



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.

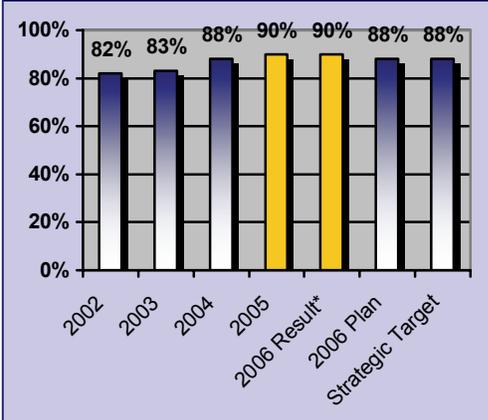
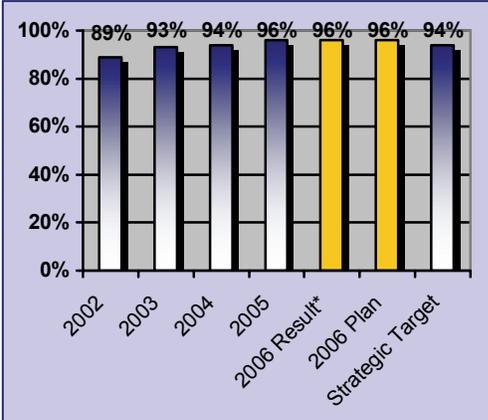
In addition to saving money, VistA saves lives and ensures continuity of care even under the most extreme circumstances. Many of the thousands of residents who fled the Gulf Coast because of Hurricane Katrina left behind vital health records. Records for the 40,000 veterans in the area were almost immediately 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.

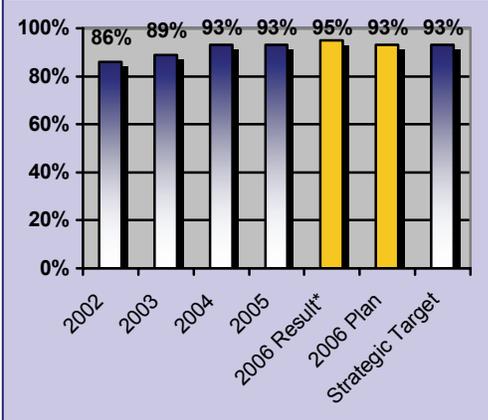
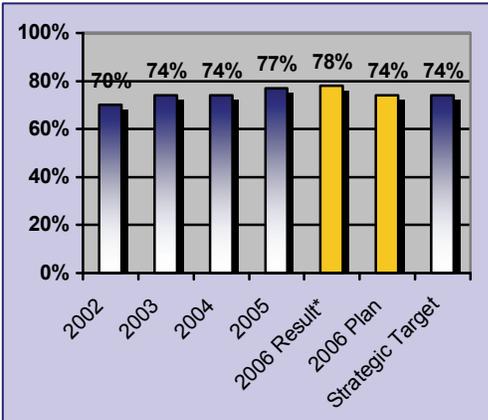
Significant Trends, Impacts, and VA's Use of FY 2006 Results

