Department of Veterans Affairs
Volume II
Medical Programs and Information Technology Programs

Congressional Submission

FY 2011 Funding and FY 2012 Advance Appropriations Request

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Abbreviations

ARRA	American Recovery and Reinvestment Act of 2009, Public Law 111-5
CBOC	Community-Based Outpatient Clinic
CHAMPVA	Civilian Health and Medical Program of the Department of Veterans Affairs
CNS	Construction
CWVV	Children of Women Vietnam Veterans
FMP	Foreign Medical Program
GOE	General Operating Expenses
HEC	Health Executive Committee
IT	Information Technology
JIF	VA/DoD Health Care Sharing Incentive Fund (more commonly known as the Joint Incentive Fund)
MS	Medical Services
MS&C	Medical Support and Compliance (formerly Medical Administration)
MF	Medical Facilities
OEF/OIF	Operation Enduring Freedom/Operation Iraqi Freedom

Executive Summary of Medical Care

Department of Veterans Affairs (VA) is committed to providing Veterans and other eligible beneficiaries timely access to high-quality health services. VA's health care mission covers the continuum of care providing inpatient and outpatient services, including pharmacy, prosthetics and mental health; long-term care in both institutional and non-institutional settings; and other health care programs, such as CHAMPVA and Readjustment Counseling. VA will meet all of its commitments to treat Operation Enduring Freedom/Operation Iraqi Freedom (OEF/OIF) Veterans and service members in 2010 through 2012.

FY 2010 Appropriations Act (Public Law 111-117) provided $48.183 billion in resources for FY 2011 through advance appropriations. In addition to the appropriated resource level, we anticipate collections in the amount of $3.355 billion, for a total 2011 resource level of $51.538 billion. This level represents an increase of 8.5 percent over the 2010 estimate to support nearly 6.1 million patients. This level is sufficient to meet the estimated requirement for FY 2011.

This year's budget includes a request of $50.611 billion in FY 2012 advance appropriations for the three medical care appropriations. This request for advance appropriations fulfills our commitment to Veterans to provide a reliable and timely resource stream to the hospital and clinics to support the delivery of accessible and high-quality medical services. In addition to the 2012 appropriated resource level, we anticipate collections in the amount of $3.679 billion, for a total resource level of $54.290 billion. This level represents an increase of 5.3 percent over the 2011 estimate to support over 6.2 million patients. Congress enacted Public Law 111-81, the "Veterans Health Care Budget Reform and Transparency Act of 2009" that requires VA to submit this request for advance appropriations with its President's budget submission each year.

VA's 2011 budget focuses on three concerns that are of overriding interest to Veterans—access to care; continued focus on delivery of high quality care; and preventive care to alleviate the need for more acute care. This budget provides the resources required to significantly enhance access by expanding health care eligibility to more Priority 8 Veterans, enhancing access to outreach centers and mobile clinics, and taking greater advantage of telehealth. VA will reduce the number of homeless Veterans through an aggressive program that includes housing, education, jobs, and health care.

Medical Care Budget Authority (dollars in thousands)							
		2010			2012	2010 to 2011	2011 to 2012
Description	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Advance Approp.	Increase/ Decrease	Increase/ Decrease
Appropriation:							
Medical Services	$30,745,513	$34,704,500	$34,692,500	$37,136,000	$39,649,985	$2,443,500	$2,513,985
Medical Support & Compliance	$4,405,500	$5,100,000	$4,930,000	$5,307,000	$5,535,000	$377,000	$228,000
Medical Facilities	$5,029,000	$4,693,000	$4,859,000	$5,740,000	$5,426,000	$881,000	($314,000)
Subtotal Appropriations	$40,180,013	$44,497,500	$44,481,500	$48,183,000	$50,610,985	$3,701,500	$2,427,985
American Recov. & Reinvest. Act of 2009	$1,000,000	$0	$0	$0	$0	$0	$0
Total Appropriations	$41,180,013	$44,497,500	$44,481,500	$48,183,000	$50,610,985	$3,701,500	$2,427,985
MCCF Collections	$2,766,908	$2,881,462	$3,026,000	$3,355,000	$3,679,000	$329,000	$324,000
Total Budget Authority	$43,946,921	$47,378,962	$47,507,500	$51,538,000	$54,289,985	$4,030,500	$2,751,985
FTE	235,619	239,676	243,562	244,845	243,645	1,283	(1,200)

Eliminating Homelessness. Our nation's Veterans have been plagued by a high incidence of homelessness, depression, substance abuse, and suicides. Many Veterans also suffer from joblessness and are at risk of becoming homeless. On any given night, about 131,000 Veterans live on the streets, representing almost every war and generation, including those who served in Iraq and Afghanistan. While the number of homeless Veterans is going down, VA will not rest until every man and woman who has honorably served this nation in uniform has suitable housing. To accomplish this, VA will offer a full range of support necessary to end the cycle of homelessness by providing education, jobs, and health care, in addition to housing. VA will increase the number and variety of housing options available to homeless Veterans and those at risk, including permanent, transitional, contracted, community-operated, and VA-operated housing. VA will target at risk Veteran population with aggressive support intervention to try to prevent homelessness before it starts.

Homelessness is primarily a health care issue, heavily burdened with depression and substance abuse. VA's budget includes $4.2 billion in 2011 to prevent and reduce homelessness among Veterans—over $3.4 billion for medical services and nearly $800 million for specific homeless programs.

VA's health care costs for homeless Veterans will drop in the future as our emphasis on education, jobs, and prevention and treatment programs results in greater residential stability, gainful employment, and improved health status.

Expanding Access to Health Care. In 2009 VA opened enrollment to Priority 8 Veterans whose incomes exceed last year's geographic and VA means-test

thresholds by no more than 10 percent. Our most recent estimate is that 193,000 more Veterans will enroll for care by the end of 2010 due to this policy change.

In 2011 VA will further expand health care eligibility for Priority 8 Veterans to those whose incomes exceed the geographic and VA means-test thresholds by no more than 15 percent compared to the levels in effect prior to expanding enrollment in 2009. This additional expansion of eligibility for care will result in 99,000 more enrollees in 2011 alone, bringing the total number of new enrollees from 2009 to the end of 2011 to 292,000.

Telehealth. Our increasing reliance on non-institutional long-term care includes a $163 million and $175 million investment in home telehealth in 2011 and 2012, respectively. Taking greater advantage of the latest technological advancements in health care delivery will allow us to more closely monitor the health status of Veterans and will greatly improve access to care for Veterans in rural and highly rural areas. Telehealth will place specialized health care professionals in direct contact with patients using modern Information Technology tools. VA's home telehealth program is the largest of its kind in the world. A recent study found patients enrolled in home telehealth programs experienced a 25 percent reduction in the average number of days hospitalized and a 19 percent reduction in hospitalizations. Telehealth and telemedicine improve health care by increasing access, eliminating travel, reducing costs, and producing better patient outcomes.

Securing Americans Value and Efficiency (SAVE) Award

The SAVE Award is about improving how government operates by drawing upon the wealth of knowledge of our frontline workers who are seeing day in and day out what is working and what is not.

Four finalists were chosen from more than 38,000 ideas nation-wide. The winning suggestion was to "allow Veterans leaving VA hospitals the option to take medicine home with them instead of it being thrown away when they're discharged." As is the case in most hospitals across the country, medicine that is used in the VA hospital is not given to patients to be brought home; instead, it is thrown out. As a result of this suggestion, VA will re-label certain medications provided to patients during their inpatient stay so that they can continue to be used after discharge, if so ordered by their physician. In order to assure that the suggestion to re-label inpatient medications can be implemented in a safe and cost-effective manner, approximately 300 medications will be candidates for re-labeling according to criteria being developed by the Veterans Health Administration. Only medications whose cost exceeds the cost to re-label them will be eligible for re-labeling. The types of medications that are candidates for re-labeling include oral and nasal inhalers, ophthalmic and otic preparations, and topically applied preparations.

VA is continuing to review additional suggestions including those shown below.

- Patient Care Technicians tasks
- Number of Nurse Practitioners for Primary Care
- Use of cost analysis and cost reductions across all networks
- Evaluate management of contract accounts receivable with balances under $250
- Enhance DoD/VA joint cooperation in delivery of health care services
- Reduce unnecessary use of paper
- Expand My HealtheVet website capability
- Explore option of allowing Veterans to pay their bills online on a secure website.

Medical Patient Caseload

For 2011, we expect to treat nearly 6.1 million patients, an increase of 2.9 percent over the number of patients treated in 2010. Of those 6.1 million patients, we project we will treat almost 4 million Veterans in Priorities 1-6, an increase of more than 94,000. This represents an increase of 2.4 percent over the number of these patients VA treated in 2010. VA also provides medical care to non-Veterans; this population is expected to increase by over 11,000 patients or 2.2 percent during the same time period. In 2011, VA anticipates treating 439,000

Operating Enduring Freedom (OEF) and Operating Iraqi Freedom (OIF) Veterans, an increase of over 56,000 patients, or 14.8 percent, over the 2010 level.

Unique Patients							
		2010			2012	2010 to 2011	2011 to 2012
Description	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Advance Approp.	Increase/ Decrease	Increase/ Decrease
Priorities 1-6	3,874,957	3,994,758	3,895,130	3,989,871	4,074,126	94,741	84,255
Priorities 7-8	1,346,626	1,540,997	1,497,766	1,560,447	1,620,845	62,681	60,398
Subtotal Veterans	5,221,583	5,535,755	5,392,896	5,550,318	5,694,971	157,422	144,653
Non-Veterans	523,110	515,098	533,406	544,888	553,592	11,482	8,704
Total Unique Patients	5,744,693	6,050,853	5,926,302	6,095,206	6,248,563	168,904	153,357
OEF/OIF (Incl. Above)	332,945	419,256	382,487	439,271	496,055	56,784	56,784

Medical Care Program Funding Requirements

The submission for Medical Care is based primarily on an actuarial analysis founded on current and projected Veteran population statistics, enrollment projections of demand, and case mix changes associated with current Veteran patients. The resource change is tied to actuarial estimates of demand and case mix changes for all Veteran priorities. Demand is adjusted for expected utilization changes anticipated for an aging Veteran population and for services mandated by statute. The utilization projections are based on private sector benchmarks adjusted to reflect the VA health care services package, Veteran age, gender, morbidity, reliance on VA versus other health care providers, and degree of health care management. The changing health care demands reflect Veterans' increasing reliance on pharmaceuticals; the advanced aging of many World War II and Korean Veterans in greater need of health care; and the outcome of high Veteran satisfaction with the health care delivery. The 2011 and 2012 levels reflect the increased costs of emerging medical care requirements resulting from the Afghanistan troop surge, and Agent Orange and Amyotrophic Lateral Sclerosis presumptions.

The following table displays, on an obligation basis, the estimated resources by major category that VA projects to spend. In 2011, VA's estimate for obligations is $51.865 billion. In 2012, VA's estimate for obligations is $54.632 billion. Over the coming year, as more current actual obligation data becomes available, the Department may shift funding among these major categories, particularly for FY 2012. Any such shifts in funding will be reflected in future budget submissions.

VA Medical Care Obligations by Program

(dollars in millions)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Health Care Services:							
Acute Care	$29,653	$32,899	$34,409	$34,582	$35,891	$173	$1,309
Rehabilitative Care	$669	$698	$708	$744	$781	$36	$37
Mental Health	$4,446	$4,564	$4,825	$5,235	$5,576	$410	$341
Prosthetics	$1,638	$1,844	$1,850	$1,998	$2,179	$148	$181
Dental	$539	$631	$631	$678	$729	$47	$51
Total Health Care Services	$36,945	$40,636	$42,423	$43,237	$45,156	$814	$1,919
Nursing Home Care:							
VA Community Living Centers	$3,085	$3,405	$3,391	$3,727	$4,012	$336	$285
Community Nursing Home	$501	$591	$593	$692	$752	$99	$60
State Home Nursing	$600	$678	$726	$869	$1,042	$143	$173
Total Nursing Home Care	$4,186	$4,674	$4,710	$5,288	$5,806	$578	$518
All Other	$54	$61	$59	$64	$70	$5	$6
Total Institutional Care	$4,240	$4,735	$4,769	$5,352	$5,876	$583	$524
Total Non-Institutional Care	$942	$1,205	$1,206	$1,442	$1,641	$236	$199
Total Long Term Care	$5,182	$5,940	$5,975	$6,794	$7,517	$819	$723
Other Health Care Programs:							
CHAMPVA & Other Dependent Prg	$988	$1,014	$1,080	$1,189	$1,297	$109	$108
Readjustment Counseling	$124	$192	$172	$179	$187	$7	$8
Other	$31	$433	$52	$55	$50	$3	($5)
Total Other Health Care Programs	$1,143	$1,639	$1,304	$1,423	$1,534	$119	$111
Presidential Initiatives:							
Combat Homelessness Pilot Prg	$0	$26	$26	$26	$27	$0	$1
Real Property Operating Costs Reduction	$0	($4)	($4)	($7)	($11)	($3)	($4)
Subtotal	$0	$22	$22	$19	$16	($3)	($3)
Initiatives:							
Homelessness: Zero Homelessness	$0	$0	$0	$294	$294	$294	$0
Telehealth, Non-Inst'l Long-Term Care	$0	$0	$0	$40	$40	$40	$0
Subtotal	$0	$0	$0	$334	$334	$334	$0
Legislative Proposals	$0	$0	$0	$58	$75	$58	$17
Subtotal, Initiatives & Legsl. Proposals	$0	$0	$0	$392	$409	$392	$17
Total Obligations Request	$43,270	$48,237	$49,724	$51,865	$54,632	$2,141	$2,767

Included in the VA Medical Care Obligations by Program

(dollars in millions)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Non-Recurring Maintenance	$1,644	$972	$1,331	$1,110	$869	($221)	($241)
OEF/OIF Veterans	$1,466	$2,057	$1,978	$2,575	$3,255	$597	$680

2011 Funding Level and 2012 Advance Appropriations Request

Medical Care Programs Major Funding[1]

The justification for the 2011 funding level and the 2012 advance appropriations request is provided below, on an obligation basis, corresponding to the obligation estimates, by program, on the previous table. In 2011, the $51.865 billion in obligations is comprised of $48.183 billion for appropriation funding, $3.355 billion for collections, and $327 million for reimbursements. In 2012, the $54.632 billion in obligations is comprised of $50.611 billion for appropriation funding, $3.679 billion for collections, and $342 million for reimbursements. The funding in parenthesis represents the 2011 funding level and 2012 advance appropriations request on an obligation basis.

Health Care Services:

- **($43.237 billion in 2011)**
- **($45.156 billion in 2012)**

VA projects the following medical services:

- **Acute Care:**
  - **($34.582 billion in 2011)**
  - **($35.891 billion in 2012)**

  - **Inpatient Acute Hospital Care**: VA delivers inpatient acute hospital care in its hospitals and through inpatient contract care. Acute care services for medicine include neurology, surgery and maternity.

  - **Ambulatory Care:** This includes funding for ambulatory care in VA hospital-based and community-based clinics. Contract fee care is often provided for eligible beneficiaries when VA facilities are not geographically accessible, services are not available at a particular facility, or when care cannot be provided in a timely manner.

  - **Pharmacy Services:** These services include prescriptions, over-the-counter medications and pharmacy supplies. VA expects to fill 269 million prescriptions in 2011 and 281 million in 2012.

- **Rehabilitative Care:**
  - **($744 million in 2011)**
  - **($781 million in 2012)**

  These services include Blind Rehabilitation and Spinal Cord Injury programs. VA is expanding the Blind Rehabilitation program to

[1] Numbers may not add due to rounding.

accommodate the increased workload due to additional numbers of these injuries among OEF/OIF Veterans.

- **Mental Health:**
  - **($5.235 billion in 2011)**
  - **($5.576 billion in 2012)**

  This funding will support inpatient, residential, and outpatient mental health programs for mental health conditions, including substance abuse disorders. The funding covers specialized mental health and substance abuse programs and programs that support integrating mental health services with primary care. Within specialty care, it includes day treatment for psychosocial rehabilitation, intensive outpatient programs for substance abuse, mental health care for the homeless, mental health intensive case management, and supported employment and compensated work therapy, as well as other mental health services. VA domiciliary care is included as a residential mental health program.

  VA has established teams in approximately 100 facilities to address the mental health needs of returning Veterans. These teams work with Vet Centers to conduct outreach in the community and "in-reach" to facilitate identifying mental health conditions in primary care, educating Veterans and family members about mental health conditions, and providing services in an environment specific for new Veterans. VA has implemented system-wide screening for returning Veterans for depression, post-traumatic stress disorder (PTSD), traumatic brain injury (TBI) and problem drinking. VA follows up positive screens to determine whether care is needed. For those who request or are referred for mental health services, VA requires an initial evaluation within 24 hours to determine whether there is an urgent need for an intervention and requires a full diagnostic and treatment planning evaluation within 14 days.

  VA is integrating mental health and primary care in more than 100 sites to facilitate treatment and has enhanced the capacity of general mental health, substance abuse treatment, and specialized PTSD programs. VA has enhanced programs by placing PTSD specialists or treatment teams in each VA medical center and is developing additional programs for women, Veterans with dual diagnoses, and Veterans requiring residential care. VA's ongoing and expanding initiatives include large scale training for VA providers on the delivery of evidence-based psychotherapies for PTSD (Cognitive Processing Therapy and Prolonged Exposure Therapy) and conditions such as depression and anxiety (Cognitive Behavioral Therapy). To enhance the availability of specialty mental health services in community-based outpatient clinics, especially those in rural areas, VA has

supported both staff enhancements and the development of telemental health networks.

In 2004-2005, in recognition of the needs of returning Veterans and VA's duty to enhance mental health services for all Veterans, the Under Secretary for Health adopted and began implementation of the VHA Comprehensive Mental Health Strategic Plan as a 5-year program designed to eliminate gaps in capacity, access, continuity, and quality of VA mental health services. The plan included 265 recommendations that fit within six principal components, including: 1) increasing the capacity of mental health services and eliminating mental health care disparities; 2) integrating mental health and primary care; 3) transforming mental health specialty care to focus on rehabilitation and recovery; 4) implementing evidence-based care, including evidence-based psychotherapies; 5) addressing the needs of returning OEF/OIF Veterans; and 6) preventing suicide. In 2009, to complete the implementation of the strategic plan, VHA published a handbook on Uniform Mental Health Services in VA medical centers and clinics to define requirements for what mental health services must be made available for all enrolled Veterans who need them. The handbook also specifies services that must be provided at all VA medical centers and very large, large, mid-sized, and small community-based outpatient clinics. VA will ensure sustained operation of these required programs in 2010 through quality and performance monitoring programs.

- **Prosthetics:**
  - **($1.998 billion in 2011)**
  - **($2.179 billion in 2012)**

  These funds provide for the purchase and repair of prosthetics and sensory aids, such as artificial limbs, hearing aids, pacemakers, artificial hip and knee joints, ocular lenses and wheelchairs.

- **Dental Care:**
  - **($678 million in 2011)**
  - **($729 million in 2012)**

  The requested funding supports dental care for Veterans, including one-time Class II benefits to all newly discharged combat OEF/OIF Veterans within 180 days of discharge. Class II benefits are provided to Veterans with service-connected, non-compensable dental conditions or disabilities shown to have been in existence at the time of discharge or release from active duty. VA may authorize any treatment as reasonably necessary for the one-time correction of the service-connected, non-compensable condition under specified criteria.

This funding also provides dental services to Veterans with a "medical condition negatively impacted by poor dentition" who are eligible for limited dental care by VA. These patients are placed into dental Classification III and VI categories and include poorly controlled diabetic patients, patients with head or neck cancer, organ transplant patients and others. Proper dental treatment for these patients decreases morbidity and increases longevity while contributing to an improved medical outcome.

The largest cohort eligible for dental care is Veterans with 100 percent service-connection. These Veterans are eligible for comprehensive dental care as needed. In addition, homeless Veterans enrolled in certain residential treatment programs are also eligible for dental treatment so that VA can improve their health and quality of life by eliminating pain and infection, as well as increasing their likelihood of employment.

- **Long Term Care:**
  - **($6.794 billion in 2011)**
  - **($7.517 billion in 2012)**

  VA projects the institutional care average daily census (ADC) will increase from 39,937 to 41,123 from 2010 to 2011 and slightly from 41,123 to 41,533 from 2011 to 2012. VA will continue to focus its long-term care treatment in the least restrictive and most clinically appropriate setting by providing more non-institutional care than ever before and providing Veterans with care closer to where they live. VA is projecting an increase in ADC from 93,935 to 111,484 (19 percent) from 2010 to 2011 and from 111,484 to 116,198 (4 percent) from 2011 to 2012 for this progressive type of long-term care.

- **Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA):**
  - **($1.189 billion in 2011)**
  - **($1.297 billion in 2012)**

  CHAMPVA was established to provide health benefits for the dependents and survivors of Veterans who are, or were at time of death, 100% permanently and totally disabled from a service-connected disability, or who died from a service-connected condition. VA provides most of the care for these dependents and survivors under this program by purchasing care from the private sector. CHAMPVA costs continue to grow as a result of several factors. First, due to changes in the benefit structure, the mix of users has changed significantly since 2002. Veterans' Survivor Benefits Improvements Act of 2001, Public Law 107-14, dated June 3, 1995, amended title 38, United States Code, to expand eligibility to those 65 and

older who would have lost their CHAMPVA eligibility when they became eligible for Medicare. CHAMPVA is a secondary payer to Medicare for those individuals. Veterans Benefits Act of 2002, Public Law 107-330, dated December 6, 2002, also allowed retention of CHAMPVA for surviving spouses remarrying after age 55. Additionally, the number of claims paid is expected to grow. Along with the increasing number of claims, the cost of transaction fees required to process electronic claims is increasing. VA is projecting a 10.1% growth in costs from 2010 to 2011. The following graph demonstrates the continued growth in this program over the past 11 years.

CHAMPVA User Growth
Unique Patients

- **Readjustment Counseling:**
  - **($179 million in 2011)**
  - **($187 million in 2012)**

  This funding is required to provide readjustment counseling at VA's Vet Centers to Veterans that served in a combat zone or area of armed hostilities, including those involved in Operation Enduring Freedom/Operation Iraqi Freedom. VA had 271 Vet Centers operating across the country in 2009, expects to expand to 299 in 2010 and 300 in 2011. Vet Centers are essential for helping Veterans access treatment for PTSD conditions, and VA expects an increase in PTSD conditions as Veterans return from OEF/OIF after multiple tours of duty. This expansion of mental health services to Veterans in rural areas enables VA to meet the Presidential priority to increase access to Veterans who need it most. Vet Centers are tasked with three major functions: direct counseling for issues related to combat service, outreach, and referral. Services are also provided to families for military related issues. In 2003, Vet Centers were authorized to provide bereavement counseling for families of service members who die while on active duty.

- **Other VA Health Care Programs:**
  - **($55 million in 2011)**
  - **($50 million in 2012)**

  This section is comprised of funding for various health care programs. Funds of nearly $40 million in 2011 and $35 million in 2012 are required for the Community-Based Domiciliary Aftercare/Outreach Program; the Residential Care Home Program; and the State Home Hospital Program. The VA/DoD Health Care Sharing Incentive Fund will require $15 million.

Presidential Initiatives:
- **($19 million in 2011)**
- **($16 million in 2012)**

VA is requesting funds to continue to support a pilot program partnering with non-profits and consumer co-ops, and other agencies to assist Veteran families that might otherwise become homeless. VA will also use the authority mandated in Veterans' Mental Health and Other Care Improvements Act of 2008, Public Law 110-387, dated October 10, 2008, and authority provided in other legislation to establish pilot programs with community based non-profit and co-op agencies to provide supportive services specifically designed to prevent homelessness. These pilots will also be coordinated with programs of other relevant agencies to encompass both rural and urban sites with the goal of preventing homelessness and maintaining housing stability for the Veteran's family. VA is also participating in a government-wide Presidential initiative to reduce real property-related operating costs required to maintaining surplus physical assets. The disposal of surplus assets scheduled to exit VA's inventory will reduce VA's costs.

Initiatives

Zero Homelessness:
- **$294 million in 2011**
- **$294 million in 2012**

Ending homelessness among Veterans will require a comprehensive, integrated effort that enhances existing services and builds the capacity necessary to intervene both to house Veterans and to provide outreach and appropriate treatment services for homeless Veterans and those at risk for homelessness. To this end, VA proposes enhancement of its current efforts to house homeless Veterans by expanding the capacity of the Housing and Urban Development – Veterans Affairs Supported Housing (HUD-VASH), Health Care for Homeless Veterans (HCHV) Contract Housing, Homeless Providers Grant and Per Diem, and Domiciliary Care for Homeless Veterans (DCHV) programs. To provide more employment and training opportunities for homeless and at-risk Veterans,

VA proposes staffing enhancements for its Compensated Work Therapy programs. To address high levels of substance use disorder (SUD) in the homeless population, VA proposes the addition of a SUD-specialty clinician to each HCHV outreach team. To intensify its outreach efforts and work to prevent homelessness among Veterans, VA proposes implementation of a National Referral Call Center to link homeless and at-risk Veterans with needed services, and funding of the Veterans Justice Outreach initiative, directed at Veterans in contact with police, courts, and jails. To assist homeless Veterans and their families make the transition to permanent housing, as well as to prevent at-risk Veteran families from becoming homeless, VA proposes enhanced funding of its Supportive Services for Veteran Families program. Funding for 100 community sober living houses will support Veterans in transition to sobriety. To keep pace with the higher numbers of Veterans seen as a result of these new and expanded efforts, VA proposes expansion of its Homeless Veterans Dental Initiative.

Telehealth, Non-Institutional Long-Term Care:

- **$40 million in 2011**
- **$40 million in 2012**

Taking greater advantage of the latest technological advancements in health care delivery will allow us to more closely monitor the health status of Veterans and will greatly improve access to care for Veterans in rural and highly rural areas. Telehealth will place specialized health care professionals in direct contact with patients using modern Information Technology tools. VA's home telehealth program is the largest of its kind in the world. A recent study found patients enrolled in home telehealth programs experienced a 25 percent reduction in the average number of days hospitalized and a 19 percent reduction in hospitalizations. Telehealth and telemedicine improve health care by increasing access, eliminating travel, reducing costs, and producing better patient outcomes.

Proposed Legislation:

- **$58 million in 2011**
- **$75 million in 2012**

There are eleven legislative proposals that have a direct (obligations and collections) or indirect (savings) budgetary impact. The proposals concern the Homeless Providers Grant and Per Diem program; provide health care and other services, such as travel expenses and training, to eligible caregivers who are caring for our Veterans; reinstatement of the Health Professional Scholarship program; removal of the requirement that VA reimburse certain employees appointed under title 38 for expenses incurred for continuing professional education; providing care for newborns as part of the uniform benefits package; VA's treatment as a participating provider for purposes of reimbursement; establishment of a central nonprofit corporation for VA research; and the

Employee Incentive Scholarship program. Additional details can be found in the Proposed Legislation chapter.

Medical Care Collections Fund

In 2011, VA estimates collections of more than $3.355 billion, representing an increase of nearly $329 million, a 10.9% increase over the 2010 level.

