Integrated Objective One

Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness, and responsiveness.

INTEGRATED STRATEGY 1a

Improve and integrate services across VA to increase reliability, speed, and accuracy of delivery.

Making a Difference for Veterans

VA Urges Veterans to Sign Up for Direct Deposits

VA Benefit Payments Going Paperless
Direct Deposit ▸ Safe ▸ Convenient ▸ Saves $$
Direct Express Program started May 1, 2011

VA urges Veterans to sign up for direct deposit. After February 2013, people who do not have electronic payments for their Federal benefits will receive their funds via a pre-paid debit card.

The Department of the Treasury announced a new rule that will extend the safety and convenience of electronic payments to millions of Americans and phase out paper checks for Federal benefits by March 1, 2013. Officials at the Department of Veterans Affairs (VA) urge Veterans to sign up for electronic payment of their benefits.

"Receiving VA benefits electronically will increase the security, convenience, and reliability of these vital payments," said Secretary of Veterans Affairs Eric K. Shinseki. "VA encourages Veterans who are now receiving their benefits in paper checks to set up direct deposits before the deadline."

On March 1, 2013, VA will stop issuing paper checks. People who do not have electronic payments for their Federal benefits by that time will receive their funds via a pre-paid debit card. Called the Direct Express card, it is issued by Comerica Bank as the financial agent of the U.S. Treasury.

Another deadline affects people receiving VA's compensation or pensions for the first time after May 1, 2011. Those people will automatically receive the benefits electronically.

Anyone already receiving Federal benefit payments electronically will be unaffected by the changes. To learn more about the Federal Government's switch to direct deposit—or to change VA benefits to direct deposit—visit the Web site at www.GoDirect.org. Information about the Federal Government's "Go Direct" campaign is also available at 1-800-333-1795.

VA Launching New Personalized Veterans Health Benefits Handbook
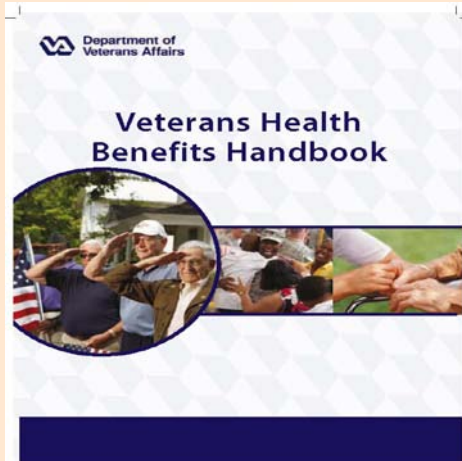
VA is piloting a personalized and easy-to-read Veterans Health Benefits Handbook that highlights Veterans' unique health benefits, treatment needs, and copayments information.

The Department of Veterans Affairs (VA) is piloting new, personalized Veterans Health Benefits Handbooks. The handbooks are tailored to provide enrolled Veterans with the most relevant health benefits information based on their own specific eligibility. In essence, each handbook will be written for the individual Veteran.

"These handbooks will give Veterans everything they need to know and leave out everything that doesn't apply to them," said Secretary of Veterans Affairs Eric K. Shinseki. "Our Veterans will now have a comprehensive, easy-to-understand roadmap to the medical benefits they earned with their service."

In addition to highlighting each Veteran's specific health benefits, the handbook also provides contact information for the Veteran's preferred local facility, ways to schedule personal appointments, guidelines for communicating treatment needs, and an explanation of the Veteran's responsibilities, such as copayments when applicable.

"Enhancing access isn't just about expanding the kinds of services VA provides. It also includes making sure we do everything we can to ensure Veterans have a clear understanding of the benefits available to them so they can make full use of the services they have earned," Shinseki said.

The new handbooks are currently being piloted with Veterans receiving care at the VA medical center in Dayton, Ohio. For additional information, visit the Web site at http://www.va.gov/healthbenefits/ or call VA's toll-free number at 1-877-222-VETS (8387)

Significant Trends, Impacts, Use, and Verification of 2011 Results

Key Measure
PREVENTION INDEX IV

Performance Trends	Impact on Veterans

Performance Trends

	2007	2008	2009	2010	2011	ST
Results	88%	88%	89%	91%	92%	
Targets	88%	88%	89%	89%	93%	94%

(1) The 2007 and 2008 numbers are Prevention Index (PI) III. The 2009, 2010, and 2011 numbers are PI IV.
(2) ST = Strategic Target

Impact on Veterans

Desired Direction

This measure is an indicator of how well VA promotes healthy lifestyle changes such as immunizations, hyperlipidemia, smoking cessation, and early screening for cancer.

Status

Y

A higher score means that VA-treated Veterans are receiving preventative care and are taking the necessary steps to develop or maintain healthy lifestyles.

How VA Leadership Uses Results Data

Monitoring and tracking PI results helps VA medical staff with early identification of disease risk and intervention for risky behaviors. VA medical staff is also able to do the following:

- Target education, immunization programs, and clinic access to prevent or limit potential disabilities resulting from these activities and/or diseases.
- Identify patients in need of prevention screening for cancer.
- Help identify cancers before the Veteran develops symptoms, and provide the opportunity for earlier intervention.

In addition, as a matter of policy and practice, VA targets all outpatients for its prevention measures with the goal of promoting and maintaining a healthy population.

How VA Verifies Results Data for Accuracy

VA is committed to data accuracy for reporting on the clinical quality of care. Sampling of the patient population for evaluation of the quality of care indicators for the Clinical Practice Guidelines Index (CPGI) and the Prevention Index (PI) are done through a standardized sampling framework by a statistician. Data are then abstracted through trained, third party, contracted staff members (External Peer Review Program) who review the medical record for the quality metrics VA tracks.

Key Measure

CLINICAL PRACTICE GUIDELINES INDEX III

Performance Trends	Impact on Veterans

Performance Trends

	2007	2008	2009	2010	2011	ST
Results	83%	84%	91%	92%	91%	
Targets	84%	85%	86%	86%	92%	93%

(Chart showing Results and Targets trend lines, with 91% and 92% callouts for 2011)

(1) The 2007 and 2008 numbers are Clinical Practice Guidelines Index (CPGI) II. The 2009, 2010, and 2011 numbers are CPGI III.
(2) ST = Strategic Target

Impact on Veterans

Desired Direction

(upward arrow)

Status

(Y)

This measure is an indicator of how well VA performs regarding early identification and treatment of potentially disabling or deadly diseases such as acute myocardial infarction, inpatient congestive heart failure, hypertension, diabetes, and pneumonia.

The index focuses primarily on the care provided to inpatients and is used to assess the quality of health care being delivered to its patients in accordance with industry standards.

How VA Verifies Results Data for Accuracy

VA is committed to data accuracy for reporting on the clinical quality of care. Sampling of the patient population for evaluation of the quality of care indicators for the Clinical Practice Guidelines Index (CPGI) and the Prevention Index (PI) are done through a standardized sampling framework by a statistician. Data are then abstracted through trained, third party, contracted staff members (External Peer Review Program) who review the medical record for the quality metrics VA tracks.

How VA Leadership Uses Results Data

Data are used by leadership to do the following:

- Identify and assess opportunities for early identification of acute and potentially disabling chronic diseases.
- Identify opportunities for managing entire chronic disease populations.
- Provide interventions based on clinical practice guidelines.

Overall, CPGI data enable VA to target patient and employee education, focus on disease management, and provide access to care to prevent or limit the effects of potentially disabling diseases. The goal of disease management is to improve the quality of life for Veterans.

Key Measure
NATIONAL ACCURACY RATE FOR COMPENSATION ENTITLEMENT CLAIMS

Performance Trends	Impact on Veterans

Performance Trends

	2007	2008	2009	2010	2011	ST
Results	88%	86%	84%	84%	84%	
Targets	89%	90%	90%	90%	90%	98%

(1) Actual data through 08/2011. Final data are expected in 1/2012.
(2) ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data are analyzed daily, and the results are tabulated monthly. Compensation and Pension (C&P) Systematic Technical Accuracy Review (STAR) quality teams conduct performance quality and consistency reviews on cases from the regional offices.

Using a random sample of claims generated by VBA's Performance Analysis & Integrity (PA&I) staff, completed cases are selected for review and sent to the STAR staff on a monthly basis. The staff members thoroughly review the completed cases ensuring accuracy, quality, and consistency of rating and authorization issues. A coded spreadsheet identifies the type of each error and how it should be corrected.

Impact on Veterans

Desired Direction

Veterans are entitled to an accurate decision on their compensation claims. Monitoring accuracy helps ensure that VA provides the correct level of benefit to the Veteran.

Status

R

With many new staff undergoing training, accuracy of rating decisions has remained the same as in 2010 on compensation claims.

How VA Leadership Uses Results Data

VA leadership is committed to increasing the accuracy of rating decisions. Based on 2011 performance results, VA expanded the four-tiered quality assurance program to improve its accuracy rate for compensation and pension claims:

- Tier One - Accuracy; expanding the STAR staff to increase review sampling.
- Tier Two - Oversight; expanding site visit staff and review of internal controls.
- Tier Three - Special focus reviews and working with the Appeals Management Center.
- Tier Four - Consistency; expanding rating data analyses and increasing the focus on disability decision consistency reviews.

Additionally, VA continues to improve its skill certification testing program. In 2011, VA fully implemented six skill certification tests to assess job proficiency for claims processing positions, including one for first-line supervisors. From its inception in 2003, more than 8,300 employees have participated in the skill certification testing, and over 5,500 have been certified.

Key Measure

NATIONAL ACCURACY RATE FOR PENSION MAINTENANCE CLAIMS

Performance Trends

	2007	2008	2009	2010	2011	ST
Results	91%	93%	95%	96%	97%	
Targets	89%	92%	94%	95%	95%	98%

(1) Actual data through 08/2011. Final data are expected in 1/2012.
(2) ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data are analyzed daily, and the results are tabulated monthly. C&P STAR quality teams conduct performance quality and consistency reviews on cases from the regional offices.

Using a random sample of claims generated by VBA's PA&I staff, completed cases are selected for review and sent to the STAR staff monthly. The staff thoroughly reviews the completed cases ensuring accuracy, quality, and consistency of rating and authorization issues. A coded spreadsheet identifies the type of each error and how it should be corrected.

Impact on Veterans

Desired Direction

Status

G

Despite increased workload, VA has continued to improve its accuracy rate in pension maintenance work, thereby ensuring that those Veterans and Survivors most in need of financial resources receive the correct benefit.

How VA Leadership Uses Results Data

VA leadership is committed to increasing the accuracy of rating decisions. Based on 2011 performance results, VA expanded the four-tiered quality assurance program to improve its accuracy rate for compensation and pension claims:
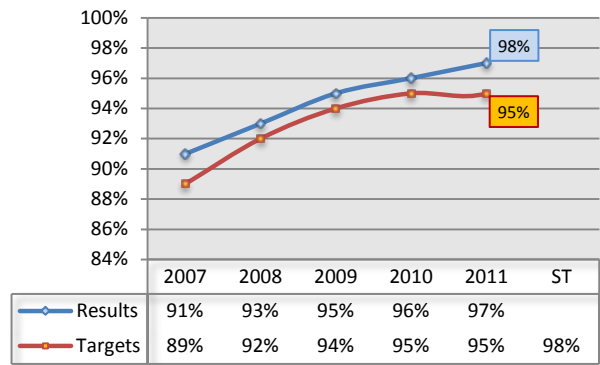
- Tier One - Accuracy; expanding the STAR staff to increase review sampling.
- Tier Two - Oversight; expanding site visit staff and review of internal controls.
- Tier Three - Special focus reviews and working with the Appeals Management Center.
- Tier Four - Consistency; expanding rating data analyses and increasing the focus on disability decision consistency reviews.

Additionally, VA continues to improve its skill certification testing program. In 2011, VA fully implemented six skill certification tests to assess job proficiency for claims processing positions, including one for first-line supervisors. From its inception in 2003, more than 8,300 employees have participated in the skill certification testing, and over 5,500 have been certified.

Key Measure
PERCENT OF COMPENSATION AND PENSION PENDING INVENTORY THAT IS MORE THAN 125 DAYS OLD

Performance Trends	Impact on Veterans

Performance Trends

	2010	2011	Strategic Target
Results	36%	60%	
Targets	N/A	60%	0%

Impact on Veterans

Desired Direction

Approximately 60 percent of VA's claims inventory was backlogged — or pending a decision more than 125 days—in 2011. This is up from 36 percent of the inventory in 2010.

Status

G

As more experienced employees are transitioned from processing claims related to the three new herbicide presumptive conditions to focusing on the oldest pending claims, VA expects to reduce the claims backlog and processing timeliness.

How VA Verifies Results Data for Accuracy

Data extracted from VBA systems of record (Benefits Delivery Network and VETSNET) are captured electronically through a fully automated reporting process and imported into an enterprise data warehouse.

VBA's PA&I staff members assess the data monthly to detect discrepancies that would indicate an error in the automated data collection system. This review ensures accurate reporting, consistency, and absence of anomalies. All reports produced from the enterprise data warehouse were developed using business rules provided by each of VBA's business lines.

How VA Leadership Uses Results Data

VA leadership uses the results to manage the compensation and pension programs and to implement performance strategies such as training needs, workload realignment, and staffing levels.

In response to recent years' performance trends and rising workload, VA has hired more claims processing staff. Most recently, VA hired over 3,000 FTE in 2011 (including Recovery Act term and permanent hires). As these employees become fully trained and gain experience, they can favorably impact processing time.

Key Measure
AVERAGE DAYS TO COMPLETE ORIGINAL EDUCATION CLAIMS

Performance Trends	Impact on Veterans

Performance Trends

	2007	2008	2009	2010	2011	ST
Results	32	19	26	39	24	
Targets	35	24	24	24	23	10

ST = Strategic Target

Quality review staff members verify the data quarterly. The review uses a statistically valid sampling of cases to determine reliability of automated data reports.

There are documented procedures to guide staff responsible for verifying the accuracy of timeliness data and for entering the source data. Data are captured electronically, and reports on the Distribution of Operational Resources are automatically generated. Data are analyzed monthly and verified quarterly.

Impact on Veterans

Desired Direction

Status

Y

The timeliness of completing original education claims decreased from 39 days in 2010 to 24 days in 2011. Compared with 2010, Veterans waited on average 15 fewer 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.

How VA Leadership Uses Results Data

VA management uses performance results to pinpoint areas of performance weakness and then takes appropriate corrective actions.

In 2011, such actions included retaining temporary Veterans Claims Examiners at our Regional Processing Offices to process Post-9/11 GI Bill claims. VA also implemented policies to streamline the entire claims process based on case reviews identifying duplication of efforts and redundant or unnecessary development. Continuing improvements to the Post 9/11 GI Bill claims processing system, the Long Term Solution, have helped VA improve the timeliness of payments to Veterans for educational claims.

Key Measure
AVERAGE DAYS TO COMPLETE SUPPLEMENTAL EDUCATION CLAIMS

Performance Trends	Impact on Veterans

Performance Trends

	2007	2008	2009	2010	2011	ST
Results	13	9	13	16	12	
Targets	15	11	10	10	12	7

ST = Strategic Target

Impact on Veterans

Desired Direction

⬇

Status

Ⓖ

The timeliness of completing supplemental education claims decreased from 16 days in 2010 to 12 days in 2011. Compared with 2010, Veterans waited on average 4 fewer days to receive their award notification and payment.

The importance of making timely payments to Veterans for educational claims is critical to helping them meet their educational goals.

How VA Verifies Results Data for Accuracy

Quality review staff members verify the data quarterly. The review uses a statistically valid sampling of cases to determine reliability of automated data reports.

There are documented procedures to guide staff responsible for verifying the accuracy of timeliness data and for entering the source data. Data are captured electronically, and reports on the Distribution of Operational Resources are automatically generated. Data are analyzed monthly and verified quarterly.

How VA Uses the Results Data

VA management uses performance results to pinpoint areas of performance weakness and then takes appropriate corrective actions.

In 2011, such actions included retaining temporary Veterans Claims Examiners at our Regional Processing Offices to process Post-9/11 GI Bill claims. VA also implemented policies to streamline the entire claims process based on case reviews identifying duplication of efforts and redundant or unnecessary development. Continuing improvements to the Post 9/11 GI Bill claims processing system, the Long Term Solution, have helped VA improve the timeliness of payments to Veterans for educational claims.

Key Measure

DEFAULT RESOLUTION RATE

Performance Trends		Impact on Veterans	

Performance Trends

	2009	2010	2011	ST
Results	71.5%	76.3%	83.0%	
Targets	56.5%	71.0%	73.0%	75.0%
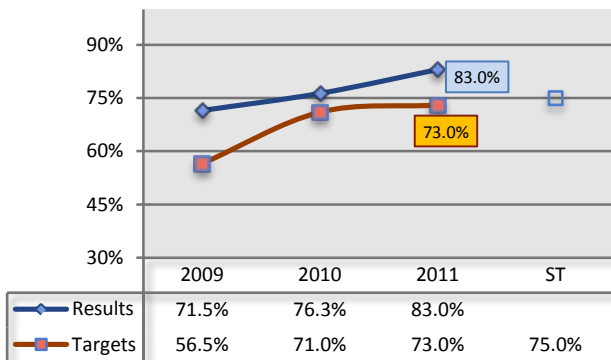
(1) 2009 actual is corrected.
(2) ST = Strategic Target

Impact on Veterans

Desired Direction

Status

G

The 2011 default resolution rate of 83 percent means that of the Veterans who defaulted on their VA-guaranteed loans, VA and loan servicers were able to assist 83 percent in either retaining ownership of their homes or in lessening the impact of foreclosure by tendering a deed in lieu of foreclosure or arranging a private sale with a VA claim payment to help close the sale.

How VA Verifies Results Data for Accuracy

VA-guaranteed loan servicing personnel are skilled and trained in proper data reporting procedures, which ensures documented data reporting procedures are followed.

VA Loan Administration staff is also skilled and trained in loan servicing and proper data reporting procedures. All servicing and data reporting procedures are documented in both the VA Servicer and VA Loan Technician guides. These guides are updated regularly based on loan servicing industry best practices.

Submitted loan servicing data are verified through sampling against loan data. The accuracy of loan servicing data is also established via the Veterans Affairs Loan Electronic Reporting Interface (VALERI) system's business rules screening process. Additionally, procedures for making changes to previously entered loan data are documented and followed.

How VA Leadership Uses Results Data

VA uses the data to measure the effectiveness of joint servicing efforts of primary servicers and VA staff to assist Veterans in avoiding foreclosure through default resolution. Since Veterans benefit substantially from avoiding foreclosure through default resolution—and, at the same time, VA realizes cost savings—VA redesigned its data program in December 2008 to promote greater loss mitigation efforts by primary servicers.

This redesign effort included development of a new Web-enabled and rules-based "smart" system, VA Loan Electronic Reporting Interface (VALERI).

VALERI's standardized servicing criteria, which are on par or ahead of industry norms, enable instant access to acquisition and claim payment status and make it easier for servicers to work and communicate with VA. It also enables servicers to more quickly help Veterans who are experiencing financial difficulty to avoid foreclosure. For example, reaching out to Veterans earlier in the delinquency process allows for more home retention options using repayment plans, special forbearances, and loan modifications. In the event that these options are not viable, compromise sales and deeds in lieu of foreclosure can be discussed as alternatives to foreclosure.

Key Measure

PERCENT OF APPLICATIONS FOR HEADSTONES AND MARKERS THAT ARE PROCESSED WITHIN 20 DAYS FOR THE GRAVES OF VETERANS WHO ARE NOT BURIED IN NATIONAL CEMETERIES

Performance Trends	Impact on Veterans
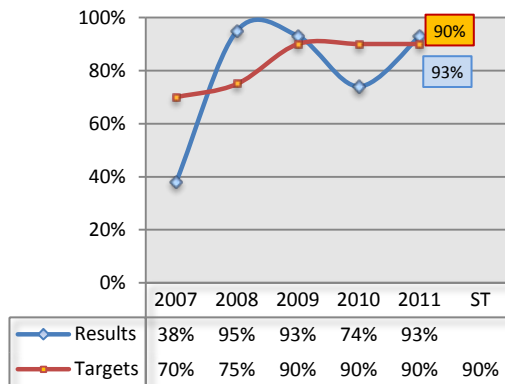
Performance Trends

	2007	2008	2009	2010	2011	ST
Results	38%	95%	93%	74%	93%	
Targets	70%	75%	90%	90%	90%	90%

ST = Strategic Target

Impact on Veterans

Desired Direction

Status

G

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, there is often a sense of closure to the grieving process when the grave is marked. A high level of performance in this area is important as roughly 65 percent of headstones and markers furnished by VA are for Veterans buried in cemeteries other than a VA national cemetery.

How VA Verifies Results Data for Accuracy

Employees in NCA's Memorial Programs Service are trained and skilled at entering data into NCA's Automated Monument Application System (AMAS). Paper applications are scanned and entered electronically into AMAS. Data are collected and verified by NCA Central Office employees who are skilled and trained in data collection and analysis techniques.

Applications received electronically are automatically entered into AMAS. Data are verified by sampling against source data in AMAS.

How VA Leadership Uses Results Data

Monthly and fiscal-year-to-date reports are shared with NCA managers, employees, and other interested parties, such as Veterans Service Organizations, to ensure visibility of this important initiative and demonstrate VA's commitment to serving Veterans in a timely manner.

NCA managers use these data to manage application processing workload and to identify and correct potential problems with headstone and marker application processing. Data are available at the beginning of each month and are available for use in Government Performance and Results Modernization Act of 2010 reports and VA internal Monthly Performance Reviews. Data are comparable between years, enabling NCA and its stakeholders to assess program progress and effectiveness.

Key Measure

PERCENT OF GRAVES IN NATIONAL CEMETERIES MARKED WITHIN 60 DAYS OF INTERMENT

Performance Trends	Impact on Veterans

Performance Trends

	2007	2008	2009	2010	2011	ST
Results	94%	93%	95%	94%	93%	
Targets	90%	95%	95%	95%	95%	95%

ST = Strategic Target

Impact on Veterans

Desired Direction

Status

Y

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, having a permanent headstone or marker often brings a sense of closure to the grieving process.

How VA Leadership Uses Results Data

NCA field and Central Office employees have online access to monthly and fiscal year-to-date tracking reports on timeliness of marking graves in national cemeteries. Increasing the visibility of and access to 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. This program further improves NCA's ability to provide symbolic expressions of remembrance by improving the timeliness of the grave-marking process.

How VA Verifies Results Data for Accuracy

National cemetery employees are trained and skilled at entering data into NCA's Burial Operations Support System (BOSS). Data are collected and verified by NCA Central Office employees who are skilled and trained in data collection and analysis techniques. Data are verified by sampling against source interment data in BOSS.

Additional Performance Information for Integrated Strategy 1a

Program Evaluations

The Institute for Defense Analyses completed the independent 3-year review of VBA's quality assurance program mandated under the provisions of Public Law (P.L.) 110-389, Veterans' Benefits Improvement Act of 2008, and VA provided a final report to Congress.

VA completed public forums and working group sessions as part of a systematic revision of the VA Schedule for Rating Disabilities (VASRD). These included forums on Dental and Oral Conditions, Genitourinary System, Infectious & Immune Disorders, and Digestive System and Nutritional Diseases sections of the VASRD.

New Policies, Procedures, or Process Improvements and Other Important Results

VA implemented several major new policies and procedures designed to improve the ability of Veterans and Servicemembers to achieve educational and career goals. These included the following:

- VA deployed 81 Disability Benefits Questionnaires (DBQs) for use by VA medical facilities, with 3 available to private physicians. The DBQs streamline the disability evaluation process by requiring a consistent format for medical evidence.

- VBA implemented the Private Medical Records (PMR) pilot to reduce timeliness for receipt of private medical records. VBA is receiving responses to PMR requests 23 days faster than non-pilot requests.

- VBA initiated the Fully Developed Claim program nationwide.

- VBA implemented innovative tools for the claims decision process. The "Hearing Loss Calculator" tool released in November 2010 and the "Special Monthly Compensation calculator" tool released in July 2011 use rules-based technology to improve timeliness, accuracy, and consistency of rating decisions.

- Quality Review Teams (QRTs) began at 12 VBA pilot sites on August 1, 2011. These teams are solely dedicated to monitoring station quality, identifying trends/training needs, collaborating with local training components, reviewing Systematic Technical Accuracy Review (STAR) errors, addressing national training issues and local training issues for that station, and other appropriate functions. The QRTs were trained by the National STAR team and are using the National STAR team review approach.

- VA published the final rule for *Presumptive Service Connection for Diseases Associated with Service in the Southwest Asia Theater of Operations During the Persian Gulf War: Functional Gastrointestinal Disorders.*

- VA issued instructions and procedures on processing claims under P.L. 111-377, the Post-9/11 Veterans Educational Improvements Act of 2010, which modifies certain aspects of the Post-9/11 GI Bill.

- VA issued instructions and procedures on processing claims under P.L. 112-26, the Restoring GI Bill Fairness Act of 2011, which changes the way VA calculates payments for training at certain private colleges or universities.

NCA continued implementation of its new National Cemetery Scheduling Office (NCSO).

The NCSO began operations in January 2007, providing centralized interment scheduling 7 days a week for 27 existing national cemeteries in 9 Midwestern states and 2 newly opened national cemeteries in Sacramento and South Florida. At the end of 2011, the NCSO had expanded operations to provide service to 130 of VA's 131 national cemeteries. The NCSO delivers more consistent eligibility determination in standard eligibility requests and quicker eligibility determination when eligibility cannot be immediately established. The NCSO also provides a vehicle for NCA to capitalize on new technologies that support paperless, secure recordkeeping, and future enhancements such as online interment scheduling for funeral homes.

In 2011 NCA continued to broaden the scope of its First Notice of Death (FNOD) Office by working with post offices as well as VA medical centers and regional offices to refine the flag distribution system. The FNOD Office is responsible for processing information on deceased Veterans who were receiving benefits from VA into VA's information technology systems. This process enables VA to cancel compensation payments in a timely manner and communicate with family members in order to ensure overpayments of compensation are reduced or eliminated. This also ensures family members receive timely and accurate information concerning possible entitlement to survivor and burial benefits. In 2011, NCA processed nearly 640,000 notices of death, avoiding more than $39 million in overpaid benefits.

VA is committed to ensuring that timely and accurate symbolic expressions of remembrance are provided for Veterans who are not buried in national cemeteries. In 2011, VA processed

93 percent of the applications for headstones and markers for such Veterans within 20 days of receipt. VA's long-term performance goal is to process 90 percent of the applications within 20 days of receipt.

The amount of time it takes to mark a 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. In 2011, VA marked 93 percent of the graves in national cemeteries within 60 days of the interment. The average number of days to mark a grave in a national cemetery was 28 days.

Headstones and markers must be replaced if the government or contractor makes errors in the inscription, or if the headstone or marker is damaged during installation. Replacing headstones and markers further delays the final portion of the interment process. NCA continues to improve accuracy and operational processes in order to reduce the number of inaccurate or damaged headstones and markers delivered to the gravesite. In 2011, 95 percent of headstones and markers were delivered undamaged and correctly inscribed. In 2011, 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 marking graves.

In 2011, VA issued nearly 779,700 Presidential Memorial Certificates, 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 inscription of

Presidential Memorial Certificates provided by VA is consistently 99 percent or better. The willingness to recommend a national cemetery to Veteran families during their time of need is an expression of loyalty toward that national cemetery. In 2011, 98 percent of survey respondents (family members and funeral directors who recently received services from a national cemetery) indicated they would recommend the national cemetery to Veteran families in their time of need.

To ensure the appearance of national cemeteries meets the standards our Nation expects of its national shrines, VA performed a wide variety of grounds management functions including raising, realigning, and cleaning headstones to ensure uniform height and spacing and to improve appearance. Rows of pristine, white headstones set at the proper height and correct alignment provide a vista that is the hallmark of many VA national cemeteries. In 2011, VA collected data that showed that 70 percent of headstones and/or markers in national cemeteries are at the proper height and alignment; 82 percent of headstones, markers, and niche covers are clean and free of debris or objectionable accumulations; and 91 percent of gravesites in national cemeteries had grades that were level and blended with adjacent grade levels. In 2011, National Shrine Commitment projects were initiated at 33 national cemeteries and two soldier's lots. These projects will raise, realign, and clean more than 300,000 headstones and markers and renovate gravesites in more than 465 acres.

In 2009, NCA completed the implementation of a new Facility Condition Assessment program as part of its continuing commitment to maintain the appearance of national cemeteries as national shrines. Each national cemetery is assessed annually to determine whether the condition of each building and structure is considered acceptable according to system-wide standard definitions within VA and within Federal guidelines identified by the Federal Real Property Council.

The 2011 assessment showed that 74 percent of buildings and structures at national cemeteries met these criteria. This information is used both to provide additional focus to NCA management on the condition of cemetery facilities and for the allocation of funds for construction projects. Cemetery facilities are among the most highly visible components of national cemeteries. Maintaining the safety and appearance of cemetery facilities is an important component of maintaining national cemeteries as national shrines.

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 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 2011, VA processed nearly 372,700 applications for headstones and markers for placement in national, state, other public, or private cemeteries. Since 1973, VA has furnished more than 11 million headstones and markers for the graves of Veterans and other eligible persons.

Data Verification and Measure Validation
More details on data verification and quality and measure validation for the key measures that support this strategy are provided in the Key Measures Data Table on pages II-108–II-117.

Complete Listing of Measures Supporting Integrated Strategy 1a

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Prevention Index IV (The 2007-2008 results are PI III. The 2009-2011 numbers are PI IV.)	88%	88%	89%	91%	92% Y	93%	94%
Clinical Practice Guidelines Index III (The 2007-2008 results are CPGI II. The 2009-2011 numbers are CPGI III.)	83%	84%	91%	92%	91% Y	92%	93%
National accuracy rate - compensation entitlement claims (Supports Priority Goal)	88%	86%	84%	84%	84% R	90%	98%
National accuracy rate - pension maintenance claims	91%	93%	95%	96%	97% G	95%	98%
Percent of Compensation and Pension pending inventory that is more than 125 days old (Supports Priority Goal) (New)	N/Av	N/Av	N/Av	36%	60% G	60%	0%
Average days to complete original Education claims (Supports Priority Goal)	32	19	26	39	24 Y	23	10
Average days to complete supplemental Education claims (Supports Priority Goal)	13	9	13	16	12 G	12	7
Default Resolution Rate (1) Corrected	N/Av	N/Av	(1) 71.5%	76.3%	83% G	73.0%	75.0%
Percent of applications for headstones and markers that are processed within 20 days for the graves of Veterans who are not buried in national cemeteries (Supports Priority Goal)	38%	95%	93%	74%	93% G	90%	90%
Percent of graves in national cemeteries marked within 60 days of interment	94%	93%	95%	94%	93% Y	95%	95%
Percent of VA Hospitals whose unplanned readmissions rates are less than or equal to other hospitals in their community (Through August)	N/Av	N/Av	N/Av	N/Av	* 98% G	80%	100%

Recap

Green	15
Yellow	11
Red	6
Total	32

*These are partial or estimated data; final data will be published in the 2013 Congressional Budget and/or the 2012 Performance and Accountability Report.

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Number of Health Care Associated Complications (HAC) (1) Data for this measure are currently not available. The Office of Analytics and Business Intelligence is committed to developing, testing, and validating a composite HAC rate in keeping with the goals of the Partnership for Patients.	N/Av	N/Av	N/Av	N/Av	(1) N/Av	18	<12
Compensation maintenance claims - average days to complete	N/Av	N/Av	N/Av	99	94 R	89	60
Compensation entitlement claims - average days to complete (1) Corrected	N/Av	N/Av	N/Av	(1) 169	197 R	158	90
Burial claims processed - average days to complete (Compensation)	91	84	78	76	113 R	70	21
National accuracy rate (Compensation maintenance claims)	92%	95%	95%	96%	97% G	96%	98%
National accuracy rate - burial claims processed (Compensation)	95%	96%	93%	96%	97% Y	98%	98%
National accuracy rate - pension entitlement claims	91%	87%	95%	96%	98% G	96%	98%
Compensation and Pension National accuracy rate - fiduciary work	84%	81%	82%	85%	88% Y	90%	98%
Appeals resolution time (From NOD to Final Decision) (Average Number of Days) (Joint BVA-VBA Compensation and Pension measure)	660	645	709	656	747 Y	695	675
Percent of claims processed through the automated claims processing system (Education)	N/Av	N/Av	N/Av	N/Av	TBD	Baseline	TBD
Percent of Montgomery GI Bill or Post 9/11 GI Bill participants who successfully completed an education or training program	N/Av	N/Av	N/Av	N/Av	TBD	Baseline	TBD
Montgomery GI Bill usage rate (%) for Veterans who have passed their 10-year eligibility period (Measure being dropped after 2011.)	70%	70%	70%	71%	TBD	71%	80%
Education Claims Completed Per FTE	N/Av	N/Av	N/Av	N/Av	TBD	Baseline	TBD
Payment accuracy rate (Supports Priority Goal) (Education) (1) Corrected	95%	96%	96%	(1) 95%	98% G	95%	97%

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Education Call Center - Abandoned call rate	14%	5%	11%	17%	20% R	10%	5%
Program Review Accuracy Rate (Housing) (New)	N/Av	N/Av	N/Av	N/Av	Baseline	Baseline	TBD
Rate of homeownership for Veterans compared to that of the general population (2011 Estimate) (1) Corrected	N/Av	115.2%	(1) 117.2%	117.2%	* 118% G	118.0%	119.0%
Default Resolution Efficiency Ratio (Through August) (1) Corrected	N/Av	N/Av	(1) 32.0:1	55.7:1	* 68.3:1 G	36.0:1	38.0:1
Number of disbursements (death claims, loans, and cash surrenders) per FTE (Insurance)	1,724	1,756	1,755	1,714	1,808 G	1,750	1,750
Percent of respondents who would recommend the national cemetery to Veteran families during their time of need	98%	98%	98%	98%	98% Y	99%	100%
Percent of gravesites that have grades that are level and blend with adjacent grade levels	83%	86%	90%	89%	91% G	89%	95%
Percent of headstones and markers that are delivered undamaged and correctly inscribed	96%	96%	96%	96%	95% Y	98%	98%
Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations	75%	84%	82%	85%	82% Y	90%	95%
Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment	69%	65%	64%	67%	70% Y	73%	90%
Percent of national cemetery buildings and structures that are assessed as "acceptable" according to annual Facility Condition Assessments	N/Av	N/Av	84%	84%	74% R	87%	90%
Percent of funeral directors who respond that national cemeteries confirm the scheduling of the committal service within 2 hours (Supports Priority Goal)	72%	72%	73%	77%	81% G	80%	93%
Percent of Presidential Memorial Certificate applications that are processed within 20 days of receipt (Supports Priority Goal)	N/Av	N/Av	N/Av	17%	91% G	70%	90%

*These are partial or estimated data; final data will be published in the 2013 Congressional Budget and/or the 2012 Performance and Accountability Report.

INTEGRATED STRATEGY 1b

Develop a range of effective delivery methods that are convenient to Veterans and their families

Making a Difference for Veterans

VA's Mail-Order Pharmacy Program Recognized as a J.D. Power 2011 Customer Service Champion

Prescription packages are ready to go to the post office, on their way to Veterans. Every workday 300,000 Veterans receive medication or supplies from VA.

The Department of Veterans Affairs' mail-order pharmacy program has been recognized as a J.D. Power 2011 Customer Service Champion—one of only 40 entities in the United States to earn the distinction this year.

"We are honored to receive this distinction and be included in this elite group of companies that focus on customer service excellence," said Rita Brueckner, National Quality Management Officer for VA's Consolidated Mail Outpatient Pharmacy program. "Customer satisfaction is our top priority, and we appreciate this external recognition of our efforts."

VA's Consolidated Mail Outpatient Pharmacy (CMOP) functions as a virtual extension of VA medical center pharmacies by mailing prescription medications and supplies directly to Veteran patients. Every workday, 300,000 Veterans receive medication or supplies from VA. The goal is delivery of medication or supplies to the patient within 10 days of provider or patient request. VA typically gets the prescription delivered in fewer than 5 days.

To qualify for inclusion as a J.D. Powers Customer Service Champion, companies must not only excel within their own industries, but also must stand out among leading brands in 20 major industries evaluated by J.D. Power. To identify the J.D. Power 2011 Customer Service Champions, J.D. Power evaluated more than 800 brands.

"It's gratifying to receive such positive customer service feedback from the men and women who have served our country and now rely on VA for their prescriptions," said Michael Valentino, chief consultant for VA's Pharmacy Benefits Management Services. "It's especially rewarding to know our Veterans place such a high value on the Consolidated Mail Outpatient Pharmacy services they receive; this has always been and remains our primary motivation to do the best job we possibly can."

VA Hosted National Veterans Small Business Conference
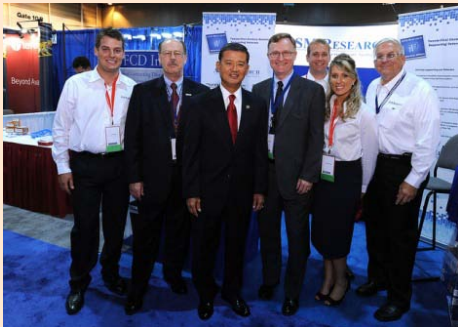
VA Secretary Eric K. Shinseki visits with attendees at the National Veterans Small Business Conference and Expo that was held in New Orleans.

The Department of Veterans Affairs, in partnership with the Veteran Federal Interagency Council, hosted the National Veterans Small Business Conference and Expo in New Orleans August 15-18, 2011. Hosted by VA for the first time, this was the largest Veterans' business event in the country, with over 4,300 participants. This year's conference was ground-breaking in that it offered unprecedented opportunities for Veteran business owners to connect directly with procurement decision makers. VA alone brought more than 200 program and procurement managers to meet with small businesses.

"This conference offers a new approach to providing Veteran-owned businesses and service-disabled Veteran-owned businesses the access and tools they need to thrive in the Federal marketplace," said Eric K. Shinseki, Secretary of Veterans Affairs. "Our primary goal is to help more Veterans start and grow their own businesses."

The event also offered far greater opportunities for small businesses to receive necessary training that built their capacity to add value to Federal agencies. The number of training sessions increased fivefold from previous years. Sessions addressed a range of topics, including branding, marketing, management, financing, and business opportunities within the Federal Government as well as how to secure loans through the Small Business Administration.

The conference's success was due in large measure to the support from VA's senior leaders including Secretary Shinseki, Deputy Secretary Gould, Chief of Staff Gingrich, all three Under Secretaries, the Chief Information Officer, and the Chief Acquisition Officer. Sixteen Federal agencies supported the National Veterans Small Business Conference through the participation of Small Business Representatives. Both the Department of Homeland Security (DHS) and the Department of Defense (DoD) showed support to the event as Deputy Secretary Jane Lute from DHS and Principal Deputy Under Secretary of Defense for Acquisition, Technology and Logistics Frank Kendall spoke. The conference also promoted jobs for Veterans and provided both employment opportunities and benefits information to Veterans at a VA Open House.

John R. Gingrich, VA Chief of Staff, visits with VA employees of the Prosthetic and Sensory Aids Service (PSAS) from across the country who were on hand at the National Veterans Small Business Conference and Expo to educate Veterans about the benefits they might receive and how to conduct business with PSAS.

VA Executive Leadership participated in eight White House Business Council roundtables coordinated by VA. Each roundtable focused on conference participants from a particular state. Deputy Secretary Lute, DHS, also hosted a roundtable.

For more information, visit the Web site at www.nationalveteransconference.com

Significant Trends, Impacts, Use, and Verification of 2011 Results

Key Measure
PERCENT OF VETERANS SERVED BY A BURIAL OPTION WITHIN A REASONABLE DISTANCE (75 MILES) OF THEIR RESIDENCE

Performance Trends

	2007	2008	2009	2010	2011	ST
Results	83.4%	84.2%	87.4%	88.1%	89.0%	
Targets	83.8%	83.7%	86.9%	87.8%	89.0%	94.0%

ST = Strategic Target

Impact on Veterans

Desired Direction

Status

G

By the end of 2011, nearly 20 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 to this benefit is integral to realizing this objective.

How VA Leadership Uses Results Data

VA analyzes census data to determine areas of the country that have the greatest number of Veterans not currently served by a burial option.

This information is used in planning for new national cemeteries and for gravesite expansion projects to extend the service life of existing national cemeteries, as well as in prioritizing funding requests for Veterans Cemetery grants.

How VA Verifies Results Data for Accuracy

VA staff is trained and skilled in proper procedures for calculating the number of Veterans that live within the service area of cemeteries that provide a first interment burial option. Changes to this measure are documented and reported through VA's annual Performance and Accountability Report and VA Monthly Performance Reports.

Results of a 1999 VA Office of the Inspector General audit assessing the accuracy of data used for this measure affirmed the accuracy of calculations made by VA personnel.

Supporting Measure

PERCENT OF PROCUREMENT OBLIGATIONS AWARDED TO VETERAN-OWNED SMALL BUSINESSES (VOSBs)* AND SERVICE-DISABLED VOSBs (SDVOSBs)

Performance Trends

Percent of Total VA Procurement Obligations

(1) Actual data through 09/2011. Final data will be available in 06/2012.

Source: Federal Procurement Data System

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* P.L. 109-461 gave VA unique authority to conduct set-aside and sole source procurement with Veteran-owned small businesses. In January 2008, the Secretary established a 2008 performance target and instituted PAR reporting requirements.

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OIG evaluated VA's Veteran-Owned Small Business (VOSB) and Service-Disabled Veteran-Owned Small Business (SDVOSB) programs in FY 2010. At the time of the audit, OIG projected that although VA reported awarding 23 and 20 percent of its total procurement dollars to VOSBs and SDVOSBs, the FY 2010 figures were overstated by 3 to 17 percent because awards were made to ineligible businesses.

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OSDBU disagrees that findings in FY 2010 necessarily reflect the reality of FY 2011. We believe that due to the actions of The Center for Veterans Enterprise of a more rigorous review of eligibility, the extent of overstatement has been greatly reduced.

How VA Verifies Results Data for Accuracy

Data are analyzed monthly by staff and program managers in the Office of Small and Disadvantaged Business Utilization. The data collection staff is trained in the proper procedures for extracting and interpreting data.

Impact on Veterans

Desired Direction

Status

G

Contracting with Veteran entrepreneurs is a logical extension of VA's mission and contributes to the economic strength of this important business community. Increased spending also makes entrepreneurship a viable and attractive career option for America's Veterans. With VA's ability to verify ownership and control of Veteran-owned small businesses, there is a greater assurance that dollars are reaching legitimate business concerns. Participants display these Verified logos for SDVOSBs and VOSBs

How VA Leadership Uses Results Data

Data assist VA leadership, Congress, the Veteran entrepreneurial community, and other stakeholders in gauging the extent of VA compliance and success in implementing the procurement provisions of P.L. 109-461, VA's unique "Veterans First" buying authority. Results data provide information on VA's compliance with the Veterans Entrepreneurship and Small Business Development Act of 1999 (P.L. 106-50); support for the Veterans Benefits, Healthcare and Information Technology Act of 2006 (P.L. 109-461); and actions required by Executive Order 13360, *Providing Opportunities for Service-Disabled Veteran-Owned Businesses to increase their Contracting and Subcontracting*, issued in October 2004.

The Veterans Small Business Verification Act (P.L. 111-275) provided VA with the authority to increase the rigor of the verification program and the assurance that the businesses receiving awards under the "Veterans First" buying authority are legitimately owned and controlled by Veterans or service-disabled Veterans.

As appropriate, results help VA program management identify areas for improvement and assist in targeting training and vendor outreach.

Additional Performance Information for Integrated Strategy 1b

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. This demographic study (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 August 2008, VA completed an independent and comprehensive program evaluation of the full array of burial benefits and services that the Department provides to Veterans and their families in accordance with 38 USC 527. The evaluation was performed by ICF International to provide VA with an objective assessment of the extent to which VA's program of burial benefits has reached its stated goals and the impact that this program has had on the lives of Veterans and their families.

The evaluation showed that 85 percent of Veterans prefer either a casket or cremation burial option, affirming that VA is meeting the burial needs of Veterans and their families by providing these options at national cemeteries. The evaluation also validated VA policies that consider Veterans living within 75 miles of a national or State Veterans cemetery with available first interment gravesites for either casketed or cremated remains to be adequately served with a burial option within a reasonable distance of their home. Major recommendations addressed the need to continue building new national cemeteries and supporting State cemetery development to Veteran population threshold of 110,000 Veterans within a 75-mile area for establishing new national cemeteries.

VA used this study as a starting point to develop new burial policies that resulted in a 2011 budget proposal to lower the Veteran population threshold required to establish a new national cemetery from 170,000 to 80,000. Based on the new policies, five new national cemeteries were proposed, which would provide a burial option to an additional 500,000 Veterans and their families. In addition, VA will build five columbarium-only satellite cemeteries in urban locations where utilization rates are low and where time/distance barriers are cited by our clients more frequently on customer satisfaction surveys.

New Policies, Procedures, or Process Improvements and Other Important Results

VBA implemented call recording for the VBA National Call Centers (NCC) and 100 percent of inbound calls are recorded for standardized quality assurance reviews.

VBA implemented National Queue (call routing) at the NCCs, and calls are now routed based on agent skills to the first available agent equipped to best answer the call type.

VA and the Department of Defense enhanced self-service access to information and services for Veterans and Servicemembers through the eBenefits Web portal. Some of the capabilities introduced were as follows: access to the Post 9-11 GI Bill application, capability to generate official VA letters, access to 10-10EZ form to apply for health benefits, capability to apply for a VGLI policy or view and update information for an existing policy, and early notification of benefits based on business-defined life triggers.

In 2011, VA began interment operations at a new annex to Fort Rosecrans National Cemetery in Miramar, California. This new facility serves the Veterans in the San Diego, California, area and provides a full casket burial option that previously was not available at Fort Rosecrans National Cemetery.

VA also completed construction projects to extend burial operations at Alabama; Bakersfield, California; Barrancas, Florida; Eagle Point, Oregon; Fayetteville, Arkansas; Finn's Point, New Jersey; Fort Rosecrans, California; Fort Sam Houston, Texas; Great Lakes, Michigan; Indiantown Gap, Pennsylvania; Jefferson Barracks, Missouri; Massachusetts; National Memorial Cemetery of the Pacific, Hawaii; Roseburg, Oregon; and San Joaquin Valley National Cemeteries.

In addition to building, operating, and maintaining national cemeteries, VA also administers the Veterans Cemetery Grants Program (VCGP), which provides grants to states and tribal organizations for up to 100 percent of the cost of establishing, expanding, or improving State Veterans Cemeteries. Increasing the availability of State and Tribal Organizations Veterans Cemeteries is a means to provide a burial option to those Veterans who may not have reasonable access to a national cemetery.

In 2011, four new State Veterans Cemeteries began interment operations in Alliance, Nebraska; Dublin, Virginia; Greenup, Kentucky; and Newton, Mississippi. In 2011, 81 operating State Veterans Cemeteries performed nearly 29,000 interments of Veterans and eligible family members, and grants were obligated to establish, expand, or improve State and Tribal Organization Veterans Cemeteries in 11 states and Puerto Rico. Also in 2011, State Veterans Cemeteries provided a burial option to more than 2 million Veterans and their families.

In 2011, VA experienced an increase in interest in state cemetery grants from tribal organizations. Section 403 of Public Law 109-461, the Veterans Benefits, Health Care, and Information Technology Act of 2006, granted eligibility to tribal organizations for grants to establish, expand, or improve Veterans cemeteries on trust lands. As a result of this legislation, the VCGP has received several inquiries from tribal organizations and is assisting these organizations with the grant application process. In 2011, six tribal government pre-applications ranked high enough to receive a 2011 grant opportunity letter. Three tribal government grants were awarded by the end of 2011 with one pre-application deferred to 2012. VA anticipates greater interest in the program once construction for these three Veterans cemeteries on tribal trust land is completed.

The Office of Information Technology (OIT) continues to improve responsiveness to developing systems meeting a critical business need. Product Development's realignment along the lines of the Secretary's 16 Major initiatives, its use of agile development within the context of a maturing Project Management Accountability System process, and increases in project management staff contribute to OIT's continuing success in developing IT systems that provide the most assistance to Veterans, their families, and their Survivors. During the past 12-month period, we have delivered over 80 percent of all scheduled product capability. This represents more than 320 new products or product enhancements that have had a positive impact on Veteran-facing functionality.

Data Verification and Measure Validation
More details on data verification and quality and measure validation for the key measure that supports this objective are provided in the Key Measures Data Table on pages II-108–II-117.

Complete Listing of Measures Supporting Integrated Strategy 1b

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation <u>was</u> significant or material.

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Percent of Veterans served by a burial option within a reasonable distance (75 miles) of their residence	83.4%	84.2%	87.4%	88.1%	89% G	89.0%	94.0%
Percent of Veterans who successfully obtain resident status as a result of vouchers distributed through the U.S. Department of Housing and Urban Development and Veterans Affairs Supportive Housing (HUD-VASH) program (Supports Priority Goal) (Through July)	N/Av	N/Av	N/Av	88%	* 93% G	80%	90%
Number of Homeless Veterans on any given night (Supports Priority Goal) (Joint VHA-OPIA measure) The 2007 and 2008 numbers are based on Community Homelessness Assessment, Local Education and Networking Groups (CHALENG) data. The numbers for 2009 and subsequent years are based upon the Annual Homeless Assessment Report (AHAR). (2011 data will be available in March 2012.) (1) Corrected	154,000	131,000	(1) 75,609	76,329	TBD	80,000	0
Percent of claims where a portion of the required forms were filed electronically (Supports Priority Goal) **This measure applies to any on-line benefit application. However, it is displayed under compensation and pension since the number of compensation and pension claims filed will have the most impact on this measure's result and target. VONAPP Direct Connect, a Web-based program for Veterans to file claims electronically, is being developed. The first pilot is scheduled for December 2011 with Nationwide deployment expected in 2013. Therefore, the baseline year has been changed to 2013.	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	TBD

Recap

Green	10
Yellow	2
Red	0
Total	12

* These are partial or estimated data; final data will be published in the 2013 Congressional Budget and/or the 2012 Performance and Accountability Report.

| Integrated Objective/Measure (Key Measures in Bold) | Past Fiscal Year Results | | | | 2011 | | Strategic Target |
	2007	2008	2009	2010	Results	Targets	
Percent of separating servicemembers that are provided with VA and DOD benefit information within 6 months of the expiration of their term of service (ETS) through the eBenefits portal (See ** above)	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	TBD
National Call Center Successful Call Rate (New) (Supports Priority Goal) This measure applies to all VBA business lines but is placed within the C&P performance plan because most of the calls are C&P related. The baseline year has been changed to 2012 because a full year of new technology and appropriate staffing will be in place at the call centers in 2012.	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	TBD
Success Rate of Automated Certificate of Eligibility (ACE) System (Housing)	N/Av	N/Av	N/Av	Baseline	55% Y	62.0%	75.0%
Percent of headstone and marker applications from private cemeteries and funeral homes received electronically via fax or Internet (Supports Priority Goal)	N/Av	46%	52%	56%	61% G	60%	75%
BVA Cycle Time (Excludes Representative Time) (Average Number of Days)	136	155	100	99	119 G	140	104
Appeals decided per Veteran Law Judge	721	754	813	818	784 G	752	800
Percent of Total Hearings that are Conducted via Video Conference (New)	N/Av	N/Av	N/Av	N/Av	29% Y	35%	35%
Percent of total procurement dollars awarded to service-disabled Veteran-owned small businesses (OSDBU) (Through September; final data will be available in 06/2012) **VA's data reported may differ from data reported by the Small Business Administration due to the timing of when each agency runs its report. OIG evaluated VA's Veteran-Owned Small Business (VOSB) and Service-Disabled Veteran-Owned Small Business (SDVOSB) programs in FY 2010. At the time of the audit, OIG projected that although VA reported awarding 23 and 20 percent of its total procurement dollars to VOSBs and SDVOSBs, the FY 2010 figures were overstated by 3 to 17 percent because awards were made to ineligible businesses. OSDBU disagrees that findings in FY 2010 necessarily reflect the reality of FY 2011. We believe that due to the actions of The Center for Veterans Enterprise of a more rigorous review of eligibility, the extent of overstatement has been greatly reduced.	7.09%	12.09%	16.96%	20.0%	* 19.5% G	10.0%	10.0%

* These are partial or estimated data; final data will be published in the 2013 Congressional Budget and/or the 2012 Performance and Accountability Report.