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="347 357 557 386">Prevention Index II</p>  <p data-bbox="201 852 678 898">* 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 651">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="201 1465 678 1512">* 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="198 323 703 415">Key Measure Percent of <i>Specialty Care</i> Appointments Scheduled Within 30 Days of Desired Date</p>  <table border="1" data-bbox="207 426 695 846"> <caption>Percent of Specialty Care Appointments Scheduled Within 30 Days of Desired Date</caption> <thead> <tr> <th>Year/Target</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>86%</td> </tr> <tr> <td>2003</td> <td>89%</td> </tr> <tr> <td>2004</td> <td>93%</td> </tr> <tr> <td>2005</td> <td>93%</td> </tr> <tr> <td>2006 Result*</td> <td>95%</td> </tr> <tr> <td>2006 Plan</td> <td>93%</td> </tr> <tr> <td>Strategic Target</td> <td>93%</td> </tr> </tbody> </table> <p data-bbox="198 877 686 919">* Actual data through May 2006. Final data are not yet available.</p>	Year/Target	Percentage	2002	86%	2003	89%	2004	93%	2005	93%	2006 Result*	95%	2006 Plan	93%	Strategic Target	93%	<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>
Year/Target	Percentage																	
2002	86%																	
2003	89%																	
2004	93%																	
2005	93%																	
2006 Result*	95%																	
2006 Plan	93%																	
Strategic Target	93%																	
<p data-bbox="198 926 703 1018">Key Measure Percent of Patients Rating VA <i>Inpatient</i> Service as “Very Good” or “Excellent”</p>  <table border="1" data-bbox="207 1029 695 1449"> <caption>Percent of Patients Rating VA Inpatient Service as “Very Good” or “Excellent”</caption> <thead> <tr> <th>Year/Target</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>70%</td> </tr> <tr> <td>2003</td> <td>74%</td> </tr> <tr> <td>2004</td> <td>74%</td> </tr> <tr> <td>2005</td> <td>77%</td> </tr> <tr> <td>2006 Result*</td> <td>78%</td> </tr> <tr> <td>2006 Plan</td> <td>74%</td> </tr> <tr> <td>Strategic Target</td> <td>74%</td> </tr> </tbody> </table> <p data-bbox="198 1480 686 1522">* Actual data through May 2006. Final data are not yet available.</p>	Year/Target	Percentage	2002	70%	2003	74%	2004	74%	2005	77%	2006 Result*	78%	2006 Plan	74%	Strategic Target	74%	<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>
Year/Target	Percentage																	
2002	70%																	
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2006 Result*	78%																	
2006 Plan	74%																	
Strategic Target	74%																	



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 displaying the Virtual VA interface for a veteran named JOE. The interface includes a navigation menu on the left with categories like Appeals, Applications, Audit Write-Outs, Awards / Disallowance, BDN Screen Print, Checklist, Committee of Warers, Correspondence, Dependency, Determinations, Education, Fax of Verification Form, Fiduciary, Financial Actions, Income, and IVM. The main content area displays a table of documents with the following data:

X	Doc ID	Date of Receipt	Doc Type	Document Date	Read
1	1263033330	06/02/2006	SHARE Print Screens	06/02/2006	Y
2	1263033330	05/04/2006	DIC - First Demand Letter	05/04/2006	N
3	1271946330	04/20/2006	Notification Letter (e.g. VA 20-8993, VA 21-0290, PCGL)	04/20/2006	Y
4	1604410330	02/18/2006	DIC - First Demand Letter	02/18/2006	Y
5	1569760330	02/03/2006	Notification Letter (e.g. VA 20-8993, VA 21-0290, PCGL)	02/03/2006	Y
6	1566325330	02/02/2006	SHARE Print Screens	02/02/2006	Y
7	1484903330	12/07/2005	Notification Letter (e.g. VA 20-8993, VA 21-0290, PCGL)	12/07/2005	Y
8	1244675330	06/29/2005	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.