Medical Care Collections Fund
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Medical Care Collections Fund:							
Pharmacy Co-payments	$720,238	$754,476	$730,000	$830,000	$847,000	$100,000	$17,000
3rd Party Insurance Collections	$1,843,202	$1,882,485	$2,051,000	$2,260,000	$2,548,000	$209,000	$288,000
1st Party Other Co-payments	$168,092	$181,210	$181,000	$201,000	$221,000	$20,000	$20,000
Enhanced-Use Revenue	$1,601	$1,400	$1,000	$1,000	$1,000	$0	$0
Long-Term Care Co-Payments	$3,419	$3,891	$4,000	$4,000	$4,000	$0	$0
Comp. Work Therapy Collections	$56,106	$53,000	$53,000	$53,000	$53,000	$0	$0
Parking Fees	$3,585	$3,400	$4,000	$4,000	$3,000	$0	($1,000)
Comp. & Pension Living Expenses	$1,952	$1,600	$2,000	$2,000	$2,000	$0	$0
Total Collections	$2,798,195	$2,881,462	$3,026,000	$3,355,000	$3,679,000	$329,000	$324,000

1/ Collections of $2,798,194,626 received by VA in 2009. Due to difference in timing from when the funds are received and transferred into the medical care account, previous charts reflect $2,766,908,027 transferred to the medical care account in 2009. The remainder of funds collected in 2009 will be transferred in 2010.
2/ Includes a total of $71 million (FY 2010/FY 2011) related to the increase in pharmacy co-payments from $8 to $9 beginning in July 2010 for Priority Groups 7 and 8.

Veterans Equitable Resource Allocation (VERA)

VERA is the primary methodology that VA uses to distribute recourses based upon historical workload and utilization of services by Veterans to the hospital system. The non-VERA allocation includes funding for prosthetics, state home per diems, clinical trainee salaries, readjustment counseling, homeless grant and per diem program, state nursing home program, preventive and primary care transformation initiatives, and other specific purpose allocations from the program offices such as CHAMPVA, Spina Bifida, foreign medical program as well as other program office operations. All of these funds are programs to directly assist Veterans or the dependants of veterans with health care. VA generally allocates 94 percent of the appropriation within the first 45 days after enactment with another 3 percent going out within 90 days the remainder going to the medical system over the remaining months within the fiscal year.

The following data on 2011 and 2012 estimated allocations is provided in accordance with the Advance Appropriation legislation (Public Law 111-81, Veterans Health Care Budget and Transparency Act of 2009). These estimated allocations are subject to change based on updated workload as that data becomes available. These estimated allocations do not include collections and reimbursements.

Veterans Equitable Resource Allocation
(dollars in thousands)

Description	2009	2010	2011 Preliminary Estimate	2012 Preliminary Estimate	Increase/Decrease 2010-2011	Increase/Decrease 2011-2012
Appropriation:						
Medical Services	$30,745,513	$34,692,500	$37,136,000	$39,649,985	$2,443,500	$2,513,985
Medical Support & Compliance	$4,405,500	$4,930,000	$5,307,000	$5,535,000	$377,000	$228,000
Medical Facilities	$6,029,000	$4,859,000	$5,740,000	$5,426,000	$881,000	($314,000)
Total	$41,180,013	$44,481,500	$48,183,000	$50,610,985	$3,701,500	$2,427,985
Allocation Overview:						
Estimated VERA Allocation to VISNs	$31,800,002	$35,389,221	$38,590,646	$40,730,860	$3,201,425	$2,140,214
Estimated Non-VERA Allocation to VISNs & Programs	$9,380,011	$9,092,279	$9,592,354	$9,880,125	$500,075	$287,771
Total	$41,180,013	$44,481,500	$48,183,000	$50,610,985	$3,701,500	$2,427,985

Performance

Quality and Timeliness of Care – VA's budget request focuses on the Secretary's priority of providing timely and accessible health care that sets a national standard of excellence for the health care industry. To achieve this priority, VA has several key measures that provide detail into access to care.

Performance Measure	2011 Target	Strategic Target
▪ Percent of primary care appointments completed within 30 days of the desired date	99%	99%
▪ Percent of specialty care appointments completed within 30 days of the desired date	96%	99%
▪ Percent of new patient appointments completed within 30 days of appointment create date	94%	95%
▪ Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities	90%	91%

VA measures its provision of high-quality health care using the Clinical Practice Guidelines III and the Prevention Index IV to ensure its results meet or exceed community standards. The Clinical Practice Guidelines Index III is expected to reach 88 percent in 2011, with a strategic target of 87 percent. Clinical Practice Guidelines Index III assesses the progress and results associated with our treatment of patients with chronic disease. Prevention Index IV measures VA's progress in preventive medicine, such as providing immunizations as appropriate and screening for cancer. VA expects the Prevention Index IV to achieve its strategic target of 90 percent in 2011.

Medical and Prosthetic Research

In concert with title 38, United States Code, section 7303, the Medical and Prosthetic Research Program [more commonly known as the VA Research and Development (R&D) program within the Veterans Health Administration focuses on research about the special health care needs of Veterans and strives to encourage both the discovery of new knowledge and the application of these discoveries to Veterans health care. To accomplish this mission, VA is requesting $590 million in total budgetary resources for Medical Research, an increase of $9 million, or 1.5 percent over 2010.

Medical and Prosthetic Research
(dollars in thousands)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase/ Decrease
Total Budget Authority.....	$510,000	$580,000	$581,000	$590,000	$9,000
FTE.....	3,226	3,345	3,345	3,345	0

Four research services within VA R&D select projects for funding and manage the research to ensure its relevance, quality, and productivity:

- Biomedical Laboratory - Supports pre-clinical research to understand life processes from the molecular, genomic, and physiological level in regard to diseases affecting Veterans.

- Clinical Science - Administers investigations, including human subject research, to determine the feasibility or effectiveness of new treatments (e.g., drugs, therapy or devices) in small clinical trials or multi-center cooperative studies to learn more about the causes of disease and develop more effective clinical care.

  The Cooperative Studies Program (CSP) is a major division within Clinical Science R&D that specializes in designing, conducting, and managing national and international multi-site clinical trials and epidemiological research. CSP has completed several landmark studies and is recognized internationally for its ability to produce key findings that support important clinical and policy decisions. Many of today's standard medical treatments for various chronic diseases were tested and proven by CSP.

- Health Services - Supports studies to identify and promote effective and efficient strategies to improve the organization, cost-effectiveness, and delivery of quality health care to Veterans.

- Rehabilitation - Develops novel approaches to restore Veterans with traumatic amputation, central nervous system injuries, loss of sight or hearing, or other physical and cognitive impairments to full and productive lives.

Summary of Appropriation Request
(dollars in thousands)

Account	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Medical Services:							
Appropriation	$30,969,903	$34,704,500	$34,707,500	$37,136,000	$39,649,985	$2,428,500	$2,513,985
Trns to VADoD HCSIF	($15,000)	$0	($15,000)	$0	$0	$15,000	$0
Trns fr MS to IT	($253,890)	$0	$0	$0	$0	$0	$0
Trns fr MSC to MS	$44,500	$0	$0	$0	$0	$0	$0
Subtotal, Appropriation	$30,745,513	$34,704,500	$34,692,500	$37,136,000	$39,649,985	$2,443,500	$2,513,985
Collections	$2,766,908	$2,881,462	$3,026,000	$3,355,000	$3,679,000	$329,000	$324,000
Total Budget Authority	$33,512,421	$37,585,962	$37,718,500	$40,491,000	$43,328,985	$2,772,500	$2,837,985
Medical Support & Compliance:							
Appropriation	$4,450,000	$5,100,000	$4,930,000	$5,307,000	$5,535,000	$377,000	$228,000
Trns fr MSC to MS	($44,500)	$0	$0	$0	$0	$0	$0
Subtotal, Appropriation	$4,405,500	$5,100,000	$4,930,000	$5,307,000	$5,535,000	$377,000	$228,000
Medical Facilities:							
Appropriation	$5,029,000	$4,693,000	$4,859,000	$5,740,000	$5,426,000	$881,000	$881,000
American Recovery & Reinvest. Act of 2009	$1,000,000	$0	$0	$0	$0	$0	$0
Subtotal, Appropriation	$6,029,000	$4,693,000	$4,859,000	$5,740,000	$5,426,000	$881,000	$881,000
Subtotal Medical Care Appropriations	$41,180,013	$44,497,500	$44,481,500	$48,183,000	$50,610,985	$3,701,500	$3,701,500
Collections	$2,766,908	$2,881,462	$3,026,000	$3,355,000	$3,679,000	$329,000	$329,000
Total Medical Care Appropriations	$43,946,921	$47,378,962	$47,507,500	$51,538,000	$54,289,985	$4,030,500	$4,030,500

Account	2009 Estimate	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase/ Decrease
Medical & Prosthetic Research:					
Appropriation	$510,000	$580,000	$581,000	$590,000	$9,000
Total	$510,000	$580,000	$581,000	$590,000	$9,000

Crosswalk: FY 2011 President's Submission

(dollars in thousands)	2009 Actual			
Description	Medical Care	Services	Support & Compl.	Facilities
Appropriation	$40,448,903	$30,969,903	$4,450,000	$5,029,000
Transfer to VA/Dod HCSIF	($15,000)	($15,000)	$0	$0
Trans fr MS to IT	($253,890)	($253,890)	$0	$0
American Recovery & Reinvestment Act of 2009	$1,000,000	$0	$0	$1,000,000
Trans fr MSC to MS	$0	$44,500	($44,500)	$0
Subtotal Appropriation	$41,180,013	$30,745,513	$4,405,500	$6,029,000
Collections	$2,766,908	$2,766,908	$0	$0
Subtotal Budget Authority	$43,946,921	$33,512,421	$4,405,500	$6,029,000
Reimbursements:				
Sharing & Other Reimbursements	$275,978	$199,594	$47,481	$28,903
Prior Year Recoveries	$45,330	$45,330	$0	$0
Subtotal	$321,308	$244,924	$47,481	$28,903
Adjustments to Obligations:				
Unobligated Balance (SOY):				
No-Year	$321,724	$320,702	$0	$1,022
2007 Emergency Supplemental (PL 110-28) (No-Yr)	$209,131	$170,844	$10,572	$27,715
2-Year	$337,897	$177,790	$145,928	$14,179
American Recovery & Reinvestment Act of 2009	$0	$0	$0	$0
Subtotal	$868,752	$669,336	$156,500	$42,916
Unobligated Balance (EOY):				
No-Year	($217,314)	($215,975)	$0	($1,339)
2007 Emergency Supplemental (PL 110-28) (No-Yr)	($68,167)	($52,316)	($8,333)	($7,518)
2-Year	($841,058)	($346,648)	($217,487)	($276,923)
American Recovery & Reinvestment Act of 2009	($738,625)	$0	$0	($738,625)
Subtotal	($1,865,164)	($614,939)	($225,820)	($1,024,405)
Change in Unobligated Balance (Non-Add)	($996,412)	$54,397	($69,320)	($981,489)
Lapse	($1,750)	($957)	($580)	($213)
Obligations	$43,270,067	$33,810,785	$4,383,081	$5,076,201
Outlays				
Obligations	$43,270,067	$33,810,785	$4,383,081	$5,076,201
Obligated Balance (SOY)	$7,528,899	$4,813,622	$772,501	$1,942,776
Obligated Balance (EOY)	($7,522,147)	($4,356,354)	($832,036)	($2,333,757)
Adjustments in Expired Accounts	($122,915)	($56,298)	($50,918)	($15,699)
Chg. Uncoll. Cust. Pay Fed. Sources (Unexp.)	($8,276)	($6,922)	($1,074)	($280)
Chg. Uncoll. Cust. Pay Fed. Sources (Exp.)	$18,310	$16,075	$1,229	$1,006
Outlays, Gross	$43,163,938	$34,220,908	$4,272,783	$4,670,247
Offsetting Collections	($284,885)	($206,088)	($48,144)	($30,653)
PY Recoveries	($45,330)	($45,330)	$0	$0
Net Outlays	$42,833,723	$33,969,490	$4,224,639	$4,639,594
FTE				
Total FTE	235,619	172,338	39,851	23,430
Direct FTE	232,902	170,751	39,154	22,997
Reimbursable FTE	2,717	1,587	697	433

Crosswalk: FY 2011 President's Submission

(dollars in thousands)	2010 Budget Estimate			
Description	Medical Care	Services	Support & Compl.	Facilities
Appropriation	$44,497,500	$34,704,500	$5,100,000	$4,693,000
Transfer to VA/Dod HCSIF	$0	$0	$0	$0
Trans fr MS to IT	$0	$0	$0	$0
American Recovery & Reinvestment Act of 2009	$0	$0	$0	$0
Trans fr MSC to MS	$0	$0	$0	$0
Subtotal Appropriation	$44,497,500	$34,704,500	$5,100,000	$4,693,000
Collections	$2,881,462	$2,881,462	$0	$0
Subtotal Budget Authority	$47,378,962	$37,585,962	$5,100,000	$4,693,000
Reimbursements:				
Sharing & Other Reimbursements	$345,000	$232,000	$78,000	$35,000
Prior Year Recoveries	$3,000	$3,000	$0	$0
Subtotal	$348,000	$235,000	$78,000	$35,000
Adjustments to Obligations:				
Unobligated Balance (SOY):				
No-Year	$0	$0	$0	$0
2007 Emergency Supplemental (PL 110-28) (No-Yr)	$0	$0	$0	$0
2-Year	$0	$0	$0	$0
American Recovery & Reinvestment Act of 2009	$510,300	$0	$0	$510,300
Subtotal	$510,300	$0	$0	$510,300
Unobligated Balance (EOY):				
No-Year	$0	$0	$0	$0
2007 Emergency Supplemental (PL 110-28) (No-Yr)	$0	$0	$0	$0
2-Year	$0	$0	$0	$0
American Recovery & Reinvestment Act of 2009	$0	$0	$0	$0
Subtotal	$0	$0	$0	$0
Change in Unobligated Balance (Non-Add)	$510,300	$0	$0	$510,300
Lapse	$0	$0	$0	$0
Obligations	$48,237,262	$37,820,962	$5,178,000	$5,238,300
Outlays				
Obligations	$48,237,262	$37,820,962	$5,178,000	$5,238,300
Obligated Balance (SOY)	$9,787,584	$6,226,553	$1,044,366	$2,516,665
Obligated Balance (EOY)	($11,126,028)	($7,348,658)	($1,186,706)	($2,590,664)
Adjustments in Expired Accounts	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay Fed. Sources (Unexp.)	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay Fed. Sources (Exp.)	$0	$0	$0	$0
Outlays, Gross	$46,898,818	$36,698,857	$5,035,660	$5,164,301
Offsetting Collections	($348,000)	($235,000)	($78,000)	($35,000)
PY Recoveries	$0	$0	$0	$0
Net Outlays	$46,550,818	$36,463,857	$4,957,660	$5,129,301
FTE				
Total FTE	239,676	175,996	39,921	23,759
Direct FTE	236,913	174,372	39,222	23,319
Reimbursable FTE	2,763	1,624	699	440

Crosswalk: FY 2011 President's Submission

(dollars in thousands)	2010 Current Estimate			
Description	Medical Care	Services	Support & Compl.	Facilities
Appropriation	$44,496,500	$34,707,500	$4,930,000	$4,859,000
Transfer to VA/Dod HCSIF	($15,000)	($15,000)	$0	$0
Trans fr MS to IT	$0	$0	$0	$0
American Recovery & Reinvestment Act of 2009	$0	$0	$0	$0
Trans fr MSC to MS	$0	$0	$0	$0
Subtotal Appropriation	$44,481,500	$34,692,500	$4,930,000	$4,859,000
Collections	$3,026,000	$3,026,000	$0	$0
Subtotal Budget Authority	$47,507,500	$37,718,500	$4,930,000	$4,859,000
Reimbursements:				
Sharing & Other Reimbursements	$309,200	$216,200	$60,000	$33,000
Prior Year Recoveries	$3,000	$3,000	$0	$0
Subtotal	$312,200	$219,200	$60,000	$33,000
Adjustments to Obligations:				
Unobligated Balance (SOY):				
No-Year	$217,314	$215,975	$0	$1,339
2007 Emergency Supplemental (PL 110-28) (No-Yr)	$68,167	$52,316	$8,333	$7,518
2-Year	$841,058	$346,648	$217,487	$276,923
American Recovery & Reinvestment Act of 2009	$738,625	$0	$0	$738,625
Subtotal	$1,865,164	$614,939	$225,820	$1,024,405
Net Transfer, 2-Year (VA/DoD HCSIF IT)	($25,000)	($25,000)	$0	$0
Net Transfer, No-Year (Trans fr. HHS)	$63,650	$43,460	$14,190	$6,000
Unobligated Balance (EOY):				
No-Year	$0	$0	$0	$0
2007 Emergency Supplemental (PL 110-28) (No-Yr)	$0	$0	$0	$0
2-Year	$0	$0	$0	$0
American Recovery & Reinvestment Act of 2009	$0	$0	$0	$0
Subtotal	$0	$0	$0	$0
Change in Unobligated Balance (Non-Add)	$1,903,814	$633,399	$240,010	$1,030,405
Lapse	$0	$0	$0	$0
Obligations	$49,723,514	$38,571,099	$5,230,010	$5,922,405
Outlays				
Obligations	$49,723,514	$38,571,099	$5,230,010	$5,922,405
Obligated Balance (SOY)	$7,522,147	$4,356,354	$832,036	$2,333,757
Obligated Balance (EOY)	($10,031,799)	($5,929,504)	($1,173,243)	($2,929,052)
Adjustments in Expired Accounts	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay Fed. Sources (Unexp.)	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay Fed. Sources (Exp.)	$0	$0	$0	$0
Outlays, Gross	$47,213,862	$36,997,949	$4,888,803	$5,327,110
Offsetting Collections	($312,200)	($219,200)	($60,000)	($33,000)
PY Recoveries	$0	$0	$0	$0
Net Outlays	$46,901,662	$36,778,749	$4,828,803	$5,294,110
FTE				
Total FTE	243,562	178,581	41,082	23,899
Direct FTE	240,476	176,795	40,260	23,421
Reimbursable FTE	3,086	1,786	822	478

Crosswalk: FY 2011 President's Submission

(dollars in thousands)	2011 Estimate			
Description	Medical Care	Services	Support & Compl.	Facilities
Appropriation	$48,183,000	$37,136,000	$5,307,000	$5,740,000
Transfer to VA/Dod HCSIF	$0	$0	$0	$0
Trans fr MS to IT	$0	$0	$0	$0
American Recovery & Reinvestment Act of 2009	$0	$0	$0	$0
Trans fr MSC to MS	$0	$0	$0	$0
Subtotal Appropriation	$48,183,000	$37,136,000	$5,307,000	$5,740,000
Collections	$3,355,000	$3,355,000	$0	$0
Subtotal Budget Authority	$51,538,000	$40,491,000	$5,307,000	$5,740,000
Reimbursements:				
Sharing & Other Reimbursements	$324,000	$226,000	$63,000	$35,000
Prior Year Recoveries	$3,000	$3,000	$0	$0
Subtotal	$327,000	$229,000	$63,000	$35,000
Adjustments to Obligations:				
Unobligated Balance (SOY):				
No-Year	$0	$0	$0	$0
2007 Emergency Supplemental (PL 110-28) (No-Yr)	$0	$0	$0	$0
2-Year	$0	$0	$0	$0
American Recovery & Reinvestment Act of 2009	$0	$0	$0	$0
Subtotal	$0	$0	$0	$0
Unobligated Balance (EOY):				
No-Year	$0	$0	$0	$0
2007 Emergency Supplemental (PL 110-28) (No-Yr)	$0	$0	$0	$0
2-Year	$0	$0	$0	$0
American Recovery & Reinvestment Act of 2009	$0	$0	$0	$0
Subtotal	$0	$0	$0	$0
Change in Unobligated Balance (Non-Add)	$0	$0	$0	$0
Lapse	$0	$0	$0	$0
Obligations	$51,865,000	$40,720,000	$5,370,000	$5,775,000
Outlays				
Obligations	$51,865,000	$40,720,000	$5,370,000	$5,775,000
Obligated Balance (SOY)	$10,031,799	$5,929,504	$1,173,243	$2,929,052
Obligated Balance (EOY)	($11,233,810)	($7,021,234)	($1,314,516)	($2,898,060)
Adjustments in Expired Accounts	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay Fed. Sources (Unexp.)	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay Fed. Sources (Exp.)	$0	$0	$0	$0
Outlays, Gross	$50,662,989	$39,628,270	$5,228,727	$5,805,992
Offsetting Collections	($327,000)	($229,000)	($63,000)	($35,000)
PY Recoveries	$0	$0	$0	$0
Net Outlays	$50,335,989	$39,399,270	$5,165,727	$5,770,992
FTE				
Total FTE	244,845	179,555	41,391	23,899
Direct FTE	241,743	177,759	40,563	23,421
Reimbursable FTE	$3,102	$1,796	$828	$478

Crosswalk: FY 2011 President's Submission

(dollars in thousands)	2012 Advance Appropriations			
Description	Medical Care	Services	Support & Compl.	Facilities
Appropriation	$50,610,985	$39,649,985	$5,535,000	$5,426,000
Transfer to VA/Dod HCSIF	$0	$0	$0	$0
Trans fr MS to IT	$0	$0	$0	$0
American Recovery & Reinvestment Act of 2009	$0	$0	$0	$0
Trans fr MSC to MS	$0	$0	$0	$0
Subtotal Appropriation	$50,610,985	$39,649,985	$5,535,000	$5,426,000
Collections	$3,679,000	$3,679,000	$0	$0
Subtotal Budget Authority	$54,289,985	$43,328,985	$5,535,000	$5,426,000
Reimbursements:				
Sharing & Other Reimbursements	$339,000	$236,000	$66,000	$37,000
Prior Year Recoveries	$3,000	$3,000	$0	$0
Subtotal	$342,000	$239,000	$66,000	$37,000
Adjustments to Obligations:				
Unobligated Balance (SOY):				
No-Year	$0	$0	$0	$0
2007 Emergency Supplemental (PL 110-28) (No-Yr)	$0	$0	$0	$0
2-Year	$0	$0	$0	$0
American Recovery & Reinvestment Act of 2009	$0	$0	$0	$0
Subtotal	$0	$0	$0	$0
Unobligated Balance (EOY):				
No-Year	$0	$0	$0	$0
2007 Emergency Supplemental (PL 110-28) (No-Yr)	$0	$0	$0	$0
2-Year	$0	$0	$0	$0
American Recovery & Reinvestment Act of 2009	$0	$0	$0	$0
Subtotal	$0	$0	$0	$0
Change in Unobligated Balance (Non-Add)	$0	$0	$0	$0
Lapse	$0	$0	$0	$0
Obligations	$54,631,985	$43,567,985	$5,601,000	$5,463,000
Outlays				
Obligations	$54,631,985	$43,567,985	$5,601,000	$5,463,000
Obligated Balance (SOY)	$11,233,810	$7,021,234	$1,314,516	$2,898,060
Obligated Balance (EOY)	($12,285,375)	($8,024,091)	($1,423,326)	($2,837,958)
Adjustments in Expired Accounts	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay Fed. Sources (Unexp.)	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay Fed. Sources (Exp.)	$0	$0	$0	$0
Outlays, Gross	$53,580,420	$42,565,128	$5,492,190	$5,523,102
Offsetting Collections	($342,000)	($239,000)	($66,000)	($37,000)
PY Recoveries	$0	$0	$0	$0
Net Outlays	$53,238,420	$42,326,128	$5,426,190	$5,486,102
FTE				
Total FTE	243,645	178,211	41,535	23,899
Direct FTE	240,554	176,429	40,704	23,421
Reimbursable FTE	3,091	1,782	831	478

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Executive Summary Charts

Employment Summary (FTE)

Account	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Medical Services	172,338	175,996	178,581	179,555	178,211	974	(1,344)
Medical Support & Compliance	39,851	39,921	41,082	41,391	41,535	309	144
Medical Facilities	23,430	23,759	23,899	23,899	23,899	0	0
Subtotal	235,619	239,676	243,562	244,845	243,645	1,283	(1,200)

Account	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase/ Decrease
Medical & Prosthetic Research	3,201	3,345	3,345	3,345	0
Canteen Service	3,015	3,020	3,020	3,025	5
Total	6,216	6,365	6,365	6,370	5

FTE by Type
Medical Care

Account	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Physicians	15,827	16,420	16,270	16,275	16,275	5	0
Dentists	937	973	969	969	969	0	0
Registered Nurses	43,555	44,909	45,341	45,371	45,381	30	10
LPN/LVN/NA	22,377	23,114	23,335	23,375	23,395	40	20
Non-Physician Providers	9,782	9,935	10,224	10,244	10,249	20	5
Health Techs/Allied Health	51,427	51,480	53,351	54,192	54,587	841	395
Wage Board/P&H	25,217	25,698	25,637	25,637	25,637	0	0
All Other	66,497	67,147	68,435	68,782	67,152	347	(1,630)
Total	235,619	239,676	243,562	244,845	243,645	1,283	(1,200)

Unique Patients

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Priorities 1-6.....	3,874,957	3,994,758	3,895,130	3,989,871	4,074,126	94,741	84,255
Priorities 7-8.....	1,346,626	1,540,997	1,497,766	1,560,447	1,620,845	62,681	60,398
Subtotal Veterans.....	5,221,583	5,535,755	5,392,896	5,550,318	5,694,971	157,422	144,653
Non-Veterans.....	523,110	515,098	533,406	544,888	553,592	11,482	8,704
Total Unique Patients..	5,744,693	6,050,853	5,926,302	6,095,206	6,248,563	168,904	153,357

Obligations by Priority Group
(dollars in thousands)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Priorities 1-6.....	$36,474,671	$40,324,971	$41,833,294	$43,581,493	$45,334,477	$1,748,199	$1,752,984
Priorities 7-8.....	$5,450,239	$6,509,668	$6,810,071	$7,094,661	$8,000,202	$284,590	$905,541
Subtotal Veterans.....	$41,924,910	$46,834,639	$48,643,365	$50,676,154	$53,334,679	$2,032,789	$2,658,525
Non-Veterans.....	$1,345,157	$1,402,623	$1,080,149	$1,188,846	$1,297,306	$108,697	$108,460
Total Obligations.....	$43,270,067	$48,237,262	$49,723,514	$51,865,000	$54,631,985	$2,141,486	$2,766,985

Obligations Per Unique User
(dollars)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Priorities 1-6.....	$9,413	$10,094	$10,740	$10,923	$11,127	$183	$204
Priorities 7-8.....	$4,047	$4,224	$4,547	$4,547	$4,936	$0	$389
Subtotal Veterans.....	$8,029	$8,460	$9,020	$9,130	$9,365	$110	$235
Non-Veterans.....	$2,571	$2,723	$2,025	$2,182	$2,343	$157	$161
Total Unique Patients..	$7,532	$7,972	$8,390	$8,509	$8,743	$119	$234

Unique Patients [1/]

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Priorities 1-6.....	3,874,957	3,994,758	3,895,130	3,989,871	4,074,126	94,741	84,255
Priorities 7-8.....	1,346,626	1,540,997	1,497,766	1,560,447	1,620,845	62,681	60,398
Subtotal Veterans.....	5,221,583	5,535,755	5,392,896	5,550,318	5,694,971	157,422	144,653
Non-Veterans 2/.....	523,110	515,098	533,406	544,888	553,592	11,482	8,704
Total Unique Patients.....	5,744,693	6,050,853	5,926,302	6,095,206	6,248,563	168,904	153,357

Unique Enrollees [3/]

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Priorities 1-6.....	5,771,970	5,822,496	5,760,213	5,868,036	5,963,881	107,823	95,845
Priorities 7-8.....	2,276,590	2,616,346	2,524,577	2,631,124	2,697,490	106,547	66,366
Total Enrollees.....	8,048,560	8,438,842	8,284,790	8,499,160	8,661,371	214,370	162,211

Users as a Percent of Enrollees

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Priorities 1-6.....	67.1%	68.6%	67.6%	68.0%	68.3%	0.4%	0.3%
Priorities 7-8.....	59.2%	58.9%	59.3%	59.3%	60.1%	0.0%	0.8%
Total Enrollees.....	64.9%	65.6%	65.1%	65.3%	65.8%	0.2%	0.5%

1/ Unique patients are uniquely identified individuals treated by VA or whose treatment is paid for by VA. It includes patients only receiving pharmacy, CHAMPVA patients, Readjustment Counseling patients, employees seen as patients, collateral patients and other non-veterans treated in VA.

