



Our Programs: *What We Do*

Veterans Health Administration

Providing Medical Care

VA operates the largest direct health care delivery system in America. In this context, VA meets the health care needs of America's veterans by providing a broad range of primary care, specialized care, and related medical and social support services. VA focuses on providing health care services that are uniquely related to veterans' health or special needs. VA is also the Nation's largest provider of health care education and training for medical residents and other health care trainees. These education and training programs are designed to help ensure an adequate supply of clinical care providers for veterans and the Nation.

Conducting Vet-Centered Medical Research

VA advances medical research and development in ways that support veterans' needs by pursuing medical research in areas that most directly address the diseases and conditions that affect veterans.

Shared VA medical research findings contribute to the public good by improving the Nation's overall knowledge of disease and disability.

Veterans Benefits Administration

Delivering Compensation Benefits

The Compensation program provides monthly payments and ancillary benefits to veterans, in accordance with rates specified by law, in recognition of the average potential loss of earning capacity caused by a disability or disease incurred in or aggravated during active military service. This program also provides monthly payments, as specified by law, to surviving spouses, dependent children, and dependent parents in recognition of the economic loss caused by the veteran's death during active military service or, subsequent to discharge from military service, as a result of a service-connected disability.

Providing Pension Benefits

The Pension benefits are monthly payments, specified by law, provided to veterans with nonservice-connected disabilities who served in a time of war. The veteran must meet specific income limitations and must be permanently and totally disabled or must have reached the age of 65. This program also provides monthly payments, as specified by law, to income-eligible surviving spouses and dependent children of deceased wartime veterans who die as a result of a disability unrelated to military service.

Providing Educational Opportunities

VA's education programs provide eligible veterans, servicemembers, reservists, survivors, and dependents the opportunity to achieve their educational or vocational goals. Education programs also assist the armed forces in their recruitment and retention efforts, and help veterans in their readjustment to civilian life.

These benefits serve to enhance the Nation's competitiveness through the development of a better educated and more productive workforce. VA administers a number of education programs, including the Montgomery GI Bill and a new program for Reserve and National Guard troops activated in support of the Global War on Terror.

Delivering Vocational Rehabilitation and Employment Services

The Vocational Rehabilitation and Employment program assists veterans with service-connected disabilities to achieve functional independence in daily activities, become employable, and obtain and maintain suitable employment.

Promoting Homeownership

Through loan guaranties, VA's Loan Guaranty program helps eligible veterans, active duty personnel, surviving spouses, and selected reservists to purchase homes. We also assist veterans in retaining their homes through foreclosure avoidance services. In addition, VA offers grants to veterans who have specific



service-connected disabilities for the purpose of constructing an adapted dwelling, or modifying an existing one, to meet the veteran's needs.

The Loan Guaranty program also provides direct loans to Native American veterans living on Federal trust land and offers some loans to the public when buying homes owned by the Department as a result of foreclosure.

Providing Insurance Service

The Insurance program provides servicemembers and their families with universally available life insurance (available to all servicemembers and their families without underwriting), as well as traumatic injury protection insurance for servicemembers. It also provides for the conversion to a renewable term insurance policy after a servicemember's separation from service. In this context, the program continues to provide life insurance coverage to 1.3 million WWII and Korean War-era veterans.

In addition, the program provides life insurance to veterans who have lost their ability to purchase commercial insurance at standard (healthy) rates due to lost or impaired insurability resulting from military service. Insurance coverage is made available in reasonable amounts and at premium rates largely comparable to those offered by commercial companies. The program ensures a competitive, secure rate of return on investments held on behalf of the insured.

National Cemetery Administration

Delivering Burial Services to Veterans

Primarily through the National Cemetery Administration (NCA), VA honors veterans with final resting places in national shrine cemeteries that serve as lasting tributes to commemorate their service to the Nation.

Staff Offices

The Department's staff offices are critical to VA's ability to deliver services to veterans in a cost-effective manner. These offices provide a variety of services including information technology, human resources management, financial management, acquisition, and facilities management.



Our Programs: *Who We Serve*

As described on the previous pages, VA programs and services are as varied as the veterans and family members we serve. From space-age technology used in prosthetic devices that bring mobility to the severely disabled, to the pension benefits paid to three survivors of Civil War veterans, VA's commitment to those who have "borne the battle" continues. As shown below, VA is serving more veterans than ever before.

