remains open for the Contract Nursing Care program review, two for the Homemaker/Home Health Aide program review, and four for the Community Residential Care program review. 	<ul style="list-style-type: none"> VHA provided updated Contract Nursing Home information on extended nursing home services to the OIG in June 2006. VHA published the Home Health Care Handbook in July 2006. Geriatrics and Extended Care (GEC) referral information was published near the end of 2006. The Community Residential Care (CRC) Handbook is in the final internal concurrence process. VHA has implemented the GEC Referral Form, which VA initiates for all veterans needing long-term care services. The form identifies the veteran's need for nursing home care and the spectrum of non-institutional long-term care services. A GEC team reviewed all referral forms and recommended placement based on documented need for long-term care services including nursing home care. Based on veteran needs and specific capabilities of nursing homes both in VA and in the community to provide the services, veterans were placed where the most appropriate, least restrictive care could be provided. VHA believes that these actions should close out the remaining recommendations. 	<ul style="list-style-type: none"> GEC will continue to review and refine referral information. GEC will publish a federal regulation on fire safety on the CRC program.



STRATEGIC GOAL #3		
Honoring, Serving, and Memorializing Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #1 — Health Care Delivery		
OIG #1B—Access to Health Care in VA Medical Facilities		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<p>OIG's May 2006 report assessed whether veterans had access to non-institutional care and whether veterans who desired care were enrolled and provided timely care.</p> <ul style="list-style-type: none"> OIG found that some medical facilities limited access of certain non-institutional care services to only the highest priority veterans. VA medical facilities did not have effective controls to ensure that all newly enrolled veterans in need of care received it within VHA's goal of 30 days of the desired date of care, or veterans received clinically indicated specialty procedures within a reasonable time. OIG made nine recommendations to VA to monitor the demand for non-institutional care, direct facilities to implement tracking mechanisms to identify newly enrolled veterans, and establish standardized tracking methods and appropriate performance metrics. As of September 2006, all nine recommendations remain open. 	<ul style="list-style-type: none"> The Deputy Under Secretary for Health for Operations and Management reinforced the requirement to eliminate any local restrictions limiting eligible veterans' access to non-institutional care in accordance with Information Letter 10-2004-005 to Veterans Integrated Service Network (VISN) leadership in August 2006. The Care Coordination/Home Telehealth Program (CCHT), which provides non-institutional care to veteran patients, also extended the geographic range of services provided. CCHT programs exist in all VISNs. (Twenty-five percent of CCHT patients are in rural or highly rural areas.) VHA published Handbook 1140.6, "Purchased Home Health Care Services Procedures" in July 2006, which includes policy on use of the electronic waiting list (EWL) for veterans in need of and seeking home health care services. 	<ul style="list-style-type: none"> VHA will implement effective measurement systems to evaluate the extent to which geriatric evaluations are occurring.



STRATEGIC GOAL #3		
Honoring, Serving, and Memorializing Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #1 — Health Care Delivery		
<i>OIG #1B—Access to Health Care in VA Medical Facilities, continued</i>		
	<ul style="list-style-type: none"> VHA issued Directive 2006-028, "Process for Assuring Timely Access to Outpatient Clinical Care" in May 2006. The directive provides specific business rules requiring use of the EWL to identify veterans waiting for non-institutional care, including veterans entitled or not entitled to priority access. 	<ul style="list-style-type: none"> With publication of the new VHA Directive on Outpatient Scheduling Processes and Procedures, individuals with electronic access to schedule appointments and place patients on the EWL will be required to document completion of standardized national training to assure their competency and ongoing compliance. VHA is exploring the feasibility of developing computer functionality to help automate appointment scheduling for new enrollees who want to schedule an appointment on their initial application for enrollment. In the interim, VHA is using manual procedures to assure that veterans desiring an appointment are appropriately processed.



STRATEGIC GOAL #3		
Honoring, Serving, and Memorializing Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #1 — Health Care Delivery		
OIG #1C - Applying Sound Business Practices – (a) Clinical Staffing Guidelines		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2009		
<p>VA needs assurances that medical staffing levels are adequate and that medical staff are available to meet needs. The absence of staffing standards for physicians and nurses continues to impair VHA's ability to adequately manage medical resources.</p> <ul style="list-style-type: none"> As of September 2006, 9 of the 17 recommendations from OIG's April 2003 report on physician staffing remain open. VA proposed developing a policy to meet the statutory requirement to ensure staffing for physicians and nurses is adequate, but reported that information management systems are inadequate to support nationwide standardized staffing plans for health care providers in varied settings. VA plans to review the issues at the local, network, and national levels, and to put systems for the collection and analysis of required information in place—but not until September 2009. In August 2004, OIG reported that managers could have managed staffing better in providing patient care if VHA had developed and implemented consistent staffing methodologies, standards, and data systems. As of September 2006, 11 of 15 recommendations remain open. 	<ul style="list-style-type: none"> VHA completed the final draft of a directive on staffing plans. The directive does the following: <ul style="list-style-type: none"> Requires all facilities to develop staffing plans for various clinical care settings Contains national staffing guidance for nursing and physician primary and specialty care. Requires national roll-up and analyses of staffing plans and patient outcomes. VHA developed the VA Nursing Outcomes Database (VANOD) with standardized data definitions, data entry, data extraction, and report generation. 	<ul style="list-style-type: none"> VHA will continue development and enhancement of the VANOD.



STRATEGIC GOAL #3		
Honoring, Serving, and Memorializing Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #1 — Health Care Delivery		
OIG #1C - Applying Sound Business Practices – (a) Clinical Staffing Guidelines, <i>continued</i>		
<ul style="list-style-type: none"> OIG's August 2004 report found that managers did not effectively communicate productivity goals to measure physician productivity. The Radiology Service did not monitor productivity by the contract service provider and an external VHA consultant could not determine the Pulmonary Clinic workload. As of September 2006, one recommendation remains open and management needs to develop and implement productivity standards for physicians as directed by the <i>Department of Veterans Affairs Health Care Programs Enhancement Act of 2001</i>, Public Law 107-135. A March 2006 report indicated that problems with physician time and attendance requirements still persist, with the one recommendation remaining open. 	<ul style="list-style-type: none"> VHA developed productivity goals for the Radiology Service. 	<ul style="list-style-type: none"> VHA plans to develop national staffing guidance for other disciplines. VHA will issue new policy guidance on adjustable work hours for part-time physicians. This policy would provide guidance to accommodate varying VA patient care needs and part-time VA physicians who have VA or non-VA patient care, research, or educational responsibilities that make adherence to the same regularly scheduled tour of duty each pay period difficult.



STRATEGIC GOAL #3		
Honoring, Serving, and Memorializing Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #1 — Health Care Delivery		
OIG #1C - Applying Sound Business Practices – (b) Medical Outcome Measures		
VA's ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<p>Veterans should receive high-quality medical care. Improvements in the measurement and use of medical outcomes data will provide opportunities for VHA to improve the health care provided to veterans. VHA will continue to develop and implement appropriate medical outcome measures, consistent with industry and government standards that demonstrate the level of care VA provides.</p> <ul style="list-style-type: none"> OIG reviewed colorectal cancer detection in VHA health care facilities in February 2006. As of September 2006, all three recommendations remain open. 	<ul style="list-style-type: none"> The VHA Office of Quality and Performance (OQP) developed plans to report data on diagnostic delays quarterly, providing the mean time from a positive, non-colonoscopy, colorectal cancer (CRC) screen to colonoscopy as a metric to track VHA-wide delays and improve the timeliness of CRC diagnoses. External Peer Review Process (EPRP) collection for diagnostic delays began in the first quarter of 2006. VA produced preliminary metrics. Participants in the Colorectal Cancer Care Collaborative (C4) projects are capturing three core measures to improve the quality of care and increase adherence to evidence-based care in the diagnosis of CRC: <ul style="list-style-type: none"> Time from positive fecal occult blood test (FOBT) to colonoscopy performed or paid for by VA (for colonoscopies within 1 year). The number of colonoscopies performed or paid for by VA within 90 days after positive FOBT (for colonoscopies within 1 year). The number of positive FOBTs without a follow-up colonoscopy. C4 measures are designed for facility-level performance improvement by pilot facilities. VHA disseminated facility-based quality improvement measures and tracking tools in September 2006. 	<ul style="list-style-type: none"> VHA will continue collection and analysis of EPRP data related to CRC diagnostic delays. VHA will proceed with Phase 2 of the C4 project, in which teams will study treatment of colorectal cancer. VHA expects to have recommendations and outcome measures once the collaborative project is finished in 2007.



STRATEGIC GOAL #3		
Honoring, Serving, and Memorializing Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #1 — Health Care Delivery		
OIG #1C - Applying Sound Business Practices – (c) Budget Process		
VA's ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<p>VHA is challenged to align programmatic budget and financial execution with relevant outcomes, while remaining committed to providing quality health care to veterans.</p> <ul style="list-style-type: none"> OIG's June 2006 report addressed congressional concerns about VHA budget execution processes. As of September 2006, all four recommendations remain open. 	<ul style="list-style-type: none"> VHA assessed the Veterans Integrated Service Network (VISN) actions to ensure they maximized efficient and effective patient care. The VHA Chief Financial Officer routinely monitored all VISNs' resources throughout the year. VA submitted quarterly reports to Congress identifying progress achieved toward financial and program performance goals. 	<ul style="list-style-type: none"> The VHA Finance Committee will continue to provide ongoing oversight of network financial execution. It expects to complete this by December 2006.
OIG #1C - Applying Sound Business Practices – (d) VA Disbursement Agreements With Affiliated Medical Schools		
VA's ESTIMATED RESOLUTION TIMEFRAME: FY 2008		
<p>OIG's draft report issued March 2006, identified weaknesses at four medical centers in resident timekeeping, fiscal, and oversight procedures. OIG made four recommendations, which remain open, to address program management issues.</p>	<ul style="list-style-type: none"> VHA is awaiting the OIG's final report recommendations. 	<ul style="list-style-type: none"> VHA will implement OIG final report recommendations on Disbursement Agreements.