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Percent of total procurement dollars awarded to Veteran-owned small businesses (OSDBU) (Through September; final data will be available in 06/2012) (See ** above)	10.13%	15.27%	19.30%	23.0%	* 21.8% G	12.0%	12.0%
Percent of milestones achieved towards deployment and implementation of a paperless disability claims processing system (Supports Priority Goal) (OIT)	N/Av	N/Av	N/Av	N/Av	100% G	100%	100%
Percent of milestones achieved in deploying and implementing the Client Relations Management System (CRMS) (Supports Priority Goal) (OIT)	N/Av	N/Av	N/Av	N/Av	30% G	30%	100%
Percent of annual milestones achieved towards deployment and implementation of an automated GI Bill benefits delivery system (Supports Priority Goal) (OIT)	N/Av	N/Av	N/Av	N/Av	100% G	60%	100%
Percent of milestones achieved in deploying and implementing the Virtual Lifetime Electronic Record (VLER) (Supports Priority Goal) (OIT)	N/Av	N/Av	N/Av	N/Av	88%	Baseline	100%
Percent of available Veteran electronic records which can be accessed through Virtual Lifetime Electronic Record (VLER) capabilities (Supports Priority Goal) (OIT)	N/Av	N/Av	N/Av	N/Av	1%	Baseline	100%

* These are partial or estimated data; final data will be published in the 2013 Congressional Budget and/or the 2012 Performance and Accountability Report.
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INTEGRATED STRATEGY 1C

Improve VA's ability to adjust capacity dynamically to meet changing needs, including preparedness for emergencies.

Making a Difference for Veterans

VA's Rural Health Initiative

Fifty-three percent of Veterans live in rural or highly rural areas. Several outreach programs have been initiated to provide Veterans and their families vital information about their VA benefits and the health care services they are eligible to receive.

Health care can be a major issue for Veterans who live in rural areas. Reaching out to Veterans in the rural communities surrounding the Hampton, Virginia, VA Medical Center (VAMC) is the main mission of the hospital's recently established Rural Health Initiative (RHI) team. "We've talked to numerous folks who served in the military who just don't know what they qualify for when it comes to VA health care benefits," said Kevin Amick, rural health integrator at the Hampton VAMC. "We spend a lot of time out in these rural communities making sure Veterans understand what is available to them through VA and helping them get the care and assistance they need."

According to the VA Web site, more than 837,000 Servicemembers have been deployed since 2002. Of those, only 39 percent have used VA health care. For this reason, several outreach programs were initiated to provide the Nation's Veterans and their families vital information about their VA benefits and the health care services they are eligible to receive. The RHI program is just one more way for the staff to find and help Veterans in outlying areas.

"The VA health care system recognizes that we have the best resources to help these Veterans reintegrate from the military back into civilian life," said DeAnne M. Seekins, director of the Hampton VAMC, who noted that the Veterans meeting with the RHI team span all age categories.

"We are still seeing a lot of Vietnam Veterans with signs of PTSD," said Carvin Harmon, social worker on the RHI team. "These Veterans are asking for help and don't know where to turn. Whether they are World War II Vets, Vietnam Vets, or OEF/OIF Vets, our team is traveling to their communities to meet them in person, answer their questions, and let them know that VA is here for them."

Over 8 million Veterans are enrolled in VA healthcare. Approximately 3.5 million live in rural and highly rural areas. VA is dedicated to making sure that all Veterans separating from service are evaluated and made aware of services and benefits they qualify for in the VA system. RHI is bringing that information to them and engaging them "close to home" in rural and highly rural areas. One RHI team member said it best, "It's important to us to let them know we are here to help them no matter when they served in our Nation's military. They are our heroes and they deserve VA's services. We owe it to them for what they sacrificed for us."

Significant Trends, Impacts, and Use and Verification of 2011 Results

Key Measure
NON-INSTITUTIONAL, LONG-TERM CARE AVERAGE DAILY CENSUS (ADC)

Performance Trends

	2007	2008	2009	2010	2011	ST
Results	41,022	54,053	72,315	85,940	93,736	
Targets			72,352	93,935	109,256	154,152

109,256

93,736

(1) Actual data through 07/2011. Final data are expected in 11/2011.
(2) No targets were developed for 2007 and 2008 because measure, as shown, was not included in the 2007 and 2008 performance plans.
(3) ST = Strategic Target

How VA Verifies Results Data for Accuracy

The data used for this report are extracted from established financial and workload databases that are routinely validated at the source of input using national criteria consistent with private sector auditing principles. The databases are used for budgeting, third party payment, and other day-to-day business practices all of which validate findings and contribute to the reliability of the data contained in the databases. The data in this metric reporting are not a sample but a 100 percent accounting of census in the metric programs.

Impact on Veterans

Desired Direction

Status

Y

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 and enables Veterans to remain in their own homes and communities for as long as possible.

How VA Leadership Uses Results Data

VA uses the data to project the need for services, evaluate existing services, identify specific services* that may need to be added or expanded to meet identified needs, and promote access to required services. In addition, the data are used to establish VISN targets and evaluate VISN performance in meeting their respective ADC targets.

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*Services currently available include the following: Home Based Primary Care, Purchased Skilled Home Care, Homemaker/Home Health Aide, Community Adult Day Health Care, VA Adult Day Health Care, Home Respite, Home Hospice, Care Coordination/Home Telehealth, and, where present, Spinal Cord Home Health Care and Medical Foster Home Care.

Additional Performance Information for Integrated Strategy 1c

Program Evaluations

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

New Policies, Procedures, or Process Improvements and Other Important Results

The Bereaved Family Survey (BFS) was implemented in all 21 VISNs as a Network Director's Performance Measure by the PROMISE Center (Performance Reporting and Outcomes Measurement to Improve the Standard of Care at End-of-Life Care) during 2011 as the "Voice of Veterans." Response rates to this ongoing phone-administered survey are approaching 60 percent.

Results from these interviews and associated medical records reviews are provided to facilities and VISNs on a monthly and quarterly basis to drive improvement at the facility and VISN level. Additional analyses have revealed several successful practices that are associated with higher scores, including admission to an inpatient hospice/palliative care unit and consultation by an interdisciplinary palliative care consultation team. Successful practices identified through BFS results are being disseminated in national quality improvement pilots.

These survey results are a barometer of the quality of care delivered to seriously ill Veterans. Additionally, the personal approach of phone-administered surveys has provided the opportunity for more than 3,000 grieving family members to access additional support. Attention to satisfaction with care at end of life is being integrated beyond palliative care

programs as palliative care staff are working with Patient Aligned Care Teams, Intensive Care Unit staff, facility leaders, and others to become a "learning organization" in using these survey results to improve care.

Veteran Directed Home and Community Based Services (HCBS) took the following actions in 2011:

- Instituted Program and Financial Readiness Reviews for State and Local Aging/Disability agencies to ensure the agencies are ready to participate in the Veteran Directed HCBS Program. Reviews are conducted by the National Resource Center for Participant Directed Services at Boston College.
- Created an electronic Veteran Directed HCBS Dashboard, which has the ability to capture information on program development and status from a variety of partners in one central location.
- Quantified the readiness level to determine the level of readiness at particular sites.
- Initiated a series of Veteran Directed HCBS trainings, which developed from the information gained from the readiness score.

In collaboration with Home-Based Primary Care and Spinal Cord Injury Home Care, Medical Foster Home (MFH) continues to expand non-institutional care (NIC) options in a Veteran-centric way of providing safe, innovative, and cost-effective care. NIC growth can be measured in the current number of total sites implementing MFH (88), current number of operating VA facilities (55) in 34 states, current number of homes serving Veterans (348), number of total Veterans served since 2000 (1,143), current percentage of P1a MFH Veterans (28 percent), and number of current MFH Veterans (420). Average length of stay of MFH Veterans is presently 348 days, and since 2006, for the MFH Veterans that discharge, they

have collectively benefitted by over 200,000 bed days of care. Presently, significant expansion of newly developing sites is occurring in the western U.S., especially in VISNs 18, 19, 21, and 22. This NIC expansion is also intended to pilot MFH partnering going forward with the Mental Health Intensive Case Management program to serve at-risk mental health Veteran patients. MFH is also examining new ways to demonstrate NIC cost-effectiveness to facilities through monthly workload reports. One approach involves the MFH program partnering with VA research collaborators to study the benefits of MFH using quality of life, safety, and costs as compared to receipt of care in a Community Living Center and Community Nursing Home programs. Present policy efforts include drafting a re-write of the Community Residential Care (CRC) Handbook, drafting a CRC Informational Letter, and drafting

regulations for MFH Fire and Safety and Background Checks. Results in 2011 included:

- Improved access to HCBS services by 4.6 percent in 2011.
- Added Community Adult Day Health Care Programs at 8 VAMCs.
- Added In-Home Respite Care Services at 5 VAMCs.
- Added Home Hospice Services at one VAMC.
- Added Veteran Directed HCBS Programs at 16 VAMCs, doubling enrollment from 400 to 800 Veterans.

Data Verification and Measure Validation

More details on data verification and quality and measure validation for the key measure that supports this objective are provided in the Key Measures Data Table on pages II-108– II-117.

Complete Listing of Measures Supporting Integrated Strategy 1c

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Non-institutional, long-term care average daily census (ADC) (Through July)	41,022	54,053	72,315	85,940	* 93,736 Y	109,256	154,152

Recap
Green 0
Yellow 1
Red 0
Total 1

*These are partial or estimated data; final data will be published in the 2013 Congressional Budget and/or the 2012 Performance and Accountability Report.

INTEGRATED STRATEGY 1d

Provide Veterans and their families with integrated access to the most appropriate services from VA and our partners.

Making a Difference for Veterans

Veterans Lose Weight with MOVE Program

Move! ® offers Veterans and their families proven techniques that work not only to lose weight but also to maintain weight loss.

Veterans who want to lose weight and become more physically active have a resource through VA's MOVE!® Weight Management Program.

MOVE!® was developed by the VA National Center for Health Promotion and Disease Prevention in Durham, North Carolina, in collaboration with field staff. MOVE!® has rapidly become the largest weight management program offered by an integrated health care system. "MOVE!® has a successful track record of helping Veterans lose weight and become active," said Dr. Kenneth Jones, National Program Director. "During its first 5 years, MOVE!® has helped improve the lives of more than 300,000 Veterans. The feedback we have received from Veterans and clinical staff is that the program has worked for them. We've looked at the reportable weight loss numbers and estimated that MOVE!® participants have lost more than 300 tons during the past 5 years."

The program is available to all Veterans who are enrolled in the VA health care system. Since weight management occurs in the context of the family and home, spouses can participate. "We've found that Veterans are more successful if their spouses are involved," said Lynn Novorska, dietitian program coordinator. "By bringing in the family and providing information on healthy eating, we're helping the Veterans and their families make positive lifestyle changes. We've also dropped the co-pay so there's no fee for either the Veteran or their spouse."

"MOVE!® offers Veterans and their families proven techniques that work not only to lose weight but also to maintain weight loss," said Susi Lewis, RN, Special Projects Coordinator, who has worked with the program since its inception. "We promote self management support, which empowers Veterans to manage their health and weight.

MOVE!® is designed to meet the individual needs of Veterans, including guidance on their physical activity. "Veterans set the pace and create goals with the help of the MOVE!® team members," said Sophia Hurley, a physical therapist and Physical Activity Program Coordinator for the program. "We listen to their issues and give patients the necessary tools to help them manage the problem. Then we offer Veterans the opportunity to meet with others in a group session to talk, learn, and find support for their weight-loss issues. All the while, the VA has dietitians and physical activity specialists available to assist Veterans."

Veteran Thomas Day is one of the program's success stories. He struggled with his weight for more than 25 years. His primary care physician at the VA Salt Lake City Health Care System challenged him to lose weight and enrolled him in the MOVE!® program. "The bottom line is that over a period of about 20 months, I lost about 70 pounds," Day said. "My blood pressure is that of an athlete's and my cholesterol levels are low. I have never felt so

healthy in my entire life. I sleep well, my mind is clear and sharp, and I have plenty of energy to sustain my 11-hour work days, six days a week." Veterans who would like more information about this program can check out the MOVE!® Web site at www.move.va.gov or contact their primary care provider at their local VA facility.

Significant Trends, Impacts, Use, and Verification of 2011 Results

Key Measure
PERCENT OF PRIMARY CARE APPOINTMENTS COMPLETED WITHIN 14 DAYS OF THE DESIRED DATE

Performance Trends		Impact on Veterans

Performance Trends

	2010	2011	Strategic Target
Results	93%	94%	
Targets	N/A	93%	95%

Actual data through 08/2011. Final data are expected in 11/2011.

Impact on Veterans

Desired Direction

Delivery of primary care is critical to preventative health care and timely disease identification and management.

Status

G

A visit to a primary health care provider is also a patient's point of entry for specialty care. As such, timely access to primary health care services is critical to providing high-quality care to Veterans.

How VA Verifies Results Data for Accuracy

VA's Veterans Information System and Technology Architecture (VistA) scheduling software captures data and requires minimal interpretation to ensure accuracy. VA's data are published on the VHA Support Service Center (VSSC) Web site. Wait time data are published to the VSSC Web site the 5th and 20th of each month.

The VSSC utilizes several mechanisms to audit and verify the accuracy of data. For example, data are tested with user groups in the field and reconciled with the data source and other products and reports internal and external to VSSC.

How VA Leadership Uses Results Data

VA uses the results of this measure to inform and drive process improvement activities that improve efficiencies. Leadership also uses this information to make resource decisions.

The results are compared across medical centers and clinics. If a facility is performing poorly, VA takes action to improve performance. One of the ways VA drives improvements is by identifying high performers and sharing their best practices with other facilities.

VA also uses the results to examine variability among medical centers and clinics. If a facility is performing poorly, VA takes action to improve performance.

Effective October 2012, VHA will begin reporting separately the percent of new primary care appointments completed within 14 days of the desired date for an appointment and the percent of established primary care appointments completed within 14 days of desired date.

Key Measure
PERCENT OF SPECIALTY CARE APPOINTMENTS COMPLETED WITHIN 14 DAYS OF THE DESIRED DATE

Performance Trends	**Impact on Veterans**

Performance Trends

	2010	2011	Strategic Target
Results	93%	95%	
Targets	N/A	93%	96%

Actual data through 08/2011. Final data are expected in 11/2011.

Impact on Veterans

Desired Direction

Status

G

Specialty care appointments are the vehicle by which VA treats Veterans with diseases and disabilities requiring specialized medical, rehabilitation, surgical, or other unique resources.

Timely access to VA medical staff and facilities is therefore critical to those Veterans in need of specialty care.

How VA Verifies Results Data for Accuracy

VA's Veterans Information System and Technology Architecture (VistA) scheduling software captures data and requires minimal interpretation to ensure accuracy. VA's data are published on the VHA Support Service Center (VSSC) Web site. Wait time data are published to the VSSC Web site the 5th and 20th of each month.

The VSSC utilizes several mechanisms to audit and verify the accuracy of data. For example, data are tested with user groups in the field and reconciled with the data source and other products and reports internal and external to VSSC.

How VA Leadership Uses Results Data

VA uses the results of this measure to inform and drive process improvement activities that improve efficiencies. Leadership also uses this information to make resource decisions.

The results are compared across medical centers and clinics. If a facility is performing poorly, VA takes action to improve performance. One of the ways VA drives improvements is by identifying high performers and sharing their best practices with other facilities.

VA also uses the results to examine variability among medical centers and clinics. If a facility is performing poorly, VA takes action to improve performance.

Effective October 2012, VHA will begin reporting separately the percent of new specialty care appointments completed within 14 days of the desired date for an appointment and the percent of established specialty care appointments completed within 14 days of desired date.

Key Measure
PERCENT OF NEW PATIENT APPOINTMENTS COMPLETED WITHIN 14 DAYS OF THE DESIRED DATE

Performance Trends

	2010	2011	Strategic Target
Results	84%	89%	
Targets	N/A	85%	88%

Actual data through 08/2011. Final data are expected in 11/2011.

Impact on Veterans

Desired Direction

VA tracks wait times for Veterans being seen in its 50 highest volume clinics with the goal of enhancing quality of care by ensuring service is delivered when the Veteran wants and needs to be seen.

Status

G

How VA Verifies Results Data for Accuracy

VA's Veterans Information System and Technology Architecture (VistA) scheduling software captures data and requires minimal interpretation to ensure accuracy. VA's data are published on the VHA Support Service Center (VSSC) Web site. Wait time data are published to the VSSC Web site the 5th and 20th of each month.

The VSSC utilizes several mechanisms to audit and verify the accuracy of data. For example, data are tested with user groups in the field and reconciled with the data source and other products and reports internal and external to VSSC.

How VA Leadership Uses Results Data

VA uses the results of this measure to inform and drive process improvement activities that improve efficiencies. Leadership also uses this information to make resource decisions.

The results are compared across medical centers and clinics. If a facility is performing poorly, VA takes action to improve performance. One of the ways VA drives improvements is by identifying high performers and sharing their best practices with other facilities.

VA also uses the results to examine variability among medical centers and clinics. If a facility is performing poorly, VA takes action to improve performance.

Additional Performance Information for Integrated Strategy 1d

Program Evaluations

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

New Policies, Procedures, or Process Improvements and Other Important Results

VBMS

VBMS is VBA's business transformation initiative supported by technology that is designed to dramatically improve benefits delivery. The centerpiece of VBMS is a paperless claims processing system and workload management to eliminate the backlog and provide Veterans with timely and high quality decisions.

VRM

The Veterans Relationship Management (VRM) initiative provides Veterans, their families, and survivors with direct, easy, and secure access to the full range of VA programs through an efficient and responsive multi-channel program, including phone and Web services. VRM provides VA employees with up-to-date tools to better serve VA clients and empowers clients through enhanced self-service capabilities.

In 2011, the Office of Congressional and Legislative Affairs (OCLA) supported congressional oversight and promoted the enactment of legislation that improved Veterans benefits and services by:

- Coordinating the development of pro-Veteran legislation.
- Maintaining responsive communications with Congress through requests for information, briefings, hearings, correspondence, reports, site visits, and constituent services.
- Maintaining productive working relationships with the Government Accountability Office (GAO).
- Managing the Department's 23 standing Advisory Committees.

OCLA also coordinated the participation of VA leadership and subject matter experts before committee hearings in over 50 matters of concern to Congress. Coordination involved hearing preparation, testimony development, coordination with Congressional committee staff, and satisfaction of concerns addressed by committee members during the hearing.

Finally, OCLA developed a collaborative process for the completion of Congressional questions for the record resulting in the delivery of information to Congress in a more timely manner. This development improved the Department's relations with Congress and ensured Congress had the information it requested when it was needed.

Data Verification and Measure Validation

More details on data verification and quality and measure validation for the key measures that support this objective are provided in the Key Measures Data Table on pages II-108–II-117.

Complete Listing of Measures Supporting Integrated Strategy 1d

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation <u>was</u> significant or material.

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Percent of primary care appointments completed within 14 days of the desired date (New)	N/Av	N/Av	N/Av	93%	94% G	93%	95%
Percent of specialty care appointments completed within 14 days of the desired date (New)	N/Av	N/Av	N/Av	93%	95% G	93%	96%
Percent of new patient appointments completed within 14 days of the desired date (New)	N/Av	N/Av	N/Av	84%	89% G	85%	88%
Percent of Eligible Patient Evaluations Documented within 14 days of New MH Patient Index Encounter (Supports Priority Goal)	N/Av	N/Av	96%	96%	95% Y	96%	96%
Percent of eligible patients screened at required intervals for PTSD (Supports Priority Goal)	80%	84%	96%	98%	99% G	97%	97%
Percent of eligible patients screened at required intervals for alcohol misuse (Supports Priority Goal)	N/Av	N/Av	N/Av	97%	97% G	97%	98%
Percent of eligible patients screened at required intervals for depression (Supports Priority Goal)	N/Av	N/Av	N/Av	97%	97% G	96%	98%
Percent of OEF/OIF Veterans with a primary diagnosis of PTSD who receive a minimum of 8 psychotherapy sessions within a 14-week period (Supports Priority Goal)	N/Av	N/Av	N/Av	11%	15% G	15%	60%
Percent of eligible OEF/OIF PTSD patients evaluated at required intervals for level of symptoms (Supports Priority Goal)	N/Av	N/Av	N/Av	5%	TBD	10%	80%

Recap	
Green	9
Yellow	1
Red	1
Total	11

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities (Through July)	74%	76%	79%	74%	* 75% G	75%	91%
Percent of clinic "no shows" and "after appointment cancellations" for OEF/OIF Veterans (Through August)	N/Av	N/Av	N/Av	13%	* 22% R	15%	10%
Percent of IDES participants who will be awarded benefits within 30 days of discharge The baseline year has been changed to 2012 pending the full deployment of the Integrated Disability Evaluation System (IDES) in 2012.	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	TBD
Percent of concurrence actions completed on time (OCLA) (New) (Through August) Measure description changed for clarification purposes only	N/Av	N/Av	N/Av	N/Av	* 95% G	85%	90%

*These are partial or estimated data; final data will be published in the 2013 Congressional Budget and/or the 2012 Performance and Accountability Report.

INTEGRATED STRATEGY 1e

Enhance our understanding of Veterans' and their families' expectations by collecting and analyzing client satisfaction data and other key inputs.

Making a Difference for Veterans

VA's National Cemeteries Lead Nation in Satisfaction Survey

Ronald M. Oberbillig, Chief Operating Officer of the Federal Consulting Group, presented Steve Muro, Under Secretary for Memorial Affairs (National Cemetery Administration), with a plaque recognizing NCA's outstanding customer service to Veterans and their next of kin, as demonstrated by achieving extraordinarily high ACSI client satisfaction results over the past decade.

For the fourth consecutive time in 10 years, the system of national cemeteries operated by the Department of Veterans Affairs has bested the Nation's top corporations and other Federal agencies in a prestigious, independent survey of customer satisfaction.

"This survey is testament to the outstanding service that employees at VA's 131 national cemeteries provide to our Nation's Veterans and their families," said Secretary of Veterans Affairs Eric K. Shinseki. "It is VA's privilege to care for our Nation's heroes in perpetuity, using the highest standards of professionalism and compassion."

The American Customer Satisfaction Index (ACSI) is the only National, cross-industry measure of satisfaction with the quality of goods and services available in the United States. Beginning in 1999, the Federal Government selected ACSI to measure citizen satisfaction. More than 100 Federal agencies have used ACSI to gauge consumer satisfaction with more than 200 services and programs.

Citing VA's consistently record-setting ACSI scores, the independent Federal Consulting Group saluted VA's "commitment to outstanding customer service to Veterans' next of kin, as demonstrated by achieving an extraordinarily high ACSI score."

VA's National Cemetery Administration (NCA) has participated in the ACSI every 3 years—in 2001, 2004, and 2007. This is the fourth time it participated and the fourth consecutive time it received the top rating in the Nation. For 2010, NCA achieved a customer satisfaction index of 94. Its score is nearly 29 points above the average for Federal government agencies, which was 65 in the study.

The ACSI survey polled the next-of-kin or other people who had arranged for the interment of a loved one in a VA national cemetery within the previous 6 months to 1 year. More than 1,900 people received the survey and 444 responded, a high response rate for a mail survey.

Using methodologies developed at the National Quality Research Center of the University of Michigan Business School, NCA received ratings in the categories of "customer service" and "user trust" of 96 out of a possible 100 points, indicating respondents are exceptionally pleased with their experience at national cemeteries and willing to recommend national cemeteries to others.

Veterans with a discharge issued under conditions other than dishonorable, their spouses, and eligible dependent children are eligible to be buried in a VA national cemetery. Also eligible are military personnel who

die on active duty, their spouses, and eligible dependents. Other burial benefits available for all eligible Veterans, regardless of whether they are buried in a national cemetery or a private cemetery, include a burial flag, a Presidential Memorial Certificate, and a Government headstone or marker. Families of eligible decedents may also order a memorial headstone or marker when remains are not available for interment.

Information on VA burial benefits can be obtained from national cemetery offices, from the Web at www.cem.va.gov, or by calling VA regional offices toll-free at 800-827-1000. To make burial arrangements at the time of need at any VA national cemetery, call the National Cemetery Scheduling Office at 800-535-1117.

Significant Trends, Impacts, Use, and Verification of 2011 Results

Key Measure
PERCENT OF RESPONDENTS WHO RATE THE QUALITY OF SERVICE PROVIDED BY THE NATIONAL CEMETERIES AS EXCELLENT

Performance Trends	Impact on Veterans

Performance Trends

	2007	2008	2009	2010	2011	ST
Results	94%	94%	95%	95%	95%	
Targets	97%	97%	98%	98%	97%	100%

ST = Strategic Target

Impact on Veterans

Desired Direction

Status

Y
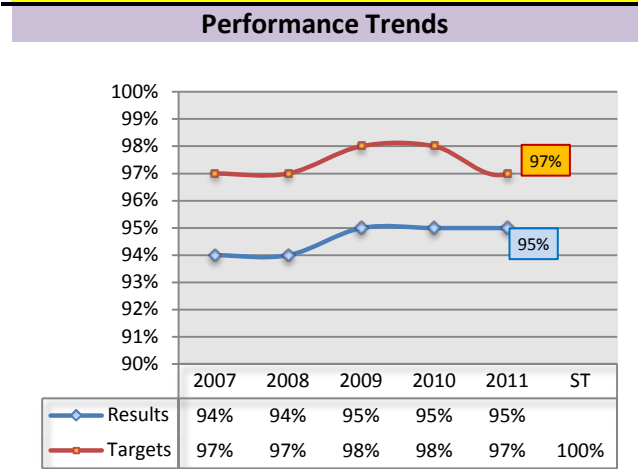
Performance targets for cemetery service goals are set high consistent with expectations of the families of individuals who are interred and other visitors to the cemetery. High-quality, courteous, and responsive service to Veterans and their families is reflected in VA's 2011 satisfaction rating of 95 percent.

How VA Leadership Uses Results Data

NCA'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 VA Central Office, Memorial Service Networks (MSN), and national cemetery managers who use the data to improve the quality of service provided at national cemeteries.

How VA Verifies Results Data for Accuracy

Data for this measure are collected by an independent contractor. The contractor provides detailed written documentation of how the survey methodology delivers an acceptable level of accuracy system-wide and by individual cemetery.

Data are accurate at a 95 percent confidence interval at the national and MSN levels and for cemeteries having at least 400 interments per year.

Key Measure

PERCENT OF RESPONDENTS WHO RATE NATIONAL CEMETERY APPEARANCE AS EXCELLENT

Performance Trends

	2007	2008	2009	2010	2011	ST
Results	97%	98%	98%	98%	98%	
Targets	99%	99%	99%	99%	99%	100%

ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data for this measure are collected by an independent contractor. The contractor provides detailed written documentation of how the survey methodology delivers an acceptable level of accuracy system-wide and by individual cemetery.

Data are accurate at a 95 percent confidence interval at the national and MSN levels and for cemeteries having at least 400 interments per year.

Impact on Veterans

Desired Direction

High-quality, courteous, and responsive service to Veterans and their families is reflected in VA's 2011 satisfaction rating of 98 percent.

Performance targets for cemetery service goals are set high consistent with expectations of the families of individuals who are interred as well as other visitors.

Status

Y

How VA Leadership Uses Results Data

NCA'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 Central Office, MSNs, and national cemeteries who use the data to improve the quality of service provided at national cemeteries.

Additional Performance Information for Integrated Strategy 1e

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. The study, Volume 3: Cemetery Standards of Appearance, was published in March 2002 and 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. NCA is using the information in this report to address repair and maintenance needs at national cemeteries. Through 2011, NCA has addressed approximately 55 percent of the total repairs identified in this report.

In August 2008 VA completed an independent and comprehensive program evaluation of the full array of burial benefits and services that the Department provides to Veterans and their families in accordance with 38 U.S.C. 527. The evaluation, performed by ICF International, provided VA with an objective assessment of the extent to which VA's program of burial benefits has reached its stated goals and the impact that this program has had on the lives of Veterans and their families.

The evaluation showed that more than 73 percent of Veterans indicated that the current array of symbolic expressions of remembrance provided by VA were either "important" or "very important." These include government headstones and markers, Presidential Memorial Certificates (PMCs), a U.S. flag at the funeral service, and military funeral honors. Eighty percent of Veterans indicated that the concept of the PMC benefit makes them feel that the country appreciates their service to the Nation. Recommendations included adding space on the VA-furnished government headstone and marker to allow room for a military insignia and for appropriate personal inscriptions.

The evaluation validated VA's efforts to identify and measure performance in areas key to maintaining national cemeteries as national shrines such as the proper height, alignment, and cleanliness of headstones and markers and the proper grade levels of gravesites.

New Policies, Procedures, or Process Improvements and Other Important Results

In 2010 VA implemented a new nationwide mail-out survey to assess client satisfaction with VA's memorial programs. This annual VA Memorial Products Survey is sent to approximately 2,000 next of kin of Veterans and 2,000 funeral directors who had recently ordered a government headstone or marker. Survey recipients are asked about their satisfaction with all aspects of VA's memorial programs including the application process for memorials, VA's memorial programs call center, and both the quality and delivery time of VA memorials. This new survey has proven to be successful with a response rate of roughly 50%. Overall, both next of kin and funeral directors reported high levels of satisfaction with VA's memorial programs. The survey will continue to be administered annually to track trends and improve service to our customers.

In June 2010, VA announced the availability of a new memorial: a medallion signifying a Veteran's service that can be furnished for Veterans who are not buried in a VA national or

State Veterans cemetery and who have not ordered a government headstone or marker. The medallion is available in three sizes: 5 inches, 3 inches, and 1 ½ inches in width. Each bronze medallion features the image of a folded burial flag adorned with laurels and is inscribed with the word "Veteran" at the top and the branch of service at the bottom. Next of kin who order the medallion will also receive a kit that will allow the family or the staff of a private cemetery to affix the medallion to a headstone, grave marker, or mausoleum or columbarium niche cover. In 2011 VA furnished over 7,000 medallions for Veterans graves in private cemeteries.

Respondents to the 2011 Memorial Products Survey reported very high levels of satisfaction with VA memorials. Ninety-five percent of respondents who are the next of kin of Veterans who recently received a Government headstone or marker responded that they either agreed or strongly agreed that the quality of the headstone or marker was excellent. Ninety-four percent of next of kin respondents agreed that the quality of the Presidential Memorial Certificate that they received from VA was excellent.

Overall, respondents to the 2011 Memorial Products Survey reported a high level of satisfaction with their experience with VA. Ninety-three percent of next of kin respondents indicated that they were either somewhat or very satisfied with their experience with VA.

VA continued its partnerships with various civic organizations that provide volunteers and other participants to assist in maintaining the appearance of national cemeteries. In addition to the support of civic organizations, many national cemeteries have agreements with State, county, or local law enforcement entities for community service workers and select inmates to perform grounds maintenance work.

Under a joint venture with VHA, national cemeteries provide therapeutic work opportunities to Veterans receiving treatment in the Compensated Work Therapy/Therapeutic Work Experience/Veterans Industries programs. A number of the patients who have utilized these programs have been permanently hired by NCA. Lastly, NCA also partners with VBA to assist Veterans participating in the Work Study program to provide job opportunities while attending a trade or vocational school. Veterans are provided the opportunity to work for pay, regain lost work habits, and learn new work skills while the national cemeteries are provided a supplemental workforce.

In 2011, 95 percent of survey respondents (family members and funeral directors combined) agreed that the quality of service provided by the national cemeteries was excellent. This result demonstrates VA's continued commitment to providing a dignified and respectful environment at all national cemeteries in order to honor the service and sacrifice Veterans have made.

NCA is continuing its partnership 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 an 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 2011, 98 percent of survey respondents (family members and funeral directors combined) rated the overall appearance of

national cemeteries as excellent. This result demonstrates 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's Organizational Assessment and Improvement Program identifies and prioritizes improvement opportunities and enhances program accountability by providing managers and staff at all levels with a cemetery-specific rating or score based upon a uniform, NCA-wide set of standards. 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 MSN that reflects the diversity of our system in terms of age, size, workload, and climate. To date, NCA has completed 74 site visits assessing 119 national cemeteries. In 2011, 9 visits assessing 14 national cemeteries were conducted.

Data Verification and Measure Validation

More details on data verification and quality and measure validation for the key measures that support this objective are provided in the Key Measures Data Table on pages II-108–II-117.

Complete Listing of Measures Supporting Integrated Strategy 1e

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	94%	94%	95%	95%	95% Y	97%	100%
Percent of respondents who rate national cemetery appearance as excellent	97%	98%	98%	98%	98% Y	99%	100%
Percent of respondents who agree or strongly agree that the quality of the headstone or marker received from VA was excellent	N/Av	N/Av	N/Av	94%	95% G	94%	100%
Percent of respondents who agree or strongly agree that the quality of the Presidential Memorial Certificate received from VA was excellent	N/Av	N/Av	N/Av	96%	94% Y	96%	100%

Recap

Green	1
Yellow	3
Red	0
Total	4

Integrated Objective Two

Educate and empower Veterans and their families through proactive outreach and effective advocacy

INTEGRATED STRATEGY 2a

Use clear, accurate, consistent, and targeted messages to build awareness of VA's benefits amongst our employees, Veterans and their families, and other stakeholders.

Making a Difference for Veterans

VA Creates Women Veterans Call Center

Representatives at VA's Health Resource Center place calls to women Veterans, asking them to share their experiences with VA and suggest potential enhancements.

The Department of Veterans Affairs (VA) has embarked on a major initiative to reach out to women Veterans to solicit their input on ways to enhance the health care services VA provides them.

"We are taking a proactive approach to enhancing VA health care for women Veterans," said Secretary of Veterans Affairs Eric K. Shinseki. "We are seeking the input of women Veterans so that VA can continue to provide high quality health care to the growing numbers of women Veterans."

Representatives at VA's Health Resource Center (HRC) are placing calls to women Veterans nationwide, asking them to share their experiences with VA and suggest potential enhancements that will further VA's mission to provide the best care anywhere.

Women Veterans are one of the fastest growing segments of the Veteran population. Of the 22.7 million living Veterans, more than 1.8 million are women. They comprise nearly 8 percent of the total Veteran population and 6 percent of all Veterans who use VA health care services.

VA estimates by 2020 women Veterans will constitute 10 percent of the Veteran population and 9.5 percent of VA patients. The HRC, which started placing calls on June 1, 2011, is contacting women Veterans who have enrolled but have not begun using VA services.

"Through this contact center, we are placing friendly, conversational calls to women Veterans," said Patricia Hayes, Chief Consultant of the VA's Women Veterans Health Strategic Health Care Group. "We want these Veterans and their caregivers to talk candidly about why they are not using VA, whether they are aware of the gender-specific services we offer, and what additional services they would like to see VA offer."

The HRC representatives making the calls are also informing women Veterans about the services VA offers and quickly connecting them with appropriate departments if they are interested in trying VA health care. Veterans who have complaints about VA are connected to a patient advocate who helps resolve issues.

VA has trained professionals in all aspects of women's health, including general primary care, osteoporosis management, heart disease, mental health care, menopausal services, and obesity-related issues such as diabetes. Preventive screenings for breast and cervical cancer are also areas in which VA excels. Soon, all VA facilities will offer comprehensive primary care for women from a single provider.

The Women Veterans Health Care program has made significant changes in the last few years to enhance the health care offered to eligible women Veterans. This progress includes:

- Adopting key policies to improve access and enhance services for women Veterans.
- Implementing comprehensive primary care for women Veterans.
- Conducting cutting-edge research on the effects of military service on women's lives.
- Improving communication and outreach to women Veterans.
- Providing mental health, homelessness, and other services designed to meet the unique needs of women Veterans.

For more information about VA programs and services for women Veterans, please visit the Web sites at: www.va.gov/womenvet and www.publichealth.va.gov/womenshealth.

She Served, She Deserves—2011 National Training Summit on Women Veterans

Participant in discussion with VA staff members at the 2011 National Training Conference on Women Veterans
Pictured from left to right: Lt. Col. Judith J. Mathewson, USAF, Chief, Equal Opportunity, National Guard Bureau; Dr. Marianne Mathewson-Chapman, OEF/OIF Outreach Office for Guard/Reserve and Families, VA; and Dr. Susan McCutcheon, National Director, Family Services, Women's Mental Health and Military Sexual Trauma, VA.

VA's Center for Women Veterans sponsored the 2011 National Training Summit on Women Veterans (Summit). Nearly 700 participants—women Veterans; women Veterans advocates from across the Nation; active, Reserves, and National Guard women Servicemembers; representatives from Veterans Service Organizations and nonprofit agencies; and VA staff who care for women Veterans—converged upon Washington on July 15-17, 2011, to collaborate and discuss issues facing women Veterans and women Servicemembers. A first ever, one-day training day for VA staff members who provide care and services to women Veterans was held on July 15.

The purpose of the Summit was to inform and educate participants on VA's enhancements to benefits and services and DoD's initiatives for women Servicemembers as well as to provide an exchange of information with stakeholders and providers to resolve women Veterans' issues and concerns.

Secretary of Veterans Affairs, Eric K. Shinseki, gave opening remarks at the Summit, thanking the participants for their service, announcing a call to action, and creating a **VA Task Force on Women Veterans**. "Tell me the two most important things VA does for women and tell me one thing I need to fix," Shinseki said.

The Summit featured engaging sessions with VA experts and our collaborative partners and informative workshops on issues confronting women Veterans and women Servicemembers. VA reached out to those who could not attend by hosting a live Blog. The Summit was also featured on VA's blog VAntage Point. For more information about the Summit and VA programs and services for women Veterans, please visit the Center for Women Veterans Web site at: www.va.gov/womenvet.

VA Uses Collaboration to Provide Outreach to Veterans

VA Veterans Roundtable co-hosted by Center for Faith-based and Neighborhood Partnerships and Vocational Rehabilitation and Employment in Las Vegas.

The mission of the Center for Faith-based and Neighborhood Partnerships (CFBNP) is to develop partnerships with and provide relevant information to faith-based and secular organizations and expand their participation in VA programs to better serve the needs of Veterans, their families, and survivors. In 2011, CFBNP partnered with Vocational Rehabilitation and Employment (VRE) to co-host "Veterans Roundtables." At such a roundtable in Las Vegas in February, approximately 180 faith-based and community organizations attended.

CFBNP joined other agency Centers for Faith-based and Neighborhood Partnerships at White House regional conferences. At the conferences, CFBNP staff moderated a workshop and roundtable discussion on the programs and services VA provides for Veterans experiencing homelessness or who are at risk for becoming homeless. Panelists included VA staff members who serve our Veterans as Homeless Program Coordinators, OEF/OIF/OND (Operation Enduring Freedom, Operation Iraqi Freedom, and Operation New Dawn) Program Coordinators, Minority Veteran Program Coordinators, Women Veteran Program Coordinators, and VRE Coordinators and Counselors. In addition to learning about the programs and services VA provides, this was an opportunity for faith-based and community leaders and organizations to learn how they can work collaboratively with VA through Chaplaincy and Voluntary Service Departments at their local VA medical center.

For information about CFBNP, visit the Web at http://www.va.gov/cfbnpartnerships/, e-mail VAPartnerships@va.gov, or call (202) 461-7689.

Minority Veterans Program Coordinators National Training Conference

Pictured left to right: Lucretia McClenney, Director, Center for Minority Veterans; Alonzo Price, MVPC, Dallas VAMC; and Earl Newsome, Deputy Director, Center for Minority Veterans at the MVPC Conference. Mr. Price was recognized for his efforts in helping to organize the conference.

The Center for Minority Veterans (CMV) conducted the 11th Biennial Minority Veterans Program Coordinators (MVPC) National Training Conference June 6-10, 2011, in Dallas, Texas. The conference targeted individuals appointed by facility directors in the role of MVPCs at VA medical centers, regional offices, and national cemeteries. The national conference provided support for training and education to approximately 200 MVPCs to increase their effectiveness and outreach efforts to minority Veterans. The conference also provided activities that educate and sensitize internal staff to the unique needs of minority Veterans. Presentations focused on cultural competency, communication using consistent messaging, and outreach.

The conference was a collaborative partnership between CMV, VBA, VHA, NCA, and VA Learning University.

For more information on the MVPC program, visit the MVPC Web site at http://www.va.gov/CENTERFORMINORITYVETERANS/Minority_Veterans_Programs_Coordinators_MVPC.asp or call 202-461-6191 to explore this and other services offered by the Center for Minority Veterans.

Significant Trends, Impacts, Use, and Verification of 2011 Results

Supporting Measure	
PERCENT OF VA IT SYSTEMS THAT AUTOMATICALLY REUSE ALL REDUNDANT CLIENT INFORMATION IN OTHER SYSTEMS	
Performance Trends	**Impact on Veterans**

Desired Direction

↑

No progress was made on achieving this goal due to resources being diverted to accomplish other SECVA major initiatives.

Status

R

	2010	2011	Strategic Target
Results	0%	9.5%	
Targets	N/A	16%	100%

Veterans must enter personal identification each time services/entitlements are accessed placing undue burden upon and causing frustration for Veterans, their dependents, and Servicemembers.

How VA Verifies Results Data for Accuracy

Initial entry of a Veteran's data is verified at the time of data collection during application for benefits. As applications for benefits are processed within the system, multiple checks are made to ensure data integrity and accuracy.

How VA Leadership Uses Results Data

Reducing the amount of redundant Veteran information captured/entered by the Veteran will improve the efficiency of application processing and increase customer satisfaction rates.

Additional Performance Information for Integrated Strategy 2a

Activities of the Office of Survivors Assistance (OSA)

Congressionally mandated by P.L. 110-389 in October 2008, OSA serves as a resource regarding all benefits and services furnished by VA to Survivors and dependents of deceased Veterans.

In 2011, OSA accomplished the following activities:

- Outreach: Launched an extensive internal and external outreach campaign to increase knowledge of available Survivor benefits and services.
- Communication and Marketing: Developed new and innovative communications materials and products to include OSA's first outreach brochure and education video; leveraged technology with use of social media and a re-designed, comprehensive Web site; and conducted presentations to diverse internal and external organizations.
- Partnerships: Expanded current and fostered new collaborative partnerships

with public and private sector organizations to further the mission of OSA. These partnerships included Survivor groups, U. S. Army Survivor Outreach Service, National Guard Bureau Transition Assistance Advisors Program, hospice and funeral industries, and VA Advisory Committees, to name a few.

For more information, visit the **Web** site at www.va.gov/survivors, or call (202) 461-1077.

Program Evaluations

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

New Policies, Procedures, or Process Improvements and Other Important Results

The Office of Information Technology (OIT) continues to improve responsiveness to developing systems meeting a critical business need. Product Development's realignment along the lines of the Secretary's 16 Major initiatives, its use of agile development within the context of a maturing Project Management Accountability System process, and increases in project management staff contribute to OIT's continuing success in developing IT systems that provide the most assistance to Veterans, their families, and their Survivors. During the past 12-month period, we have delivered over 80 percent of all scheduled product capability. This represents more than 320 new products or product enhancements that have had a positive impact on Veteran-facing functionality.

To date, OIT has delivered call routing capabilities, audio recording for 100 percent of all calls into the national call centers, the ability to retain data, Exterior Chat Service integration, Computer Telephony Integration with Customer Relationship Management lab pilot requirements, and speech recognition requirements. Future plans include progressive dialing for the outbound call campaign; virtual hold; scheduled call back; interactive voice response (including self-service options and integration with knowledge management); and Web chat, secure messaging, and faxing capabilities. These capabilities will establish the infrastructure necessary to support the Health Resource Center for Women Veterans.

VA's OIT conducted a Privacy Impact Assessment (PIA). VA provided overall compliance reviews of 643 Major Applications. This consisted of specific Privacy reviews of 243 Major Applications, 420 Validation Letters, and over 6,500 Minor Applications. This equated to a 98.7 percent compliance approval metric that ensures both Privacy and Security controls are in place to protect Veteran and employee privacy-related information. The PIA review is a primary requirement in attaining Authority to Operate and is a reportable item under the Federal Information Security Management Act.

VA's Center for Faith-based and Neighborhood Partnerships (CFBNP) provided VA outreach information to more than 600 faith-based and community organizations in 2011.

CFBNP updated its Web site to provide an effective interactive method of sharing VA program materials, outreach event blogs, collaborative outreach events, and Internet links to the White House Office of Faith-based and Neighborhood Partnerships (WH OFBNP) and other Agency Faith-based Centers. In collaboration with the WH OFBNP, CFBNP has an online Partnership Guide: http://www.hhs.gov/partnerships/resources/partnerships_toolkit.pdf.

Data Verification and Quality

VA's data quality improvement efforts, including its work on data verification and validation, are described in the Assessment for Data Quality on page II-95.

Complete Listing of Measures Supporting Integrated Strategy 2a

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation <u>was</u> significant or material.

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Percent of VA IT systems that automatically reuse all redundant client information in other systems (OIT)	N/Av	N/Av	N/Av	0%	9.5% R	16%	100%

Recap	
Green	0
Yellow	0
Red	1
Total	1

INTEGRATED STRATEGY 2b

Leverage technology and partnerships to reach Veterans and their families and advocate on their behalf.

Making a Difference for Veterans

VA/DoD Smart Phone App Helps Veterans Manage PTSD
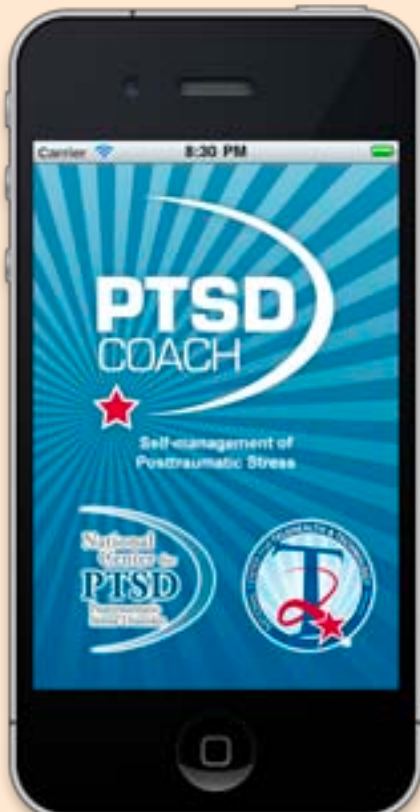
Veterans dealing with symptoms of Post-Traumatic Stress Disorder (PTSD) can turn to their smart phones for help anytime with the PTSD Coach application (app) created by the Department of Veterans Affairs (VA) and the Department of Defense (DoD).

"This is about giving Veterans and Servicemembers the help they earned when and where they need it," said Secretary of Veterans Affairs Eric K. Shinseki. "We hope they, their families, and their friends download this free app. Understanding PTSD and those who live with it is too important to ignore."

PTSD Coach lets users track their PTSD symptoms, links them with local sources of support, provides accurate information about PTSD, and teaches helpful individualized strategies for managing PTSD symptoms at any moment.

"This application acknowledges the frequency with which our Warriors and Veterans use technology and allows them to get help when and where they feel most comfortable," said Assistant Secretary of Defense for Health Affairs Dr. Jonathan Woodson.

The PTSD Coach is primarily designed to enhance services for individuals who are already receiving mental health care, though it is certainly helpful for those considering entering mental health care and those who just want to learn more about PTSD.

"This is a great service we are providing to Veterans, Servicemembers, and their families and friends, but it should not be seen as a replacement for traditional therapy," said VA's Under Secretary for Health Dr. Robert Petzel. "Veterans should utilize all of the benefits they have earned with their service and one of the best things about this app is it will get Veterans connected to the places that are out there to provide help."

The application is one of the first in a series of jointly designed resources by the VA National Center for PTSD and DoD's National Center for Telehealth and Technology to help Servicemembers,

The PTSD application lets users track their PTSD symptoms, link to public and personalized support sources, and learn helpful strategies for managing PTSD symptoms.

Veterans, and their families and friends manage their readjustment challenges and get anonymous assistance.

Since its launch, the PTSD Coach app has been downloaded by thousands of individuals. While most of the users are located in the United States, the app has also been downloaded in many other countries. The app lets users track their PTSD symptoms, links them with public and personalized sources of support, provides accurate information about PTSD, and teaches helpful strategies for managing PTSD symptoms on the go.

Comments from Veterans and family members are overwhelmingly positive and one user describes the app as "a must for every spouse who has a family member with PTSD." Professionals have sent positive reviews, suggestions, and offers to collaborate on research evaluating the PTSD Coach app. Staff members at the Veterans Crisis line have begun to regularly recommend this resource to callers.

Information on the PTSD Coach app is on the VA's National Center for PTSD Web site at http://www.ptsd._va.gov/public/pages/PTSDCoach.asp. More apps from DoD's National Center for Telehealth and Technology can be found at http://www.t2health.org/apps.

Significant Trends, Impacts, Use, and Verification of 2011 Results

Key Measure
Percent of Milestones Completed Leading to the Use of Genomic Testing to Inform the Course of Care (Prevention, Diagnosis, or Treatment) of Patients with Mental Illness (Including PTSD, Schizophrenia, and Mood Disorders)

Performance Trends		Impact on Veterans

Performance Trends

	2010	2011	Strategic Target
Results	25%	35%	
Targets	N/A	35%	100%

Impact on Veterans

Desired Direction

⬆

Status

G

In 2011, Veterans were enrolled in the study. Blood sample analysis is scheduled to begin in 2012, and data analysis will begin once enrollment and sample analysis are completed. Thus, it will be several years before the results impact Veterans.

Once the study is completed, genetic variants that contribute to functional disability associated with bipolar illness and schizophrenia can be identified. In addition, the study will assess the relationship between the characteristics of functional disability and the genetics that influence the likelihood of succumbing to mental illness. This information can be used to determine better treatments and/or likely outcomes for patients.

How VA Verifies Results Data for Accuracy

This performance measure involves enrollment of Veterans in a clinical study; therefore, human subjects research protection procedures must be followed. This requires that all procedures, including data entry, are documented and followed.

Key Measure

PROGRESS TOWARDS DEVELOPMENT OF ONE NEW TREATMENT FOR POST-TRAUMATIC STRESS DISORDER (PTSD)
(ONE MILESTONE TO BE ACHIEVED OVER 1 YEAR)

Performance Trends	Impact on Veterans
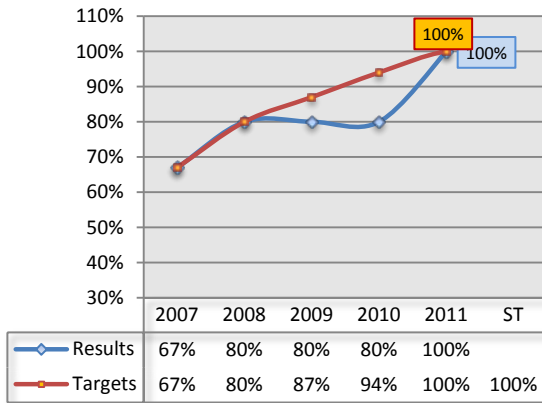
Performance Trends

	2007	2008	2009	2010	2011	ST
Results	67%	80%	80%	80%	100%	
Targets	67%	80%	87%	94%	100%	100%

ST = Strategic Target

Impact on Veterans

Desired Direction

Status

G

PTSD is an anxiety disorder that can develop after a person has been exposed to a terrifying event or ordeal in which physical harm occurred or was threatened. PTSD related to military service or combat exposure is a major concern in the health of the Veteran population.

In cases where Veterans do not respond to initial treatment, symptoms (including nightmares, disturbing memories during the day, sleep problems, and aggressive behavior) may persist for years. Therefore, effective relief of symptoms is needed. The milestones involve four clinical trials, all of which have been completed. Data from the fourth trial are being analyzed.

How VA Verifies Results Data for Accuracy	How VA Leadership Uses Results Data
Data are analyzed and verified locally by the VA researcher based on milestones achieved and related scientific data.	Results of PTSD studies are rapidly translated into clinical practice at VA. Recent findings have been published in the *Journal of the American Medical Association* and *Biological Psychiatry*. Results of VA's research have been discussed at conferences attended by VA, DoD, and university attendees.