Program	Year-to-Year Comparison	
	FY 2006 Participants ⁽¹⁾	FY 2007 Participants ⁽¹⁾
Medical Care		
Unique Patients	5,495,400	5,600,300
Compensation		
Veterans	2,725,800	2,839,700
Survivors/Children	325,900	329,700
Pension		
Veterans	329,900	322,900
Survivors	200,600	194,600
Education		
Veterans/ Servicemembers	332,200	345,000
Reservists	90,000	101,700
Survivors/ Dependents	75,500	77,300
Vocational Rehabilitation⁽²⁾		
Program Participants	89,100	90,600
Housing		
Loans Guaranteed	142,700	133,300
Insurance		
Veterans	1,777,000	1,695,000
Servicemembers/ Reservists	2,392,000	2,354,000
Spouses/ Dependents	3,099,000	3,075,000
Burial		
Interments	96,800	100,200
Graves Maintained	2,774,100	2,842,700
Headstones/Markers (Processed)	336,300	359,500
Presidential Memorial Certificates	405,500	423,100

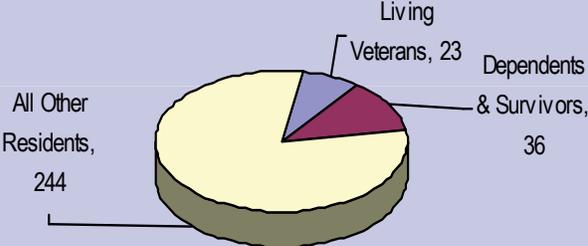
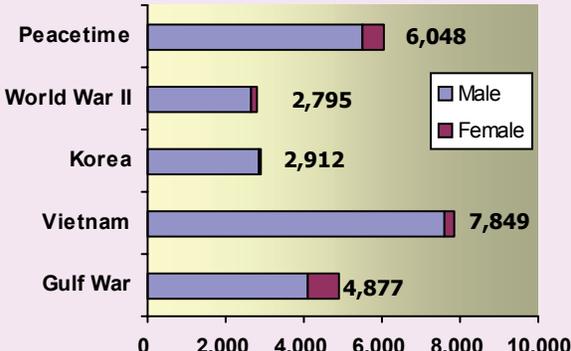
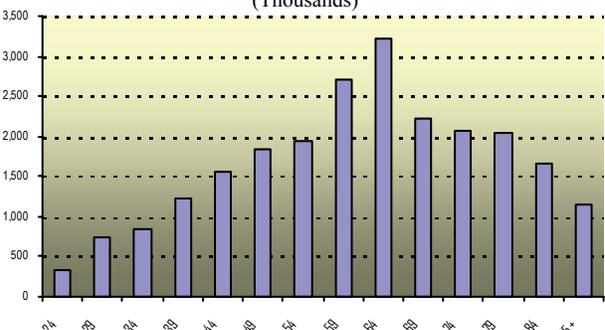
⁽¹⁾ Figures are rounded to nearest hundred.

⁽²⁾ FY 2007 figure represents 12-month rolling data through September 2007.



America's Veterans: *A Demographic Profile*

Beginning with our Nation's struggle for freedom more than two centuries ago, approximately 43 million men and women have served this country during wartime periods. The charts below provide various social and demographic information on today's veteran population.