ENABLING GOAL: APPLYING SOUND BUSINESS PRACTICES		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #3 - Financial Management		
OIG #3A—Financial Management Controls		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2009		
<p>VA has received unqualified opinions in the annual consolidated financial statements (CFS) audits since FY 1999. However, the audit of VA's FY 2005 and FY 2004 CFS reported the lack of an integrated financial management system, financial operations oversight, and information technology (IT) security controls as material weaknesses. While VA has addressed some of our concerns, including the corrective action in FY 2005 to eliminate the judgments and claims reportable condition identified in the FY 2004 audit, the impact of the material weaknesses on financial operations demonstrates that VA faces major challenges in this area.</p> <ul style="list-style-type: none"> • The lack of an integrated financial management system increases the risk of materially misstating financial information. • VA believed that CoreFLS would resolve OIG concerns, but 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. As of September 2006, three financial management and control recommendations remain open. 	<ul style="list-style-type: none"> • VA pursued two initiatives to mitigate the conditions that resulted in the audit findings regarding the lack of an integrated financial management system: <ul style="list-style-type: none"> <u>Initiative #1:</u> VA standardized and centralized the financial statement generation process using a commercial off-the-shelf (COTS) business tool. <ul style="list-style-type: none"> ○ The new tool and new procedures were successfully implemented during 2006, bringing standardization and greater integrity to the financial statement generation process. ○ VA submitted third quarter financial statements and the FACTS II submission using this software and used this software to prepare the consolidated financial statements during the fourth quarter of 2006. <u>Initiative #2:</u> VA prepared a detailed analysis of major financial system interfaces to identify and initiate correction of any deficiencies in reconciliation, internal controls, security, and other areas. <ul style="list-style-type: none"> ○ To correct any reconciliation issues, VA is implementing a data warehouse to capture relevant interface and system data and produce both high-level and detailed information on the status and health of financial system interfaces. • VA is standardizing business processes for finance and logistics. The final deliverable will be a listing of standardized business processes to be implemented across VA. 	<ul style="list-style-type: none"> • VA will use the COTS tool to further enhance the preparation and generation of financial statements and reports. • VA will complete the analysis of the financial system interfaces in 2007. The focus of the project will move to incorporating these interfaces into the data warehouse effort.



ENABLING GOAL: APPLYING SOUND BUSINESS PRACTICES		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #3 - Financial Management		
OIG #3A—Financial Management Controls, <i>continued</i>		
	<ul style="list-style-type: none"> As it pertains to the open financial management and control recommendations associated with the prior financial and logistics system initiative, VA completed a review of expenditures to the largest vendors and completed a review of all travel expenditures submitted by BearingPoint. 	
OIG #3B — Medical Care Collections Fund		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<ul style="list-style-type: none"> OIG's December 2004 report identified that 89 percent of cases reviewed for certain veterans receiving C&P benefits had debts referred inappropriately to VA's Debt Management Center. As of September 2006, two of four recommendations remain open. 	<ul style="list-style-type: none"> VA's first quarter 2006 review found that 11,576 bills were potentially issued in error to veterans. After review at VA medical centers, 5,139 first party copayment bills were cancelled, resulting in \$99,000 being generated in refunds to veterans. VA implemented the Web Hospital Inquiry (WebHINQ) application, which allows VHA to retrieve from VBA's information systems more definitive disability codes, the current and original effective dates of a veteran's service-connected disability, and the effective date of the combined service-connected disability. 	<ul style="list-style-type: none"> VA will continue monitoring to ensure the error rate of veterans billed inappropriately is at an acceptable level – lowered to ten percent.



ENABLING GOAL: APPLYING SOUND BUSINESS PRACTICES		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #3 - Financial Management		
OIG #3B — Medical Care Collections Fund, <i>continued</i>		
	<ul style="list-style-type: none"> • The Health Eligibility Center (HEC) implemented procedures to ensure that review file records are monitored weekly and that pension awards and 50% or greater service-connected awards are identified for priority processing. A reporting mechanism was established to report this information monthly. • VA completed enhancements of HEC's information system to optimize electronic processing of solicited and unsolicited eligibility messages from VBA. This resulted in a reduction of records requiring manual processing from 671 records to 15 records per week. VA continues to place a high priority on reviewing and resolving records requiring manual review. • VBA corrected a deficiency in WebHINQ logic for triggering compensation and pension award changes to the HEC. • The HEC completed a refresh of compensation and pension data in HEC records identified as a VA pensioner or service-connected veteran. 	



ENABLING GOAL: APPLYING SOUND BUSINESS PRACTICES		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #3 - Financial Management		
OIG #3C – Permanent Change of Station Travel Program		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<p>OIG's March 2006 report cited that strengthened controls over VA's permanent change of station (PCS) travel program were needed. We made 3 recommendations with 11 action items, of which 7 actions remain open as of September 2006. Although VA has reported additional FY 2006 corrective actions, we have not received documentation showing how the actions address the remaining OIG recommendations for improvement.</p>	<p>VA took the following actions:</p> <ul style="list-style-type: none"> • Reviewed the PCS travel cases nationwide ensuring that PCS travel funds were deobligated promptly, advances to transferring employees were for the appropriate amount and were promptly collected and the appropriate amount of funds were obligated for PCS real estate expenses. • Ensured that customer surveys were distributed to all transferred employees. • Completed the requirement for entitlement counseling and voucher services for those affected by Hurricane Katrina under the provisions in the FAR, Part 8. • Changed the RFQ to provide entitlement counseling and voucher services to a fixed-price IDIQ or a Requirements task order that included tiered pricing or a rebate structure encouraging discounting pricing. 	<p>VA plans the following actions:</p> <ul style="list-style-type: none"> • Continue monthly reviews of outstanding obligations and advances. • Periodically analyze obligation and advance amounts and determine if adjustments are necessary. • Maintain up-to-date standard operating procedures. • Provide ongoing training for staff. • Continue surveys of transferred employees. • Conduct annual customer satisfaction surveys of VA facilities. • Partner with Cartus, a relocation services company, to enhance the PCS process. • Continue to monitor implemented corrective actions.



ENABLING GOAL: APPLYING SOUND BUSINESS PRACTICES		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #3 - Financial Management		
OIG #3D — Data Validity in Outpatient Scheduling		
VA's ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<p>The <i>Government Performance and Results Act</i>, Public Law 103-62, requires that agencies develop measurable performance goals and report results against the goals. Successful implementation requires accurate and complete data. OIG's July 2005 report found that VHA's outpatient scheduling procedures need to be improved to ensure accurate reporting of data on veterans' waiting times and facility waiting lists. As of September 2006, five of eight recommendations for improvement remain open.</p>	<ul style="list-style-type: none"> • VHA revised Directive 2003-068 as Directive 2006-028, <i>Process for Ensuring Timely Access to Outpatient Clinical Care</i>. • The revised directive continues previous requirements for scheduling and use of the Electronic Wait List (EWL) with emphasis on ensuring timely access for patients. • A new directive on outpatient scheduling processes and procedures is in the final concurrence process. 	<ul style="list-style-type: none"> • The draft VHA directive on outpatient scheduling processes and procedures will provide more detailed business rules for: scheduling, use of EWL, Primary Care Management Module (PCMM), consult management, no-shows, clinic cancellations, registration, and enrollment. • The directive also mandates demonstration and ongoing monitoring of the competencies of all staff with electronic access to schedule appointments and use EWL and PCMM, including the requirement to complete standardized national training.
OIG #4 — Procurement Practices		
OIG #4A—VA Acquisitions for Other Government Agencies		
VA's ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<p>OIG's May 2006 report cited two VHA contracting activities that did not comply with <i>Economy Act</i>, as amended, 31 U.S.C. § 1535, regulations when administering acquisitions for other Government agencies (OGAs) by charging the OGAs excessive service fees of about \$8.1 million in FYs 2003 and 2004. Additionally, contracting officers inappropriately awarded 35 interagency contracts valued at about \$15 million that were not within the scope of VA's mission. All 14 recommendations remain open.</p>	<p>VA took the following actions:</p> <ul style="list-style-type: none"> • New acquisitions for other Government agencies (OGAs) have been suspended in VHA since January 2006. • VHA field offices are transitioning OGA contracts to the VA Office of Acquisition and Materiel Management, or, in the case of Cooperative Administrative Support Units, to the General Services Administration. • VA obtained quarterly financial reports to ensure that expenses and revenues were appropriately reconciled. 	<ul style="list-style-type: none"> • VHA will perform a final closeout and reconciliation of all OGA procurements.



ENABLING GOAL: APPLYING SOUND BUSINESS PRACTICES		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #4 — Procurement Practices		
OIG #4B – Acquisition of Medical Transcription Services		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<p>OIG's June 2006 report cited that using speech recognition technology to transcribe medical reports in-house as an alternative to outsourcing to contractors could resolve security concerns about patient health care information and reduce costs by as much as \$6.2 million annually. As of September 2006, all four recommendations to address these issues remain open.</p>	<ul style="list-style-type: none"> VHA convened a workgroup to review market research and field data and to prepare a recommended procurement strategy for the approval of the Under Secretary for Health. 	<ul style="list-style-type: none"> VHA will support the contracting officer(s) and program manager(s) responsible for implementing the procurement strategy during the procurement process.



ENABLING GOAL: APPLYING SOUND BUSINESS PRACTICES		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #4 — Procurement Practices		
OIG #4C—VA Central Office Acquisition Issues		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<ul style="list-style-type: none"> • Serious contracting, planning, and project management issues had been identified in a congressionally mandated study. OIG's September 2005 report found that the study was not properly planned, procured, or managed by OA&MM. OIG recommended that the Under Secretary for Health and the Assistant Secretary for Management initiate formal acquisition planning and proper contracting processes to expeditiously and successfully complete the study and ensure that assigned project management and contracting staff have the required knowledge and skills to effectively plan, procure, administer, and manage the study. As of September 2006, four of six recommendations remain open. 	<ul style="list-style-type: none"> • VHA identified alternatives that could meet the intent of assessing mental health status, including the prevalence and effects of post-traumatic stress disorder (PTSD), in Vietnam (and other era) veterans. A final decision is still pending about which of the following approaches to pursue: <ul style="list-style-type: none"> ○ <u>Use the Vietnam Era Twin (VET) Registry.</u> The VET Registry was created to address questions about the long-term health effects of Vietnam service. The registry has evolved into a resource for genetic epidemiologic studies of mental and physical health conditions. Because the VET Registry does not include women, complementary studies of women veterans would be needed. ○ <u>Use Findings from a VA-DoD OIF Study.</u> A currently funded prospective study of OIF military personnel could provide insight into the onset and progression of PTSD as well as other mental and physical health consequences of service for veterans of current and future conflicts. 	<ul style="list-style-type: none"> • Negotiations with RTI International to close out the existing contract are continuing. These should be completed by December 31, 2006. • VHA will choose 1 of the 3 approaches for assessing mental health status.



ENABLING GOAL: APPLYING SOUND BUSINESS PRACTICES		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #4 — Procurement Practices		
<i>OIG #4C—VA Central Office Acquisition Issues, continued</i>		
	<ul style="list-style-type: none"> ○ <u>Rely on Other Research.</u> Significant research on PTSD has improved treatment and diagnosis techniques, and these findings can provide valuable information applicable to all veterans who serve in combat. <ul style="list-style-type: none"> – To improve VA's clinical care for veterans with readjustment problems, VA initiated several new projects, including collaborations with DoD and NIH, about the effects of combat. – Currently published and future findings should result in new therapies to address the issues of readjustment to civilian life or return to military service for all veterans, including Vietnam war veterans. 	
<ul style="list-style-type: none"> • OIG's August 2004 CoreFLS System review reported VA did not adequately contract for or monitor the CoreFLS project or protect the Government's interests. OIG identified systemic inadequacies in the contracting processes and serious weaknesses in contract development. OIG made 66 recommendations in the report. Twenty-nine recommendations related directly to procurement issues. As of September 2006, 15 of 29 recommendations remain open. 	<ul style="list-style-type: none"> • VA began developing a new program, the Financial and Logistics Integrated Technology Enterprise (FLITE). • The FLITE program will employ contracting methods that incorporate practices designed to address the OIG's concerns. 	VA plans to do the following: <ul style="list-style-type: none"> • Use Integrated Process Teams to develop acquisition plans and performance work statements. • Use contract review boards to ensure contracts are developed, awarded, and administered properly.