2/ Non-veterans include spousal collateral, consultations and instruction, CHAMPVA workload, reimbursable workload with affiliates, humanitarian care, and employees receiving preventive occupational immunizations such as Hepatitis A&B and flu vaccinations

3/ Similar to unique patients, the count of unique enrollees represents the count of veterans enrolled for veterans health care sometime during the course of the year.

Summary of Workloads for VA and Non-VA Facilities

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Outpatient Visits (000):							
Staff	62,686	62,776	65,143	67,789	70,357	2,646	2,568
Fee	10,788	10,337	12,125	13,616	15,159	1,491	1,543
Readjustment Counseling	1,188	1,383	1,310	1,370	1,430	60	60
Total	74,662	74,496	78,578	82,775	86,946	4,197	4,171
Patients Treated:							
Acute Hospital Care	616,699	623,201	641,299	668,307	687,021	27,008	18,714
Rehabilitative Care	15,165	14,393	15,227	15,375	15,614	148	239
Psychiatric Care*	136,691	137,891	136,774	136,852	143,436	78	6,584
Nursing Home Care	98,725	101,876	104,189	109,354	111,963	5,165	2,609
Subacute Care	5,447	3,230	4,233	3,319	2,612	(914)	(707)
State Home Domiciliary	4,366	4,250	4,183	4,009	3,854	(174)	(155)
Inpatient Facilities, Total	877,093	884,841	905,905	937,216	964,500	31,311	27,284
Average Daily Census:							
Acute Hospital Care	8,993	8,679	9,327	9,650	9,822	323	172
Rehabilitative Care	1,117	1,103	1,116	1,115	1,116	(1)	1
Psychiatric Care*	9,636	9,803	9,731	9,920	10,060	189	140
Nursing Home Care	35,913	35,837	37,100	38,286	38,696	1,186	410
Subacute Care	175	89	140	115	96	(25)	(19)
State Home Domiciliary	2,837	3,880	2,837	2,837	2,837	0	0
Inpatient Facilities, Total	58,671	59,391	60,251	61,923	62,627	1,672	704
Home & Comm. Bsd. Care	27,316	90,654	38,240	49,164	0	10,924	(49,164)
Inpatient & H&CBC, Grand Total	85,987	150,045	98,491	111,087	62,627	12,596	(48,460)
Length of Stay:							
Acute Hospital Care	5.3	5.1	5.3	5.3	5.2	0.0	(0.1)
Rehabilitative Care	26.9	28.0	26.8	26.5	26.2	(0.3)	(0.3)
Psychiatric Care*	25.7	25.9	26.0	26.5	25.7	0.5	(0.8)
Nursing Home Care	132.8	128.4	130.0	127.8	126.5	(2.2)	(1.3)
Subacute Care	11.7	10.1	12.1	12.6	13.5	0.5	0.9
State Home Domiciliary	237.2	333.2	247.6	258.3	269.4	10.7	11.1
Dental Procedures	3,746,023	3,749,427	3,916,470	4,033,021	4,141,308	116,551	108,287
CHAMPVA/FMP/Spina Bifida Workloads:							
Inpatient Census	923	885	885	907	974	22	67
Outpatient Workloads (000)	7,969	7,860	7,860	9,248	9,585	1,388	337

**VA Domiciliary is included under Psychiatric Care and reflects current clinical practices.*

Obligations by Object
Medical Care Total
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
10 Personal Svcs & Benefits:							
Physicians	$3,963,838	$4,286,858	$4,222,470	$4,363,441	$4,516,077	$140,971	$152,636
Dentists	$200,098	$219,894	$214,642	$221,732	$229,491	$7,090	$7,759
Registered Nurses	$4,804,957	$5,241,535	$5,182,634	$5,357,749	$5,546,337	$175,115	$188,588
LPN/LVN/NA	$1,334,443	$1,470,129	$1,442,017	$1,492,156	$1,545,691	$50,139	$53,535
Non-Physician Providers	$1,257,049	$1,327,357	$1,361,276	$1,408,986	$1,458,998	$47,710	$50,012
Health Techs/Alllied Health	$4,383,820	$4,620,499	$4,716,676	$4,949,125	$5,159,537	$232,449	$210,412
Wage Board/P&H	$1,398,207	$1,511,113	$1,471,549	$1,527,546	$1,582,449	$55,997	$54,903
Administration	$4,633,877	$5,009,844	$4,917,014	$5,167,080	$5,114,942	$250,066	($52,138)
Perm Change of Station	$30,351	$27,600	$47,298	$84,108	$165,033	$36,810	$80,925
Emp Comp Pay	$183,093	$196,100	$189,074	$195,298	$201,776	$6,224	$6,478
Subtotal	$22,189,733	$23,910,929	$23,764,650	$24,767,221	$25,520,331	$1,002,571	$753,110
21 Travel & Trans of Persons:							
Employee	$141,080	$157,404	$184,740	$243,685	$323,765	$58,945	$80,080
Beneficiary	$628,939	$600,000	$765,848	$798,014	$827,541	$32,166	$29,527
Other	$37,077	$43,640	$38,370	$39,708	$41,093	$1,338	$1,385
Subtotal	$807,096	$801,044	$988,958	$1,081,407	$1,192,399	$92,449	$92,449
22 Transportation of Things	$32,381	$42,956	$34,363	$36,526	$38,893	$2,163	$2,367
23 Comm., Utilites & Oth. Rent:							
Rental of equip	$100,243	$147,748	$109,625	$120,038	$131,600	$10,413	$11,562
Communications	$226,978	$224,629	$262,848	$305,180	$355,311	$42,332	$50,131
Utilities	$539,051	$761,299	$571,268	$605,544	$641,877	$34,276	$36,333
GSA RENT	$17,898	$16,000	$18,497	$19,422	$20,393	$925	$971
Other real property rental	$219,276	$491,898	$491,898	$513,689	$536,034	$21,791	$22,345
Subtotal	$1,103,446	$1,641,574	$1,454,136	$1,563,873	$1,685,215	$109,737	$121,342
24 Printing & Reproduction:	$21,577	$25,282	$30,585	$43,424	$61,742	$12,839	$18,318
25 Other Services:							
Outpatient dental fees	$95,501	$88,427	$123,999	$161,199	$209,559	$37,200	$48,360
Medical & nursing fees	$1,460,371	$1,629,296	$1,780,817	$2,171,845	$2,648,874	$391,028	$477,029
Repairs to furniture/equipment	$133,005	$135,574	$143,565	$155,814	$170,100	$12,249	$14,286
M&R contract services	$160,809	$140,107	$165,406	$171,030	$176,845	$5,624	$5,815
Contract hospital	$1,178,109	$1,382,951	$1,390,169	$1,640,399	$1,935,671	$250,230	$295,272
Community nursing homes	$476,498	$552,356	$563,424	$734,106	$832,956	$170,682	$98,850
Repairs to prosthetic appliances	$146,901	$156,325	$168,926	$194,265	$223,405	$25,339	$29,140
Home Oxygen	$126,549	$159,655	$139,204	$153,124	$168,436	$13,920	$15,312
Personal services contracts	$98,441	$131,924	$115,328	$139,168	$174,356	$23,840	$35,188
House Staff Disbursing Agreement	$479,777	$489,706	$508,537	$539,049	$571,392	$30,512	$32,343
Scarce Medical Specialists	$274,070	$352,412	$283,388	$293,023	$302,986	$9,635	$9,963

Obligations by Object
Medical Care Total
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
25 Other Services (continued)							
Other Medical Contract Services	$2,036,797	$2,083,536	$3,295,349	$2,844,699	$2,798,660	($450,650)	($46,039)
Administrative Contract Services	$1,247,439	$1,840,084	$2,318,111	$2,187,952	$1,950,091	($130,159)	($237,861)
Training Contract Services	$64,804	$119,314	$78,283	$94,617	$114,423	$16,334	$19,806
CHAMPVA	$671,202	$796,676	$737,383	$812,965	$888,327	$75,582	$75,362
Subtotal	$8,650,273	$10,058,343	$11,811,889	$12,293,255	$13,166,081	$481,366	$872,826
26 Supplies & Materials:							
Provisions	$101,299	$115,001	$107,811	$114,819	$122,282	$7,008	$7,463
Drugs & medicines	$3,950,600	$4,279,930	$4,345,428	$4,779,971	$5,305,768	$434,543	$525,797
Blood & blood products	$75,372	$79,561	$82,909	$91,200	$101,232	$8,291	$10,032
Medical/Dental Supplies	$1,042,213	$1,058,585	$1,155,750	$1,282,883	$1,424,000	$127,133	$141,117
Operating supplies	$245,282	$278,050	$270,231	$298,423	$330,336	$28,192	$31,913
M&R supplies	$138,386	$153,286	$151,879	$167,067	$183,774	$15,188	$16,707
Other supplies	$209,509	$318,122	$268,158	$346,293	$450,707	$78,135	$104,414
Prosthetic appliances	$1,338,742	$1,504,605	$1,512,441	$1,617,430	$1,749,099	$104,989	$131,669
Home Respiratory Therapy	$25,815	$29,415	$29,429	$33,549	$38,246	$4,120	$4,697
Subtotal	$7,127,218	$7,816,555	$7,924,036	$8,731,635	$9,705,444	$807,599	$973,809
31 Equipment	$784,464	$1,969,024	$1,331,732	$1,018,914	$1,034,000	($312,818)	$15,086
32 Lands & Structures:							
Non-Recurring Maint. (NRM)	$1,385,381	$461,905	$591,905	$1,110,129	$868,689	$518,224	($241,440)
ARRA of 2009, P.L. 111-5	$258,523	$510,300	$738,625	$0	$0	($738,625)	$0
Capital Leases	$14,989	$79,125	$19,610	$27,258	$37,889	$7,648	$10,631
All Other Lands & Structures	$116,618	$34,087	$127,718	$140,490	$154,539	$12,772	$14,049
Subtotal	$1,775,511	$1,085,417	$1,477,858	$1,277,877	$1,061,117	($199,981)	($216,760)
41 Grants, Subsidies & Contributions:							
State home	$650,295	$739,362	$755,307	$854,861	$970,756	$99,554	$115,895
Homeless Programs	$128,073	$145,921	$150,000	$196,007	$196,007	$46,007	$0
Subtotal	$778,368	$885,283	$905,307	$1,050,868	$1,166,763	$145,561	$115,895
43 Imputed Interest	$0	$855	$0	$0	$0	$0	$0
Total, Obligations	$43,270,067	$48,237,262	$49,723,514	$51,865,000	$54,631,985	$2,141,486	$2,766,985

Medical Services

*Reflects appropriation transfers.

Appropriation Language

For necessary expenses for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs and veterans described in section 1705(a) of title 38, United States Code, including care and treatment in facilities not under the jurisdiction of the Department, and including medical supplies and equipment, food services, and salaries and expenses of health care employees hired under title 38, United States Code, and aid to State homes as authorized by section 1741 of title 38, United States Code; [$71,843,500,000]*$39,649,985,000*, plus reimbursements, [of which $37,136,000,000] shall become available on October 1, [2010]*2011*, and shall remain available until September 30, [2011]*2012*: *Provided*, That, of the amount made available under this heading [for fiscal year 2010, not to exceed $1,015,000,000]*$1,600,000,000* shall remain available until September 30, [2011] *2013*: *Provided further*, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs shall establish a priority for the provision of medical treatment for veterans who have service-connected disabilities, lower income, or

have special needs: *Provided further*, That, not withstanding any other provision of law, the Secretary of Veterans Affairs shall give priority funding for the provision of basic medical benefits to veterans in enrollment priority groups 1 through 6: *Provided further*, That, not withstanding any other provision of law, the Secretary of Veterans Affairs may authorize the dispensing of prescription drugs from Veterans Health Administration facilities to enrolled veterans with privately written prescriptions based on requirements established by the Secretary: *Provided further*, That the implementation of the program described in the previous proviso shall incur no additional cost to the Department of Veterans Affairs[: *Provided further*, That for the Department of Defense/Department of Veterans Affairs Health Care Sharing Incentive Fund, as authorized by section 8111(d) of title 38, United States Code, a minimum of $15,000,000 shall remain available until expended for any purpose authorized by section 8111 of title 38, United States Code]. *(Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2010.)*

Administrative Provisions. VA is proposing two new administrative provisions related to the Medical Services appropriation.

Transfer of Funding to the Department of Defense/Department of Veterans Affairs (DoD/VA) Health Care Sharing Incentive Fund

Section 225 of the administrative provisions states that, "Of the amounts available in this title for Medical Services, Medical Support and Compliance, and Medical Facilities, a minimum of $15,000,000, shall be transferred to the Department of Defense/Department of Veterans Affairs Health Care Sharing Incentive Fund, as authorized by section 8111(d) of title 38, United States Code, to remain available until expended, for any purpose authorized by section 8111 of title 38, United States Code.

VA is requesting the authority to expand the transfer authority of a minimum of $15,000,000 from Medical Services to the DoD/VA Health Care Sharing Incentive Fund. VA is proposing to allow the transfer of this funding from Medical Services, Medical Support and Compliance, and Medical Facilities. Currently, we have authority to transfer a minimum of $15 million from Medical Services to the DoD/VA Health Care Sharing Incentive Fund.

Two-Year Funding for FY 2011 Funding

Section 226 of the administrative provisions states that, "Of the amounts appropriated which become available on October 1, 2010, under the

heading "Medical Services", Department of Veterans Affairs in Public Law 111-117, $1,600,000,000 shall remain available until September 30, 2012."

VA is requesting authority for 2-year funding to ensure VA has the authority to carry over up to $1,600,000,000 in unobligated balances until September 30, 2012. The authority for 2-year funding is not included in the advance appropriations for FY 2011 appropriated in Public Law 111-117, Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2010.

Appropriation Transfers
See part 1F for a detailed explanation of the appropriation transfers that affect the Medical Services appropriation.

2011 Funding and 2012 Advance Appropriations Request

The justification for the 2011 funding and the 2012 advance appropriations request is provided below, on an obligation basis, corresponding to the obligation estimates, by program, on the previous table. In 2011, the $40.720 billion in obligations is comprised of $37.136 billion for appropriation funding, $3.355 billion for collections, and $229 million for reimbursements. In 2012, the $43.568 billion in obligations is comprised of $39.650 billion for appropriation funding, $3.679 billion for collections, and $239 million for reimbursements. The funding in parenthesis represents the 2011 request and 2012 advance appropriations on an obligation basis.

Program Resources:

- **$40,720,000,000 in Obligations in 2011**
- **$43,567,985,000 in Obligations in 2012**

VA's 2011 obligations estimate is nearly $2.149 billion more than the 2010 estimate and the 2012 estimate is nearly $2.848 billion more than the 2011 estimate.

Health Care Services:

- **$33,583,112,000 in Obligations in 2011**
- **$35,702,859,000 in Obligations in 2012**

The increasing expenditures cover the utilization of services for all projected enrollees in 2011 (Priorities 1-8). Program resources for medical services are impacted by changes in Veterans' utilization, case-mix, and reliance. The resource change is tied to actuarial estimates of demand and case mix changes for all Veteran priorities. Demand is adjusted for expected utilization changes anticipated for an aging Veteran population and for services mandated by statute. The utilization projections are based on private sector benchmarks adjusted to reflect the VA health care services package, Veteran age, gender,

morbidity, reliance on VA versus other health care providers, and degree of health care management. The changing health care demands reflect Veterans' increasing reliance on pharmaceuticals; the aging of many World War II and Korean Veterans in greater need of health care; and the outcome of high Veteran satisfaction with the health care delivery.

VA projects increases for the following medical services:

- **Acute Care:**
  - **$27,136,581,000 in Obligations in 2011**
  - **$28,797,643,000 in Obligations in 2012**
  - **Inpatient Acute Hospital Care**: Delivered in both VA's hospitals and through contract inpatient care. Acute care services for medicine include neurology, surgery, and maternity.

  - **Ambulatory Care:** This includes funding for ambulatory care in VA hospital-based and community-based clinics. Contract fee care is often provided for eligible beneficiaries when VA facilities are not geographically accessible, services are not available at a particular facility, or when care cannot be provided in a timely manner.

  - **Pharmacy Services:** These services include prescriptions, over-the-counter medications and pharmacy supplies. VA expects to fill 269 million and 281 million prescriptions in 2011 and 2012, respectively.

- **Rehabilitative Care:**
  - **$535,846,000 in Obligations in 2011**
  - **$562,102,000 in Obligations in 2012**

  These services include Blind Rehabilitation and Spinal Cord Injury programs. VA is expanding the Blind Rehabilitation program to accommodate the increased workload due to additional numbers of these injuries among OEF/OIF Veterans.

- **Mental Health:**
  - **$3,717,136,000 in Obligations in 2011**
  - **$3,958,750,000 in Obligations in 2012**

  This funding will support inpatient, residential, and outpatient mental health programs for mental health conditions, including substance abuse disorders. The funding covers specialized mental health and substance abuse programs and programs that support integrating mental health services with primary care. Within specialty care, it includes day treatment for psychosocial rehabilitation, intensive outpatient programs for substance abuse, mental health care for the homeless, mental health intensive case management, and supported employment and compensated

work therapy, as well as other mental health services. VA domiciliary care is included as a residential mental health program.

VA has established teams in approximately 100 facilities to address the mental health needs of returning Veterans. These teams work with Vet Centers to conduct outreach in the community and "in-reach" to facilitate identifying mental health conditions in primary care, educating Veterans and family members about mental health conditions, and providing services in an environment specific for new Veterans. VA has implemented system-wide screening for returning Veterans for depression, post-traumatic stress disorder (PTSD), traumatic brain injury (TBI) and problem drinking. VA follows up positive screens to determine whether care is needed. For those who request or are referred for mental health services, VA requires an initial evaluation within 24 hours to determine whether there is an urgent need for an intervention and requires a full diagnostic and treatment planning evaluation within 14 days.

VA is integrating mental health and primary care in more than 100 sites to facilitate treatment and has enhanced the capacity of general mental health, substance abuse treatment, and specialized PTSD programs. VA has enhanced programs by placing PTSD specialists or treatment teams in each VA medical center and is developing additional programs for women, Veterans with dual diagnoses, and Veterans requiring residential care. VA's ongoing and expanding initiatives include large scale training for VA providers on the delivery of evidence-based psychotherapies for PTSD (Cognitive Processing Therapy and Prolonged Exposure Therapy) and conditions such as depression and anxiety (Cognitive Behavioral Therapy). To enhance the availability of specialty mental health services in community-based outpatient clinics, especially those in rural areas, VA has supported both staff enhancements and the development of telemental health networks.

In 2004-2005, in recognition of the needs of returning Veterans and VA's duty to enhance mental health services for all Veterans, the Under Secretary for Health adopted and began implementation of the VHA Comprehensive Mental Health Strategic Plan as a 5-year program designed to eliminate gaps in capacity, access, continuity, and quality of VA mental health services. The plan included 265 recommendations that fit within six principal components, including: 1) increasing the capacity of mental health services and eliminating mental health care disparities; 2) integrating mental health and primary care; 3) transforming mental health specialty care to focus on rehabilitation and recovery; 4) implementing evidence-based care, including evidence-based psychotherapies; 5)

addressing the needs of returning OEF/OIF Veterans; and 6) preventing suicide. In 2009, to complete the implementation of the strategic plan, VHA published a handbook on Uniform Mental Health Services in VA medical centers and clinics to define requirements for what mental health services must be made available for all enrolled Veterans who need them. The handbook also specifies services that must be provided at all VA medical centers and very large, large, mid-sized, and small community-based outpatient clinics. VA will ensure sustained operation of these required programs in 2010 through quality and performance monitoring programs.

- **Prosthetics:**
  - **$1,698,613,000 in Obligations in 2011**
  - **$1,852,308,000 in Obligations in 2012**

  These funds provide for the purchase and repair of prosthetics and sensory aids such as hearing aids, pacemakers, artificial hip and knee joints, and ocular lenses.

- **Dental Care:**
  - **$494,936,000 in Obligations in 2011**
  - **$532,056,000 in Obligations in 2012**

  The requested funding supports dental care for Veterans, including one-time Class II benefits to all newly discharged combat OEF/OIF Veterans within 180 days of discharge. Class II benefits are provided to Veterans with service-connected, non-compensable dental conditions or disabilities shown to have been in existence at the time of discharge or release from active duty. VA may authorize any treatment as reasonably necessary for the one-time correction of the service-connected, non-compensable condition under specified criteria.

  This funding also provides dental services to Veterans with a "medical condition negatively impacted by poor dentition" who are eligible for limited dental care by VA. These patients are placed into dental Classification III and VI categories and include poorly controlled diabetic patients, patients with head or neck cancer, organ transplant patients and others. Proper dental treatment for these patients decreases morbidity and increases longevity while contributing to an improved medical outcome.

  The largest cohort eligible for dental care is Veterans with 100% service-connection. These Veterans are eligible for comprehensive dental care as needed. In addition, homeless Veterans enrolled in certain residential treatment programs are also eligible for dental treatment so that

VA can eliminate pain and infection to improve their quality of life, as well as the likelihood of employment.

Long-Term Care:

- **$5,387,995,000 in Obligations in 2011**
- **$5,990,722,000 in Obligations in 2012**

VA projects the institutional care average daily census (ADC) will increase from 39,937 to 41,123 from 2010 to 2011 and slightly from 41,123 to 41,533 from 2011 to 2012. VA will continue to focus its long-term care treatment in the least restrictive and most clinically appropriate setting by providing more non-institutional care than ever before and providing Veterans with care closer to where they live. VA is projecting an increase in ADC from 93,935 to 111,484 (19 percent) from 2010 to 2011 and from 111,484 to 116,198 (4 percent) from 2011 to 2012 for this progressive type of long-term care. Of this increase for non-institutional ADC, our investment in home telehealth accounts for an increase of 10,924 ADC, or 28.6 percent. To support this increase in telehealth we are investing $163 million in 2011, an increase of 41.8 million, or 34.5 percent over the 2010 level. Telehealth and telemedicine improve health care by increasing access, eliminating travel, reducing costs, and producing better patient outcomes.

Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA):

- **$1,113,947,000 in Obligations in 2011**
- **$1,217,306,000 in Obligations in 2012**

CHAMPVA was established to provide health benefits for the dependents and survivors of Veterans who are, or were at time of death, 100% permanently and totally disabled from a service-connected disability, or who died from a service-connected condition. VA provides most of the care for these dependents and survivors under this program by purchasing care from the private sector. CHAMPVA costs continue to grow as a result of several factors. First, due to changes in the benefit structure, the mix of users has changed significantly since 2002. Veterans' Survivor Benefits Improvements Act of 2001, Public Law 107-14, dated June 5, 2001, amended title 38, United States Code, to expand eligibility to those 65 and older who would have lost their CHAMPVA eligibility when they became eligible for Medicare. CHAMPVA is a secondary payer to Medicare for those individuals. Veterans Benefits Act of 2002, Public Law 107-330, dated December 6, 2002, also allowed retention of CHAMPVA for surviving spouses remarrying after age 55.

Readjustment Counseling:

- **$179,000,000 in Obligations in 2011**
- **$187,000,000 in Obligations in 2012**

This funding is required to provide readjustment counseling at VA's Vet Centers to Veterans that served in a combat zone or area of armed hostilities, including those involved in Operation Enduring Freedom/Operation Iraqi Freedom. VA has 271 Vet Centers operating across the country in 2009, and expects to expand to 299 in 2010 and 300 in 2011. Vet Centers are essential for helping Veterans access treatment for PTSD conditions, and VA expects an increase in PTSD conditions as Veterans return from OEF/OIF after multiple tours of duty. This expansion of mental health services to Veterans in rural areas enables VA to meet the Presidential priority to increase access to Veterans who need it most. Vet Centers are tasked with three major functions: direct counseling for issues related to combat service, outreach, and referral. Services are also provided to families for military related issues. In 2003, Vet Centers were authorized to provide bereavement counseling for families of service members who die while on active duty.

Other VA Health Care Programs:

- **$44,895,000 in Obligations in 2011**
- **$41,417,000 in Obligations in 2012**

This section is comprised of funding for various health care programs. Funds of nearly $30 million in 2011 and over $27 million in 2012 are required for the Community-Based Domiciliary Aftercare/Outreach Program; the Residential Care Home Program; and the State Home Hospital Program. The VA/DoD Health Care Sharing Incentive Fund will require $15 million.

Combat Homelessness Pilot Program:

- **$26,000,000 in Obligations in 2011**
- **$27,000,000 in Obligations in 2012**

VA is requesting funds to support a pilot program partnering with non-profits, consumer co-ops and other agencies to assist Veteran families that might otherwise become homeless. VA will also use the authority mandated in Veterans' Mental Health and Other Care Improvements Act of 2008, Public Law 110-387 dated October 10, 2008, as well as authority provided in other legislation to establish pilot programs with community based non-profit and co-ops to provide supportive services specifically designed to prevent homelessness. These pilots will also be coordinated with programs of other relevant agencies to encompass both rural and urban sites with the goal of preventing homelessness and maintaining housing stability for the Veteran's family.

Initiative

Zero Homelessness:

- **$286,850,000 in Obligations in 2011 ($6,785,000 included in Medical Facilities in 2011)**
- **$286,850,000 in Obligations in 2012 ($6,785,000 included in Medical Facilities in 2012)**

Ending homelessness among Veterans will require a comprehensive, integrated effort that enhances existing services and builds the capacity necessary to intervene both to house Veterans and to provide outreach and appropriate treatment services for homeless Veterans and those at risk for homelessness. To this end, VA proposes enhancement of its current efforts to house homeless Veterans by expanding the capacity of the Housing and Urban Development – Veterans Affairs Supported Housing (HUD-VASH), Health Care for Homeless Veterans (HCHV) Contract Housing, Homeless Providers Grant and Per Diem, and Domiciliary Care for Homeless Veterans (DCHV) programs. To provide more employment and training opportunities for homeless and at-risk Veterans, VA proposes staffing enhancements for its Compensated Work Therapy programs. To address high levels of substance use disorder (SUD) in the homeless population, VA proposes the addition of a SUD-specialty clinician to each HCHV outreach team. To intensify its outreach efforts and work to prevent homelessness among Veterans, VA proposes implementation of a National Referral Call Center to link homeless and at-risk Veterans with needed services, and funding of the Veterans Justice Outreach initiative, directed at Veterans in contact with police, courts, and jails. To assist homeless Veterans and their families make the transition to permanent housing, as well as to prevent at-risk Veteran families from becoming homeless, VA proposes enhanced funding of its Supportive Services for Veteran Families program. Funding for 100 community sober living houses will support Veterans in transition to sobriety. To keep pace with the higher numbers of Veterans seen as a result of these new and expanded efforts, VA proposes expansion of its Homeless Veterans Dental Initiative.

Telehealth, Non-Institutional Long-Term Care:

- **$40 million in 2011**
- **$40 million in 2012**

Taking greater advantage of the latest technological advancements in health care delivery will allow us to more closely monitor the health status of Veterans and will greatly improve access to care for Veterans in rural and highly rural areas. Telehealth will place specialized health care professionals in direct contact with patients using modern Information Technology tools. VA's home telehealth program is the largest of its kind in the world. A recent study found patients enrolled in home telehealth programs experienced a 25 percent reduction in the average number of days hospitalized and a 19 percent reduction in

hospitalizations. Telehealth and telemedicine improve health care by increasing access, eliminating travel, reducing costs, and producing better patient outcomes.

Legislative Proposals:

- **$58,201,000 in Obligations in 2011**
- **$74,831,000 in Obligations in 2012**

An itemized list can be found in the Proposed Legislation chapter.

Medical Care Collections Fund: $3,355,000,000 in Collections in 2011 and $3,679,000,000 in Collections in 2012

VA estimates collections of $3.355 billion in 2011 and $3.679 billion in 2012.