Key Measure
REHABILITATION RATE (GENERAL)

Performance Trends	Impact on Veterans

Performance Trends

	2007	2008	2009	2010	2011	ST
Results	73%	76%	74%	76%	77%	
Targets	73%	75%	76%	76%	77%	80%
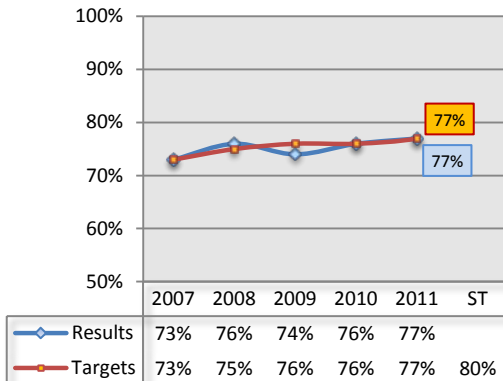
ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data are verified monthly against the source data by Vocational Rehabilitation and Employment (VR&E) Service analysts and distributed to regional offices. The regional offices review the data to ensure alignment with activities performed and that the data agree with the raw data submitted for analysis.

The data collection staff is comprised of skilled professionals trained in the proper procedures for collecting and analyzing raw data. All data collection procedures are documented and followed.

Impact on Veterans

Desired Direction

A "rehabilitated" Veteran is one who successfully completes the rehabilitation program plan and is equipped with the required skills and tools needed to obtain and maintain suitable employment or gain independence in daily living.

Status

G

How VA Leadership Uses Results Data

VA leadership uses the rehabilitation rate to assess the performance of Vocational Rehabilitation Counselors, Counseling Psychologists, Employment Coordinators, VR&E Officers, and Regional Office Directors as well as the overall effectiveness of the program and services provided.

To improve performance in this area, VA leadership continues to place an increased emphasis on developing a culture that is forward looking, innovative, and Veteran-focused.

Therefore, within the context of the above-cited tenets, VBA leadership has identified several areas of emphasis:

- More focus on Veterans maintaining suitable employment.
- Continue to enhance the VetSuccess.gov Web site because it provides Veterans with an employment tool that they can adapt to their individual needs.
- Continue to sponsor career fairs geared toward today's Veteran.
- Train employment coordinators in the best methods for placing Veterans in jobs.

Additional Performance Information for Integrated Strategy 2b

Program Evaluations

As part of VA's existing Business Transformation Contract, Booz Allen Hamilton provided a Business Process Reengineering (BPR) analysis that included "Current State" and "Future State" analyses. These analyses provided VR&E with the opportunity to identify potential improvements to operational processes, reduce cycle time, improve staffing and performance management, and determine ways to enhance case management technologies. VR&E is in the process of implementing the key recommendations.

One of the key recommendations implemented in 2011 is the Knowledge Management Portal (KMP), released to the Regional Offices (ROs) on July 12, 2011. The KMP is a one-stop shop for VR&E Program resources and information. It is designed to increase efficiency by providing a centralized location for the most up-to-date information, including the laws and regulations governing the provision of VR&E services, policy letters, circulars, forms, letters, and links to additional resources.

New Policies, Procedures, or Process Improvements and Other Important Results

VA enacted two public laws in 2011 that increased the number of participants applying for benefit services, P.L. 111-275 and 111-377. The Veterans Benefits Improvement Act of 2010 (P.L. 111-275), enacted in 2011, increased the limit of new beneficiaries who may enter a plan of Independent Living Services. With the limit increased from 2,600 to 2,700 per fiscal year, the VR&E program is able to continue to provide services to those Veterans with severe-

service-connected disabilities, who may not currently consider work.

VR&E anticipates an increase in the number of Veterans applying for Chapter 31 benefits due to P.L. 111-377. Effective on August 1, 2011, P.L. 111-377 allows a Veteran entitled to services under Chapter 31, who is also eligible to receive education benefits through the Chapter 33 Post 9/11 GI Bill, to elect an alternate payment in lieu of Chapter 31 subsistence allowance. The alternate payment is higher than the current Chapter 31 allowance in most locations and because of that, VR&E anticipates more Veterans with service-connected disabilities who are eligible for Chapter 33 education benefits to elect to apply for Chapter 31 benefits.

VR&E conducted employee training sessions on the following topics:
- Post-Traumatic Stress Disorder
- Traumatic Brain Injury
- Self-Employment
- Independent Living
- Knowledge Management Portal

VR&E developed 4 Electronic Performance Support System (EPSS) modules that deployed to the ROs in October 2010. EPSS is used as a job aid to provide standardized training, references, and resources to VR&E Counselors in the evaluation, decision-making, and case management process for providing rehabilitation services to eligible Veterans. EPSS provides step-by-step instruction on VR&E processes.

In 2011, VR&E was involved in multiple Veterans Affairs Innovation Initiative (VAi2) projects. The area of focus for the VR&E program's VAi2 Projects is finding solutions to

support Veterans in launching and building businesses by providing effective self-employment preparation and support services using direct and virtual tools.

- Business Incubator/Accelerator
- Integrated Business Accelerator – The Veteran Self-Employment Accelerator
- EAdvantage Project

Another area of focus for VR&E's Vai2 project is self-management. Some Veterans have difficult backgrounds, such as poor work histories and learning disabilities, which can present a challenge to successfully meet their goals. VR&E is looking at innovative self-management applications and strategies, such as assistive technology and applications for mobile phones, to assist these Veterans to obtain and maintain career-level employment opportunities.

VR&E also launched a VBA-wide Employee Innovation project in April 2011 to solicit ideas from field staff to make VR&E a highly

productive and effective program that meets the needs of our Nation's Servicemembers and Veterans with disabilities. A total of 732 ideas were submitted for consideration by VR&E field staff, and 10 finalists were chosen to present their ideas to an Executive Selection Board. The winners of the Employee Innovation Competition were notified in September 2011 with a projected implementation of select pilots in 2012.

In 2011, the Office of Research and Development established a research-specific contracting office. This will allow researchers to obtain assistance with their contracting needs.

Data Verification and Measure Validation
More details on data verification and quality and measure validation for the key measures that support this objective are provided in the Key Measures Data Table on pages II-108–II-117.

Complete Listing of Measures Supporting Integrated Strategy 2b

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Recap	
Green	10
Yellow	3
Red	0
Total	13

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) (One milestone to be achieved over 1 year) (Measure being dropped after 2011)	67%	80%	80%	80%	100% G	100%	100%
Percent of milestones completed leading to the use of genomic testing to inform the course of care (prevention, diagnosis, or treatment) of patients with mental illness (including PTSD, schizophrenia, and mood disorders)	N/Av	N/Av	N/Av	25%	35% G	35%	100%
Rehabilitation Rate (General)	73%	76%	74%	76%	77% G	77%	80%
Percent of milestones completed towards development of one new objective method to diagnose mild Traumatic Brain Injury (TBI)	N/Av	N/Av	N/Av	N/Av	22% Y	33%	100%
Progress toward researching, developing, and implementing innovations in clinical practice that ensure improved access to health care for Veterans, especially in rural areas	N/Av	N/Av	N/Av	N/Av	42% G	42%	100%
Percent increase in number of enrolled Veterans participating in telehealth (This focus is on Office of Telehealth Services, Telehome Health, and Store and Forward Telehealth services only.)	N/Av	N/Av	N/Av	N/Av	TBD	30%	75%
Serious Employment Handicap (SEH) Rehabilitation Rate (1) Corrected	73%	76%	74%	(1) 76%	77% G	77%	80%
Employment Rehabilitation Rate	N/Av	N/Av	Baseline	73%	74% Y	75%	80%
Independent Living Rehabilitation Rate	N/Av	N/Av	Baseline	93%	95% G	92%	95%

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Speed of Entitlement Decisions in average days (VR&E)	54	48	51	49	44 G	45	40
Accuracy Rate of Decisions (Services) (VR&E)	77%	82%	80%	81%	82% Y	85%	96%
Accuracy rate of Vocational Rehabilitation Program Completion Decisions	93%	96%	96%	97%	97% G	97%	99%
Average cost of professional counseling services for participants (using constant 2009 dollars) (VR&E) (1) A strategic target has not been established for this measure because it is for transparency and not benchmarking purposes.	N/Av	N/Av	$810	$825	N/Av	$862	(1) N/Ap
Conversion rate of disabled SGLI members to VGLI (Insurance)	40%	45%	32%	37%	55% G	39%	50%
Percent of federally recognized Native American tribes contacted by VA for outreach purposes (OPIA)	1%	1%	1%	80%	80% G	80%	100%

INTEGRATED STRATEGY 2C

Reach out proactively and in a timely fashion to communicate with Veterans and their families and promote Veteran engagement.

Making a Difference for Veterans

VA Launches Official Blog

In November 2010, VA launched its first official blog (VAntage Point) to open a new line of communication between VA and its stakeholders. Features of the blog include a daily column of articles and a section comprised of guest pieces submitted by employees, stakeholders, and the general public.

In November, VA launched its first official blog, opening a new line of communication between the Department and its stakeholders. The debut marks VA's latest outreach effort aimed at improving the way VA and its clients engage online. Called VAntage Point and edited by VA's Director of Online Communications Brandon Friedman, the blog launched with two primary features: a main column of articles written each day by VA staff and a section comprised of guest pieces submitted by other employees, stakeholders, and the general public. Readers are able to comment and participate on all articles.

VAntage Point's guest pieces essentially function as "letters to the editor." Whether from a VA physician, a student going to school on the Post-9/11 GI Bill, or a representative from a Veterans Service Organization, all pieces will be considered for publication based on their rationale and reasoned points—not on how closely their views align with those of the Department. The VA blog expands VA's social media reach, adding to its presence on Facebook, Twitter, Flickr, and YouTube. Each VA administration has its own Facebook page and Twitter feed, and these platforms are being adopted by VA medical centers. The Department currently has the largest Facebook subscriber base among cabinet-level agencies. To view the blog, visit www.blogs.va.gov. For more information, visit the VA Web site at www.va.gov.

Significant Trends, Impacts, Use, and Verification of 2011 Results

There were no measures under this Integrated Strategy in 2011.

Performance Information for Integrated Strategy 2c

Program Evaluations

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

New Policies, Procedures, or Process Improvements and Other Important Results

During the past year, VA improved outreach through its Wordpress blog platform by launching *VAntage Point* 2.0, the second iteration of the Department's primary blog, which included an improved comment feature, an RSS feed, a comprehensive archive, and more. Additionally, VA launched its second blog, called VA Careers, as a way to inform stakeholders about how to obtain jobs at VA and what life at VA is like.

VA also published Directive 6515, *Use of Web-based Collaboration Technologies*, to enhance communication, stakeholder outreach collaboration, and information exchange; streamline processes; and foster productivity improvements. The directive provides policy and guidance for VA's social media points of contact and other VA employees and personnel to maximize their efficacy when communicating with Veterans and the public.

VA will also roll out Facebook pages for all 152 VA Medical Centers by the end of the 2011 calendar year. VAMCs on Facebook provide a local point of contact on the Web for Veterans.

Facebook pages can provide updates on the status of the medical center during extreme weather, updates on availability of service, and a place for Veterans to interact with VA employees. A current list of the VA Medical Centers using Facebook can be found at VA's new Social Media Directory: www.va.gov/opa/socialmedia.asp.

In 2011 the National Cemetery Administration (NCA) conducted a robust outreach program to educate and inform Veterans and their dependents about VA memorial benefits and services they may be entitled to receive. During the year, staff at VA's national cemeteries participated in over 2,000 events, reaching nearly 700,000 attendees. On Veterans Day and Memorial Day, NCA held a total of 155 ceremonies nationwide reaching more than 200,000 people. These types of celebrations increase community awareness of the services and benefits provided by NCA.

The strategy is multi-tiered to provide memorial benefits information to stakeholders through major communications platforms such as Web 1.0, social media, printed products, and face-to-face events. NCA is also highly visible at recruitment events and minority Veterans events. Employees including cemetery directors, administrative staff, VA Central Office personnel, as well as designated Minority Veteran Program Coordinators, participate.

In 2010 NCA established a presence on Facebook and Twitter. Through 2011, the

number of individuals connected to NCA through these social media outlets continued to show steady growth, demonstrating the continued effectiveness of sharing NCA information with Veterans and their families through social media. Statistics show that most of these clients are in the 25-54 age range, demonstrating that the use of social media has proven effective at reaching younger Veterans.

INTEGRATED STRATEGY 2d

Engage in two-way communications with Veterans and their families to help them understand available benefits, get feedback on VA programs, and build relationships with them as our clients.

Making a Difference for Veterans

Retroactive Traumatic Injury Benefits No Longer Just For OEF/OIF Injuries

Army Veteran Anthony Radetic lost the use of his legs after a motor vehicle accident in 2004, but was not eligible for TSGLI under the original legislation. Thanks to the retroactive TSGLI provision, he is now eligible for the TSGLI benefit.

The Department of Veterans Affairs (VA) is extending retroactive traumatic injury benefits to Servicemembers who suffered qualifying injuries during the period October 7, 2001 to November 30, 2005, regardless of the geographic location where the injuries occurred.

"Now all of our Nation's Servicemembers who suffered severe traumatic injuries while serving their country can receive the same traumatic injury benefits, regardless of where their injury occurred," said Secretary of Veterans Affairs Eric K. Shinseki. "We at VA appreciate the efforts of Congress and the President to improve benefits for our troops."

Effective October 1, 2011, the Servicemembers' Group Life Insurance (SGLI) Traumatic Injury Protection benefit, known as TSGLI, will be payable for all qualifying injuries incurred during this period. This retroactive benefit is payable whether or not the Servicemember had SGLI coverage at the time of the injury.

The Veterans' Benefits Improvement Act of 2010 removes the requirement that injuries during this period be incurred in Operations Enduring or Iraqi Freedom (OEF/OIF). This is welcome news for the many Servicemembers who suffered serious traumatic injuries while serving stateside or in other areas outside of OEF/OIF during this time period, but who until now have not been eligible for TSGLI.

TSGLI provides a payment ranging from $25,000 to $100,000 to Servicemembers sustaining certain severe traumatic injuries resulting in a range of losses. National Guard and Reserve members who were injured during the retroactive period and suffered a qualifying loss are also eligible for a TSGLI payment, even if the cause was not related to military service. National Guard and Reserve members make up more than 40 percent of the total force which has been deployed since 9-11. Those who are no longer in the National Guard or Reserves can also apply as long as their injury occurred while they were in service.

"I am extremely pleased that these total force warriors who defend our freedoms are getting the recognition and benefits they have rightfully earned in service to our Nation," added Under Secretary for Benefits Allison A. Hickey.

VA is working with the Department of Defense to publicize this change in the TSGLI law. Additionally, all of the branches of service are identifying any claims previously denied because the injury was not incurred in OEF/OIF and reaching out to those individuals.

For more information or to apply for a TSGLI payment, Servicemembers and Veterans should go to the Web site at http://www.insurance.va.gov/sgliSite/TSGLI/TSGLI.htm or contact their branch of service TSGLI Office (contact information available at above link).

VA Reaching Out to Veterans on Campus Through VetSuccess
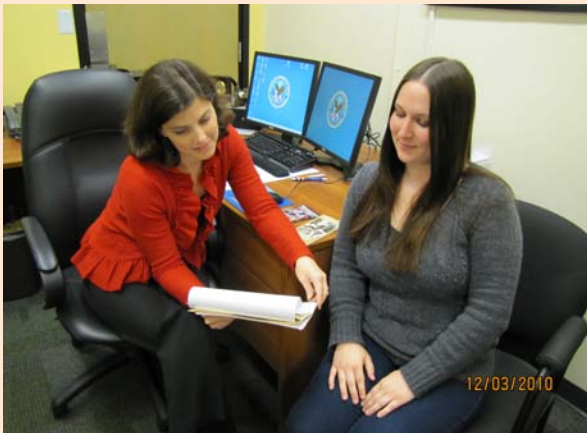
Jeanine Frederick, Vocational Rehabilitation Counselor, sits with a VetSuccess on Campus program participant to VA benefits and discuss career options.

The Department of Veterans Affairs (VA) made a concerted effort this past spring to reach out to student Veterans at eight VetSuccess on Campus sites to make them aware that VA counselors are standing by to help ease their transition from active-duty military to college life.

"Veteran-students transitioning from active duty service to civilian educational pursuits face unique challenges entering the college setting," said Secretary of Veterans Affairs Eric K. Shinseki. "The VetSuccess on Campus program continues this Administration's commitment and responsibility to meet the needs of Veterans and their families through effective peer-to-peer counseling and other services."

Under the VetSuccess on Campus program, a full-time, experienced Vocational Rehabilitation Counselor and a part-time Vet Center Outreach Coordinator are assigned at each campus to provide VA benefits outreach, support, and assistance to ensure their health, educational, and benefit needs are met.

To make Veteran-students aware of the VetSuccess on Campus program at each of the eight sites, VA conducted outreach activities through direct e-mails, posters, social media posts, articles in campus newspapers, campus Web site links, and outreach events at the student commons.

The VetSuccess on Campus program began in June 2009 as a pilot project at the University of South Florida. In September 2009, the program was expanded to two additional universities: Cleveland State University and San Diego State University.

A fourth pilot was started at the Community College of Rhode Island in December 2010. Agreements have recently been reached between VA and Arizona State University, Texas A&M Central Texas, Rhode Island College, and Salt Lake Community College.

Under the VetSuccess on Campus program, vocational testing, career and academic counseling, and adjustment counseling are provided to work to resolve challenges interfering with completion of education programs and entrance into employment.

The Vet Center Outreach Coordinator provides peer-to-peer counseling and referral services. Both the counselor and the coordinator may refer Veterans for more intensive health services, including mental health treatment through VHA Medical Centers, Community-Based Outpatient Clinics, or Vet Centers. They also provide additional information on VA benefits and services.

For more information on VA's Vocational Rehabilitation Program and VetSuccess, visit the Web site at http://www.vba.va.gov/bln/vre/index.htm or www.vetsuccess.gov or call 1-800-827-1000.

Significant Trends, Impacts, Use, and Verification of 2011 Results

Key Measure
RATE OF HIGH CLIENT SATISFACTION RATINGS ON SERVICES DELIVERED (INSURANCE)

Performance Trends

	2007	2008	2009	2010	2011	ST
Results	96%	95%	96%	95%	95%	
Targets	95%	95%	95%	95%	95%	95%

ST = Strategic Target

Impact on Veterans

Desired Direction

Status

G

VA's Insurance Program achieves high levels of client satisfaction by providing quality service and implementing and administering insurance programs that meet the needs of Veterans and their beneficiaries. Results over past years have consistently confirmed that Veterans' insurance needs are being met.

How VA Leadership Uses Results Data

Leadership analyzes the results of the monthly client satisfaction surveys of 11 insurance services and addresses any problems identified. One question the surveys ask is, "What could we do better?" VA takes action on these comments, including reviewing processes, implementing refresher training on customer service, and so forth.

For example, during 2011, VA created a team to improve quality in the Veterans Mortgage Life Insurance program in response to survey comments. The team is developing methods for improving timeliness and responsiveness to enhance customers' experiences.

How VA Verifies Results Data for Accuracy

VA reviews and tabulates the client satisfaction survey responses each month per written guidelines. VA validates the results by re-entering randomly selected monthly responses to determine if similar results are calculated.

Additional Performance Information for Integrated Strategy 2d

Program Evaluations

VA contracted with Millennium Corporation to complete a work measurement study to determine how much time Vocational Rehabilitation Counselors, Employment Coordinators, and VR&E Officers spend on various activities. The final report from Millennium was completed in April 2011. VA incorporated the findings and recommendations of this study to VR&E's current business process re-engineering project team.

New Policies, Procedures, or Process Improvements and Other Important Results

VR&E has been working with Inverness, Inc., to transform the Disabled Transition Assistance Program (DTAP) by changing the way Servicemembers with service-connected disabilities are informed about VA benefits and services available to them. A new training plan was developed involving a promotional video and a newly designed DTAP presentation. The training plan also features new delivery methods such as Web-based and computer training as well as Web conferencing. The work to complete and implement this training will begin in 2012.

VA established a team to improve quality and timeliness in the Service-Disabled Veterans Insurance (S-DVI) program. The team developed and implemented several new processes that resulted in an 86 percent reduction in the number of pending applications. Process improvements included triaging incoming applications to quickly

identify and disapprove those that do not meet the basic eligibility requirements and using electronic systems to obtain rating decisions necessary to underwrite insurance applications. These procedures also resulted in a 90 percent reduction in timeliness to process new S-DVI applications.

VA's Insurance Program validates its customer survey results by participating in the American Customer Satisfaction Index (ACSI), which is the national indicator of customer evaluations of the quality of goods and services available to U.S. residents. It is the only uniform, cross-industry/government measure of customer satisfaction. The ACSI tracks trends in customer satisfaction and provides valuable benchmarking insights for companies, industry trade associations, and government agencies.

In 2011, VA earned a score of 87 (on a 100 point scale) for customer satisfaction related to our insurance awards processing. VA's scores exceeded the Federal Governmentwide score of 65. ACSI also examined the level of customer satisfaction with the Insurance Call Center. In 2011, VA's Insurance Call Center earned a customer satisfaction index of 87, well above the Federal Government call center aggregate benchmark of 69 and the private sector call center aggregate benchmark of 77.

Data Verification and Measure Validation

More details on data verification and quality and measure validation for the key measure that supports this objective are provided in the Key Measures Data Table on pages II-108–II-117.

Complete Listing of Measures Supporting Integrated Strategy 2d

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation <u>was</u> significant or material.

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Rate of high client satisfaction ratings on services delivered (Insurance)	96%	95%	96%	95%	95% G	95%	95%
Overall satisfaction rate (%) (Compensation) (1) Data for the Voice of the Veteran client satisfaction survey package will start being collected in 2012. Thus, the baseline year has been changed to 2012.	N/Av	N/Av	N/Av	(1) N/Av	N/Av	N/Av	TBD
Overall satisfaction rate (%) (Pension) (1) Data for the Voice of the Veteran client satisfaction survey package will start being collected in 2012. Thus, the baseline year has been changed to 2012.	N/Av	N/Av	N/Av	(1) N/Av	N/Av	N/Av	TBD
Percent of beneficiaries very satisfied or somewhat satisfied with the way VA handled their education claim (1) Data for the Voice of the Veteran client satisfaction survey package will start being collected in 2012. Thus, the baseline year has been changed to 2012.	N/Av	N/Av	N/Av	(1) N/Av	N/Av	N/Av	TBD
Percent of beneficiaries that believe their VA educational assistance has been either very helpful or helpful in the attainment of their educational or vocational goal (See (1) above)	N/Av	N/Av	N/Av	(1) N/Av	N/Av	N/Av	TBD
Veterans' satisfaction with the Vocational Rehabilitation and Employment Program (1) Data for the Voice of the Veteran client satisfaction survey package will start being collected in 2012. Thus, the baseline year has been changed to 2012.	N/Av	N/Av	N/Av	(1) N/Av	N/Av	N/Av	TBD
Lender Satisfaction with VA Loan Guaranty Program (1) The Lender Satisfaction Survey was not conducted in 2010 or 2011. It was determined that response rates were not sufficiently high to warrant another annual survey in 2010. LGY plans to conduct the survey again in 2012, and then biennially after that.	92.0%	N/Av	95.0%	(1) N/Av	(1) N/Av	94.5%	97.0%
Veterans' Satisfaction Level with the VA Loan Guaranty Program (1) Data for the Voice of the Veteran client satisfaction survey package will start being collected in 2012. Thus, the baseline year has been changed to 2012.	N/Av	N/Av	N/Av	(1) N/Av	N/Av	N/Av	TBD

Recap

Green	1
Yellow	0
Red	0
Total	1

Integrated Objective Three

Build our internal capacity to serve Veterans, their families, our employees, and other stakeholders efficiently and effectively.

INTEGRATED STRATEGY 3a

Anticipate and proactively prepare for the needs of Veterans, their families, and our employees.

Making a Difference for Veterans

Simplifying Heart Attack Diagnosis

A new microchip sensor called the Nano-Bio-Chip that processes saliva and yields instant results was recently developed to detect heart attacks.

A new diagnostic tool to detect heart attacks using a person's saliva began being tested in September 2010 at the Michael E. DeBakey VA Medical Center in Houston through collaboration with Baylor College of Medicine and researchers at Rice University's BioScience Research Collaborative. John T. McDevitt, Professor of Chemistry and Bioengineering at Rice University, and his team of researchers have developed a microchip sensor called the Nano-Bio-Chip that processes saliva and yields instant results. Biykem Bozkurt, MD, Professor of Medicine at Baylor College of Medicine, explained, "The device works by analyzing saliva, looking for cardiac biomarkers of injury implicated in the heart attack."

Typically when a heart attack occurs, hospital staff or emergency medical technicians use an electrocardiogram machine to review heart activity. If the electrocardiogram is abnormal, the patient is immediately moved to an area to be treated. Unfortunately, electrocardiograms fail to correctly diagnose about a third of patients having a heart attack. These patients are monitored carefully in the emergency room, where further blood tests are used to look for certain biomarkers to verify whether a heart attack occurred. Blood test results can take anywhere from 90 minutes to 3 hours, and in many cases, it may be 12 to 24 hours before patients know if they had a heart attack.

"At the DeBakey VA, we follow this same procedure but also include the saliva test to determine whether salivary biomarkers will perform similar to blood markers in diagnosing a heart attack," said Bozkurt, who is also Chief of Cardiology at the DeBakey VA. Over the next 2 years, samples will be collected from approximately 500 patients who come to the DeBakey VA emergency room with chest pain or heart attack-related symptoms.

"We find the electrocardiograms provide more accurate information when combined with the saliva test," McDevitt said. "Saliva-based tests have the potential to quickly diagnose heart attack victims as well as to find false alarms." Nano-Bio-Chips deliver all the capabilities of a traditional laboratory but do not require expensive instrumentation to get results. Manufactured with techniques pioneered by the

microelectronics industry, they have the potential to analyze large amounts of biomarker data at significantly lower cost than traditional tests. McDevitt said the new test could save lives, time, and money by allowing doctors to identify those suffering from a heart attack before administering a battery of costly tests.

Performance Information for Integrated Strategy 3a

Program Evaluations

Mental Health

VA's Office of Policy and Planning (OPP) working with Altarum Institute and RAND-University of Pittsburgh Healthcare Institute conducted the VA Mental Health program evaluation over a 4-year period starting in 2006. RAND has described this as "perhaps the largest and most comprehensive systematic assessment of a mental health system ever undertaken." Overall, the study evaluated whether mental health services are meeting VA's intended goals and outcomes. It also compared VA care to that in the private sector. The program evaluation collected data on approximately one million Veterans with schizophrenia, post-traumatic stress disorder, bipolar disorder, major depressive disorder, and substance use disorder.

The final report found that VA performance is as good as or better than that reported in the literature for other populations and/or treatment settings. Results demonstrated the performance level was achieved despite a significant annual increase in the numbers of Veterans served during the 4-year study period. Further, the evaluation developed extensive performance indicators that can be used to evaluate quality of care in other settings.

Oncology

The VA Oncology program evaluation was conducted by OPP in conjunction with Abt Associates and Harvard Medical School over a 5-year period starting in 2005. The study was a result of requirements in the Government Performance and Results Act and Title 38, both of which require such evaluations. It looked at 12 research questions for all patients with 5 different types of cancers and evaluated whether services for oncology patients are meeting VA's intended goals and outcomes. It also compared VA care to that in the private sector. Harvard researchers concluded that cancer care and outcomes in VA are generally similar to that in the private sector.

The report concluded that for the great majority of treatment quality indicators across all the cancers examined, and survival outcomes for colon, rectal, and lung cancer, the quality of oncology care provided by VHA is generally equal to that provided by the private sector through Medicare for patients 65 and older. The results also suggest that Veterans with cancer are receiving overall relatively high quality care at the end of life, which includes maximizing symptom management and palliative care and minimizing invasive care that is unlikely to prolong life.

New Policies, Procedures, or Process Improvements and Other Important Results

The Office of Policy & Planning took the following actions in 2011:

- Coordinated the DoD and VA Integrated Disability Evaluation System (IDES) effort to standardize processing procedures and created a Departmental memorandum of understanding for operations at each site.
- Developed, in conjunction with VHA, a new research population model to provide better insight on service-connected environmental exposures.

- Improved a number of programs to enhance the transition of Servicemembers to Veteran status.
- Established the Strategic Studies Group to aid the Department in developing long-term insights and perspectives on emerging Veterans' issues.
- Conducted VA's first-ever 10-20 year environmental scan—identifying the key issues that will drive VA over the next 10 years.
- Provided statistical and geospatial analysis to support recurring and ad-hoc reporting. Examples of these statistical products include the geographical distribution of VA expenditures report, the unique Veterans use of VA benefits and services brief, the VA information pocket card, and the VA disability evaluation system trend analysis.

Complete Listing of Measures Supporting Integrated Strategy 3a

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation <u>was</u> significant or material.

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Number of arrests, indictments, convictions, criminal complaints, pretrial diversions, and administrative sanctions (OIG)	2,303	1,884	2,250	1,929	1,939 Y	2,300	2,750
Number of reports (audit, inspection, evaluation, contract review, and CAP reports) issued that identify opportunities for improvement and provide recommendations for corrective action (OIG)	217	212	235	263	301 G	240	300
Monetary benefits (dollars in millions) from audits, investigations, contract reviews, inspections, and other evaluations (OIG)	$820	$500	$2,931	$1,914	$7,122 G	$1,000	$1,500
Return on investment (monetary benefits divided by cost of operations in dollars) Beginning in 2009, the cost of operations for the Office of Healthcare Inspections, whose oversight mission results in improving the health care provided to Veterans rather than saving dollars, is not included in the return on investment calculation (see the OIG's September 2010 Semiannual Report to Congress, page 4)	11 to 1	6 to 1	38 to 1	20 to 1	76 to 1 G	11 to 1	15 to 1
Percentage of:							
Prosecutions successfully completed	95%	94%	94%	97%	99% G	94%	95%
Recommendations implemented within 1 year to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural changes in VA	86%	88%	94%	86%	87% Y	90%	95%
Recommended recoveries achieved from postaward contract reviews (New)	N/Av	N/Av	N/Av	N/Av	100%	Baseline	98%
OIG Customer satisfaction survey scores (based on a scale of 1 - 5, where 5 is high):							
Investigations	4.9	4.6	4.9	4.9	4.9 G	4.5	5.0
Audits and Evaluations	3.7	4.0	4.0	4.0	4.4 G	4.0	5.0
Healthcare Inspections	4.4	4.7	4.7	4.6	4.6 G	4.6	5.0
Contract Review	N/Av	N/Av	4.6	4.7	4.8 G	4.2	5.0

Recap

Green	8
Yellow	2
Red	0
Total	10

INTEGRATED STRATEGY 3b

Recruit, hire, train, develop, deploy, and retain a diverse VA workforce to meet current needs and future challenges.

Making a Difference for Veterans

VA's 'Medical Team' Approach Reduces Operating Room Mortality Rates

A VA study published in the Journal of the American Medical Association concluded that Medical Team Training (MTT) improves communication, teamwork, and efficiency in VA operating rooms, resulting in significantly lower mortality rates.

A Department of Veterans Affairs (VA) study published October 20, 2010, in the Journal of the American Medical Association concludes that a concept called Medical Team Training (MTT) improves communication, teamwork, and efficiency in VA operating rooms, resulting in significantly lower mortality rates.

"Patients can suffer inadvertent harm at times, despite care from well-trained, experienced, and conscientious health care providers," noted Dr. Douglas Paull, a VA surgeon and Co-Director of the Medical Team Training program at VA's National Center for Patient Safety in Ann Arbor, Michigan. "The cause in many such instances is faulty teamwork and communication. Fortunately, teamwork and communication skills—often referred to as non-technical skills—can be measured, learned, practiced, and enhanced," Paull continued. "The MTT Program improves these non-technical skills among providers, delivering on the promise of a safer health care system."

VA's nationwide study involved the analysis of more than 100,000 surgical procedures conducted at 108 of its hospitals from 2006 to 2008. MTT had been introduced at 74 of these hospitals. The study found that the decline in the risk-adjusted mortality rate was 50 percent greater in the MTT group than in the non-MTT group.

"MTT is all about communication," said Dr. Lisa Mazzia, who runs VA's MTT Program along with Dr. Paull. "MTT empowers every member of the surgical team to immediately speak up if they see something that's not right. When people talk and listen to each other, fewer errors occur in the operating room. That's the bottom line."

Julia Neily, Associate Director of VA's National Center for Patient Safety Field Office in Vermont and one of the study's nine authors, said conducting briefings prior to starting surgery, much like pilot and crew work through a pre-flight checklist, proved to be a key component in reducing mortalities because it gave the surgical team "a final chance" to correct potential problems.

Post-operative debriefings also proved valuable, the study found, because they led directly to the prompt resolution of glitches that occurred during surgery. Examples included fixing broken equipment or instruments, ordering extra back-up sets of instruments, and improving collaboration between the operating room and the radiology department ––all of which led to fewer delays.

To find out more about the MTT Program, contact VA's National Center for Patient Safety at 734-930-5884, or visit the Web site at www.patientsafety.gov.

Significant Trends, Impacts, Use, and Verification of 2011 Results

Supporting Measure
PERCENT OF VHA CLINICAL HEALTHCARE PROFESSIONALS WHO HAVE HAD VA TRAINING PRIOR TO EMPLOYMENT

Performance Trends	Impact on Veterans

Desired Direction

↑

Status

G

This measure quantifies how VA's clinical training programs contribute to the recruitment of VA's health care delivery workforce. In this context, approximately 115,000 clinical trainees receive training in VA each year.

By providing an excellent learning environment for trainees, VA is better positioned to recruit and retain new health care professionals. In turn, these health care professionals are able to deliver exceptional care to Veterans using the most current medical practices. As the data show, approximately 29 percent of VA's clinical workforce trained in VA prior to employment.

Chart:

	2009	2010	2011	ST
Results	27%	29%	29%	
Targets	30%	15%	20%	30%

ST = Strategic Target

How VA Verifies Results Data for Accuracy	How VA Leadership Uses Results Data
The VA All-Employee Survey is an anonymous survey of all VA employees conducted each spring. As part of the demographic section of the 2011 survey, employees were asked, "Before becoming a VA employee, did you take part in a training or educational program based partly or entirely in VA (such as paid or unpaid internships, residencies, fellowships, or clinical or administrative rotations)?" The answer to this question forms the basis for the data shown.	VA leadership and governance bodies are particularly interested in these data broken down by clinical disciplines. For example, nearly 60 percent of VA physicians and 70 percent of psychologists report having trained in VA prior to employment. These data reflect the success of VA's training programs in particular disciplines and can also identify disciplines where training program expansion may be appropriate in the future.

Supporting Measure

WORKERS' COMPENSATION LOST TIME CASE RATE (LTCR)

Performance Trends	Impact on Veterans

Performance Trends

	2007	2008	2009	2010	2011	ST
Results	1.87	1.81	1.82	1.71		
Targets				1.77	1.64	1.64

(1.64)

Impact on Veterans

Desired Direction

↓

Status

TBD

2011's result continues several years of steady improvement. The continued reduction in LTCR means that employees' lost time from work due to job-related injuries, that is, workers' compensation claims, is decreasing.

(1) While data were collected in past years, a formal measure was not activated until 2010. Therefore, no target data are available for 2007-2009.

(2) ST = Strategic Target

How VA Verifies Results Data for Accuracy

VA receives/obtains data from the Department of Labor. VA uses the Workers' Compensation Occupational Safety and Health/Management Information System to monitor the lost time case rate.

How VA Leadership Uses Results Data

VA Leadership uses the LTCR to focus attention on safety programs and the types and causes of injuries/illnesses that are occurring, which allows for analysis of prevention efforts.

Additional Performance Information for Integrated Strategy 3b

Program Evaluations

In 2011, an Employee Safety Perception Survey was completed via a contract with the National Safety Council under VA's Human Capital Investment Plan. VA initiated the development of an action plan to focus on improvement opportunities.

New Policies, Procedures, or Process Improvements and Other Important Results

VA's corporate data system (Workers' Compensation Occupational Safety and Health/Management Information System) is migrating to a Web based system with upgrades to functionalities that will improve the timeliness of obtaining Lost Time Case Rate data.

VA issued an Information Letter (guidance letter) to field staff providing clarification on how to improve the accuracy of reporting lost time cases.

Data Verification and 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 II-95.

Complete Listing of Measures Supporting Integrated Strategy 3b

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation <u>was</u> significant or material.

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Percent of VHA clinical healthcare professionals who have had VA training prior to employment	N/Av	N/Av	27% (Baseline)	29%	29% G	20%	30%
Alternative Dispute Resolution (ADR) participation rate in the informal stage of the Equal Employment Opportunity (EEO) complaint process (HRA) (1) Corrected	28%	46%	48%	(1) 52%	53% G	53%	55%
Percentage of VA employees who are Veterans (HRA)	31%	30%	30%	31%	32% G	31%	33%
Workers' Compensation Lost Time Case Rate (LTCR) (HRA)	1.87	1.81	1.82	1.71	TBD	1.64	1.64
Percent of employees in mission critical and key occupations who participated in a competency based training program within the last 12 months (HRA) (Through August)	N/Av	N/Av	N/Av	20%	* 46.8% G	45%	95%

Recap
Green	4
Yellow	0
Red	0
Total	4

*These are partial or estimated data; final data will be published in the 2013 Congressional Budget and/or the 2012 Performance and Accountability Report.

INTEGRATED STRATEGY 3C

Create and maintain an effective, integrated, Departmentwide management capability to make data-driven decisions, allocate resources, and manage results.

Making a Difference for Veterans

The Million Veteran Program: VA's Genomics Game-Changer Launches Nationwide

Dr. Mike Gaziano, Co-Principal Investigator, discusses the MVP with Secretary Shinseki.

An unprecedented Department of Veterans Affairs (VA) research program that promises to advance the sophisticated science of genomics went national on May 5.

"It is my honor," said Secretary of Veterans Affairs Eric K. Shinseki, "to join with so many fellow Veterans in keeping VA at the leading edge of genomics research. This innovative research program will support VA's mission to provide Veterans and their families with the care they have earned."

Dr. Robert A. Petzel, VA's Under Secretary for Health, said, "The Veterans Affairs Research and Development Program has launched the Million Veteran Program, or MVP—an important partnership between VA and Veterans to learn more about how genes affect health, and thus, transform health care for Veterans and for all Americans."

The MVP is a trail-blazing VA effort to consolidate genetic, military exposure, health, and lifestyle information together into one single database. The database will be used only by authorized researchers with VA, other Federal health agencies, and academic institutions within the United States—in a secure manner—to conduct health and wellness studies to determine which genetic variations are associated with particular health issues. By identifying gene-health connections, the program could advance disease screening, diagnosis, and prognosis and point the way toward more effective, personalized therapies.

Launched in January at one VA medical center, MVP has expanded to achieve the goal of national participation by Veterans receiving VA care over the next 5 to 7 years. Among those participating are VA Secretary Shinseki, Deputy Secretary W. Scott Gould, and Chief of Staff John R. Gingrich.

Patient safety and information security are the top priorities in MVP and all VA research initiatives. To protect Veterans' confidentiality, blood samples containing genetic material and health information collected for MVP will be stored in a secure manner and labeled with a barcode instead of personal information. The researchers who are approved to access samples and data will not receive the name, address, social security number, or date of birth of participating Veterans. Importantly, the data will not move to the researchers, but rather researchers will come to the data—through the VA GenISIS computing environment—to increase security.

The program has been developed in close coordination with the VA Genomic Medicine Program Advisory Committee—comprised of private and public health, scientific, legal experts in the field of genetics and Veteran representatives—which advises the Secretary of VA, and partners such as Veterans Service Organizations, the Department of Defense, and the National Institutes of Health.

VA is superbly positioned to conduct complex genomics research thanks to its large and diverse patient population and other unrivaled assets. "We have a research establishment that is embedded in an integrated health care system with a state-of-the-art electronic health record, fully equipped genomic laboratories with the

latest in technology, and top-caliber investigators—most of whom also provide direct patient care," said Dr. Joel Kupersmith, VA's chief research and development officer. "The merger of these distinct attributes—with the Veteran as a partner—makes VA uniquely able to conduct this ground-breaking genomic research."

Significant Trends, Impacts, Use, and Verification of 2011 Results

Supporting Measure
GROSS DAYS REVENUE OUTSTANDING (GDRO) FOR 3RD PARTY COLLECTIONS

Performance Trends	Impact on Veterans

Performance Trends

	2007	2008	2009	2010	2011	ST
Results	59	56	55	45	48	
Targets	58	57	55	54	48	37

(1) Actual data through 08/2011. Final data are expected in 11/2011.
(2) ST = Strategic Target

Impact on Veterans

Desired Direction

↓

Status

(G)

Third party GDRO indicates how long it will take a facility to liquidate its current amount of third party MCCF accounts receivable (AR) at the average daily rate of its billings for the past 3 months and is a calculated measure comprised of total third party AR divided by the third party Average Daily Billings.

Nationally, since 2007, third party GDRO has declined (improved) 11 days. Third party collections from insurers are returned to the VHA facilities to provide health care services for the Veterans; so the assumption is that a decreasing GDRO indicates that collections are being returned more quickly to VHA facilities.

How VA Leadership Uses Results Data

Widely used in the private health care industry, third party GDRO specifically defines the age of outstanding third party receivables and the number of third party accounts receivable (AR)

How VA Verifies Results Data for Accuracy

Each month, the Chief Business Office (CBO) VistA Data Extract (VDE) data base staff perform quality assurance checks to validate that what was received at the data base host site, Allocation Resource Center (ARC), from each Medical Center's VistA system was loaded without error and included in the appropriate monthly performance metric reports. Staff check transmissions of VistA files daily to ensure that all Stations reported. VistA support teams are notified if a Station has not sent files for three consecutive days and the files are automatically resent.

In addition, the daily, weekly, and monthly file manipulation and loading processes incorporate imbedded quality assurance checks to validate that the files received and the content of the files are completely and correctly loaded. Additional manual checks are performed in order to uncover potential data issues.

liquidation days. Generally, the metric measures the efficiency in billing and/or managing AR. This metric is reported to VA leadership in the Monthly Performance Review. VHA leadership uses third party GDRO to compare cash flow and level of receivables among facilities.

Additional Performance Information for Integrated Strategy 3c

Program Evaluations

VHA regularly evaluates the effectiveness of revenue cycle operations. Consolidated Patient Account Centers routinely conduct internal controls and risk management reviews to ensure compliance with required guidelines. Additionally, Revenue Cycle Enhancement Teams (RCET) conduct visits to facilities to identify opportunities for enhancing operational efficiencies. RCET reviews consist of an assessment of the revenue core functions from intake through accounts receivable. The methodology employed generally includes a combination of trend analysis (evaluation of data and information from various reports to identify significant trends), comparative analysis (comparison of like functions and operations), individual and/or panel interviews, and workflow analysis.

In 2011 the Office of Policy and Planning awarded a contract to Abt Associates and its partners PricewaterhouseCoopers and Harvard Medical School to conduct an evaluation of the VA medical research program. Phase I was devoted to collecting extensive data on program processes, structure, management, and outcomes and to the identification of program strengths and weaknesses. In August of 2011, these weaknesses were presented to VA in the form of "problem sets." In Phase II, VA will choose two of these problem sets for resolution using a systematic decision-making process called the "analysis of alternatives" to be completed by the fall of 2012. The intent of Phase II is to provide forward-looking, strategic, and actionable recommendations for VA Senior Leadership to make informed data driven-decisions regarding resource allocation for future VA medical research investments most likely to result in improved outcomes for Veterans.

New Policies, Procedures, or Process Improvements and Other Important Results

Consolidated Patient Account Centers use guidebooks to ensure standardized processes and to test compliance with requirements. VA makes adjustments to policies based on testing and results from risk management activities. RCET visits identify opportunities for improvements based on cataloguing audit results by type and frequency of occurrence.

NCA has centralized its accounting and procurement functions through the use of both the Centralized Administrative Accounting Transaction System (CAATS) and eCMS, an electronic contract management system. By the end of 2011, all of NCA's funded sites were centralized under CAATS. The centralization and standardization accomplished through CAATS will better position VA national cemeteries to serve Veterans by increasing internal operational efficiencies.

Prior to the creation of the Office of Regulations in 2003, VA rulemakings sometimes languished in the planning and concurrence process. Without centralized management and adequate accountability, the average processing time for VA regulations was more than 33 months. The Office of Regulations reduced the average processing times by over 50 percent, to 17 months, and continues to set improvement standards for VA's rulemaking process.

The Office of Regulations added two new procedures to VA's rulemaking process to improve overall coordination and efficiency. These procedures allow VA's regulatory approving authority to designate certain regulations for electronic transmission to the Office of the Federal Register and designate which regulations should be accompanied by media releases. These official determinations,

made earlier in the rulemaking process, now provide additional time for planning and coordination in advance of a regulation's publication. VA is one of the few Federal agencies that routinely submits their regulations and notices to the Federal Register electronically.

The Office of Acquisition, Logistics, and Construction's (OALC) VA Acquisition Academy (VAAA) has been recognized in multiple publications, including *Chief Learning Officer* magazine, *Defense AT&L* magazine, *Federal Computer Week* magazine, *Contract Management* magazine, *The Public Manager* magazine, and Federal News Radio, for the innovative development of VA's acquisition workforce. The Academy was also recognized with two learning and development awards, including Elearning! Media Group's Learning! 100 award for learning culture, innovation, and learning support; and Chief Learning Officer magazine's 2011 LearningElite! Award for learning strategy, learning impact, leadership commitment, learning execution, and business performance results. The VAAA intern program is designed to grow the next generation of entry-level acquisition professionals through the use of a holistic approach to developing technical, interpersonal, and leadership skills. The VAAA's intern program has demonstrated a more rapid time to competency than traditional programs. The intern program graduated its first set of interns from the 3-year program. The inaugural class will not only support VA's acquisition transformation initiatives, but has also served as valuable feedback toward improvements in the intern program.

In addition to contracting expertise, the OALC VAAA has trained more than 2,000 program and project managers in a comprehensive skill development program. VA's program manager training program is designed to ensure the classroom training is taken back into the workforce to make immediate improvements in

VA's programs and culminates with a comprehensive performance-based certification examination. Additionally, OALC VAAA has facilitated workshops to help program teams develop necessary skills for program success. Surveys regarding these trained employees demonstrate an 80 percent increase in the use of best practices, and 73percent have made a positive impact to their program's cost, performance, or schedule.

VA continues to lead the Federal Government in the use of Federal Strategic Sourcing Initiative (FSSI) contracts for domestic delivery services. In 2011, the Department's participation in the small package express and ground domestic delivery program yielded VA a cost avoidance of $149.6 million with estimated spending of $57.7 million according to data provided by the General Services Administration. VA also leads the Federal Government in the use of the FSSI Second Generation Office Supply contracts, saving over $10 million annually on the purchase of office supplies. VA's innovative strategic sourcing methodology uses detailed spend and procurement data to develop focused spend reduction hypotheses and supporting business cases in the areas of medical-surgical supplies, health care services, information technology, and construction/facilities management. Strategic sourcing continues to provide top level services, excellent vendor performance, and a best value program to VA and our Nation's Veterans.

VA hosted a Construction and Facilities Management (CFM) Forum in June 2011 to solicit input from industry leaders in large-scale health care Integrated Design Construct/Construction Management. More than 50 companies attended, representing architects, engineers, construction management firms, construction companies, and related trade associations throughout the United States. The agenda for the event

included facilitated breakout sessions and structured live question and answer sessions.

The Office of Policy and Planning took the following actions in 2011:

- Developed the FY 2011-2013 VA/DoD Joint Strategic Plan and continued process improvement of performance-based metrics to measure VA-DoD collaboration efforts.
- Created a planning, programming, budgeting, and evaluation (PPBE) process, which established a 2012 program baseline; delivered a prototype programming database to demonstrate programming concepts and capabilities; issued integrated programming/ budgeting guidance for the 2013-2017 resource cycle; and established a PPBE integration team to ensure synchronization, coordination, and synergy of VA's PPBE efforts.
- Completed cost estimation demonstration projects for 2 of 16 major initiatives, forming the foundation to continue with full cost estimates of remaining initiatives.
- Conducted an assessment of cost estimates for the integrated electronic health record, in collaboration with the Office of the Secretary for Defense's Office of Cost Assessment and Program Evaluation.
- Instituted changes to the strategic planning process including the establishment of a collaborative working structure and a Senior level Strategic Planning Council as well as formalizing the strategic planning process and integrating it with the PPBE process.
- Instituted changes to the Governance process that results in more decisions being brought before cross-organizational senior VA leadership, thus increasing the integration, alignment, and collaboration across VA efforts and entities.
- Supported the implementation of the VA Strategic Capital Investment and Planning

models with corporate predictive modeling and forecasting capabilities.

- Established business intelligence data environment tools and processes to transform data into information to support planning, analytic, and research activities.
- Led the establishment of the VA Data Governance Council and the VA Data Management Working Group to improve the quality and value of VA data; establish VA policies and standards involved in the creation, collection, and dissemination of authoritative data; resolve cross-organizational data-sharing issues; support initiatives, programs, or project teams in the access and utilization of common VA data; inventory and document VA source databases, including all major Administration data systems; establish the VA Data Governance Directive; and launch the new VA data and statistics Web site with more contents on Veteran demographic, socioeconomic, and VA utilization statistics.
- Conducted detailed execution reviews and lockdowns of major initiatives to provide independent assessment of progress, identified barriers to success, and helped define solutions to ensure collective execution of 397 acquisition packages worth $784 million.
- Conducted a business process reengineering study of sanitation operations and biomedical engineering services across VHA and monitored the implementation of the recently reengineered plant operations and grounds maintenance functions.

Data Verification and 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 II-95.

Complete Listing of Measures Supporting Integrated Strategy 3c

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation <u>was</u> significant or material.

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Obligations per unique patient user (VHA) (Through August) (2007 results are expressed in constant dollars based on the Bureau of Labor Statistics Consumer Price Index (CPI). The OMB CPI for all Urban Consumers (CPI-U) was used for the 2008-2011 numbers.)	$5,740	$5,891	$6,317	$6,551	* $6,454 G	$6,757	TBD
Gross Days Revenue Outstanding (GDRO) for 3rd party collections (VHA) (Through August)	59	56	55	45	* 48 G	48	37
Total amount expended for health care services rendered to VA beneficiaries at a DOD facility ($ Millions) (New)	N/Av	N/Av	N/Av	N/Av	$84.0M G	$79M	$92M
Amount billed for health care services provided to DoD beneficiaries at VA facilities ($ Millions) (New)	N/Av	N/Av	N/Av	N/Av	$183.2M G	$108M	$125M
Dollar value of 1st party and 3rd party collections (VHA):							
1st Party ($ in millions)	$915	$922	$892	$870	$911 G	$863	$956
3rd Party ($ in millions)	$1,261	$1,497	$1,843	$1,904	$1800 Y	$1,954	$2,475
Percent of NonVA claims paid in 30 days (VHA) (New)	N/Av	N/Av	N/Av	N/Av	77%	Baseline	98%
Percentage of responses to pre- and post-hearing questions that are submitted to Congress within the required timeframe (OCLA) (Through August)	27%	57%	75%	12%	* 96% G	85%	90%
Percentage of testimony submitted to Congress within the required timeframe (OCLA) (Through August)	75%	58%	80%	62%	* 93% G	85%	90%
Percentage of title 38 reports that are submitted to Congress within the required timeframe (OCLA)	40%	59%	76%	63%	36% R	85%	95%

Recap

Green	12
Yellow	3
Red	1
Total	16

*These are partial or estimated data; final data will be published in the 2013 Congressional Budget and/or the 2012 Performance and Accountability Report.