ENABLING GOAL: APPLYING SOUND BUSINESS PRACTICES		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #4 — Procurement Practices		
OIG #4D — Vocational Rehabilitation and Employment Contracts		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2008		
<p>OIG's February 2005 report noted that VA awarded over 240 vocational rehabilitation and employment contracts to provide evaluation, rehabilitation, training, and employment services to veterans. OIG concluded that VA was at risk of paying excessive prices for these contract services. As of September 2006, five of seven recommendations are closed. OIG will close the remaining two recommendations upon receipt of documentation showing new contracts are being competed, actions have been taken to negotiate lower prices with contractors, and the new business structures have been pilot tested.</p>	<ul style="list-style-type: none"> • VA began work to re-procure the National Acquisition Strategy (NAS) contracts. These contracts provide necessary counseling services required for veterans in the VR&E program. • VA awarded a facilitation contract to Acquisition Solutions, Inc., to assess various acquisitions strategies and identify the risks and benefits for each alternative. 	<ul style="list-style-type: none"> • Since new contracts were not in place by the end of 2006, VA will exercise the fourth and final option year on the current contracts pending a satisfactory price reasonableness determination. • VA will work with the Integrated Process Team to conduct extensive, more comprehensive market research to make a more informed business decision regarding the acquisition strategy. • Based on these activities, VA will solicit for NAS services with the goal of awarding contracts by the end of 2007.
OIG #4E – VHA Sole Source Contracts		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<p>OIG's February 2005 summary 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.</p> <p>Currently, 1 of 35 recommendations remains open.</p>	<ul style="list-style-type: none"> • After VA developed policy that addressed the concerns raised by the OIG report, the Secretary signed policy on sole-source contracting in August 2006. • VA is investigating the steps necessary to address the open recommendation concerning authorization for VA to enter into personal services contracts. 	



ENABLING GOAL: APPLYING SOUND BUSINESS PRACTICES		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #5 — Information Management Security and Systems		
OIG #5A—VA Information Security Program Reviews		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<p>For the past several years, OIG has reported vulnerabilities with information technology security controls in our Consolidated Financial Statements audit reports, <i>Federal Information Security Management Act</i> Public Law 107-347 reports, and Combined Assessment Program reviews. Each year OIG continues to identify repeat deficiencies and repeat recommendations that remain unimplemented. OIG's March 2005 audit reported that inadequate IT security controls for VA's financial management systems continue to place VA program and financial information at risk. As of September 2006, all 16 recommendations remain open. OIG's September 2006 audit of VA's information security program, reaffirmed the 16 unimplemented recommendations, and added another for VA action bringing the total to 17. OIG has reported information technology security as a Major Management Challenge for the Department each year for the past 6 years.</p> <ul style="list-style-type: none"> OIG's December 2005 Management Letter reported deficient equipment controls and records for a 10-year period. As of September 2006, four of seven recommendations to address these issues are closed. The issue of controls continues to be an area of concern that will be addressed in ongoing reviews because it is central to information security. 	<ul style="list-style-type: none"> VA created a new IT management structure which gives the CIO the following: <ul style="list-style-type: none"> Control over IT operational personnel and the IT budget. The CIO is now in a much better position to direct the remediation of IT deficiencies and implement the centralized enforcement/ execution model envisioned by the OIG. Responsibility and authority (as delegated by the Secretary in a June 2006 memorandum) for information security responsibility policies, procedures, and practices. 	<ul style="list-style-type: none"> The Department has begun and will continue to execute the Data Security Assessment and Strengthening of Controls Program, which was developed to remediate IT deficiencies.



ENABLING GOAL: APPLYING SOUND BUSINESS PRACTICES		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #5 — Information Management Security and Systems		
OIG #5A—VA Information Security Program Reviews, <i>continued</i>		
<ul style="list-style-type: none"> Two OIG March 2006 reports of wireless network vulnerability assessments at two medical centers identified inadequate access controls for wireless technologies and weak operating system configurations based on penetration test results. As of September 2006, three of four recommendations remain open for one facility and for the second facility, two of four recommendations remain open. 	<ul style="list-style-type: none"> Corrective action has been taken for one of four recommendations made at one facility. Vulnerabilities noted in the report have been successfully remediated at this facility. For the other facility, corrective action was taken by the facility on two of four recommendations. Although vulnerabilities were identified at the Dallas and San Antonio VA medical facilities, VA is approaching this issue from a national perspective. From this perspective, VA has required its officials to adhere to Federal Information Processing Standard (FIPS) encryption requirements, and VA's Office of Cyber and Information Security has begun assisting VHA facilities with network protection deployments. 	<ul style="list-style-type: none"> VA will issue new policy on use of wireless technology. VA will provide additional wireless training to the staff at one of the facilities. The other facility is planning to deploy a wireless intrusion detection system and will be providing its IT staff with wireless security training. Corrective action for the remaining recommendations is planned for completion in 2007.



ENABLING GOAL: APPLYING SOUND BUSINESS PRACTICES		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #5 — Information Management Security and Systems		
OIG #5B — VA Information Security Controls		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<p>OIG's July 2006 report reviewed the circumstances surrounding the theft of a personally-owned laptop computer and external hard drive, which was reported to contain personal information on approximately 26 million veterans and United States military personnel, from the home of a VA employee.</p> <ul style="list-style-type: none"> OIG found that while the employee had authorization to access and use large VA databases, the employee was not authorized to take VA data home and did not encrypt or password protect the data. OIG also found that VA policies and procedures do not adequately protect personal or proprietary data. OIG has reported vulnerabilities with information technology security controls for several years, finding that information security control weaknesses remain uncorrected. OIG understands VA has taken additional actions to implement the remaining recommendations, but they have not received documentation that would permit OIG to close any of the remaining recommendations. 	<ul style="list-style-type: none"> The Department completed four separate administrative investigations regarding the theft of a personally-owned laptop computer and hard drive from a VA employee's residence. All employees took privacy awareness and cybersecurity training. VA is offering data breach analysis services. VA consolidated security and privacy incident reporting. VA published the following policies: <ul style="list-style-type: none"> VA Directive 6500, Information Security Program. VA Directive 6504, Restriction on Transmission, Transportation, and Use of, and Access to Data Outside VA Facilities. VA IT Directive 06-02, Safeguarding and Protecting Privacy Act Protected Data at Alternate Work Locations. VA IT Directive 06-04, Embossing Machines and Miscellaneous Data Storage Devices. VA IT Directive 06-05, Use of Personal Computing Equipment. VA IT Directive 06-06, Safeguarding Removable Media 	<ul style="list-style-type: none"> VA will modify Cyber Security and Privacy Awareness Training to identify and provide an electronic link to all applicable laws and VA policies. VA will enhance the location and delivery of annual online awareness training for easier access by staff. VA will issue additional policy and procedures governing encryption, media protection, and other security controls. VA will ensure that its policies such as those governing telework and other personnel-related areas are updated to address IT security issues as appropriate. VA will ensure that all policies and procedures are centrally located and easily available and accessible to staff. VA will complete requirements analyses and begin to acquire and implement additional technical media protection capabilities, to include encryption of removable media. VA will enhance staffing and capabilities of its Security Operations Center for incident reporting and vulnerability detection and management. VA will enhance its internal IT security inspection capability to ensure that deficiencies have been properly remediated and to proactively identify new issues.



ENABLING GOAL: APPLYING SOUND BUSINESS PRACTICES		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
OIG #5 — Information Management Security and Systems		
OIG #5B — VA Information Security Controls, <i>continued</i>		
<ul style="list-style-type: none"> OIG recommended that the Secretary take whatever administrative action deemed appropriate concerning the individuals involved; establish one clear, concise VA policy on safeguarding protected information when stored or not stored on VA automated systems; modify mandatory Cyber Security and Privacy Awareness training; ensure that all position descriptions are evaluated and have proper sensitivity level designations, and that required background investigations are completed in a timely manner; establish VA-wide policy for contracts that ensures contractors are held to the same standards as VA employees and that protected information used on non-VA automated systems is safeguarded; and establish VA policy and procedures that provide clear, consistent criteria for reporting, investigating, and tracking incidents of loss, theft, or potential disclosure of protected information or unauthorized access to automated systems. Five of six OIG recommendations remain open. 	<ul style="list-style-type: none"> The Secretary directed that all employees (1) sign a “Statement of Commitment and Understanding” by July 21, 2006, regarding their understanding of the training, consequences for non-compliance, and commitment to protecting sensitive and confidential information in the Department and (2) complete both Cyber Security and Privacy Awareness training by June 30, 2006. The actions cited were completed. Laptops that leave VA premises were equipped with encryption technology and underwent a “health check” to ensure current anti-virus update and operating system patching. 	<p>VA plans the following actions:</p> <ul style="list-style-type: none"> An evaluation of all positions to ensure proper and consistent sensitivity level designations and timely completion of required background checks. Establishment of a VA-wide policy that ensures that contractor personnel are held to the same standards as VA employees regarding access to protected information, and that information accessed, stored, or processed on non-VA automated systems is safeguarded. Establishment of VA policy and procedures that provide clear, consistent criteria for reporting, investigating, and tracking information security incidents, including specific timelines and responsibilities regarding reporting and notification inside and outside VA.



Major Management Challenges

Identified by the GAO

The U.S. Government Accountability Office (GAO) evaluates VA's programs and operations. The GAO-identified Major Management Challenges and High-Risk areas (specific to VA as well as governmentwide) are summarized below by strategic goal. VA has provided *actions taken* in 2006 as well as *next steps* planned for 2007 and the *estimated resolution timeframe* (fiscal year) for each challenge area.

The table immediately below is a table of contents, which also shows the *estimated resolution timeframe* by challenge.

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Challenge		Estimated Resolution Timeframe (Fiscal Year)	Page #
No.	Description		
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STRATEGIC GOAL #1		
Restoration and Improved Quality of Life for Disabled Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #1 - Ensure Access to Quality Health Care		
GAO #1A - Access to Acute Care, Long-Term Care, and Specialized Health Care Services		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<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. 	<ul style="list-style-type: none"> VA continued to expand access to non-institutional home and community-based services to provide care for aging veterans in the least restrictive setting possible. This approach honors veterans' preferences for care and helps to maintain ties with the veteran's family, friends, and spiritual community. VA also provided nursing home care for veterans who were entitled to such care and could no longer be maintained at home safely. 	<ul style="list-style-type: none"> VA will continue to monitor demand and will allocate resources and funding to address needs.