Data	Analysis																														
<p>Veteran Population Compared to Total U.S. Population (Millions)</p>  <table border="1"> <caption>Veteran Population Compared to Total U.S. Population (Millions)</caption> <thead> <tr> <th>Category</th> <th>Value (Millions)</th> </tr> </thead> <tbody> <tr> <td>All Other Residents</td> <td>244</td> </tr> <tr> <td>Veterans</td> <td>23</td> </tr> <tr> <td>Dependents & Survivors</td> <td>36</td> </tr> </tbody> </table>	Category	Value (Millions)	All Other Residents	244	Veterans	23	Dependents & Survivors	36	<ul style="list-style-type: none"> • Currently there are about 23.5 million living U.S. veterans, 7 percent of whom are women. The percentage of women veterans is expected to increase over time given the increased role of women in the Armed Forces. • There are an estimated 36 million dependents (spouses and dependent children) of living veterans and survivors of deceased veterans in the U.S. • Together, veterans, dependents, and survivors make up about 20 percent of America's population. 																						
Category	Value (Millions)																														
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<p>Veteran Population by Period of Service* (Thousands)</p>  <table border="1"> <caption>Veteran Population by Period of Service* (Thousands)</caption> <thead> <tr> <th>Period</th> <th>Total (Thousands)</th> </tr> </thead> <tbody> <tr> <td>Peacetime</td> <td>6,048</td> </tr> <tr> <td>World War II</td> <td>2,795</td> </tr> <tr> <td>Korea</td> <td>2,912</td> </tr> <tr> <td>Vietnam</td> <td>7,849</td> </tr> <tr> <td>Gulf War</td> <td>4,877</td> </tr> </tbody> </table>	Period	Total (Thousands)	Peacetime	6,048	World War II	2,795	Korea	2,912	Vietnam	7,849	Gulf War	4,877	<ul style="list-style-type: none"> • More than 17 million (74 percent) of America's veterans served during at least one wartime period. • The nearly 8 million Vietnam Era veterans account for the largest segment of the veteran population. • About 71 percent of all women veterans served during the post-Vietnam Era compared to 32 percent of men. • The number of women veterans enrolled in VA's health care system is 420,045 as of June 30, 2007 – up from 398,621 as of last September. 																		
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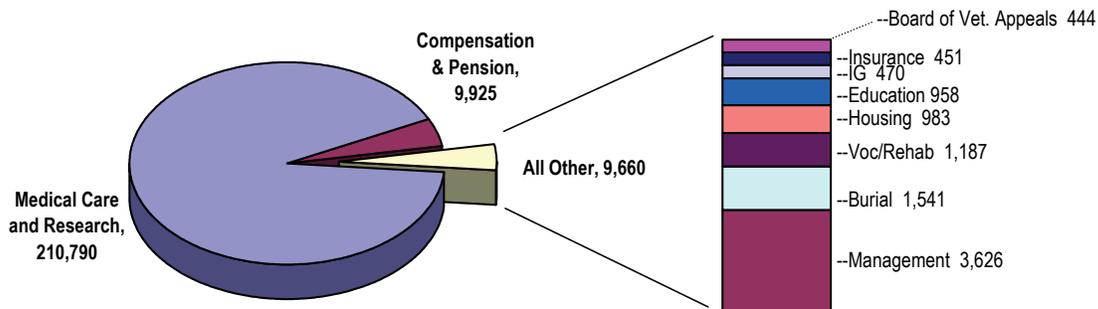
*Notes: 1) There are too few living World War I veterans to estimate their number with an acceptable level of reliability. 2) The sum of period of service will exceed number of all veterans because veterans who served in multiple periods are shown in each period.



Resources: *Our People*

As of September 30, 2007, the Department employed approximately 230,000 staff nationwide. The charts below show the distribution of full-time equivalent employees by program area.

Number of Full-Time Equivalent Employees
as of September 30, 2007

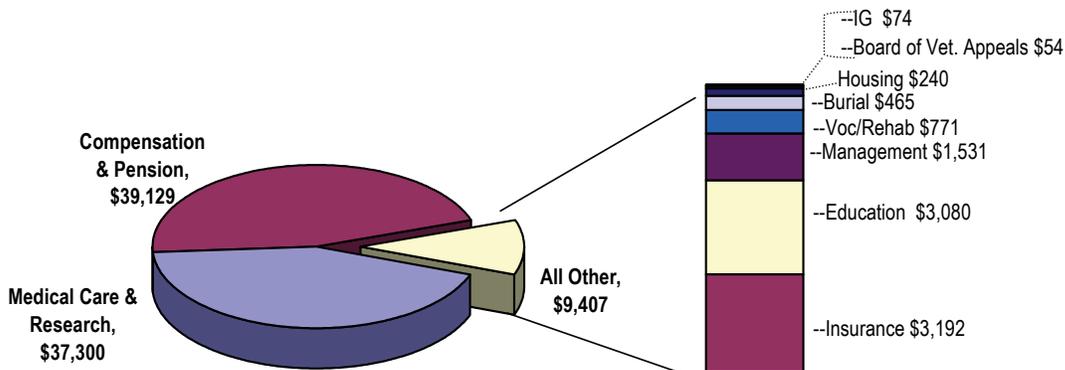


As shown above, more than 210,000 employees support VA's health care system, one of the largest in the world. Of the remaining employees, approximately 13,500 are involved with providing compensation and pension as well as other benefits to veterans and their families. More than 1,500 provide burial and memorial services for veterans and their eligible spouses and children, and about 3,600 employees, located primarily in the Washington, DC area, provide policy, administrative, and management support to the programs.