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Average processing time for VA regulations (number of months) (OGC) (Through July)							
-Requiring advance notice and public comment (2-stage)	N/Av	21.7	19.4	19.6	* 19.6 G	19.6	19.6
-Without advance notice and public comment (1-stage)	N/Av	7.4	7.8	7.5	* 7.5 G	7.5	7.5
Number of material weaknesses (OM)	4	3	4	1	1 G	1	0
Percent Condition Index (owned buildings) (OAEM) (1) Corrected **(Standard government-wide measure required by the Federal Real Property Council) The Office of Asset Enterprise Management (OAEM) develops VA policy that governs the Department's Capital Asset Management. Policy execution is done by VA's business lines (Veterans Health Administration, Veterans Benefits Administration, and National Cemetery Administration), and annual performance results are reported by OAEM.	74%	66%	74%	(1) 71%	78% G	76%	87%
Percent of space utilization as compared to overall space (owned and direct-leased) (OAEM) (1) Corrected (See ** above)	112%	113%	113%	(1) 121%	117% Y	108%	100%
Ratio of non-mission dependent assets to total assets (OAEM) (1) Corrected (See ** above)	12%	12%	(1) 12%	(1) 9%	11% G	11%	10%
Ratio of operating costs per gross square foot (GSF) (OAEM) (1) Corrected (See ** above)	$5.80	$6.47	$6.95	(1) $7.64	$7.98 Y	$7.38	$6.41
Percent of annual major construction operating plan executed (OALC)	N/Av	N/Av	N/Av	N/Av	82%	Baseline	90%

*These are partial or estimated data; final data will be published in the 2013 Congressional Budget and/or the 2012 Performance and Accountability Report.

INTEGRATED STRATEGY 3d

Create a collaborative, knowledge-sharing culture across VA and with DoD and other partners to support our ability to be people-centric, results-driven, and forward looking at all times.

Making a Difference for Veterans

Launch of the Nation's First VA/DoD Federal Health Care Center

Congressional, civic, and government leaders look on as the flag is raised in recognition of the official launch of the Nation's first joint VA/DoD Federal health care center.

During a ceremony in front of more than 1,500 people on October 1, 2010, congressional, civic, and government leaders showed the Nation why integrating medical facilities and resources from the Department of Defense (DoD) and VA makes sense.

"Our gathering here today marks a major milestone, capping several years of hard work—planning, designing, programming, and activating the first-ever joint VA/DoD federal health care center," said Patrick Sullivan, the new center's director. "Today, we are no longer proud staff and volunteers of the North Chicago VA or Naval Health Clinic Great Lakes, but proud staff and volunteers of the Captain James A. Lovell Federal Health Care Center. We are part of a much larger mission."

As nearly a dozen speakers addressed the crowd that filled the entrance to the new ambulatory care center, a common theme among the presenters was the notion that getting to the point of complete integration was far from easy or quick. As many at the podium acknowledged, the path to integration began many years ago with a concept that it would be financially beneficial and more convenient for patients to have a single health care center, instead of two that are fewer than 2 miles from one another. Although admittedly complex and challenging at times, the goal remained clear and unified: deliver the absolute best patient-centered care in the Nation.

The unique nature of the center means a blending of missions for "military medical readiness" and "Veteran care" under a single governance structure. This means the health care center will see active duty military, Veterans, military family members (including children), and military retirees. The facility will serve patients at five distinct locations in northern Illinois and southern Wisconsin.

"Our integration is truly a win-win-win for all parties involved," said Sullivan. "It's good for taxpayers, it's good for staff members, and most importantly, it's good for our patients." Sullivan explained that taxpayers are saving approximately $20 million annually by integrating operations, staff members are

able to care for a larger population of patients, and patients are able to benefit from robust, state-of-the-art health care.

While the ceremony commemorated years of work and progress, it was by no means a conclusion. In fact, many at the ceremony appropriately noted that it was the metaphoric "launch" of the health care center. "While the ceremony was an absolute success, I really feel like it fittingly set the tone for the goals we're striving towards," said Sullivan. "At the end of the day it's our common goal of patient care that truly remains our guiding beacon."

For more information, visit the Web site at http://www.lovell.fhcc.va.gov/index.asp..

Significant Trends, Impacts, and Use and Verification of 2011 Results

Key Measure
PERCENT OF PATIENTS RATING VA HEALTH CARE AS 9 OR 10 ON A SCALE FROM 0 TO 10 (INPATIENT)

Performance Trends

	2007	2008	2009	2010	2011	ST
Results	78%	79%	63%	64%	64%	
Targets	78%	79%			65%	75%

65%
64%

(1) VHA has moved to a nationally standardized tool, a family of surveys known as Consumer Assessment of Healthcare Plans and Systems. 2009 was a re-baseline year to determine both annual and strategic targets. The 2009 results are not comparable with prior years and cannot be compared to 2010 due to additional changes to the survey instrument and administration protocol that were implemented in 2010. On the 0 to 10 scale, 0 represents the worst hospital and 10 represents the best hospital.
(2) ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data are collected through the VA-issued Consumer Assessment of Healthcare Plans and Systems (CAHPS). Information gathered measures Veterans' perceptions of VA health care.

The CAHPS survey is administered using a standardized, documented, consistent methodology. Patients are randomly selected for inclusion in the CAHPS sample from the population of eligible patients each month. Results are weighted to accurately account for population size differences across the system and varying rates of non-response to the survey.

Impact on Veterans

Desired Direction

Veterans who receive VA care are entitled to health care that includes emotional support, education, shared decision making, safe environments, family involvement, respect, and management of pain and discomfort.

Status

Y

The Veteran's level of overall satisfaction is impacted by the extent to which his or her needs are met. Satisfaction is therefore a key indicator of how well VA meets these expectations. This measure addresses how well these expectations are met in the *inpatient* setting.

How VA Leadership Uses Results Data

VA leadership uses results from this measure to focus on areas and/or facilities where scores do not meet or exceed performance targets.

Reports identify satisfaction scores for high- and low-performing facilities. During national conference calls, facilities that do not achieve high scores are encouraged to contact facilities that do achieve high scores for advice and assistance.

Key Measure

PERCENT OF PATIENTS RATING VA HEALTH CARE AS 9 OR 10 ON A SCALE FROM 0 TO 10 (OUTPATIENT)

Performance Trends
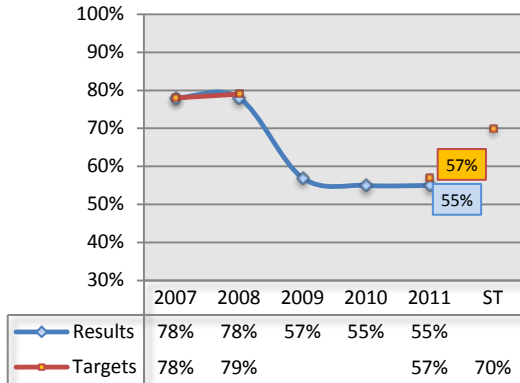
	2007	2008	2009	2010	2011	ST
Results	78%	78%	57%	55%	55%	
Targets	78%	79%			57%	70%

(1) VHA has moved to a nationally standardized tool, a family of surveys known as Consumer Assessment of Healthcare Plans and Systems. 2009 was a re-baseline year to determine both annual and strategic targets. The 2009 results are not comparable with prior years and cannot be compared to 2010 due to additional changes to the survey instrument and administration protocol that were implemented in 2010. On the 0 to 10 scale, 0 represents the worst health care and 10 represents the best health care.

(2) ST = Strategic Target

How VA Verifies Results Data for Accuracy

Data are collected through the VA-issued CAHPS. Information gathered measures Veterans' perceptions of VA health care.

The CAHPS survey is administered using a standardized, documented, consistent methodology. Patients are randomly selected for inclusion in the CAHPS sample from the population of eligible patients each month. Results are weighted to accurately account for population size differences across the system and varying rates of non-response to the survey.

Impact on Veterans

Desired Direction

Veterans who receive VA care are entitled to health care that includes emotional support, education, shared decision making, safe environments, family involvement, respect, and management of pain and discomfort.

Status

Y

The Veteran's level of overall satisfaction is impacted by the extent to which his or her needs are met. Satisfaction is therefore a key indicator of how well VA rises to these expectations. This measure addresses how well these expectations are met in the *outpatient* setting.

How VA Leadership Uses Results Data

VA leadership uses results from this measure to assess performance of VISNs and VA Medical Centers relative to the VA national average scores.

Reports identify specific CAHPS composites that are correlated with overall satisfaction scores. Facilities can focus improvement activities on these composites and anticipate an associated improvement in overall satisfaction scores.

Additional Performance Information for Integrated Strategy 3d

Program Evaluations
No independent program evaluations have been conducted recently that specifically address this integrated strategy.

New Policies, Procedures, or Process Improvements and Other Important Results
The Office of Quality and Performance (OQP) has updated a report intended to identify those aspects of care most likely to improve the patient's overall ratings, called Attributable Effects. This is a simple yet useful tool to identify the most influential relationships between Survey of Healthcare Experiences of Patients (SHEP) questions and the Overall Rating questions. In addition, OQP has identified several Quality Improvement strategies that could provide useful insight into improving the overall patient experience.

Data Verification and Measure Validation
More details on data verification and quality and measure validation for the key measures that support this objective are provided in the Key Measures Data Table on pages II-108–II-117.

Complete Listing of Measures Supporting Integrated Strategy 3d

Green or G: Target was met or exceeded. **Yellow or Y**: Target was not met, but the deviation was not significant or material. **Red or R**: Target was not met, but the deviation was significant or material.

Recap

Green	1
Yellow	2
Red	0
Total	3

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Percent of patients rating VA health care as 9 or 10 on a scale from 0 to 10: (VHA has moved to a nationally standardized tool, a family of surveys known as Consumer Assessment of Healthcare Plans and Systems (CAHPS). 2009 was a re-baseline year to determine both annual and strategic targets. The 2009 results are not comparable with prior years and cannot be compared to 2010 due to additional changes to the survey instrument and administration protocol that were implemented in 2010.)							
Inpatient	78%	79%	63% (Baseline)	64%	64% Y	65%	75%
Outpatient	78%	78%	57% (Baseline)	55%	55% Y	57%	70%
Percent of Veterans who report "yes" to the Shared Decision-making questions in the Inpatient Surveys of the Health Experiences of Patients (SHEP) (2011 was a baseline year after measure validation was completed in 2010.)	N/Av	N/Av	N/Av	71%	72% G	68% (Baseline)	75%

INTEGRATED STRATEGY 3e

Manage physical and virtual infrastructure plans and execution to meet emerging needs.

Making a Difference for Veterans

VA Funds Solar Energy Projects at 40 VA Facilities

Solar Photovoltaic System at the West Los Angeles VA Medical Center.

The Department of Veterans Affairs (VA) has awarded several contracts to build solar photovoltaic (PV) systems in support of ongoing energy efficiency and renewable energy initiatives.

"With these investments in clean energy and other renewable energy projects, we are marching forward with the President's initiative to expand innovation in the Federal Government and create new jobs," said VA Secretary Eric K. Shinseki. "The benefits of using solar power are profound, from reducing greenhouse gas emissions to improving the quality of the air we breathe. This initiative is good for Veterans and good for our environment."

By summer 2012, VA will install the solar PV systems at five VA medical centers in sunny locations, from Texas to California. VA selected the sites based on feasibility studies that determined the most ideal locations to invest in on-site renewable energy projects.

Solar PV installations are slated for Oklahoma City; Temple, Texas; Amarillo, Texas; Loma Linda, California; and West Los Angeles.

VA's goal is to increase renewable energy consumption to 15 percent of annual electricity usage by 2013. The installation of these five solar PV systems will help VA meet that goal. Renewable energy projects such as solar PV and wind turbines provide free energy to power VA facilities and provide a variety of benefits.

VA has also awarded 35 additional solar PV systems at medical centers and national cemeteries across the Nation. VA has been investing in renewable energy projects since 2009. For more information, visit the Web site at www.green.va.gov.

Significant Trends, Impacts, Use, and Verification of 2011 Results

Supporting Measure

PERCENT OF CURRENT YEAR ELECTRICITY CONSUMPTION GENERATED WITH RENEWABLE ENERGY SOURCES

| Performance Trends | Impact on Veterans |

Performance Trends

	2007	2008	2009	2010	2011	ST
Results	3%	4%	3%	7%		
Targets		3%	3%	5%	5%	15%

(1) 2011 data are expected in 01/2012.
(2) ST = Strategic Target—15% by 2013.

Impact on Veterans

Desired Direction ⬆

Status TBD

By using more renewably generated electricity at its facilities, VA reduces its own and the Nation's dependence on petroleum, enhances facility energy security, and improves the environment. Additionally, the cost savings generated by the use of renewable electricity is redirected to VA's mission of caring for Veterans and their families.

How VA Leadership Uses Results Data

With this data, VA leadership is able to determine how well VA is progressing towards meeting its goals to increase renewable cleaner energy use and to build lasting change that reduces VA's impact on the environment. Achieving these results enables and supports VA's primary mission to provide the highest quality care and services to our Veterans and their families.

How VA Verifies Results Data for Accuracy

Current year data are verified through comparisons with corresponding prior-year data and through direct contact with facilities supplying the information. In addition, VA automated systems involved in reporting have both automatic and manual checking procedures in place using error reports, batch totals, and consistency checks.

Additional Performance Information for Integrated Strategy 3e

Program Evaluations

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

New Policies, Procedures, or Process Improvements and Other Important Results

During 2009, NCA began implementing renewable energy projects using funding from the American Recovery and Reinvestment Act. In 2011 NCA brought a 50 kilowatt wind turbine online at the Massachusetts National Cemetery. It is the largest operating wind turbine in operation in VA. The 120-foot tall structure is projected to produce up to 95 percent of the cemetery's annual electricity usage, which will allow the facility to operate almost entirely on renewable energy. The wind turbine project is part of an overall VA energy conservation initiative that includes renewable energy generation technologies, metering systems, and energy conservation and water-saving measures.

VA also brought online a 200 kilowatt Photo Voltaic System at San Joaquin National Cemetery in 2011, and contracts were awarded for two additional 200 kilowatt Photo Voltaic Systems at Riverside and Sacramento Valley National Cemeteries in California. NCA began installation of a Photo Voltaic System at the Fort Rosecrans National Cemetery Annex at Miramar, California, and is exploring the use of Photo Voltaic Systems at 7 additional national cemeteries.

In 2011 VA introduced the use of electronic vehicles at national cemeteries. Two compact electric vehicles, a four-passenger people mover and a two seat, short-bed utility model,

were purchased for use at Willamette National Cemetery in Portland, Oregon, as part of VA's Green Management Program. The vehicles are initially being used to transport staff between the administrative and field support complexes and serve in light maintenance applications. Riverside National Cemetery added four low-speed electric vehicles to its fleet. The vehicles are being used for tasks involving light loads such as moving cremation urns, irrigation, and facilities maintenance.

In July 2011, VA's Continuity Coordinator signed the Department's Devolution Plan. This plan ensures the continuation of VA essential functions in the event that the National Capitol Region facilities are incapacitated and personnel are unavailable or incapable of deploying to their primary continuity facility. Members of VA's Devolution Emergency Response Group are trained, and they used the Devolution Plan during the Eagle Horizon 2011 Exercise.

In August 2011, VA's Continuity Coordinator signed the Department's first Reconstitution Plan. The Reconstitution Plan ensures the effective transition and phase-down of continuity operations at the continuity facility or devolution site and the transfer of essential functions back to VACO (a temporary operating facility or a new/temporary replacement operating facility) following a Continuity of Operations incident. The Federal Emergency Management Agency incorporated VA's Reconstitution Plan in their Reconstitution Workshop. Staff members from Federal Departments and Agencies in addition to State and local representatives who are developing their own Reconstitution Plans participated in the Workshop.

In September 2011, VA's Continuity Coordinator signed the Department's Master Continuity Plan. The Continuity Plan encompasses VA's

Administrations' and Staff Offices/Organizations' plans and procedures for continuity responses to emergencies. This plan helps to fulfill VA's strategic goal to raise readiness to provide services and protect people and assets continuously and in time of crisis as well as to enhance the preparedness to meet emergent national needs.

VA published VA Handbook 0321.1 *VA Integrated Operations Center* (IOC) in September 2011. This Handbook provides procedures for the operations of the VA IOC, which hosts Watch Officers from 15 VA Administrations and Staff Offices/Organizations. The IOC is the Department's 24/7 fusion point for all incoming and outgoing data that may impact the Department's operations and is operative during all-hazard emergencies. The IOC responded to the earthquake that occurred in Washington, DC in August and to Hurricane Irene in addition to participating in national exercises.

The IOC has increased VA's capability for fusions, predictive analysis, and timely recommendations to VA Senior leadership. The IOC's increased staffing of Watch Officers that represent their Administrations or Staff

Offices/Organizations has allowed this increased capability.

In June 2011, the Capital Region Readiness Center was completed and became operational for daily functions.

During 2011, VA invested in energy-related projects such as renewably fueled combined heat and power plants, E-85 fueling stations, and wind and solar generating systems. VA evaluated 178 medical centers for sustainability. From the results, VA selected 11 campuses for third-party certification, which equates to 20 million square feet. Thirty-four alternative fueling stations are now under construction. By the end of 2011, VA's investments in renewably fueled generation projects represent 70 megawatts of electrical generating capacity, enough to power nearly 9,000 typical U.S. households.

Data Verification and 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 II-95.

Complete Listing of Measures Supporting Integrated Strategy 3e

Green or G: Target was met or exceeded. Yellow or Y: Target was not met, but the deviation was not significant or material. Red or R: Target was not met, but the deviation was significant or material.

Integrated Objective/Measure (Key Measures in Bold)	Past Fiscal Year Results				2011		Strategic Target
	2007	2008	2009	2010	Results	Targets	
Percent of current year electricity consumption generated with renewable energy sources (OAEM) **The Office of Asset Enterprise Management (OAEM) develops VA policy that governs the Department's Capital Asset Management. Policy execution is done by VA's business lines (Veterans Health Administration, Veterans Benefits Administration, and National Cemetery Administration), and annual performance results are reported by OAEM.	3%	4%	3%	7%	TBD	5%	15% by 2013
Cumulative percent decrease in greenhouse gas emissions (OAEM) (See ** above)	N/Av	N/Av	N/Av	3%	TBD	3%	30% by 2020

Recap
Green	0
Yellow	0
Red	0
Total	0

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.

I. Data Accuracy

VHA's Data Quality Program and data quality workgroups provide guidance on data quality policies and practices. In 2011, the Program accomplishments related to data accuracy included:

- Delivery of monthly training in identity management to enhance skills and understanding of data entry staff at the local level.
- Development of policy and guidance for data content, context, and meaning of specific data elements in VHA databases for field and other staff.
- Provision of VHA metadata requirements to inform VA's Data Architecture Repository (DAR), which will provide data users and consumers with a better understanding of what the data mean and how they are represented.
- Delivery of training and education on Data Quality to users through presentations at the Administrative Data Quality Council, VHA Data Consortium, and program-specific conferences.
- Continuation of updates to documentation of best practices and data quality guidance through the VHA Data Quality Web site http://vaww.vhaco.va.gov/DataQuality/; VHA Healthcare Identity Management Web site http://vista.med.va.gov/mpi_dqmt/; and through Administrative Data Quality

Council Tips of the Month to improve data entry.
- Review of Master Veteran Index (MVI) electronic exceptions for accuracy. Data are verified through expert review and corrected where necessary.
- Dissemination of a quarterly data quality newsletter and publication of user guides on subjects such as Data Quality, Data Stewardship, Analysis and Profiling efforts relating to the Corporate Data Warehouse and Nationwide Health Information Network (NwHIN) efforts, and Healthcare Identity Management and Catastrophic Overwrites that affect patient health care records.
- Assessment and development of approach for resolving patient safety risks through implementation of strong data quality practices that ensure the correct identification of patients and reduce the likelihood of catastrophic overwrites to the patient's longitudinal health record.
- Provision of data quality guidance to field sites through collaboration with VA Product Support (via Remedy© application).
- Participation in various workgroups providing stewardship of and expertise on VHA data that provided increased data quality for future efforts such as Health*e*Vet VistA and in VA workgroups such as the effort to reduce uses of social security numbers in electronic systems and other records and to develop alternatives for individual identification.
- Provision of leadership for the Administrative Data Quality Council, which is a collaborative group of subject matter experts from the field and the national level who identify and address data quality issues and provide guidance, training, and

expertise to the field in the area of administrative data quality. The Data Quality Program provided leadership for this Council, in partnership with the Chief Business Office, establishing priorities, determining membership, and guiding all activities of the Council.

- Resolution of over 23,000 cases by the Healthcare Identity Management (HC IdM) team, which included the resolution of duplicate entries on the MVI, Catastrophic Edits or Merges, identity theft, or some other type of data quality issue.
- Analysis and profiling of data related to race, ethnicity, gender, and test patients not identified to assess data quality by the Business Product Management Analysis and Profiling staff.
- Analysis of data for data quality issues and potential duplicates in preparation for integrating NCA, VHA, and legacy VHA systems with MVI by the Business Product Management Analysis and Profiling staff.
- Analysis, profiling, and data validation on CDW data from multiple domains, e.g., inpatient and outpatient encounters, laboratory, compensation and pension, mental health, and appointments by the Business Product Management Analysis and Profiling staff.
- Development of metadata as part of the CDW domain analysis process to include descriptions of data characteristics and limitations.
- Guidance and training by HC IdM to Health Eligibility Center (HEC) staff on data quality best practices and prevention of catastrophic edits to patient identity.

VBA's data management systems have been substantially improved in recent years with such programs as the VETSNET suite of applications and other corporate data solutions. These applications, and the analytical tools associated with the data warehouse, provide leadership with more robust data and better support for information management and analysis.

Information is collected in defined formats and entered into specific fields of database records. Data are checked for completeness by system audits and manual verifications.

Certain data, such as Social Security Number, are verified with the Social Security Administration periodically. Prior to award of benefits by VBA, the Veteran's record is manually reviewed and data validated to ensure correct entitlement.

Employees are skilled and trained in the proper procedures; data entry procedures are documented and followed; data are sampled against source data through quality reviews; and procedures for making changes to previously entered data are documented and followed.

NCA determines the annual distribution of living Veterans and estimated Veteran deaths from data provided by the VA Office of the Actuary based on current census figures. NCA's methodology for estimating the percent of Veterans served by a burial option within a reasonable distance (75 miles) of their residence was reviewed in a 1999 OIG 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 utilizes an annual mail-out survey to assess customer satisfaction with the appearance, quality of service provided, and other important

aspects of VA national cemeteries. This survey is administered by an independent contractor. Data are accurate at a 95 percent confidence interval at the national and MSN levels and for cemeteries having at least 400 interments per year.

NCA also utilizes an annual mail-out survey to assess customer satisfaction with VA's memorial programs. This survey is administered by an independent contractor. Data are accurate at a 95 percent confidence interval.

Performance data are captured in NCA's Burial Operations Support System (BOSS) and Automated Monument Application System (AMAS) databases. These data are entered daily by NCA personnel who are trained in cemetery data collection and BOSS data entry procedures.

Automated monthly and fiscal-year-to-date reports are provided by VA's Quantico Information Technology Center and are analyzed, verified, and distributed by trained NCA central office personnel to NCA Central Office, MSN, and national cemetery managers. After reviewing the data for general conformance with previous report periods, headquarters staff flag and resolve any irregularities through contact with the reporting stations and comparisons with source data from the BOSS and AMAS systems.

NCA established an Organizational Assessment and Improvement Program in 2004 to identify and prioritize improvement opportunities and to enhance program accountability. As part of the program, assessment teams conduct site visits to all national cemeteries on a rotating basis to review cemetery data collection systems and verify collection methods. This review ensures that cemetery performance

data are collected and reported in a manner that is accurate and valid.

II. Data Reliability/Comparability

VHA's abstracted data provide a reliable estimate of the quality of care being provided and are used to make clinical decisions as well as being used for accountability purposes. Many of the health care quality metrics can be trended over time and have external benchmarks for comparability. In support of these efforts, the Data Quality Program in 2011:

- Continued Data Quality staff participation in the Performance Management Work Group.
- Participated in Corporate Data Warehouse (CDW) data domain implementation activities. At the request of the Under Secretary for Health, Dr. Robert A. Petzel, the CDW is increasing its holdings by adding domains to better meet the needs of its stakeholders. In addition, the CDW Data Governance Board requested that a template be developed to define VHA's role in implementing this initiative. CDW data are used for reporting and critical decision making. Data quality staff has specifically supported this by:
  - o Guiding template development and leveraging initial domain activity to include the processes, work plan, tools, stakeholders, and corporate knowledge.
  - o Assisting in validation and quality analysis of data within domains, e.g. , Patient Treatment File (PTF), Outpatient Pharmacy, and Lab Chemistry.
  - o Providing Domain Team support including coordination, membership, leadership, standardization, and monitoring.
  - o Providing data comparison and query support to domain teams.

o   Identifying, training, coordinating, and supporting Data Stewards for priority CDW domains.

The Office of Performance Analysis and Integrity (OPA&I) in VBA assesses data for completeness, consistency, accuracy, and appropriateness of use as performance and workload management indicators. These data are extracted from VBA's systems of record, such as VETSNET, 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. Supporting documentation for the enterprise data warehouse is maintained and readily available. Reporting requirements are regularly reviewed and modified when anomalies are noted, or when changes are made to the underlying business applications.

VBA leadership uses performance data to make program decisions concerning benefits processing and other organizational needs. The decision to consolidate functions such as original pension claims processing to improve service is one example of the use of performance data in the decision making cycle. To the extent possible, performance data are comparable between years, and are routinely reported during the Monthly Performance Review, in annual budget submissions, and in other forums.

NCA uses data on the percent of Veterans served by a burial option within a reasonable distance (75 miles) of their residence to determine the need for future national cemeteries and to prioritize funding decisions for potential State and Tribal Organization Veterans Cemeteries. These data are comparable between years and show the impact that funding for new cemeteries has made toward serving the burial needs of Veterans.

Data from respondents to NCA's annual national cemetery client satisfaction mail-out survey are collected and reported by an independent contractor. These data are accurate at a 95 percent confidence interval at the national and MSN levels and for cemeteries having at least 400 interments per year. Data provided by this survey are reliable and are used by NCA management to develop funding requests and determine priorities for the operation and maintenance of national cemeteries as national shrines.

Data from respondents to NCA's annual memorial programs client satisfaction mail-out survey are also collected and reported by an independent contractor. These data are accurate at a 95 percent confidence interval. Data provided by this survey are reliable and are used by NCA management to assess client satisfaction with the quality and appearance of memorial products.

III. Data Consistency

The consistency and accessibility of patient data is vital to VHA's ability to provide quality health care and is used to make clinical decisions. The VHA Data Quality Program participated in the following activities in support of data consistency and accessibility through data sharing and interoperability in 2011:

- Development of requirements, policies, and business flows necessary for the implementation of Nationwide Health Information Network (NwHIN) pilots and other activities.
- Efforts to achieve a VA/DoD Virtual Lifetime Electronic Record (VLER).
- Leadership of the Veterans Relationship Management (VRM) Identity and Access Management Workgroup. The Data

Quality Director serves as the co-chair of this group and staff members also chair the sub-group for this effort. Requirements were provided to standardize identity services across VA.

- Development of data quality and governance metadata repository requirements (e.g., description of data sources, requirements for documenting definitions, and identification of authoritative data stewards) necessary to implement data management.
- Creation of a prioritization list of initial VHA metadata sets for the VA Data Architecture Repository (DAR).
- Provision of guidance, testing, and data quality expertise to the OIT DAR project team.

Each VBA business line's requirements for data definitions, collection, and documentation are well documented in users' guides and manuals.

During the migration to the corporate environment for the Compensation and Pension, Vocational Rehabilitation and Employment, and Loan Guaranty Programs, reporting consistency is maintained through synchronization of the legacy and corporate data within the corporate database. Corporate reporting requirements are well defined, but additional requirements and modifications are continually under development. As business users identify new requirements, they are documented and tested to ensure reliability.

Reports are generated on regular schedules (daily, monthly, annually) to ensure consistency between reporting periods. Data are validated monthly by all five VBA business lines, and migrated into Monthly Operations Reports by OPA&I for use by VBA leadership as well as at the local level to make program and operational decisions.

Since 1999, NCA has consistently used a 75-mile standard for determining the percent of Veterans served by a burial option within a reasonable distance of their residence. NCA uses the most current VetPop model based on census data and developed by the VA Office of the Actuary to determine the distribution of living Veterans for this measure. The consistency of the methodology for calculating performance on this measure is verified in both the 2002 Future Burial Needs report and in the 2008 report entitled Evaluation of the VA Burial Benefits Program, prepared by an independent contractor as required by 38 U.S.C. 527.

The methodology for assessing customer satisfaction on NCA's annual national cemetery client satisfaction mail-out survey has remained consistent since its inception in 2001. 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.

The methodology for assessing customer satisfaction on NCA's memorial programs annual mail-out survey has remained consistent from its inception in 2010 to the 2011 survey. 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 the furnishing of a memorial before including a respondent in the sample population.

The data collection method, requirements, and process is specified in the survey contract. These meet industry standards for survey methodology. VA headquarters staff oversees the data collection process to verify that the

contractor complies with data collection procedures.

NCA's BOSS database was originally implemented in the early 1990's and continues to serve as VA's primary source for national cemetery workload data. BOSS data fields and input instructions are well documented in BOSS User Guides. Monthly, semi-annual, and annual reports generated from BOSS are automated and generated on regular time schedules to ensure data consistency between reporting periods.

Veterans Benefits Administration
Quality Assurance Program (Millennium Act)

VBA maintains a national 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) (STAR Accuracy Reviews)	31,488	40
Education	1,954	4
Vocational Rehabilitation and Employment	6,394	14
Loan Guaranty (Housing)	19,177	10
Insurance	11,040	4

VBA administers a multi-faceted quality assurance program in an effort to ensure compensation and pension benefits are provided in a timely, accurate, and consistent manner. This comprehensive program includes four tiers. The first tier consists of the established accuracy measures of the quality products within the compensation and pension (C&P) benefits processing arena. The Systematic Technical Accuracy Review (STAR) program measures accuracy of claims processing decisions made in all regional offices. Monthly quality reviews of VHA examination requests and reports accuracy are conducted in collaboration with the Disability Evaluation Management Office (DEMO) - formerly Compensation and Pension Examination Program (CPEP) Office.

The second tier of the C&P quality assurance program consists of regional office compliance oversight visits conducted by central office site survey teams. In addition to these regional office visits, the Office of Field Operations also performs regular oversight reviews.

The third tier of the national quality assurance program consists of special ad-hoc reviews. The quality assurance staff completes special focused reviews as needed in support of the agency mission and needs. These reviews are conducted for a specified purpose and can be either one-time or recurring in nature. The fourth tier of the national quality assurance program focuses on rating consistency. Data analysis of recently completed rating decisions across all regional offices, identifies the disabilities by diagnostic code rated most often, and plots both the grant/denial rate and evaluation mode assigned across all regional offices. Further review is conducted on identified statistical outliers to determine root causes of inconsistency**.**

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

STAR accuracy reports are based on the month that a case was completed, not when reviewed. Cases are submitted for review no later than the end of the following month.

The STAR system includes review of work in three areas: claims that usually require a rating decision (also identified as entitlement reviews), authorization work (claims that generally do not require a rating decision, also identified as maintenance reviews), and fiduciary work.

Reviews of rating-related decisions and authorization-related actions 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. Accuracy performance measures are calculated based on the results of the benefit entitlement review.
- The decision documentation/notification review ensures adequate and correct decision documentation and proper decision notification.

Results for C&P rating and Pension Management Center reviews for the 12-month period ending August 31, 2011, are as follows:

	Compensation Entitlement (Rating) Reviews		Compensation Maintenance (Authorization) Reviews		Pension Management Center Entitlement (Rating) Reviews		Pension Management Center Maintenance (Authorization) Reviews	
	Reviewed	Accuracy	Reviewed	Accuracy	Reviewed	Accuracy	Reviewed	Accuracy
Benefit Entitlement	14,044	84%	13,512	97%	759	96%	755	98%
Decision Documentation & Notification	14,044	84%	13,328	94%	759	96%	755	95%

The fiduciary work review focuses on the appointment of fiduciaries, the content of field examinations, and the accountings submitted by fiduciaries. The fiduciary review in 2011 was based on 3,669 cases with an accuracy rate of 88 percent. Most of the errors were found in the area of "fiduciary accountability." "Fiduciary accountability" 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

Training remains a priority and is conducted using a variety of mediums including monthly national Quality Calls, training letters, and computer-assisted training. C&P Training and STAR staffs collaborate on training based on error trend analysis. STAR continues to conduct a date-of-claim accuracy review on all compensation and pension cases selected for

quality assessment. The rating sample includes a review of brokered work completed by the Resource Centers and the Tiger Team. Since 2010, the sample size for both compensation and pension entitlement decisions is sufficient to allow measurement at 95 percent confidence with a 5 percent margin of error. Ongoing reviews of Disability Evaluation System cases and Appeal Management Center cases continue to be part of the monthly compensation quality sample.

In order to assure accuracy of STAR finding, a second level peer review of all comments is conducted. The second level review includes all cases in which a date-of-claim error is cited.

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.

The fiduciary quality assurance program transitioned to the Nashville Quality Assurance office in January 2011. Common STAR error findings are used for discussion and training during scheduled site visits and as agenda items for monthly fiduciary program teleconference calls.

VBA continues to work closely with VHA to improve C&P examination reports. VBA and VHA established an executive level group to identify significant improvements to disability examination processes. This group is working to establish a new way forward for the C&P process, one that collaboratively addresses the need for substantive improvements in the way VBA and VHA support Veterans' claims for disability compensation and pension. The scope of the group's activity was to focus on near-term and longer-term improvements, including the development and implementation of Disability Benefits Questionnaires (DBQs).

P.L. 110-389, Section 224 requires VA to contract with a 3rd party entity to conduct a 3-year assessment of the quality assurance program, evaluate a sample of employees' work, measure performance of VA regional offices and accuracy of rating, assess employees' and managers' performances, and produce data to help identify trends. This assessment has been completed and the final report is due to Congress on October 10, 2011.

Summary of Findings and Trends - Education

Education Service reviewed 1,954 cases in 2011. From 2010 to 2011, payment accuracy has increased from 96.6 percent to 98.2 percent. Errors in determining training time (part or full time) were 32 percent of all payment errors. Failure to process an enrollment document in the file accounted for 11 percent of the errors. Determining the correct date for reduction or termination of payment accounted for 16 percent. These three main causes accounted for 59 percent of all payment errors for the FYTD in 2011. Training time errors, reduction or termination date errors, and interval pay errors, which constituted 61 percent of payment errors in 2010, were reduced to 59 percent in 2011. The remaining errors were from a wide variety of causes, with only a few instances of each.

This indicates that training is having an effect in reducing systematic error trends. The complexity of Education programs and legislative changes to the Post-9/11 GI Bill still result in errors.

Actions Taken to Improve Quality - Education

The 2011 quarterly quality results indentified error trends and causes. These then were used as topics for refresher training in regional processing offices. Annual appraisal and assistance visits to the regional processing offices, which were not conducted in 2009 due to activities associated with the implementation of the Post-9/11 GI Bill, were resumed in 2011.

In 2011, Education Service continued to update the materials available for standardized training for employees. In addition, a new processing system for the Post-9/11 GI Bill was launched in early 2010. This new system eliminated the manual eligibility and payment calculations that were necessary during the implementation

phase of the Post-9/11 GI Bill. As a result, there was a significant improvement in quality from 2010 to 2011. As legislative changes occur, Education Service pursues changes to electronic processing systems and develops and conducts training needed to implement changes.

Summary of Findings and Trends - Vocational Rehabilitation and Employment (VR&E)
VR&E completed quality assurance (QA) reviews 7,021 cases for 2011, including Independent Living and Maximum Rehabilitation Gain case reviews. The national QA reviews are conducted over a 12-month period, with each regional office reviewed during each of the eight monthly review sessions during the fiscal year.

Accuracy Elements	Target Score 2011	Actual Score 2011
Accuracy of Entitlement Determinations	96%	98%
Accuracy of Evaluation, Planning, and Rehabilitation Services	83%	82%
Accuracy of Fiscal Decisions	92%	91%
Accuracy of Outcome Decisions	97%	97%
Maximum Rehabilitation Gain Accuracy	90%	72%

In addition to review of cases from each regional office, the QA & Field Survey Team conducted site visits of 14 regional offices in 2011.

Actions Taken to Improve Quality - Vocational Rehabilitation and Employment

The VR&E accuracy scores met or exceeded the target scores for 2011 in two elements: Accuracy of Entitlement Determinations and Accuracy of Outcome Decisions. These scores are attributed to the following initiatives implemented over the last 3 years:

- 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 review results for national and local reviews are available on the VA Intranet Web site. This information enables regional offices to assess individual quality and to identify training needs.
- The QA Review Team currently works with the Training Team to provide trend data and develop training that clarifies administration of VR&E benefits.

Current initiatives to improve performance include the VR&E Business Process Redesign Project, development of the Electronic Performance Support System, development of a new QA Web site, implementation of policy clarifying service requirements, development of automated job aids, and extensive training for new and experienced counselors.

Summary of Findings and Trends - Loan Guaranty (Housing)

The Loan Guaranty housing program recently redesigned its quality review process and implemented this new process in 2011. As a result, first-level quality reviews that were previously performed onsite by Regional Loan Center staff are now the responsibility of Loan Guaranty Central Office. The redesigned quality review process provides an objective third-party review of the work being done by the Regional Loan Center staff and produces a more representative sample than previously attained. The Loan Guaranty Central Office staff reviewed 19,177 cases under its quality review process in 2011.

The housing quality assurance program includes elements beyond the review of cases. The VBA Lender Monitoring Unit performed 36 on-site audits and 11 in-house audits of lenders participating in VA's home loan program. VA audits of lenders during 2011 amounted to $2,289,471 in liability avoidance via indemnification agreements. VA has also collected $2,764,081 in 2011 as a result of having indemnification agreements in place.

The Portfolio Loan Oversight Unit (PLOU) conducts two types of reviews: in-house and on-site. PLOU reviewed 100 billing invoices and completed 4,824 associated invoice reviews of the portfolio services contractor, as well as 2,186 non-invoice reviews related to contract compliance. Additionally, PLOU conducted research and tracking on funds due the Department based on monies flowing through the Department of Justice to VA. These monies are from bankruptcy trustee funds and foreclosure proceedings that are collected by the Department of Justice as a result of handling foreclosures on behalf of VA. The amount traced and recovered for VA in 2011 is $2,681.

In 2011, the reviews by Loan Management/PLOU recovered excessive contractor charges in the amount of $1,100,000. PLOU also discovered approximately $34,714 of potentially recoverable amounts from VA-guaranteed loan lenders in connection with tax issues. Additionally, PLOU researched and provided

legal descriptions to the Bank of America tax unit on 1,342 Real Estate Owned properties.

Actions Taken to Improve Quality - Loan Guaranty (Housing)

The Loan Guaranty Service disseminates the results of its quality reviews to field offices on a monthly basis. The Service prepares and releases trend reports that identify negative trends and action items found during on-site visits. The reports are published to assist field personnel in identifying frequent problems facing loan guaranty management. Any negative findings not resolved during on-site visits are to be addressed by field management within 30 days as to the corrective actions taken or planned. Conversely, any procedures discovered during on-site visits that would benefit other field stations can be deemed as best practices. 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. For instance, lenders who significantly fail to comply with VA's loan underwriting policies are either required to enter into indemnification agreements with VA or immediately repay the agency for its losses.

The property management service provider is Bank of America (BAC), which is authorized to manage and sell all VA-acquired properties as a result of foreclosure or termination. The Property Management Oversight Unit (PMOU) monitors the management and marketing of the properties by BAC. These assets are valued at approximately $1.2 billion. The PMOU monitors BAC's performance by inspecting properties nationwide to ensure compliance with the contract requirements and performs on-site case reviews at BAC's operations center on a quarterly basis. The PMOU is also responsible for reviewing and certifying all payments made to BAC, including reimbursement of expenses for the management and sale of acquired properties. This requires quality assurance checks to ensure that BAC is entitled to the claimed reimbursement.

Summary of Findings and Trends - Insurance

The Insurance program's principal quality assurance tool is the Statistical Quality Control (SQC) review. SQC assesses the ongoing quality and timeliness of work products by reviewing a random sample of completed and pending work. Ten categories of work from the Policyholders Services and Claims divisions are reviewed.

Policyholders Services, whose work products deal with the maintenance of active insurance policies, had an overall accuracy of 94.3 percent for 2011. Work products included correspondence, applications, disbursements, record maintenance and refunds. The Policyholders Services Division also responds to telephone inquiries from Veterans and their beneficiaries. In 2011, the average speed of answer was 16 seconds. The percent of abandoned calls was 1.9 percent, and the percent of blocked calls was 0.2 percent. Insurance Claims Division is responsible for the payment of death and disability awards, the issuance of new life insurance policies, and the processing of beneficiary designations. The accuracy rate for Insurance Claims work products was 98.2 percent. Work products included death claims, awards maintenance, beneficiary designation changes, disability claims, and medical reinstatement applications. In total, the accuracy rate for all 2011 insurance work products was 96.3 percent.

The timeliness rate for Policyholders Services Division work products was 95.7 percent, and

98.1 percent for Insurance Claims work products. The overall timeliness rate for 2011 insurance work products was 97.8 percent.

The insurance quality assurance program also includes internal control reviews and individual employee performance reviews. The Internal Control staff reviews insurance operations for fraud through a variety of reports. Reports are generated daily and identify various insurance transactions based on specific criteria that indicate possible fraud. The Internal Control staff also reviews 100 percent of all employee-prepared disbursements. 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 99 percent accurate.

VA utilizes a client satisfaction survey instrument for the purpose of measuring satisfaction and to identify areas that need improvement. VA surveys 40 randomly selected Veterans and beneficiaries per month for each of 11 insurance end products. Veterans are asked to evaluate different aspects of service delivery on a five-point scale. Low ratings in a particular area indicate the need for process improvements or additional training.

Actions Taken to Improve Quality - Insurance

SQC 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. 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 produced 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. . VA's Insurance Program management also uses these data to identify training needs and opportunities for process improvements.

The survey contains a section titled, "What could we do better?" VA analyzes the responses to determine where process improvements can be made. VA makes an effort to implement customer suggestions where appropriate to increase the effectiveness and efficiency of operations and increase customer satisfaction.

The Internal Control Staff monitors, reviews, and approves insurance disbursements and certain other controlled transactions, as well as reviews post-audit reports. Work products with any detected errors are returned for correction.

The results of SQC, employee performance reviews, client satisfaction surveys, and Internal Control feedback are used to address any areas where improvement is needed via corrective training and other steps to improve error rates and timeliness percentages.

The Insurance Program has successfully implemented fifteen job aids and tools under the initiative called "Skills, Knowledge and Insurance Practices and Procedures Embedded in Systems." This program captures "best practices" and standardized procedures for processing various work items and makes them available on each employee's desktop. The job aids are an important tool in reducing error rates and improving timeliness.

Key Performance Measure Sorted by Integrated Strategy	Definition	Measure Validation	Data Source and Frequency
Strategy 1a **Prevention Index IV**	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. As prevention indicators become high performers, they are replaced with more challenging indicators. This Index is now in Phase IV.	The Prevention Index IV 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.	**Source**: 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. **Frequency**: Data are reported quarterly with a cumulative average determined annually.
Strategy 1a **Clinical Practice Guidelines Index III**	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. As clinical indicators become high performers, they are replaced with more challenging indicators. The Index is now in Phase III.	The CPGI III 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.	**Source**: 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. **Frequency**: Data are reported quarterly with a cumulative average determined annually.
Strategy 1a **National accuracy rate - compensation entitlement claims**	Processing accuracy for compensation claims that normally require a disability or death rating 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.	This measure assesses the quality of claims processing and assists VBA management in identifying improvement opportunities and training needs.	**Source**: Findings from Compensation and Pension (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 Performance Analysis and Integrity (PA&I) information storage database. **Frequency**: Case reviews are conducted daily. The review results are tabulated monthly on a 12-month rolling basis.
Strategy 1a **National accuracy rate - pension maintenance claims**	The claims processing accuracy for pension claims that normally do not require rating decisions (i.e., determinations and verifications of income as well as dependency and relationship matters). Review criteria include: correct decision, correct effective date, correct payment date when applicable and Veterans Claims Assistance Act (VCAA)-compliant development. 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.	This measure assesses the quality of claims processing and assists VBA management in identifying improvement opportunities and training needs.	**Source**: Findings from C&P Service STAR are entered in an Intranet database maintained by the Philadelphia LAN Integration Team and downloaded monthly to the PA&I information storage database. **Frequency**: Case reviews are conducted daily. The review results are tabulated monthly and annually.
Strategy 1a **Percent of Compensation and Pension pending inventory that is more than 125 days old**	The percentage of claims pending greater than 125 days is measured by the number of days pending for each compensation and pension claim requiring a rating decision. Includes the end products (EPs): 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 claims pending 125 days or greater by the total number of cases pending.	This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.	**Source**: VETSNET Operations Reports (VOR). **Frequency**: Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.

Data Verification/Quality			Data Limitations
Accuracy	Reliability/ Comparability	Consistency	
Data Verification/Quality Rating Scale:	5-Very High; 4-High; 3-Medium; 2-Low; 1-Very Low		
Data collection staff is skilled and trained in gathering statistically valid random samples of medical records for review. **Data Accuracy Rating:** 4	Data can be used to identify potentially disabling chronic diseases. VA can then provide education, disease management, and care access to limit the effects and improve the quality of life for the Veteran. **Data Reliability Rating: 4**	Collection standards are documented/available/used. **Data Consistency Rating:** 4	None
Data collection staff is skilled and trained in gathering statistically valid random samples of medical records for review. **Data Accuracy Rating:** 4	Data can be used to identify potentially disabling chronic diseases. VA can then provide education, disease management and care access to limit the effects and improve the quality of life for the Veteran. **Data Reliability Rating: 4**	Collection standards are documented/available/used. **Data Consistency Rating:** 4	None
Data accuracy is maintained through the following mechanisms: Data collection staff is skilled and trained in the proper procedures; data entry procedures are documented and followed; data are sampled against source data through quality reviews; and procedures for making changes to previously entered data are documented and followed. **Data Accuracy Rating:** 5	Data can be used to make decisions such as those regarding training needs; data can be compared between years to assess progress or program effectiveness; and supporting documentation is maintained and readily available. **Data Reliability Rating: 4**	Collection sampling standards are documented, available, and used; source data are well defined and documented; data reporting schedules are documented, distributed, and followed. **Data Consistency Rating:** 5	There is a slight chance of an erroneous entry by the end user.
Data accuracy is maintained because the data collection staff is skilled and trained in the proper procedures; data entry procedures are documented and followed; data entry staff is skilled in the procedures; data are sampled against source data through quality reviews; and procedures for making changes to previously entered data are documented and followed. **Data Accuracy Rating:** 5	Data can be used to make decisions regarding training needs; data can be compared between years to assess progress or program effectiveness; and supporting documentation is maintained and readily available. **Data Reliability:** 4	Collection sampling standards are documented, available, and used; source data are well defined and documented; data reporting schedules are documented, distributed, and followed. **Data Consistency Rating:** 5	There is a slight chance of an erroneous entry by the end user.
Data are captured electronically through an automated process; data are reviewed for anomalies; procedures for making changes to previously entered data are documented and followed. **Data Accuracy Rating:** 5	Data can be used to make decisions such as those regarding realignment of resources; data are released monthly; data can be compared between years to assess progress or program effectiveness; and supporting documentation is maintained and readily available. **Data Reliability Rating:** 5	Collection standards are documented and programmed electronically; source data are well defined and documented; and data are reported monthly. **Data Consistency Rating:** 5	None

Key Performance Measure Sorted by Integrated Strategy	Definition	Measure Verification	Data Source and Frequency
Strategy 1a **Average days to complete original and supplemental Education claims**	Elapsed time, in days, from receipt of a claim in the Department of Veterans Affairs 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.	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.	**Source**: Education claims processing timeliness is measured by using data captured automatically through VBA's Benefits Delivery Network (BDN). This information is reported through VBA's data warehouse using the Distribution of Operational Resources (DOOR) system. **Frequency**: Monthly
Strategy 1a **Default Resolution Rate**	This measure represents the joint efforts of VA and VA-guaranteed loan servicers in assisting borrowers with defaulted VA-guaranteed loans. The Default Resolution Rate is the percent of defaulted VA-guaranteed loans that are successfully resolved via a loss mitigation option.	The primary goal of Loan Guaranty Service is to assist Veterans in purchasing, retaining, and adapting homes in recognition of their service to the Nation. The Default Resolution Rate gauges VA's and Loan Servicers' ability to assist Veterans in maintaining home ownership during times of financial hardship.	**Source**: VA-guaranteed loan servicing data are extracted from the Veterans Affairs Loan Electronic Reporting Interface (VALERI) System. This system is used to monitor and oversee the servicing of VA-guaranteed loans. **Frequency**: Loan servicing data are collected on a monthly basis.
Strategy 1a **Percent of graves in national cemeteries marked within 60 days of interment**	The number of graves in national cemeteries for which a permanent 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.	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.	**Source**: Burial Operations Support System (BOSS); data input by field station staff. **Frequency**: Monthly
Strategy 1a **Percent of applications for headstones and markers that are processed within 20 days for the graves of Veterans who are not buried in national cemeteries**	This measures the timeliness of processing applications for headstones and markers -- using NCA's Automated Monument Application System -- for the graves of Veterans who are not buried in national cemeteries. This percentage represents the number of headstones and markers ordered within 20 days of receipt of the application divided by the number of applications for headstones and markers received.	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.	**Source**: Burial Operations Support System (BOSS); data input by field station staff. **Frequency**: Monthly
Strategy 1b **Percent of Veterans served by a burial option within a reasonable distance (75 miles) of their residence**	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.	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.	**Source**: For 2007, the number of Veterans and the number of Veterans served were extracted from the VetPop2004 version 1.0 model using 2000 census data. For 2008-2010 and projected data, the number of Veterans and the number of Veterans served were extracted from the VetPop2007 model using 2000 census data. **Frequency**: 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.

Data Verification/Quality			
Accuracy	**Reliability/ Comparability**	**Consistency**	**Data Limitations**
Data Verification/Quality Rating Scale:	5-Very High; 4-High; 3-Medium; 2-Low; 1-Very Low		
More than half of all claims are received electronically, and date of claim is automatically determined. Imaging clerks and authorization personnel are skilled and trained in determining date of claim for manual input. Procedures for date of claim input, completion, and change are documented and followed. Timeliness data are verified through sampling on a quarterly basis during Quality Assurance reviews. Timeliness error rates of 3 percent or more on Quality Assurance reviews result in corrective refresher training. No 3rd party evaluations are conducted. **Data Accuracy Rating: 5**	Timeliness data are received in a timely manner to facilitate program management decisions and for other critical reporting. It is maintained in easily accessible electronic storage covering more than a decade and can be extracted in both standard and ad hoc report formats. The stored data include both detail and summary information to ensure reliability for decision-making. **Data Reliability Rating: 5**	Timeliness data are collected according to long-established, well-documented, and consistently used standards. The definitions for source data are clear and documented, and are available and used. Data reporting schedules are documented, distributed, and followed. **Data Consistency Rating: 5**	The necessity for manual input of date of claim opens the possibility of data entry errors. While basic and refresher training can reduce this possibility, they cannot entirely eliminate it. Although quality reviews identify problems in this area, they are conducted after the fact, and individual errors cannot be detected in time to prevent their inclusion in overall data.
VA-guaranteed loan servicing personnel are skilled and trained in proper data reporting procedures, which ensures documented data reporting procedures are followed. VA Loan Administration staff are skilled and trained in loan servicing and proper data reporting procedures. Submitted loan servicing data are verified through sampling against loan data. The accuracy of loan servicing data is also established via VALERI's business rules process. Additionally, procedures for making changes to previously entered loan data are documented and followed. **Data Accuracy Rating: 5**	VA-guaranteed loan servicing data can be used to make program decisions and can be compared between years to assess progress or program effectiveness. VA-guaranteed loan servicing data are timely and can be used to make critical policy and program decisions. Supporting loan servicing documentation is maintained and readily available. **Data Reliability Rating: 5**	VA-guaranteed loan servicing data are well defined and documented. Definitions of loan servicing data elements are available and used. Collection standards and data reporting schedules for loan servicing data are documented, available, and used. **Data Consistency Rating: 5**	None
National cemetery employees are trained and skilled at entering data into NCA's BOSS system. Data are collected and verified by NCA Central Office employees who are skilled in data collection and analysis techniques. Data are verified by sampling against source interment data in BOSS. **Data Accuracy Rating: 5**	Data are used by NCA managers to identify and correct potential problems in the headstone and marker ordering, delivery, and setting process. Data are available at the beginning of each month and are available for use in GPRA reports and VA internal Monthly Performance Reviews. Data are comparable between years, enabling NCA and its stakeholders to assess program progress and effectiveness. **Data Reliability Rating: 5**	Data collection standards for his measure are automated at VA's Quantico Regional Processing Center (QRPC). Monthly reports are generated automatically by QRPC on the 25th day of each month. Source data are well defined in NCA's BOSS users guide. **Data Consistency Rating: 5**	None
National cemetery employees are trained and skilled at entering data into NCA's BOSS system. Data are collected and verified by NCA Central Office employees who are skilled and trained in data collection and analysis techniques. Data are verified by sampling against source interment data in BOSS. **Data Accuracy Rating: 5**	Data are used by NCA managers to identify and correct potential problems in the headstone and marker ordering, delivery, and setting process. Data are available at the beginning of each month and are available for use in GPRA reports and VA internal Monthly Performance Reviews. Data are comparable between years, enabling NCA and its stakeholders to assess program progress and effectiveness. **Data Reliability Rating: 5**	Data collection standards for this measure are automated at VA's Quantico Regional Processing Center (QRPC). Monthly reports are generated automatically by QRPC on the 25th day of each month. Source data are well defined in NCA's BOSS users guide. **Data Consistency Rating: 5**	None
NCA staff is trained and skilled in proper procedures for calculating the number of Veterans who live within the service area of cemeteries that provide a first interment burial option. Changes to this calculation methodology or other changes to the measure are documented and reported through VA's annual Performance and Accountability Report and VA Monthly Performance Reviews. Results of a VA Office of the Inspector General audit assessing the accuracy of data used for this measure affirmed the accuracy of calculations made by NCA personnel. **Data Accuracy Rating: 5**	Data on this measure are used to determine potential areas of need for future national cemeteries and to guide funding decisions for state Veterans cemetery grants. Data are timely, are used in VA Monthly Performance Reviews and annual GPRA reports, and enable VA stakeholders to assess VA's progress toward meeting the burial needs of Veterans on an annual basis. **Data Reliability Rating: 5**	Current data sources and collection standards are well defined. Data sources and collection standards have been documented by independent program studies conducted in 2002 and 2008. **Data Consistency Rating: 5**	Provides performance data at specific points in time while at the same time, Veteran demographics are constantly changing.