Medical Care Collections Fund
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Medical Care Collections Fund:							
Pharmacy Co-payments	$720,238	$754,476	$730,000	$830,000	$847,000	$100,000	$17,000
3rd Party Insurance Collections	$1,843,202	$1,882,485	$2,051,000	$2,260,000	$2,548,000	$209,000	$288,000
1st Party Other Co-payments	$168,092	$181,210	$181,000	$201,000	$221,000	$20,000	$20,000
Enhanced-Use Revenue	$1,601	$1,400	$1,000	$1,000	$1,000	$0	$0
Long-Term Care Co-Payments	$3,419	$3,891	$4,000	$4,000	$4,000	$0	$0
Comp. Work Therapy Collections	$56,106	$53,000	$53,000	$53,000	$53,000	$0	$0
Parking Fees	$3,585	$3,400	$4,000	$4,000	$3,000	$0	($1,000)
Comp. & Pension Living Expenses	$1,952	$1,600	$2,000	$2,000	$2,000	$0	$0
Total Collections	$2,798,195	$2,881,462	$3,026,000	$3,355,000	$3,679,000	$329,000	$324,000

1/ Collections of $2,798,194,626 received by VA in 2009. Due to difference in timing from when the funds are received and transferred into the medical care account, previous charts reflect $2,766,908,027 transferred to the medical care account in 2009. The remainder of funds collected in 2009 will be transferred in 2010.
2/ Includes a total of $71 million (FY 2010/FY 2011) related to the increase in pharmacy co-payments from $8 to $9 beginning in July 2010 for Priority Groups 7 and 8.

The Balanced Budget Act of 1997, Public Law 105-33, dated August 5, 1997, established the Department of Veterans Affairs Medical Care Collections Fund (MCCF). The legislation required that amounts collected or recovered after June 30, 1997 be deposited into the MCCF and used for medical care and services to

Veterans. In September 1999, VA implemented reasonable charges billing, which allowed movement from cost-based medical care recovery to an approach closely resembling industry market pricing for services. After an initial adjustment period, there was a marked improvement in health care collections.

With the establishment of the Chief Business Office (CBO), an expanded revenue enhancement plan was formulated to implement a series of additional tactical and strategic objectives. This plan targets a combination of immediate, mid-term, and long-term improvements to the broad range of business processes encompassing VA revenue activities. This CBO-directed effort is a formalized validation of viable activities being pursued that have been extremely successful in addressing national issues, such as coding, payer agreements, site visits to lower performing facilities, and improved financial controls to increase collections. During 2009, MCCF collections totaled over $2.7 billion, reflecting a nearly five-fold improvement in total collections since 2000, the result of these activities and an increased emphasis on improving revenue-cycle processes. VA is expecting MCCF total collections to exceed $3.0 billion in 2010. Although VHA has realized a significant improvement in revenue performance, even greater opportunities are being addressed by initiatives described below.

National Revenue Contracts Office

This initiative is designed to leverage VHA's size and financial purchasing power to develop national relationships for both payer agreements and contracts for vendors who provide support for revenue cycle activities. The National Payer Relations Office (NPRO) component continues to aggressively pursue strategies to effectively manage relationships with third-party payers. VHA has executed three national payer agreements. In addition, the National Payer Relations Office has completed 89 regional agreements.

The Revenue Contracts Program, another component of the National Revenue Contracts Office, improves the management of vendors utilized in support of VHA revenue-cycle activities by developing better rates and consistency in payment terms, expectations, and performance standards. One primary initiative under this program is VHA's establishment of national and regional Blanket Purchase Agreements (BPAs) for frequently used revenue-cycle services to include coding, insurance identification/verification, billing and third-party accounts receivable follow-up services. To date, 59 BPAs are in place for core revenue cycle functions with additional agreements in progress.

Consolidated Patient Account Centers (CPAC)

In 2006, VHA established an industry-modeled consolidated business operation tailored to VHA revenue requirements within VA Mid-Atlantic Health Care Network (VISN) 6, with the objectives of increasing collections and improving

operational performance. Since the establishment of the Mid-Atlantic CPAC (MACPAC), third-party collections increased in this region by approximately 14% over the national rate of growth. In addition, all key revenue performance metrics for the MACPAC consistently rank among the best of VHA facilities. The MACPAC is fully operational and provides revenue operations for medical centers and clinics in VA Capital Health Care Network (VISN 5), VA Mid-Atlantic Health Care Network (VISN 6) and The Southeast Network (VISN 7). Due to the success of the CPAC pilot project and pursuant to Veterans Mental Health and Other Improvements Act of 2008, Public Law 110-387, VHA continues to move forward with the national implementation of the CPAC business model. By the end of FY 2011, VA will have opened 4 of 7 planned CPACs.

eBusiness Initiatives

In an effort to leverage the health care industry's migration to national standard electronic data exchanges under the Health Insurance Portability and Accountability Act (HIPAA) and to comply with other legal requirements, VHA has implemented a number of eBusiness initiatives to add efficiencies to the billing and collections processes, including Medicare-equivalent Remittance Advices; insurance verification; inpatient/outpatient/pharmacy billing; payments, including Electronic Funds Transfer; and denials management. VHA has also met the May 23, 2007, compliance deadline for the National Provider Identifier (NPI) in electronic health care transactions. In response to new HIPAA requirements, per the January 2009 Final Rule, for the next generation of electronic transaction standards (known as 5010/D.0), which affect all of the eBusiness Initiatives, VHA has documented new business requirements in order to meet the interim deadline of January 2011 and final compliance deadline of January 2012.

Revenue Improvement and System Enhancements (RISE)

A major driver in VA's revenue optimization strategy is a congressionally mandated Revenue Improvement and Systems Enhancements (RISE) Program, which seeks to remedy significant business processes and technology issues in VA's revenue-related financial systems. VA chartered the RISE project team to develop business functional requirements to improve VHA revenue cycle management, resulting in increased collections and improved operational efficiencies. In 2009, the RISE Program was approved by VA Office of Information Technology (OI&T) and funded as part of the Information Technology reprioritization initiative. During 2010, the program will acquire an Enterprise Workflow Management Engine and a National Charge Description Master (CDM) in support of the Consolidated Patient Account Center expansion and develop functional requirements for the acquisition of a National Insurance File (NIF) in 2011.

Medical Services
Program Resource Data

Unique Patients [1/]

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Priorities 1-6.....	3,874,957	3,994,758	3,895,130	3,989,871	4,074,126	94,741	84,255
Priorities 7-8.....	1,346,626	1,540,997	1,497,766	1,560,447	1,620,845	62,681	60,398
Subtotal Veterans.....	5,221,583	5,535,755	5,392,896	5,550,318	5,694,971	157,422	144,653
Non-Veterans 2/.....	523,110	515,098	533,406	544,888	553,592	11,482	8,704
Total Unique Patients.....	5,744,693	6,050,853	5,926,302	6,095,206	6,248,563	168,904	153,357

Unique Enrollees [3/]

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Priorities 1-6.....	5,771,970	5,822,496	5,760,213	5,868,036	5,963,881	107,823	95,845
Priorities 7-8.....	2,276,590	2,616,346	2,524,577	2,631,124	2,697,490	106,547	66,366
Total Enrollees.....	8,048,560	8,438,842	8,284,790	8,499,160	8,661,371	214,370	162,211

Users as a Percent of Enrollees

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Priorities 1-6.....	67.1%	68.6%	67.6%	68.0%	68.3%	0.4%	0.3%
Priorities 7-8.....	59.2%	58.9%	59.3%	59.3%	60.1%	0.0%	0.8%
Total Enrollees.....	64.9%	65.6%	65.1%	65.3%	65.8%	0.2%	0.5%

1/ Unique patients are uniquely identified individuals treated by VA or whose treatment is paid for by VA. It includes patients only receiving pharmacy, CHAMPVA patients, Readjustment Counseling patients, employees seen as patients, collateral patients and other non-veterans treated in VA.

2/ Non-veterans include spousal collateral, consultations and instruction, CHAMPVA workload, reimbursable workload with affiliates, humanitarian care, and employees receiving preventive occupational immunizations such as Hepatitis A&B and flu vaccinations

3/ Similar to unique patients, the count of unique enrollees represents the count of veterans enrolled for veterans health care sometime during the course of the year.

Summary of Workloads for VA and Non-VA Facilities

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Outpatient Visits (000):							
Staff	62,686	62,776	65,143	67,789	70,357	2,646	2,568
Fee	10,788	10,337	12,125	13,616	15,159	1,491	1,543
Readjustment Counseling	1,188	1,383	1,310	1,370	1,430	60	60
Total	74,662	74,496	78,578	82,775	86,946	4,197	4,171
Patients Treated:							
Acute Hospital Care	616,699	623,201	641,299	668,307	687,021	27,008	18,714
Rehabilitative Care	15,165	14,393	15,227	15,375	15,614	148	239
Psychiatric Care*	136,691	137,891	136,774	136,852	143,436	78	6,584
Nursing Home Care	98,725	101,876	104,189	109,354	111,963	5,165	2,609
Subacute Care	5,447	3,230	4,233	3,319	2,612	(914)	(707)
State Home Domiciliary	4,366	4,250	4,183	4,009	3,854	(174)	(155)
Inpatient Facilities, Total	877,093	884,841	905,905	937,216	964,500	31,311	27,284
Average Daily Census:							
Acute Hospital Care	8,993	8,679	9,327	9,650	9,822	323	172
Rehabilitative Care	1,117	1,103	1,116	1,115	1,116	(1)	1
Psychiatric Care*	9,636	9,803	9,731	9,920	10,060	189	140
Nursing Home Care	35,913	35,837	37,100	38,286	38,696	1,186	410
Subacute Care	175	89	140	115	96	(25)	(19)
State Home Domiciliary	2,837	3,880	2,837	2,837	2,837	0	0
Inpatient Facilities, Total	58,671	59,391	60,251	61,923	62,627	1,672	704
Home & Comm. Bsd. Care	27,316	90,654	38,240	49,164	0	10,924	(49,164)
Inpatient & H&CBC, Grand Total	85,987	150,045	98,491	111,087	62,627	12,596	(48,460)
Length of Stay:							
Acute Hospital Care	5.3	5.1	5.3	5.3	5.2	0.0	(0.1)
Rehabilitative Care	26.9	28.0	26.8	26.5	26.2	(0.3)	(0.3)
Psychiatric Care*	25.7	25.9	26.0	26.5	25.7	0.5	(0.8)
Nursing Home Care	132.8	128.4	130.0	127.8	126.5	(2.2)	(1.3)
Subacute Care	11.7	10.1	12.1	12.6	13.5	0.5	0.9
State Home Domiciliary	237.2	333.2	247.6	258.3	269.4	10.7	11.1
Dental Procedures	3,746,023	3,749,427	3,916,470	4,033,021	4,141,308	116,551	108,287
CHAMPVA/FMP/Spina Bifida Workloads:							
Inpatient Census	923	885	885	907	974	22	67
Outpatient Workloads (000)	7,969	7,860	7,860	9,248	9,585	1,388	337

**VA Domiciliary is included under Psychiatric Care and reflects current clinical practices.*

Summary of Total Request, Medical Services

(dollars in thousands)

Account	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Appropriation	$30,969,903	$34,704,500	$34,707,500	$37,136,000	$39,649,985	$2,428,500	$2,513,985
Trns to VADoD HCSIF	($15,000)	$0	($15,000)	$0	$0	$15,000	$0
Trns fr MS to IT	($253,890)	$0	$0	$0	$0	$0	$0
Trans fr MSC to MS	$44,500	$0	$0	$0	$0	$0	$0
Subtotal	$30,745,513	$34,704,500	$34,692,500	$37,136,000	$39,649,985	$2,443,500	$2,513,985
Collections	$2,766,908	$2,881,462	$3,026,000	$3,355,000	$3,679,000	$329,000	$324,000
Budget Authority	$33,512,421	$37,585,962	$37,718,500	$40,491,000	$43,328,985	$2,772,500	$2,837,985
Sharing & Other Reimbursements	$199,594	$232,000	$216,200	$226,000	$236,000	$9,800	$10,000
Prior Year Recoveries	$45,330	$3,000	$3,000	$3,000	$3,000	$0	$0
Subtotal	$244,924	$235,000	$219,200	$229,000	$239,000	$9,800	$10,000
Unobligated Balance (SOY):							
No-Year	$320,702	$0	$215,975	$0	$0	($215,975)	$0
2007 Emerg. Supp. (P.L. 110-28) (No-Year)	$170,844	$0	$52,316	$0	$0	($52,316)	$0
2-Year	$177,790	$0	$346,648	$0	$0	($346,648)	$0
Subtotal	$669,336	$0	$614,939	$0	$0	($614,939)	$0
Net Transfer, 2-Year (VA/DoD HCSIF IT)	$0	$0	($25,000)	$0	$0	$25,000	$0
Net Transfer, No-Year (Trans fr. HHS)	$0	$0	$43,460	$0	$0	($43,460)	$0
Unobligated Balance (EOY):							
No-Year	($215,975)	$0	$0	$0	$0	$0	$0
2007 Emerg. Supp. (P.L. 110-28) (No-Year)	($52,316)	$0	$0	$0	$0	$0	$0
2-Year	($346,648)	$0	$0	$0	$0	$0	$0
Subtotal	($614,939)	$0	$0	$0	$0	$0	$0
Change in Unobligated Balance (Non-Add)	$54,397	$0	$633,399	$0	$0	($633,399)	$0
Lapse	($957)	$0	$0	$0	$0	$0	$0
Total Obligations	$33,810,785	$37,820,962	$38,571,099	$40,720,000	$43,567,985	$2,148,901	$2,847,985

Summary of Obligations by Activity
Medical Services
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Estimate	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Acute Hospital Care.....	$6,899,821	$7,636,092	$7,210,946	$7,601,088	$7,997,031	$390,142	$395,943
Rehabilitative Care.....	$484,566	$548,005	$509,844	$535,846	$562,102	$26,002	$26,256
Psychiatric Care.....	$3,175,209	$3,258,427	$3,425,931	$3,717,136	$3,958,750	$291,205	$241,614
Nursing Home Care.....	$3,185,919	$3,650,087	$3,579,941	$4,019,003	$4,412,738	$439,062	$393,735
Subacute Care.....	$68,923	$76,847	$72,380	$75,585	$78,873	$3,205	$3,288
State Home Domiciliary.....	$50,117	$58,084	$55,159	$60,105	$65,681	$4,946	$5,576
Outpatient Care.....	$19,026,616	$21,685,009	$22,706,600	$23,597,290	$25,275,504	$890,690	$1,678,214
CHAMPVA.....	$919,614	$908,411	$1,010,298	$1,113,947	$1,217,306	$103,649	$103,359
Total Obligations.....	$33,810,785	$37,820,962	$38,571,099	$40,720,000	$43,567,985	$2,148,901	$2,847,985

Summary of FTE by Activity
Medical Services

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Estimate	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Acute Hospital Care.....	39,105	41,151	39,145	39,145	39,145	0	0
Rehabilitative Care.....	4,212	4,499	4,240	4,240	4,240	0	0
Psychiatric Care.....	26,718	28,338	28,093	28,093	28,093	0	0
Nursing Home Care.....	21,227	21,963	23,291	23,291	23,291	0	0
Subacute Care.....	569	506	582	582	582	0	0
State Home Domiciliary.....	1	0	0	0	0	0	0
Outpatient Care.....	80,506	79,499	83,230	84,204	82,860	974	(1,344)
CHAMPVA.....	0	40	0	0	0	0	0
Total Obligations.....	172,338	175,996	178,581	179,555	178,211	974	(1,344)

Outlay Reconciliation
Medical Services
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Obligations	$33,810,785	$37,820,962	$38,571,099	$40,720,000	$43,567,985	$2,148,901	$2,847,985
Obligated Balance (SOY)	$4,813,622	$6,226,553	$4,356,354	$5,929,504	$7,021,234	$1,573,150	$1,091,730
Obligated Balance (EOY)	($4,356,354)	($7,348,658)	($5,929,504)	($7,021,234)	($8,024,091)	($1,091,730)	($1,002,857)
Adjustments in Expired Accts	($56,298)	$0	$0	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay. Fed. Sources (Unexp.)	($6,922)	$0	$0	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay. Fed. Sources (Exp.)	$16,075	$0	$0	$0	$0	$0	$0
Outlays, Gross	$34,220,908	$36,698,857	$36,997,949	$39,628,270	$42,565,128	$2,630,321	$2,936,858
Offsetting Collections	($206,088)	($235,000)	($219,200)	($229,000)	($239,000)	($9,800)	($10,000)
Prior Year Recoveries	($45,330)	$0	$0	$0	$0	$0	$0
Net Outlays	$33,969,490	$36,463,857	$36,778,749	$39,399,270	$42,326,128	$2,620,521	$2,926,858

FTE by Type
Medical Services

Account	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Physicians	15,339	15,932	15,762	15,767	15,767	5	0
Dentists	924	960	957	957	957	0	0
Registered Nurses	41,215	42,635	42,973	43,003	43,013	30	10
LPN/LVN/NA	22,305	23,034	23,269	23,309	23,329	40	20
Non-Physician Providers	9,621	9,753	10,071	10,091	10,096	20	5
Health Techs/Allied Health	50,649	50,670	52,361	53,202	53,597	841	395
Wage Board/P&H	5,574	5,667	5,581	5,581	5,581	0	0
All Other	26,711	27,345	27,607	27,645	25,871	38	(1,774)
Total	172,338	175,996	178,581	179,555	178,211	974	(1,344)

Obligations by Object
Medical Services
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
10 Personal Svcs & Benefits:							
Physicians	$3,831,804	$4,145,005	$4,080,214	$4,216,206	$4,363,770	$135,992	$147,564
Dentists	$197,119	$216,410	$211,559	$218,541	$226,190	$6,982	$7,649
Registered Nurses	$4,528,654	$4,960,422	$4,892,992	$5,057,970	$5,236,231	$164,978	$178,261
LPN/LVN/NA	$1,330,258	$1,465,118	$1,438,047	$1,488,047	$1,541,440	$50,000	$53,393
Non-Physician Providers	$1,234,677	$1,301,505	$1,339,272	$1,386,211	$1,435,439	$46,939	$49,228
Health Techs/Alllied Health	$4,306,598	$4,539,336	$4,613,528	$4,842,340	$5,049,052	$228,812	$206,712
Wage Board/P&H	$281,963	$307,220	$292,550	$302,206	$312,782	$9,656	$10,576
Administration	$1,605,681	$1,769,211	$1,697,252	$1,806,606	$1,618,542	$109,354	($188,064)
Perm Change of Station	$13,256	$6,600	$29,468	$65,507	$145,622	$36,039	$80,115
Emp Comp Pay	$136,805	$146,200	$142,551	$148,538	$154,777	$5,987	$6,239
Subtotal	$17,466,815	$18,857,027	$18,737,433	$19,532,172	$20,083,845	$794,739	$551,673
21 Travel & Trans of Persons:							
Employee	$64,592	$71,522	$92,367	$132,085	$188,882	$39,718	$56,797
Beneficiary 1/	$628,691	$600,000	$765,848	$798,014	$827,541	$32,166	$29,527
Other	$13,997	$14,758	$14,473	$14,965	$15,474	$492	$509
Subtotal	$707,280	$686,280	$872,688	$945,064	$1,031,897	$72,376	$72,376
22 Transportation of Things	$9,512	$15,185	$9,835	$10,169	$10,515	$334	$346
23 Comm., Utilites & Oth. Rent:							
Rental of equip	$68,150	$114,461	$76,328	$85,487	$95,745	$9,159	$10,258
Communications	$156,935	$156,177	$175,767	$196,859	$220,482	$21,092	$23,623
Utilities	$76	$0	$0	$0	$0	$0	$0
GSA RENT	$0	$0	$0	$0	$0	$0	$0
Other real property rental	$284	$0	$0	$0	$0	$0	$0
Subtotal	$225,445	$270,638	$252,095	$282,346	$316,227	$30,251	$33,881
24 Printing & Reproduction:	$3,102	$4,040	$4,033	$5,243	$6,816	$1,210	$1,573
25 Other Services:							
Outpatient dental fees	$95,384	$88,427	$123,999	$161,199	$209,559	$37,200	$48,360
Medical & nursing fees	$1,456,373	$1,625,296	$1,776,775	$2,167,666	$2,644,553	$390,891	$476,887
Repairs to furniture/equipment	$32,465	$29,233	$39,607	$48,321	$58,952	$8,714	$10,631
M&R contract services	$3,249	$0	$3,359	$3,473	$3,591	$114	$118
Contract hospital	$1,178,109	$1,382,951	$1,390,169	$1,640,399	$1,935,671	$250,230	$295,272
Community nursing homes	$476,498	$552,356	$563,424	$734,106	$832,956	$170,682	$98,850
Repairs to prosthetic appliances	$146,892	$156,325	$168,926	$194,265	$223,405	$25,339	$29,140
Home Oxygen	$126,549	$159,655	$139,204	$153,124	$168,436	$13,920	$15,312
Personal services contracts	$78,230	$108,808	$86,053	$94,658	$104,124	$8,605	$9,466
House Staff Disbursing Agreement	$479,752	$489,706	$508,537	$539,049	$571,392	$30,512	$32,343
Scarce Medical Specialists	$274,070	$352,412	$283,388	$293,023	$302,986	$9,635	$9,963

1/ In 2009, the beneficiary travel mileage reimbursement rate was raised from 28.5 cents to 41.5 cents per mile.

Obligations by Object
Medical Services
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
25 Other Services (continued)							
Other Medical Contract Services	$1,999,862	$2,083,536	$3,264,987	$2,813,305	$2,766,199	($451,682)	($47,106)
Administrative Contract Services	$209,395	$327,128	$238,710	$272,129	$310,227	$33,419	$38,098
Training Contract Services	$46,696	$55,424	$56,969	$69,502	$84,792	$12,533	$15,290
CHAMPVA	$671,202	$796,676	$737,383	$812,965	$888,327	$75,582	$75,362
Subtotal	$7,274,726	$8,207,933	$9,381,490	$9,997,184	$11,105,170	$615,694	$1,107,986
26 Supplies & Materials:							
Provisions	$101,231	$115,001	$107,811	$114,819	$122,282	$7,008	$7,463
Drugs & medicines	$3,950,389	$4,279,930	$4,345,428	$4,779,971	$5,305,768	$434,543	$525,797
Blood & blood products	$75,372	$79,561	$82,909	$91,200	$101,232	$8,291	$10,032
Medical/Dental Supplies	$1,041,216	$1,058,585	$1,155,750	$1,282,883	$1,424,000	$127,133	$141,117
Operating supplies	$110,934	$146,184	$128,683	$149,272	$173,156	$20,589	$23,884
M&R supplies	$885	$0	$974	$1,071	$1,178	$97	$107
Other supplies	$90,481	$124,074	$124,864	$172,312	$237,791	$47,448	$65,479
Prosthetic appliances	$1,338,739	$1,504,605	$1,512,441	$1,617,430	$1,749,099	$104,989	$131,669
Home Respiratory Therapy	$25,815	$29,415	$29,429	$33,549	$38,246	$4,120	$4,697
Subtotal	$6,735,062	$7,337,355	$7,488,289	$8,242,507	$9,152,752	$754,218	$910,245
31 Equipment	$609,602	$1,557,221	$919,929	$654,447	$694,000	($265,482)	$39,553
32 Lands & Structures:							
Non-Recurring Maint. (NRM)	$0	$0	$0	$0	$0	$0	$0
ARRA of 2009, P.L. 111-5	$0	$0	$0	$0	$0	$0	$0
Capital Leases	$881	$0	$0	$0	$0	$0	$0
All Other Lands & Structures	$0	$0	$0	$0	$0	$0	$0
Subtotal	$881	$0	$0	$0	$0	$0	$0
41 Grants, Subsidies & Contributions:							
State home	$650,295	$739,362	$755,307	$854,861	$970,756	$99,554	$115,895
Homeless Programs	$128,065	$145,921	$150,000	$196,007	$196,007	$46,007	$0
Subtotal	$778,360	$885,283	$905,307	$1,050,868	$1,166,763	$145,561	$115,895
43 Imputed Interest	$0	$0	$0	$0	$0	$0	$0
Total, Obligations	$33,810,785	$37,820,962	$38,571,099	$40,720,000	$43,567,985	$2,148,901	$2,847,985

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Medical Support and Compliance

Appropriation Language

For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of capital policy activities; and administrative and legal expenses of the Department for collecting and recovering amounts owed the Department as authorized under chapter 17 of title 38, United States Code, and the Federal Medical Care Recovery Act (42 U.S.C. 2651 et seq.); [$10,237,000,000]*$5,535,000,000*, plus reimbursements, [of which $5,307,000,000] shall become available on October 1, [2010] *2011*, and shall remain available until September 30, [2011]*2012*: *Provided*, That, of the amount made available under this heading [for fiscal year 2010, not to exceed $145,000,000] *$250,000,000* shall remain available until September 30, [2011]*2013. (Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2010.)*

Two-Year Funding for FY 2011 Funding

Section 227 of the administrative provisions states that, "Of the amounts appropriated which become available on October 1, 2010, under the heading

"Medical Support and Compliance", Department of Veterans Affairs in Public Law 111-117, $250,000,000 shall remain available until September 30, 2012." VA is requesting authority for 2-year funding to ensure VA has the authority to carry over up to $250,000,000 in unobligated balances until September 30, 2012. The authority for 2-year funding is not included in the advance appropriations for FY 2011 appropriated in P.L. 111-117, Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2010.

Appropriation Transfers
See part 1F for a detailed explanation of the appropriation transfers that affect the Medical Support and Compliance appropriation.

2011 Funding and 2012 Advance Appropriations Request

The justification for the 2011 funding level and the 2012 advance appropriations request is provided below, on an obligation basis, corresponding to the obligation estimates, by program, on the previous table. In 2011, the $5.370 billion in obligations is comprised of $5.307 billion for appropriation funding and $63 million for reimbursements. In 2012, the $5.601 billion in obligations is comprised of $5.535 billion for appropriation funding and $66 million for reimbursements. The funding in parenthesis represents the 2011 request and 2012 advance appropriations on an obligation basis.

The Medical Support and Compliance appropriation provides funds for the expenses of management, security, and administration of VA health care system. Included under this heading are provisions for costs associated with operation of VA medical centers, other facilities, and VHA headquarters, plus the costs of VISN offices and Facility Director offices; Chief of Staff operations; quality of care oversight; providing security; legal services; billing and coding activities; procurement; financial management; and human resource management.

The 2011 and 2012 estimates for the Medical Support and Compliance appropriation are based on an actuarial analysis founded on current and projected Veteran population statistics, enrollment projections of demand, and case mix changes associated with current Veteran patients.

Program Resources:

- **$5,370,000,000 in Obligations in 2011**
- **$5,601,000,000 in Obligations in 2012**

The programmatic needs in this section reflect VA operational changes that impact resources in 2011 and 2012. The Medical Support and Compliance appropriation provides funds for the expenses of management, security, and administration of VA health care system.