STRATEGIC GOAL #1		
Restoration and Improved Quality of Life for Disabled Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #1 - Ensure Access to Quality Health Care		
GAO #1A - Access to Acute Care, Long-Term Care, and Specialized Health Care Services, <i>continued</i>		
<ul style="list-style-type: none"> VA 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"> VHA increased funding for mental health both to address the needs of returning veterans and to support enhancements to services for existing patients. Funding for mental health programming increased from \$2.43 billion in 2005 to \$2.82 billion in 2006 with a requested increase of at least \$3.16 billion in the President's 2007 budget request. This increased funding includes support for Returning Veterans Outreach, Education, and Clinical coordinators, augmentation of post-traumatic stress disorder (PTSD) programs, expansion of substance abuse treatment, increases in psychosocial rehabilitation, expansion of telemental health capabilities at all community-based outpatient clinics (CBOCs), as well as activities designed to support the integration of mental health services within primary care. By the end of 2006, VA had 152 PTSD Clinical Teams or Specialist Programs and 57 other specialized PTSD programs. There will be specialized PTSD clinical teams or individual specialized clinicians in every VA Medical Center. 	<ul style="list-style-type: none"> The funding for these programs will increase from \$164 million in 2006 to \$169 million in the President's 2007 budget request.



STRATEGIC GOAL #1		
Restoration and Improved Quality of Life for Disabled Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #1 - Ensure Access to Quality Health Care		
GAO #1A - Access to Acute Care, Long-Term Care, and Specialized Health Care Services, <i>continued</i>		
<ul style="list-style-type: none"> • VA faces two key challenges in planning for the provision of nursing home care. <ul style="list-style-type: none"> ○ The first challenge is estimating who will seek care from VA and what their nursing home care needs will be. ○ A second challenge is determining whether VA will maintain or increase the proportion of nursing home care demand it meets in each of the three nursing home settings or whether veterans will need to rely more on other non-VA nursing home care providers that are funded by other programs, such as Medicaid and Medicare. 	<ul style="list-style-type: none"> • VA continued to update its long-term care (LTC) Demand Model, which projects enrollee demand for institutional and non-institutional care. 	<ul style="list-style-type: none"> • VA will continue to make refinements to the LTC Demand Model as necessary. • Using Centers for Medicare & Medicaid Services data, VA will examine the proportion of veterans who seek VA-sponsored LTC, Medicare, or Medicaid-funded LTC.



STRATEGIC GOAL #1		
Restoration and Improved Quality of Life for Disabled Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #1 - Ensure Access to Quality Health Care		
GAO #1A - Access to Acute Care, Long-Term Care, and Specialized Health Care Services, <i>continued</i>		
<ul style="list-style-type: none"> VA does not compile information on key characteristics of veterans receiving care in state veterans' nursing homes: veterans' length of stay, priority group status for VA hospital and outpatient services, age, and gender. VA needs such information for strategic planning in order to develop baseline data, which can help VA estimate the proportion of nursing home need it currently meets and the need it may be asked to meet as the number of older veterans changes over time. 	<ul style="list-style-type: none"> VA concurs that data on Length of Stay (LOS) and Eligibility Priority Groups (EPG) of veterans residing in State Veterans Homes is of some interest, but as previously stated, it is not crucial for VA's strategic planning purposes. VHA will continue to use current data sources to estimate LOS and EPG in state veterans' homes (SVHs) for the purposes of program management and strategic planning. The Event Capture system is used for State Veterans Homes. VHA is pursuing DSS/EvC downloads as an interim reporting system for this purpose, and plans to collect this information in a more structured and routine fashion as data systems are updated to make such data collection feasible. For the SVH Program, new software development is required, and the initiative is competing with higher priority information technology projects. VHA currently anticipates adding the LOS and EPG variables to its data systems by the end of FY 2007. 	<ul style="list-style-type: none"> The collection of more structured demographic information on state veterans' nursing home patients will require the development of new software, which VA anticipates to be completed by the end of 2007.



STRATEGIC GOAL #1		
Restoration and Improved Quality of Life for Disabled Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #1 - Ensure Access to Quality Health Care		
GAO #1B - Patient Safety		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<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. 	<ul style="list-style-type: none"> All VHA facilities have procured and are using electronic fingerprinting equipment. Facilities performed Special Agreement Checks (criminal history checks) on all new employees, contractors, students, and most volunteers. VHA initiated a National Inventory of completed background checks. 	<ul style="list-style-type: none"> VHA will initiate background investigations on employees, contractors, students, and volunteers who have not previously had a background investigation or who need higher level investigation. VHA will evaluate compliance with requirements in VHA Directive 0710, <i>Personnel Suitability and Security</i>, through the System-wide Ongoing Assessment and Review Strategy program and with assistance from the Office of Human Resources Management.



STRATEGIC GOAL #1		
Restoration and Improved Quality of Life for Disabled Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #1 - Ensure Access to Quality Health Care		
<i>GAO #1B - Patient Safety, continued</i>		
<ul style="list-style-type: none"> VA needs to strengthen its human subject protections program by addressing continuing weaknesses in the program. 	<ul style="list-style-type: none"> A total of 4,440 VHA employees completed an online course, "Overview of Good Clinical Practice and Human Subjects Protection," and another 5,945 completed the Collaborative Institutional Review Board Training Initiative online course. Mandatory researcher training is evaluated as part of the human research protection program (HRPP) accreditation process. VHA performed 12 site visits to local VA facilities to provide training and help the facilities prepare for their HRPPs to undergo the accreditation process. VA participated in the Federal Adverse Events Taskforce (FAET). The goals are to develop: 1) common terms and definitions for reporting adverse events in research; 2) a common basal adverse events reporting form; and 3) a harmonized workflow pattern for all federal agencies. By the end of 2006, VA will have had HRPPs of 72 facilities accredited by the National Committee for Quality Assurance (NCQA), and 21 VA facilities will have submitted applications to the Association for the Accreditation of Human Research Protection Programs (AAHRPP). 	<ul style="list-style-type: none"> VHA will present a meeting for VA IRB Chairs. VHA will present two regional meetings on Local Accountability for Human Research Protection at VA Facilities. VA will continue to participate in the FAET, and will serve as a pilot for the basal adverse events reporting form. VA facilities whose HRPPs have not yet been accredited will submit their applications to AAHRPP.



STRATEGIC GOAL #1		
Restoration and Improved Quality of Life for Disabled Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #1 - Ensure Access to Quality Health Care		
<i>GAO #1B - Patient Safety, continued</i>		
<ul style="list-style-type: none"> VA should provide guidance to its medical facilities on how to collect physician performance information that can be used to renew clinical privileges, enforce the timely submission of VA medical malpractice information, and instruct facilities to establish internal controls for privileging information. 	<ul style="list-style-type: none"> VHA gave provider profile training to all medical staff credentialers. VHA entered into contract solicitation for Web-based training with one 2-hour module focused on provider profiling. In May 2006 the Deputy Under Secretary for Health for Operations and Management issued a memorandum to all Veterans Integrated Service Networks (VISNs) requiring the establishment of internal controls by 8/31/2006, to include continuous oversight by VISNs. 	<ul style="list-style-type: none"> Web-based training will be available no later than April 2007.
<ul style="list-style-type: none"> VA should expand its oversight program to include a review of VA screening requirements for all types of health care practitioners and should standardize a method for documenting the review of fingerprint-only investigation results. 	<ul style="list-style-type: none"> VA initiated a review of VA screening requirements for all types of health care practitioners and a standardized method for documenting the review of fingerprint-only investigation results. The Deputy Under Secretary for Health for Operations and Management issued a mandatory screening checklist and station policy to standardize documentation procedures. Some of the screening items covered by these procedures include the following: <ul style="list-style-type: none"> License and education verification, Health Integrity & Protection Data Base and List of Excluded Individuals and Entities screenings, position risk and sensitivity designations, fingerprint checks and background investigation initiation and adjudication. 	<ul style="list-style-type: none"> VHA Directive 0710, <i>Personnel Suitability and Security</i>, will be revised to include quarterly review of files for new accessions to verify that the checklist was completed and all documentation has been completed. Thirty files must be reviewed each quarter (or 100% of files if less than 30 accessions in the quarter).



STRATEGIC GOAL #1		
Restoration and Improved Quality of Life for Disabled Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #4 - Improving Veterans' Disability Program		
-A High-Risk Area-		
GAO #4A - Timeliness and Accuracy		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2008		
<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. 	<p>Background: Progress in achieving timeliness and inventory goals is significantly impacted by the increasing numbers of claims being received and the increased complexity of those claims. Complexity is a factor, particularly because of evolving legal interpretations of requirements issued by the U.S. Court of Appeals for Veterans Claims.</p> <ul style="list-style-type: none"> VA continued to use the national Systematic Technical Accuracy Review (STAR) process to measure the accuracy of claims processing. National training included use of STAR error trend analyses, and regional office-specific training was offered during site visits. 	<ul style="list-style-type: none"> VA will continue its hiring, training, and quality improvement efforts.
GAO #4B - Consistency of Claims Decisions		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2008		
<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"> VBA formed a rating consistency analysis work group that studies variances in the rates of grants, denials, and assigned disability evaluations. Further analysis is required to develop a plan to monitor decision-making consistency. VA contracted with the Institute for Defense Analyses (IDA) to perform an analysis of the state-by-state and regional office variation in disability compensation claims, ratings, and monetary benefits to determine if there is significant correlation to one or more variables. 	<ul style="list-style-type: none"> VBA will monitor consistency on an ongoing basis. VBA will initiate appropriate actions to address possible inconsistencies based on the work group findings and the IDA study report.



STRATEGIC GOAL #1		
Restoration and Improved Quality of Life for Disabled Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #4 - Improving Veterans' Disability Program		
-A High-Risk Area-		
GAO #4B - Consistency of Claims Decisions, <i>continued</i>		
<ul style="list-style-type: none"> • VA needs to do the following: <ul style="list-style-type: none"> ○ Clarify and strengthen its eligibility criteria, guidance, and procedures for determining unemployability. ○ Update procedures and strengthen criteria for the enforcement of the Individual Unemployability (IU) earnings limit. ○ Develop a strategy to ensure that IU claimants with work potential receive encouragement and assistance to return to work, while protecting benefits for those unable to work. 	<ul style="list-style-type: none"> • VBA reinforced and clarified to the field that claims for IU must be accompanied by the appropriate request from the claimant. • VBA reinforced and clarified to the field that regional office staff must send a request for information form to employers identified by the veteran during the veteran's last year of work. This form requests information from the employer relating to date of termination, reasons for termination, lost time, and other information relating to the IU decision. • VBA reinstated the requirement for IU recipients to complete an annual Report of Employment Form. 	<ul style="list-style-type: none"> • VBA will revise the IU regulation to clarify entitlement.
	<ul style="list-style-type: none"> • VBA investigated the possible use of the Department of Health and Human Services (HHS) New Hire Database and what is required to gain access to that database to assist in determining entitlement and effective dates if entitled. 	<ul style="list-style-type: none"> • VBA will consider options to allow VA to access the HHS New Hire Database.
	<ul style="list-style-type: none"> • VBA published and disseminated a training letter on determining entitlement to IU benefits. • VBA developed and deployed a motivational letter to the field for incorporation into all awards of IU benefits. This letter encourages veterans to avail themselves of VA's Vocational Rehabilitation and Employment program. 	<ul style="list-style-type: none"> • VBA will assess the effectiveness of the motivational letter. • VA will conduct a review of recent IU grants to determine compliance with current requirements for the award of IU benefits.