Key Performance Measure Sorted by Integrated Strategy	Definition	Measure Validation	Data Source and Frequency
Strategy 1c **Non-institutional, long-term care average daily census (ADC)**	The Average Daily Census (ADC) captures the Veteran days of care in Home and Community Based-Care Programs including Care Coordination/Home Telehealth Programs; Community Residential Care; Home-based Primary Care; Purchased Skilled Home Health Care; Adult Day Health Care (VA and Community); Homemaker/Home Health Aid Services; Home Hospice and Home Respite; and Medical Foster Homes.	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 who are appropriate for this level of care. The measure drives both expansion of the variety of services and expansion of geographic access.	**Source**: 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. **Frequency**: Quarterly
Strategy 1d **Percent of primary care appointments completed within 14 days of the desired date**	This measure tracks the time in days between the day on which the new patient primary care appointment is created and the date on which the appointment is actually completed, and the time in days between the desired date entered for an established patient appointment and the date on which the appointment is actually completed. The percent is calculated using the numerator, which is all appointments completed within 14 days of create date (new) and desired date (established) (i.e., includes both new and established patient experiences), and the denominator, which is all completed appointments in primary care clinics as posted in the scheduling software during the review period.	Provides a reliable measure of timeliness of access to care as well as responsiveness to the patient's stated needs.	**Source**: VistA scheduling software **Frequency**: Monthly
Strategy 1d **Percent of specialty care appointments completed within 14 days of the desired date**	This measure tracks the time in days between the day on which the new patient specialty care appointment is created and the date on which the appointment is actually completed, and the time in days between the desired date entered for an established patient appointment and the date on which the appointment is actually completed. The percent is calculated using the numerator, which is all appointments completed within 14 days of create date (new) and desired date (established) (i.e., includes both new and established patient experiences), and the denominator, which is all completed appointments in specialty care clinics as posted in the scheduling software during the review period.	Provides a reliable measure of timeliness of access to care as well as responsiveness to the patient's stated needs.	**Source**: VistA scheduling software **Frequency**: Monthly
Strategy 1d **Percent of new patient appointments completed within 14 days of the desired date**	This measure tracks the number of days between the appointment request date and the day the appointment was completed for new patients in primary care and specialty clinics. The percent is calculated by dividing all new patient appointments scheduled within 14 days of the desired date (the numerator) into all new appointments posted in the scheduling system (the denominator). Wait times associated with clinic appointment cancellations are included in this calculation (appointments cancelled by patients are not included).	Provides a reliable measure of timeliness of access to care as well as responsiveness to the patient's stated needs.	**Source**: VistA scheduling software **Frequency**: Monthly
Strategy 1e **Percent of respondents who rate the quality of service provided by the national cemeteries as excellent**	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.	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.	**Source**: 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. **Frequency**: Annually

Data Verification/Quality			Data Limitations
Accuracy	Reliability/ Comparability	Consistency	
Data Verification/Quality Rating Scale:	5-Very High; 4-High; 3-Medium; 2-Low; 1-Very Low		
Data are verified through sampling against source data. The data captured are verified against previously captured data to determine the percent increase of Veterans receiving home and Community-Based Care. **Data Accuracy Rating: 5**	Data can be used to project the need for services, evaluate existing services, and promote access to required services in Home and Community-Based Care. **Data Reliability Rating: 5**	Collection standards are documented/available/used. **Data Consistency Rating: 5**	None
Data collection staff is skilled and trained in proper procedures of the scheduling package. The scheduling package entry procedures are also documented and followed. Edits to previously entered data are documented and followed. **Data Accuracy Rating: 5**	VA uses the results of this measure to inform and drive quality improvement activities that promote shorter waiting times for primary care appointments by improving efficiencies and addressing missed opportunities. **Data Reliability Rating: 5**	Source data are well defined and documented; definitions are available and used. **Data Consistency Rating: 5**	None
Data collection staff is skilled and trained in proper procedures of the scheduling package. The scheduling package entry procedures are also documented and followed. Edits to previously entered data are documented and followed. **Data Accuracy Rating: 5**	VA uses the results of this measure to inform and drive quality improvement activities that promote shorter waiting times for specialty care appointments by improving efficiencies and addressing missed opportunities. **Data Reliability Rating: 5**	Source data are well defined and documented; definitions are available and used. **Data Consistency Rating: 5**	None
Data collection staff is skilled and trained in proper procedures of the scheduling package. The scheduling package entry procedures are also documented and followed. Edits to previously entered data are documented and followed. **Data Accuracy Rating: 5**	VA uses the results of this measure to inform and drive quality improvement activities that promote shorter waiting times for new patient appointments by improving efficiencies and addressing missed opportunities. **Data Reliability Rating: 5**	Source data are well defined and documented; definitions are available and used. **Data Consistency Rating: 5**	None
Data are collected by an independent contractor skilled in data collection and analytical techniques. Data are accurate at a 95 percent confidence interval at the national and MSN levels and for cemeteries having at least 400 interments per year. **Data Accuracy Rating: 5**	Data for this measure are used by VA management to inform budget formulation, for VA internal Monthly Performance Reviews and annual GPRA reports, and to enable stakeholders to assess VA's annual performance on providing quality service to Veterans and their families. **Data Reliability Rating: 5**	VA's current mail-out survey methodology has been in place since 2001. Data collection standards and reporting schedules are clearly defined and incorporated into a contract with the firm that conducts the survey. **Data Consistency Rating: 5**	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.

Key Performance Measure Sorted by Integrated Strategy	Definition	Measure Validation	Data Source and Frequency
Strategy 1e **Percent of respondents who rate national cemetery appearance as excellent**	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.	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.	**Source**: 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. **Frequency**: Annually
Strategy 2b **Progress towards development of one new treatment for post-traumatic stress disorder (PTSD)**	PTSD is an anxiety disorder that can develop after a person has been exposed to a terrifying event or ordeal in which physical harm occurred or was threatened, as in the example of combat. PTSD related to combat exposure is a major concern in the health of the Veteran population. The long-term goal of this research is to develop at least one new effective treatment for PTSD and publish the results by 2011.	The results from the clinical trials will be published in peer-reviewed scientific journals, providing an evidence base for clinical practice generally and for Clinical Practice Guidelines specifically.	**Source**: Data are obtained from (1) the written annual research progress reports, which are submitted electronically through the Office of Research and Development's ePROMISE system; (2) personal communications with the investigator in relation to this performance goal, which will be noted and filed; and (3) submission of an application for VA research funding by the Principal Investigator, which will include a summary of progress. **Frequency**: Annually
Strategy 2b **Percent of milestones completed leading to the use of genomic testing to inform the course of care (prevention, diagnosis, or treatment) of patients with mental illness (including PTSD, schizophrenia, and mood disorders)**	Improve the understanding of serious mental illness, including its causes, by using advanced laboratory and gene-based scientific methods. As medical science advances, there is a growing ability to use genetic information for better understanding how individual differences can affect and/or improve treatment outcomes. It is important to obtain and advance knowledge in the science, methodology, and application of personalized medicine to our Veterans. This performance measure will ensure that VA research helps place the VA health care system in a position for delivering state-of-the art health care in key diseases affecting the Veteran population.	The goal of the study is to obtain genetic material from blood samples for genome scanning to identify genetic variants that contribute to functional disability associated with bipolar illness and schizophrenia. In addition, the study will assess the relationship between the characteristics of functional disability and the genetics that influence the likelihood of succumbing to mental illness. As medical science advances, there is a growing ability to use genetic information for better understanding how individual differences can affect and/or improve treatment outcomes, as well as improve diagnosis resulting in prevention or early intervention. It is important to obtain and advance knowledge in the science, methodology, and application of genomics and personalized medicine to our Veterans. This performance measure will ensure that VA research helps place the VA health care system in a position for delivering state-of-the-art health care in a key disease area affecting the Veteran population, namely, serious mental illness.	**Data Source:** The enrollment data will be obtained from the Cooperative Studies Program Coordinating Center for the multi-site study**. **Frequency:** The data will be obtained quarterly.
Strategy 2b **Rehabilitation Rate (General)**	The rehabilitation rate calculation is as follows: (1) the number of disabled Veterans who successfully complete VA's Vocational Rehabilitation program and acquire and maintain suitable employment and Veterans with disabilities for whom employment is infeasible but who obtain independence in their daily living with assistance from the program divided by (2) the total number leaving the program—both those rehabilitated plus discontinued cases with a plan developed in one of three case statuses (Independent Living, Rehabilitation to Employability, or Employment Services) minus those individuals who benefited from but left the program under one of three conditions: the Veteran (a) reached "maximum rehabilitation gain" due to choosing to be employed in a job that is not suitable, (b) reached "maximum rehabilitation gain" due to being unemployed but employable and not seeking employment, or not employable for medical or psychological reasons, or (c) elected to discontinue his or her VR&E plan to pursue educational goals utilizing Post-9/11 GI Bill Benefits (Chapter 33).	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 represents the number of Veterans successfully reentering the workforce following completion of their VR&E program.	**Source**: VR&E management reports **Frequency**: Quality Assurance Reviews evaluate the accuracy and reliability of data and are conducted twice a month.

	Data Verification/Quality			Data Limitations
Accuracy	**Reliability/ Comparability**	**Consistency**		
Data Verification/Quality Rating Scale:	5-Very High; 4-High; 3-Medium; 2-Low; 1-Very Low			
Data are collected by an independent contractor skilled in data collection and analytical techniques. Data are accurate at a 95 percent confidence interval at the national and MSN levels and for cemeteries having at least 400 interments per year. **Data Accuracy Rating: 5**	Data for this measure are used by VA management to inform budget formulation, for VA internal Monthly Performance Reviews and annual GPRA reports, and to enable stakeholders to assess VA's annual performance on maintaining national cemeteries as national shrines. **Data Reliability Rating: 5**	VA's current mail-out survey methodology has been in place since 2001. Data collection standards and reporting schedules are clearly defined and incorporated into a contract with the firm that conducts the survey. **Data Consistency Rating: 5**		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.
Research scientists are skilled and trained in anxiety disorder and the data verification needed to provide accurate data. **Data Accuracy Rating: 5**	Results data derived from this measure are rapidly translated into clinical practice. The findings are published and discussed to help meet the needs of Veterans and others suffering from PTSD. **Data Reliability Rating: 5**	Collection standards are documented/available/used. Source data are well defined and documented; definitions are available and used. **Data Consistency Rating: 5**		None
Since the performance measure involves enrollment of subjects in a clinical study, human subjects research protections procedures must be followed. This requires that data entry procedures are documented and followed.	* Data can be used to make program decisions. * Supporting documentation is maintained and readily available. **Data Reliability Rating: 5**	The procedures are defined in the protocol and informed consent documents approved by the Institutional Review Board (IRB). Any deviations must be reported to the IRB. **Data Consistency Rating: 5**		None
Data Accuracy Rating: 5	Data are collected and compiled on a monthly basis. Data collected are used by VR&E Management, VBA Management, and Regional Offices to measure the program's success and to identify areas of concern and progress. Data can be compared between years to assess progress or program effectiveness. **Data Reliability Rating: 4**	The source data are well defined and documented - definitions are available and used. Data collection and distribution on a monthly basis are consistent and documented. **Data Consistency Rating: 4**		There is a slight chance of an erroneous entry by the end user.

Key Performance Measure Sorted by Integrated Strategy	Definition	Measure Validation	Data Source and Frequency
Strategy 2d **Rate of high client satisfaction ratings on services delivered (Insurance)**	This measure represents the percent of insurance clients who rate different aspects of insurance services in the highest two categories, based on a 5-point scale, using data from the insurance customer survey.	VA's insurance program uses the results of the surveys to identify opportunities for improvement in order to maintain high levels of client satisfaction by providing quality service and implementing and administering insurance programs that meet the needs of Veterans and their beneficiaries.	**Source:** Insurance sends client satisfaction surveys to 40 randomly selected Veterans and beneficiaries for each of 11 end products. **Frequency:** Monthly
Strategy 3d **Percent of patients rating VA health care as 9 or 10 (on a scale from 0 to 10): Inpatient and Outpatient**	Data are gathered for these measures via a VA survey that is applied to a representative sample of inpatients and a sample of outpatients. The denominator is the total number of patients sampled who answered the question, "Overall, how would you rate your quality of care?" The numerator is the number of patients who rated their care as 9 or 10 (on a scale from 0 to 10).	Satisfaction surveys are the most effective way to determine patient expectations and provide a focused critique on areas for improvement.	**Source:** Survey of Health Experiences of Patients **Frequency:** Surveys are conducted as follows: Inpatient - Semi-annually Outpatient - Quarterly

	Data Verification/Quality			Data Limitations
Accuracy	Reliability/ Comparability	Consistency		Data Limitations
Data Verification/Quality Rating Scale:	**5-Very High; 4-High; 3-Medium; 2-Low; 1-Very Low**			
Insurance Service reviews and tabulates survey responses and independently validates the results of the tabulated responses by re-entering randomly selected monthly responses in order to determine if similar results are calculated. **Data Accuracy Rating: 5**	Data collected are used to measure client satisfaction. VBA Insurance managers use the results of this measure to inform and drive quality improvement. **Data Reliability Rating: 5**	Data are collected on an on-going basis throughout the month for recording and verification. Data results are reported once per month. **Data Consistency Rating: 5**		The necessity for manual input of survey data opens the possibility of data entry errors. Re-entering the data a second time helps to identify possible data entry errors.
The data collection process is documented and followed when surveys are received. **Data Accuracy Rating: 5**	Data collected are used by VHA to measure patient satisfaction. The results are used to inform and drive quality improvement. **Data Reliability Rating: 5**	Collection standards are documented, available, and used. **Data Consistency Rating: 5**		None

Performance Measures Tables

By Organization and Program

The following table displays our key and supporting measures by organization and program.

For each measure, we show available trend data for 5 years. **This report highlights the actual 2011 result as compared to the 2011 target designated as follows:**

- **Green or G**: Target was met or exceeded.

- **Yellow or Y**: Target was not met, but the deviation was not significant or material.

- **Red or R**: Target was not met, but the deviation <u>was</u> significant or material.

For measures coded "red," 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 Shortfall Analysis tables beginning on page I-87 for this information.

For those measures where 2011 results are partial or estimated, we will publish final data in the 2013 Congressional Budget and/or the 2012 Performance and Accountability Report.

The table showing measures by organization and program includes the total amount of resources (FTE and obligations) for each 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 integrated objectives, integrated strategies, and performance targets.

VA continues working to ensure the quality and integrity of our data. The Key Measures Data Table starting on page II-108 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 II-95 provides an overall view of how our programs verify and validate data for all of the measures. Definitions for the supporting measures are located in Part IV.

Organization/Program/Measure (Key Measures in Bold)	Results History				2011		Strategic Targets
	2007	2008	2009	2010	Results	Targets	
Veterans Health Administration							
Medical Care Programs							
Resources							
FTE	207,615	219,535	238,927	245,263	254,835		
Total Program Costs ($ in millions)	$36,433	$42,531	$44,537	$51,705	$52,822		
Performance Measures							
Prevention Index IV (The 2007-2008 results are PI III. The 2009-2011 numbers are PI IV.)	88%	88%	89%	91%	92% Y	93%	94%
Clinical Practice Guidelines Index III (The 2007-2008 results are CPGI II. The 2009-2011 numbers are CPGI III.)	83%	84%	91%	92%	91% Y	92%	93%
Non-institutional, long-term care average daily census (ADC) (Through July)	41,022	54,053	72,315	85,940	* 93,736 Y	109,256	154,152
Percent of primary care appointments completed within 14 days of the desired date (New)	N/Av	N/Av	N/Av	93%	94% G	93%	95%
Percent of specialty care appointments completed within 14 days of the desired date (New)	N/Av	N/Av	N/Av	93%	95% G	93%	96%
Percent of new patient appointments completed within 14 days of the desired date (New)	N/Av	N/Av	N/Av	84%	89% G	85%	88%
Percent of patients rating VA health care as 9 or 10 (on a scale from 0 to 10) (VHA has moved to a nationally standardized tool, a family of surveys known as Consumer Assessment of Health Care Plans and Systems (CAHPS). 2009 was a re-baseline year to determine both annual and strategic targets. The 2009 results are not comparable with prior years and cannot be compared to 2010 due to additional changes to the survey instrument and administration protocol that were implemented in 2010.)							
Inpatient	78%	79%	63% (Baseline)	64%	64% Y	65%	75%
Outpatient	78%	78%	57% (Baseline)	55%	55% Y	57%	70%

*These are partial or estimated data; final data will be published in the 2013 Congressional Budget and/or the 2012 Performance and Accountability Report

Organization/Program/Measure (Key Measures in Bold)	Results History				2011		Strategic Targets
	2007	2008	2009	2010	Results	Targets	
Percent of VA Hospitals whose unplanned readmissions rates are less than or equal to other hospitals in their community (Through August)	N/Av	N/Av	N/Av	N/Av	* 98% G	80%	100%
Number of Health Care Associated Complications (HAC) (1) Data for this measure are currently not available. The Office of Analytics and Business Intelligence is committed to developing, testing, and validating a composite HAC rate in keeping with the goals of the Partnership for Patients.	N/Av	N/Av	N/Av	N/Av	(1) N/Av	18	<12
Percent of Veterans who successfully obtain resident status as a result of vouchers distributed through the U.S. Department of Housing and Urban Development and Veterans Affairs Supportive Housing (HUD-VASH) program **(Supports Priority Goal)** **(Through July)**	N/Av	N/Av	N/Av	88%	* 93% G	80%	90%
Number of Homeless Veterans on any given night **(Supports Priority Goal)** (Joint VHA-OPIA measure) The 2007 and 2008 numbers are based on Community Homelessness Assessment, Local Education and Networking Groups (CHALENG) data. The numbers for 2009 and subsequent years are based upon the Annual Homeless Assessment Report (AHAR). (2011 data will be available in March 2012.) (1) Corrected	154,000	131,000	(1) 75,609	76,329	TBD	80,000	0
Percent of Eligible Patient Evaluations Documented within 14 days of New MH Patient Index Encounter **(Supports Priority Goal)**	N/Av	N/Av	96%	96%	95% Y	96%	96%
Percent of eligible patients screened at required intervals for PTSD **(Supports Priority Goal)**	80%	84%	96%	98%	99% G	97%	97%
Percent of eligible patients screened at required intervals for alcohol misuse **(Supports Priority Goal)**	N/Av	N/Av	N/Av	97%	97% G	97%	98%
Percent of eligible patients screened at required intervals for depression **(Supports Priority Goal)**	N/Av	N/Av	N/Av	97%	97% G	96%	98%

* These are partial or estimated data; final data will be published in the 2013 Congressional Budget and/or the 2012 Performance and Accountability Report.

Organization/Program/Measure (Key Measures in Bold)	Results History				2011		Strategic Targets
	2007	2008	2009	2010	Results	Targets	
Percent of OEF/OIF Veterans with a primary diagnosis of PTSD who receive a minimum of 8 psychotherapy sessions within a 14-week period **(Supports Priority Goal)**	N/Av	N/Av	N/Av	11%	15% G	15%	60%
Percent of eligible OEF/OIF PTSD patients evaluated at required intervals for level of symptoms **(Supports Priority Goal)**	N/Av	N/Av	N/Av	5%	TBD	10%	80%
Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities (Through July)	74%	76%	79%	74%	* 75% G	75%	91%
Percent of clinic "no shows" and "after appointment cancellations" for OEF/OIF Veterans (Through August)	N/Av	N/Av	N/Av	13%	* 22% R	15%	10%
Percent increase in number of enrolled Veterans participating in telehealth (This focus is on Office of Telehealth Services, Telehome Health, and Store and Forward Telehealth services only.)	N/Av	N/Av	N/Av	N/Av	TBD	30%	75%
Percent of VHA clinical healthcare professionals who have had VA training prior to employment	N/Av	N/Av	27% (Baseline)	29%	29% G	20%	30%
Obligations per unique patient user (VHA) (Through August) (2007 results are expressed in constant dollars based on the Bureau of Labor Statistics Consumer Price Index (CPI). The OMB CPI for all Urban Consumers (CPI-U) was used for the 2008-2011 numbers.)	$5,740	$5,891	$6,317	$6,551	* $6,454 G	$6,757	TBD
Gross Days Revenue Outstanding (GDRO) for 3rd party collections (VHA) (Through August)	59	56	55	45	* 48 G	48	37

* These are partial or estimated data; final data will be published in the 2013 Congressional Budget and/or the 2012 Performance and Accountability Report.

Organization/Program/Measure (Key Measures in Bold)	Results History				2011		Strategic Targets
	2007	2008	2009	2010	Results	Targets	
Total amount expended for health care services rendered to VA beneficiaries at a DOD facility ($ Millions) **(New)**	N/Av	N/Av	N/Av	N/Av	$84.0M G	$79M	$92M
Amount billed for health care services provided to DoD beneficiaries at VA facilities ($ Millions) **(New)**	N/Av	N/Av	N/Av	N/Av	$183.2M G	$108M	$125M
Dollar value of 1st party and 3rd party collections (VHA):							
1st Party ($ in millions)	$915	$922	$892	$870	$911 G	$863	$956
3rd Party ($ in millions)	$1,261	$1,497	$1,843	$1,904	$1,800 Y	$1,954	$2,475
Percent of NonVA claims paid in 30 days (VHA) **(New)**	N/Av	N/Av	N/Av	N/Av	77%	Baseline	98%
Percent of Veterans who report "yes" to the Shared Decision-making questions in the Inpatient Surveys of the Health Experiences of Patients (SHEP) (2011 was a baseline year after measure validation was completed in 2010.)	N/Av	N/Av	N/Av	71%	72% G	68% (Baseline)	75%
Medical Research							
Resources							
FTE	3,175	3,142	3,226	3,352	3,523		
Total Program Costs ($ in millions)	$867	$981	$967	$476	$580		
Performance Measures							
Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) (One milestone to be achieved over 1 year) (Measure being dropped after 2011)	67%	80%	80%	80%	100% G	100%	100%
Percent of milestones completed leading to the use of genomic testing to inform the course of care (prevention, diagnosis, or treatment) of patients with mental illness (including PTSD, schizophrenia, and mood disorders)	N/Av	N/Av	N/Av	25%	35% G	35%	100%
Percent of milestones completed towards development of one new objective method to diagnose mild Traumatic Brain Injury (TBI)	N/Av	N/Av	N/Av	N/Av	22% Y	33%	100%
Progress toward researching, developing, and implementing innovations in clinical practice that ensure improved access to health care for Veterans, especially in rural areas	N/Av	N/Av	N/Av	N/Av	42% G	42%	100%

Organization/Program/Measure (Key Measures in Bold)	Results History				2011		Strategic Targets
	2007	**2008**	**2009**	**2010**	**Results**	**Targets**	
Veterans Benefits Administration							
Compensation							
Resources							
FTE	8,410	9,943	12,049	12,871	14,064		
Total Program Costs ($ in millions)	$35,306	$37,589	$41,659	$45,440	$54,547		
Performance Measures							
National accuracy rate - compensation entitlement claims (Supports Priority Goal)	88%	86%	84%	84%	84% R	90%	98%
Compensation maintenance claims - average days to complete	N/Av	N/Av	N/Av	99	94 R	89	60
Compensation entitlement claims - average days to complete (1) Corrected	N/Av	N/Av	N/Av	(1) 169	197 R	158	90
Burial claims processed - average days to complete (Compensation)	91	84	78	76	113 R	70	21
National accuracy rate (Compensation maintenance claims)	92%	95%	95%	96%	97% G	96%	98%
National accuracy rate - burial claims processed (Compensation)	95%	96%	93%	96%	97% Y	98%	98%
Overall satisfaction rate (%) (Compensation) (1) Data for the Voice of the Veteran client satisfaction survey package will start being collected in 2012. Thus, the baseline year has been changed to 2012.	N/Av	N/Av	N/Av	(1) N/Av	N/Av	N/Av	TBD
Pension							
Resources							
FTE	1,515	1,461	1,157	2,238	1,491		
Total Program Costs ($ in millions)	$3,823	$4,020	$4,259	$4,502	$4,773		
Performance Measures							
National accuracy rate - pension maintenance claims	91%	93%	95%	96%	97% G	95%	98%
National accuracy rate - pension entitlement claims	91%	87%	95%	96%	98% G	96%	98%
Overall satisfaction rate (%) (Pension) (1) Data for the Voice of the Veteran client satisfaction survey package will start being collected in 2012. Thus, the baseline year has been changed to 2012.	N/Av	N/Av	N/Av	(1) N/Av	N/Av	N/Av	TBD

Organization/Program/Measure (Key Measures in Bold)	Results History				2011		Strategic Targets
	2007	2008	2009	2010	Results	Targets	
Combined Compensation and Pension Measures							
Percent of Compensation and Pension pending inventory that is more than 125 days old (Supports Priority Goal) (New)	N/Av	N/Av	N/Av	36%	60% G	60%	0%
Compensation and Pension National accuracy rate - fiduciary work	84%	81%	82%	85%	88% Y	90%	98%
Appeals resolution time (From NOD to Final Decision) (Average Number of Days) (Joint BVA-VBA Compensation and Pension measure)	660	645	709	656	747 Y	695	675
Percent of claims where a portion of the required forms were filed electronically **(Supports Priority Goal)** **This measure applies to any on-line benefit application. However, it is displayed under compensation and pension since the number of compensation and pension claims filed will have the most impact on this measure's result and target. VONAPP Direct Connect, a Web-based program for Veterans to file claims electronically, is being developed. The first pilot is scheduled for December 2011 with Nationwide deployment expected in 2013. Therefore, the baseline year has been changed to 2013.	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	TBD
Percent of separating servicemembers that are provided with VA and DOD benefit information within 6 months of the expiration of their term of service (ETS) through the eBenefits portal (See ** above)	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	TBD
National Call Center Successful Call Rate **(New) (Supports Priority Goal)** This measure applies to all VBA business lines but is placed within the C&P performance plan because most of the calls are C&P related. The baseline year has been changed to 2012 because a full year of new technology and appropriate staffing will be in place at the call centers in 2012.	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	TBD

Organization/Program/Measure (Key Measures in Bold)	Results History				2011		Strategic Targets
	2007	2008	2009	2010	Results	Targets	
Percent of IDES participants who will be awarded benefits within 30 days of discharge The baseline year has been changed to 2012 pending the full deployment of the Integrated Disability Evaluation System (IDES) in 2012.	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	TBD

The indicators below are the component end-products for average days to complete disability rating claims. We do not establish separate performance goals for these indicators.

	2007	2008	2009	2010	2011	Claims Completed in 2011	
Average days to complete C&P disability rating claims	183	179	161	166	188	1,032,334	
Initial disability compensation	208	198	179	183	219	215,119	
Initial death compensation/DIC	132	121	109	149	145	31,776	
Reopened compensation	196	195	173	170	214	464,259	
Initial disability pension	118	113	92	112	99	49,343	
Reopened pension	123	120	113	146	123	61,440	
Reviews, future exams	82	74	97	112	132	28,954	
Reviews, hospital	56	52	65	68	87	8,067	
Agent Orange Claims	N/A	N/A	N/A	N/A	144	173,376	

Education							
Resources							
FTE	958	1,002	1,410	1,961	1,967		
Total Program Costs ($ in millions)	$3,080	$3,097	$3,693	$8,444	$11,452		
Average days to complete original Education claims (Supports Priority Goal)	32	19	26	39	24 Y	23	10
Average days to complete supplemental Education claims (Supports Priority Goal)	13	9	13	16	12 G	12	7
Percent of claims processed through the automated claims processing system (Education)	N/Av	N/Av	N/Av	N/Av	TBD	Baseline	TBD
Percent of Montgomery GI Bill or Post 9/11 GI Bill participants who successfully completed an education or training program	N/Av	N/Av	N/Av	N/Av	TBD	Baseline	TBD

Organization/Program/Measure (Key Measures in Bold)	Results History				2011		Strategic Targets
	2007	2008	2009	2010	Results	Targets	
Montgomery GI Bill usage rate (%) for Veterans who have passed their 10-year eligibility period (Measure being dropped after 2011.)	70%	70%	70%	71%	TBD	71%	80%
Education Claims Completed Per FTE	N/Av	N/Av	N/Av	N/Av	TBD	Baseline	TBD
Payment accuracy rate **(Supports Priority Goal)** (Education) (1) Corrected	95%	96%	96%	(1) 95%	98% G	95%	97%
Education Call Center - Abandoned call rate	14%	5%	11%	17%	20% R	10%	5%
Percent of beneficiaries very satisfied or somewhat satisfied with the way VA handled their education claim (1) Data for the Voice of the Veteran client satisfaction survey package will start being collected in 2012. Thus, the baseline year has been changed to 2012.	N/Av	N/Av	N/Av	(1) N/Av	N/Av	N/Av	TBD
Percent of beneficiaries that believe their VA educational assistance has been either very helpful or helpful in the attainment of their educational or vocational goal (See (1) above)	N/Av	N/Av	N/Av	(1) N/Av	N/Av	N/Av	TBD
Vocational Rehabilitation and Employment							
Resources							
FTE	1,187	1,283	1,276	1,301	1,284		
Total Program Costs ($ in millions)	$771	$775	$827	$960	$1,034		
Performance Measures							
Rehabilitation Rate (General)	73%	76%	74%	76%	77% G	77%	80%
Serious Employment Handicap (SEH) Rehabilitation Rate (1) Corrected	73%	76%	74%	(1) 76%	77% G	77%	80%
Employment Rehabilitation Rate	N/Av	N/Av	Baseline	73%	74% Y	75%	80%
Independent Living Rehabilitation Rate	N/Av	N/Av	Baseline	93%	95% G	92%	95%

Organization/Program/Measure (Key Measures in Bold)	Results History				2011		Strategic Targets
	2007	2008	2009	2010	Results	Targets	
Speed of Entitlement Decisions in average days (VR&E)	54	48	51	49	44 G	45	40
Accuracy Rate of Decisions (Services) (VR&E)	77%	82%	80%	81%	82% Y	85%	96%
Accuracy rate of Vocational Rehabilitation Program Completion Decisions	93%	96%	96%	97%	97% G	97%	99%
Average cost of professional counseling services for participants (using constant 2009 dollars) (VR&E) (1) A strategic target has not been established for this measure because it is for transparency and not benchmarking purposes.	N/Av	N/Av	$810	$825	N/Av	$862	(1) N/Ap
Veterans' satisfaction with the Vocational Rehabilitation and Employment Program (1) Data for the Voice of the Veteran client satisfaction survey package will start being collected in 2012. Thus, the baseline year has been changed to 2012.	N/Av	N/Av	N/Av	(1) N/Av	N/Av	N/Av	TBD
Housing							
Resources							
FTE	983	911	883	875	834		
Total Program Costs ($ in millions)	$240	$978 (a)	$480	$962	$1,541		

(a) Includes positive subsidy, administrative expenses, and upward reestimates, which are required to comply with Credit Reform Act guidelines.

Performance Measures							
Default Resolution Rate (1) Corrected	N/Av	N/Av	(1) 71.5%	76.3%	83% G	73.0%	75.0%
Program Review Accuracy Rate (Housing) **(New)**	N/Av	N/Av	N/Av	N/Av	Baseline	Baseline	TBD
Rate of homeownership for Veterans compared to that of the general population (2011 Estimate) (1) Corrected	N/Av	115.2%	(1) 117.2%	117.2%	* 118% G	118.0%	119.0%
Default Resolution Efficiency Ratio (Through August) (1) Corrected	N/Av	N/Av	(1) 32.0:1	55.7:1	* 68.3:1 G	36.0:1	38.0:1
Success Rate of Automated Certificate of Eligibility (ACE) System (Housing)	N/Av	N/Av	N/Av	Baseline	55% Y	62.0%	75.0%

Organization/Program/Measure (Key Measures in Bold)	Results History				2011		Strategic Targets
	2007	2008	2009	2010	Results	Targets	
Lender Satisfaction with VA Loan Guaranty Program (1) The Lender Satisfaction Survey was not conducted in 2010 or 2011. It was determined that response rates were not sufficiently high to warrant another annual survey in 2010. LGY plans to conduct the survey again in 2012, and then biennially after that.	92.0%	N/Av	95.0%	(1) N/Av	(1) N/Av	94.5%	97.0%
Veterans' Satisfaction Level with the VA Loan Guaranty Program (1) Data for the Voice of the Veteran client satisfaction survey package will start being collected in 2012. Thus, the baseline year has been changed to 2012.	N/Av	N/Av	N/Av	(1) N/Av	N/Av	N/Av	TBD
Insurance							
Resources							
FTE	451	365	348	359	352		
Total Program Costs ($ in millions)	$3,192	$3,157	$2,927	$2,890	$2,805		
Performance Measures							
Rate of high client satisfaction ratings on services delivered (Insurance)	96%	95%	96%	95%	95% G	95%	95%
Number of disbursements (death claims, loans, and cash surrenders) per FTE (Insurance)	1,724	1,756	1,755	1,714	1,808 G	1,750	1,750
Conversion rate of disabled SGLI members to VGLI (Insurance)	40%	45%	32%	37%	55% G	39%	50%

Organization/Program/Measure (Key Measures in Bold)	Results History				2011		Strategic Targets
	2007	2008	2009	2010	Results	Targets	
National Cemetery Administration							
Burial Program							
Resources							
FTE	1,541	1,512	1,622	1,670	1,676		
Total Program Costs ($ in millions)	$465	$598	$640	$345	$259		
Performance Measures							
Percent of applications for headstones and markers that are processed within 20 days for the graves of Veterans who are not buried in national cemeteries (Supports Priority Goal)	38%	95%	93%	74%	93% G	90%	90%
Percent of graves in national cemeteries marked within 60 days of interment	94%	93%	95%	94%	93% Y	95%	95%
Percent of Veterans served by a burial option within a reasonable distance (75 miles) of their residence	83.4%	84.2%	87.4%	88.1%	89.0% G	89.0%	94.0%
Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	94%	94%	95%	95%	95% Y	97%	100%
Percent of respondents who rate national cemetery appearance as excellent	97%	98%	98%	98%	98% Y	99%	100%
Percent of respondents who would recommend the national cemetery to Veteran families during their time of need	98%	98%	98%	98%	98% Y	99%	100%
Percent of gravesites that have grades that are level and blend with adjacent grade levels	83%	86%	90%	89%	91% G	89%	95%
Percent of headstones and markers that are delivered undamaged and correctly inscribed	96%	96%	96%	96%	95% Y	98%	98%
Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations	75%	84%	82%	85%	82% Y	90%	95%
Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment	69%	65%	64%	67%	70% Y	73%	90%

Organization/Program/Measure (Key Measures in Bold)	Results History				2011		Strategic Targets
	2007	2008	2009	2010	Results	Targets	
Percent of national cemetery buildings and structures that are assessed as "acceptable" according to annual Facility Condition Assessments	N/Av	N/Av	84%	84%	74% R	87%	90%
Percent of funeral directors who respond that national cemeteries confirm the scheduling of the committal service within 2 hours **(Supports Priority Goal)**	72%	72%	73%	77%	81% G	80%	93%
Percent of Presidential Memorial Certificate applications that are processed within 20 days of receipt **(Supports Priority Goal)**	N/Av	N/Av	N/Av	17%	91% G	70%	90%
Percent of headstone and marker applications from private cemeteries and funeral homes received electronically via fax or Internet **(Supports Priority Goal)**	N/Av	46%	52%	56%	61% G	60%	75%
Percent of respondents who agree or strongly agree that the quality of the headstone or marker received from VA was excellent	N/Av	N/Av	N/Av	94%	95% G	94%	100%
Percent of respondents who agree or strongly agree that the quality of the Presidential Memorial Certificate received from VA was excellent	N/Av	N/Av	N/Av	96%	94% Y	96%	100%

Board of Veterans' Appeals

Resources							
FTE	444	469	525	549	535		
Administrative costs only ($ in millions)	$54	$60	$69	$75	$77		

Performance Measures

Appeals resolution time (From NOD to Final Decision) (Average Number of Days) (Joint BVA-VBA Compensation and Pension measure)	660	645	709	656	747 Y	695	675
BVA Cycle Time (Excludes Representative Time) (Average Number of Days)	136	155	100	99	119 G	140	104
Appeals decided per Veteran Law Judge	721	754	813	818	784 G	752	800
Percent of Total Hearings that are Conducted via Video Conference **(New)**	N/Av	N/Av	N/Av	N/Av	29% Y	35%	35%

Organization/Program/Measure (Key Measures in Bold)	Results History				2011		Strategic Targets
	2007	2008	2009	2010	Results	Targets	
Departmental Management							
Total FTE and Program Costs (less BVA and OIG FTE and costs, which are identified separately)							
FTE	3,626	9,428(a)	10,059	9,057	9,410		
Total Program Costs ($ in millions)	$1,531	$3,165	$4,582	$3,024	$2,399		
(a) Increase primarily reflects the centralization of IT personnel under the Department's Chief Information Officer.							
Performance Measures							
Percent of total procurement dollars awarded to service-disabled Veteran-owned small businesses (OSDBU) (Through September; final data will be available in 06/2012) **VA's data reported may differ from data reported by the Small Business Administration due to the timing of when each agency runs its report. OIG evaluated VA's Veteran-Owned Small Business (VOSB) and Service-Disabled Veteran-Owned Small Business (SDVOSB) programs in FY 2010. At the time of the audit, OIG projected that although VA reported awarding 23 and 20 percent of its total procurement dollars to VOSBs and SDVOSBs, the FY 2010 figures were overstated by 3 to 17 percent because awards were made to ineligible businesses. OSDBU disagrees that findings in FY 2010 necessarily reflect the reality of FY 2011. We believe that due to the actions of The Center for Veterans Enterprise of a more rigorous review of eligibility, the extent of overstatement has been greatly reduced.	7.09%	12.09%	16.96%	20.0%	* 19.5% G	10.0%	10.0%
Percent of total procurement dollars awarded to Veteran-owned small businesses (OSDBU) (Through September; final data will be available in 06/2012) (See ** above)	10.13%	15.27%	19.30%	23.0%	* 21.8% G	12.0%	12.0%
Number of Homeless Veterans on any given night **(Supports Priority Goal)** (Joint VHA-OPIA measure) The 2007 and 2008 numbers are based on Community Homelessness Assessment, Local Education and Networking Groups (CHALENG) data. The numbers for 2009 and subsequent years are based upon the Annual Homeless Assessment Report (AHAR). (2011 data will be available in March 2012.) (1) Corrected	154,000	131,000	(1) 75,609	76,329	TBD	80,000	0
Percent of federally recognized Native American tribes contacted by VA for outreach purposes (OPIA)	1%	1%	1%	80%	80% G	80%	100%

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Organization/Program/Measure (Key Measures in Bold)	Results History				2011		Strategic Targets
	2007	2008	2009	2010	Results	Targets	
Percent of milestones achieved towards deployment and implementation of a paperless disability claims processing system **(Supports Priority Goal)** (OIT)	N/Av	N/Av	N/Av	N/Av	100% G	100%	100%
Percent of milestones achieved in deploying and implementing the Client Relations Management System (CRMS) **(Supports Priority Goal)** (OIT)	N/Av	N/Av	N/Av	N/Av	30% G	30%	100%
Percent of annual milestones achieved towards deployment and implementation of an automated GI Bill benefits delivery system **(Supports Priority Goal)** (OIT)	N/Av	N/Av	N/Av	N/Av	100% G	60%	100%
Percent of milestones achieved in deploying and implementing the Virtual Lifetime Electronic Record (VLER) **(Supports Priority Goal)** (OIT)	N/Av	N/Av	N/Av	N/Av	88%	Baseline	100%
Percent of available Veteran electronic records which can be accessed through Virtual Lifetime Electronic Record (VLER) capabilities **(Supports Priority Goal)** (OIT)	N/Av	N/Av	N/Av	N/Av	1%	Baseline	100%
Percent of VA IT systems that automatically reuse all redundant client information in other systems (OIT)	N/Av	N/Av	N/Av	0%	9.5% R	16%	100%
Percentage of responses to pre- and post-hearing questions that are submitted to Congress within the required timeframe (OCLA) (Through August)	27%	57%	75%	12%	* 96% G	85%	90%
Percentage of testimony submitted to Congress within the required timeframe (OCLA) (Through August)	75%	58%	80%	62%	* 93% G	85%	90%
Percentage of title 38 reports that are submitted to Congress within the required timeframe (OCLA)	40%	59%	76%	63%	36% R	85%	95%
Percent of concurrence actions completed on time (OCLA) **(New)** (Through August) Measure description changed for clarification purposes only	N/Av	N/Av	N/Av	N/Av	* 95% G	85%	90%

* These are partial or estimated data; final data will be published in the 2013 Congressional Budget and/or the 2012 Performance and Accountability Report.

Organization/Program/Measure (Key Measures in Bold)	Results History				2011		Strategic Targets
	2007	2008	2009	2010	Results	Targets	
Alternative Dispute Resolution (ADR) participation rate in the informal stage of the Equal Employment Opportunity (EEO) complaint process (HRA) (1) Corrected	28%	46%	48%	(1) 52%	53% G	53%	55%
Percentage of VA employees who are Veterans (HRA)	31%	30%	30%	31%	32% G	31%	33%
Workers' Compensation Lost Time Case Rate (LTCR) (HRA)	1.87	1.81	1.82	1.71	TBD	1.64	1.64
Percent of employees in mission critical and key occupations who participated in a competency based training program within the last 12 months (HRA) (Through August)	N/Av	N/Av	N/Av	20%	* 46.8% G	45%	95%
Average processing time for VA regulations (number of months) (OGC) (Through July)							
-Requiring advance notice and public comment (2-stage)	N/Av	21.7	19.4	19.6	* 19.6 G	19.6	19.6
-Without advance notice and public comment (1-stage)	N/Av	7.4	7.8	7.5	* 7.5 G	7.5	7.5
Number of material weaknesses (OM)	4	3	4	1	1 G	1	0
Percent Condition Index (owned buildings) (OAEM) (1) Corrected **(Standard government-wide measure required by the Federal Real Property Council) The Office of Asset Enterprise Management (OAEM) develops VA policy that governs the Department's Capital Asset Management. Policy execution is done by VA's business lines (Veterans Health Administration, Veterans Benefits Administration, and National Cemetery Administration), and annual performance results are reported by OAEM.	74%	66%	74%	(1) 71%	78% G	76%	87%
Percent of space utilization as compared to overall space (owned and direct-leased) (OAEM) (1) Corrected (See ** above)	112%	113%	113%	(1) 121%	117% Y	108%	100%
Ratio of non-mission dependent assets to total assets (OAEM) (1) Corrected (See ** above)	12%	12%	(1) 12%	(1) 9%	11% G	11%	10%

* These are partial or estimated data; final data will be published in the 2013 Congressional Budget and/or the 2012 Performance and Accountability Report.

Organization/Program/Measure (Key Measures in Bold)	Results History				2011		Strategic Targets
	2007	2008	2009	2010	Results	Targets	
Ratio of operating costs per gross square foot (GSF) (OAEM) (1) Corrected (See ** above)	$5.80	$6.47	$6.95	(1) $7.64	$7.98 Y	$7.38	$6.41
Percent of current year electricity consumption generated with renewable energy sources (OAEM) **The Office of Asset Enterprise Management (OAEM) develops VA policy that governs the Department's Capital Asset Management. Policy execution is done by VA's business lines (Veterans Health Administration, Veterans Benefits Administration, and National Cemetery Administration), and annual performance results are reported by OAEM.	3%	4%	3%	7%	TBD	5%	15% by 2013
Cumulative percent decrease in greenhouse gas emissions (OAEM) (See ** above)	N/Av	N/Av	N/Av	3%	TBD	3%	30% by 2020
Percent of annual major construction operating plan executed (OALC)	N/Av	N/Av	N/Av	N/Av	82%	Baseline	90%
Office of Inspector General							
Resources							
FTE	470	513	509	553	634		
Administrative costs only ($ in millions)	$74	$78	$97	$113	$113		
Performance Measures							
Number of arrests, indictments, convictions, criminal complaints, pretrial diversions, and administrative sanctions	2,303	1,884	2,250	1,929	1,939 Y	2,300	2,750
Number of reports (audit, inspection, evaluation, contract review, and CAP reports) issued that identify opportunities for improvement and provide recommendations for corrective action	217	212	235	263	301 G	240	300
Monetary benefits (dollars in millions) from audits, investigations, contract reviews, inspections, and other evaluations	$820	$500	$2,931	$1,914	$7,122 G	$1,000	$1,500

| Organization/Program/Measure (Key Measures in Bold) | Results History | | | | 2011 | | Strategic Targets |
	2007	2008	2009	2010	Results	Targets	
Return on investment (monetary benefits divided by cost of operations in dollars) Beginning in 2009, the cost of operations for the Office of Healthcare Inspections, whose oversight mission results in improving the health care provided to Veterans rather than saving dollars, is not included in the return on investment calculation (see the OIG's September 2010 *Semiannual Report to Congress,* page 4)	11 to 1	6 to 1	38 to 1	20 to 1	76 to 1 G	11 to 1	15 to 1
Percentage of:							
Prosecutions successfully completed	95%	94%	94%	97%	99% G	94%	95%
Recommendations implemented within 1 year to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural changes in VA	86%	88%	94%	86%	87% Y	90%	95%
Recommended recoveries achieved from postaward contract reviews **(New)**	N/Av	N/Av	N/Av	N/Av	100%	Baseline	98%
OIG Customer satisfaction survey scores (based on a scale of 1 - 5, where 5 is high):							
Investigations	4.9	4.6	4.9	4.9	4.9 G	4.5	5.0
Audits and Evaluations	3.7	4.0	4.0	4.0	4.4 G	4.0	5.0
Healthcare Inspections	4.4	4.7	4.7	4.6	4.6 G	4.6	5.0
Contract Review	N/Av	N/Av	4.6	4.7	4.8 G	4.2	5.0

Measures dropped after 2010 that did not report final numbers in the 2010 PAR						
Veterans Health Administration	**2006**	**2007**	**2008**	**2009**	**2010 Final**	**2010 Target**
Total annual value of joint VA/DoD procurement contracts for high-cost medical equipment and supplies (Beginning in 2007, medical supplies were added to this measure.)	$236M	$328M	$188M	$230M	$466.553M	$220M
Departmental Management						
Cumulative percentage decrease in facility traditional energy consumption per GSF from the 2003 baseline (OAEM)	4%	8%	11%	12%	12.7%	15%
Percent of above-threshold buildings square footage in inventory that incorporates the sustainable design practices in the guiding principles (OAEM)	N/Av	N/Av	N/Av	13%	13.54%	13%
Percent of energy consumed that is renewable (OAEM) (New)	N/Av	N/Av	N/Av	N/Av	7%	Baseline

Footnotes for why measures were dropped:

"Total annual value of joint VA/DoD procurement contracts for high-cost medical equipment and supplies"
Justification: This information is no longer being tracked by VHA because it was not a strong indicator of sharing by VA and DoD. VHA replaced this measure with two additional measures that more accurately demonstrate care collaboration between VA and DoD.

"Cumulative percentage decrease in facility traditional energy consumption per gross square foot from the 2003 baseline"
Justification: This measure was dropped because it is no longer one of the key performance indicators and will only be used for internal program management purposes.

"Percent of above-threshold buildings square footage in inventory that incorporates the sustainable design practices in the building principles"
Justification: This measure was dropped because it is no longer one of the key performance indicators and will only be used for internal program management purposes.

"Percent of energy consumed that is renewable"
Justification: Percent of total facility electricity consumption that is renewable and Percent of energy consumed that is renewable were combined into one reworded measure. The combined measure (Percent of current year electricity consumption generated with renewable energy sources) is more precise.

Major Management Challenges Identified by the OIG

The Department's Office of Inspector General (OIG), an independent entity, evaluates VA's programs and operations. The OIG submitted the following update of the most serious management challenges facing VA.

We reviewed the OIG's report and provided responses, which are integrated within the OIG's report. Our responses include the following for each challenge area:

- *Estimated resolution timeframe (fiscal year)* to resolve the challenge
- *Responsible Agency Official* for each challenge area
- *Completed 2011 milestones* in response to the challenges identified by the OIG
- *Planned 2012 milestones* along with *estimated completion quarter*

VA is committed to addressing its major management challenges. Using the OIG's perspective as a catalyst, we will take whatever steps are necessary to help improve services to our Nation's Veterans. We welcome and appreciate the OIG's perspective on how the Department can improve its operations to better serve America's Veterans.

Major Management Challenge		Estimated Resolution Timeframe (Fiscal Year)	Page #
No.	Description		
OIG 1	**Health Care Delivery**		**II-142**
1A	Quality of Care	2012	II-142
1B	Access to Care	2012	II-146
1C	Effective Treatment of New and Significantly Increased Health Problems Associated with OEF/OIF/OND	2012	II-150
1D	Accountability of Pharmaceuticals in VHA Medical Facilities and Consolidated Mail Outpatient Pharmacies (CMOPs)	2014	II-152
1E	Health Care Business Processes	2012	II-154
OIG 2	**Benefits Processing**		**II-156**
2A	Effectively Managing Disability Benefits Claims Workload	2012	II-157
2B	Improving the Quality of Claims Decisions	2012	II-161
2C	VA Regional Office Operations	2012	II-163
2D	Improving the Management of VBA's Fiduciary Program	2012	II-165
2E	Addressing Benefit Issues Related to MST	2012	II-167
2F	Timely Processing of Post 9/11 GI Bill Benefits Payments	2013	II-169
OIG 3	**Financial Management**		**II-170**
3A	Achieving Financial Management System Functionality and Effective Financial Management Oversight	2012	II-170
3B	Reporting and Reducing Improper Payments	2012	II-173
3C	Improving Oversight of VA Workers' Compensation Program	2013	II-175
OIG 4	**Procurement Practices**		**II-176**
4A	Improve Oversight for VA's VOSB and SDVOSB Programs	2012	II-176
4B	Improve Oversight of Procurement Activities	2012	II-178

Major Management Challenge		Estimated Resolution Timeframe (Fiscal Year)	Page #
No.	**Description**		
4C	Effective Contract Administration	2012	II-180
4D	Compliance with Laws and Regulations	2012	II-181
OIG 5	**Information Management**		**II-184**
5A	Development of an Effective Information Security Program and System Security Controls	2012	II-184
5B	Strengthening Information Technology Governance	2012	II-186
5C	Effective Oversight of Active IT Investment Programs and Projects	2013	II-188
	Appendix		**II-191**

Department of Veterans Affairs

Memorandum

Date: July 15, 2011

From: Inspector General (50)

Subj: 2011 Performance and Accountability Report

To: Secretary of Veterans Affairs (00)

1. Please see the attached Office of Inspector General (OIG) update regarding VA's most serious management challenges for inclusion in the 2011 Performance and Accountability Report (PAR). Our staff worked with VA staff to arrange publication of the full OIG report on major management challenges in the PAR.