Resources: *Budgetary*

In 2007 VA obligated nearly \$86 billion. Approximately 90 percent of total funding went directly to veterans in the form of monthly payments of benefits or for direct services such as medical care. The following charts show how VA spent the funds with which it was entrusted.

FY 2007 Obligations
(\$ Millions)





How We Measure Performance

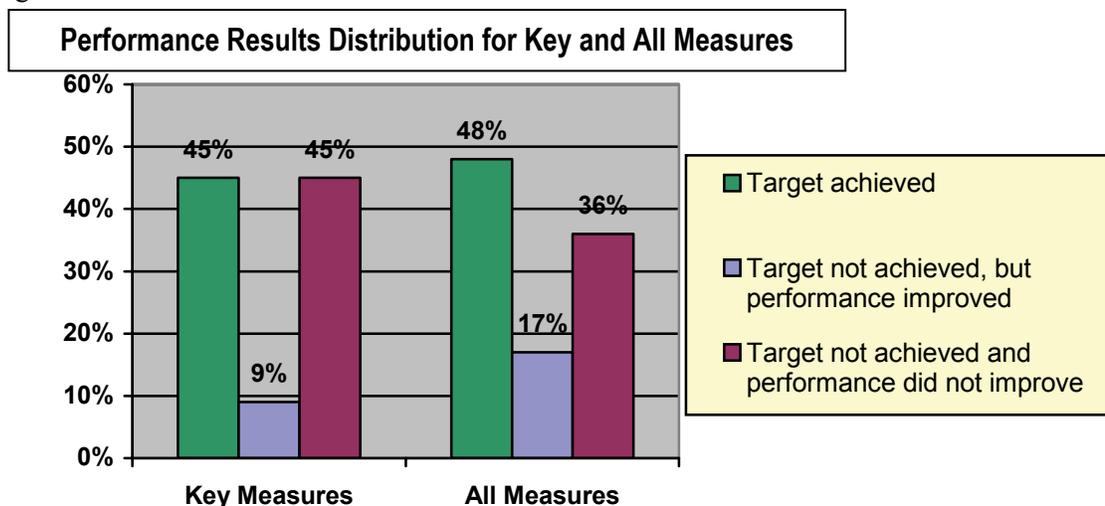
VA employs a **five-tiered performance management framework** to measure performance.

Term	Definition
<i>Strategic Goals</i>	The Department's long-term outcomes as detailed in its Strategic Plan and articulated through four strategic goals and one enabling goal.
<i>Strategic Objectives</i>	Broad operational focus areas designed to achieve strategic goals. The Department has 21 strategic objectives.
<i>Performance Measures</i>	Specific measurable indicators used to measure progress towards achievement of strategic objectives. The Department uses different types of measures (i.e., outcome, output, and efficiency) to evaluate performance and progress.
<i>Performance Targets</i>	Associated with specific performance measures, these are quantifiable expressions of desired performance/success levels to be achieved during a given fiscal year.
<i>Strategic Targets</i>	Also associated with specific performance measures, these are quantifiable expressions of optimum success levels to be achieved; they are "stretch goals" that VA strives for in the long-term.

VA's strategic objectives are supported by 130 performance measures, 23 of which were identified by VA's senior leadership as **mission critical**. The Department's performance measures are a mix of program outcomes that measure the impact that VA programs have on the lives of veterans and their families, program outputs that measure activities undertaken to manage and administer these programs, and program efficiency that measures the cost of delivering an output or desired outcome.

2007 Performance -- A Department-Level Summary

Performance Results: Key vs. All Measures: The chart below shows how well VA performed in meeting its performance targets. As shown, VA achieved the target for 45 percent of its key measures and 48 percent of all measures. In addition, for key measures, nine percent of the targets were not achieved, but performance improved from 2006. Further details on key measures' results are on the following pages.