Medical Support and Compliance Program Resource Data

Summary of Total Request, Medical Support and Compliance
(dollars in thousands)

Account	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Appropriation	$4,450,000	$5,100,000	$4,930,000	$5,307,000	$5,535,000	$377,000	$228,000
Trans fr MSC to MS	($44,500)	$0	$0	$0	$0	$0	$0
Budget Authority	$4,405,500	$5,100,000	$4,930,000	$5,307,000	$5,535,000	$377,000	$228,000
Sharing & Other Reimbursements	$47,481	$78,000	$60,000	$63,000	$66,000	$3,000	$3,000
Unobligated Balance (SOY):							
2007 Emerg. Supp. (P.L. 110-28) (No-Year)	$10,572	$0	$8,333	$0	$0	($8,333)	$0
2-Year	$145,928	$0	$217,487	$0	$0	($217,487)	$0
Subtotal	$156,500	$0	$225,820	$0	$0	($225,820)	$0
Net Transfer, No-Year (Trans fr. HHS)	$0	$0	$14,190	$0	$0	($14,190)	$0
Unobligated Balance (EOY):							
2007 Emerg. Supp. (P.L. 110-28) (No-Year)	($8,333)	$0	$0	$0	$0	$0	$0
2-Year	($217,487)	$0	$0	$0	$0	$0	$0
Subtotal	($225,820)	$0	$0	$0	$0	$0	$0
Change in Unobligated Balance (Non-Add)	($69,320)	$0	$240,010	$0	$0	($240,010)	$0
Lapse	($580)	$0	$0	$0	$0	$0	$0
Total Obligations	$4,383,081	$5,178,000	$5,230,010	$5,370,000	$5,601,000	$139,990	$231,000

Summary of Obligations by Activity
Medical Support and Compliance
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Estimate	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Acute Hospital Care.....	$955,958	$1,076,910	$1,030,135	$1,085,870	$1,142,433	$55,735	$56,563
Rehabilitative Care.....	$84,510	$97,557	$92,055	$96,750	$101,491	$4,695	$4,741
Psychiatric Care.....	$566,763	$660,789	$627,283	$680,602	$724,841	$53,319	$44,239
Nursing Home Care.....	$443,302	$497,127	$518,149	$581,698	$638,686	$63,549	$56,988
Subacute Care.....	$11,592	$12,688	$12,063	$12,598	$13,146	$535	$548
State Home Domiciliary.....	$5	$0	$0	$0	$0	$0	$0
Outpatient Care.....	$2,257,790	$2,731,903	$2,884,966	$2,842,400	$2,905,548	($42,566)	$63,148
CHAMPVA.....	$63,161	$101,026	$65,359	$70,082	$74,855	$4,723	$4,773
Total Obligations.....	$4,383,081	$5,178,000	$5,230,010	$5,370,000	$5,601,000	$139,990	$231,000

Summary of FTE by Activity
Medical Support and Compliance

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Estimate	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Acute Hospital Care.....	8,575	8,483	8,968	8,968	8,968	0	0
Rehabilitative Care.....	722	751	764	764	764	0	0
Psychiatric Care.....	5,241	5,299	5,601	5,601	5,601	0	0
Nursing Home Care.....	4,020	3,838	4,450	4,450	4,450	0	0
Subacute Care.....	103	99	105	105	105	0	0
State Home Domiciliary.....	0	0	0	0	0	0	0
Outpatient Care.....	20,516	20,447	20,430	20,684	20,828	254	144
CHAMPVA.....	674	1,004	764	819	819	55	0
Total Obligations.....	39,851	39,921	41,082	41,391	41,535	309	144

Outlay Reconciliation
Medical Support and Compliance
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Obligations	$4,383,081	$5,178,000	$5,230,010	$5,370,000	$5,601,000	$139,990	$231,000
Obligated Balance (SOY)	$772,501	$1,044,366	$832,036	$1,173,243	$1,314,516	$341,207	$141,273
Obligated Balance (EOY)	($832,036)	($1,186,706)	($1,173,243)	($1,314,516)	($1,423,326)	($141,273)	($108,810)
Adjustments in Expired Accts	($50,918)	$0	$0	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay. Fed. Sources (Unexp.)	($1,074)	$0	$0	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay. Fed. Sources (Exp.)	$1,229	$0	$0	$0	$0	$0	$0
Outlays, Gross	$4,272,783	$5,035,660	$4,888,803	$5,228,727	$5,492,190	$339,924	$263,463
Offsetting Collections	($48,144)	($78,000)	($60,000)	($63,000)	($66,000)	($3,000)	($3,000)
Prior Year Recoveries	$0	$0	$0	$0	$0	$0	$0
Net Outlays	$4,224,639	$4,957,660	$4,828,803	$5,165,727	$5,426,190	$336,924	$260,463

FTE by Type
Medical Support and Compliance

Account	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Physicians	488	488	508	508	508	0	0
Dentists	12	13	12	12	12	0	0
Registered Nurses	2,338	2,274	2,368	2,368	2,368	0	0
LPN/LVN/NA	72	80	66	66	66	0	0
Non-Physician Providers	161	182	153	153	153	0	0
Health Techs/Allied Health	651	668	855	855	855	0	0
Wage Board/P&H	829	1,062	847	847	847	0	0
All Other	35,300	35,154	36,273	36,582	36,726	309	144
Total	39,851	39,921	41,082	41,391	41,535	309	144

Obligations by Object
Medical Support and Compliance
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
10 Personal Svcs & Benefits:							
Physicians	$132,034	$141,853	$142,256	$147,235	$152,307	$4,979	$5,072
Dentists	$2,979	$3,484	$3,083	$3,191	$3,301	$108	$110
Registered Nurses	$276,303	$281,113	$289,642	$299,779	$310,106	$10,137	$10,327
LPN/LVN/NA	$4,185	$5,011	$3,970	$4,109	$4,251	$139	$142
Non-Physician Providers	$22,372	$25,852	$22,004	$22,775	$23,559	$771	$784
Health Techs/Alllied Health	$70,201	$72,464	$95,427	$98,766	$102,169	$3,339	$3,403
Wage Board/P&H	$46,272	$63,770	$48,932	$50,645	$52,389	$1,713	$1,744
Administration	$2,633,319	$2,805,421	$2,800,896	$2,929,678	$3,049,573	$128,782	$119,895
Perm Change of Station	$14,693	$18,500	$15,428	$16,199	$17,009	$771	$810
Emp Comp Pay	$26,098	$28,800	$26,333	$26,570	$26,809	$237	$239
Subtotal	$3,228,456	$3,446,268	$3,447,971	$3,598,947	$3,741,473	$150,976	$142,526
21 Travel & Trans of Persons:							
Employee	$69,144	$72,752	$82,973	$99,568	$119,482	$16,595	$19,914
Beneficiary	$42	$0	$0	$0	$0	$0	$0
Other	$3,351	$3,839	$3,497	$3,649	$3,808	$152	$159
Subtotal	$72,537	$76,591	$86,470	$103,217	$123,290	$16,747	$16,747
22 Transportation of Things	$9,174	$14,097	$10,367	$11,715	$13,238	$1,348	$1,523
23 Comm., Utilites & Oth. Rent:							
Rental of equip	$28,944	$26,831	$29,928	$30,946	$31,998	$1,018	$1,052
Communications	$69,170	$68,452	$85,771	$106,356	$131,881	$20,585	$25,525
Utilities	$43	$0	$0	$0	$0	$0	$0
GSA RENT	$282	$0	$0	$0	$0	$0	$0
Other real property rental	$173	$0	$0	$0	$0	$0	$0
Subtotal	$98,612	$95,283	$115,699	$137,302	$163,879	$21,603	$26,577
24 Printing & Reproduction:	$18,348	$21,023	$26,421	$38,046	$54,786	$11,625	$16,740
25 Other Services:							
Outpatient dental fees	$31	$0	$0	$0	$0	$0	$0
Medical & nursing fees	$3,909	$3,772	$4,042	$4,179	$4,321	$137	$142
Repairs to furniture/equipment	$2,306	$4,836	$2,384	$2,465	$2,549	$81	$84
M&R contract services	$841	$0	$0	$0	$0	$0	$0
Contract hospital	$0	$0	$0	$0	$0	$0	$0
Community nursing homes	$0	$0	$0	$0	$0	$0	$0
Repairs to prosthetic appliances	$0	$0	$0	$0	$0	$0	$0
Home Oxygen	$0	$0	$0	$0	$0	$0	$0
Personal services contracts	$7,634	$12,737	$7,894	$8,162	$8,440	$268	$278
House Staff Disbursing Agreement	$25	$0	$0	$0	$0	$0	$0
Scarce Medical Specialists	$0	$0	$0	$0	$0	$0	$0

Obligations by Object
Medical Support and Compliance
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
25 Other Services (continued)							
Other Medical Contract Services	$29,364	$0	$30,362	$31,394	$32,461	$1,032	$1,067
Administrative Contract Services	$726,534	$1,131,744	$1,180,797	$1,107,325	$1,096,265	($73,472)	($11,060)
Training Contract Services	$15,304	$61,605	$17,753	$20,593	$23,888	$2,840	$3,295
CHAMPVA	$0	$0	$0	$0	$0	$0	$0
Subtotal	$785,948	$1,214,694	$1,243,232	$1,174,118	$1,167,924	($69,114)	($6,194)
26 Supplies & Materials:							
Provisions	$60	$0	$0	$0	$0	$0	$0
Drugs & medicines	$171	$0	$0	$0	$0	$0	$0
Blood & blood products	$0	$0	$0	$0	$0	$0	$0
Medical/Dental Supplies	$296	$0	$0	$0	$0	$0	$0
Operating supplies	$33,094	$35,393	$34,219	$35,382	$36,585	$1,163	$1,203
M&R supplies	$315	$0	$0	$0	$0	$0	$0
Other supplies	$74,452	$105,063	$96,043	$123,895	$159,825	$27,852	$35,930
Prosthetic appliances	$0	$0	$0	$0	$0	$0	$0
Home Respiratory Therapy	$0	$0	$0	$0	$0	$0	$0
Subtotal	$108,388	$140,456	$130,262	$159,277	$196,410	$29,015	$37,133
31 Equipment	$61,049	$169,588	$169,588	$147,378	$140,000	($22,210)	($7,378)
32 Lands & Structures:							
Non-Recurring Maint. (NRM)	$50	$0	$0	$0	$0	$0	$0
American Recovery & Reinvest. Act of 2009	$0	$0	$0	$0	$0	$0	$0
Capital Leases	$0	$0	$0	$0	$0	$0	$0
All Other Lands & Structures	$511	$0	$0	$0	$0	$0	$0
Subtotal	$561	$0	$0	$0	$0	$0	$0
41 Grants, Subsidies & Contributions:							
State home	$0	$0	$0	$0	$0	$0	$0
Homeless Programs	$8	$0	$0	$0	$0	$0	$0
Subtotal	$8	$0	$0	$0	$0	$0	$0
43 Imputed Interest	$0	$0	$0	$0	$0	$0	$0
Total Obligations	$4,383,081	$5,178,000	$5,230,010	$5,370,000	$5,601,000	$139,990	$231,000

Medical Facilities

*Reflects $1 billion from the American Recovery and Reinvestment Act for 2009 for Non-Recurring Maintenance and Energy projects.

Appropriation Language

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities and other necessary facilities of the Veterans Health Administration; for administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction, and renovation of any facility under the jurisdiction or for the use of the Department; for oversight, engineering, and architectural activities not charged to project costs; for repairing, altering, improving, or providing facilities in the several hospitals and homes under the jurisdiction of the Department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; for leases of facilities; and for laundry services, [$10,599,000,000]*$5,426,000,000*, plus reimbursements, [of which $5,740,000,000] shall become available on October 1, [2010]*2011*, and shall remain available until September 30, [2011]*2012*: *Provided*, That, of the amount made available under this heading [for fiscal year 2010, not to exceed $145,000,000]*$350,000,000* shall remain available until September 30, [2011: *Provided further,* That, of the amount available

for fiscal year 2010, $130,000,000 for non-recurring maintenance shall be allocated in a manner not subject to the Veterans Equitable Resource Allocation]*2013. (Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2010.)*

Two-Year Funding for FY 2011 Funding

Section 228 of the administrative provisions states that, "Of the amounts appropriated which become available on October 1, 2010, under the heading "Medical Facilities", Department of Veterans Affairs in Public Law 111-117, $350,000,000 shall remain available until September 30, 2012." VA is requesting authority for 2-year funding to ensure VA has the authority to carry over up to $350,000,000 in unobligated balances until September 30, 2012. The authority for 2-year funding is not included in the advance appropriations for FY 2011 appropriated in P.L. 111-117, Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2010.

Appropriation Transfers

See part 1F for a detailed explanation of the appropriation transfers and that affect the Medical Facilities appropriation.

2011 Funding and 2012 Advance Appropriations Request

The justification for the 2011 funding level and the 2012 advance appropriations request is provided below, on an obligation basis, corresponding to the obligation estimates, by program, on the previous table. In 2011, the $5.775 billion in obligations is comprised of $5.740 billion for appropriation funding and $35 million for reimbursements. In 2012, the $5.463 billion in obligations is comprised of $5.426 billion for appropriation funding and $37 million for reimbursements. The funding in parenthesis represents the 2011 funding and 2012 advance appropriations request on an obligation basis.

VA operates the largest direct health care delivery system in America. VA meets the health care needs of America's Veterans by providing a broad range of primary care, specialized care, and related medical and social support services. VHA has a wide range of land (15,674 acres), buildings (5,068), leases (1,056) and equipment to accomplish VA's mission. This entails paying for utilities; upkeep of the grounds; performing preventive and daily maintenance; sanitation needs; and providing fuel and repair for the motor vehicles required for the VA to deliver medical services to the Veterans. Construction of new or replacement facilities are paid for under the Major Construction or Minor Construction appropriations which are covered in a separate volume.

The submission for the Medical Facilities appropriation is based on an actuarial analysis founded on current and projected Veteran population statistics,

enrollment projections of demand, and case mix changes associated with current Veteran patients.

VHA will support research-type projects by ensuring that at least 5% of the total program allocation in a given year for non-recurring maintenance and minor construction projects are used to fund projects at research facilities.

Program Resources:

- **$5,775,000,000 in Obligations in 2011**
- **$5,463,000,000 in Obligations in 2012**

The programmatic needs in this section reflect VA operational changes that impact resources in 2011 and 2012. The Medical Facilities appropriation provides funds for the operation and maintenance of the VA health care system's vast capital infrastructure. Included under this heading are provisions for costs associated with utilities, engineering, capital planning, leases, laundry, groundskeeping, trash removal, housekeeping, fire protection, pest management, facility repair, and property disposition and acquisition.

Initiatives

Zero Homelessness:

- **$6,785,000 in Obligations in 2011**
- **$6,785,000 in Obligations in 2012**

Ending homelessness among Veterans will require a comprehensive, integrated effort that enhances existing services and builds the capacity necessary to intervene both to house Veterans and to provide outreach and appropriate treatment services for homeless Veterans and those at risk for homelessness. To this end, VA proposes enhancement of its current efforts to house homeless Veterans by expanding the capacity of the Housing and Urban Development – Veterans Affairs Supported Housing (HUD-VASH), Health Care for Homeless Veterans (HCHV) Contract Housing, Homeless Providers Grant and Per Diem, and Domiciliary Care for Homeless Veterans (DCHV) programs. To provide more employment and training opportunities for homeless and at-risk Veterans, VA proposes staffing enhancements for its Compensated Work Therapy programs. To address high levels of substance use disorder (SUD) in the homeless population, VA proposes the addition of a SUD-specialty clinician to each HCHV outreach team. To intensify its outreach efforts and work to prevent homelessness among Veterans, VA proposes implementation of a National Referral Call Center to link homeless and at-risk Veterans with needed services, and funding of the Veterans Justice Outreach initiative, directed at Veterans in contact with police, courts, and jails. To assist homeless Veterans and their families make the transition to permanent housing, as well as to prevent at-risk Veteran families from becoming homeless, VA proposes enhanced funding of its

Supportive Services for Veteran Families program. Funding for 100 community sober living houses will support Veterans in transition to sobriety. To keep pace with the higher numbers of Veterans seen as a result of these new and expanded efforts, VA proposes expansion of its Homeless Veterans Dental Initiative.

Medical Care
Number of Installations

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Veterans Integrated Service Networks.....	21	21	21	21	21	0	0
VA Hospitals.....	153	153	153	153	153	0	0
VA Nursing Homes.....	134	135	135	135	135	0	0
VA Domiciliary Resid. Rehab. Trt. Prgs 1/..	50	54	50	50	52	0	2
Independent Outpatient Clinics.....	6	6	6	6	6	0	0
Mobile Outpatient Clinics.....	9	10	10	10	10	0	0
Vet Centers 2/.....	271	299	299	300	300	1	0
Mobile Vet Centers (Pilot).....	50	50	50	70	70	20	0

1/ The new Domiciliary Residential Rehabilitation Treatment Programs in 2012 are located in [**DC**] Washington, DC; and [**FL**] Gainesville.

2/ The new Vet Centers in 2010 are located in: [**AS**] American Samoa; [**AZ**] Mohave County, Yuma County; [**CA**] San Luis Obispo; [**DE**] Sussex County; [**FL**] Bay County, Collier County, Lake County, Marion County, Okaloosa County; [**GA**] Muscogee County, Richmond County; [**HI**] Western Oahu; [**IN**] South Bend; [**LA**] Rapides Parish; [**MI**] Traverse City; [**MO**] Columbia; [**MT**] Cascade County, Flathead County; [**OH**] Stark County; [**OR**] Deschutes County; [**PA**] Lancaster County; [**SC**] Horry County, [**TX**] Abilene, Jefferson County; [**UT**] Washington County; [**WA**] Walla Walla County; and [**WI**] LaCrosse County.

The location of the new Vet Center in 2011 has not been determined.

Medical Facilities
Program Resource Data

Summary of Total Request, Medical Facilities
(dollars in thousands)

Account	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Appropriation	$5,029,000	$4,693,000	$4,859,000	$5,740,000	$5,426,000	$881,000	($314,000)
American Recovery & Reinvestment Act of 2009	$1,000,000	$0	$0	$0	$0	$0	$0
Total Appropriation/Budget Authority	$6,029,000	$4,693,000	$4,859,000	$5,740,000	$5,426,000	$881,000	($314,000)
Sharing & Other Reimbursements	$28,903	$35,000	$33,000	$35,000	$37,000	$2,000	$2,000
Unobligated Balance (SOY):							
No-Year	$1,022	$0	$1,339	$0	$0	($1,339)	$0
2007 Emerg. Supp. (P.L. 110-28) (No-Year)	$27,715	$0	$7,518	$0	$0	($7,518)	$0
2-Year	$14,179	$0	$276,923	$0	$0	($276,923)	$0
American Recovery & Reinvestment Act of 2009	$0	$510,300	$738,625	$0	$0	($738,625)	$0
Subtotal	$42,916	$510,300	$1,024,405	$0	$0	($1,024,405)	$0
Net Transfer, No-Year (Trans fr. HHS)	$0	$0	$6,000	$0	$0	($6,000)	$0
Unobligated Balance (EOY):							
No-Year	($1,339)	$0	$0	$0	$0	$0	$0
2007 Emerg. Supp. (P.L. 110-28) (No-Year)	($7,518)	$0	$0	$0	$0	$0	$0
2-Year	($276,923)	$0	$0	$0	$0	$0	$0
American Recovery & Reinvestment Act of 2009	($738,625)	$0	$0	$0	$0	$0	$0
Subtotal	($1,024,405)	$0	$0	$0	$0	$0	$0
Change in Unobligated Balance (Non-Add)	($981,489)	$510,300	$1,030,405	$0	$0	($1,030,405)	$0
Lapse	($213)	$0	$0	$0	$0	$0	$0
Total Obligations	$5,076,201	$5,238,300	$5,922,405	$5,775,000	$5,463,000	($147,405)	($312,000)

Summary of Obligations by Activity
Medical Facilities
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Estimate	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Acute Hospital Care.....	$1,119,743	$1,056,658	$1,123,784	$1,184,585	$1,246,291	$60,801	$61,706
Rehabilitative Care.....	$99,590	$94,886	$106,218	$111,635	$117,105	$5,417	$5,470
Psychiatric Care.....	$704,239	$674,967	$772,041	$837,664	$892,112	$65,623	$54,448
Nursing Home Care.....	$557,670	$526,906	$612,358	$687,461	$754,811	$75,103	$67,350
Subacute Care.....	$15,665	$14,953	$16,084	$16,797	$17,528	$713	$731
State Home Domiciliary....	$0	$0	$0	$0	$0	$0	$0
Outpatient Care.....	$2,574,215	$2,865,338	$3,287,428	$2,932,041	$2,430,008	($355,387)	($502,033)
CHAMPVA.....	$5,079	$4,592	$4,492	$4,817	$5,145	$325	$328
Total Obligations.....	$5,076,201	$5,238,300	$5,922,405	$5,775,000	$5,463,000	($147,405)	($312,000)

Summary of FTE by Activity
Medical Facilities

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Estimate	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Acute Hospital Care.....	5,263	5,423	5,108	5,108	5,108	0	0
Rehabilitative Care.....	475	496	490	490	490	0	0
Psychiatric Care.....	3,238	3,366	3,457	3,457	3,457	0	0
Nursing Home Care.....	2,586	2,680	2,792	2,792	2,792	0	0
Subacute Care.....	71	66	71	71	71	0	0
State Home Domiciliary....	0	0	0	0	0	0	0
Outpatient Care.....	11,797	11,728	11,981	11,981	11,981	0	0
CHAMPVA.....	0	0	0	0	0	0	0
Total Obligations.....	23,430	23,759	23,899	23,899	23,899	0	0

Outlay Reconciliation
Medical Facilities
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Obligations	$5,076,201	$5,238,300	$5,922,405	$5,775,000	$5,463,000	($147,405)	($312,000)
Obligated Balance (SOY)	$1,942,776	$2,516,665	$2,333,757	$2,929,052	$2,898,060	$595,295	($30,992)
Obligated Balance (EOY)	($2,333,757)	($2,590,664)	($2,929,052)	($2,898,060)	($2,837,958)	$30,992	$60,102
Adjustments in Expired Accts	($15,699)	$0	$0	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay. Fed. Sources (Unexp.)	($280)	$0	$0	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay. Fed. Sources (Exp.)	$1,006	$0	$0	$0	$0	$0	$0
Outlays, Gross	$4,670,247	$5,164,301	$5,327,110	$5,805,992	$5,523,102	$478,882	($282,890)
Offsetting Collections	($30,653)	($35,000)	($33,000)	($35,000)	($37,000)	($2,000)	($2,000)
Prior Year Recoveries	$0	$0	$0	$0	$0	$0	$0
Net Outlays	$4,639,594	$5,129,301	$5,294,110	$5,770,992	$5,486,102	$476,882	($284,890)

FTE by Type
Medical Facilities

Account	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
Physicians	0	0	0	0	0	0	0
Dentists	1	0	0	0	0	0	0
Registered Nurses	2	0	0	0	0	0	0
LPN/LVN/NA	0	0	0	0	0	0	0
Non-Physician Providers	0	0	0	0	0	0	0
Health Techs/Allied Health	127	142	135	135	135	0	0
Wage Board/P&H	18,814	18,969	19,209	19,209	19,209	0	0
All Other	4,486	4,648	4,555	4,555	4,555	0	0
Total	23,430	23,759	23,899	23,899	23,899	0	0

Obligations by Object
Medical Facilities
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
10 Personal Svcs & Benefits:							
Physicians	$0	$0	$0	$0	$0	$0	$0
Dentists	$0	$0	$0	$0	$0	$0	$0
Registered Nurses	$0	$0	$0	$0	$0	$0	$0
LPN/LVN/NA	$0	$0	$0	$0	$0	$0	$0
Non-Physician Providers	$0	$0	$0	$0	$0	$0	$0
Health Techs/Alllied Health	$7,021	$8,699	$7,721	$8,019	$8,316	$298	$297
Wage Board/P&H	$1,069,972	$1,140,123	$1,130,067	$1,174,695	$1,217,278	$44,628	$42,583
Administration	$394,877	$435,212	$418,866	$430,796	$446,827	$11,930	$16,031
Perm Change of Station	$2,402	$2,500	$2,402	$2,402	$2,402	$0	$0
Emp Comp Pay	$20,190	$21,100	$20,190	$20,190	$20,190	$0	$0
Subtotal	$1,494,462	$1,607,634	$1,579,246	$1,636,102	$1,695,013	$56,856	$58,911
21 Travel & Trans of Persons:							
Employee	$7,344	$13,130	$9,400	$12,032	$15,401	$2,632	$3,369
Beneficiary	$206	$0	$0	$0	$0	$0	$0
Other	$19,729	$25,043	$20,400	$21,094	$21,811	$694	$717
Subtotal	$27,279	$38,173	$29,800	$33,126	$37,212	$3,326	$3,326
22 Transportation of Things	$13,695	$13,674	$14,161	$14,642	$15,140	$481	$498
23 Comm., Utilites & Oth. Rent:							
Rental of equip	$3,149	$6,456	$3,369	$3,605	$3,857	$236	$252
Communications	$873	$0	$1,310	$1,965	$2,948	$655	$983
Utilities	$538,932	$761,299	$571,268	$605,544	$641,877	$34,276	$36,333
GSA RENT	$17,616	$16,000	$18,497	$19,422	$20,393	$925	$971
Other real property rental	$218,819	$491,898	$491,898	$513,689	$536,034	$21,791	$22,345
Subtotal	$779,389	$1,275,653	$1,086,342	$1,144,225	$1,205,109	$57,883	$60,884
24 Printing & Reproduction:	$127	$219	$131	$135	$140	$4	$5
25 Other Services:							
Outpatient dental fees	$86	$0	$0	$0	$0	$0	$0
Medical & nursing fees	$89	$228	$0	$0	$0	$0	$0
Repairs to furniture/equipment	$98,234	$101,505	$101,574	$105,028	$108,599	$3,454	$3,571
M&R contract services	$156,719	$140,107	$162,047	$167,557	$173,254	$5,510	$5,697
Contract hospital	$0	$0	$0	$0	$0	$0	$0
Community nursing homes	$0	$0	$0	$0	$0	$0	$0
Repairs to prosthetic appliances	$9	$0	$0	$0	$0	$0	$0
Home Oxygen	$0	$0	$0	$0	$0	$0	$0
Personal services contracts	$12,577	$10,379	$21,381	$36,348	$61,792	$14,967	$25,444
House Staff Disbursing Agreement	$0	$0	$0	$0	$0	$0	$0
Scarce Medical Specialists	$0	$0	$0	$0	$0	$0	$0

Obligations by Object
Medical Facilities
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	2012 Advance Approp.	2010 to 2011 Increase/ Decrease	2011 to 2012 Increase/ Decrease
25 Other Services (continued)							
Other Medical Contract Services	$7,571	$0	$0	$0	$0	$0	$0
Administrative Contract Services	$311,510	$381,212	$898,604	$808,498	$543,599	($90,106)	($264,899)
Training Contract Services	$2,804	$2,285	$3,561	$4,522	$5,743	$961	$1,221
CHAMPVA	$0	$0	$0	$0	$0	$0	$0
Subtotal	$589,599	$635,716	$1,187,167	$1,121,953	$892,987	($65,214)	($228,966)
26 Supplies & Materials:							
Provisions	$8	$0	$0	$0	$0	$0	$0
Drugs & medicines	$40	$0	$0	$0	$0	$0	$0
Blood & blood products	$0	$0	$0	$0	$0	$0	$0
Medical/Dental Supplies	$701	$0	$0	$0	$0	$0	$0
Operating supplies	$101,254	$96,473	$107,329	$113,769	$120,595	$6,440	$6,826
M&R supplies	$137,186	$153,286	$150,905	$165,996	$182,596	$15,091	$16,600
Other supplies	$44,576	$88,985	$47,251	$50,086	$53,091	$2,835	$3,005
Prosthetic appliances	$3	$0	$0	$0	$0	$0	$0
Home Respiratory Therapy	$0	$0	$0	$0	$0	$0	$0
Subtotal	$283,768	$338,744	$305,485	$329,851	$356,282	$24,366	$26,431
31 Equipment	$113,813	$242,215	$242,215	$217,089	$200,000	($25,126)	($17,089)
32 Lands & Structures:							
Non-Recurring Maint. (NRM)*	$1,385,331	$461,905	$591,905	$1,110,129	$868,689	$518,224	($241,440)
ARRA of 2009, P.L. 111-5	$258,523	$510,300	$738,625	$0	$0	($738,625)	$0
Capital Leases	$14,108	$79,125	$19,610	$27,258	$37,889	$7,648	$10,631
All Other Lands & Structures	$116,107	$34,087	$127,718	$140,490	$154,539	$12,772	$14,049
Subtotal	$1,774,069	$1,085,417	$1,477,858	$1,277,877	$1,061,117	($199,981)	($216,760)
41 Grants, Subsidies & Contributions:							
State home	$0	$0	$0	$0	$0	$0	$0
Homeless Programs	$0	$0	$0	$0	$0	$0	$0
Subtotal	$0	$0	$0	$0	$0	$0	$0
43 Imputed Interest	$0	$855	$0	$0	$0	$0	$0
Total Obligations	$5,076,201	$5,238,300	$5,922,405	$5,775,000	$5,463,000	($147,405)	($312,000)

Appropriation Transfers & Supplementals

Explanation of American Recovery and Reinvestment Act of 2009:

- **American Recovery and Reinvestment Act of 2009.** Public Law 111-5 designated specific amounts as a supplemental appropriation on February 17, 2009. Each amount in this Act is designated as an emergency requirement and necessary to meet emergency needs pursuant to section 204(a) of S. Con. Res. 21 (110th Congress) and section 301(b)(2) of S. Con. Res. 70 (110th Congress), the concurrent resolutions on the budget for fiscal years 2008 and 2009. This P.L. appropriated $1,000,000,000 as an additional amount for "Medical Facilities" for non-recurring maintenance, to include energy projects, to remain available until September 30, 2010.