STRATEGIC GOAL #1 Restoration and Improved Quality of Life for Disabled Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #4 - Improving Veterans' Disability Program -A High-Risk Area-		
GAO #4B - Consistency of Claims Decisions, <i>continued</i>		
<ul style="list-style-type: none"> In <u>DeLuca v. Brown</u>, 8 Vet. App. 202 (1995), the U.S. Court of Appeals held that when federal regulations define joint and spine impairment severity in terms of limits on range of motion, VA claims adjudicators must consider whether range of motion is further limited by factors such as pain and fatigue during "flare-ups" or following repetitive use of the impaired joint or spine. Although VA has made progress, many joint and spine examination reports still do not comply with the <u>DeLuca</u> criteria, and VHA's 21 VISNs vary widely in the percentage of examinations that satisfy the <u>DeLuca</u> criteria. 	<ul style="list-style-type: none"> Coordination between VBA and VHA to improve the quality of examinations continued primarily through the Compensation and Pension Examination Project (CPEP). CPEP tracks examination quality, including DeLuca criteria performance, and issues monthly reports to VHA and VBA Central Office, VISN Directors, and Field Staff. Since the inception of this tracking and notification, there has been improvement in the quality indicators for DeLuca criteria, from 38.5 percent compliance, to the current high of 84.75 percent at the end of third quarter 2006. 	<ul style="list-style-type: none"> Additional examination types will be added to the VHA Examination Quality Performance Measures.
	<ul style="list-style-type: none"> VIA added Deuce criteria to the Veterans Integrated Service Network (VANS) Directors' performance standards for compensation and pension (C&P) examination quality. VHA provided face to face clinician training in DeLuca criteria in August 2006. CPEP and VBA's C&P Service have been developing templates containing required elements for C&P examinations, including the DeLuca criteria. The templates are being tested and released to the field in the order of frequency of use. 	<ul style="list-style-type: none"> VHA VISN Directors' performance standards for C&P examination quality for 2007 will continue to include DeLuca quality indicators. VHA's mandatory C&P Examiner Training and Certification Program will be in the final phase of initial implementation in the first quarter of 2007. The basic C&P examiner training course includes information on the DeLuca criteria. Additionally, all clinicians performing orthopedic examinations will be required to complete additional training modules on "Joint, Foot and Spine," with in-depth content on the DeLuca criteria. Final and full implementation of the mandatory C&P Examiner Training and Certification is scheduled for May 2007.



STRATEGIC GOAL #1		
Restoration and Improved Quality of Life for Disabled Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #4 - Improving Veterans' Disability Program		
-A High-Risk Area-		
GAO #4C - Staffing Level Justification		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2008		
<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. Specifically, VA needs to provide information on the following: <ul style="list-style-type: none"> ○ Expected Impact of claims processing improvement initiatives and changes in incoming claims and workload. ○ Claims processing productivity, including VBA plans to improve productivity. ○ Explanation of how claims complexity is expected to change and the impact of these changes on productivity and requested staffing levels. 	<ul style="list-style-type: none"> • VBA's 2007 budget submission included detailed information on areas that impact workload, including the complexity of claims, productivity levels, anticipated receipts, and legislative and regulatory changes. 	<ul style="list-style-type: none"> • VBA's future budget submissions will continue to include this detailed information.
<ul style="list-style-type: none"> • Productivity improvements are necessary to maintain performance in the face of greater workloads and relatively constant staffing resources. 	<ul style="list-style-type: none"> • VBA has focused on increased training for all employees involved in claims processing to improve accuracy, timeliness, and productivity. • Through September 2006, VBA has hired approximately 1,180 new Veteran Service Representatives and Rating Veteran Service Representatives thereby increasing this workforce segment by 7.7%. 	<ul style="list-style-type: none"> • VBA will continue its hiring and training efforts and anticipates increased productivity, particularly in 2008, as employees hired and trained over the last two years become fully productive.



STRATEGIC GOAL #1		
Restoration and Improved Quality of Life for Disabled Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #4 - Improving Veterans' Disability Program		
<i>-A High-Risk Area-</i>		
GAO #4D - Program Transformation and Modernization		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2009		
<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"> The Veterans' Disability Benefits Commission, created by legislation passed in 2003, is studying the appropriateness of VA disability and death benefit programs including the Schedule for Rating Disabilities. The Commission receives input from the Institute of Medicine and the Department of Defense. 	<ul style="list-style-type: none"> The findings and recommendations of the Veterans' Disability Benefits Commission are anticipated in mid-2007.
<ul style="list-style-type: none"> Opportunities for improvement may lie in more fundamental reform in the design and operation of disability compensation and pension claims programs to include a reexamination of program design and the context in which decisions are made as well as the structure and division of labor among field offices. 	<ul style="list-style-type: none"> See above. 	<ul style="list-style-type: none"> The findings and recommendations of the Veterans' Disability Benefits Commission are anticipated in mid-2007.
<ul style="list-style-type: none"> VBA and others have suggested that consolidating claims processing into fewer regional offices could help improve processing efficiency, save overhead costs, and improve decision accuracy and consistency. 	<ul style="list-style-type: none"> VBA continuously looks at opportunities to consolidate and re-organize. For example VBA has taken the following actions: <ul style="list-style-type: none"> Consolidated BDD work into two sites located in Winston-Salem, North Carolina, and Salt Lake City, Utah. Consolidated all radiology claims processing at the Jackson, Mississippi regional office. Created three Pension Maintenance Centers located at Philadelphia, Pennsylvania, Milwaukee, Wisconsin, and St. Paul, Minnesota to handle the maintenance portion of pension processing. 	<ul style="list-style-type: none"> VBA will look for opportunities to alter its business model when doing so will result in improved service to veterans.



STRATEGIC GOAL #1		
Restoration and Improved Quality of Life for Disabled Veterans		
Major Findings and Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #4 - Improving Veterans' Disability Program <i>-A High-Risk Area-</i>		
GAO #4D - Program Transformation and Modernization, <i>continued</i>		
<ul style="list-style-type: none"> VA has been working to modernize the delivery of benefits through its development of the Veterans Service Network (VETSNET), but the pace of progress has been discouraging. Until VA addresses the managerial and program weaknesses that have hampered the program, it is uncertain when VA will be able to end its reliance on its aging benefits technology. 	<ul style="list-style-type: none"> The Under Secretary for Benefits, in cooperation with the VA Chief Information Officer (CIO), requested an Independent Technical Assessment (ITA) by Carnegie Mellon's Software Engineering Institute (SEI) to evaluate the project. As a result of the ITA, the Under Secretary for Benefits engaged MITRE Corporation to assist in identifying and implementing risk mitigation strategies to address SEI's findings. VBA deployed three of five components of VETSNET to the field, and these components are in full production at all regional offices. The remaining two components are in two stages of beta deployment at regional offices. These three components reduce reliance on the outdated Benefits Delivery Network (BDN) and were designed to improve customer service and timeliness of the claims process. 	<p>VBA plans to do the following:</p> <ul style="list-style-type: none"> Provide refresher training to all regional offices on VETSNET as expanded functionality is deployed. Complete conversion of BDN records in accordance with an Integrated Master Schedule to move all existing payment master records into VETSNET.



STRATEGIC GOAL #2		
Smooth Transition to Civilian Life		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
The GAO did not identify Major Management Challenges related to this goal.		

STRATEGIC GOAL #3		
Honoring, Serving, and Memorializing Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #2 - Manage Resources and Workload to Enhance Health Care Delivery		
GAO #2A - Resources and Workload Management		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<ul style="list-style-type: none"> VA lacked a methodology for making the health care management efficiency savings assumptions reflected in the President's budget requests for fiscal years 2003 through 2006. 		<ul style="list-style-type: none"> VA will not include management efficiency savings that cannot be validated in any future budgets.
<ul style="list-style-type: none"> VA's internal process for formulating the medical program's funding requests for FY 2005 and 2006 was informed by, but not driven by, projected demand. 	<ul style="list-style-type: none"> VA used an actuarial model to project demand related to approximately 86 percent of its budget. Other models are also used to project demand for long-term care (LTC) and other programs like Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA). VA used this combined approach to formulate the FY 2005, 2006, and 2007 budgets. The 2006 model was adjusted to incorporate the following: <ul style="list-style-type: none"> A review of assumptions. More current data including Operation Iraqi Freedom/Operation Enduring Freedom (OIF/OEF) workload. More recent enrollment, utilization, and unit cost data 	<ul style="list-style-type: none"> VA will review and identify areas for continued model enhancement. VA will continue to explore the feasibility of developing actuarial models to estimate the requirements for CHAMPVA and dental services. VA will also explore the enhancement to the VA LTC model.



STRATEGIC GOAL #3		
Honoring, Serving, and Memorializing Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #2 - Manage Resources and Workload to Enhance Health Care Delivery		
GAO #2A - Resources and Workload Management, <i>continued</i>		
<ul style="list-style-type: none"> • An unrealistic assumption, errors in estimation, and insufficient data were key factors in VA's budget formulation process that contributed to the requests for additional funding for FY 2005 and 2006, specifically the following: <ul style="list-style-type: none"> ○ Unrealistic assumption about implementation of a cost savings proposal (FY 2005). ○ Errors in estimating the effect of a nursing home policy (FY 2006). ○ Insufficient data on certain activities pertaining to OIF/OEF veterans (FY 2005 and 2006). 	<ul style="list-style-type: none"> • VA made improvements to its formulation methodologies for long-term care workload. • VA corrected its assumptions regarding cost savings related to nursing home policy. • VA worked closely with the Department of Defense (DoD) to improve its workload forecasting for OIF/OEF veterans. • FY 2007 budget request reflects improvements as previously described. 	<ul style="list-style-type: none"> • VA will continue to seek improvements in the budget process to ensure that unrealistic assumptions are not made, error estimates are minimized, and the OIF/OEF veterans' workload is timely.
GAO #2B – VA/DoD Efficiencies		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<ul style="list-style-type: none"> • VA and DoD need to find additional efficiencies through increased sharing of resources and joint purchasing of drugs and medical supplies. 	<p>The Health Executive Council Acquisition & Medical Working Group continued to make progress in joint purchases:</p> <ul style="list-style-type: none"> • There are two joint VA/DoD national blanket purchase agreements (BPAs) in effect for medical supplies. • There are 77 joint VA/DoD national contracts and 7 BPAs in place for pharmaceuticals. 	<p>The Acquisition & Medical Working Group will explore the potential for joint progress and report progress on pharmacy return programs, Digital Imaging Network-Picture Archiving Communication System, hearing aids, hearing aid batteries, and surgical instruments. In addition:</p> <ul style="list-style-type: none"> • There are 16 national joint VA/DoD pharmaceutical contracts pending award in 2007 and 21 proposed joint contracts to be considered for solicitation in 2007. • VA anticipates 26 follow-on joint contract awards for radiology medical equipment between February and March 2007.