Performance Scorecard

Strategic Goals	Key Performance Measures (page references in full PAR)	FY 2006 Recap		FY 2007 Recap					Measure Type
		Targets	Results	Targets	Results	Target Achieved?		Improved From FY 2006? Yes/No/Same	
						Yes	No		
Strategic Goal #1 RESTORATION AND IMPROVED QUALITY OF LIFE FOR DISABLED VETERANS	National accuracy rate for compensation core rating work (pp. 121, 204)	87%	88%	89%	88%*		No	Same	Outcome
	Compensation and pension rating-related actions — average days to process (pp. 119, 204)	185	177	160	183		No	No	Efficiency
	Rating-related compensation actions — average days pending (pp. 120, 204)	150	130	127	135		No	No	Output
	Vocational rehabilitation and employment rehabilitation rate (pp. 124, 206)	69%	73%	73%	73%	Yes		Same	Outcome
	Average days to process Dependency and Indemnity Compensation actions (pp. 127, 206)	120	136	125	132		No	Yes	Efficiency
Strategic Goal #2 SMOOTH TRANSITION TO CIVILIAN LIFE	Average days to complete education claims								
	- Original claims (pp. 134, 206)	27	40	35	32.4	Yes		Yes	Efficiency
	- Supplemental claims (pp. 134, 206)	13	40	15	13.2	Yes		Yes	Efficiency
Strategic Goal #3 HONORING, SERVING, AND MEMORIALIZING VETERANS	Percent of patients rating VA health care service as very good or excellent: - Inpatient - Outpatient (pp. 140, 208)	74% 73%	78% 78%	78% 78%	77%* 77%*		No No	No No	Outcome Outcome
	Percent of primary care appointments scheduled within 30 days of desired date (pp. 139, 208)	96%	96%	96%	97.2%*(a)	Yes		Yes	Outcome
	Percent of specialty care appointments scheduled within 30 days of desired date (pp. 139, 208)	93%	94%	95%	95%*(a)	Yes		Yes	Outcome
	Clinical Practice Guidelines Index II (pp. 138, 210)	77%	83%	84%	83%*		No	Same	Outcome
	Prevention Index III (pp. 138, 210)	88%	88%	88%	87%*		No	No	Outcome



Performance Scorecard

Strategic Goals	Key Performance Measures (page references in full PAR)	FY 2006 Recap		FY 2007 Recap					
		Targets	Results	Targets	Results	Target Achieved?		Improved From FY 2006? Yes/No/Same	Measure Type
						Yes	No		
Strategic Goal #3 (continued) HONORING, SERVING, AND MEMORIALIZING VETERANS	Annual percent increase of non-institutional, long-term care average daily census (using 2006 as the baseline) (pp. 141, 212)	Baseline (43,325)		26.3%	6.5%*		No	N/A	Output
	Non-rating pension actions — average days to process (pp. 145, 212)	66	92	96	104		No	No	Efficiency
	National accuracy rate for pension authorization work (pp. 146, 214)	88%	88%	89%	91%*	Yes		Yes	Outcome
	Average number of days to process Traumatic Injury Protection Insurance disbursements (pp. 149, 214)	N/A	3.8	5	3.0	Yes		Yes	Efficiency
	Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence (pp. 153, 214)	81.6%	80.2%	83.8%	83.4%		No	Yes	Outcome
	Percent of respondents who rate the quality of service provided by the national cemeteries as excellent (pp. 153, 216)	96%	94%	97%	94%		No	Same	Outcome
	Percent of graves in national cemeteries marked within 60 days of interment (pp. 157, 216)	90%	95%	90%	94%	Yes		No	Efficiency
	Foreclosure avoidance through servicing (FATS) ratio (pp. 161, 216)	47.0%	54.0%	51.0%	57.0%	Yes		Yes	Outcome
Strategic Goal #4 CONTRIBUTING TO THE NATION'S WELL-BEING	Progress towards development of one new treatment for post-traumatic stress disorder (5 milestones over 4 years) (pp. 167, 218)	60%	47%	67%	67%*	Yes		Yes	Outcome
	Percent of respondents who rate national cemetery appearance as excellent (pp. 176, 218)	99%	97%	99%	97%		No	Same	Outcome

* Indicates partial or estimated actual data.

(a) Office of Inspector General (OIG) reports dated July 2005 and September 2007 found reported outpatient waiting times to be unreliable because of data integrity concerns associated with VHA's scheduling system. The Under Secretary for Health non-concurred with this one OIG finding in the September 2007 report due to disagreements with the OIG's methodology. VHA has obtained the services of an expert consultant to perform a thorough analysis and assessment of its scheduling and wait times reporting system.