Explanation of Appropriation Transfers in 2009:

- **$15,000,000 Transfer to the DoD/VA Health Care Sharing Incentive Fund (JIF) from Medical Services.** Title 38, section 8111(d), states that, "To facilitate the incentive program, effective October 1, 2003, there is established in the Treasury a fund to be known as the "DoD VA Health Care Sharing Incentive Fund." Each Secretary shall annually contribute to the fund a minimum of $15,000,000 from the funds appropriated to that Secretary's Department. Such funds shall remain available until expended."

- **$253,890,000 Transfer to Information Technology Systems from Medical Services.** This transfer of $253,890,000 from the Medical Services appropriation to the Information Technology Systems appropriation is consistent with section 221 of Public Law 110-329, the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009. This transfer will ensure VA is able to provide the vital information services and technologies that are critical to ensuring our Veterans receive timely, safe, and high-quality health care.

- **$44,500,000 Transfer of 1 Percent from Medical Support and Compliance and Medical Services.** In a letter from the Under Secretary for Health, dated September 16, 2009, VHA requested that $44.5 million of Medical Support and Compliance appropriation funds currently in the National Reserve Fund be transferred to the Medical Services appropriation. The purpose of this transfer

was to provide adequate funds in the Medical Services appropriation to pay unanticipated year-end requirements. The Congressional notification requirement in Public Law 110-329, section 202, was met by including this transfer in the Quarterly Status Report for the 4th Quarter FY 2009.

Explanation of Appropriation Transfers in 2010:

- **$40,000,000 Transfer to the DoD/VA Health Care Sharing Incentive Fund (JIF) from Medical Services.** Title 38, section 8111(d), states that, "To facilitate the incentive program, effective October 1, 2003, there is established in the Treasury a fund to be known as the "DoD VA Health Care Sharing Incentive Fund." Each Secretary shall annually contribute to the fund a minimum of $15,000,000 from the funds appropriated to that Secretary's Department. Such funds shall remain available until expended."

- **$63,650,000 Transfer from the Public Health and Social Services Emergency Fund to the Three Medical Care Appropriations.** This reflects a transfer of $63,650,000 from the Public Health and Social Services Emergency Fund (HHS) to Medical Services ($43,460,000), Medical Support and Compliance ($14,190,000), and Medical Facilities ($6,000,000). This funding is for the pandemic influenza preparedness and response (H1N1). The authority for this transfer is provided in Public Law 111-32, the "Supplemental Appropriations Act, 2009," signed on June 24, 2009.

VA/DoD Health Care Sharing Incentive Fund

Program Description

Congress created the Joint Incentive Fund (JIF) between Department of Veterans Affairs (VA) and the Department of Defense (DoD) to encourage development of sharing initiatives at the facility, intra-regional and nationwide level. The JIF program has been very successful in fostering collaboration and new approaches to problem solving that mutually benefits both VA and DoD. JIF projects are now focusing on research to establish new models of health care delivery to aging service members, understanding interactions between traumatic brain injury (TBI) and cognitive aging, to enhance the presence of gerontology and age related medical issues throughout VA and DoD. Important areas of collaboration include: seamless transition of Veterans, continuity of care through joint clinics, women Veterans health programs, identification and treatment of military sexual trauma, suicide prevention programs, registries for trauma and post traumatic stress disorder (PTSD), development of joint clinical practice guidelines for polytrauma injury, TBI, blast injury, mental health/PTSD, and burn and amputee patients.

DoD VA Health Care Sharing Incentive Fund provides a minimum of $15,000,000 for a joint incentive program to enable the Departments to carry out a program to identify and provide incentives to implement creative sharing initiatives at the facility, intra-regional, and nationwide levels. Section 8111(d) of title 38, United States Code requires each Secretary to contribute a minimum of $15,000,000 from the funds appropriated to the Secretary's Department fund and to establish the fund effective October 1, 2003. A total of $50 million will be transferred into the JIF ($25 million from each Department) in FY 2010 for the Captain James A. Lovell Federal Health Care Center supporting IT development. This funding is in addition to the $15 million minimum contribution from each Department for normal JIF activities. P. L. 111-84, The National Defense Authorization Act for Fiscal Year 2010, section 1706, amended section 8111(d)(3) of title 38, United States Code, to extend the program to September 30, 2015. This is a no-year account.

Administrative Provision. VA is proposing a new administrative provision related to the Department of Defense/Department of Veterans Affairs (DoD/VA) Health Care Sharing Incentive Fund.

Transfer of Funding to the Department of Defense/Department of Veterans Affairs (DoD/VA) Health Care Sharing Incentive Fund

Section 225 of the administrative provisions states that, "Of the amounts available in this title for Medical Services, Medical Support and Compliance, and Medical Facilities, a minimum of $15,000,000, shall be transferred to the Department of Defense/Department of Veterans Affairs Health Care Sharing Incentive Fund, as authorized by section 8111(d) of title 38, United States Code, to remain available until expended, for any purpose authorized by section 8111 of title 38, United States Code.

VA is requesting the authority to expand the transfer authority of a minimum of $15,000,000 from Medical Services to the DoD/VA Health Care Sharing Incentive Fund. VA is proposing to allow the transfer of this funding from Medical Services, Medical Support and Compliance, and Medical Facilities.

Program Highlights
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate*	Increase/ Decrease
Transfer from Medical Services....	$15,000	$0	$40,000	$0	($40,000)
Transfer from DoD.....	$19,000	$0	$40,000	$0	($40,000)
Budget Authority Total.....	$34,000	$0	$80,000	$0	($80,000)
Obligations.....	$39,182	$67,000	$132,551	$41,438	($91,113)
FTE.....	126	127	127	131	4

*After the Appropriation Bills are signed, VA and DoD will each transfer a minimum of $15 million to this fund as required by Public Law 107-314 which established the program.

The VA-DoD Joint Executive Council delegated the implementation of the fund to the HEC. VHA administers the fund under the policy guidance and direction of the HEC, and will execute funding transfers for projects approved by the HEC. The VHA Chief Financial Officer (CFO) will provide periodic status reports of the financial balance of the Fund to the DoD TRICARE Management Activity (TMA) CFO and to the HEC. The JIF program has been very successful in fostering innovative projects including:

O'Callaghan Federal Hospital/99th Medical Group Nellis AFB
Joint Market Opportunity *(Cardiac Catheterization Lab)*
The proposal is to establish an in-house cardiac catheterization laboratory at the Mike O'Callaghan Federal Hospital (MOFH). The project proposes to improve access to care and the quality of services provided to cardiology patients by hiring support staff and renovating the third floor of the hospital to accommodate a 1,200 square foot Cardiac Catheterization lab. It would be strategically located in the facility with access to cardiology operations and near the surgery department and specialty care outpatient clinics.

Gulf Coast Health Care System/Keesler 81st Medical Group Keesler AFB
Joint Market Opportunity *(Business Operations)*
This project proposes to obtain the resources necessary to create a Joint Venture Business Office with sufficient infrastructure to identify and standardize business practices and processes to establish, sustain and adjust to the joint business and accountability requirements. They will hire 16 staff positions [12 VA staff positions (GS or contract), 4 Keesler Medical Center staff positions (GS or contract)], and other support resources. Additionally, they will establish transportation between the two campuses with the objective to meet both VA and DoD respective requirements.

Washington Veterans Affairs Medical Center/Walter Reed Army Medical Center *(Amputee Care)*
This project proposes to combine the strengths of the multidisciplinary amputee care services currently provided for both DoD beneficiaries and Veterans within the National Capital Region. Walter Reed Army Medical Center will provide staff and space within the Military Amputee Patient Care Center and Prosthetics Service, while VA will provide logistical support, prosthetic, physical and occupational therapy staffing, as well as durable medical equipment/ supplies for prosthetic care. VA will also provide space and equipment for a small prosthetics lab for fitting and adjustment.

Washington Veterans Affairs Medical Center/Walter Reed Army Medical Center *(Virtual Neurosurgery Clinic)*
This initiative expands the very successful Walter Reed Tele-Neurosurgery Program to provide evaluation, treatment and management of VA spine and brain disease patients with markedly improved access standards. A multi-disciplinary team of providers located at both facilities will be used to minimize practice variation; limit the burden on primary care and other existing staff; and to ensure complete continuity-of-care for patients.

Boston Veterans Affairs Medical Center/ Institute of Surgical Research (ISR) Burn Unit Ft. Sam Houston *(Automated Hand-Hygiene System)*
This collaborative project will deploy a system to improve hand hygiene developed by the Center for the Integration of Medicine and Technology. This system "knows" when a clinician is about to come into contact with a patient and whether or not they have just cleaned their hands. If they haven't, the system will clearly but subtly remind the clinician to cleanse; the system also documents the clinician's compliance with hand hygiene protocols on an ongoing basis. This proposal supports the implementation and evaluation of this novel technology first at the VA Boston HCS, then at the ISR Burn Unit.

National Military Medical Center Bethesda/Washington Veterans Affairs Medical Center *(Craniofacial Implant Registry)*
The intent of this project is to develop a Craniofacial Implant Registry Center, necessary to improve the quality of care for military personnel and Veterans who have experienced severe craniofacial trauma requiring the prosthetic replacement of hard and soft tissue of the cranium and associated structures with a craniofacial implant. The Craniofacial Implant Registry Center is the critical intermediate step that will describe the materials, methods, and health related metrics of craniofacial implant procedures done by DoD or VA; register and track reconstruction patients through DoD to VA transition; and develop outcomes analysis and surveillance procedures for craniofacial implants.

VA/DoD National *(Biosurveillance System)*
This project will provide DoD and VA with a consolidated, more robust biosurveillance application combining our distinct and unique patient populations. The intent is to position two well established biosurveillance programs to collaborate on analysis of surveillance data, improve information sharing, and increase situational awareness for important health events. Additionally, it will improve early detection and situational awareness of health events of national significance though a consolidated system which maximizes both the sample size and diversity of the populations being monitored and create a more robust and extensive data archive that will be used to analyze health trends over time.

Captain James A. Lovell Federal Health Care Center (JALFHCC)
(Information Management Information Technology)
The intent of this JIF proposal identifies specific software innovations for JALFHCC. Working collaboratively with the existing Information Management/Information Technology Work Group, new software will be focused on and will help ensure successful activation of the JALFHCC by October 2010. This interagency work involves VA and DoD and is a collaborative effort among the Veterans Health Administration (VHA) Office of Information, VA

Office of Information, and Technology, and the Military Health System Office of the Chief Information Officer.

VA/DoD Health Care Sharing Incentive Fund Crosswalk
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate*	Increase/ Decrease
Realign. trans fr. Med. Svcs. To VA/DoD HCSIF....	$15,000	$0	$15,000	$0	($15,000)
Transfer from DoD for DoD VA HCSIF.....	$19,000	$0	$15,000	$0	($15,000)
Subtotal.....	$34,000	$0	$30,000	$0	($30,000)
Budget Authority.....	$34,000	$0	$30,000	$0	($30,000)
Adjustments to Obligations:					
Unobligated Balance (SOY):					
No-Year.....	$127,836	$80,836	$123,989	$71,438	($52,551)
Net Transfer from VA.....	$0	$0	$25,000	$0	($25,000)
Net Transfer from DoD.....	$0	$0	$25,000	$0	($25,000)
Unobligated Balance (EOY):					
No-Year.....	($123,989)	($13,836)	($71,438)	($30,000)	$41,438
Change in Unobligated Balance (Non-Add).....	$3,847	$67,000	$102,551	$41,438	($61,113)
Recovery Prior Year Obligations.....	$1,335	$0	$0	$0	$0
Obligations.....	$39,182	$67,000	$132,551	$41,438	($91,113)
Outlays:					
Obligations.....	$39,182	$67,000	$132,551	$41,438	($91,113)
Obligated Balance (SOY).....	$37,262	$62,262	$32,571	$109,122	$76,551
Obligated Balance (EOY).....	($32,571)	($80,762)	($109,122)	($112,060)	($2,938)
Recovery Prior Year Obligations.....	($1,335)	$0	$0	$0	$0
Outlays, Net.....	$42,538	$48,500	$56,000	$38,500	($17,500)
FTE.....	126	127	127	131	4

*After the Appropriation Bills are signed, VA and DoD will each transfer a minimum of $15 million to this fund as required by Public Law 107-314 which established the program.

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Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund

Financial Highlights
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate 1/	Increase/ Decrease
Budget Authority, Transfers From:					
Medical Services.....				$172,000	$172,000
Medical Support & Compliance.				$16,000	$16,000
Medical Facilities.....				$44,000	$44,000
VA Information Technology.....				$3,360	$3,360
Department of Defense (DoD)....				$132,154	$132,154
Budget Authority, Total.....				$367,514	$367,514
Obligations.....				$367,514	$367,514
FTE:					
Civilian (VA & DoD combined)..				1,882	1,882
Uniformed Military.....				728	728
Total FTE.....				2,610	2,610

1/ The 2011 estimates are based upon the best available information at the time of the development of the budget. These estimates are subject to revision as operational estimates are refined for the Captain James A. Lovell Federal Health Care Center. These estimates are in compliance with Public Law 111-84 which established the fund.

Program Description

A Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund combines the resources of the Department of Defense (DoD) and the Department of Veterans Affairs (VA) to operate the first totally integrated federal health care facility in the country. The Captain James A. Lovell Federal Health Care Center located in North Chicago, Illinois, will care for all eligible VA and DoD beneficiaries. This center is the integration of the North Chicago VA Medical Center and the Navy Health Clinic Great Lakes. The joint center is expected to open in 2011. Each department will contribute funding to the Fund

established by section 1704 of Public Law 111-84, the "National Defense Authorization Act for Fiscal Year 2010 (NDAA FY 2010)."

The budget request includes funding to be appropriated to the Medical Services, Medical Support and Compliance, Medical Facilities, and Information Technology Systems appropriations and transferred to the Fund. VA is anticipating transferring $236 million and DoD is planning to transfer $132 million for a total operating budget of $368 million. This is an annual and multi-year account.

The Captain James A. Lovell Federal Health Care Center (FHCC) uses a single unified budget to operate the integrated facility and execute funding using the VA's Financial Management System (FMS). The NDAA FY 2010 specifies the FHCC use historical execution as a baseline for DoD's/Bureau of Medicine and Surgery (BUMED's) and VA's funding contribution until a reconciliation process is fully operational. Once validated by VA, DoD, and BUMED, but no later than the start of 2014, the reconciliation model will be used as the basis for preparation of the future year's budget once approved by the VA, Health Affairs, Bureau of Medicine and Surgery (DoD Component) and Chief Financial Officers.

NDAA FY 2010 also requires VA and DoD to develop a reconciliation methodology to determine each Department's resource consumption at the FHCC. The methodology will be developed to use a cost and workload based reconciliation process. This reconciliation, based on the consumption of resources by each Department's beneficiaries, determines the FHCC expenses which can be attributed to each Department providing health care at the FHCC. The reconciliation methodology will use agreed upon full costing methods and execution data to determine the costs attributable to each Department. The reconciliation methodology will use industry standard measurements such as Relative Value Units (RVUs) and Relative Weighted Products (RWPs) for the determinations of values to be compared to VA's Decision Support System (DSS) full costs. Both Departments will continue to work together to determine an equitable reconciliation process and ensure respective Department financial controls are implemented.

The Secretary of Defense, in consultation with the Secretary of the Navy, and the Secretary of Veterans Affairs will jointly provide an annual independent review of the Fund for at least 3 years after the date of the enactment of this Act. Such review shall include detailed statements of the uses of the Fund and an evaluation of the adequacy of the proportional share contributed to the Fund by the Secretary of Defense and the Secretary of Veterans Affairs.

The authorities to use this Fund shall terminate on September 30, 2015.

Administrative Provisions

VA is proposing the following administrative provisions in accordance with Public Law 111-84, NDAA FY 2010.

SEC. 223. Of the amounts appropriated to the Department of Veterans Affairs in this Act, and any other Act, for Medical Services, Medical Support and Compliance, Medical Facilities, Construction, minor projects, and Information Technology Systems, such sums as may be necessary, plus reimbursements, may be transferred to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund, established by section 1704 of title XVII of division A of Public Law 111–84, and shall be available to fund operations of the integrated Captain James A. Lovell Federal Health Care Center, consisting of the North Chicago Veteran Affairs Medical Center, and Navy Ambulatory Care Center, and supporting facilities designated as a combined Federal medical facility as described by Section 706 of Pub. L. No. 110–417.

This administrative provision is necessary for the following reason:

The new provision is required to permit the transfer of funds from specific VA appropriations for the purpose of transferring the funding to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund. Public Law 111-84, the "National Defense Authorization Act for Fiscal Year 2010," section 1704, established the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund. Section 1704(a)(2)(A) and (B) specify that the Funds will consist of amounts transferred from amounts authorized and appropriated for the Department of Defense and Department of Veterans Affairs specifically for the purpose of providing resources for this Fund.

Each department will contribute funding to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund established by section 1704 of Public Law 111-84, the "National Defense Authorization Act of Fiscal Year 2010."

The VA's 2011 budget request includes funding to be appropriated and transferred to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund within the appropriations request for Medical Services, Medical Support and Compliance, Medical Facilities, and Information Technology Systems.

SEC. 224. Such sums as may be deposited to the Medical Care Collections Fund pursuant to section 1729A of title 38, United States Code, for health care provided at the Captain James A. Lovell Federal Health Care Center may be transferred to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund, established by section 1704 of title XVII of division A of Public Law 111–84, and shall be available to fund operations of the integrated Captain James A. Lovell Federal Health Care Center, consisting of the North Chicago Veteran Affairs Medical Center, and Navy Ambulatory Care Center, and supporting facilities designated as a combined Federal medical facility as described by section 1706 of Pub. L. No. 110–417.

This administrative provision is necessary for the following reason:

The new provision will permit the transfer of funds from the Medical Care Collections Fund to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund. Public Law 111-84, the "National Defense Authorization Act for Fiscal Year 2010," section 1704, established the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund.

Section 1704 allows VA and DoD to deposit medical care collections to this Fund. Section 1704(b)(2) specifies that the availability of funds transferred to the Fund under subsection (a)(2)(C) shall be subject to the provisions of 1729A of title 38, United States Code. Title 38, United States Code, section 1729A(e), requires that **(e)** Amounts recovered or collected under the provisions of law referred to in subsection (b) shall be treated for the purposes of sections 251 and 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901, 902) as offsets to discretionary appropriations (rather than as offsets to direct spending) to the extent that such amounts are **made available for expenditure in appropriations Acts** for the purposes specified in subsection (c). (emphasis added)

To treat the collections as offsets to discretionary appropriations, language is needed in the appropriations act regarding the authority to use collections to pay for the expenses of furnishing health care at the Captain James A. Lovell Federal Health Care Center located in North Chicago, Illinois.

Proposed Legislation

(dollars in thousands)

Legislative Proposals	FY 2011	FY 2011 Collections	FTE
Homeless Providers Grant and Per Diem (GDP) Program	$18,900		
Reinstate the Health Professional Scholarship Program	$218		5
Remove Requirement that VA Reimburse Certain Employees for Prof. Educ	($325)		
Provide Care for Newborns as part of Uniform Benefits Package	$3,821		
CHAMPVA Coverage for Caregivers	$14,556		
Travel Expenses, including Lodging and Subsistence, for Caregivers	$16,093		
Education and Training for Caregivers	$3,844		
Survey of Caregiver Needs	$931		
Consider VA a Participating Provider for "Purpose of Reimbursement"		$74,738	
Non-Profit Corporations	$200		
Clarify Breach of Agreement under Employee Incentive Scholarship Prog	($37)		
Legislative Proposals Total	**$58,201**	**$74,738**	**5**

VA's Homeless Providers Grant and Per Diem (GPD) Program

Dollars in Thousands ($000)			
Obligations	Collections	Appropriation	FTE
$18,900		$18,900	

Proposed Program Change in Law:

This proposal amends legislative authority in title 38 United States Code, Subchapter VII, Section 2061 to obtain statutory authority to offer both capital grants and enhanced per diem payments to eligible community-based entities who serve special needs Veterans including female homeless Veterans, homeless Veterans diagnosed with a chronic mental illness, and those Veterans who are frail and/or terminally ill.

Current Law or Practice:

The previously awarded and obligated community-based grant funding under special needs will end September 30, 2011. Many community-based providers will seek to continue this funding. Previous authority gave VA the ability to offer funding to VA health care facilities that work in partnership with community-based organizations operating special needs programs.

Justification:

This proposal would grant VA permanent authority to offer capital grants and per diem payments to agencies that create transitional housing and supportive services for homeless Veterans with special needs; allow for enhancement of the current per diem rate for transitional housing services; and remove the requirements to provide grants to VA health care facilities.

The mission of the Grant and Per Diem Program is to assist eligible entities establish community-based programs that furnish outreach, supportive services, and transitional housing for homeless Veterans. Section 2061, Authority to Award Special Need Grants, expires September 30, 2011. The statute allows VA to offer special need grants to VA health care facilities as well as to grant and per diem awarded entities in order to encourage the development of community-based services for identified subpopulations of homeless Veterans.

Special need populations (as defined in the statute) include women (including women with children), chronically mentally ill, terminally ill, and frail elderly Veterans. VA-funded, community-based programs providing services to

homeless Veterans have always accommodated and offered services to a variety of special populations. Organizations that provide services specifically targeted for statute-defined groups, however, have been allowed to apply only for enhanced per diem funding in past grant rounds. Past grant rounds also included the provision of funding to local medical centers to enhance collaboration with community providers.

This proposal will:

- Allow VA to provide capital grants for the creation of facilities specifically designed for the special populations defined by statute.
- Enhance the per diem rate to providers offering services to these special populations. The proposed rate will increase payments to twice that of the current VA State Home Domiciliary rate.
- Remove the requirement that only VA health care facilities can be funded under special needs programs.

Allowing VA to offer capital funds for special needs populations in addition to per diem payments will provide for the flexibility to create facilities in the community specifically designed to address the unique needs of these populations. Capital funds will be allocated to ensure that building design and programming are targeted toward and accessible to the intended population. Enhancement of per diem rates to twice that of the VA State Home rate currently used to calculate these payments will enable community partners to provide more intensive services to these subgroups of homeless Veterans. Removing the requirement to fund VA health care facilities will promote interest from community-based organizations in providing homeless services and will ensure that the services are provided directly in the community where homeless Veteran populations exist.

10-Year Cost Table:

$ in thousands	2011	2012	2013	2014	2015	5 Year
Obligations.....	$18,900	$20,060	$23,110	$22,650	$26,220	$110,940
Collections.....						
Appropriation....	$18,900	$20,060	$23,110	$22,650	$26,220	$110,940

$ in thousands	2016	2017	2018	2019	2020	10 Year
Obligations.....	$27,310	$28,460	$29,660	$30,910	$32,210	$259,490
Collections.....						
Appropriation....	$27,310	$28,460	$29,660	$30,910	$32,210	$259,490

Reinstatement of the Health Professional Scholarship Program

Dollars in Thousands ($000)			
Obligations	Collections	Appropriation	FTE
$218		$218	5

Proposed Program Change in Law:

The Health Professional Scholarship Program, established by Public Law 96-330, awarded scholarships from 1982 through 1995 to 4,650 students earning baccalaureate and masters degrees. Authority for the program expired in 1998. It is recommended that the Health Professional Scholarship Program be reauthorized and funded because there is no other scholarship program with a VA service obligation available to the public at this time.

Current Law or Practice:

An independent contractor recommended that the scholarship program not be continued because other recruitment options were or would be more cost effective in resolving the staffing shortage. However, since termination of the program, other recruitment options were implemented in the intervening years, and the VA is still suffering from shortages. This shortage combined with increased demand as well as the aging and retirement of VA employees necessitates implementing all potential options to enable successful recruitment.

Justification:

The Health Professional Scholarship Program, if re-authorized, will provide financial assistance to competitively selected scholarship recipients in exchange for 2-year VA service obligations upon graduation and licensing.

The authority to provide the financial assistance will be established by extending the expiration date of the Department of Veterans Affairs Health Professional Scholarship Program described in title 38, United States Code, sections 7611-7618 and title 38, Code of Federal Regulations, sections 17600-17612. According to title 38, United States Code, section 7612, the Secretary may designate additional fields of education or training as necessary to meet VA recruitment needs.

Reactivation of the scholarship program will facilitate VA achievement in enhancing the quality of care to Veterans and providing high-quality educational experiences for health profession trainees, created internally in VA and through partnerships with the academic community. It will also recruit, develop, and

retain a competent, committed, and diverse workforce that provides high-quality services to Veterans and their families.

10-Year Cost Table:

$ in thousands	2011	2012	2013	2014	2015	5 Year
Obligations.....	$218	$13,018	$13,474	$13,945	$14,433	$55,088
Collections.....						
Appropriation....	$218	$13,018	$13,474	$13,945	$14,433	$55,088

$ in thousands	2016	2017	2018	2019	2020	10 Year
Obligations.....	$14,938	$0	$0	$0	$0	$70,026
Collections.....						
Appropriation....	$14,938	$0	$0	$0	$0	$70,026

Removal of Requirement that VA Reimburse Certain Employees Appointed under Title 38, Section 7401(1) for Expenses Incurred for Continuing Professional Education.

Dollars in Thousands ($000)			
Obligations	Collections	Appropriation	FTE
($325)		($325)	

Proposed Program Change in Law:

Eliminate title 38, United States Code, section 74ll, that states "The Secretary shall reimburse any full-time board-certified physician or dentist appointed under section 7401 (1) of this title for expenses incurred, up to $1,000 per year, for continuing professional education."

Current Law or Practice:

Section 7411 was added to title 38 as part of the 1991 physician's pay bill that increased the special pay available for physicians and dentists. This provision, which was not part of a VA legislative initiative, created an entitlement to reimbursement for physicians and dentists. No other occupations in VHA are entitled to reimbursement for continuing medical education expenses

Justification:

VHA has a long history of providing educational and training support to all clinical and administrative staff. VHA has been supporting the continuing professional education of physicians and dentists long before the 1991 inclusion of Section 7411 in title 38. The Employee Education System and VA Learning University offer a large course catalog with opportunities for physicians and dentists, as well as other occupations, to obtain continuing professional education at VA expense. Medical centers and VA networks have either clinical education coordinators or Associate Chiefs of Staff for Education who oversee professional education for physicians and dentists. VHA will continue to manage training and education funding within long standing parameters in conjunction with published policies at the national and local levels.

Given this infrastructure, there is no value to the Department in having section 7411 remain in the statute. In fact the entitlement for full-time, board-certified, physicians and dentists to be reimbursed up to $1,000 each year can have a significant adverse impact on the ability of most facilities to fund needed continuing education for employees in other critical health care occupations. If

every full-time, board certified physician and dentist requested $1,000 in reimbursement, the potential annual cost would be approximately $325 million. This provision results in physicians and dentists having an entitlement to a share of the continuing education budget that far exceeds their percentage of the population that have continuing education needs. Since the new physician and dentist pay system makes VHA more competitive in the marketplace for board certified physicians and dentists, the continuing annual cost is likely to increase in coming years. Continuance of the entitlement in section 7411 is no longer necessary, given the improved competitive recruitment position resulting from the new pay system.