STRATEGIC GOAL #3		
Honoring, Serving, and Memorializing Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #2 - Manage Resources and Workload to Enhance Health Care Delivery		
<i>GAO #2B – VA/DoD Efficiencies, continued</i>		
	<ul style="list-style-type: none"> VA currently shares 25 contracts with DoD's Defense Supply Center Philadelphia (DSCP) for high tech radiology medical equipment. VA and DoD issued a joint solicitation for high tech radiology medical equipment. VA and DoD received 26 vendor offers evenly distributed among the two agencies. VA increased the value of joint contracts for high cost medical equipment by \$10 million, raising the total to \$150M for FY 2006 and \$160M for FY 2007. VA completed vendor prototype of a single database that includes all VA Federal Supply Schedule (FSS) as well as VA and DoD national contract information. 	<ul style="list-style-type: none"> VA and DoD will establish a joint DSCP/VA FSS medical catalog that will allow both VA and DoD customers to perform product and price comparisons for medical/surgical supplies, pharmaceutical items, and medical equipment.
	<p>The Health Executive Council Pharmacy Workgroup continued progress in joint purchasing as follows:</p> <ul style="list-style-type: none"> Monitored all new drug approvals and new data on older drugs to identify additional joint contracting opportunities for branded and generic pharmaceuticals. 	<p>The Health Executive Council Pharmacy Workgroup will continue to monitor new drug approvals, clinical data on old drugs, and branded drugs that are going generic.</p>



STRATEGIC GOAL #3		
Honoring, Serving, and Memorializing Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #2 - Manage Resources and Workload to Enhance Health Care Delivery		
<i>GAO #2B – VA/DoD Efficiencies, continued</i>		
<ul style="list-style-type: none"> • The National Defense Authorization Act for FY 2003 required that VA and DoD implement programs referred to as the Joint Incentive Fund (JIF) and the Demonstration Site Selection (DSS) to increase health care resource sharing between the departments. The Departments need to do the following: <ul style="list-style-type: none"> ○ Establish a plan to measure and evaluate the advantages and disadvantages of DSS projects. ○ Develop a system for collecting and monitoring information on health care services that each department contracts for from the private sector. ○ Conduct a joint nationwide market analysis of what their combined future workloads will be in the areas of services, facilities, and patient needs. ○ Develop performance measures that would be useful for evaluating performance on their health care resource-sharing goals. 	<ul style="list-style-type: none"> • VA created a lessons-learned template and standard operating procedures (SOP) in order to help accumulate lessons learned to serve as corporate memory and assist others that may try to replicate what has been demonstrated. This collection of lessons learned information is compiled, preserved, and disseminated across project teams and to external agencies such as the GAO. • Lessons learned can be either positive or negative: 1) they identify best practices or positive experiences or 2) they identify problems or failures. In either case, it is important to document the repeatable processes or associated corrective actions for others to benefit from the lesson. • Lessons learned may occur in the following and/or additional areas: Communication Management; Configuration Management; Contract Management; Equipment Purchase/Leases; External Mandates and Influences; Facility Management; Funding; Implementation and Training; Integrators; Interagency; Interoperability; Performance Management; Problem Resolution; Program/Project Management; Quality; Requirements; Resource Management; Risk Management; Scheduling; Personnel Management (Staffing/Hiring); Technical; Templates; and Testing. • VA disseminated the template and SOP to all the demonstration sites. VA also held training to review the SOP with all project managers. • Draft and final lessons learned were collected in a "lessons learned" repository within eRoom, the Web-based application used by all sites. The lessons learned are available to all appropriate personnel via the eRoom. 	<p>VA plans to do the following:</p> <ul style="list-style-type: none"> • Obtain Local Oversight Approval. Once DSS project coordinators informally review the draft input, it will be returned to the submitter for local oversight approval. If the local oversight representatives have questions or additions, the lessons will continue to be vetted until approval is gained. • Submit Lessons Learned for DSS Oversight Committee Review. With local oversight approval, the lessons learned will be submitted to the DSS Oversight Committee. With Committee approval, the lessons will be added to the DSS Lessons Learned Repository. • Maintain Lessons Learned Repository. A central Lessons Learned Repository will be housed on the DoD/VA Demonstration Site Subgroup eRoom. This repository will allow for easy sorting and report generation.



STRATEGIC GOAL #3		
Honoring, Serving, and Memorializing Veterans		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #2 - Manage Resources and Workload to Enhance Health Care Delivery		
GAO #2C – Enhance Health Care Delivery		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<ul style="list-style-type: none"> VA needs to establish criteria to evaluate proposals for joint ventures with medical schools for health care delivery. 	<ul style="list-style-type: none"> A workgroup of various offices within VHA has been tasked to develop criteria for evaluating joint venture proposals with medical schools for health care delivery. 	<ul style="list-style-type: none"> Upon approval of the workgroup recommendations to the Under Secretary for Health, the criteria for evaluating joint venture proposals will be issued.
<ul style="list-style-type: none"> VA needs to develop a strategy for communicating with stakeholders when negotiating joint venture proposals. 	<p>The following actions were taken to communicate with stakeholders on joint venture proposals:</p> <ul style="list-style-type: none"> Monthly conference calls were held between the VA/DoD Liaison and Sharing Office and the VAMC VA/DoD to manage sharing agreements. <ul style="list-style-type: none"> In 2006, 152 VA Medical Centers were involved in direct sharing agreements with 210 Military Treatment Facilities and 157 Reserve and Guard Units. There are currently 518 direct sharing agreements covering 2,080 unique services. A VA/DoD database is in the final phase of development; it will contain updated information on all joint sharing agreements and will be available to all DoD and VA liaisons. All Joint Strategic Plan initiatives and major joint ventures were routinely briefed to the Joint Executive Council (JEC) and Health Executive Council (HEC) members during bi-monthly meetings. The VA/DoD Liaison and Sharing Office communicated with the HEC stakeholders via periodic meetings as well as continuous e-mail and workgroup meetings. 	<ul style="list-style-type: none"> In 2007, VA and DoD will continue the vigorous two-way communication with the JEC and HEC members and workgroups, formally chartered taskforces for joint healthcare ventures, and the VISNs and VAMC sharing coordinators for sharing agreements.



STRATEGIC GOAL #4		
Contributing to the Nation's Well-Being		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #3 - Prepare for Biological and Chemical Acts of Terrorism		
<i>-A Governmentwide High-Risk Area-</i>		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2008		
<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. 	<p>VA took the following actions:</p> <ul style="list-style-type: none"> Continued to maintain 143 pharmaceutical caches located at VA medical centers and continued its decontamination training and procurement program. Used lessons learned from Hurricane Katrina to improve the Department's ability to respond to a catastrophic incident. Participated in working groups led by the Department of Health and Human Services to address possible medical countermeasures in response to natural or terrorist events. 	<p>VA plans to do the following:</p> <ul style="list-style-type: none"> Complete the design phase of a combined IT Data and Continuity of Operations Center, which will enhance the Department's ability to respond to all hazards. Continue to implement additional lessons learned from other emergency incidents as part of a dynamic process to improve the Department's ability to respond across a wide spectrum of contingencies. Continue to work with other agencies to improve medical countermeasures to respond to natural or terrorist events.
<p>As a whole, federal agencies must do the following:</p> <ul style="list-style-type: none"> Clearly define and communicate leadership roles, responsibilities, and lines of authority for catastrophic response in advance of catastrophic disasters. 	<ul style="list-style-type: none"> VA continued to maintain its Comprehensive Emergency Management program, Line of Succession procedures, and Operations Plan which set out roles and responsibilities and lines of authority. 	<ul style="list-style-type: none"> VA will create a new organization under an Assistant Secretary to assume overall responsibilities for oversight of the Department's emergency preparedness. This organization will ensure communication between leadership and those in the field during an emergency.
<ul style="list-style-type: none"> Clarify the procedures for activating the National Response Plan (NRP) and apply them to emerging catastrophic disasters. 	<ul style="list-style-type: none"> VA participated in Homeland Security Council and Department of Homeland Security meetings to revise the NRP to better respond to catastrophic disasters, as a result of lessons learned from Hurricane Katrina. Changes were briefed to VA leadership and implementers. 	<ul style="list-style-type: none"> VA will update Operation Plan Safe Harbor and will implement an Incident Command System to reflect changes to the NRP and facilitate coordination among federal agencies.
<ul style="list-style-type: none"> Conduct strong advance planning and robust training and exercise programs. 	<ul style="list-style-type: none"> VA participated in all major governmentwide exercises that covered not only response to chemical and biological acts, but also all hazards. VA also conducted training for successors and leadership on continuity of operations. 	<ul style="list-style-type: none"> VA will hire additional planning staff to strengthen its training and exercise program and will continue to participate in major governmentwide exercises.



STRATEGIC GOAL #4		
Contributing to the Nation's Well-Being		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #3 - Prepare for Biological and Chemical Acts of Terrorism, <i>continued</i>		
<i>-A Governmentwide High-Risk Area-</i>		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2008		
<ul style="list-style-type: none"> Strengthen response and recovery capabilities for a catastrophic disaster. 	<ul style="list-style-type: none"> The VA Crisis Response Team continued to meet weekly to plan for contingencies and to ensure maintenance of a robust Emergency Relocation Group to coordinate VA response and recovery. During crises, this team meets as often as necessary. VA increased the number of decontamination facilities from 37 to 102 for this hurricane season. 	<ul style="list-style-type: none"> The VA Crisis Response Team will continue to meet at least weekly to ensure the Department maintains its operational readiness.
<i>(Note: Except where otherwise noted, GAO feedback here is not VA-specific.)</i>		
GAO #5 - Developing Sound Departmentwide Management Strategies to Build a High-Performing Organization		
GAO #5A - Financial Management Weaknesses:		
Information Systems Security and Financial Management System Integration		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2009		
<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. 	<ul style="list-style-type: none"> VA's new IT management system and the Secretary's June 28, 2006, memorandum provide the Assistant Secretary for Information and Technology with the authority to direct and enforce remediation of IT security deficiencies. The Data Security Assessment and Strengthening of Controls Program has been developed to address these deficiencies. IT security controls deficiencies have been identified through the annual FISMA assessment and entered into the Plan of Action and Milestones database. VA has begun implementing Federal Information Processing Standard (FIPS) 200 to establish a minimum mandatory security controls baseline for all IT systems. Nearly 150 specific security controls will be implemented on each moderate and high risk IT system. 	<ul style="list-style-type: none"> VA will continue to implement the Data Security Assessment and Strengthening of Controls Program. The Assistant Secretary for Information and Technology will monitor and enforce implementation of this plan. The VA CIO will direct a focused remediation effort to correct long-standing security controls weaknesses by mobilizing field-based and centralized IT assets. Status will be reported quarterly. The VA Office of Cyber and Information Security will enhance its inspection capability to validate the correction of existing deficiencies and proactively address new security control issues.