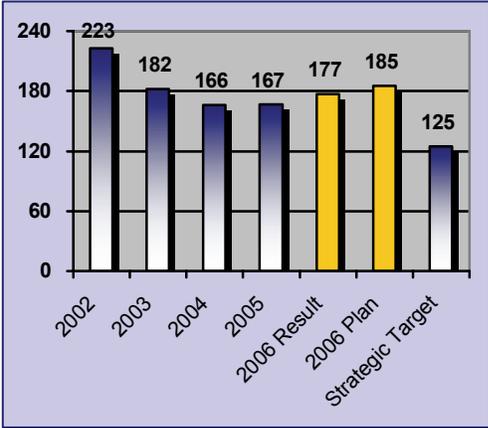
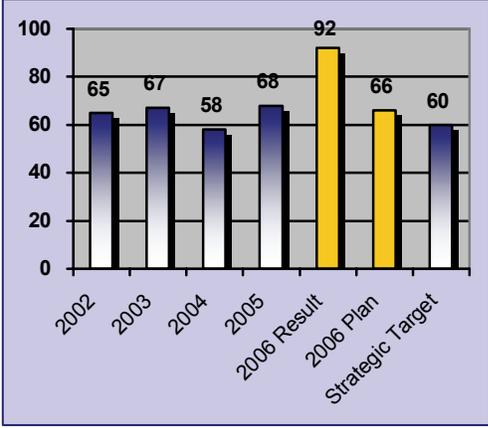
In recognition of the positive benefit of the system, VA designated Virtual VA a "mission-critical" application in 2004. This categorization recognizes the benefits

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 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>Average 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	Average 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	Average Days																	
2002	223																	
2003	182																	
2004	166																	
2005	167																	
2006 Result	177																	
2006 Plan	185																	
Strategic Target	125																	
<p data-bbox="370 1022 537 1052">Key Measure</p> <p data-bbox="215 1058 690 1115">Average Days to Process Non-Rating Pension Actions</p>  <table border="1" data-bbox="207 1121 695 1549"> <caption>Average Days to Process Non-Rating Pension Actions</caption> <thead> <tr> <th>Year/Target</th> <th>Average 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	Average 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	Average 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 style="text-align: center;">Key Measure</p> <p style="text-align: center;">National Accuracy Rate for Authorization Pension Work</p> <table border="1"> <caption>National Accuracy Rate for Authorization Pension Work</caption> <thead> <tr> <th>Year/Target</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><small>* Actual data through July 2006. Final data are not yet available.</small></p>	Year/Target	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/Target	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.

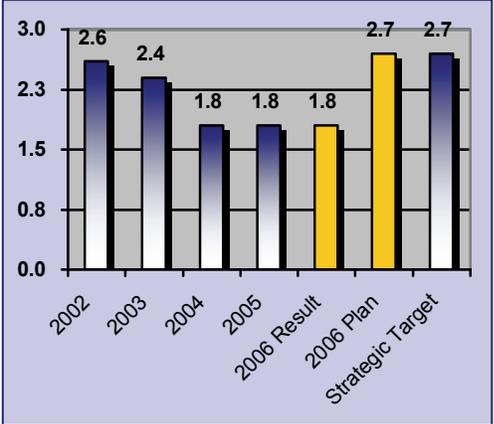
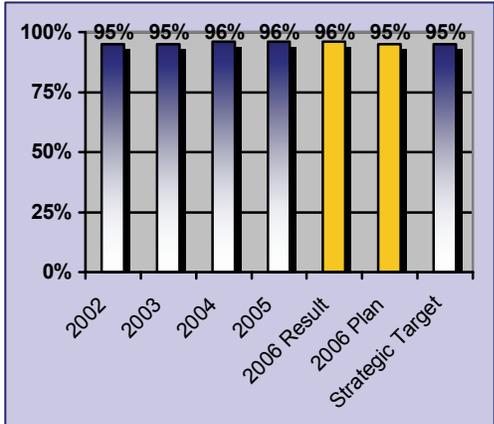
American troops and their families now have more financial security, thanks to VA's new Servicemembers' Group Life Insurance Traumatic Injury Protection (TSGLI) program. The new insurance program became effective December 1, 2005, and is designed to provide financial help to military families through 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="198 464 701 552">Key Measure Average Number of Days to Process Insurance Disbursements</p>  <table border="1" data-bbox="207 569 701 993"> <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 1188">Supporting Measure High Veterans' Satisfaction Ratings on Services Delivered</p>  <table border="1" data-bbox="207 1205 701 1629"> <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</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 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</th> <th>Percent of Graves Marked</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	Percent of Graves Marked	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	Percent of Graves Marked																	
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.