10-Year Cost Table:

$ in thousands	$2,011	$2,012	$2,013	$2,014	$2,015	5 Year
Obligations	($325)	($325)	($325)	($325)	($325)	($1,625)
Collections						
Appropriation	($325)	($325)	($325)	($325)	($325)	($1,625)

$ in thousands	$2,016	$2,017	$2,018	$2,019	$2,020	10 Year
Obligations	($325)	($325)	($325)	($325)	($325)	($3,250)
Collections						
Appropriation	($325)	($325)	($325)	($325)	($325)	($3,250)

Provide Care for Newborns as Part of the Uniform Benefits Package

Dollars in Thousands ($000)			
Obligations	Collections	Appropriation	FTE
$3,821		$3,821	

Proposed Program Change in Law:

Amend title 38, United States Code, to authorize VA to provide care for newborns of enrolled women Veterans who are receiving maternity care through the Department of Veterans Affairs. This proposal is to cover costs of newborn hospitalization and is not to exceed 96 hours after delivery. Longer hospitalization or outpatient costs for the newborn, beyond 96 hours post-delivery, would not be authorized in this maternity benefit.

Current Law or Practice:

VA does not provide care for normal pregnancy and childbirth in its medical facilities pursuant to 38 USC § 1710, which limits the Secretary to providing care and services which the Secretary determines are "needed" for a "disability." VA's rationale for not providing this care was that a normal pregnancy did not constitute a disability. Public Law 104-262 amended § 1710 to authorize the Secretary to provide care and services that he determines are "needed," within the limits of appropriated funds.

In VA, the determination whether care is needed has long been considered to be a medical decision. The Secretary has delegated the authority to make medical decisions to the Under Secretary for Health who has further delegated the authority to treating health care professionals – see 38 CFR 2.6(a); VA Manual M-1, Part I, Sections 4.25 and 16.05. The provision of maternity care for a normal pregnancy is standard medical practice, Cf. 10 U.S.C. § 1074d(b)(3), which already includes comprehensive obstetrical and gynecological care in "primary and preventive health care services" for military women. Maternity care for a normal pregnancy also can be considered preventive care, undertaken to forestall potential problems, and VA is authorized to provide preventive health services – see 38 U.S.C. § 1701. Since 1996, VA has provided maternity care, including pregnancy and childbirth, to all eligible enrolled women Veterans. All such care is delivered in non-VA facilities through contract or fee basis reimbursement.

Justification:

VA provides maternity benefits as a part of its medical benefits package. This legislation would provide limited coverage for the newborn that is not currently available. This is not designed to be a new benefit for dependents but an integral part of the maternity benefit for the Veteran mother. Perpetuating a separation of newborn care from that of women Veterans represents sub-optimal care and creates barriers to full service to the woman Veteran.

Women Veterans today comprise a rapidly growing percentage of the total Veteran population, with unique medical, psychiatric, and health services needs distinct from those of their male counterparts. Of the 23.1 million Veterans in the United States in 2009, 7.9 percent, or 1.8 million, are women. This number is expected to steadily increase, and by 2013 women are expected to represent 8.8 percent of the total Veteran population.

Thus, as the number of OEF/OIF women Veterans increases, and in particular as utilization of VA health care by all women Veterans, especially OEF/OIF, increases, it is anticipated that the number of pregnancies and births to women Veterans will increase as well. The absence of coverage for the infant while the mother requires hospitalization has made contracts with private providers more difficult and in some cases more expensive to obtain.

10-Year Cost Table:

$ in thousands	2011	2012	2013	2014	2015	5 Year
Obligations.....	$3,821	$4,076	$4,254	$4,372	$4,436	$20,959
Collections.....						
Appropriation....	$3,821	$4,076	$4,254	$4,372	$4,436	$20,959

$ in thousands	2016	2017	2018	2019	2020	10 Year
Obligations.....	$4,437	$4,391	$4,318	$4,245	$4,191	$42,541
Collections.....						
Appropriation....	$4,437	$4,391	$4,318	$4,245	$4,191	$42,541

CHAMPVA Coverage for Caregivers

Dollars in Thousands ($000)			
Obligations	Collections	Appropriation	FTE
$14,556		$14,556	

Proposed Program Change in Law:

Provide health care coverage through the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) for any caregiver without entitlement to other health insurance or coverage.

Current Law or Practice:

Currently, CHAMPVA benefit eligibility requires that the individual must be the spouse, surviving spouse, or child of a Veteran who: (1) is permanently and totally (P&T) disabled because of an adjudicated service-connected disability or; (2) died because of an adjudicated service-connected disability or; (3) at the time of death, had been rated P&T disabled because of an adjudicated service-connected disability; or (4) died while in the line of duty not due to misconduct. In addition, such spouse, surviving spouse, or child must not otherwise be eligible for TRICARE. There are 322,107 beneficiaries that are currently eligible for benefits under the CHAMPVA Program.

Justification:

Caregivers for severely wounded Veterans are in most cases impacted by their inability to sustain employment related health coverage. CHAMPVA health care coverage will help relieve the financial burden of health care costs incurred by the caregiver of severely wounded Veterans and allow them the reassurance that their medical care needs will be met while they care for the medical needs of the Veteran. This in turn will reduce Veterans' stress as they will not need to worry about how their caregivers health related needs will be met.

VA estimates that fewer than 2,500 Veterans of all eras (fewer than 100 OEF/OIF Veterans) would have caregivers who meet the proposed criteria. The authority to allow VA to provide CHAMPVA benefits to eligible caregivers would allow VA to meet the following strategic objectives.

<u>VHA Goal 1:</u> Restore the capability of veterans with disabilities to the greatest extent possible, and improve the quality of their lives and that of their families.

VHA Goal 2: Ensure a smooth transition for veterans from active military service to civilian life.

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

10-Year Cost Table:

$ in thousands	2011	2012	2013	2014	2015	5 Year
Obligations.....	$14,556	$15,390	$16,680	$18,081	$19,600	$84,307
Collections.....						
Appropriation....	$14,556	$15,390	$16,680	$18,081	$19,600	$84,307

$ in thousands	2016	2017	2018	2019	2020	10 Year
Obligations.....	$21,242	$23,026	$24,962	$27,055	$29,328	$209,920
Collections.....						
Appropriation....	$21,242	$23,026	$24,962	$27,055	$29,328	$209,920

Travel Expenses, including Lodging and Subsistence, for Caregivers

Dollars in Thousands ($000)			
Obligations	Collections	Appropriation	FTE
$16,093		$16,093	

Proposed Program Change in Law:

Provide travel, incidental expenses [e.g. per diem (inclusive of lodging allowance), tolls etc…] and subsistence in a manner similar to that available to uniformed services beneficiaries under title 37, United States Code, section 411, for caregiver of qualifying Veterans receiving care for service-related conditions at a VA or VA authorized facility.

Current Law or Practice:

The Department does not have authority to provide lodging expenses to an attendant if the Veteran is not lodging with the attendant.

Justification:

Since the Veteran's caregiver in most cases is a close family member, providing travel expenses for the caregiver assures the Veteran has the appropriate support while traveling to a VA health care facility. This will allow the Veteran's health care provider to communicate directly to the Veteran's caregiver about the needs of the Veteran. This will also ensure continuity of the Veteran's care and help the caregiver better understand the needs of the patient.

Travel expenses would be made available to both caregivers and family caregivers and allow VHA to meet the affected strategic objectives:

VHA Goal 1: Restore the capability of veterans with disabilities to the greatest extent possible, and improve the quality of their lives and that of their families.

VHA Goal 2: Ensure a smooth transition for veterans from active military service to civilian life.

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

10-Year Cost Table:

$ in thousands	2011	2012	2013	2014	2015	5 Year
Obligations.....	$16,093	$17,255	$18,500	$19,840	$21,271	$92,959
Collections.....						
Appropriation....	$16,093	$17,255	$18,500	$19,840	$21,271	$92,959

$ in thousands	2016	2017	2018	2019	2020	10 Year
Obligations.....	$22,804	$24,453	$26,224	$28,117	$30,147	$224,704
Collections.....						
Appropriation....	$22,804	$24,453	$26,224	$28,117	$30,147	$224,704

Education and Training for Caregivers

Dollars in Thousands ($000)			
Obligations	Collections	Appropriation	FTE
$3,844		$3,844	

Proposed Program Change in Law:

VA would develop caregiver education materials for caregivers and individuals who support caregivers. In addition, VA would provide outreach to Veterans and their caregivers to inform them of the support available through VA as well as public, private, and non-profit agencies.

Current Law or Practice:

VA currently provides education and training for Veterans and their caregivers regarding medical issues. This proposal would codify and expand those efforts.

Justification:

Caregiving is an inherently stressful role, with risks of adverse physical and psychological impact. Caregiving presents multiple challenges, and there is no single consistently effective intervention for achieving clinically significant effects among caregivers. Literature suggests that the most effective caregiver assistance programs are flexible and responsive to the families' needs and include a range of services, such as education, skill building, problem solving, and supportive counseling. Consistent delivery and access to caregiver training and support programs (including respite care, supportive therapeutic individual and group counseling, education on the behavioral management of the Veteran, and caregiver well-being provided through face to face interactions, DVD, web-based programs, and telephone) show significant improvements in the caregivers ability to better manage the Veterans behaviors; understand the disease process and subsequent care needs; and increase caregiver satisfaction and quality of life. These programs generally demonstrate significant reduction in caregiver burden and the impact of depressive symptoms on their daily life. This proposal provides VA with the opportunity to implement a formal approach to educating and training caregivers so they are better prepared to care for the Veteran.

The number of Veteran/family caregivers who would be eligible for this program is based on the number of Veterans from all eras who have been awarded 100% service-connected compensation with special monthly compensation at the R2

level who, without a caregiver, would require hospitalization or other institutional care.

This proposal includes the development of websites and a maintenance contract; educational sessions including the development of training materials for three delivery options, including in-home, at a VA medical center or community-based outpatient clinic, and group setting; and public service announcements including for radio, magazine, and mall ads and brochures that provide the most up-to-date information on caregiver support education material.

10-Year Cost Table:

$ in thousands	2011	2012	2013	2014	2015	5 Year
Obligations.....	$3,844	$3,757	$4,183	$4,225	$4,682	$20,691
Collections.....						
Appropriation....	$3,844	$3,757	$4,183	$4,225	$4,682	$20,691

$ in thousands	2016	2017	2018	2019	2020	10 Year
Obligations.....	$4,779	$5,271	$5,382	$5,914	$6,068	$48,105
Collections.....						
Appropriation....	$4,779	$5,271	$5,382	$5,914	$6,068	$48,105

Survey of Caregiver Needs

Dollars in Thousands ($000)			
Obligations	Collections	Appropriation	FTE
$931		$931	

Proposed Program Change in Law:

Under this proposal VA would conduct a caregiver survey every 3 years to determine the number of caregivers, the types of services they provide to Veterans, and information about the caregiver (age, employment status, and health care coverage).

Current Law or Practice:

Currently, VA does not have adequate information on the number of caregivers, the number of family caregivers, and the number of Veterans receiving caregiver services from caregivers and family caregivers, including the era in which each Veteran served in the Armed Forces.

Justification:

VA has been reviewing current literature and private sector surveys to understand and identify caregiver needs as well as best or innovative strategies to address them. However, due to the unique needs of Veterans, VA cannot assume that the needs of the general population fit the needs of caregivers of Veterans. A survey of Veteran caregivers will allow VA to gather needed information that will be used to better understand the population of caregivers and to identify and understand their specific needs. This information will allow VA to appropriately develop education, training, and support programs for Veteran caregivers.

VA would conduct an annual survey of 50,000 Veterans, directed to their caregivers. This is a representative sample that, based upon prior experience, would allow reasonable estimates of national strategic needs and noteworthy regional variations. Focus groups would be conducted first to gather background information for the development of the survey questionnaire. This survey would be used for data analysis to better understand the size and characteristics of the population of such caregivers and the types of care they provide Veterans.

10-Year Cost Table:

$ in thousands	2011	2012	2013	2014	2015	5 Year
Obligations.....	$931	$1,437	$2,038	$0	$0	$4,406
Collections.....						
Appropriation....	$931	$1,437	$2,038	$0	$0	$4,406

$ in thousands	2016	2017	2018	2019	2020	10 Year
Obligations.....	$0	$0	$0	$0	$0	$4,406
Collections.....						
Appropriation....	$0	$0	$0	$0	$0	$4,406

For Purposes of Reimbursement, VA Would be Treated as a Participating Provider, Whether or Not an Agreement is in Place with a Health Insurer or Third-party Payer Thus Preventing the Effect of Excluding Coverage or Limiting Payment of Charges for Care

Dollars in Thousands ($000)			
Obligations	Collections	Appropriation	FTE
	$74,738	($74,738)	

Proposed Program Change in Law:

For purposes of reimbursement, VA would be treated as a participating provider, whether or not an agreement is in place with a health insurer or third-party payer, thus preventing the effect of excluding coverage or limiting payment of charges for care.

Current Law or Practice:

In 1986, Congress authorized legislation giving VA authority to bill private insurers and third-party payers for care provided to insured nonservice-connected Veterans. In 1990, this authority was expanded to allow VA to collect for the treatment of nonservice-connected conditions of insured service-connected Veterans. In 1997, Public Law 105-33 established the current Medical Care Collection Fund (MCCF). With the enactment of the Balanced Budget Act of 1997 (BBA), Congress changed the health insurer and third-party program into one designed to supplement VA's medical care appropriations by allowing VA to retain all collections and some other copayments. VA can use these funds to provide medical care to Veterans and to pay for its medical care collection expenses. This law also granted VA authority to begin billing reasonable charges versus reasonable costs for care. Reasonable charges are based on the amounts that health insurers and third-party payers pay for the same care provided by non-government health care providers in a given geographic area.

VA has authority under title 38 United States Code, section 1729, to recover from health insurers and third-party payers the reasonable charges for treatment of a Veteran's non service-connected disabilities.

Justification:

This proposal would prevent a health insurer or third-party payer from denying or reducing payment, absent an existing agreement between VA and any health maintenance organization, competitive medical plan, health care prepayment

plan, preferred provider organization, or other similar plan, based on the grounds that VA is not a participating provider.

There is a very high probability that VA would increase its collections from third-party payers without adding staff if this legislation is passed. Currently, VHA provides non-service connected care for Veterans who have health insurance. However, VA is seen as an out-of-network provider; and therefore benefits are either limited or non-existent. Passing this legislation and recognizing VA as a participating provider would increase the ability of VA to bill and collect for all covered services.

This proposal would not entail any additional costs to VA. The enactment of this proposal has the potential for revenue generation. The total value of missed billing opportunities for FY 2007 resulted in an estimated potential collection amount of approximately $66,633,515.

10-Year Cost Table:

$ in thousands	$2,011	$2,012	$2,013	$2,014	$2,015	5 Year
Obligations.....						$0
Collections.....	$74,738	$77,652	$80,681	$83,827	$87,097	$403,995
Appropriation....	($74,738)	($77,652)	($80,681)	($83,827)	($87,097)	($403,995)

$ in thousands	$2,016	$2,017	$2,018	$2,019	$2,020	10 Year
Obligations.....						$0
Collections.....	$90,493	$94,023	$97,690	$101,499	$105,458	$893,158
Appropriation....	($90,493)	($94,023)	($97,690)	($101,499)	($105,458)	($893,158)

Establishment of a Central Nonprofit Corporation for VA Research

Dollars in Thousands ($000)			
Obligations	Collections	Appropriation	FTE
$200		$200	

Proposed Program Change in Law:

Currently, there are 88 of these VA-affiliated Non-Profit Corporations (NPC). Each NPC is required to report annually a detailed statement of their operations, activities, and accomplishments during the previous year. The purpose of the central Non-Profit Corporation will be to: (1) carry out national medical research and education projects under cooperative arrangements with VA, (2) serve as a focus for interdisciplinary interchange and dialogue between VA medical research personnel and researchers from other federal and non-federal entities, and (3) encourage the participation of the medical, dental, nursing, veterinary, and other biomedical sciences in the work of the central NPC for the mutual benefit of VA and non-VA medicine. The central NPC would enable facility directors or the Under Secretary for Health to have an alternative to individual medical-center-based NPCs in those facilities in which the volume of research and education does not enable the resources to assure adequate management controls.

Current Law or Practice:

In 1988, Congress passed legislation that empowered VA medical centers (VAMC) to establish VA-affiliated non-profit research corporations. The legislation allowed the establishment of private, state-incorporated NPCs that provide flexible funding mechanisms for the administration of non-VA funds for the conduct of VA-approved research. To ensure that the NPCs act as flexible funding mechanisms for non-VA funded research, Congress has left the daily operations of the NPCs largely up to each NPC. Consequently, each NPC has its own locally developed policies and procedures for supporting VA research at its affiliated VAMC. Currently, there are 88 of these VA-affiliated NPCs. Each NPC is required to report annually a detailed statement of their operations, activities and accomplishments during the previous year. The Non-Profit Oversight Board, chaired by the Under Secretary for Health, has general oversight authority. Staff in VA's Office of Research and Development works to ensure that each NPC is in compliance with applicable regulations and policies by developing new policy, reviewing all annual reports, developing guidance on oversight, and conducting site visits.

Justification:

The nature of research has changed since 1988 with an increasing emphasis on interdisciplinary, large multisite research. One of the greatest strengths of VA research is that clinical care and research are under the same roof. This makes VA a unique laboratory for the conduct of interdisciplinary, large multisite research. While current NPCs work well with their current authority to manage studies in their specific jurisdictions, few of the individual NPCs have all the skill sets needed to coordinate more complex efforts. Furthermore, some of the NPCs, particularly those with smaller research programs, are unable to maintain appropriate administrative controls over finance, inventory, and conflict of interests. As a result, while the current decentralized system works relatively well for individual VAMCs with relatively large research programs, it does not allow VA to efficiently and effectively coordinate non-VA funded large multisite research at a system-wide level or compete for non-VA funding at a national level. Furthermore, this decentralized system does not provide a system in which VA has adequately assured appropriate financial and management controls of the NPCs at facilities with relatively small research programs. Therefore, VA proposes to establish a central NPC to meet those needs.

10-Year Cost Table:

$ in thousands	2011	2012	2013	2014	2015	5 Year
Obligations.....	$200	$200	$0	$0	$0	$400
Collections.....						
Appropriation....	$200	$200	$0	$0	$0	$400

$ in thousands	2016	2017	2018	2019	2020	10 Year
Obligations.....	$0	$0	$0	$0	$0	$400
Collections.....						
Appropriation....	$0	$0	$0	$0	$0	$400

By 2013 and thereafter, the central NPC will be self-supporting with no costs to VA.

Amend 38 USC Section 7675, which Defines Liability for Breach of Agreement under the Employee Incentive Scholarship Program (EISP).

Dollars in Thousands ($000)			
Obligations	Collections	Appropriation	FTE
($37)		($37)	

Proposed Program Change in Law:

This proposal would amend title 38, United States Code, chapter 76, section 7675, subchapter VI, to provide that full-time student participants in the EISP would have the same liability as part-time students for breaching an agreement by leaving VA employment.

Current Law or Practice:

The current statute clearly limits liability to part-time student status participants who leave VA employment prior to completion of their education program. This allows a scholarship participant who meets the definition of full-time student to leave VA employment prior to completion of the education program, breaching the agreement with no liability. This proposal would require liability for breaching the agreement by leaving VA employment for both full- and part-time students. All other employee recruitment/retention incentive programs have a service obligation and liability component.

Justification:

This proposal would result in cost savings for the Department by recovering the education funds provided to employees who leave VA employment prior to fulfilling their agreement. Additionally, by promoting employee retention, the funds used to recruit and train replacement employees would also be saved. The proposal provides a direct positive impact on the provision of care for Veterans by health care professionals as it retains those individuals for service in VHA.

As reflected below, the proposal does not result in costs to the Department. There are direct cost savings for VHA related to the recovery of funds from scholarship participants who leave VA employment prior to completion of their education program. There are 7,412 EISP participants (cumulative 1999 – January 2008). Of those participants, it is estimated that 0.4% are classified as full-time students and will leave VA employment prior to completion of their education program.

10-Year Cost Table:

$ in thousands	2011	2012	2013	2014	2015	5 Year
Obligations.....	($37)	($37)	($38)	($38)	($39)	($189)
Collections.....						
Appropriation....	($37)	($37)	($38)	($38)	($39)	($189)

$ in thousands	2016	2017	2018	2019	2020	10 Year
Obligations.....						($189)
Collections.....						
Appropriation....	$0	$0	$0	$0	$0	($189)

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VHA Performance Plan

Mission

Honor America's Veterans by providing exceptional health care that improves their health and well-being

Vision

To be a patient-centered integrated health care organization for Veterans providing excellent health care, research and education; an organization where people choose to work; an active community partner; and a back-up for National emergencies.

Clientele

VHA serves Veterans and their families.

National Contribution

VHA supports the public health of the nation through medical, surgical, and mental health care, medical research, medical education and training. VHA also plays a key role in homeland security by serving as a resource in the event of a national emergency or natural disaster.

Stakeholders

Numerous stakeholders have a direct interest in VHA's delivery of health care, medical research and medical education. They include:

Veterans and their families	Academic affiliates
The Administration and Congress	Health care professional trainees
DoD and other Federal Agencies	Researchers
Veteran Service Organizations	Contract providers
State/County Veterans offices	VA employees
State Veterans homes	Public-at-large
Local communities	

VHA Strategic Planning Framework

Overview
VHA's National Leadership Board (NLB), through the Strategic Planning Committee, developed a strategic planning framework to achieve VHA's vision cited above. The framework defines how VHA will organize its work to accomplish its mission.

Goals and Strategies
The VHA strategic planning framework shown on the next page contains eight specific strategies aligned with the Department's strategic goals. VHA's strategic planning framework guides decision-making that will enable VA to be the provider of choice for America's Veterans through the creation of a health system unparalleled in the industry in offering outstanding clinical care, research advancements and educational opportunities for health care professionals.

The framework is based on the Under Secretary's vision of how VHA will provide safe, effective, efficient and compassionate care. This vision encompasses a range of care beginning immediately to ensure seamless transition and improvement of care for all Veterans; providing them with the quality care they want and need when they want and need it through a Systems Redesign; clinical performance improvements and better use of "bundled measures,"; business performance improvements through better measurement and accountability; and Information Technology business process improvements through measurement and management.

Key areas VHA will focus on over the next one to three years include: collaborative health professions education and training programs for safety and quality to ensure the provision of optimal health care; the delivery of compassionate, patient-centered care that anticipates patient needs and is seamless across environments and conditions; and workforce development through succession planning.

VHA's long-term strategy, over the next several years, will include a focus on evidence-based personalized health care through investigating the potential of genomic medicine to anticipate the health needs of Veterans.

VA STRATEGIC GOALS	VHA STRATEGIES
1. Improve the quality and accessibility of health care, benefits, and memorial services while optimizing value 2. Increase Veteran client satisfaction with health, education, training, counseling, financial, and burial benefits and services 3. Raise readiness to provide services and protect people and assets continuously and in time of crisis 4. Improve internal customer satisfaction with management systems and support services and make VA an employer of choice by investing in human capital	• Become the national benchmark for quality, safety, and transparency of health care, particularly in those health issues associated with military service. • Provide timely and appropriate access to health care and eliminate service disparities • Transform VHA's culture through patient-centered care to continuously improve Veteran and family satisfaction • Ensure an engaged, collaborative, and high-performing workforce to meet the needs of Veterans and their families. • Create value by leveraging scale and skill economies to achieve consistency and excellence in business practices • Excel in research and development of evidence-based clinical care and delivery system improvements designed to enhance the health and well-being of Veterans • Promote excellence in the education of the future workforce to drive health care innovation • Promote health within the VA, in local communities, and across the nation, in collaboration with our academic affiliates, other government agencies and the private sector

Performance Measures

VHA's performance measurement system is the final component of the strategic planning framework. Thirty-one performance measures serve as indicators of how and when our objectives will be accomplished. Eight of these measures are identified as "key measures" while eight others support VA's High Priority Performance Goals. The performance measures cover the entire range of clinical, administrative and financial actions required to support VHA's strategies cited above. A VHA performance measure must meet three criteria:

1. wherever possible, measures should address outcomes or processes that are highly predictive of results as opposed to processes alone;
2. they should be quantitative in nature; and
3. they should be data-driven and based upon sound scientific methodology.

The performance measures contained in the 2011 VHA Budget and Performance Plan have been screened and determined to satisfy the above criteria and are an appropriate platform for assessing VHA health care services and programs.

Table 1: Performance Summary Table

Integrated Objective 1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness, and responsiveness										
		Performance Measures Data								
			Results History				Annual Targets			
								Requests		
Integrated Strategies	**Organization-Specific Strategies and Initiatives**	**Measure Description** (Key and Dept. Mgt. Measures in **bold**)	**2006**	**2007**	**2008**	**2009**	**Current Year 2010** (Final)	**Budget Year 2011**	**Adv. Approp 2012**	**Strat. Target**
A. Improve and integrate services across VA to increase reliability, speed, and accuracy of delivery	1. Adopt Center for Medicare & Medicaid Services (CMS) methodology to estimate avoidable hospital readmissions	Number of unplanned hospital readmissions (**New**)	N/Av	N/Av	N/Av	N/Av	N/Av	TBD	TBD	TBD
	2. Decrease Health care Associated Complications	Number of Health care Associated Complications (**New**)	N/Av	N/Av	N/Av	N/Av	N/Av	TBD	TBD	TBD
	3. Continuously improve the quality and safety of health care	**Prevention Index IV**[1]	88%	88%	88%	89%	89%	90%	91%	90%
		Clinical Practice Guidelines Index III[2]	83%	83%	84%	91%	86%	88%	90%	90%
B. Develop a range of effective delivery methods that are convenient to Veterans and their families	1. Establish and ensure stable housing for homeless Veterans in collaboration with ongoing medical care and other supportive services	Percent of Veterans who successfully obtain resident status as a result of vouchers distributed through the US Department of Housing and Urban Development and Veterans Affairs Supportive Housing (HUD-VASH) program (**New**) **(Supports High Priority Goal)**	N/Av	N/Av	N/Av	N/Av	Baseline	73%	80%	90%
		Number of Homeless Veterans (on any given night) (**New**) **(Supports High Priority Goal)**	N/Av	N/Av	N/Av	111,000	95,000	65,000	59,000	0

[1] The 2006, 2007 and 2008 results are PI III. The 2009 results and 2010, 2011 and 2012 targets are PI IV.
[2] The 2006, 2007 and 2008 results are CPGI II. The 2009 results and 2010, 2011 and 2012 targets are CPGI III.