ENABLING GOAL		
Applying Sound Business Principles		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #5 - Developing Sound Departmentwide Management Strategies to Build a High-Performing Organization		
GAO #5A - Financial Management Weaknesses: Information Systems Security and Financial Management System Integration, <i>continued</i>		
<ul style="list-style-type: none"> 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 pursued two initiatives to mitigate the conditions that resulted in the audit findings regarding the lack of an integrated financial management system: <ul style="list-style-type: none"> <u>Initiative #1:</u> VA standardized and centralized the financial statement generation process using a commercial off-the-shelf (COTS) business tool. <ul style="list-style-type: none"> The new tool and new procedures were successfully implemented during 2006, bringing standardization and greater integrity to the financial statement generation process. VA submitted third quarter financial statements and the FACTS II submission using this software and used this software to prepare the consolidated financial statements during the fourth quarter of 2006. <u>Initiative #2:</u> VA prepared a detailed analysis of major financial system interfaces to identify and initiate correction of any deficiencies in reconciliation, internal controls, security, or other relevant issues. <ul style="list-style-type: none"> To correct any reconciliation issues, VA is implementing a data warehouse to capture relevant interface and system data and produce both high level and detailed information on the status and health of financial system interfaces. VA is also standardizing business processes for finance and logistics. The final deliverable will be a listing of standardized business processes to be implemented across VA. 	<ul style="list-style-type: none"> VA will use the COTS tool to further enhance the preparation and generation of financial statements and reports. <p>VA will complete the analysis of the financial system interfaces in 2007. The focus of the project will move to incorporating these interfaces into the data warehouse effort.</p>



ENABLING GOAL		
Applying Sound Business Principles		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #5 - Developing Sound Departmentwide Management Strategies to Build a High-Performing Organization		
GAO #5B - Enterprise Architecture (EA) Documentation		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> OMB evaluated VA's enterprise architecture (EA) V4.0 (delivered in May 2005) with a score of 3.0 (Complete/Green). OMB evaluated VA's EA V4.1 (delivered in February 2006) with a score of 3.6 (Complete/Green) indicating substantial improvement in 2006. VA's Office of Enterprise Architecture Management began seeking feedback from within the Department as well as from business stakeholders in order to improve the EA relevance and usability in decision-making. 	<ul style="list-style-type: none"> VA is preparing EA V4.2 for delivery to OMB in February 2007. This EA release will incorporate new OMB requirements as well as recommendations from GAO's EA survey of 2006. VA will increase the involvement of EA in the Capital Planning and Investment Control portfolio management process. VA will continue reforming its IT governance process to improve project initiation, monitoring and acceptance through greater involvement of EA and security.
GAO #5C - Performance Measures		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2008		
<ul style="list-style-type: none"> VA also faces the challenge of establishing performance measures that show how well its IT initiatives support veterans' benefits programs. 	<ul style="list-style-type: none"> VBA proposed specific strategic objectives that direct business and IT organizations within VA to consolidate applications and use common services. <ul style="list-style-type: none"> These objectives redirect IT development away from stovepipe implementations to shared solutions to better leverage IT investments. 	<ul style="list-style-type: none"> VBA will propose specific performance measures that relate directly to the objectives of application consolidation and use of common services. VBA will seek approval of these measures for inclusion in future budgets.



ENABLING GOAL		
Applying Sound Business Principles		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #5 - Developing Sound Departmentwide Management Strategies to Build a High-Performing Organization		
GAO #5D – VA/DoD Information Sharing		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2008		
<ul style="list-style-type: none"> • VA and DoD have experienced delays in their efforts to begin exchanging patient health data: <ul style="list-style-type: none"> ○ VA and DoD have not yet developed a clearly defined project management plan that gives a detailed description of the technical and managerial processes necessary to satisfy project requirements. ○ They have not yet fully populated the repositories that will store the data for their future health systems. As a result, much work remains to be done before the Departments achieve their goal of sharing virtual medical records. 	<ul style="list-style-type: none"> • VA and DoD updated the detailed interagency project management plan for the Joint Electronic Health Records Interoperability Plan. VA provided copies of these plans to GAO in March and August 2006. • VA has successfully populated its Health Data Repository with standardized allergy, pharmacy, and demographic data, and began the bidirectional exchange of these computable data in a live patient care environment through the Clinical Health Data Repository (CHDR) interface with DoD's Clinical Data Repository in June 2006. • VA received the 2006 Excellence.gov Award from the American Council for Technology for VA/DoD work on the Bi-Directional Health Information Exchange (BHIE) <ul style="list-style-type: none"> ○ BHIE supports the bidirectional exchange of viewable text data for outpatient pharmacy, allergy, laboratory and radiology results between current VA and DoD health information systems. Since initial implementation in 2004, BHIE is now available at all VA medical centers and facilities and 17 DoD host facilities. These DoD facilities include locations such as Walter Reed Army Medical Center, Bethesda National Naval Medical Center and Landstuhl Regional Medical Center, where large numbers of OIF and OEF patients are seen and treated. BHIE was one of five finalist government interagency projects awarded the 2006 Excellence.gov Award by the American Council of Technology. 	<ul style="list-style-type: none"> • VA and DoD will continue to update the detailed interagency project management plan as VA and DoD expand the types of data to be shared. • Upon completion of production testing of the exchange of computable allergy, outpatient pharmacy, and demographic data between VA and DoD's data repositories, VA and DoD have documented a roll-out and implementation schedule to deploy CHDR to two to four sharing locations in 2007. • VA and DoD have documented an initial plan to share computable standardized laboratory data through the CHDR interface in 2007.



ENABLING GOAL		
Applying Sound Business Principles		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #6 - Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures		
<i>-A Governmentwide High-Risk Area-</i>		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2009		
<ul style="list-style-type: none"> For many years, significant concerns have been raised about VA's information security. There are recurring weaknesses in such areas as access controls, physical security, and segregation of incompatible duties. The Department has taken steps to address these weaknesses, but these have not been sufficient to establish a comprehensive information security program. 	<ul style="list-style-type: none"> VA's new IT management system and the Secretary's June 28, 2006, memorandum provide the Assistant Secretary for Information and Technology with the authority to direct and enforce remediation of IT security deficiencies. The Data Security Assessment and Strengthening of Controls Program has been developed to address these deficiencies. VA's FISMA Plan of Action and Milestones (POA&M) database was enhanced to manage and report deficiency status by security control category. VA completed its annual FISMA assessment to confirm system-specific security controls deficiencies. Policy, training, and awareness activities were initiated and implemented to enhance employee knowledge, awareness, and accountability. 	<ul style="list-style-type: none"> The Department will execute the Data Security Assessment and Strengthening of Controls Program to remediate IT deficiencies. All Department security controls deficiencies will be prioritized by category in order to develop a remediation plan that focuses attention on high-risk areas and long-standing security controls weaknesses. Remediation efforts will be implemented by OI&T field-based and centralized security and IT operations staff to address high-risk areas first, including control and protection of media, remote access, and contractor security. VA will expand its IT security inspection capability to validate security controls remediation activity and proactively identify new security weaknesses.
<ul style="list-style-type: none"> Agencies should develop privacy impact assessments (PIAs) analyzing how personal information is collected, stored, shared, and managed whenever information technology is used to process personal information. 	<ul style="list-style-type: none"> VA has complied with this requirement and has used PIAs for several years on all OMB 300-level systems. VA worked to ensure system compliance with PIAs by matching FISMA systems to the PIAs that cover them. VA has begun to use the PIA as a tool to assess a system privacy risk based on types of data stored. 	<ul style="list-style-type: none"> As PIAs become more accepted by program offices, VA will expand its application as an analytical tool beyond the OMB 300-level systems. VA will simplify the PIA completion, submission, and review processes in 2007. VA may require a review of PIAs semiannually to increase validity.



ENABLING GOAL		
Applying Sound Business Principles		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #6 - Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures, <i>continued</i> <i>-A Governmentwide High-Risk Area-</i>		
<ul style="list-style-type: none"> Agencies also need to take practical measures aimed at preventing data breaches, including limiting the collection of personal information, limiting the time that such data are retained, limiting access to personal information and training personnel accordingly, and considering the use of technological controls such as encryption when data need to be stored on portable devices. 	<ul style="list-style-type: none"> In a memorandum dated June 6, 2006, the Secretary stated that employees authorized to remove electronic data must consult with their Information Security Officers and supervisors to ensure that data are properly encrypted and password protected in accordance with VA policy. VA issued Directive 6504, dated June 7, 2006, which requires encryption for VA-protected information stored on computers outside VA facilities. In a memorandum dated June 22, 2006, the acting Chief Information Officer stated that VA will implement encryption to protect its data. All employees took privacy awareness and cyber security training. Laptops were equipped with encryption technology. VA is offering data breach analysis services. 	<ul style="list-style-type: none"> VA will continue to implement encryption, use virtual private networks (VPN) and implement other practical measures aimed at preventing data breaches.
<i>(Note: Except where otherwise noted, GAO feedback here is not VA-specific.)</i>		



ENABLING GOAL		
Applying Sound Business Principles		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #7 - Federal Real Property		
-A Governmentwide High-Risk Area-		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2010		
<ul style="list-style-type: none"> There is a need for a comprehensive, integrated transformation strategy for real property. 	<ul style="list-style-type: none"> VA earned a "green" status indicator for the President's Management Agenda Real Property Initiative. VA updated its 5-year capital plan (FY 2006-2011), which describes VA's framework for managing the Department's portfolio of more than 5,500 buildings and approximately 32,000 acres of land. VA updated its Asset Management Plan, a companion document to the 5-year capital plan and describes the following: <ul style="list-style-type: none"> VA's capital budget. VA's capital asset management philosophy. VA's capital portfolio goals. Actions being taken by VA to improve the formulation and management of its portfolio. VA's sustainment model. The valuation mechanism used at VA. The human capital strategies employed, including the policies developed to govern asset management at VA. 	<ul style="list-style-type: none"> VA will update the 5-year capital plan.



ENABLING GOAL		
Applying Sound Business Principles		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #7 - Federal Real Property, continued <i>-A Governmentwide High-Risk Area-</i>		
<ul style="list-style-type: none"> Many assets are no longer effectively aligned with, or responsive to, agencies' changing missions and are therefore no longer needed. 	<p>Background: From 2000 to 2003, VA conducted the Capital Asset Realignment for Enhanced Services (CARES) process – the most comprehensive analysis of VA's health care infrastructure ever conducted – which provided a 20-year blueprint for the modernization and realignment of VA's health care system.</p> <p>In 2006, VA did the following:</p> <ul style="list-style-type: none"> Completed Stage II CARES studies on all but 20 sites to identify unneeded property and to determine the health care needs of veterans, VA capital needs, and use of land and buildings for non-VA use. Fully complied with Federal Real Property Council (FRPC) requirements to track and report asset mission dependency and utilization at the constructed-asset level. Formulated a disposal directive that requires VA to follow a prescribed order of disposal modes for eligible assets. Developed a list of assets – <i>validated to CARES decisions</i> -- for disposal in 2006, 2007, and 2008. <ul style="list-style-type: none"> VA disposed of 77 buildings in 2006. Outleased 5.1 million square feet of underutilized space (includes enhanced-use leases). Completed an annual update of its steady-state space model. The workload-driven model is used to determine ideal space needs for VHA medical centers. Updated systems to track and report additional FPRC disposal elements 	<p>VA will:</p> <ul style="list-style-type: none"> Monitor and report implementation of mission dependency and utilization initiatives identified in action plans and determine impact on performance. Develop short- and long-term plans to consolidate, share, re-use or dispose of non-mission dependent and underutilized or vacant space at the building and station level. Develop annual call for FRPC inventory and performance measure updates. Initiate work on remaining CARES follow-up studies.