2. OIG is submitting this statement to the Department pursuant to Section 3516 of Title 31, United States Code. The law states that the Department may comment on, but may not modify, the OIG statement. Please ensure the Department provides all suggested changes to OIG for review prior to incorporation into the PAR.

3. On behalf of OIG staff, I am appreciative of the level of support and cooperation we have received from the Department as we work to improve VA. We especially appreciate the support you and the Deputy Secretary have exhibited as we work together to address the major challenges facing VA. We look forward to working with both of you to complete the implementation of key OIG recommendations in the future.

GEORGE J. OPFER

Attachment

Department of Veterans Affairs
Office of Inspector General
Washington, DC 20420

FOREWORD

Our Nation depends on VA to care for the men and women who have sacrificed so much to protect our freedoms. These service members made a commitment to protect this Nation, and VA must continue to honor its commitment to care for these heroes and their dependents—in a manner that is as effective and efficient as possible. VA health care and benefits delivery must be provided in a way that dually meets the needs of today's and yesterday's Veterans. It is vital that VA health care and benefits delivery work in tandem with support services like financial management, procurement practices, and information management to be capable and useful to the Veterans who turn to VA for the benefits they have earned.

Office of Inspector General (OIG) audits, inspections, investigations, and reviews recommend improvements in VA programs and operations, and act to deter criminal activity, waste, fraud, and abuse in order to help VA become the best-managed service delivery organization in Government. Each year, pursuant to Section 3516 of Title 31, United States Code, OIG provides VA with an update summarizing the most serious management and performance challenges identified by OIG work and other relevant Government reports, as well as an assessment of the Department's progress in addressing those challenges.

This report contains the updated summation of major management challenges organized by the five OIG strategic goals—health care delivery, benefits processing, financial management, procurement practices, and information management—with assessments of VA's progress on implementing OIG recommendations.

OIG will continue to work with VA to address these identified issues and to ensure that the Department will provide the best possible service to the Nation's Veterans and their dependents.

GEORGE J. OPFER
Inspector General

MAJOR MANAGEMENT CHALLENGES

The Office of Inspector General (OIG) identified the major management and performance challenges currently facing VA, that, if left uncorrected, have the potential to impede VA's ability to fulfill its program responsibilities and ensure the integrity of operations. While the Department has made much progress, there is still much to do to establish an effective and efficient organization. OIG remains committed to keeping decision makers informed of longstanding and emerging problems identified through our audits, inspections, investigations, and reviews so that the Department can take timely corrective actions. For the most part, these challenges are not amenable to simple, near-term resolution and can only be addressed by a concerted, persistent effort, resulting in progress over a long period of time.

To identify major challenges facing the Department, OIG examined previously issued audit and inspection reports where corrective actions have yet to be taken; assessed ongoing audits, inspections, investigations, and reviews to identify significant vulnerabilities; and analyzed new programs and activities that could pose significant challenges due to their range and complexity. In addition, OIG's strategic planning process is designed to identify and address the key issues facing VA. OIG focused on the key issues of health care delivery, benefits processing, financial management, procurement practices, and information management in its *2009–2015 OIG Strategic Plan*. The flexibility and long range vision in the OIG Strategic Plan are essential in a period of expanding need for VA programs and services. Although the Nation's newest and oldest Veterans both face a growing need for VA health care and benefits programs, many of the specific services they need differ, and all of them must be the best possible.

VA has identified transformational goals designed to transform the Department into a 21st century organization that is Veteran-centric, results-driven, and forward-looking. The stated focus of these goals is to ensure VA provides high-quality care and timely delivery of benefits to Veterans over their lifetimes. The Department has acknowledged that the transformation will require resources, commitment, and teamwork. OIG will keep management informed of any challenges identified during our audits, inspections, investigations, and reviews.

The following summaries present the most serious management challenges facing VA, grouped into critical areas: (1) Health Care Delivery, (2) Benefits Processing, (3) Financial Management, (4) Procurement Practices, and (5) Information Management. OIG also assesses the Department's progress in overcoming these challenges. While these issues guide our oversight efforts, OIG continually reassesses our goals and objectives to ensure that our focus remains timely and responsive to changing priorities.

OIG CHALLENGE #1: HEALTH CARE DELIVERY
-Strategic Overview-

For many years, the Veterans Health Administration (VHA) has been a national leader in the quality of care provided to patients when compared against other major U.S. health care providers. VHA's use of the electronic medical record, its National Patient Safety Program, and its commitment to data-driven metrics to improve the quality of care has sustained this high quality of medical care. VHA's action to provide the public access to extensive data sets on quality outcomes and process measures is a further step forward as a national leader in the delivery of health care. Additionally, VHA's action to determine each hospital's ability to handle complex surgical cases, give a rating, and then limit the procedures that can be performed at each class of facility is further evidence of its groundbreaking efforts to maintain and improve upon the quality of care that Veterans receive.

However, VHA faces particular challenges in managing its health care activities. The effectiveness of clinical care, budgeting, planning, and resource allocation are negatively affected due to the continued yearly uncertainty of the number of patients who will seek care from VA. Over the past 7 years, OIG has invested about 40 percent of its resources in overseeing the health care issues impacting our Nation's Veterans and has conducted reviews at all VA Medical Centers (VAMC) as well as national inspections and audits, issue-specific Hotline reviews, and criminal investigations. The paragraphs that follow highlight the issues most challenging to today's VHA.

OIG Sub-Challenge #1A: Quality of Care

VHA faces increased challenges in meeting the mental health needs of today's returning war Veterans. The high incidence of Post-Traumatic Stress Disorder (PTSD), depression, substance abuse, and military sexual trauma (MST) among today's Veterans challenge VHA to provide one standard of care across the country. This is especially impacted by the increase in the number of women Veterans. An OIG review of combat stress in women Veterans receiving VA health care and disability benefits found that, generally, female Veterans were more likely to use VA health care, to continue using VHA services even years after separating from active military service, and to use it more frequently than male Veterans. The study established that although female Veterans generally were more likely to be diagnosed with mental conditions, they generally were less likely than their male counterparts to be diagnosed with traumatic brain injury (TBI) and the specific mental condition of PTSD.

The patterns corroborated additional findings that higher proportions of female Veterans generally were awarded disability for mental health conditions other than PTSD, and a higher proportion of men were generally awarded disability for PTSD and TBI.

Although VHA has a high compliance with the goal of providing at-risk Veterans with suicide safety plans, VHA is challenged to ensure that coordination of care between VHA medical facilities and civilian and military facilities and providers for at-risk Veterans is improved. Deficits in the coordination of care for these high-risk patients may result in patient deaths.

VHA has demonstrated the ability to deliver a high quality of patient care as determined by standard measures of population health. However, OIG continues to note excessive variation in the quality of

care delivered. With the increasing number of Veterans receiving care at community-based outpatient clinics (CBOC), VA faces challenges in delivering quality care at CBOCs that are often distant from their parent facilities.

While CBOCs expand Veterans' access to care, they require increased oversight by VHA. An OIG audit of CBOC management oversight found that VHA lacks the means to evaluate CBOC performance at the national, regional, and local levels; ensure parent facilities provide adequate CBOC oversight; and identify health care gaps at VA and contractor-operated CBOCs. In addition, VHA lacks the management controls needed to ensure CBOCs provide Veterans consistent, quality care, further noting that CBOC Primary Care Management Module (PCMM) data, which VHA uses to make budgetary and resource management decisions, is inaccurate. Inaccurate PCMM data and problems in the completion of TBI and MST screenings at CBOCs demonstrate the need for VHA to establish CBOC-specific monitors to evaluate systemic problems and deviations from VHA's one standard of care. To address this challenge, VHA is in the process of taking action to improve the accuracy of PCMM data, monitor TBI and MST screenings, and establish a comprehensive CBOC performance monitoring system.

VHA recognizes the importance of safe and consistent reusable medical equipment (RME) practices, but continues to face problems despite efforts to comply fully with proper reprocessing procedures. Veterans seeking care at a VA facility should have assurance that any equipment they come in contact with will be properly cleaned and, if necessary, sterilized, within specifications promulgated by bodies advising on such processes. To do otherwise, at a minimum, exposes patients to unnecessary and unacceptable risk of infection. VA medical facilities have been identified as using improperly reprocessed RME in a number of instances. Specific causes of breakdowns include failure to follow manufacturer's instructions and failure to keep employees currently trained in all equipment cleaning and maintenance specifications. The task is additionally challenging because new medical product designs occur continuously, and new types of medical equipment are continually brought into the system. VA must ensure that processes are in place to ensure that Veterans' health is not placed at risk because of lax attention to detail and failure to adhere to commonly accepted standards of infection control.

VHA must also work to ensure Veterans' health is not compromised due to excessive radiation exposure during the course of receiving care at VA facilities. Although radiation is a common form of energy used to obtain clinical data, usually images of the body through procedures such as computed tomography (CT), fluoroscopy, and nuclear medicine studies, the cumulative dose of radiation that humans receive correlates with the risk of developing serious medical conditions. Despite that VHA disseminated information to hospital radiology departments in an effort to reduce CT dose variability, OIG has found no oversight of actual doses being delivered, no indication that patients or providers had data about cumulative radiation exposure available to them at the time of clinical decision making, and no evidence that patients were informed that CT scans may cause cancer. Moreover, for nearly 2 years, VHA has been developing, but has yet to publish, guidance regarding the use of fluoroscopy. VHA is challenged to ensure that Veterans' exposure to radiation is appropriate to the clinical circumstances and that the lifetime exposure dose to radiation is a factor in the selection of health care procedures that are appropriate for a patient's clinical condition.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Under Secretary for Health

Completed 2011 Milestones

VHA medical facilities, in collaboration with civilian and military facilities and providers, have improved suicide prevention practices for at-risk Veterans. For example:

- VHA Facility Suicide Prevention Coordinators now call community or military facilities and arrange for continuity at discharge if they become aware of an outside admission of a high risk patient.
- The National Suicide Prevention Lifeline consult processes require contacts be established with the Suicide Prevention Coordinator at a relevant VHA facility if a Veteran calls the lifeline.
- The identification of at-risk Veterans in patient records informs all providers at a VHA facility about a potential risk of suicide. This facilitates coordination of care if a Veteran seeks care outside of VHA.
- Each VHA facility is encouraged to develop communication strategies with local non-VHA facilities about suicide prevention involving Veterans.

VA addressed the mental health needs of today's returning war Veterans by using a multi-faceted approach. VA's Office of Mental Health Services provided sensitivity training to Women Veterans Coordinators on April 21, 2011, and this lesson, Military Sexual Trauma Sensitivity Training, was added to the Talent Management System on May 31, 2011.

VBA and the Under Secretary for Benefits brought a new focus on the processing of PTSD claims based on Military Sexual Trauma (MST).

- The Veterans Benefits Administration (VBA) incorporated sensitivity training into the 2011 National Training Curriculum mandatory training hours required for all claims processors. This mandatory curriculum includes a new MST training lesson created by VBA's Compensation Service and the *Military Sexual Trauma Sensitivity Training* lesson.
- In March 2011, signs were posted in all VBA regional offices to ensure that Veterans are aware of services and assistance provided by Women Veterans Coordinators. These coordinators case manage claims including assisting claimants in gathering the evidence necessary to decide their claims.
- In June 2011, VA's Under Secretary for Benefits issued a letter to all field personnel emphasizing the relaxed claims processing standards for MST claims.
- VBA's Compensation Service provided additional guidance in July 2011 instructing the field that corroborating evidence of a MST could be found on DD Form 2910, *Victim Reporting Preference Statement* and DD Form 2911, *Forensic Medical Report: Sexual Assault Examination* and similar forms.
- The Compensation Service drafted a new comprehensive training letter and plan for field personnel devoted to processing these claims.

VA Central Office officials now use data and other information about each CBOC's performance in the face-to-face quarterly reviews with each Veterans Integrated Service Network (VISN) Director. The

information includes outpatient quality composites and individual quality measures for Veterans receiving care in CBOC settings as well as an assessment of performance for contractor-staffed CBOCs. A revision of VHA Handbook 1006.1, Planning and Activating Community Based Outpatient Clinics, is in process. Updating monitoring criteria is an ongoing process.

Training about and monitoring of TBI and MST screening has been expanded and enhanced, including updated on-line modules, materials specific for primary care and mental health providers, and emphasis for CBOC issues. A system of sustained training, consultative support, and recurring reports with associated monitoring is in place and will be ongoing.

VHA has implemented nine inspections per year per facility using a standardized inspection tool to verify availability and use of standardized operating procedures (SOP) as well as employee competencies. The inspection results are reviewed, tracked, and trended nationally. Facilities that are not in compliance are required to develop action plans to address concerns. In reviewing and trending these data, VHA focuses on nearly 200 specific points of review. VHA has collected more than 100 inspections with the new template and is persistently following up on deficient sites. To reduce variation and increase standardization of processes to the maximum extent possible, VHA has increased consultative visits from expert staff, enhanced training, and instituted a national database to maintain manufacturers' instructions for use.

The CT protocol optimization guide is now in use. It includes important parameters for monitoring patient dose, provides reference and alert values, and describes how facilities may identify protocols that result in unusually high patient dose.

Patient education materials that include information about the effects of cumulative radiation exposure are now available, and the field has been directed to provide this information to patients undergoing a CT scan.

Planned 2012 Milestones with estimated completion quarter

VBA will enhance the rating application used to prepare disability decisions so that historical data on denied claims are not overwritten by subsequent decisions. **(Q1)**

VBA will implement any process improvements identified during the review of claims denied for PTSD due to MST. **(Q1)**

VHA Handbook 1006.1 will be completed to better define Network responsibility and require more consistency in quality of care and business processes involving CBOCs. **(Q4)**

Updates of requirements for training and verification of competencies for staff reprocessing RME are in process. **(Q1)**

Guidance regarding the use of fluoroscopy will be published. **(Q4)**

OIG Sub-Challenge #1B: Access to Care

VHA faces significant challenges related to access to care in several areas.

These areas include ensuring Veterans receive compensation and pension (C&P) medical examinations, nursing home care at State Veterans Homes (SVH), and guide and service dogs. Providing medical care to homeless Veterans, Veterans residing in rural areas, and Veterans who are residents of the U.S. Virgin Islands is also challenging VHA.

VBA relies on VHA medical facilities to perform C&P medical examinations to determine the degree of disability or provide a medical opinion as to whether a disability is related to the Veteran's military service. A 2010 OIG audit found that VA medical facilities do not consistently commit sufficient resources to ensure Veterans receive timely C&P medical examinations. This occurred because VHA has not established procedures to identify and monitor resources needed to conduct C&P medical examinations and to ensure resources are appropriately planned for, allocated, and strategically placed to meet examination demand. VHA's ability to complete C&P examinations in a timely and efficient manner is of extreme importance due to VBA's claims processing backlog. Further, because VHA committed insufficient resources to the C&P medical examination program, many Veterans did not receive timely C&P medical examinations. VHA is taking steps to capture workload data and analyze staffing models and is also developing standards on the amount of time that should be allotted when scheduling appointments for each examination.

OIG continues to monitor VA's ability to complete C&P examinations in a timely and efficient manner. During FY 2011, VHA continued to face C&P examination backlogs. In at least one Veterans Integrated Service Network (VISN), some VHA facilities conducted C&P examination "blitzes" during the spring of 2011. These facilities dedicated up to 80 percent of their primary care appointment schedules over the course of 3 weeks to address a backlog of C&P examinations. While VHA recently reorganized responsibility for VHA's C&P examination efforts under a new Office of Disability and Medical Assessment, report recommendations made in our 2010 audit report remain open. VHA needs to implement procedures to better capture data on C&P examination workload, costs, and productivity and use this data to ensure appropriate resources are dedicated to completing C&P examinations.

VHA also faces a significant challenge in ensuring Veterans obtain needed nursing home care. In March 2011, an OIG audit of VHA's State Home Per Diem Program reported that two states were denying care to eligible Veterans and none of the eight VAMCs the OIG visited had strengthened their outreach efforts to ensure Veterans denied access to SVH nursing home care obtained access to care from other VA sources. This occurred because VAMCs did not provide SVHs information on VA nursing home care options for distribution to Veterans. VHA can address this challenge by providing fact sheets on VA nursing home care options to SVHs for distribution to eligible Veterans, determining the SVHs that have denied eligible Veterans access to care, and developing and initiating a plan to conduct specific and targeted outreach activities.

The March 2011 audit also reported that VA medical facilities need to improve their oversight of SVHs to reduce risks of Veterans receiving inappropriate nursing home care. In addition, VAMCs did not properly document or ensure timely SVH submission of 32 percent of eligibility determinations and 55

percent of medical care approval requests for the sample of Veterans reviewed by OIG. This occurred because of ineffective VHA policies and procedures, insufficient oversight, and inadequate staff training. As a result, increased risks exist that Veterans will not receive needed nursing home care, and SVHs will not provide appropriate medical care. By revising VHA policies and procedures, ensuring VISNs establish oversight procedures, and providing training to VAMC staff responsible for SVH oversight, VHA can reduce the risks of Veterans receiving inappropriate SVH nursing home care.

Another challenge facing VHA relates to the Guide and Service Dog Program's implementation criteria and process of determining the appropriateness of using service dogs to assist Veterans with mental and physical impairments. For several decades, VHA assisted visually impaired Veterans in obtaining guide dogs. Only since 2008 has VHA started assisting mobility and hearing impaired Veterans with service dogs—6 years after being authorized to do so. Since FY 2009, VHA has provided financial support to just over 230 Veterans for guide dogs and financial support to only 8 Veterans for service dogs. VHA needs to provide sufficient guidance to staff to ensure decisions are consistent on Veterans' requests for service dogs. Furthermore, VHA also needs to provide comprehensive interim guidance to ensure staff is aware of qualifying criteria for service dog benefits and the benefit application process. VHA will need to ensure staff complies consistently with the new guidance once it is issued.

VA has undertaken the mission of ending homelessness among Veterans, but continues to face difficulties in serving this population of Veterans appropriately. In many instances, VHA has provided compassionate care to a most challenging population; however, the successful provision of health care to Veterans without a fixed address and with the disease burden typical of this population will require comprehensive programs and outreach. VHA faces challenges in identifying Veteran subpopulations most susceptible to homelessness, and in placing homeless or at-risk Veterans into programs that are demonstrated to be effective. Furthermore, the diagnosis and treatment of complex cardiac disease, gastrointestinal disorders, cancer, and substance abuse are examples of medical disorders that are a challenge to provide care for in disadvantaged areas and to homeless Veterans. However, VA recognizes that through the implementation of the Surgical Complexity Model, limits must be set on the types of surgical care that can be directly provided by VHA in selected underserved areas. This complex and challenging endeavor will involve 13 discrete VA programs and an investment of more than $20 billion over 5 years.

VHA needs to strengthen the management of rural health care funding to ensure that rural health projects meet VHA's Office of Rural Health's (ORH's) goals of improving access and quality of care for rural Veterans. ORH was created in February 2007 to conduct rural health research and develop policies and programs to improve health care and services for approximately 3.3 million rural Veterans. Men and women from geographically rural areas make up a disproportionate share of service members and comprise about one-third of all Operation Enduring Freedom, Operation Iraqi Freedom, and Operation New Dawn (OEF/OIF/OND) enrolled Veterans.

In April 2011, OIG reported that VHA needed to improve the management of rural health funding, finding that ORH did not adequately manage the use of rural health funds for fee care and their rural health project selection process. Additionally, ORH did not monitor project obligations and performance measures. This occurred because of a lack of financial controls, the absence of policies and procedures to ensure staff followed management directives, and inadequate communication with key stakeholders.

Also, ORH lacked a project monitoring system, procedures to monitor performance measures, and a process to assess rural health needs. As a result, OIG determined that VHA lacked reasonable assurance that ORH's use of $273.3 million of the $533 million in funding received during FYs 2009 and 2010 improved access and quality of care for Veterans residing in rural areas. To address this challenge, VHA must identify high-impact projects during the formulation of the program's annual budget requests and strengthen its future proposal selection process. Completing these actions will improve VHA's accounting of funds and measuring of the rural health program's impact on the health care of rural Veterans and their families.

An OIG review also found that access to health care for Veterans who are residents of the U.S. Virgin Islands needs improvement. Improvement areas include ensuring that English language proficiency is documented for all employees occupying direct patient care positions, scheduling timely initial primary care appointments, and providing the same level of care as other Veterans in the VISN receive. To address this issue, VHA is considering the feasibility of sending medical examiners to the U.S. Virgin Islands to perform C&P examinations that do not require medical specialists or non-portable specialized medical equipment.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Under Secretary for Health

Completed 2011 Milestones

VHA has committed additional resources to improve the C&P medical examination program. For example, the VHA Office of Disability and Medical Assessment was established to develop and implement strategies to address the evolving needs of the VHA C&P medical examination programs as well as ensure appropriate measuring, monitoring, and improving quality and timeliness. Timeliness has improved. Currently, VHA C&P timeliness for exams is 29 days (standard is 30 days), and IDES timeliness for exams is 40 days (standard is 45 days).

VHA developed the "VA Long-Term Care Resources Summary Fact Sheet" about nursing home care options and implemented a communication plan to ensure effective distribution of this fact sheet, which has been shared at the National Association of State Veterans Homes and National Association of Directors of State Veterans Homes conferences. Policy updates, an improved quality assurance review process, a new State Home Audit Tool, and additional training are now in place to ensure that care provided by State Veterans Homes is appropriate for Veterans' needs.

VHA has concentrated on developing expertise about what guide and service dogs can do for Veterans and what training is needed to ensure the optimum benefit for Veterans. Draft regulations were published in the Federal Register. Policy and Clinical Practice Recommendations are being developed.

VA has concentrated its efforts to provide services to end homelessness:
- Homeless outreach initiatives reached more than 150,000 Veterans, a 24 percent increase from the previous year.

- Department of Housing and Urban Development-Veteran Affairs Supported Housing (HUD-VASH) actively housed 24,733 Veterans.
- The new Supportive Services for Veteran Families (SSVF) program awarded $59.5 million to 85 community agencies in 40 states and the District of Columbia.
- VA launched the Homeless Operations Management and Evaluation System, an online data collection and case management system that tracks homeless Veterans as they move.
- VA allocated funding to hire 407 homeless or formerly homeless Veterans as vocational rehabilitation specialists through the Homeless Veterans Supported Employment Program; nearly 90 percent have been hired, trained in Supported Employment (SE) service provision, and are now providing SE services to other homeless Veterans.
- VA provided funding for 15 Community Resource and Referral Centers (CRRC) to co-locate with services from local and community agencies and other Federal agencies to provide direct assistance to homeless Veterans as well as referral to permanent and transitional housing services.

The Office of Rural Health has improved management and provided more effective services to Veterans in rural areas, including:
- Hiring experienced and qualified staff.
- Developing and implementing a 2011 Spend Plan in accordance with the *Standards for Internal Control in the Federal Government* for monitoring of financial transactions.
- Implementing new procedures related to funding execution and project/program management and establishing tight controls for proposal review/approval against specific project funding rating criteria.
- Improving data collection.
- Evaluating projects to ensure goals, objectives, and milestones are relevant, up-to-date, and assigned to each project as well as appropriately monitoring and measuring performance.

The need to ensure English language proficiency for physicians, nurses, and residents is being emphasized at the VA medical facility in the U.S. Virgin Islands.

Planned 2012 Milestones with estimated completion quarter

VA will identify an internist to visit the U.S. Virgin Islands at least monthly to perform non-specialty Compensation and Pension exams. **(Q1)**

The final service dog regulations and related policy about covered benefits for training, veterinary care, and hardware will be completed as well as appropriate communications to the field. **(Q2)**

VA will host a national conference about having animals in health care settings. **(Q1)**

VA will address the needs of homeless Veterans by:
- Decreasing the number of homeless Veterans to 59,000 in collaboration with HUD. **(Q4)**
- Developing a new Transition-in-Place housing model with a goal of obligating approximately $21 million in capital, special needs, and/or transition in place grants to serve approximately 30,000 Veterans. **(Q4)**

- Improving employment outcomes through the Homeless Veterans Supported Employment Program (HVSEP) to provide services to approximately 31,000 homeless Veterans. **(Q4)**
- Establishing a training curriculum and training National Cemetery Administration (NCA) mentors for the NCA Veterans Apprenticeship Program. **(Q4)**
- Providing $100 million for community-based service grants to serve approximately 22,000 Veterans and families through the SSVF program started in 2011. **(Q4)**
- Increasing VA's participation in Veterans Treatment Courts and public outreach/education to Veterans, their families, and justice system staff to address the growing numbers of Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn (OEF/OIF/OND) Veterans who need these services. **(Q4)**
- Making all CRRCs fully operational. **(Q1)**

The Office of Rural Health will:
- Fully implement its review of project milestone progress quarterly reports and access and quality measurement data. **(Q1-4)**
- Begin monitoring project data to ensure reports and evaluations of data are timely and provide an accurate assessment of the current status of each project. **(Q1)**
- Regularly review financial reports to ensure efficient and effective utilization and obligation of funds. **(Q1-4)**
- Complete the identification of those geographic areas with the most needs to align resources to address the greatest health care needs. **(Q1)**

OIG Sub-Challenge #1C: Effective Treatment of New and Significantly Increased Health Problems Associated with OEF/OIF/OND

VHA faces significant challenges in the treatment of Veterans with health problems associated with OEF/OIF/OND service. As aforementioned in sub-challenge 1A, the current global conflicts have highlighted at least four specific issues that VA must adequately address: PTSD, TBI, substance abuse, and women's health. Returning war Veterans must be screened, diagnosed, and treated appropriately for PTSD. Their treatment must be sufficiently described in their medical records to permit a future analysis, if appropriate, of the outcomes of therapies for this war-related illness. Likewise, TBI diagnosis requires better definition and research to determine the best therapies. VA is challenged to aggressively treat Veterans with the best current therapies and quickly advance the state of current knowledge to improve the understanding of this condition.

VHA's challenge in treating substance abuse involves developing appropriate treatment programs for use nationwide. Physical and psychic pain often results in over-reliance on addictive medications and substances to control pain. Adequate treatment programs in VA for substance abuse are limited in many areas of the country. Treatment is complex, as the mental and physical symptoms of the disease are not easily or quickly relieved. VA must work with the substance abuse treatment community at-large to optimize opportunities for treatment of this complex illness.

Finally, though many medical conditions faced by women warriors are similar to those faced by men, many are different. VA must provide treatment options appropriate for female Veterans' health care needs. This is especially true for MST, in which women Veterans may require specialized outpatient

mental health services focusing on sexual trauma, specialized sexual trauma treatment in residential or inpatient settings, or treatment in a program for women only. Women often have additional responsibilities that put different constraints on their ability to access health care, when compared to men; and these constraints must be creatively and timely addressed.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Under Secretary for Health

Completed 2011 Milestones

VA published a revision to VHA Handbook 1162.02, Mental Health Residential Rehabilitation Treatment Program, requiring programming specific to the needs of OEF/OIF/OND Veterans. The handbook also includes guidance regarding substance abuse and PTSD treatment services as well as information specific to the needs of women Veterans.

Vet Centers continue to provide PTSD counseling services to combat Veterans. The Readjustment Counseling Service (RCS) worked specifically with Vet Centers to correct problems regarding clinical supervision and consultation. RCS also has begun to use an electronic template to facilitate monitoring of issues identified in quality reviews.

VA began training staff at large intensive outpatient programs on the use of contingency management treatment, an evidence-based approach to the treatment of substance use disorders.

VA provided training about the use of the Brief Addiction Monitor to facilitate assessment of treatment progress to substance use disorder specialty treatment staff nationwide.

VA has developed strong collaborative ties with the Department of Defense (DoD) to complete a literature review and gap analysis of women Veterans' mental health needs and services in VA and DoD.

To address the needs of the growing number of women Veterans, VA has:
- Trained more than 1,000 VA providers in women's health primary care.
- Launched a call center to contact every woman Veteran about VA health care and services available to women Veterans. During the first month in June 2011, the Women Veterans Call Center reached nearly 1,000 women Veterans or their representatives.
- Hosted the 5th National Summit on Women Veterans involving more than 700 participants where the Secretary of Veterans Affairs announced the creation of a VA Task Force on Women Veterans charged to develop a comprehensive VA action plan that will focus on key issues facing women Veterans and the specific actions needed to resolve them.
- Planned three drop-in childcare service pilots for women Veterans with VA appointments.

Service connection or receipt of disability compensation is not required to receive free treatment for conditions resulting from MST. To address needs of women Veterans who have experienced MST, every VA facility has:

- A designated MST Coordinator who can facilitate access to appropriate VA services and programs, state and Federal benefits, and community resources.
- Providers knowledgeable about treatment for the aftereffects of MST.
- Vet Centers that provide either direct counseling or assessment and referral for MST issues. Currently, over 150 Vet Centers across the Nation have a Staff Training Experience Profile (STEP) qualified MST Counselor. All these counselors provide individual counseling and group counseling where appropriate for this cohort of Veterans.

For Veterans who need more intense treatment and support, VA offers specialized sexual trauma treatment in residential or inpatient settings.

Planned 2012 Milestones with estimated completion quarter

To ensure additional accountability for high quality clinical supervision and consultation in Vet Centers, VA will add a performance goal to the Team Leader Performance Plans for 2012 that specifies the required standards for clinical supervision and consultation in Vet Centers, including documentation of inpatient records. **(Q1)**

VA will implement contingency management treatment in large intensive outpatient substance use treatment programs. Specialty substance use disorder treatment programs will implement use of the Brief Addiction Monitor. **(Q4)**

Each medical center outpatient clinic and CBOC will have a minimum of one trained (in VHA's women's health mini-residency program or equivalent training) or experienced Designated Women's Health Provider. **(Q4)**

Ninety percent of all currently identified bathroom and other women Veteran privacy deficiencies will be corrected. **(Q4)**

VA will launch two childcare sites in fall 2011 and a third in the summer of 2012. **(Q3)**

OIG Sub-Challenge #1D: Accountability of Pharmaceuticals in VHA Medical Facilities and Consolidated Mail Outpatient Pharmacies (CMOPs)

VHA medical facilities and Consolidated Mail Outpatient Pharmacies (CMOP) dispensed approximately 130 million prescriptions for VA patients and spent about $3.8 billion on pharmaceuticals in FY 2009. While VA has made significant strides to safeguard inventories of controlled substances regulated under the *Controlled Substance Act of 1970*, increased attention must be paid to non-controlled drugs. Of the $3.8 billion in VA's pharmaceutical spending, approximately 95 percent was for non-controlled drugs.

In FY 2009, OIG issued a health care inspection of selected pharmacy operations in VHA facilities. OIG determined that 33 of 43 facilities experienced drug diversions during 2008. VHA faces a significant challenge in ensuring that its inventories of non-controlled drugs are safe from undetected theft or diversion. Furthermore, two OIG reports issued in 2009 identified significant deficiencies in accountability over non-controlled drugs at VHA medical facilities and CMOPs. OIG found medical

facilities and CMOPs could not accurately account for non-controlled drug inventories because of inadequate inventory management practices and inaccurate pharmacy data.

VHA also needs to strengthen its inventory management practices, ensure all pharmacy transactions are appropriately recorded, and improve its pharmacy information management systems. Both VHA's Veterans Health Information System and Technology Architecture (VistA) and CMOP's inventory management software require improvements in order to allow facilities and CMOPs to better account for pharmacy inventory.

VHA launched the Pharmacy Reengineering project in 2003 to make improvements to VistA. Although the project was slated for completion in 2005, it has been significantly delayed; it is now estimated that the project may not be completed until 2018. As needed upgrades may take years to be fully implemented, it is vital that VHA take more immediate action to improve accountability over non-controlled drugs.

VA's Program Response
Estimated Resolution Timeframe: 2014
Responsible Agency Official: Under Secretary for Health

Completed 2011 Milestones

Inventory management systems at all seven CMOPs were reviewed to identify gaps between current and state-of-the-art practices.

To ensure appropriate internal controls are in place and that pharmacy managers and staff accurately and consistently record drug-dispensing activity, VA has done the following:
- Completed implementation of VHA Directive 2010-039, Compliance with the Management of Non-controlled Drugs.
- Conducted and completed a wall-to-wall inventory report.
- Established this inventory as an annual requirement.
- Reviewed the inventory and selected non-controlled substances reports by comparing VA's results with nationally accepted variances to identify concerns.
- Addressed identified concerns at specific sites.
- Began using a Web-based national reporting tool and monitored drug dispensing activity for selected non-controlled drugs that are high cost or at high risk for diversion each year.
- Reviewed over 800 quarterly variance reports on drug names.
- Continued to provide training on the currently available inventory management tools.

Planned 2012 Milestones with estimated completion quarter

Issue a contract solicitation to either rewrite the existing CMOP inventory management software or purchase existing third-party software. **(Q1)**
Conduct and analyze the results of the annual wall-to-wall inventory. Address concerns at specific sites. **(Q2)**

Deliver software to CMOPs for testing. **(Q4)**

OIG Sub-Challenge #1E: Health Care Business Processes

VHA is a large and complex organization that must improve its business processes to provide cost effective services to Veterans. As previously discussed in Challenge 1A, VHA has demonstrated difficulty in providing proper oversight of the CBOC contracting process. Improper fiscal management diminishes the ability of VHA to provide for the needs of all Veterans.

VHA has increased its attention to nurse staffing standard implementation, as the determination of the number and type of nurse staff required is critical to ensure that clinical and financial performance objectives are achieved. However, VHA has not devoted sufficient attention to physician staffing standards, which are important to ensure the proper combination of physicians at each facility.

VHA needs to improve its processes involving the delivery of payment to non-VA providers at fair and reasonable prices. Under the Non-VA Fee Care Program, VA facilities may authorize Veterans to receive treatment from non-VA health care providers when certain services are unavailable at VA facilities, when services cannot be economically provided due to geographic inaccessibility, or in emergencies when delays may be hazardous to life or health. In 2009, OIG reported that VA improperly paid 37 percent of outpatient fee claims, resulting in $225 million of outpatient fee overpayments and $52 million of outpatient fee underpayments during FY 2008. OIG estimated $1.1 billion in overpayments and $260 million in underpayments over a 5-year period.

In 2010, OIG completed two additional reviews of the Non-VA Fee Care Program. One review determined VA had not established controls designed to prevent and detect outpatient fee care fraud. The other review indentified VHA problems in managing the administration of inpatient fee care. The second review also concluded that Non-VA Fee Care Program claim processing inefficiencies occurred because of its decentralized structure and use of a labor-intensive payment processing system. As a result, VA did not have reasonable assurance that VA facilities were appropriately utilizing resources to serve the health care needs of Veterans and accurately reporting financial information that affects future planning and allocation of health care resources. In FY 2011, VA implemented our recommendations on policies and procedures, training, oversight, and claim processing system improvements from our outpatient, inpatient, and fraud program reviews. However, VA still faces ongoing financial and claim processing challenges in their Non-VA Fee Care Program.

Another health care business challenge VHA faces is to improve its process to identify billable fee claims and system of controls to maximize the generation of Medical Care Collection Fund (MCCF) Program revenue from non-VA care, often referred to as "fee care." The purpose of the MCCF Program is to recover costs of medical care that VA provides to Veterans who have private health insurance, referred to as third-party insurance. VA is authorized to collect and deposit third-party health insurance payments in its MCCF, which VA uses to supplement its medical care appropriations. Under the MCCF Program, VA bills third-party health insurers for nonservice-connected medical services provided by VA or fee care. VA bases its insurance billing rates on reasonable charges, which are the amounts that insurers would pay private sector health care providers in the same geographic area for the same services. In FY 2010, the MCCF Program collected approximately $1.9 billion in total third-party revenue

and an additional $900 million in first-party and other revenue sources. The third-party revenue constituted 69 percent of the total $2.8 billion revenue collected by the MCCF Program in FY 2010.

In May 2011, OIG reported that VHA missed opportunities to increase MCCF revenue by not billing third-party insurers for 46 percent of billable fee care claims. VHA missed billing opportunities because they did not have an effective process to identify billable fee claims and a system of controls to maximize the generation of MCCF fee care revenue. As a result, OIG estimated that VHA could increase third-party revenue by $110.4 million annually or by as much as $552 million over the next 5 years.

VHA has increasingly relied on the Fee Care Program to provide care to Veterans who cannot easily receive care at a VA medical facility. By implementing an effective process for identifying billable fee claims and augmenting that process with a system of controls, VHA can improve its capability to provide care to our Nation's Veterans and maximize revenue collections.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Under Secretary for Health

Completed 2011 Milestones

To address the challenge of providing proper oversight of the CBOC contracting process, VA uses statistical reports, including assessment of performance for contractor-staffed CBOCs, to inform the quarterly evaluations involving Veterans Integrated Service Network (VISN) Directors and parent facility directors about how to improve CBOC performance. Updating of monitoring criteria is an ongoing process.

VHA is identifying parameters for determining the number of full time equivalents (FTE) and hours in the context of contracting for scarce medical resources. This work will inform the development of staffing standards in VHA facilities. VHA is also exploring the use of relative value units (RVU) to ensure the proper combination of physicians at each facility. RVUs are used in other health care systems, and VHA is investigating how these can be applied to provide primary and complex specialty care in the unique situations throughout VHA.

To improve performance related to payment for fee care services, VA:
- Published a final rule to standardize VA payments for inpatient and outpatient health care professional services and other medical services associated with non-VA outpatient care.
- Evaluated the current non-VA fee care program including an audit of the accuracy of payments made during 2011.
- Published procedure guides and implemented related training**.**

To address fraud management, VA has implemented a program integrity/fraud management plan including training at all levels within the organization, developed a pilot using predictive modeling to assess potential fraud/waste or abuse cases, and finalized a contract to support a long-term technology solution intended to move to a pre-payment environment.

VA's Office of Business Oversight (OBO) continued oversight of VHA field compliance with Non-VA Care Program policies and procedures. In instances of non-compliance, OBO identified the root causes and made recommendations to VHA senior officials to correct deficiencies. OBO will monitor all recommendations issued in 2011 until they are completed.

Planned 2012 Milestones with estimated completion quarter

VHA Handbook 1006.1, Planning and Activating Community Based Outpatient Clinics, Part 5, Monitoring and Evaluation Process, will be revised to better define VISN responsibility and require more attention to business processes. **(Q4)**

The Under Secretary for Health will receive recommendations about physician staffing standard parameters to be used in contracting for scarce medical services together with action plans with timelines and milestones for implementation. **(Q3)**

The results of the 2011 evaluation of the non-VA fee care program will be reviewed; process changes will be identified and implemented to enhance revenue collections. **(Q3)**

VHA will establish a framework to identify a target for collection of MCCF dollars to maximize revenue. **(Q3)**

VA will continue oversight of VHA field compliance with Non-VA Care program policies and procedures through regular reviews conducted by OBO as part of its 2012 Annual Review Plan. Identifying and reporting on non-compliance will assist VHA senior officials in addressing the issues identified during field reviews, including systemic issues. **(Q4)**

OIG CHALLENGE #2: BENEFITS PROCESSING
-Strategic Overview-

Persistent, large inventories of pending claims for compensation benefits have been a recurring challenge for VBA. VBA faces an increasing disability claims workload from returning OEF/OIF/OND Veterans, reopened claims from Veterans with chronic progressive conditions, and additional claims from an aging Veteran population. The claims workload is expected to further increase based upon new eligibility guidelines related to PTSD and Agent Orange presumptive conditions. The complexities of benefits laws and their interpretation, court decisions, technology issues, workload, and staffing issues contribute to VBA's benefit processing challenges.

Long-term efforts to improve the quality of benefits claims decisions also continue to present a significant VBA challenge. During the 5-year period from FYs 2006 through 2010, VBA's national accuracy rates for rating claims decisions remained the same or declined every year going from 88.6 percent in FY 2006 to 83.8 percent in FY 2010. VBA's recent decline in rating accuracy has moved them further from the VBA strategic target of 90 percent accuracy. Increases in VA funding levels have enabled VA to hire additional claims examiners to help reduce the backlog of pending claims, but VA now faces a continuing challenge to train and incorporate the examiners effectively into a productive workforce. With the significant expansion of its claims workforce through current recruitment efforts

and increasing receipt of claims from Veterans, VA will face additional significant challenges in the accuracy and consistency of benefit decisions. VA also faces major challenges managing the Post 9/11 GI Bill Program as VA implements new legislation providing enhanced educational benefits to Veterans.

OIG Sub-Challenge #2A: Effectively Managing Disability Benefits Claims Workload

VBA continues to experience challenges associated with disability benefits claims that are rising faster than VBA's ability to address this growing workload. In FY 2010, VBA completed 1.95 million rating and non-rating claims, resulting in an end-of-year claims inventory of almost 726,000 claims, up 13 percent from FY 2009's ending inventory of 580,000. As of June 30, 2011, VBA's rating and non-rating inventory had climbed to an unprecedented level of about 1.1 million claims. The June 2011 inventory represents dramatic increases of 51 percent increase from 6 months earlier and 81 percent from the end of FY 2009. A portion of this increase is the result of claims related to conditions such as Parkinson's disease, ischemic heart disease, and hairy cell leukemia and other chronic b-cell leukemias, which VA designated as presumptive disabilities for Veterans exposed to Agent Orange. Many of these claims are subject to strict rules for determining the date of claims as laid out in a U.S. District Court decision in *Nehmer v. U.S. Department of Veterans Affairs* (Nehmer claims). However, even without the *Nehmer* claim inventory, VBA's claims inventory increased significantly. As of June 30, 2011, the non-*Nehmer* rating and non-rating claim inventory of about 1 million claims represented a 37 percent increase from 6 months earlier and 72 percent from the end of FY 2009.

VBA also continues to struggle with achieving its strategic goal of averaging 125 days to complete rating claims. From 2009 to 2010, the average number of days for VBA to process rating claims increased from 161 to 166. For the FY to date through May 2011, VBA continued to move further from its strategic goal by averaging about 170 days to process rating claims.

OIG has completed several audits and reviews to assist VBA in addressing this challenge. In 2009, OIG completed an audit of claims rating decisions that exceeded 365 processing days at VA regional offices (VARO). The audit found that 90 percent of the 11,000 claims pending for more than 365 days were unnecessarily delayed an average of 187 days because of inadequate workload management by VBA. VAROs needed to improve workload management by linking workload management plans to VBA timelines, targets, and goals and execute these improved plans to avoid the deficiencies that cause claims processing delays.

In 2010, OIG conducted an audit to evaluate the effectiveness of VBA's Compensation Program claims brokering. VBA's main goals of brokering are to reduce claims backlogs by expediting processing and helping VAROs meet their processing timeliness targets. VBA has increasingly used claims brokering to try to better align VAROs' workload with staffing resources and address the challenge of reducing claims backlogs. From FY 2006 through FY 2009, the number of brokered claims grew from 90,000 to 171,000, and the percent of claims brokered increased from 12 to 18 percent.

The audit found that VBA can improve the effectiveness of claims brokering by ensuring area offices consider additional factors affecting timeliness and accuracy and strengthen controls over VARO informal claims brokering. For nearly 171,000 brokered claims completed during FY 2009, OIG projected that the average processing time of 201 days would have been 49 days less had VBA avoided the claims

processing delays identified during the audit. OIG also projected that area offices brokered about 54,000 (46.2 percent) of the nearly 117,000 claims brokered for rating actions to facilities with lower rating accuracy rates than original Veteran Service Centers (VSCs). During the audit, OIG also noted that three VAROs brokered claims without area office approval. To address these issues, VBA needs to revise brokering policies and procedures and include timeliness and accuracy measurements in performance plans for directors of VAROs that process brokered claims. In June 2010, VBA interrupted most claims brokering to address the additional challenge of processing *Nehmer* claims. VBA officials have stated they plan to resume full scale brokering in October 2011.

Efforts are also needed to improve tracking and provide accountability of Veterans' claims folders, which contain personally identifiable information. VBA relies upon the Control of Veterans Records System (COVERS) to track Veterans' claims folders. A 2009 audit projected that approximately 296,000 claims folders of the 4.2 million claims folders assigned to VAROs nationwide were in locations that were different from that shown in COVERS. The audit also projected that approximately 141,000 claims folders were lost. Lost claims folders further impair the Department's ability to provide accurate and timely benefits. To gain full control and accountability over Veterans' claims folders, VBA needs to implement all the report recommendations.

OIG inspections disclosed similar findings with regard to mail processing and claims folder management. At 63 percent of 16 VAROs inspected, Triage Team staff improperly managed claims-related mail. Triage Teams are responsible for reviewing, controlling, and processing or routing all incoming mail received from the VARO mailroom. Untimely control and processing of mail can cause delays in processing disability claims. Triage Team members did not timely record receipt and process 21 percent of the incoming mail. In addition, staff did not properly use COVERS to track the location of 24 percent of claims-related mail. At one VARO, OIG found 1,462 pieces of mail waiting to be associated with Veterans' claims folders.

In recent years, VBA has significantly increased its claims processing workforce in an effort to reduce claim-processing times. In 2007 and 2008, VBA hired about 2,800 claims examiners. In 2009, VBA filled an additional 2,300 temporary claims examiners positions funded by the *American Recovery and Reinvestment Act of 2009*. As VBA is able to hire additional permanent employees, it will need to provide these employees the necessary claim-processing training to become effective members of the workforce.

In 2009, an OIG audit concluded that VBA needs to collect better information on its current workforce, such as the number of overtime hours worked, to utilize its workforce effectively. VBA officials also reported challenges maintaining productivity while also ensuring reviews of the work completed by new employees. Since the OIG audit, VBA began to collect and utilize more complete information on its workforce capacity, which should reduce VBA's risk of underestimating its workforce needs to address its growing claims inventory.

In FY 2010, OIG reported that VBA call centers and Internet-based Inquiry Routing and Information System (IRIS) did not provide timely and adequate information. In FY 2008, VBA began consolidating public contact activities into eight national call centers, one pension call center, and one IRIS center. In FY 2009, individuals reached an agent 76 percent of the time. Of those reaching an agent, agents

answered 72 percent of their questions correctly. When OIG combined VBA's reported data on access and accuracy, OIG concluded that any one call placed by a unique caller had a 49 percent chance of reaching an agent and getting the correct information. This occurred because VBA did not have a central entity to provide leadership and guidance, establish sufficient performance standards to evaluate timeliness and accuracy, provide adequate training, and implement an efficient call-routing system. VBA initiated some corrective measures by recruiting for a contact operations manager, adjusting the routing of calls, and increasing the number of telephone lines. In FY 2011, VBA plans to implement a new process to route calls more efficiently.

Opportunities also exist for VAROs to improve appeals management processing timeliness. VARO staff completed over 1 million ratings in FY 2010, an increase of 19 percent since FY 2008. With the increased number of ratings, the number of appeals increased by over 30,000—about 13 percent each year since FY 2008. VBA has not been able to keep up with the increased number of appeals, and as a result, the backlog of appeals has risen by 30 percent from 160,000 appeals in FY 2008 to 209,000 in FY 2010. VBA officials have also reported the number of open appeal cases is likely to increase because, in FY 2011, they devoted a significant number of ratings personnel to process Nehmer claims.

As part of their efforts to reduce the claims backlog, VBA and VHA collaborated in the development of Disability Benefits Questionnaires (DBQ) to replace the C&P examination reports currently in use. DBQs are streamlined medical examination forms designed to capture essential medical information for purposes of evaluating VA disability claims. DBQs can be completed not only by VHA and VA-contracted clinicians, but also by Veterans' private physicians. OIG will be assessing and monitoring controls the Department implements over the use of DBQs.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Under Secretary for Benefits

Completed 2011 Milestones

The *Nehmer*-related workload is extremely complex, and claims are completed at a rate of production less than half the normal expectation. In 2011, non-*Nehmer* claims brokering to Resource Centers was suspended to focus on completing *Nehmer* cases. Pre-*Nehmer* brokering activities were modified significantly to combat the *Nehmer* workload and 14 Day-one Brokering Centers (D1BC) were developed to receive and process all *Nehmer* claims. As of September 30, 2011, 133,467 *Nehmer* cases have been completed.

In 2010, VBA revised guidance clearly defining the link between workload management plans to claims processing timeliness targets and goals. The guidance also requires workload management plans be designed and implemented in a way that prevents inefficient claims processing practices.

VBA continues to improve tracking and accountability of Veterans' claims folders containing personally identifiable information. Each VBA regional office is required to conduct an annual analysis of COVERS compliance. The COVERS User Guide was updated and guidance issued regarding updating COVERS when transferring or receiving claims and requiring reconfirmation of folder locations every 7 days.

Requirements were developed for a new COVERS report to identify and track rebuilt claims folders and assist in enforcing the 60-day search requirement. VBA is working to improve timeliness and accuracy of mail processing in mail intake units. As of September 30, 2011, the average control time for claim receipts was 10.7 days, a significant decrease from the September 30, 2010, time of 16.4 days.

Quality and average wait time standards at the National Call Centers (NCC) were incorporated into the regional office directors' performance standards. VBA implemented Genesys national call routing nationwide. Calls are now routed to the first available agent nationwide, and the system can record all calls received for quality assurance training. Enhancements were made to call center agent training requirements and compliance.

The Veterans Benefits Management System (VBMS) is VBA's business transformation initiative supported by technology that is designed to dramatically improve benefits delivery. VBMS is designed to assist VA in eliminating the claims backlog. The centerpiece of VBMS is a paperless system, which will be complemented by improved business processes and workflows. Combining a paperless claims processing system with improved business processes is the key to eliminating the backlog and providing Veterans with timely and high quality decisions. During 2011, VBMS was deployed to the Salt Lake and Providence ROs, with a focus on enhancing VBMS Establishment, Workflow, Rating, and e-Folder applications. VBA also began the development stages of VBMS Development, Award and Correspondence applications.

A major project initiated by VBA in January 2011 was the Integration Lab (I-Lab) to evaluate the impact of multiple initiatives on claims processing productivity, timeliness, and quality. The I-Lab supports the development of a standard and consistent operating model to align with the process and technology transformational changes. Specifically, I-Lab distributes work to three separate teams based on the number of issues claimed by the Veteran. Each team is integrated and utilizes a comprehensive screener to move work to the next step in the process. VBA is tracking I-Lab productivity on a weekly basis. Following future analyses, the results will be used in the development of a comprehensive operating model for all regional offices.

The VBA Design Team was created to assist with VBA's transformation by focusing on specific processes such as simplification of the rating and notification letter thus making decisions easier to understand, increasing standardization of the rating process by using logic-based tools, and streamlining the examination process.

Quality Review Teams (QRT) began at 12 pilot sites (3 per Area) on August 1, 2011. These teams are solely dedicated to monitoring station quality, identifying trends/training needs, collaborating with local training components, reviewing Systematic Technical Accuracy Review (STAR) errors, addressing national training issues, addressing local training and other issues for that station, and other appropriate functions. The QRTs have been trained by the National STAR Team and are using the National STAR team review approach.

VA made innovative improvements in claims development, deploying 81 Disability Benefits Questionnaires (DBQ) for use by VA medical facilities with 3 available to private physicians. The DBQs streamline the disability evaluation process by requiring a consistent format for medical evidence. In

November 2010, VBA implemented the Private Medical Records pilot to reduce timeliness for receipt of private medical records. VBA is receiving responses to private medical record requests 23 days faster than non-pilot requests. VBA initiated the Fully Developed Claim program nationwide.

Planned 2012 Milestones with estimated completion quarter

In the second quarter of 2012, D1BCs are expected to complete the *Nehmer* work and resume working brokered cases. D1BCs have RO personnel reassigned to work cases from start to finish. The D1BCs will also be responsible for the timeliness and quality standards on all cases received. **(Q2)**

VBA will deploy the new COVERS report in the VETSNET Release 13. **(Q3)**

Development of national performance standards for NCC agents will be completed and presented to the Union. **(Q1)** NCCs will implement a virtual call-back feature that will allow callers the call-back option for assistance. VBA continues to encourage callers to utilize the eBenefits Web site for Veterans to access claim status, records, and VA forms 24 hours a day. **(Q2)**

VBMS will be deployed to an additional RO to validate production business processes. **(Q1)** Combining a paperless system with improved business processes is key to eliminating the claims backlog and providing Veterans with timely and accurate decisions. The VBMS software will continue to undergo fine-tuning, and the supporting architecture will be scaled to support production and the beginning of national deployment of VBMS. **(Q4)**

VBA will assess the Quality Review Team pilot program and the results will determine further deployment beyond the original 12 pilot sites. **(Q4)**

OIG Sub-Challenge #2B: Improving the Quality of Claims Decisions

VBA continues to experience challenges related to VARO claims processing accuracy, obtaining accurate medical examinations for evaluating residual disabilities associated with a TBI, and processing claims-related mail. During the period October 2010–June 2011, OIG inspected 14 VAROs and identified areas where VARO personnel are challenged to make quality claims decisions.

Staff at the 14 VAROs incorrectly processed 28 percent of 1,554 disability compensation claims, resulting in nearly $4.3 million in overpayments. These processing errors related to claims for PTSD, TBI, disabilities related to herbicide exposure (Agent Orange), and temporary 100 percent evaluations for service-connected conditions requiring surgical or specific medical treatment. Staff at the 14 VAROs was unable to process 39 percent of 294 TBI claims correctly because VHA medical examination reports did not contain sufficient information for VARO staff to make an accurate determination. Further, inaccuracies resulted from staff not properly evaluating the severity of TBI-related disabilities. Generally, VARO staff over-evaluated the severity of TBI-related disabilities because they did not properly interpret the medical examination reports.

Additional VBA efforts are needed to ensure the quality of total disability evaluations. In January 2011, OIG reported that VARO staff continues to inconsistently process temporary 100 percent disability

evaluations correctly. OIG projected that VARO staff did not correctly process evaluations for approximately 27,500 Veterans and that, since January 1993, VBA has paid Veterans a net $943 million without adequate medical evidence. In particular, VARO staff was unable to correctly process 63 percent of 420 temporary 100 percent evaluations because VARO staff did not enter the required future medical reexamination dates into Veterans' electronic records or monitor the electronic notifications for medical examination requests. Entering the future medical exam date generates an automatic notification that alerts VARO staff to request a medical examination to evaluate whether the Veteran's temporary 100 percent disability evaluation should continue. Without this notification, improper payments could potentially continue for the Veteran's lifetime. If VBA does not take timely corrective action, it could overpay Veterans a projected $1.1 billion over the next 5 years. VBA generally classifies these overpayments as administrative errors and does not establish a receivable or expect the Veteran to repay the overpayment.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Under Secretary for Benefits

Completed 2011 Milestones

VHA C&P examiners who conduct TBI examinations completed new training in the VA Talent Management System on performing quality TBI medical examinations. VBA instituted a second-level review requirement for all TBI disability rating decisions.

Regarding the quality of total disability evaluations, OIG attributed the cause of errors identified to VA Regional Office staff not correctly processing evaluations. However, VBA identified multiple computer system errors, rather than employee errors, that accounted for a high percentage of the tracking or monitoring errors noted by OIG. VBA implemented a system modification to ensure that future exam diaries are established for rating issues, even when award action is not necessary. VBA identified records for review that contain temporary 100 percent evaluations for the top three disability-specific problem areas identified (Diagnostic Codes 7715 – Non-Hodgkin's Lymphoma, 7528 – Malignant Neoplasms of the Genitourinary System, and 9411 – Post-traumatic Stress Disorder). In addition, VBA updated training materials related to processing future examination diary notifications and evaluating permanent and total disabilities. VBA validated the folder relocation procedures to ensure that claims folders are not relocated to the Records Management Center when the disability is temporary in nature.

In September 2011, the Institute for Defense Analyses completed the independent 3-year review of VBA's quality assurance program mandated under the provisions of Public Law (P.L.) 110-389, Veterans' Benefits Improvement Act of 2008, and VA provided a final report to Congress.

VBA implemented a Quality Review Team pilot program that created dedicated quality review positions at 12 VBA regional offices. The Nashville Quality Assurance Office conducted training for local quality reviewers that focused on identifying error trends and other weaknesses earlier than those identified through national quality reviews.

VBA implemented innovative tools for the claims decision process. The "Hearing Loss Calculator" tool released in November 2010 and the "Special Monthly Compensation Calculator" tool released in July 2011 utilize rules-based technology to improve timeliness, accuracy, and consistency of rating decisions.

VBA enhanced its Challenge training program to incorporate trainee evaluation and feedback into the course accreditation process, ensuring VBA obtains vital feedback. Enhancements also allow ROs to track the annual training hour requirements for individual claims processors. In addition, VBA deployed 10 training lessons that conform to education industry standards.

Planned 2012 Milestones with estimated completion quarter

VBA will review records containing temporary 100 percent evaluations for the top three disability-specific problem areas identified to assess current disability status and ensure a future examination date is in the Veteran's record. **(Q4)**

VA will assess the final report received from the independent review of our quality assurance program that was conducted by the Institute for Defense Analyses under the provisions of P.L. 110-389, Veterans' Benefits Improvement Act of 2008, and will take appropriate action to further enhance VBA's quality assurance program. **(Q4)**

VBA will assess the Quality Review Team pilot program, and the results will determine further deployment beyond the original 12 pilot sites. **(Q4)**

VBA will continue the development of additional calculators to assist in improving timeliness, accuracy, and consistency of rating decisions**. (Q4)**

VBA will place additional online training material for claims processors into an educational design template recognized as a standard format by the educational design industry. **(Q4)**

OIG Sub-Challenge #2C: VA Regional Office Operations

VBA continues to experience challenges with their 57 VAROs complying with VA regulations and policies and ensuring consistent performance of their VSC operations. OIG's Benefits Inspection Division has reported problems in ensuring VARO personnel complete thorough and timely Systematic Analysis of Operations (SAO) and accurately process claims-related mail. Half of the VAROs inspected during 2010 did not follow VBA policy to ensure SAOs were timely and complete. SAOs provide an organized means of reviewing VSC operations annually to identify existing or potential problems in claims processing and propose corrective actions. If VARO management had ensured staff completed thorough SAOs, they would have identified weaknesses associated with their operations and could have developed plans to correct these shortcomings. In addition, many VAROs did not always control and process mail according to VBA policy. Delays in processing claims-related mail might affect the accuracy and overall timeliness of claims processing.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Under Secretary for Benefits

Completed 2011 Milestones

VBA is constantly striving to identify new ways to improve performance at all regional offices (RO). VBA aggressively monitors regional office performance to develop specific action plans to improve identified problem areas. Oversight is provided through site visits conducted by both the C&P Services and the Area Offices. Regional office directors are held accountable for station performance through annual performance evaluations.

All VBA ROs are required to perform annual SAOs to provide a comprehensive overview of specific divisional functions as well as outline areas for improvement. Procedures and a schedule for completing SAOs are available for each VBA business line. Also, each RO director can establish additional SAOs for local operational issues.

SAOs are reviewed during both Central Office and Area Office site visits. SAO compliance is tracked and monitored closely by both parties. Throughout the year, Area Offices may also request copies of RO SAO schedules and specific completed SAOs for further review.

Planned 2012 Milestones with estimated completion quarter

VBA will continue to review RO SAOs completed during both Area Office and Central Office site visits. VBA will further emphasize the importance of SAOs during the weekly Deputy Undersecretary conference call. **(Q1)**

Another initiative in development is the Intelligent Work Queue (IWQ). This is a computerized, rule-based workload management system that will assist employees in analyzing the work each person has pending and suggesting what is the most effective work to complete for a particular day or week. The IWQ is scheduled to begin field testing and implementation in 2012. **(Q2)**

VBA will continue to pursue the strategic goals established 2 years ago to transform VA into a people-centric, results-driven, and forward-looking organization. This transformation responds to the demands of an era of emerging information technologies, changing demographic realities, and renewed commitments to today's Veterans. By 2015, VA's highest priority goals in transformation are to eliminate the disability claims backlog and ensure all Veterans receive a quality decision (98 percent accuracy rate) in no more than 125 days. VBA continues to work toward eliminating the claims backlog while at the same time establishing the momentum of change across all VBA lines of business. Our multi-pronged approach incorporates transformation across business processes, people, and technology to develop an integrated operating model. **(Q4)**

The VBMS is VBA's business transformation initiative supported by technology that is designed to dramatically improve benefits delivery. VBMS is designed to assist VA in eliminating the claims backlog. The centerpiece of VBMS is a paperless system, which will be complemented by improved business

processes and workflows. Combining a paperless claims processing system with improved business processes is the key to eliminating the backlog and providing Veterans with timely and high quality decisions. During 2011, VBMS was deployed to the Salt Lake and Providence ROs with a focus on enhancing VBMS Establishment, Workflow, Rating, and e-Folder applications. VBA also began the development stages of VBMS Development, Award, and Correspondence applications. VBMS will be deployed to an additional regional office to validate production business processes. **(Q1)** The VBMS software will continue to undergo fine-tuning and the supporting architecture will be scaled to support production. National deployment of VBMS is scheduled to begin during calendar year 2012. **(Q4)**

VBA will begin national implementation of our transformation plan by developing a new operating model based on business processes, people, and technology. Best practices learned from the I-Lab at the Indianapolis Regional Office and the VBA Design Team will be integrated into this plan. The I-Lab combines several initiatives and technological advances, achieving higher productivity and quality through integrated cross-functional teams working claims from start to finish, an intake-processing center with skilled personnel, and a new tool to support efficient workload management. The VBA Design Team was created to assist with the transformation by focusing on specific processes such as simplification of the rating and notification letter thus making decisions easier to understand, increasing standardization of the rating process by using logic-based tools, and streamlining the examination process. **(Q2)**

OIG Sub-Challenge #2D: Improving the Management of VBA's Fiduciary Program

VBA is placing beneficiary VA funds at risk of potential misuse because VBA lacks the elements of an effective management infrastructure to support its Fiduciary Program. VA pays billions of dollars in C&P benefits to disabled Veterans and their dependents. VAROs must consider the competency of beneficiaries in every case involving a mental health condition that is totally disabling or when evidence raises a question as to a beneficiary's mental capacity to manage his or her financial affairs, including VA benefits. For those beneficiaries who are deemed incapable to manage their financial affairs because of injury, disease, or the infirmity of age, VA appoints a fiduciary to manage their VA funds. In its FY 2010 Annual Budget Submission, VA reported approximately $696 million in benefits payments to more than 102,000 incompetent beneficiaries with a cumulative estate value of $3.1 billion.

VAROs have been challenged to make timely competency decisions and fiduciary appointments. OIG inspections found staff at seven VAROs unnecessarily delayed making final competency decisions in 34 percent of the cases reviewed. Delays ranged from approximately 17 to 530 days. VARO workload management plans did not make competency determinations a priority or include measures for oversight of this work. As a result, incompetent beneficiaries received their benefits directly without fiduciaries in place to manage their financial resources. While the beneficiaries were entitled to these payments, fiduciary stewardship may have been needed to ensure effective funds management and the welfare of the beneficiaries. The risk of incompetent beneficiaries receiving benefit payments without fiduciaries assigned to manage those funds increases if staff does not complete competency determinations promptly.

OIG has also found that VBA struggles with consistently and effectively monitoring the activities of fiduciaries and, therefore, VA funds have been at risk of misappropriation by fiduciaries. From April 1,

2006, to March 31, 2011, OIG investigated 131 fiduciary cases and made 65 arrests. In June 2011, an administrative assistant working for an attorney, who was a VA appointed fiduciary, pled guilty to Bank Fraud. An OIG investigation revealed that the administrative assistant forged the attorney's signature on more than 325 checks from several VA beneficiary accounts and wrote checks to herself, which she then deposited into her personal bank account. To conceal the embezzlement, which totaled more than $625,000, the defendant transferred funds from one Veteran's account to another whenever an annual accounting was due to be submitted to VA.

In an FY 2010 audit, OIG reported that many of the same program deficiencies noted in a 2006 audit of the Fiduciary Program persist. VAROs are not consistently taking timely or effective actions to ensure VA-derived income of incompetent beneficiaries is protected. These program deficiencies have occurred because VBA lacks elements of an effective management infrastructure to monitor program performance, effectively utilize staff, and oversee fiduciary activities.

Specifically, OIG reported that the case management system used by the Fiduciary Program to support an array of functions necessary for day-to-day operations of the program has functional and data limitations that have severely affected management's ability to use the system as a tool to support program operations effectively. Since the OIG audit, VBA has developed Fiduciary Program staffing and workload model to guide resource allocation decisions and strengthened its management and oversight of fiduciaries.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Under Secretary for Benefits

Completed 2011 Milestones

VA's Office of Business Oversight (OBO) began oversight of VBA field compliance with fiduciary program policies and procedures. In instances of non-compliance, OBO identified the root causes and made recommendations to VBA senior officials to correct deficiencies. OBO will monitor all recommendations issued in 2011 until they are completed.

VA established the Pension and Fiduciary Service in April 2011 to provide greater oversight and management attention to our Fiduciary Program. This focused approach will facilitate many improvements that are currently underway, including the development of a comprehensive caseload and data management system, and the implementation of revised policies and procedures.

VBA took initial steps to develop a new electronic data repository with enhanced workload management tools and integrated functionality. The business requirements document for the new Fiduciary Program System has been prepared and is currently under consideration. The new system will replace the current Fiduciary Beneficiary System and will better protect the beneficiaries in the Fiduciary Program.

VBA began the consolidation of nationwide fiduciary activities into the following six Hub locations: Salt Lake City, Lincoln, Milwaukee, Louisville, Indianapolis, and Columbia.

VBA conducted three significant training initiatives in 2011. A 3-week centralized training session was conducted in May 2011 for Legal Instruments Examiners (LIEs) hired to support the consolidation of fiduciary activities into Hubs. A second session of LIE training was conducted in August 2011. Lastly, a week-long centralized training session was provided to Field Examiners from each of the fiduciary activities and Hubs in July 2011. Training topics included accounting issues, estate protection, and investigative techniques.

VA required that fiduciaries submit detailed copies of financial institution statements to guard against fraudulent transfers.

VA reported information about the misuse of funds by fiduciaries in VBA's 2010 Annual Benefits Report. In October 2010, VBA provided the ROs a staffing model to use as a guide for local fiduciary activity. VA launched a Web site in January 2011 that provides fiduciaries with resources and information about their duties and responsibilities and the forms and references to assist them in their roles as a fiduciary.

VBA established a workload management standard to ensure that final competency decisions are made within 21 days from the expiration of due process.

Planned 2012 Milestones with estimated completion quarter

VA will continue oversight of VBA field compliance with fiduciary program policies and procedures through a focused review conducted by OBO as part of its 2012 Annual Review Plan. Identifying and reporting on non-compliance will assist VBA senior officials in addressing the issues identified during field reviews, including systemic issues. **(Q4)**

VBA will increase Pension and Fiduciary Service staffing to support increased oversight and management attention of the Fiduciary Program. **(Q1)**

VBA will revise the current fiduciary manual, M21-1MR, Part XI, to provide clear and concise guidance on the Fiduciary Program, clarifying procedures pertaining to misuse of funds. **(Q2)**

VA will complete the development and deployment of the new Fiduciary Program System. **(Q4)**

VBA will complete the consolidation of fiduciary activities into six Hub locations in Salt Lake City, Lincoln, Milwaukee, Louisville, Indianapolis, and Columbia. **(Q4)**

VA will conduct additional centralized training sessions for all LIEs and Field Examiners. **(Q4)**

OIG Sub-Challenge #2E: Addressing Benefit Issues Related to MST

An FY 2011 OIG review observed that VBA generally awarded higher proportions of female Veterans disability benefits for mental health conditions other than PTSD, and generally awarded higher proportions of male Veterans disability benefits for PTSD and TBI. VBA also denied females more often for PTSD, and denied male Veterans more often for a mental health condition other than PTSD, although the denial rates for male and female Veterans for all mental health conditions were almost the same.

The OIG review did not find any evidence that claims processors applied VBA's current policies and procedures differently when evaluating male and female Veterans' disability claims.

The OIG review also identified several challenging issues pertaining to MST requiring VBA leadership's attention. Because VBA does not retain historical data on its denial decisions, OIG was unable to fully assess how often VBA denied male and female Veterans' disability claims and if VBA reversed its denials on appeal more frequently for male or female Veterans. In addition, most regional offices do not post signs informing Veterans about the services available through the Women Veterans Coordinators. Furthermore, many Women Veterans Coordinators and claims processors often felt unprepared to communicate effectively with Veterans who may be distressed or emotional during discussions regarding their MST-related disability claims. These regional office employees stated that additional training would be beneficial. Lastly, although VBA does provide some training on processing MST-related claims as part of its training on PTSD, it has not assessed the feasibility of requiring additional MST-related training and testing.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Under Secretary for Benefits

Completed 2011 Milestones

VA is addressing challenges with MST-related claims processing by using a multi-faceted approach. VA's Office of Mental Health Services provided sensitivity training to Women Veterans Coordinators on April 21, 2011, and this lesson, *Military Sexual Trauma Sensitivity Training,* was added to the Talent Management System on May 31, 2011.

VBA and the Under Secretary for Benefits brought a new focus on the processing of PTSD claims based on Military Sexual Trauma (MST).

- VBA incorporated sensitivity training into the 2011 National Training Curriculum mandatory training hours required for all claims processors. This mandatory curriculum includes a new MST training lesson created by VBA's Compensation Service and the *Military Sexual Trauma Sensitivity Training* lesson.
- In March 2011, signs were posted in all VBA regional offices to ensure that Veterans are aware of services and assistance provided by Women Veterans Coordinators. These coordinators case manage claims including assisting claimants in gathering the evidence necessary to decide their claims.
- In June 2011, VA's Under Secretary for Benefits issued a letter to all field personnel emphasizing the relaxed claims processing standards for MST claims.
- VBA's Compensation Service provided additional guidance in July 2011 instructing the field that corroborating evidence of a MST could be found on DD Form 2910, *Victim Reporting Preference Statement* and DD Form 2911, *Forensic Medical Report: Sexual Assault Examination* and similar forms.
- The Compensation Service drafted a new comprehensive training letter and plan for field personnel devoted to processing these claims.

Planned 2012 Milestones with estimated completion quarter

VBA will enhance the rating application used to prepare disability decisions so that historical data on denied claims are not overwritten by subsequent decisions. **(Q1)**

VBA will implement any process improvements identified during the review of claims denied for PTSD due to MST. **(Q1)**

OIG Sub-Challenge #2F: Timely Processing of Post 9/11 GI Bill Benefits Payments

VA continues to face major challenges managing the Post 9/11 GI Bill Program. The program was rapidly implemented in 2009 using interim software and an inexperienced, temporary workforce. VA was required to begin paying benefits for the *Post 9/11 Veterans Educational Assistance Act of 2008* in August 2009. The Post 9/11 GI Bill Program is substantially different from previously authorized VA education benefits programs, which provided one monthly payment to eligible claimants. The Post 9/11 GI Bill, in contrast, provides multiple payments to both claimants and schools. As such, VBA's existing information technology (IT) systems were not capable of processing this new benefit, and claims personnel needed comprehensive training.

Beginning in October 2008, VBA and Office of Information and Technology (OIT) initiated a joint project to develop an interim technology solution, which included new applications as well as modifications to several existing systems. The interim solution is not fully automated, requiring significant manual processing. As a result, VA was unable to process its fall 2009 education claims on time due to system limitations and inadequate staffing. In June 2010, the Department deployed Release 2 of the automated long-term solution for facilitating claims processing on schedule, with plans to convert records and train end users to use the system in July 2010. Additionally, in January 2011 President Obama signed into law the *Post – 9/11 Veterans Education Assistance Improvement Act* (G.I. Bill 2.0). The G.I. Bill 2.0 broadens the eligibility pool and increases the tuition and other benefits offered to claimants. To ensure new claimants and previous claimants, who decide to change their benefit elections, receive timely benefits, end users will need to become familiar with the eligibility requirements and increased benefits of the new law while also becoming familiar with the features of the new system.

VA's Program Response
Estimated Resolution Timeframe: 2013
Responsible Agency Official: Under Secretary for Benefits

Completed 2011 Milestones

In August 2009, VBA implemented the Post-9/11 GI Bill using interim manual procedures and processing tools. VA's long-term strategy to implement this benefit program is the development of an end-to-end information technology solution that utilizes rules-based, industry-standard technologies to modernize the delivery of Post-9/11 GI Bill benefits. VA's Long Term Solution (LTS) was scheduled to be released in five phases to provide incremental capability to the users in the regional processing offices. Release 1 of this effort was successfully deployed on March 31, 2010, and provided functionality to calculate new

original awards; automated calculation of awards including tuition and fees, housing, books and supplies, the Yellow Ribbon program, and Montgomery GI Bill-Active Duty and Reserve Educational Assistance program kickers; and automated calculation of awards for overlapping terms and intervals. Release 2, which was deployed on June 30, 2010, served as the foundation from which VBA retired the interim processing solution and automated the education benefits business processes. Release 3 was deployed October 30, 2010, and provided a school enrollment interface between our VA Online Certification program and the LTS. Release 4 deployed on December 20, 2010, and contained an interface to the Benefits Delivery Network payment system in order for the system to pre-populate the data and automate payments.

The enactment of Public Law (P.L.) 111-377, the Post-9/11 Veterans Educational Improvements Act of 2010, modified certain aspects of the Post-9/11 GI Bill. Some modifications include the types of training approved for benefits, tuition and fee payments, and eligibility under the Post-9/11 GI Bill. The enactment of this law has impacted the development of the LTS for processing Post-9/11 GI Bill claims and VA's ability to fully automate the delivery of benefits. On June 4, 2011, release 5.0 was deployed which included some of the mandated changes to the LTS system.

Planned 2012 Milestones with estimated completion quarter

VBA will complete development and deployment of 12 Post-9/11 GI Bill reports. **(Q1)**

The LTS release 5.1 will implement changes to the Post-9/11 GI Bill required by P.L. 111-377 and provide other automation support enhancements. **(Q1)**

A subsequent release will give the LTS capability to conduct automated end-to-end processing on some supplemental claims. **(Q3)**

VBA and the Office of Information and Technology have partnered to develop the LTS, and will continue to work together on further enhancements, including any required modifications to the existing payment interface.

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OIG CHALLENGE #3: FINANCIAL MANAGEMENT
-Strategic Overview-

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Sound financial management not only represents the best use of limited public resources, but also the ability to collect, analyze, and report reliable data on which resource use and allocation decisions depend. OIG oversight assists VA in identifying opportunities to improve the quality and management of VA's financial information, systems, and other assets.

OIG Sub-Challenge #3A: Achieving Financial Management System Functionality and Effective Financial Management Oversight

In FY 2010, VA received an unqualified ("clean") audit opinion on its consolidated financial statements and made significant progress by reducing the number of material weaknesses from four to one. During FY 2010, VA took sufficient corrective action to eliminate the financial management oversight material

weakness. The auditors downgraded two other material weaknesses, financial management system functionality and compensation, pension, and burial actuarial liabilities, to significant deficiencies. The remaining material weakness concerns IT security controls and is discussed in the Information Management section (OIG Challenge #5).

Concerning financial management system functionality, the auditors continued to identify system limitations related to year-end entries in VA's core general ledger system and with the retention of certain VBA data longer than 60 to 90 days. VA was not in substantial compliance with the *Federal Financial Management Improvement Act of 1996* due to this significant deficiency and the material weakness in IT security controls. In regards to the compensation, pension and burial actuarial liabilities, VA made significant progress in providing complete and accurate information to the actuaries but still needed to improve its related policies and procedures. The auditors also reported other significant deficiencies concerning accounts receivable resulting from advance payments under the Post 9/11 GI Bill, accounts payable, and intra-governmental reconciliations.

In April 2009, VA awarded a task order for the first phase of the SAM pilot project. However, OIG determined that FLITE program managers did not effectively plan for or manage the SAM pilot project. Specifically, FLITE program managers did not take well-timed actions to ensure VA achieved cost, schedule, and performance goals for the SAM pilot project and that the contractor provided acceptable deliverables in a timely manner. The FLITE program managers awarded the SAM pilot project task order at a time when the program suffered from significant staffing shortages. As a result, VA extended the SAM pilot project from 12 to 29 months, potentially doubling contract costs unnecessarily. Finally, VA delayed other FLITE acquisitions because of the lack of progress made on the SAM pilot project.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Executive in Charge, Office of Management
Assistant Secretary for Information and Technology
Under Secretary for Benefits
Under Secretary for Health

Completed 2011 Milestones

During 2011, VA focused on remediating the identified significant deficiencies and material weakness. VA's Office of Financial Process Improvement and Audit Readiness is responsible for managing, coordinating, and monitoring progress towards remediation. VA took positive action in 2011 to address the remaining five significant deficiencies. VA has addressed the financial management system functionality significant deficiency around "period 13," adjusting entries through system enhancements to VA's core financial management system (FMS) and developing policies and procedures to ensure all adjusting entries are maintained in FMS. VA has collected 84 percent of the accounts receivable resulting from advance payments under the Post 9/11 GI Bill. Remediation of the intra-governmental deficiency is comprised of two phases – system enhancements and reconciliation with trading partners, including working with VA's largest trading partners to reconcile data between the agencies. VA's remediation of the accounts payable significant deficiency includes working with the Administrations and staff offices to develop and implement standard operating procedures for recording, reviewing and monitoring accruals and accounts payable.

VA's OBO continued aggressive oversight of field compliance with financial policies and procedures. In instances of non-compliance, OBO identified root causes and made recommendations to the appropriate offices to correct deficiencies. In addition, OBO completed an assessment of internal controls over financial reporting in compliance with OMB Circular A-123. OBO identified deficiencies and issued recommendations. OBO will monitor all recommendations issued in 2011 until they are completed.

VBA finalized the BDN policies and procedures documentation providing standardized business practices for data reconciliation, transfer and storage of data, and external reporting. VBA automated the reporting function from the VBA data warehouse, resulting in more timely, accurate, and complete reports while reducing the risk of error associated with manual input. VBA completed the transfer of all BDN accounting data for Chapter 18 and Chapter 31 education benefits into the VBA data warehouse.

During 2011, OIT continued work on remediation of the IT Security Controls Material Weakness by developing enterprise-wide plans for remediation. In addition, with the assistance of such enterprise-wide initiatives as VA's Visibility to the Desktop Program, which allows visibility of all end-user computers connected to the VA network, VA has transitioned to continuous monitoring to provide a real time view of its security posture. This has already yielded positive results in Federal Desktop Core Configuration compliance. Vulnerability scanning of its network in 2011 has allowed VA to address, in real time, the continual and ever changing threats to its information systems.

In late February 2011, VA OIT senior management decided to place the SAM Project on OIT Program Management Accountability System (PMAS) 5-month strategic pause after the project received a third PMAS strike. A new business sponsor was brought onto the project team and it was decided to limit deployment functionality to support VA facilities management (FM) capabilities. The remainder of 2011 included a strategic re-planning of the project scope, project management and execution methodologies, business ownership, and deployment roadmap.

Planned 2012 Milestones with estimated completion quarter

VBA will complete the transfer of all BDN accounting data for Chapter 35 education benefits into the VBA data warehouse. **(Q1)**

OIT will execute the enterprise remediation plans developed in 2011 by individuals with the responsibility to implement the solution at their site or location. Many of OIT's 2011 corrective action plans include milestones that extend into 2012. Also, VA hopes to have its Visibility to the Server initiative fully in place by the 3rd quarter of 2012. This will allow visibility to the servers connected to its network and will allow VA to proactively remediate server-related vulnerabilities on a real-time basis. **(Q3)**

2012 will include a tactical project re-planning phase and a deployment phase for the SAM project. New methodologies will be refined and tailored for managing the project and the SAM solution. The planning phase will include the development of project deployment artifacts (e.g., implementation toolkit, standard FM processes, and standard configurations) that will be readily available and help with the end-user deployments as well as contribute to the overall plan for full enterprise deployment. Key

activities for site deployment will include business process reengineering, data migration, user training, system configuration, and initial production rollout of facilities' management's capabilities. **(Q4)**

During 2012, VA will continue to work toward complete remediation of any significant deficiencies and the remaining material weakness as well as continuing its aggressive oversight of field compliance with financial policies and procedures through regular reviews conducted by OBO as part of its 2012 Annual Review Plan. Identifying and reporting on non-compliance will assist field managers and VA Central Office in addressing the issues identified during field reviews, including systemic issues. **(Q4)**

OIG Sub-Challenge #3B: Reporting and Reducing Improper Payments

In November 2009, President Obama signed Executive Order 13520 with the purpose of reducing improper payments by intensifying efforts to eliminate payment error, waste, fraud, and abuse in major Federal programs. OIG found that VBA did not have an adequate process to ensure compliance with Executive Order 13520 reporting requirements. VA's listing of 101 high-dollar overpayments in the FY 2010 first quarter was incomplete primarily because VBA personnel misinterpreted reporting guidance. OIG identified 143 high-dollar overpayments totaling $623,434 that VBA did not report. An additional 39,208 potential high-dollar overpayments totaling $213 million were not adequately considered in VBA's process for identifying high-dollar overpayments. OIG determined that these 39,208 overpayments met some of the criteria used in determining reportable high-dollar overpayments. However, VBA did not gather and analyze additional information to determine which overpayments met all of the criteria and should have been reported.

OIG also found that VHA's FY 2009 risk assessment did not adequately assess the level of risk associated with their programs. VHA relied on a self-assessment process that consisted of a checklist; however, the process did not adequately address all payment components such as verifying the certification of the receipt of goods or services. A Financial Assistance Office review in 2009 found that claims were not adequately assessed for improper payment determination and concluded that risk assessment results were not valid.

To address these improper payments challenges, VA reported that VBA will review a statistically valid sample of all debts over $1,667 and report on those that meet the definition as written by the Office of Management and Budget (OMB), and include C&P and Education Service administrative errors in improper payment reporting. In addition, VHA will conduct formal risk assessments and reviews of all programs in FY 2011 (and at least once every 3 years thereafter), to include independent reviews with specialized checklists, to establish a new baseline and more accurately determine if VHA programs are susceptible to significant improper payments in accordance with the Improper Payments Elimination and Recovery Act of 2010.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Executive in Charge, Office of Management
Under Secretary for Health
Under Secretary for Benefits

Completed 2011 Milestones

During 2011 the Office of Management (OM) worked closely with the VHA and VBA to ensure compliance with Executive Order 13520, *Reducing Improper Payments*. As the liaison between the administrations, staff offices, and the Office of Management and Budget (OMB) relative to improper payments' policy and procedures, OM coordinated and oversaw VA's efforts to implement new and revised legislation based upon OMB guidance and ensured that consolidated VA reports to Congress and OMB were prepared in compliance with reporting requirements.

In the 3rd quarter of 2011, VBA began reviewing a statistically valid sample of all debts over $1,667. The sample was selected based on a 95-percent confidence rate with an uncertainty level of 5 percent. VBA used the results of the sample to develop inferential statistics regarding the population of debts. VBA reported on those payments that meet OMB's definition of improper payments in response to OIG Audit of VA's Implementation of Executive Order 13520, "Reducing Improper Payments." VBA will continue to report on improper payment cases where no receivable was established under the administrative error provisions. These reports contain root causes of debts, total number and amount of debts established in each quarter, and total amount of collections in each quarter.

VHA implemented significant improvements to its program risk assessments and reviews required by the Improper Payments Elimination and Recovery Act of 2010 (IPERA). Specifically, VHA conducted formal risk assessments on all 25 VHA programs. Risk assessments were completed by the VHA Financial Assistance Office (FAO) with input from program management. Based on the risk assessment results, medium and high risk programs that were probably or highly likely to be susceptible to significant improper payments underwent a statistically valid payment review. The VHA FAO reviewed sampled payments using a specialized checklist detailing specific compliance criteria to more accurately identify payment accuracy. For example, each sampled payment was reviewed against policies and procedures to determine if the payment was made to an eligible recipient, was for an eligible good or service, was a duplicate payment, was for goods or services received, accounted for credit of applicable discounts, was made in the correct amount, and was made in compliance with policies and procedures. In addition, for high risk programs, program officials were identified and are responsible for implementing a corrective action plan to strengthen internal controls, reduce improper payments, and establish reduction targets.

Planned 2012 Milestones with estimated completion quarter

OM is working with the Office of Acquisitions to develop the necessary solicitation documents for a GSA Schedule contract that will provide analysis of improper benefit payments data to determine the level of preventable improper payments under current laws, regulations, and policies. In addition, the contract will determine if it is feasible to pursue payment recapture audits of improper payments under IPERA.

The contract is expected to be awarded in the first quarter of 2012. **(Q1)** Based on the analysis provided, OM will continue work with VA administrations and offices to further reduce VA improper payments. **(Q4)**

VHA management has implemented the corrective actions recommended by OIG. VHA will continue to monitor and review its risk assessment and review process and make improvements where appropriate to further identify and reduce improper payments. **(Q1-4)**

OIG Sub-Challenge #3C: Improving Oversight of VA Workers' Compensation Program

VA continues to experience challenges with managing Workers' Compensation Program (WCP) cases effectively. VA's WCP costs have increased 44 percent over the last two decades to approximately $182 million, and VHA comprises 93 percent of the Department's total WCP costs. A 2011 OIG audit found that VHA submitted employee compensation forms timely, but lacked the medical evidence necessary to support the employee's continued disabilities. OIG's audit also identified missed opportunities to return employees to work, incomplete case file documentation, and instances of potential fraud.

OIG attributed these issues to a lack of oversight to ensure compliance with WCP statutory requirements. Additionally, VHA has not assigned dedicated WCP resources to manage cases effectively. Ineffective WCP case management could lead to program fraud, as well as potentially unnecessary and inappropriate costs to the Department. OIG recommended ensuring adequate oversight and assigning dedicated resources to assist VHA in improving its WCP case management.

Four prior WCP audits similarly reported enhanced case management could reduce the Departments' costs and the risk for fraud and abuse. For example, a 2004 audit reported VA lacked the medical evidence necessary to support the employee's continued disabilities and identified instances of potential fraud. OIG recommended VA increase Department-wide program management and oversight processes, and dedicate resources to ensure effective case management and reduce the risk of WCP fraud.

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VA's Program Response
Estimated Resolution Timeframe: 2013
Responsible Agency Official: Under Secretary for Health
Assistant Secretary for Human Resources and Administration

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Completed 2011 Milestones

The Department of Veterans Affairs (VA) acknowledges that oversight of its Workers' Compensation Program (WCP) and compliance with WCP statutory requirements must improve.

In April 2011 VHA began to develop an action plan to address how best to ensure employees return to work if that is possible, document case files completely, and reduce the potential for fraud.

VHA has identified operations resources, including personnel, to work with policy officials in VA and VHA to review and identify how best to improve existing procedures as well as implement new processes.

Planned 2012 Milestones with estimated completion quarter

VHA will:
- Establish clear reporting lines with delegated authority for identifying and implementing enforcement and compliance criteria for WCP including development and implementation of oversight and enforcement processes. **(Q1)**
- Issue instructions to improve accuracy of case management in the field. **(Q2)**
- Monitor performance to identify areas that require additional focus and improvement. **(Q4)**
- Establish criteria using best practices and return-on-investment models to determine what is an appropriate WCP staff/programs ratio to manage a WCP effectively and efficiently. **(Q4)**
- Collaborate with appropriate VA offices. **(Q1 and ongoing)**

OIG CHALLENGE #4: PROCUREMENT PRACTICE
-Strategic Overview-

VA operations require the efficient procurement of a broad spectrum of services, supplies, and equipment at the local and national level. OIG audits, inspections, and reviews continue to identify systemic deficiencies in all phases of the procurement process to include planning, solicitation/negotiation/award, and administration. OIG attributes these deficiencies to the decentralized organizational structure in addition to inadequate oversight and accountability.

Deficiencies in the procurement process, failure to comply with the Federal Acquisition Regulation (FAR) and VA Acquisition Regulation, and the lack of effective oversight increase the risks that VA will award sole source and set-aside contracts intended for eligible Veteran-owned and service-disabled Veteran-owned businesses (VOSB and SDVOSB) to ineligible businesses and that contractual performance requirements will not be met. Further, VA risks paying more than fair and reasonable prices for supplies and services and making overpayments to contractors. VA must improve its acquisition processes and oversight to restore the integrity of VA's VOSB and SDVOSB programs and ensure the efficient use of VA funds and compliance with applicable procurement laws, rules, regulations, and policies.

OIG Sub-Challenge #4A: Improve Oversight for VA's VOSB and SDVOSB Programs

OIG's audit of Veteran-owned small business (VOSB) and of service-disabled Veteran-owned small business (SDVOSB) programs disclosed that VA awards numerous VOSB and SDVOSB contracts annually to ineligible businesses. Businesses were ineligible because Veterans did not really own and control the businesses or the Veteran owners subcontracted more work to non-Veteran-owned businesses than allowed under Federal regulations. Ineligible businesses received contract awards due to inadequate business verification processes and program controls and the lack of a coordinated VA acquisition oversight process to ensure contracting officers assessed contractor eligibility at the time of award. Strengthened management controls and oversight for the VOSB and SDVOSB contracting programs could reduce awards made to ineligible businesses by at least $500 million or $2.5 billion over the next 5 years. OIG projections also indicate that VA's reported total VOSB and SDVOSB procurement dollars

could be overstated anywhere from 3 to 17 percent due to awards made to ineligible businesses. Thus, VA may be barely meeting the Secretary's VOSB and SDVOSB procurement goals of 12 and 10 percent, even though it reported its VOSB and SDVOSB awards totaled 23 and 20 percent, respectively, of its procurement dollars in FY 2010.

The OIG has 86 open SDVOSB investigations and has issued 268 subpoenas and executed 19 search warrants. To date, OIG investigations have resulted in six indictments and one conviction. In April 2011, the CEO of a construction management and general contracting company that was awarded VA and Department of the Army construction contracts set aside for SDVOSB and VOSB companies was convicted of committing Major Fraud Against the United States, Witness Tampering, False Statements, and Mail Fraud. A joint OIG investigation revealed that the CEO falsely self-certified that his company was an eligible SDVOSB and VOSB in order to obtain over $16 million in contracts that were set aside for legitimate SDVOSBs and VOSBs. Both the CEO and the company have been debarred from doing business with the Government for 5 years.

In June 2011, a company and four individuals were charged with Conspiracy to Defraud the Government, Major Program Fraud, Wire Fraud, Conspiracy to Commit Money Laundering, and False Statements. A joint OIG investigation determined that the SDVOSB acted as a pass-through company for a larger company and that the owner of the SDVOSB was not a service-disabled Veteran. Subsequent to the indictments, agents arrested the four individuals and simultaneously executed eight search/seizure warrants. Based on information provided by VA OIG, the Department's Suspension and Debarment Committee suspended the company and the four individuals from doing business with the Federal Government.

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VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Executive Director, OSDBU

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Completed 2011 Milestones

On September 4, 2011, VA completed the verification of all firms in the Vendor Information Pages (VIP) database, eliminating the need for the expedited Class Deviation program that ensured that all VOSBs were verified prior to receiving an award under the "Veterans First" procurement program. VA has implemented and continues to monitor contracting actions for opportunities suitable for Veteran small firms. We have re-engineered the process to include a full document review and have expanded our site visit program. Additionally, VA has become more proactive through improved communications to our stakeholders about the status of their applications, performing a detailed records check to ensure that all applications are properly accounted for and recorded, and implementing a new quality control process to give better management oversight to the program.

For cases of misrepresentation, Public Law 109-461 directs VA to debar SDVOSB or VOSB firms for up to 5 years. VA has implemented this provision and initiated debarment proceedings for 13 firms and individuals. In September 2010, VA established the 8127 Debarment Committee, so named after section 8127 of title 38, United States Code, as adopted in Public Law 109-461. The 8127 Debarment Committee has provided guidance on the VA Web site on when and how to refer cases to them for

review. The Committee makes recommendations to the agency debarring official, the Deputy Assistant Secretary for Acquisition and Logistics. If a firm is debarred, VA makes an entry in the Governmentwide Excluded Parties List System (EPLS). The Federal Acquisition Regulation (FAR) directs contracting officers to consult the EPLS (and document to the contract file) prior to making a contract award to ensure debarred firms do not receive contracts during the period of the debarment. In cases of clear intent of misrepresentation, referrals are made to the Office of the Inspector General. Additionally, OIG maintains a hotline that accepts complaints from VA employees and the general public concerning criminal activity, waste, fraud, abuse, and mismanagement involving VA programs and operations.

Performance fraud is a serious potential risk to the integrity of the program as it becomes another way ineligible firms might tap into the program using eligible firms as fronts. VA's Office of Acquisition, Logistics, and Construction is heightening its scrutiny. We will begin sampling contracts and reviewing them for compliance as well as reviewing contracts whenever instances of alleged fraud have taken place. OSDBU also monitors and reviews status protests and will monitor the subcontracting compliance reviews.

Planned 2012 Milestones with estimated completion quarter

In addition to the above ongoing activities, VA has established a Subcontracting Compliance Review Program and will be auditing selected contracts to ensure prime contractors are meeting subcontracting obligations. **(Beginning in Q1)**

OIG Sub-Challenge #4B: Improve Oversight of Procurement Activities

VA does not have a comprehensive national program to oversee contracting and purchasing activities, especially at the local levels. This is due to the decentralization of the process and the failure of VA entities with dedicated contract specialists to establish an oversight program. Effective oversight is difficult to achieve because there is no central database that captures all VA contracting and purchasing information. Although VA established Electronic Contract Management System (eCMS) in 2007, OIG has found that it does not capture all VA procurement information and therefore does not provide accurate and complete information. A 2009 audit reported that eCMS was far from a complete inventory of procurements, in part because it only required data for procurements over $25,000. OIG also found that only an estimated 17 percent of procurement actions required to be recorded were actually recorded. Recent reviews indicate that the deficiencies still exist.

For example, an OIG audit concluded managers at VA's National Acquisition Center (NAC) did not ensure staff fully utilized VA's mandatory eCMS to develop and award national contracts. This occurred because the Office of Acquisition and Logistics provided limited oversight to monitor eCMS compliance and ensure eCMS capabilities adequately supported NAC operations. In addition, Office of Acquisition, Logistics, and Construction (OALC) and NAC officials impaired and diminished visibility of VA procurement actions by not ensuring compliance with the mandatory use of eCMS.

During OIG's Recovery Act oversight, eCMS data reliability and system problems were identified that impact OALC's ability to effectively oversee VA procurements. VHA contracting officers did not uniformly and consistently use eCMS, did not always upload required contract documentation to eCMS,

did not always correct known inaccuracies in eCMS contract data, and sometimes misidentified contracts in the system. OALC officials had not formally alerted VHA contracting officers at the time of OIG's review of an eCMS technical interface problem related to the posting of solicitations on the Federal Business Opportunities website. These systemic problems affect the visibility of all VA procurement actions in eCMS and weaken the effectiveness of VA procurement oversight processes that rely on eCMS contract information.

Another OIG review of the Interagency Agreement between VA and the Navy, Space and Naval Warfare Systems Center (SPAWAR) for the award and administration of task orders for the Replacement Scheduling Activity development program, determined that contracts awarded by third parties like SPAWAR and the General Services Administration are not captured in eCMS. In addition, purchase card transactions are not included.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Executive Director, Office of Acquisition, Logistics, and Construction

Completed 2011 Milestones

OALC expanded the requirement for procurement data in eCMS to include actions equal to or greater than $3,000 (formerly $25,000). OALC collects and tracks monthly strategic metrics for eCMS usage, compliance, and availability. Quarterly Independent Validation and Verification (IV&V) of agency Federal Procurement Data System (FPDS) records against eCMS Contract Action Reports (CARs) enables VA to track and remediate data accuracy and completeness issues through continuous reporting, training, and enforcement. The NAC ensures all new procurements valued at the micro-purchase level (currently $3,000) or more are accomplished in eCMS. NAC contracting officers are populating eCMS with complete, accurate information.

VA's Acting Chief Acquisition Officer and Senior Procurement Executive sponsored a procurement conference in June. It was attended by over 700 acquisition professionals from organizations throughout VA.

VA successfully conducted five A-123 reviews at the Technology Acquisition Center, Construction and Facilities Management, and three VHA regional contracting offices. VA led an Integrated Process Team in developing 11 enterprise-wide performance metrics that are being used to assess procurement outcomes across the Department. VA is in the process of finalizing the development of distance learning alternatives for the acquisition workforce.

VA has implemented a formal certification program for Program/Project Managers in accordance with the Federal Acquisition Program.

Planned 2012 Milestones with estimated completion quarter

OALC will place increased focus on tracking and reporting Interagency Agreements (IAA) in eCMS to ensure delivery and milestone target dates are met and to provide greater visibility and oversight of all VA procurement actions. Purchase card transactions are not processed through eCMS when the dollar amounts fall below VA's $3,000 threshold requirement. **(Q4)**

OIG Sub-Challenge 4C: Effective Contract Administration

OIG continues to identify poor contract administration as a systemic deficiency resulting in overpayments to vendors. OIG's national audit of FY 2009 VA patient transportation contracts disclosed that Contracting Officer's Technical Representatives (COTRs) did not ensure the accuracy of related invoice payments. Payments for 18 percent of the trips on the patient transportation invoices were inaccurate because COTRs did not adequately review invoices before certifying them for payment, unauthorized staff verified and certified invoices instead of the designated COTR, and performance plans did not hold COTRs accountable for the performance of collateral COTR duties. Improved VISN patient transportation contract monitoring could prevent a projected $91.8 million in overpayments and $6.5 million in underpayments over the next 5 years.

An OIG inspection of brachytherapy services at the Philadelphia, PA, VAMC identified numerous deficiencies in the procurement of radiation therapy services from the University of Pennsylvania. OIG found that the COTR approved invoices for engineering services that were not included in the contract and did not independently verify that the services were provided. Instead, the COTR relied on verification by individuals who worked for the contractor. Furthermore, inspections of contracts awarded for services at CBOCs repeatedly found that COTRs failed to ensure that contractors complied with performance measures or off-set payment as required under the provisions of the contract. OIG also found that COTRs failed to timely disenroll patients as required under the terms of the contracts, which resulted in overpayments.

Collectively, OIG audits, inspections, and reviews have shown that COTRs are often poorly trained regarding their duties and responsibilities, are frequently not familiar with the terms and conditions of the contract, and may not be able to devote adequate time to the administration of the contract because it is a collateral duty.

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VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Executive Director, Office of Acquisition, Logistics, and Construction

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Completed 2011 Milestones

VHA released the COTR SOP in May 2011. The COTR SOP includes instructions on when a COTR is required, training requirements, nomination procedures, sample COTR designation letters, record-keeping requirements, invoice procedures, and the responsibilities of the Contracting Officer and COTR.

VHA Procurement Operations has also established a COTR Management Program that includes a newsletter and file review program.

The VA Acquisition Academy (VAAA) had two milestones to improve COTR training. The VAAA exceeded its goal to train over 900 additional COTRs with in-person training by reaching 1,958 with a 91 percent student overall satisfaction score. Additionally, the VAAA had a milestone to develop a distance delivery COTR course in 2011. That milestone was placed on hold based upon the Federal Acquisition Institute's (FAI) impending re-design of the COTR certification and training requirements. FAI will establish a new three-level FAC-COTR certification and training program based on the contract complexity. To mitigate the lack of distance delivery capability, the VAAA delivered COTR training at all VISN locations. This increased the accessibility of the training to VA's COTRs and minimized the travel costs.

VA's Office of Business Oversight (OBO) continued oversight of VHA field compliance with Contract Administration Payment Accountability policies and procedures. In instances of non-compliance, OBO identified the root causes and made recommendations to VHA senior officials to correct deficiencies. OBO will monitor all recommendations issued in 2011 until they are completed.

Planned 2012 Milestones with estimated completion quarter

The VHA Procurement Operations COTR Management Program intends to fully implement the COTR File Review program in 2012. VHA anticipates completing six COTR audits in 2012. The audits will be completed VISN by VISN. The COTR SOP includes additional VHA training for VHA COTRs. The VHA Operations training officer will develop a COTR training implementation plan and ensure completion of the supplemental VHA COTR training upon approval by VHA management. The COTR supplemental training module has been completed and is ready for distribution. **(Q4)**

VA will continue oversight of VHA field compliance with Contract Administration Payment Accountability policies and procedures through regular reviews conducted by OBO as part of its 2012 Annual Review Plan. Identifying and reporting on non-compliance will assist VHA senior officials in addressing the issues identified during field reviews, including systemic issues. **(Q4)**

OIG Sub-Challenge #4D: Compliance with Laws and Regulations

For several years, OIG audits and reviews have identified VA challenges in complying with Federal and VA acquisition laws and regulations that protect the Government's interests and promote transparency in procurements. Most recently, during a 2011 OIG audit, OIG concluded that many contracts in VA's VOSB and SDVOSB programs did not meet FAR, VA Acquisition Regulation (VAAR), and VA contracting requirements. Sixty-eight percent of 79 VOSB and SDVOSB contracts valued at $21.9 million had one or more contracting deficiencies. Contracting officers awarded 20 businesses 30 VOSB and SDVOSB contracts valued at $12 million where they did not complete a justification for other than full and open competition (JOTFOC) prior to the award or perform and document a price reasonableness determination in a document such as the price negotiation memorandum (PNM). Contracting officers also did not review the Excluded Parties List System (EPLS) to ensure businesses had not been debarred or determined ineligible to receive the contracts. Contracting officers did not check the EPLS for 23 businesses prior to the award of 41 VOSB and SDVOSB contracts totaling $19.5 million. To meet this

challenge, VA needs to strengthen the monitoring of VOSB and SDVOSB contracts to ensure contracting officers have complied with applicable FAR and VAAR.

An OIG audit of VA transportation contracts found that contracting officers did not always award patient transportation services contracts competitively and contract files did not include all documentation required by the FAR. OIG determined there were systematic failures by VISN contract managers to adequately review the contracts, identify deficiencies, make recommendations for improvement, and monitor corrective actions.

In 2010, OIG reviewed allegations relating to the award of contracts to a company established by a former VA employee and found that VA personnel awarded contracts without complying with the Competition in Contracting Act. The task orders were issued against an existing multiple award contract without complying with the competition requirements of the underlying contract. In addition, the requirement of certain task orders was outside the scope of the contract. These findings are consistent with OIG reports issued in 2008 and 2009.

Pre and postaward reviews of contracts awarded by VA's National Acquisition Center (NAC) under Federal Supply Schedule (FSS) 621 I, Professional and Allied Health Care Staffing Services, found awarded prices at the contract level were not fair and reasonable as required by applicable laws and FAR provisions for the FSS program. OIG also found that the methodologies used by VA contracting officers to determine contract pricing were inadequate. Although NAC contracting officials knew that the prices were the "worst case" prices and not fair and reasonable prices, they failed to issue policy or advice to purchasing entities, which resulted in purchasers paying more than fair and reasonable prices for these services.

A related national audit of purchases made against FSS 621 I contracts for health care services disclosed that VA personnel at the buying level did not comply with FAR and internal VA policy regarding the purchase of supplies and services from the FSS. VISN contracting officers paid higher than necessary labor rates and travel expenses because they did not adequately review the orders' prices and did not always ensure adequate competition or maximum use of the FSS contracts, or maintain required contract documentation for orders. OIG also found that some medical facility personnel made unauthorized commitments when purchasing from these FSS contracts.

The lack of FSS procurement purchasing policies and procedures makes health care staffing service orders vulnerable to higher than fair and reasonable prices, improper payments, and violations of FAR requirements. Actions needed to strengthen FSS health care services price evaluation and ordering practices could reduce VHA costs by approximately $7.7 million annually, or $38.5 million over the next 5 years.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Executive Director, Office of Acquisition, Logistics, and Construction

Completed 2011 Milestones

eCMS automatically checks the Excluded Parties List System (EPLS) for excluded vendors and notifies the Contracting Officer (CO) if the vendor selected in eCMS is on the EPLS exclusion list. eCMS also retains a history file of the EPLS search. eCMS integrated EPLS in 2010. As a result, OALC automatically checks for excluded vendors, captures the history of the search, and provides COs with data permitting them to make informed vendor decisions for selections. There is no additional action planned other than reporting.