ENABLING GOAL		
Applying Sound Business Principles		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #7 - Federal Real Property, <i>continued</i> -A Governmentwide High-Risk Area-		
<ul style="list-style-type: none"> Many assets are in an alarming state of deterioration; agencies have estimated restoration and repair needs to be in the tens of billions of dollars. 	<p>In addition to actions mentioned above, VA:</p> <ul style="list-style-type: none"> Developed an infrastructure sustainment model that is now being used to ensure long-term viability. VA used the estimate calculated by the sustainment model as the basis for our funding requirement for the 2007 non-recurring maintenance program to improve the condition of VA's infrastructure. Initiated major and minor construction programs to address projected gaps and infrastructure deficiencies identified in the CARES Facility Condition Assessment study. 	<p>VA will:</p> <ul style="list-style-type: none"> Monitor and report implementation of condition correction initiatives identified in action plans and determine impact on performance. Develop short- and long-term plans to improve building and facility condition. Perform facility condition assessments for a third of VA facilities each year. Initiate work on remaining CARES follow-up studies.
<ul style="list-style-type: none"> There is a heavy reliance on costly leasing instead of ownership. 	<ul style="list-style-type: none"> VA's heavy reliance on leases is due to the need for a more flexible facility infrastructure. The majority (822) of VA leases are outpatient or store-front facilities that can be moved or relocated depending on the changes in medical technology and shift in demographic trends. The needs of today's veterans range from nursing home care or burial of a World War II veteran -- to behavioral health or community outreach for Vietnam veterans -- to acute hearing loss for the returning Operation Enduring Freedom/Operation Iraqi Freedom veteran. VA will continue to need the flexibility of operating leases to meet the needs of delivering services to veterans. Operating leases allow VA to provide the right service at the right time and place. 	<ul style="list-style-type: none"> VA will expand facility and asset benchmarking to ensure lease costs align with market rates.



ENABLING GOAL		
Applying Sound Business Principles		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #7 - Federal Real Property, <i>continued</i> -A Governmentwide High-Risk Area-		
<ul style="list-style-type: none"> There is a lack of reliable governmentwide data for strategic asset management and the cost and challenge of protecting these assets against terrorism. 	<ul style="list-style-type: none"> VA approved Physical Security Strategies for VA facilities in May 2006. These strategies include physical security guidance for new and existing, mission-critical facilities. Strategies are based on a multi-hazards risk approach, including increased protection against terrorism. The Capital Asset Management System (CAMS) is VA's capital asset portfolio and performance management system. CAMS allows for Web-based input of concept papers and business case applications. The integrated system extracts key data from several existing data source systems providing up-to-date, comprehensive inventory and cost data of real property. VA's Office of Management provided quarterly and ad hoc reports to senior management on real property performance, including stations with performance outside of VA's strategic targets. The office also provided explanations and action plans to address performance outliers. VA provided periodic training on using CAMS to track and report asset data. VA completed an annual call to validate and update capital asset inventory data. VA contracted with the National Institutes of Building Sciences in July 2006 to develop physical security standards based on the approved VA Physical Security Strategies. Development work under this contract is underway. 	<p>VA will:</p> <ul style="list-style-type: none"> Implement CAMS enhancements, which include data store/data warehousing and Business Intelligence capabilities. Develop annual call for FRPC inventory and performance measure updates. Continue periodic training on using CAMS to track and report asset data. Issue VA Physical Security Standards to include a Physical Security Design Manual addressing new and existing, mission-critical and life safety protected VA facilities. Implement a database allowing Department review of progress in addressing physical security vulnerabilities in facilities that have had a physical security assessment completed.
<i>(Note: GAO feedback here is not VA-specific.)</i>		



ENABLING GOAL		
Applying Sound Business Principles		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #8 - Strategic Human Capital Management		
<i>-A Governmentwide High-Risk Area-</i>		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2011		
<p>Agencies—working with the Congress and OPM—must do the following:</p> <ul style="list-style-type: none"> Assess future workforce needs, especially in light of long-term fiscal challenges. 	<p>VA took the following actions:</p> <ul style="list-style-type: none"> Conducted ongoing succession planning activity, updated annually. Implemented enhancements to workforce database analysis tools. 	<p>VA plans to do the following:</p> <ul style="list-style-type: none"> Continue cycle of succession planning within the Department and report updates on data and associated initiatives. Enhance workforce database analysis tools to provide greater analytical capabilities.
<ul style="list-style-type: none"> Determine ways to make maximum use of available authorities to recruit, hire, develop, and retain key talent to meet their needs. 	<ul style="list-style-type: none"> Expanded use of the Presidential Management Fellows (PMF) Program. Expanded use of the Student Career Employment Program. Continued use of the Employee Incentive Scholarship Program (EISP) and Education Debt Reduction Program (EDRP) to recruit and retain health care professionals. 	<ul style="list-style-type: none"> Continue using PMF program and publicizing available authorities to hire new employees. Explore funding expansion of EISP and EDRP to meet critical needs.
<ul style="list-style-type: none"> Build a business case to request additional authorities as appropriate. 	<ul style="list-style-type: none"> Identified additional Title 5 occupations that would be more appropriate for hybrid Title 38 (e.g., kinesiotherapy assistant, biomedical engineering technician). Developed draft proposed legislation to expand hybrids. Identified dual compensation waivers for several occupations within health care administration to access expertise of retired employees. As part of VA's succession planning efforts, the Department identified the need for delegated authority to conduct buy-outs of employees in positions no longer considered essential in order to recruit for hard-to-fill and/or new positions. 	<ul style="list-style-type: none"> Explore process necessary to obtain dual compensation waivers for selected occupations within health care administration. Create proposal to request delegated authority to agency for buy-outs for certain occupations.



ENABLING GOAL		
Applying Sound Business Principles		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #8 - Strategic Human Capital Management, <i>continued</i> -A Governmentwide High-Risk Area-		
<ul style="list-style-type: none"> Reform performance management systems to better link organizational and individual results. 	<ul style="list-style-type: none"> Converted all agency employees to a five-level performance management system and completed an appraisal cycle. Produced and disseminated agency-wide training video addressing development of performance standards that directly link to and support organizational goals. Completed an assessment tool for a selected sampling of employees to identify strengths and weaknesses of current performance appraisal program to make improvements. Continued process of linking Senior Executive Service performance within health care to strategic goals and cascading down through all levels of the organization. 	<ul style="list-style-type: none"> Produce and disseminate training videos for supervisors and managers regarding strategies for holding employees accountable for performance. Significantly enlarge the performance appraisal assessment tool for selected sampling of VA employees.
<i>(Note: GAO feedback here is not VA-specific.)</i>		



ENABLING GOAL		
Applying Sound Business Principles		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #9 - Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security		
<i>-A Governmentwide High-Risk Area-</i>		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2008		
<ul style="list-style-type: none"> • In the absence of comprehensive information-sharing plans, many aspects of homeland security information sharing remain ineffective and fragmented. Federal agencies should develop appropriate strategies to address the many potential barriers to information sharing. These strategies include: <ul style="list-style-type: none"> ○ 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. 	<p>VA took the following actions:</p> <ul style="list-style-type: none"> • Worked with the Department of Homeland Security (DHS) and other agencies in developing and populating the Homeland Security Information System and the Homeland Security Data Network. These systems allow federal agencies to share information in the area of emergency preparedness. • Continued to maintain a full-time presence at the National Operations Center. • Continued to work with DHS and in the framework of the Homeland Security Council to address issues relating to development of a common operating structure across the government. • Placed VA personnel in Joint Field Office established by DHS. 	<p>VA plans to do the following:</p> <ul style="list-style-type: none"> • Continue to install any additional systems available to improve information sharing among federal agencies. • Continue to be actively involved in interagency discussions and plans to improve communications and maintenance of a common operating structure. • Expand presence, where appropriate, in the National Response Coordination Center and Joint Field Offices that may be established by DHS.



ENABLING GOAL		
Applying Sound Business Principles		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #9 - Establishing Appropriate and Effective Information-Sharing Mechanisms to Improve Homeland Security, <i>continued</i> <i>-A Governmentwide High-Risk Area-</i>		
	<ul style="list-style-type: none"> • Participated in meetings with the National Telecommunications and Information Administration (NTIA) and other federal agencies, which included exercises designed to test VA's ability to share information in the event of a national emergency. • Participated in DHS' Aviation Safety Communique (SAFECOM) program which provides assistance and protocols for reporting aviation mishaps. • Actively promoted VA field organizations' membership in the SHARED RESources (SHARES) high-frequency (HF) radio network. <ul style="list-style-type: none"> ○ SHARES provides the federal emergency response community with a single interagency emergency message handling system for the transmission of national security and emergency preparedness information. • Engaged in communications with a variety of private sector participants including the Amateur Radio Relay League and other emergency preparedness organizations to support local as well as national emergency needs. 	<ul style="list-style-type: none"> • Leverage the connectivity provided in VA's new IT organizational structure to provide field organizations standardized policy and guidelines that support the objectives of DHS and SAFECOM to enable or enhance communications with other federal, state, local, and volunteer services. • Provide information to field emergency managers about programs like Amateur Radio Emergency Service and Radio Amateur Civil Emergency Service. • Continue to enroll additional VA facilities operating HF radio systems into the SHARES network.
<i>(Note: GAO feedback here is not VA-specific.)</i>		



ENABLING GOAL		
Applying Sound Business Principles		
Major Findings & Recommendations	FY 2006 Actions	Next Steps Planned for FY 2007
GAO #10 - Management of Interagency Contracting		
<i>-A Governmentwide High-Risk Area-</i>		
VA'S ESTIMATED RESOLUTION TIMEFRAME: FY 2007		
<ul style="list-style-type: none"> • In recent years, federal agencies have been making greater use of existing contracts already awarded by other agencies rather than spending time and resources contracting for goods and services themselves. However, there have been instances of improper use of interagency contracts. To address this situation, federal agencies should take the following actions: <ul style="list-style-type: none"> ○ Develop specific and targeted approaches to address interagency contracting risks. ○ Clarify roles and responsibilities for managing interagency contracts. ○ Adopt and implement policies and processes that balance customer service with the need to comply with government regulations. 	<p>The Office of Acquisition and Materiel Management (OA&MM) has taken the following steps to strengthen its control over VA's interagency contracting risks:</p> <ul style="list-style-type: none"> • Centralized the management of interagency acquisitions under OA&MM. • Increased training of acquisition personnel involved in interagency contracting. • Enhanced the oversight and risk management of these activities. 	<ul style="list-style-type: none"> • As a result of a comprehensive study conducted by an outside contractor, VA is exploring the feasibility of using NASA's interagency contract vehicle to procure its IT hardware, software, and service needs. • If VA decides to use NASA's interagency contract, it will apply processes described in the middle column to maintain strong controls.
(Note: GAO feedback here is not VA-specific.)		