VHA has improved its oversight programs. The Integrated Oversight Process contract reviews have shown that VHA generally completed contracts in accordance with acquisition laws, regulations, and VA policy. VHA established an Acquisition Quality Office to provide the VHA Procurement and Logistics Office comprehensive insight into VHA's Acquisition Program. The audits focus on four primary areas: (1) Organizational Management, (2) Human Capital, (3) Acquisition Planning and Information Management, and (4) Basic Contract Reviews. The Acquisition Compliance audit team completed seven audits in 2011. Each VISN and Service Area Office (SAO) will be audited once every 3 years. In addition to the audit program, the Acquisition Quality office completed several standard operating procedures (SOPs) to improve the oversight of procurement activities in areas such as Integrated Oversight, Other Than Full and Open Competition, Procurement Process, Responsibility Determination, and contract closeout. VHA also established Quality Assurance/Compliance positions at the SAO and VISN levels to assist with the integrated oversight review process and implement the SOPs. To increase oversight activities, VHA also added metrics to the dashboard metric program.

The NAC formed a workgroup that includes members of the VA OIG, NAC, General Service Administration, VHA, and other policy offices. Currently the group is reviewing two proposals that outline updates to the commercial sales practice disclosures to provide a better understanding of the commercial pricing strategies used by FSS vendors. This will ensure adequate fair and reasonable determinations can be completed by COs.

VA completed five A-123 reviews of the Technology Acquisition Center, Construction and Facilities Management, and three VHA regional contracting offices.

Planned 2012 Milestones with estimated completion quarter

OALC is conducting eCMS stakeholder sessions to collect change requests. If OALC collects and validates additional data requirements for VOSB and SDVOSB contracts, OALC will implement the requirements in future eCMS releases. **(Q4)**

VHA will continue to implement the Acquisition Quality audit program and plans to complete ten audits in 2012 with approximately 3 to 4 audits completed each quarter. The SAOs/VISNs will be monitored for

compliance with the Integrated Oversight SOP. VHA is working to establish compliance metrics for Contract Review Board level contract reviews. Initial compliance reports should be available at the end of the first quarter. **(Q4)**

The NAC will use recommendations from the workgroup mentioned above to improve the overall functioning of the 621i Professional and Allied Supplemental Staffing contracts. **(Q4)**

OIG CHALLENGE #5: INFORMATION MANAGEMENT
-Strategic Overview-

Information technology (IT) should enable government to better serve its citizens. The Federal Government, however, has experienced difficulty in achieving productivity improvements from IT advances similar to those realized by private industry. In large part, this has been caused by poor management of large-scale IT projects. All too often, Federal IT projects run over budget, behind schedule, or fail to deliver promised functionality.

VA has consolidated the vast majority of its IT resources under the Chief Information Officer (CIO) by reorganizing the IT functions of VA's Administrations under OIT. Through the stewardship of the CIO, OIT has positioned itself to facilitate VA's transformation into a 21st century organization by focusing on five key management areas. In 2011, OIT strived to: (1) achieve customer service in all aspects of IT; (2) develop a next generation IT Security Plan; (3) manage its IT organizations with metrics that are tracked; (4) focus on product delivery using the Project Management Accountability System (PMAS); and (5) perform better overall financial reporting.

However, OIG's annual CFS and information security program audits continue to report IT security control deficiencies that place sensitive information at risk of unauthorized use and disclosure. Furthermore, OIG oversight work indicates that additional actions are needed to safeguard and effectively manage VA's information resources and data, and that VA has only made marginal progress toward eliminating the information management material weakness reported in the CFS audit and remediating major deficiencies in IT security.

OIG Sub-Challenge #5A: Development of an Effective Information Security Program and System Security Controls

OIG continues to identify major IT security deficiencies in the annual information security program audits. While VA has made progress defining policies and procedures supporting its agency-wide information security program in accordance with the *Federal Information Security Management* Act (FISMA), they face significant challenges in meeting the requirements of FISMA.

OIG's 2010 audit identified significant deficiencies related to access, configuration management, and change management controls. Improvements are needed in service continuity practices to prevent unauthorized access, alteration, or destruction of major application and general support systems. CFS auditors also concluded that a material weakness exists related to the implementation of VA's agency-wide information security program. Finally, VA has also identified over 15,000 system security risks and

corresponding Plans of Action & Milestones (POA&M) that need to be remediated to improve its overall information security posture.

VA needs to focus its efforts to: (1) dedicate resources to aggressively remediate the significant number of unresolved POA&Ms and focus resources on addressing high risk system security deficiencies and vulnerabilities; (2) implement mechanisms to identify and remediate system security weaknesses on the Department's network infrastructure, database platforms, and web application servers across the enterprise; (3) develop and establish a system development and change control framework that will integrate information security throughout each system's life cycle; (4) implement technological solutions to actively monitor all network segments for unauthorized system access to Department programs and operations; and (5) implement mechanisms to ensure that system contingency plans are fully tested in accordance with FISMA.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Director, IT Operations and Deputy Assistant Secretary for Security

Completed 2011 Milestones

VA continued to make progress in improving its information security posture in 2011. This has resulted in a more comprehensive security program that better protects sensitive information. In 2011, VA improved its controls over remote access to its systems and information by continuing to eliminate the use of the One VA Virtual Private Network (VPN). Remote users are now required to use VA's RESCUE software to connect to its network; RESCUE assesses and corrects system configurations and scans for malware upon connection. Ninety percent of VA's One VA VPN remote users have been transitioned to VA's RESCUE software for remote network connectivity. Vulnerability scanning was also performed in 2011 to allow VA to address, in real time, the continual and ever changing threats to its information systems. During 2011, VA continued work on remediation of the IT Security Controls Material Weakness by developing enterprise-wide plans for remediation. VA has transitioned to continuous monitoring to provide a real-time view of its security posture. This has already yielded positive results in Federal Desktop Core Configuration (FDCC) compliance.

Planned 2012 Milestones with estimated completion quarter

With the assistance of enterprise-wide initiatives such as VA's Visibility to the Desktop and Server Programs, VA will have visibility into 100 percent of its servers and desktops by 2012 **(Q3)**. This will allow visibility of all end user computers and servers connected to the VA network so that VA can proactively remediate vulnerabilities on a real time basis. VA will continue to execute the enterprise remediation plans developed in 2011 for its IT Security Controls Material Weakness by individuals with the responsibility to implement the solution at their site or location. Many of VA's 2011 corrective action plans include milestones that extend into 2012 **(Q4)**.

OIG Sub-Challenge #5B: Strengthening Information Technology Governance

A 2009 OIG audit determined that the ad hoc manner in which OIT managed VA's realignment of its IT program from a decentralized to a centralized management structure inadvertently resulted in an environment with inconsistent management controls and inadequate oversight. Although OIG conducted this audit more than 2 years after VA centralized its IT program, senior OIT officials were still working to develop policies and procedures needed to manage IT investments effectively in a centralized environment. For example, OIT had not clearly defined the roles of IT governance boards responsible for facilitating budget oversight and IT project management.

Further, in September 2009, OIG reported that VA needed to better manage its major IT development projects, valued at that time at over $3.4 billion, in a more disciplined and consistent manner. In general, OIG found that VA's System Development Life Cycle (SDLC) processes were adequate and comparable to Federal standards. However, OIT did not communicate, comply with, or enforce its mandatory software development requirements. OIT did not ensure that required independent milestone reviews of VA's IT projects were conducted to identify and address system development and implementation issues. Once again, OIG attributed these management lapses to OIT centralizing IT operations in an ad hoc manner, leaving little assurance that VA was making appropriate investment decisions and best use of available resources. Moreover, VA increased the risk that its IT projects would not meet cost, schedule, and performance goals, adversely affecting VA's ability to timely and adequately provide Veterans health services and benefits.

These audits demonstrated that OIT needed to implement effective centralized management controls over VA's IT investments. Specifically, OIG recommended that OIT develop and issue a directive that communicated the mandatory requirements of VA's SDLC process across the Department. OIG also recommended that OIT implement controls to conduct continuous monitoring and enforce disciplined performance and quality reviews of the major programs and projects in VA's IT investment portfolio. Although OIT concurred with recommendations and provided acceptable plans of actions, OIT's implementation of the corrective actions is still ongoing. For example, OIT is reviewing for approval the draft governance board charters and plans to issue a VA directive mandating Program Management Accountability System (PMAS) compliance once version 3.0 of the guide is developed. PMAS is VA's new IT management approach that focuses on achieving schedule objectives while the scope of functionality provided remains flexible.

As of May 2011, OIT was managing all 119 active development programs and projects using PMAS. An additional 60 projects were in the planning stage, while 41 projects were classified as new starts. However, OIT lacks the program management skills and the financial management system capabilities to fully track program costs and to implement an effective earned value management system to assist with achieving cost and performance goals. VA is challenged to ensure appropriate investment decisions are made and that annual funding decisions for VA's IT capital investment portfolio will make the best use of VA's available resources.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Assistant Secretary for Information and Technology

<u>Completed 2011 Milestones</u>

OIT continues to make significant progress towards strengthening IT governance through the effective use of three IT governance boards that provide Departmental IT direction, oversight, prioritization, enforcement, and issue resolution. All VA administrations and staff offices are represented to ensure their critical business requirements are understood. The Department's Strategic Management Council (SMC) is chaired by the VA Deputy Secretary and serves as the conduit for directly linking the three IT governance boards. The SMC makes decisions related to IT strategy and technology, overall level of IT spending, aligns and approves enterprise architecture, accepts IT risks, and is the final approver of matters that come before the SMC.

The three IT governance boards are assigned specific focus areas to effectively address and manage both near-term and long-term IT requirements and resources. The Programming and Long Term Issues Board (PLTIB) focuses on long-term multi-year program planning which leads into the budget formulation and execution year activities that the Business and Near Term Investment Board (BNTIB) is responsible to oversee. Transparency, collaboration, and continuity play a vital role in effective governance of IT programs. Toward this end, the implementation of vertical and horizontal coordination, reporting, and information flow between the PLTIB and the BNTIB has been achieved (2011) and will be maintained. The Information Technology Leadership Board adjudicates inter- and intra-board issues of significance that cannot be resolved between or within the respective boards as well as making final IT recommendations to the SMC.

To support VA's commitment to transform the Department into a 21st Century organization, the new Office of Architecture, Strategy and Design (ASD) oversees statutorily required processes and outcomes and is a key component of OIT's strategic planning, IT governance, and policy and process development. ASD creates standards for implementing IT solutions that best serve Veterans while exercising proper stewardship of resources. ASD provides a framework of policies, guidance, and governance to ensure IT programs and projects are designed and executed to satisfy current and future business needs of VA. This office helps ensure work performed by OIT meets customer demand by establishing a framework which integrates technical, business, and data architecture; provides systems design and integration; creates forward thinking IT strategy; and uses knowledge management to provide methods and technology to acquire and retain knowledge to improve information sharing across OIT and its customers.

Additionally, ASD establishes processes and practices to enable success of VA IT programs and projects by providing accountability and transparency controls in PMAS. Used as a complementary piece to VA's IT governance process, PMAS has proved invaluable in the early identification of underperforming IT investments, thereby providing the Assistant Secretary for Information Technology the flexibility to reallocate scarce resources to projects that are on track to succeed and provide a significant value to

Veterans, their dependants, survivors, and other stakeholders. A complete description of 2011 PMAS milestones can be found in the response to OIG Sub-challenge #5C.

Planned 2012 Milestones with estimated completion quarter

OIT will continue to mature IT Governance Board processes and methodologies **(Q2)**. A complete description of 2012 PMAS milestones can be found in the response to OIG Sub-challenge #5C.

OIG Sub-Challenge #5C: Effective Oversight of Active IT Investment Programs and Projects

VA has a longstanding history of challenges in effectively managing IT development projects. For example, after 6 years and despite spending more than $249 million, VA halted the Core Financial and Logistics System (CoreFLS) project in 2004 due to significant project management weaknesses. VA began work on the Financial and Logistics Integrated Technology Enterprise (FLITE) program, the successor to CoreFLS, in September 2005 to meet its ongoing need to address a material weakness in VA's financial operations. In July 2010, VA canceled FLITE, with the exception of the Strategic Asset Management (SAM) project, partly because FLITE had suffered from the same project management issues that plagued CoreFLS. SAM subsequently proved to be another troubled IT development project. In April 2009, VA awarded a task order for the SAM project valued at approximately $8 million. Modifications increased the value of the task order to over $20 million, more than doubling the value of the task order and the period of performance. Then, in February 2011, VA suspended SAM for failing to meet three delivery milestone dates.

Similarly, the Veterans Service Network (VETSNET) program has faced a number of cost, schedule, and performance goal challenges. As of May 2009, VBA estimated the total cost of VETSNET to be more than $308 million; more than 3 times the initial cost estimate. After more than 14 years of VBA development, including management and process improvements, VETSNET has the core functionality needed to process and pay the majority of compensation and pension (C&P) claims; however, work remains to meet the original goals for VETSNET. VETSNET's major releases were developed with unstable functional requirements resulting in inadequate time to fully test software changes. Test environments did not always sufficiently replicate production environments resulting in inadequate testing of VETSNET software releases.

Major releases of VETSNET contained functions that did not operate as intended and many system defects were deferred or corrected in subsequent software releases. In addition, VA also has not communicated a clear and consistent long-term objective for the VETSNET program. VETSNET is expected to replace only the legacy C&P functions; however, VETSNET's Exhibit 300 and VA's FY 2011 Budget Submission state that VBA will retire the entire legacy system in FY 2012, due to VETSNET enhancements. Further complicating matters, VBA has recently launched several high profile IT initiatives that will leverage VETSNET to make benefit payments. These overlapping IT initiatives increase the risks that VBA will experience further delays in achieving the original VETSNET goals.

Recently, VA has also had trouble establishing an effective IT project management system. A 2011 OIG audit found a great deal of work remains before VA's PMAS can be considered completely established and fully operational. PMAS represents a major shift from the way VA historically has planned and

managed IT development projects. PMAS was designed as a performance-based management discipline that provides incremental delivery of IT system functionality—tested and accepted by customers— within established schedule and cost criteria. However, our audit concluded that OIT instituted the PMAS concept without a roadmap identifying the tasks necessary to accomplish PMAS or adequate leadership and staff to effectively implement and manage the new methodology. Lacking such foundational elements, OIT has not instilled the discipline and accountability needed for effective management and oversight of IT development projects.

Specifically, OIT did not establish key management controls to ensure PMAS data reliability, verify project compliance, and track project costs. Also, OIT did not put in place detailed guidance on how such controls will be used within the framework of PMAS to manage and oversee IT projects. Consequently, the current PMAS framework does not provide a sound basis for future success. For example, the PMAS Dashboard's usefulness as a project management and performance monitoring tool is limited. The information maintained on the Dashboard is not always reliable and does not provide the project performance history needed to help senior VA leaders make informed project decisions. In addition, OIT has not established key management controls over items such as data reliability, PMAS compliance, and project costs—controls needed to make PMAS a viable IT oversight mechanism. Until these deficiencies are addressed, VA's portfolio of IT development projects will remain susceptible to cost overruns, schedule slippages, and poor performance.

To improve PMAS, VA must develop an implementation plan and assign adequate leadership and staff needed to fully execute the IT project management system. In addition, VA needs to establish controls for ensuring data reliability, verifying project compliance, and tracking costs to strengthen PMAS oversight. Finally, VA must prepare and provide users detailed guidance on using PMAS to ensure IT project success.

VA's Program Response
Estimated Resolution Timeframe: 2013
Responsible Agency Official: Assistant Secretary for Office of Information and Technology

Completed 2011 Milestones

During 2011, OIT with the Project Management Accountability System (PMAS) tracked the status of over 300 development and infrastructure projects and delivered over 80 percent of all scheduled product capability. Of these 300 development and infrastructure projects, 122 are Active – still in development, and 63 have been completed. The other projects are in various stages of further definition and planning. Delivering over 80 percent of all scheduled product capability represents more than 320 new products or product enhancements that had a positive impact on Veteran-facing functionality.

The PMAS system continues to be enhanced, with 6 product builds releasing new capabilities during 2011. Two of the primary software changes included the ability to track Baseline Date changes for projects and the ability to capture the number of Strikes that a project has received. The system tracks over 50 Universal Project Milestone (UPM) codes which describe the status of each project's Milestones. Two releases of the PMAS Guide, which sets policy, occurred in 2011, Vn. 2.1 and 3.0. The Red Flag and Strike processes were formalized, and meetings with OIT Executives are held on a weekly basis so that

projects can either escalate problems or report on why Milestones were not met on time. A Proof of Concept effort is underway to track project resource consumption and is expected to be rolled out during 2012. Migration of the PMAS systems to OIT's Austin Data Center and new production hardware providing expanded capacity and improved system performance and reliability were also accomplished in 2011.

Planned 2012 Milestones with estimated completion quarter

In 2012, OIT anticipates continuing the release of new PMAS capabilities. In addition, the PMAS Office, under the direction of the Deputy Assistant Secretary for Product Development, will stand up on October 1, 2011. This office will set policy and provide oversight and reporting on all Projects in development.

- New enhancements to the PMAS System will include the ability to interface with multiple VA financial and contracting systems to capture project obligations and expenditures. These enhancements are expected to be completed over the next two fiscal years **(2012 and 2013)**.
- A Prioritized List of the system interfaces to be developed will be established. **(Q1)**
- A new contract for the development of the System Interfaces will be required and is expected to be awarded by the end of **Q1**.
- Resource consumption will be tracked via a new project timekeeping system that is being implemented as part of the PMAS system. **(Q3)**
- A centralized repository for all project artifacts will be deployed and populated. **(Q3)**
- New PMAS requirements and system capabilities will be documented in the next release of the PMAS Guide. **(Q4)**
- Interim guidance will be provided to Project Managers as new features are released. Formal changes to the PMAS Guide will be documented at least once a year.

APPENDIX

The Appendix lists selected reports pertinent to the five key challenges discussed. However, the Appendix is not intended to encompass all OIG work in an area.

HEALTH CARE DELIVERY

Audit of VA Consolidated Mail Outpatient Pharmacy Inventory Accountability, Report Number 08-02730-133, May 28, 2009

Audit of Consolidated Mail Outpatient Pharmacy Contract Management, Report Number 09-00026-143, June 10, 2009

Audit of Veterans Health Administration's Management of Non-Controlled Drugs, Report Number 08-01322-114, June 23, 2009.

Healthcare Inspection, Review of Selected Pharmacy Operations in Veterans Health Administration Facilities, Report Number 07-03254-40, December 3, 2009

Audit of VA's Efforts To Provide Timely Compensation and Pension Medical Examinations, Report Number 09-02135-107, March 17, 2010.

Review of Fraud Management for the Non-VA Fee Care Program, Report Number 10-00004-166, June 8, 2010.

Audit of Guide and Service Dog Program, Report Number 10-01714-188, July 7, 2010.

Veterans Health Administration Audit of Community-Based Outpatient Clinic Management Oversight, Report Number 09-02093-211, July 28, 2010.

Audit of Non-VA Inpatient Fee Care Program, Report Number 09-03408-227, August 18, 2010.

Healthcare Inspection, Alleged Inappropriate Prescription and Staffing Practices, Hampton VA Medical Center, Hampton, Virginia, Report Number 10-01167-06, October 12, 2010.

Healthcare Inspection, Evaluation of Community Based Outpatient Clinics, Fiscal Year 2009, Report Number 10-03103-12, October 21, 2010.

Healthcare Inspection, Review of Quality of Care at a VA Medical Center, Report Number 10-03237-41, December 9, 2010.

Review of Combat Stress in Women Veterans Receiving VA Health Care and Disability Benefits, Report Number 10-01640-45, December 12, 2010.

Combined Assessment Program Summary Report, Re-Evaluation of Reusable Medical Equipment and Environment of Care at the Central Texas Veterans Health Care System, Temple, Texas, Report Number 10-03926-76, January 26, 2011.

Audit of the Veterans Service Network, Report Number 09-03850-99, February 18, 2011

Audit of VHA's State Home Per Diem Program, Report Number 10-01529-108, March 2, 2011.

Healthcare Inspection, Alleged Continuity of Care Issues, VA Greater Los Angeles Healthcare System, Los Angeles, California, Report Number 11-00910-118, March 4, 2011.

Healthcare Inspection, Reprocessing of Dental Instruments, John Cochran Division of the St. Louis VA Medical Center, St. Louis, Missouri, Report Number 10-03346-112, March 7, 2011.

Healthcare Inspection, Radiation Safety in Veterans Health Administration Facilities, Report Number 10-02178-120, March 10, 2011.

Combined Assessment Program Summary Report, Evaluation of Reusable Medical Equipment Practices in Veterans Health Administration Facilities, Report Number 10-00135-121, March 14, 2011.

Healthcare Inspection, Alleged Poor Quality of Patient Care, Marion VA Medical Center, Marion, Illinois, Report Number 10-03080-124, March 16, 2011.

Combined Assessment Program Summary Report, Re-Evaluation of Suicide Prevention Safety Plan Practices in Veterans Health Administration Facilities, Report Number 11-01380-128, March 22, 2011.

Oversight Review of Dental Clinic Issues, Dayton VA Medical Center, Dayton, Ohio, Report Number 10-03330-148, April 25, 2011.

Audit of the VHA's Office of Rural Health, Report Number 10-02461-154, April 29, 2011.

Review of Healthcare Services and Benefits for Resident U.S. Virgin Islands Veterans, Report Number 10-03882-151, May 5, 2011.

Healthcare Inspection, Post Traumatic Stress Disorder Counseling Services at Vet Centers, Report Number 10-00628-170, May 17, 2011.

Audit of the Medical Care Collection Fund Billings for Non-VA Care, Report Number 10-02494-176, May 25, 2011.

Healthcare Inspection, Evaluation of Community Based Outpatient Clinics, Fiscal Year 2010, Report Number 11-00794-185, June 7, 2011.

Healthcare Inspection, Prescribing Practices in the Pain Management Clinic, John D. Dingell VA Medical Center, Detroit, Michigan, Report Number 11-00057-195, June 15, 2011.

Healthcare Inspection, A Follow-Up Review of VHA Mental Health Residential Rehabilitation Treatment Programs (MH RRTP), Report Number 10-04085-203, June 22, 2011.

Healthcare Inspection, Delays in Cancer Care, West Palm Beach VA Medical Center, West Palm Beach, Florida, Report Number 11-00930-210, June 29, 2011.

BENEFITS PROCESSING

Audit of VA Regional Office Rating Claims Processing Exceeding 365 Days, Report Number 08-03156-227, September 23, 2009

Audit of Veterans Benefits Administration's Control of Veterans' Claims Folders, Report Number 09-01193-228, September 28, 2009

Audit of VA Regional Office Claim-Related Mail Processing, Report Number 08-01759-234, September 30, 2009

Audit of VA's Efforts to Provide Timely Compensation and Pension Medical Examinations, Report Number 09-02135-107, March 17, 2010

Audit of the Fiduciary Program's Effectiveness in Addressing Potential Misuse of Beneficiary Funds, Report Number 09-01999-120, March 31, 2010

Audit of National Call Centers and the Inquiry Routing and Information System, Report Number 09-01968-150, May 13, 2010

American Recovery and Reinvestment Act Oversight Advisory Report Audit of VA's Implementation of the Post-9/11 GI Bill Long Term Solution, Report Number 10-00717-261, September 30, 2010

Veterans Benefits Administration Audit of Education Claims and Payments for the Post-9/11 GI Bill, Report Number 09-03458-18, November 3, 2010

Audit of VBA's 100 Percent Disability Evaluations, Report Number 09-03359-71, January 24, 2011

Audit of VBA's Retroactive and One-Time Payments to Incompetent Beneficiaries, Report Number 10-01607-110, March 3, 2011

Systemic Issues Reported During Inspections at VA Regional Offices, Report Number 11-00510-167, May 18, 2011

FINANCIAL MANAGEMENT

Review of Interagency Agreement between the Department of Veterans Affairs and Department of Navy, Space and Naval Warfare Systems Center (SPAWAR), Report Number 09-01213-142, June 4, 2009

Audit of VA Electronic Contract Management System, Report Number 08-00921-181, July 30, 2009

Review of Alleged Improper Program Management within the FLITE Strategic Asset Management Pilot Project, Report Number 10-01374-237, September 7, 2010

Audit of the FLITE Strategic Asset Management Pilot Project, Report Number 09-03861-238, September 14, 2010

Audit of VA's Consolidated Financial Statements for Fiscal Year 2010, Report Number 10-01406-20, November 10, 2010

Audit of VHA's Workers' Compensation Case Management, Report Number 10-03850-298, September 30, 2011

PROCUREMENT PRACTICES

Healthcare Inspection Review of Brachytherapy Treatment of Prostate Cancer, Philadelphia, Pennsylvania, and Other VA Medical Centers, Report Number 09-02815-143, May 3, 2010

Audit of Oversight of Patient Transportation Contracts, Report Number 09-01958-155, May 17, 2010

Audit of VISN Procurement Practices for FSS Professional and Allied Healthcare Staffing Services, Report Number 08-00270-162, June 7, 2010

Review of Federal Supply Schedule 621 I -- Professional and Allied Healthcare Staffing Services, Report Number 08-02969-165, June 7, 2010

Review of Allegations of Improper Contract Awards to Watkins Sinclair, LLC, Report Number 09-02322-192, July 14, 2010

Audit of Veteran-Owned and Service Disabled Veteran-Owned Small Business Programs, Report Number 10-02436-234, July 25, 2011

Audit of National Contract Awards at VA's National Acquisition Center, Report Number 10-01744-265, September 2, 2011

INFORMATION MANAGEMENT

Audit of VA's Management of Information Technology Capital Investments, Report Number 08-02679-134, May 29, 2009

Department of Veterans Affairs System Development Life Cycle Process, Report Number 09-01239-232, September 30, 2009

Review of Alleged Improper Program Management within the FLITE Strategic Asset Management Pilot Project, Report Number 10-01374-237, September 7, 2010

Audit of the FLITE Strategic Asset Management Pilot Project, Report Number 09-03861-238, September 14, 2010

Audit of VA's Consolidated Financial Statements for Fiscal Year 2010, Report Number 10-01406-20, November 10, 2010

Audit of the Veterans Service Network, Report Number 09-03850-99, February 18, 2011

Federal Information Security Management Act Assessment for FY 2010, Report Number 10-01916-165, May 12, 2011

Audit of the Project Management Accountability System Implementation, Report Number 10-03162-262, August 29, 2011

High-Risk Areas Identified by GAO

The U.S. Government Accountability Office (GAO) evaluates VA's programs and operations. In February 2011, GAO issued an update to its High-Risk Series (GAO-11-278). The GAO-identified High-Risk Areas (specific to VA as well as Governmentwide) are summarized below. In response to each of the High-Risk Areas (HRAs), the Department has provided the following:

- *Estimated resolution timeframe (fiscal year)* for VA to eliminate each HRA
- *Responsible Agency Official* for each HRA
- *Completed 2011 milestones* in response to the HRA
- *Planned 2012 milestones* along with *estimated completion quarter*

High-Risk Area		Estimated Resolution Timeframe (Fiscal Year)	Page #
No.	Description		
GAO 1	**Improving and Modernizing Federal Disability Programs**	**2012**	**II-197**
GAO 2	**Strategic Human Capital Management: A Governmentwide High-Risk Area**	**2012**	**II-200**
GAO 3	**Managing Federal Real Property: A Governmentwide High-Risk Area**	**2012**	**II-202**
GAO 4	**Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures: A Governmentwide High-Risk Area**	**2012**	**II-204**
GAO 5	**Management of Interagency Contracting: A Governmentwide High-Risk Area**	**2012**	**II-205**
	Appendix		**II-207**

GAO High-Risk Area 1: Improving and Modernizing Federal Disability Programs

Designated a high-risk area in 2003, Federal disability programs remain in need of modernization. Almost 200 Federal programs provide a wide range of services and supports, resulting in a patchwork of policies and programs without a unified strategy or set of national goals. Further, disability programs emphasize medical conditions in assessing work incapacity without adequate consideration of work opportunities afforded by advances in medicine, technology, and job demands. Beyond these broad concerns, the largest disability programs--managed by the Social Security Administration (SSA), Department of Veterans Affairs (VA), and Department of Defense (DoD)--are experiencing growing workloads, creating challenges to making timely and accurate decisions.

VA has made progress in some areas of its claims process and faced continued challenges in others. In fiscal year 2008, VA completed nearly 66 percent more initial compensation claims than in fiscal year 2000 and reduced pending appeals from about 127,000 to 95,000. However, in fiscal year 2008, it took VA on average 776 days to resolve an appeal. We reported in January 2010 that VA has implemented several improvement initiatives, including expanding its practice of workload distribution and testing new claims-processing approaches--such as shortening response periods for certain claims and appeals and reorganizing its claims-processing units. Per our recommendations, VA recently completed evaluations of some key initiatives, and continues to evaluate others. Thus, their long-term impact on the timeliness and accuracy of Veterans' claims is not yet known.

Through their pilot of an integrated disability evaluation system (IDES), DoD and VA have made some progress toward addressing inefficiencies associated with operating two separate yet similar disability systems, but full implementation will require careful monitoring. DoD's and VA's recently completed evaluation of the pilot has generally shown positive results. In support of plans to expand the IDES militarywide, DOD and VA have identified actions needed to address staffing, logistical, and other challenges. However, they do not have a monitoring process for identifying emerging problems such as staffing shortages in order to quickly take remedial actions. DoD and VA should develop a comprehensive monitoring mechanism.

An overall Federal strategy and governmentwide coordination among programs is needed to align disability policies, services, and supports, but little progress has been made. SSA, VA, and DoD leadership have demonstrated a strong commitment and invested additional resources to address claims workloads. However, the agencies still need to complete work on the following recommendations. SSA needs to employ a comprehensive plan that considers its entire disability process. VA needs to evaluate its claims-processing initiatives to assess return on investment. As VA and DoD proceed with a joint disability evaluation system, they need to develop a systematic monitoring process and ensure adequate staffing is in place.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Under Secretary for Benefits

Completed 2011 Milestones

VA completed the Expedited Claims Adjudication (ECA) pilot in December 2010 and identified time saving provisions for the appeals process that will be integrated into the 2012 revised pilot.

VA and DoD expanded the IDES to all Military Treatment Facilities. VA routinely monitors case levels and adjusts staffing levels to maintain a ratio of 30 cases per Military Services Coordinator.

VA made innovative improvements in claims development, deploying 81 Disability Benefits Questionnaires (DBQs) for use by VA medical facilities with 3 available to private physicians. The DBQs streamline the disability evaluation process by requiring a consistent format for medical evidence. In November 2010, VBA implemented the Private Medical Records (PMR) pilot to reduce timeliness for receipt of private medical records. VBA is receiving responses to private medical record requests 23 days faster than non-pilot requests. VBA initiated the Fully Developed Claim (FDC) program Nationwide.

VBA implemented innovative tools for the claims decision process. The "Hearing Loss Calculator" tool released in November 2010 and the "Special Monthly Compensation calculator" tool released in July 2011 utilize rules-based technology to improve timeliness, accuracy, and consistency of rating decisions.

VBA developed functional requirements for automated adjudication of pension and dependency claims, and application development began in April 2011 to improve the timeliness and accuracy of these claims.

In September 2011, the Institute for Defense Analyses completed the independent 3-year review of our quality assurance program mandated under the provisions of Public Law (P.L.) 110-389, Veterans' Benefits Improvement Act of 2008, and VA provided a final report to Congress.

VBA enhanced the Challenge training program to incorporate trainee evaluation and feedback into the course accreditation process. Enhancements also allow regional offices (RO) to track the annual training hour requirements for individual claims processors.

The Veterans Benefits Management System (VBMS) is VBA's business transformation initiative supported by technology that is designed to dramatically improve benefits delivery. VBMS is designed to assist VA in eliminating the claims backlog. The centerpiece of VBMS is a paperless system, which will be complemented by improved business processes and workflows. Combining a paperless claims processing system with improved business processes is the key to eliminating the backlog and providing Veterans with timely and high quality decisions. During 2011, VBMS was deployed to the Salt Lake and Providence ROs, with a focus on enhancing VBMS Establishment, Workflow, Rating, and e-Folder applications. VBA also began the development stages of VBMS Development, Award, and Correspondence applications.

A major project initiated by VBA in January 2011 was the Integration Lab (I-Lab) to evaluate the impact of multiple initiatives on claims processing productivity, timeliness, and quality. The I-Lab supports the development of a standard and consistent operating model to align with the process and technology transformational changes. Specifically, I-Lab distributes work to three separate teams based on the number of issues claimed by the Veteran. Each team is integrated and utilizes a comprehensive screener to move work to the next step in the process. VBA is tracking I-Lab productivity on a weekly basis, and following future analyses, the results will be used in the development of a comprehensive operating model for all regional offices.

The VBA Design Team was created to assist with the transformation by focusing on specific processes such as simplification of the rating and notification letter thus making decisions easier to understand, increasing standardization of the rating process by using logic-based tools, and streamlining the examination process.

Quality Review Teams (QRTs) began at 12 VBA pilot sites (3 per Area) on August 1, 2011. These teams are solely dedicated to monitoring station quality, identifying trends/training needs, collaborating with local training components, reviewing Systematic Technical Accuracy Review (STAR) errors, addressing national training issues, addressing local training and other issues for that station, and other appropriate functions. The QRTs have been trained in and are using the National STAR team review approach.

Planned 2012 Milestones with estimated completion quarter

VA will publish proposed rules with revised rating criteria for the Hemic and Lymphatic, Endocrine, and Musculoskeletal body system and for Mental Disorders. **(Q1)**

VA will revise the ECA pilot to continue efforts to reduce the average number of days it takes for claimants to receive decisions on their appeals. **(Q3)**

VA will implement the Remodeled Integrated Disability Evaluation System program at three military treatment facilities. **(Q1)**

VA will complete development of all disability benefits questionnaires to support the disability examination process. **(Q2)**

VBA will improve the PMR pilot process by increasing the proficiency and effectiveness of collecting private medical records. **(Q1)**

VBA will introduce new benefit application forms for the FDC program in 2012 to streamline the process and improve timeliness of processing claims in the program. **(Q2)**

VBA will continue the development of additional calculators to assist in improving timeliness, accuracy, and consistency of rating decisions. **(Q4)**

VBA will begin implementation of a rules-based processing capability for dependency and pension claims. **(Q1)**

VBA will assess the final report received from the independent review of our quality assurance program that was conducted by the Institute for Defense Analyses under the provisions of P.L. 110-389, Veterans' Benefits Improvement Act of 2008, and will take appropriate action to further enhance VBA's quality assurance program. **(Q4)**

VA will submit an interim report to Congress on the Individual Claimant Checklist pilot program. The pilot will determine whether providing an easy-to-read evidentiary checklist as an addendum to the VCAA notice reduces the average processing time for a claim. **(Q4)**

VA will publish proposed rules for Neurological and Convulsive Disorders, Gynecological Conditions, and Disorders of the Breast, Skin, Eye, Ear, Nose and Throat, Audiology, Cardiovascular, and Respiratory body systems. **(Q4)**

VBA will begin national implementation of our transformation plan, incorporating a new operating model based on business processes, people, and technology. **(Q2)**

VA will deploy the VBMS nationally in 2012. **(Q4)**

GAO High-Risk Area 2: Strategic Human Capital Management

GAO initially designated strategic human capital management as a high-risk area because of the long-standing lack of leadership of strategic human capital management. However, Congress has provided agencies with additional authorities and flexibilities to manage the Federal workforce, including the Telework Enhancement Act of 2010. OPM undertook a major initiative to reform the Federal hiring process in 2010 and has expanded its assistance to agencies with mote strategic approaches to human capital management. These changes demonstrate increased top level attention and clear progress toward more strategic management of the Federal workforce.

GAO, therefore, is narrowing the scope of this HRA to focus on the most significant challenges that remain to close critical skills gaps. Federal agencies need to continue to both take actions to address their specific challenges and work with OPM and through the Chief Human Capital Officers Council to address critical skills gaps that cut across several agencies. Overall, the needed actions can be grouped into the following three broad categories:

- *Planning*: Agencies' workforce plans must fully support the highly skilled talent needs of agencies, both now and as those needs evolve to address new mission priorities. These workforce plans must define the root causes of skills gaps, identify effective solutions to skills shortages, and provide the steps necessary to implement solutions.
- *Implementation*: Agencies' recruitment, hiring, and development strategies must be responsive to changing applicant and workforce needs and expectations, as well as to the increasingly competitive battle for top talent. They must also show the capacity to define and implement corrective measures to narrow skill shortages.
- *Measurement and evaluation*: Agencies need to measure the effects of key initiatives to address critical skills gaps, evaluate the performance of those initiatives, and make appropriate adjustments.

By taking these steps, agencies will improve their ability to monitor and independently validate the effectiveness and sustainability of corrective measures.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Assistant Secretary, Office of Human Resources and Administration

Completed 2011 Milestones

VA supports and advocates all initiatives, whether they are Governmentwide or VA agency-specific, dealing with full utilization of the human capital element of its workforce. Milestones achieved in 2011 are: reduced time to hire new personnel by 12 percent; trained over 200,000 employees in leadership and job competency-related skills; launched a Web-based wellness program that is totally accessible via the Internet; trained over 26,000 managers, supervisors, and senior leaders in building and/or maintaining a diverse, effective workforce; and increased Veterans Employment Coordination Service (VECS) presence through a partnership with Human Resources offices throughout the country (VECS is now the Veterans Recruitment Section of the Veterans Employment Services Office).

Planned 2012 Milestones with estimated completion quarters

Reduce the time it takes to hire new personnel. **(Q4)**
- Issue policies that improve the selection quality of applicant pools.
- Improve the percentage of converted qualified interns to full-time permanent hires.

Retain personnel. **(Q4)**
- Increase training opportunities.
- Allow employees of all occupation competencies to access leadership tests to enhance their understanding of their career development at VA.

Identify top 10 categories for training purposes based on 2010/11 Competency Gap Assessments. **(Q4)**

Engage employees to ensure they have a better understanding of their job roles and to provide employees with valuable information concerning skill competencies necessary to advance in their work. **(Q4)**
- VA Learning University is developing a method to display occupational competencies.
- VA Learning University plans to develop an enterprise-wide Career Mapping Program for mission critical occupations.

GAO High-Risk Area 3: Managing Federal Real Property

The Federal real property portfolio is vast and diverse. It totals over 900,000 buildings and structures with a combined area of over 3 billion square feet. Progress has been made on many fronts, including significant progress with real property data reliability and managing the condition of facilities. However, Federal agencies continue to face long-standing problems, such as overreliance on leasing, excess and underutilized property, and protecting Federal facilities. As a result, this area remains high risk, with the exceptions of governmentwide real property data reliability and management of condition of facilities, which GAO found to be sufficiently improved to be no longer considered high risk.

Two consecutive administrations have demonstrated a commitment to this issue. The 2004 Executive Order 13327 established the Federal Real Property Council (FRPC). The FRPC and the General Services Administration (GSA) established the Federal Real Property Profile (FRPP), a centralized real property database. Agencies have developed asset management plans, standardized data, and performance measures. A 2010 presidential memorandum directed agencies to identify and eliminate excess properties.

Other actions are still needed to address certain long-standing problems. GAO has recommended that OMB and the FRPC develop a strategy to address the continued reliance on leasing in cases where ownership would be less costly. This strategy should identify the conditions, if any, under which leasing is an acceptable alternative. Also, OMB and the FRPC should develop potential strategies to reduce the effect of competing stakeholder interests as a barrier to disposing of excess property. GAO will monitor the implementation of current efforts, such as the presidential memorandum.

The Department of Veterans Affairs (VA) has undertaken various planning efforts to realign its real property portfolio, including the Capital Asset Realignment for Enhanced Services (CARES), creation of a 5-year capital plan, and its newest effort, the Strategic Capital Investment Planning (SCIP) process, which extends the planning horizon to 10 years. VA's capital planning efforts generally reflect leading practices but lack transparency about the cost of future priorities that could better inform decision making by VA and Congress.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Director, Asset Enterprise Management

Completed 2011 Milestones
VA's SCIP process is the principal tool used by VA to "right-size" its real property portfolio. The SCIP process assesses all capital investment proposals for new construction, leasing, renovation, disposals, or reuse to determine what capital proposals should be funded. Funding decisions are based on how well proposals meet objective, weighted criteria.

VA completed its 5-Year (2011-2015) Capital Asset Disposal Plan. The Plan is the basis for VA's submission to the Federal real property database. From October 1, through July 31, 2011, VA has disposed of 41 buildings, including 3 structures totaling approximately 211,870 gross square feet (GSF).

To provide housing for homeless and at-risk Veterans and their families, VA implemented its Building Utilization Review and Repurposing (BURR) initiative. BURR is a comprehensive undertaking, the purpose of which is to identify vacant or underutilized buildings suitable for reuse via VA's Enhanced Use Lease (EUL) authority. The initial stages of BURR focused on vacant buildings over 10,000 square feet. Other BURR reuse opportunities will include housing for OEF/OIF/OND Veterans, poly-trauma patients, assisted living, and seniors. Through BURR, VA identified 34 sites, 98 buildings, and 617 acres that would result in more than 1,779 housing units.

VA upgraded its Capital Asset Management System to include the implementation of a full report writing solution for its Business Intelligence (CAMS-BI) software and an upgrade to its portfolio management system that provides versioning functionality. The report writer allows users to create well designed reports directly with the data used in their analysis for a clean and professional look and feel. The versioning capability allows the user to retrieve information about a project at any prior date/milestone and enables VA to conduct ad hoc and recurring performance analyses for improved real property management.

Planned 2012 Milestones with estimated completion quarter

VA will continue using the BURR tool and its EUL authority to repurpose vacant and underutilized buildings in support of VA's goal to eliminate homelessness among Veterans. VA will continue to seek other internal and external reuse opportunities for properties deemed unsuitable for housing and will designate unusable buildings for disposal/demolition. **(Q1)**

VA will develop the long-term solution for the SCIP Automated Tool (SAT). The SAT provides a Web-based system to collect the data needed to integrate VA's various capital investment planning efforts for major construction, minor construction, non-recurring maintenance, and leasing. The SAT will integrate related capital investment processes including the 10-year Action Plan, business cases, Office of Management and Budget (OMB) Exhibit 300s, scoring and prioritization of investments, creation of the annual capital budget, and capital budget execution and operational planning. **(Q3)**

VA will redesign the CAMS-BI interface to provide more structure and capability for analysis, while simplifying the navigation and layout for the user. VA will retire the Crystal reports from the CAMS-BI toolset and fully migrate to BI Publisher to allow for more integration and provide a single solution for reporting and analysis. **(Q4)**

To continue to improve the quality of data and consistency in applying Federal real property management standards, the management of the Capital Asset Inventory (CAI) database will be shifted to the Office of Asset Enterprise Management. **(Q4)**

GAO High-Risk Area 4: Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures

Federal agencies and our Nation's critical infrastructures—such as power distribution, water supply, telecommunications, and emergency services—rely extensively on computerized information systems and electronic data to carry out their operations. The security of these systems and data is essential to protecting national and economic security, and public health and safety. Safeguarding Federal computer systems and the systems that support critical infrastructures—referred to as cyber critical infrastructure protection, or cyber CIP—is a continuing concern. Federal information security has been on GAO's list of high-risk areas since 1997; in 2003, GAO expanded this high-risk area to include cyber CIP.

Agencies need to (1) develop and implement remedial action plans for resolving known security deficiencies of government systems, (2) fully develop and effectively implement agencywide information security programs, as required by the Federal Information Security Management Act (FISMA) of 2002, and (3) demonstrate measurable, sustained progress in improving security over Federal systems.

Besides enacting FISMA, Congress also enacted the Veterans Benefits, Health Care, and Information Technology Act of 2006. Under the Act, VA's Chief Information Officer is responsible for establishing, maintaining, and monitoring Departmentwide information security policies, procedures, control techniques, training, and inspection requirements as elements of the Department's information security program.

Effective information security controls are essential to securing the information systems and information on which VA depends to carry out its mission. For over a decade, VA has faced long-standing information security weaknesses as identified by GAO, VA's Office of the Inspector General, VA's independent auditor, and the Department itself. The Department continues to face challenges in maintaining its information security controls over its systems and in fully implementing the information security program required under FISMA. These weaknesses have left VA vulnerable to disruptions in critical operations, theft, fraud, and inappropriate disclosure of sensitive information.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Director, Information Technology Operations and Deputy Assistant Secretary for Information Security

Completed 2011 Milestones

VA has taken significant actions towards remediation of its IT Security Controls Material Weakness. In 2011, VA's Visibility to the Desktop initiative provided visibility into 100 percent of its desktops allowing VA to proactively eliminate several of its security vulnerabilities. To improve access controls, VA has enabled 98 percent of its computers with Smartcard capabilities. VA also issued more than 239,000 Personal Identity Verification (PIV) cards to its employees, which is 74 percent of its employee population. In many facilities, network access can be achieved by a PIV card and Personal Identification

Number (PIN) combination or with a login identification and password. Specialized, role-based training for system administrators has been put in place to improve the proficiency of its operations staff. VA has also resolved 100 percent of U.S. Computer Emergency Readiness Team (CERT) actions.

Planned 2012 Milestones with estimated completion quarter

To improve security and provide better boundary protection, VA plans, by 2012 **(Q1)**, to define security baselines for 85 percent of its more than 600 systems and have 100 percent of its external network capability pass through a Trusted Internet Connection (TIC). In 2012 **(Q2)**, VA plans to provide role-based training to 100 percent of personnel with significant security responsibilities. In addition, by 2012 **(Q3)**, VA will have visibility into 100 percent of its servers and desktops, which will provide detailed inventory, configuration, and vulnerability information to enable it to prioritize and remediate security vulnerabilities. This will help reduce the risk of compromise to VA systems and data. Throughout 2012, VA plans to execute the remediation plans it developed in 2011 for its IT Security Controls Material Weakness.

GAO High-Risk Area 5: Management of Interagency Contracting

When used correctly, interagency contracting—where one agency either uses another agency's contract directly or obtains contracting support services from another agency—can offer improved efficiency in the procurement process. By providing a simplified, expedited, and lower cost method of procurement, interagency contracting can help agencies save both time and administration costs versus awarding new contracts. This is particularly important at a time when agencies face growing workloads and slow growth in the acquisition workforce. Although precise numbers are unavailable, agencies reported spending at least $53 billion in 2009 using interagency contracts to acquire goods and services that support a wide variety of activities. GAO designated the management of interagency contracting as a high-risk area in 2005, due in part to the need for stronger internal controls, clear definitions of roles and responsibilities, and training to ensure proper use of this contracting method.

Specifically, GAO found that the Office of Management and Budget (OMB) and Federal agencies lack reliable and comprehensive data to effectively leverage, manage, and oversee these contracts. In addition, agency officials expressed concerns to GAO about potential duplication when multiple agencies create separate contracts for similar products and services. Unjustified duplication needlessly increases costs to vendors, which they pass on to the government, and can result in missed opportunities to leverage the government's buying power. OMB is exploring options for improving the information available on existing interagency contracts to help agencies make better procurement decisions.

OMB and GSA have established corrective action plans that outline the steps they will take in response to GAO recommendations. OMB and Federal agencies must continue to focus on addressing identified deficiencies in the use, management, and transparency of these contracts. Agencies must also take steps to ensure compliance with OMB's interagency contracting guidance to achieve the greatest value possible from this contracting method.

VA's Program Response
Estimated Resolution Timeframe: 2012
Responsible Agency Official: Executive Director, Office of Acquisitions , Logistics and Construction (OALC)

Completed 2011 Milestones

OALC implemented process improvements to ensure Interagency Agreements (IAAs) are fully integrated into the Electronic Contract Management System (eCMS). As of August 2011, Contracting Officers (COs) managed 325 IAAs through eCMS, representing a 2.5 percent increase over 2010.

Legacy IAAs, 2005 to present, have been entered into eCMS. This equates to more than 800 legacy IAA actions being added to the database. New IAA actions are integrated as they are developed.

OALC requires new contracting staff to undergo eCMS training prior to receiving an eCMS account. OALC provides role-based training and an extensive set of eCMS online tutorials and user guides. Training includes instructions for appropriately awarding IAAs.

Planned 2012 Milestones with estimated completion quarter

Conduct eCMS stakeholder sessions to collect change requests. If IAA change requests are collected and validated, OALC will implement the requirements in future eCMS releases. **(Q4)**

Track and report the entry of contracts into eCMS, including IAAs. **(Q4)**

Develop procedures and policy for Project Manager and Contracting Officer on the consideration of interagency contracting. **(Q2)**

Develop processes for the management of interagency contracts that focus on administration, schedule, budget quality, and services procured. **(Q3)**

Ensure that all Project Management Plans address that interagency contracting was considered as a part of the Acquisition Strategy. **(Q4)**

APPENDIX

The Appendix lists selected reports pertinent to the high-risk areas discussed. However, the Appendix is not intended to encompass all GAO work in an area.

Improving and Modernizing Federal Disability Programs

High-Risk Series: An Update, GAO-11-278, February 2011.

Military and Veterans Disability System: Pilot Has Achieved Some Goals, but Further Planning and Monitoring Needed, GAO-11-69, December 6, 2010.

Military and Veterans Disability System: Worldwide Deployment of Integrated System Warrants Careful Monitoring, GAO-11-633T, May 4, 2011.

Strategic Human Capital Management

High-Risk Series: An Update, GAO-11-278, February 2011.

Managing Federal Real Property

High-Risk Series: An Update, GAO-11-278, February 2011.

VA Real Property: Realignment Progressing, but Greater Transparency about Future Priorities Is Needed, GAO-11-197, January 31, 2011.

Federal Real Property: The Government Faces Challenges to Disposing of Unneeded Buildings, GAO-11-370T, February 10, 2011.

VA Real Property: Realignment Progressing, but Greater Transparency about Future Priorities Is Needed, GAO-11-521T, April 5, 2011.

Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures

High-Risk Series: An Update, GAO-11-278, February 2011.

Cybersecurity: Continued Attention Needed to Protect Our Nation's Critical Infrastructure and Federal Information Systems, GAO-11-463T, March 16, 2011.

Information Technology: Department of Veterans Affairs Faces Ongoing Management Challenges, GAO-11-663T, May 11, 2011.

Management of Interagency Contracting

High-Risk Series: An Update, GAO-11-278, February 2011.

VA Snapshot

VA Physician-Researcher Honored by Society for General Internal Medicine

Dr. Michael J. Fine received the 2011 John M. Eisenberg Award for Career Achievement in Research from the Society of General Internal Medicine.

Department of Veterans Affairs physician-researcher Dr. Michael J. Fine received the 2011 John M. Eisenberg Award for Career Achievement in Research from the Society of General Internal Medicine.

The Eisenberg award recognizes the career achievement of a senior Society of General Internal Medicine member whose innovative research has changed the way generalists care for patients, conduct research, or educate students. It is named for the late Dr. John M. Eisenberg because of his exemplary role as a researcher, mentor, and advocate for research in general internal medicine.

"Dr. Fine's work reflects great credit upon the VA health care system and our research program," said VA Chief Research and Development Officer Dr. Joel Kupersmith. "Ensuring equal access to high quality care is a vital part of VA's mission, and researchers like Dr. Fine and his team at the VA Center for Health Equity Research and Promotion are essential to this effort."

Fine directs the VA Center for Health Equity Research and Promotion (CHERP), based in Pennsylvania. He is also a professor at the University of Pittsburgh.

Over the past quarter-century, his innovative research has led to improvements in the clinical management of community-acquired pneumonia, a common and costly illness. The work has also helped shape national and international quality and efficiency standards in this area. In related work, Fine recently evaluated an initiative at several VA sites to reduce methicillin-resistant *Staphylococcus aureus* (MRSA) infections and boost providers' use of alcohol-based hand rubs, which was recently recognized by the New England Journal of Medicine. He also led a major study aimed at shortening the duration of intravenous antibiotic therapy and hospital stays for people with pneumonia.

Fine is an accomplished mentor and international leader in health services research. He has helped launch the research careers of more than 50 trainees. He and his team at CHERP have developed a widely used conceptual framework for disparities research and conducted numerous studies to understand and reduce disparities in health care.

"I consider myself a very inquisitive and somewhat competitive and driven person, and I feel immensely fortunate to be able to apply my scientific knowledge of health services research to improve the quality and equity of health and health care for Veterans," said Fine.

For more information about CHERP, visit the Web site at www.cherp.research.va.gov. For more on VA's overall research program, visit the Web site at www.research.va.gov.