Integrated Objective 1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness, and responsiveness										
		Performance Measures Data								
			Results History				Annual Targets			
								Requests		
Integrated Strategies	**Organization-Specific Strategies and Initiatives**	**Measure Description** (Key and Dept. Mgt. Measures in **bold**)	**2006**	**2007**	**2008**	**2009**	**Current Year 2010** (Final)	**Budget Year 2011**	**Adv. Approp 2012**	**Strat. Target**
C. Improve VA's ability to adjust capacity dynamically to meet changing needs, including preparedness for emergencies	1. Implement innovations in services that enhance VA capabilities in Long Term Care by providing care in non-institutional settings	**Non-institutional long-term care average daily census**	43,325	41,022	54,053	72,315	93,935	111,484	116,198	109,184
D. Provide Veterans and their families with integrated access to the most appropriate services from VA and our partners	1. Provide timely and appropriate access to health care by implementing best practices	Percent of mental health (MH) patients receiving MH Evaluation <15 days following MH Encounter (**New**) **(Supports High Priority Goal)**	N/Av	N/Av	N/Av	96%	96%	96%	96%	96%
		Percent of eligible patients screened at required intervals for PTSD (**New**) **(Supports High Priority Goal)**	70%	80%	84%	96%	96%	97%	97%	97%
		Percent of eligible patients screened at required intervals for alcohol misuse (**New**) **(Supports High Priority Goal)**	N/Av	N/Av	N/Av	N/Av	97%	97%	97%	98%
		Percent of eligible patients screened at required intervals for depression (**New**) **(Supports High Priority Goal)**	N/Av	N/Av	N/Av	N/Av	96%	96%	97%	98%
		Percent of OEF/OIF Veterans with a primary diagnosis of PTSD receive a minimum of 8 psychotherapy sessions within a 14-week period (**New**) **(Supports High Priority Goal)**	N/Av	N/Av	N/Av	N/Av	20%	25%	35%	60%

Integrated Objective 1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness, and responsiveness										
		Performance Measures Data								
			Results History				**Annual Targets**			
								Requests		
Integrated Strategies	**Organization-Specific Strategies and Initiatives**	**Measure Description** (Key and Dept. Mgt. Measures in **bold**)	**2006**	**2007**	**2008**	**2009**	**Current Year 2010** (Final)	**Budget Year 2011**	**Adv. Approp 2012**	**Strat. Target**
		Percent of eligible OEF/OIF PTSD patients evaluated at required intervals for level of symptoms (**New**) **(Supports High Priority Goal)**	N/Av	N/Av	N/Av	N/Av	Baseline	TBD	TBD	TBD
		Percent of primary care appointments completed within 30 days of the desired date	96%	97%	99%	99%	98%	99%	99%	99%
		Percent of specialty care appointments completed within 30 days of the desired date	94%	95%	98%	98%	95%	96%	97%	99%
		Percent of new patient appointments completed within 30 days of appointment create date	N/Av	N/Av	89%	93%	93%	94%	94%	95%
		Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities	74%	74%	76%	79%	82%	90%	90%	91%
		Percent of clinic "no shows" and "after appointment cancellations" for OEF/OIF Veterans	N/Av	N/Av	N/Av	N/Av	17%	15%	15%	15%

Integrated Objective 2: Educate and empower Veterans and their families through proactive outreach and effective advocacy										
		Performance Measures Data								
			Results History				**Annual Targets**			
								Requests		
Integrated Strategies	**Organization-Specific Strategies and Initiatives**	**Measure Description** (Key and Dept. Mgt. Measures in **bold**)	**2006**	**2007**	**2008**	**2009**	**Current Year 2010** (Final)	**Budget Year 2011**	**Adv. Approp. 2012**	**Strat. Target**
A. Use clear, accurate, consistent, and targeted sensitive messages to build awareness of VA's benefits amongst our employees, Veterans and their families, and other stakeholders	1. Expand "virtual medicine" for Veterans	Percent increase in Veteran usage of virtual medicine modalities over the 2011 baseline[3] (**New**)	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	TBD	TBD
B. Leverage technology and partnerships to reach Veterans and their families and advocate on their behalf	1. Perform research and development to provide evidence-based findings that enhance the health and well-being of Veterans	Progress toward researching, developing and implementing innovations in clinical practice that ensure improved access to health care for Veterans, especially in rural areas (**New**)	N/Av	N/Av	N/Av	N/Av	N/Av	17%	29%	100%
		Percent of milestones completed leading to the use of genomic testing to inform the course of care (prevention, diagnosis, or treatment) of patient with mental illness (including PTSD, schizophrenia, and mood disorders)	N/Av	N/Av	N/Av	N/Av	15%	26%	33%	100%
		Progress towards development of one new treatment for PTSD. *(One milestone to be achieved over one year)(Dropped after 2011)*	47%	67%	80%	80%	94%	100%	N/Ap	100%

[3] This measure focuses on non-telehealth virtual modalities (e.g., telephone access, secure messaging)

Integrated Objective 2: Educate and empower Veterans and their families through proactive outreach and effective advocacy										
		Performance Measures Data								
		Measure Description (Key and Dept. Mgt. Measures in **bold**)	**Results History**				**Annual Targets**			
								Requests		
Integrated Strategies	**Organization-Specific Strategies and Initiatives**		**2006**	**2007**	**2008**	**2009**	**Current Year 2010** (Final)	**Budget Year 2011**	**Adv. Approp. 2012**	**Strat. Target**
B. Leverage technology and partnerships to reach Veterans and their families and advocate on their behalf	1. Perform research and development to provide evidence-based findings that enhance the health and well-being of Veterans	Percent of milestones completed towards development of one new objective method to diagnose mild TBI	N/Av	N/Av	N/Av	N/Av	N/Av	33%	55%	100%
	2. Expand "real time" virtual medicine to meet the needs of Veterans and their families	Percent of enrolled Veterans participating in telehealth[4] (**New**)	N/Av	N/Av	N/Av	N/Av	N/Av	TBD	TBD	TBD

Integrated Objective 3: Build our internal capacity to serve Veterans, their families, our employees, and other stakeholders efficiently and effectively										
		Performance Measures Data								
		Measure Description (Key and Det. Mgt. Measures in **bold**)	**Results History**				**Annual Targets**			
								Requests		
Integrated Strategies	**Organization-Specific Strategies and Initiatives**		**2006**	**2007**	**2008**	**2009**	**Current Year 2010** (Final)	**Budget Year 2011**	**Adv. Appro. 2012**	**Strat. Targe t**
B. Recruit, hire, train, develop, deploy, and retain a diverse VA workforce to meet current and future needs and challenges	1. Promote excellence in the education of future health care professionals and enhance VHA partnerships with affiliates	Percent of VHA clinical health care professionals who have had VA training prior to employment	N/Av	N/Av	N/Av	27%	15%	20%	25%	30%
C. Create and maintain an effective, integrated, Department-wide management capability to make data-driven	1. Deploy best practices in financial, business, and clinical processes	Obligations per unique patient user[5]	$5,455	$5,740	$5,891	$6,317	$6,800	$6,716	$6,673	TBD
		Gross Days Revenue Outstanding (GRDO) for 3rd party collection	54	59	56	55	54	52	51	50

[4] This focus is on telehealth only.

[5] FY 2006 results are expressed in constant dollars based on the Bureau of Labor Statistics Consumer Price Index (CPI). The OMB CPI-U (CPI for all Urban Consumers) was used for the FY 2007- 2009 results, and will be used to finalize FY 2010, FY 2011 and FY 2012 targets.

Integrated Objective 3: Build our internal capacity to serve Veterans, their families, our employees, and other stakeholders efficiently and effectively										
		Performance Measures Data								
		Measure Description (Key and Det. Mgt. Measures in **bold**)	**Results History**				**Annual Targets**			
							Current Year 2010 (Final)	Requests		**Strat. Target**
Integrated Strategies	**Organization-Specific Strategies and Initiatives**		**2006**	**2007**	**2008**	**2009**		**Budget Year 2011**	**Adv. Appro. 2012**	
decisions, allocate resources, and manage results		Total annual value of joint VA/DoD procurement contracts for high cost medical equipment and supplies	$236M	$328M	$188M	$230M	$220M	$230M	$240M	$240M
		Dollar value of 1st party and 3rd party collections($ millions)								
		1st Party	7	$915	$922	$892	$915	$1,035	$1,072	$1,172
		3rd Party	$1,096	$1,261	$1,497	$1,843	$2,051	$2,260	$2,548	$1,893
D. 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	1. Develop and implement cultural transformation to continuously improve Veteran and family satisfaction with VA care by promoting patient-centered care and excellent customer service	**Percentage of patients rating VA health care service as very good or excellent.**[6]								
		Inpatient	78%	78%	79%	63% (Baseline)	TBD	TBD	TBD	TBD
		Outpatient	78%	78%	78%	57% (Baseline)	TBD	TBD	TBD	TBD
	2. Enhance Veteran Centered Care and Shared Decision-making	Percent of Veterans who report "yes" to the Shared Decision-making questions in the Inpatient SHEP survey)[7] (**New**)	N/Av	N/Av	N/Av	N/Av	Baseline	TBD	TBD	TBD

[6] The survey instrument used in the past has been discontinued. VHA has moved to a nationally standardized tool, a family of surveys known as Consumer Assessment of Health Care Plans and Systems (CAHPS). FY 2009 will be a re-baseline year to determine both annual and strategic targets. The results are not comparable with prior years.

[7] Surveys of the Health Experiences of Patients (SHEP). After measure validation is completed in 2010, 2011 will be a baseline year.

Table 2: Performance Measure Supporting Information
Prevention Index IV (Key Measure) **a) Means and Strategies:** • The index is composite measure comprised evidence and outcome based indicators of preventative care to promote health including programs for obesity and diabetes prevention/treatment, awareness of healthy lifestyle choices, and advancement of genomic research and medicine. **b) Data Source(s):** • Data sampling and electronic databases. Sampling methodology relies upon "established patients," defined as being seen within the past 13-24 months and who have been seen at least once in one of either a main medical or mental health clinic during the current study year **c) Data Verification:** • External Peer Review, electronic and on-site review. Contractor evaluates the validity and the reliability of the data using accepted statistical methods **d) Measure Validation:** • Elements of care are reviewed annually to ensure the quality efforts are focused on clinical areas identified as areas critical to improving care. **e) Cross-Cutting Activities:** None **f) External Factors:** None **g) Other Supporting Information:** The Prevention Index demonstrates the degree to which VHA provides evidence based clinical interventions to Veterans seeking preventive care in VA. This measure changes over time and new versions of the measure are added when the previous target level is reached. These changes continuously improve the measure. The 2006, 2007 and 2008 results are PI III; and 2009results and, 2010, 2011 and 2012 targets are PI IV. **h) Link to New Strategic Planning Framework:** This measure supports: • Integrated Objective #1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness • Integrated Strategy A: Improve and integrate services across VA to increase reliability, speed, and accuracy of delivery

Table 2: Performance Measure Supporting Information
Clinical Practice Guidelines Index III (Key Measure) **a) Means and Strategies:** • The index is a composite measure comprised of over 80 evidence and outcome based indicators of high prevalence and high risk diseases that impact overall health status. **b) Data Source(s):** • Data sampling and electronic databases. Sampling methodology relies upon "established patients," defined as being seen within the past 13-24 months and who have been seen at least once in one of either a main medical or mental health clinic during the current study year **c) Data Verification:** • External Peer Review, electronic and on-site review. Contractor evaluates the validity and the reliability of the data using accepted statistical methods **d) Measure Validation:** • Elements of care are reviewed annually to ensure the quality efforts are focused on clinical areas identified as areas critical to improving care. **e) Cross-Cutting Activities:** • Ongoing work with DoD to implement and refine Clinical Practice Guidelines which serves as a basis and references for many of the Clinical Practice Guidelines Index (CPGI) measures. **f) External Factors:** None **g) Other Supporting Information:** • CPGI is an index that assesses our progress and results associated with our treatment of patients with chronic diseases. This measure changes over time and new versions of the measure are added when the previous target level is reached. These changes continuously improve the measure: The 2006, 2007 and 2008 results are CPGI II; and 2009results and 2010, 2011 and 2012 targets are CPGI III. **h) Link to New Strategic Planning Framework:** This measure supports: • Integrated Objective #1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness • Integrated Strategy A: Improve and integrate services across VA to increase reliability, speed, and accuracy of delivery

Table 2: Performance Measure Supporting Information

Percent of Veterans who successfully obtain resident status as a result of vouchers distributed through the US Department of Housing and Urban Development and Veterans Affairs Supportive Housing (HUD-VASH) program (New) (Supports High Priority Goal)

a) Means and Strategies:

- HUD will distribute the Housing Choice vouchers to Public Housing Authorities (PHA) utilizing national population based needs data and data on homeless Veterans from bi-annual counts of homeless conducted by local continuums of care. HUD and VA then collaboratively determine distribution of vouchers to areas where there is demonstrated need. Staffing requirements for case management services based on vouchers assigned to a specific area will then be determined by VHA. Case manager staff and transportation funds will be deployed to the medical centers. Case managers will be hired, oriented and trained. After this has been completed, screening, acceptance, and interventions with homeless Veterans will be initiated. In collaboration with PHA, Housing Choice vouchers will be assigned and VHA case managers will provide the supportive services necessary to place and maintain the Veteran in permanent housing and national operations of the HUD-VASH housing and case management program commence. Collaborative relationships between HUD, VA, over 200 PHAs, and several hundred non-profit homeless service agencies are critical to engaging homeless Veterans and moving the Veteran into the permanent housing provided by this program

b) Data Source(s):

- VHA Support Service Center Data will be compiled, tracked and reported by Patient Care Services to the Office of Quality and Performance

c) Data Verification:

- A review of the source data will be submitted each quarter

d) Measure Validation:

- Homelessness remains a significant problem with the Veteran community. VHA estimates that there are approximately 131,000 Veterans who are homeless on any given night. Additionally, based on recent HUD report submitted to Congress, homeless Veterans make up approximately 19% of all homeless adults who accessed emergency shelter or transitional housing in communities across the US. The 2008 Consolidated Appropriations Act (Public Law 110-161) provided funding for the HUD-Veteran Affairs Supportive Housing (HUD-VASH) voucher program. The program combines HUD Housing Choice Voucher (HCV) rental assistance for homeless Veterans with case management and clinical services provided by the Veterans Affairs at its medical centers and in the community. Leadership and managers will use this data to assure the vouchers are being awarded and Veterans are obtaining resident status.

e) Cross-Cutting Activities:

- Ongoing collaboration with HUD and Local Housing Authorities to expedite processes and provide best housing match for the Veteran

f) External Factors:

- Availability of suitable housing where needed

g) Other Supporting Information:

- This is a new performance measure in 2010 and will require careful monitoring and validation to assure accuracy and completeness of reporting

h) Link to New Strategic Planning Framework: This measure supports:

- Integrated Objective #1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness
- Integrated Strategy B: Develop a range of effective delivery methods that are convenient to Veterans and their families

Table 2: Performance Measure Supporting Information
<u>Number of Homeless Veterans (on any given night)</u> (New) **(Supports High Priority Goal)** **a) Means and Strategies:** Project CHALENG publishes a report summarizing the results of annual surveys. These surveys ask for current perceptions of homeless Veterans' needs, the degree of VA/community cooperation and collaboration in serving homeless Veterans, and progress on local homeless Veterans program initiatives. The Report includes both VISN (Veterans Integrated Service Network) and Facility data. Also now available are individual site profiles. These reports incorporate CHALENG and VA NEPEC (Northeast Program Evaluation Center) data into a summary profile for each of the participating VA service sites for easy reference. Each profile includes: 1) a point-in-time estimate of homeless Veterans in the CHALENG site's service area, 2) an estimate of area Veterans who meet the HUD "chronically homeless" definition, 3) a ranking of site homeless Veteran needs compared to national VA rankings, 4) partnership ratings of VA efforts in collaborating with community agencies, and 5) FY 2009 site action plan. **b) Data Source(s):** • CHALENG Report: Each year Project CHALENG publishes a report summarizing the results of annual surveys of both local VA staff and community participants (local government, service providers, formerly and currently homeless Veterans). Report includes number of homeless Veterans. The most recent CHALENG report for FY 2008 (*The Fifteenth Annual Progress Report on Public Law 105-114: Services for Homeless Veterans Assessment and Coordination*) is available at http://www1.va.gov/homeless/docs/CHALENG_15th_Annual_CHALENG_Report_FY2008.pdf . VHA PCS Homeless Program Office compiles and report results. **c) Data Verification:** • Questionnaires Used in Survey; This *Fifteenth Annual Progress Report on Public Law 105-114* (Project CHALENG) is based on data collected from two surveys: o The CHALENG POC Survey is a self-administered questionnaire requesting information on the needs of homeless Veterans in the local service area, development of new partnerships with local agencies, and progress in creating/securing new housing and treatment for homeless Veterans. o The CHALENG Participant Survey: This survey is distributed by each POC at his or her local CHALENG meeting to: federal, state, county, city, non-profit and for-profit agency representatives that serve the homeless in the POC's local service area; local VA medical center, Vet enters, VA Regional Office staffs; and to homeless Veterans (consumers). The self-administered survey requests information on the needs of homeless Veterans in the local service area, and rates VA and community provider collaboration. o There are two versions of the CHALENG; ▪ Participant Survey: one for VA staff and community providers, officials, and volunteers and a separate consumer survey. ▪ The consumer version includes only those questions pertinent to homeless Veterans. Beginning in 2007, a new consumer specific survey was introduced to facilitate the involvement of homeless Veterans in the CHALENG process. This has resulted in substantial growth in consumer involvement over the past 2 years. **d) Measure Validation:** ▪ Involvement of providers, homeless cares/case managers, and providers of services to Homeless Veterans are situated at the "front lines" of Homelessness. Their involvement with outreach and provision of services make them one of our most reliable sources for locating and engaging the Homeless Veteran.

Table 2: Performance Measure Supporting Information
e) Cross-Cutting Activities: ▪ To accomplish goal of decreasing number of homeless Veterans there will need to be joint efforts with CHALENG agencies including state, federal, county, city, and for profit and not for profit agencies. **f) External Factors:** ▪ Outreach efforts will be core to success, availability of needed services will be critical. **g) Other Supporting Information:** ▪ CHALENG survey has been in place for some time but this will be first year as a performance measure. **h) Link to New Strategic Planning Framework:** This measure supports: ▪ Integrated Objective #1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness ▪ Integrated Strategy B: Develop a range of effective delivery methods that are convenient to Veterans and their families

Table 2: Performance Measure Supporting Information
Non-institutional, long-term care average daily census (ADC) (Key Measure) **a) Means and Strategies:** • To meet the 2010 target while at the same time reducing the need for long-term care following hospitalization, particularly as new technologies and therapies are developed, VA will increasingly emphasize rehabilitation and longitudinal home care as alternatives to institutionalization. In 2009, VHA begin expanding existing capabilities in long-term care, including care coordination and telehealth technologies. VHA will also continue to improve services for traumatic brain injured Veterans through targeted day health and respite care centers. **b) Data Source(s):** • These reported results are the census of home and community home-based non-institutional care available for eligible Veterans. The data are collected and tracked by VHA's Office of Geriatrics and Extended Care (G&EC) Strategic Health Care Group. Data are generated through Austin Information Technology Center workload capture, Decision Support System reporting, and Fee Basis reporting. **c) Data Verification:** • The census data have data verification and validation methodologies built into their programming and G&EC staff routinely check verification of workload through monitoring of the stop codes used by the participating programs. **d) Measure Validation:** • This measure was designed to promote and capture the expansion of access to non-institutional care within VHA programs and contracted services. These underlying data serve to identify expansion opportunities both in terms of the type of services that may be offered and the specific geographic areas that can be better served. **e) Cross-Cutting Activities:** None **f) External Factors:** • The success of achieving this performance goal will partially depend on the capacity of community agencies that can provide long-term care. **g) Other Supporting Information:** • This measure changed in FY 2009 from "Annual percent increase of non-institutional, long-term care average daily census using 2006 as the baseline. (Baseline = 43,325)" to the strategic target ADC in the Long-Term Care Strategic Plan. **h) Link to New Strategic Planning Framework:** This measure supports: • Integrated Objective #1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness • Integrated Strategy C: Improve VA's ability to adjust capacity dynamically to meet changing needs, including preparedness for emergencies

Table 2: Performance Measure Supporting Information
Percent of mental health (MH) patients receiving MH Evaluation <15 days following MH Encounter (New) (Supports High Priority Goal) **a) Means and Strategies:** • Veterans defined as new to mental health will have further evaluation and the initiation of Mental Health Care within 15 days of trigger encounter (walk in or direct access to mental health clinic) or a referral to mental health service from either primary care provider or other specialty care provider. **b) Data Source(s):** • VISN Support Service Center (VSSC) extracts and scores data from the VHA Vista electronic record system (scheduling and encounter programs) **c) Data Verification:** • The Business Compliance Office systematically verifies accuracy, timeliness and completeness of data entry (capture of patient visits/encounters with medical center providers). **d) Measure Validation:** • Enhancing the capacity of mental health services, and facilitating access to high quality services are major goals of the VHA Comprehensive Mental Health Strategic Plan. Recently, these priorities were re-emphasized by the Secretary in a 12 Point Plan which required an initial contact with mental health within 24 hours of presenting for care. If the initial evaluation did not identify any more urgent needs, there will be follow-up within a maximum of 14 days to allow for a more extensive evaluation and the initiation of appropriate care. **e) Cross-Cutting Activities:** None **f) External Factors:** None **g) Other Supporting Information:** None **h) Link to New Strategic Planning Framework:** This measure supports: • Integrated Objective #1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness • Integrated Strategy D: Provide Veterans and their families with integrated access to the most appropriate services from VA and our partners

Table 2: Performance Measure Supporting Information
Percent of eligible patients screened at required intervals for Post-Traumatic Stress Disorder (PTSD) (New) (Supports High Priority Goal) **a) Means and Strategies:** • The Primary Care PTSD Screen (PC-PTSD) is the required standardized PTSD tool given its selection for general use in the Joint VA/DoD Clinical Practice Guideline for PTSD. In addition, the PC-PTSD was incorporated into DoD's Post Deployment Screening Tool (DD Form 2796, April 2003), which is administered to every deployed service man and woman. Developed by the National Center for PTSD, it was designed for use in primary care and other medical settings. The screen will be available via electronic means and required for all eligible Veterans in accordance with timeline set forth in the measure. **b) Data Source(s):** • The data source is abstracted data compiled and reported by the Office of Quality and Performance **c) Data Verification:** • Data is abstracted through a third party vendor and validated at the Medical Center prior to transmission to the Office of Quality and performance. **d) Measure Validation:** • The VA requires regular screening for PTSD because it is the mental health disorder most commonly associated with combat and is central to VA's mission. • Screening for PTSD is the first and most essential step in identifying and engaging Veterans with PTSD. Given the challenge of a new generation of combat Veterans of OEF/OIF, it is crucially important that VA be proactive in identifying new PTSD and intervening early in order to prevent chronic PTSD and its complicating disorders and functional problems whenever possible. These include major depression, suicide, substance abuse, family violence, and homelessness. It is of the utmost importance for VA to be able to identify individual patients with PTSD for treatment purposes and to track aggregate populations for planning purposes. • It is equally important to know the prevalence of PTSD among Veterans of previous deployments, those exposed to local, regional, or national disasters or terrorist attacks, and with history of military sexual trauma so that we can better meet their needs. **e) Cross-Cutting Activities:** None **f) External Factors:** None **g) Other Supporting Information:** • PTSD Screening has been a performance measure for some time and has demonstrated steady improvement and sustainability over time. **h) Link to New Strategic Planning Framework:** This measure supports: • Integrated Objective #1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness • Integrated Strategy D: Provide Veterans and their families with integrated access to the most appropriate services from VA and our partners

Table 2: Performance Measure Supporting Information
Percent of eligible patients screened at required intervals for alcohol misuse (New) (Supports High Priority Goal) **a) Means and Strategies:** • Screening is an important mechanism for ensuring that Veterans with common mental health conditions are recognized and diagnosed. Veteran patients will be screened for possible alcohol misuse on an annual basis via a nationally standardized evidence based screening instrument (AUDIT C). **b) Data Source(s):** • The data source is abstracted data compiled and reported by the Office of Quality and Performance **c) Data Verification:** • Data is abstracted through a third party vendor and validated at the Medical Center prior to transmission to the Office of Quality and performance. **d) Measure Validation:** • About 20% of VA primary care patients screen positive for alcohol misuse, which ranges from drinking above recommended limits without problems (risky drinking) to severe alcohol use disorders (alcohol dependence). Alcohol misuse is associated with psychosocial, legal, or employment problems and personal suffering, as well as with adverse health outcomes. The VA screens for alcohol misuse (including risky and harmful drinking, alcohol abuse and alcohol dependence) because treatment works and because alcohol misuse is associated with increased morbidity and mortality. **e) Cross-Cutting Activities:** None **f) External Factors:** None **g) Other Supporting Information:** None **h) Link to New Strategic Planning Framework:** • Integrated Objective #1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness • Integrated Strategy D: Provide Veterans and their families with integrated access to the most appropriate services from VA and our partners

Table 2: Performance Measure Supporting Information
Percent of eligible patients screened at required intervals for depression (New) (Supports High Priority Goal) **a) Means and Strategies:** • Screening is an important mechanism for ensuring that Veterans with common mental health conditions are recognized and diagnosed. Veteran patients will be screened for possible depression on an annual basis via nationally standardized evidence based screening instruments (PHQ2, PHQ9). **b) Data Source(s):** • The data source is abstracted data compiled and reported by the Office of Quality and Performance **c) Data Verification:** • Data is abstracted through a third party vendor and validated at the Medical Center prior to transmission to the Office of Quality and performance. **d) Measure Validation:** • Major depression is a highly prevalent, morbid, and costly illness that is often unrecognized. Major depression is one of the most common illnesses seen by primary care physicians and although primary care providers manage the majority of patients with major depression, up to 50% of cases can go unrecognized. Conversely, there are recurring reports that antidepressants are prescribed at very high rates, and there have been suggestions that there may, at times, be over-diagnosis and over-prescribing. Depressed medical patients have increased disability, health-care utilization, and mortality from suicide and other causes, as well as reduced productivity and health-related quality of life. **e) Cross-Cutting Activities:** None **f) External Factors:** None **g) Other Supporting Information:** None **h) Link to New Strategic Planning Framework:** • Integrated Objective #1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness • Integrated Strategy D: Provide Veterans and their families with integrated access to the most appropriate services from VA and our partners

Table 2: Performance Measure Supporting Information
Percent of OEF/OIF Veterans with a primary diagnosis of PTSD receive a minimum of 8 psychotherapy sessions within a 14-week period. (New) **(Supports High Priority Goal)** **a) Means and Strategies:** • Veteran patients with an active primary diagnosis of PTSD will receive the required number of psychotherapy sessions (at least 8) within the required time-frame (within 14 weeks of treatment initiation). **b) Data Source(s):** • The data source is abstracted data compiled and reported by the Office of Quality and Performance **c) Data Verification:** • Data is abstracted through an electronic extraction routine and validated at the Medical Center prior to transmission to the Office of Quality and performance. **d) Measure Validation:** • In recent years, specific psychotherapies have been developed for treating post-traumatic stress disorder (PTSD) and shown to be very effective. In fact, two psychotherapies developed for PTSD – Cognitive Processing Therapy (CPT) and Prolonged Exposure Therapy (PE) – are the most effective available treatments for PTSD, according to the 2008 Institute of Medicine report, *Treatment of Posttraumatic Stress Disorder: An Assessment of the Evidence,* and are recommended in the VA/DoD Clinical Practice Guidelines for PTSD at the highest level. **e) Cross-Cutting Activities:** None **f) External Factors:** None **g) Other Supporting Information:** None **h) Link to New Strategic Planning Framework:** • Integrated Objective #1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness • Integrated Strategy D: Provide Veterans and their families with integrated access to the most appropriate services from VA and our partners

Table 2: Performance Measure Supporting Information
Percent of eligible OEF/OIF PTSD patients evaluated at required intervals for level of symptoms (New) (Supports High Priority Goal) **a) Means and Strategies:** • Veteran patients screened at required intervals for PTSD symptoms with item-wise recording of item responses, and total score using the PTSD Symptom Checklist (PCL) in the medical record **b) Data Source(s):** • The data source is abstracted data compiled and reported by the Office of Quality and Performance **c) Data Verification:** • Data is abstracted through an electronic extraction routine and validated at the Medical Center prior to transmission to the Office of Quality and performance. **d) Measure Validation:** • PTSD is an ailment resulting from exposure to an experience involving direct or indirect threat of death, serious injury, or a physical threat. The stressors that can cause PTSD include natural disasters, accidents or deliberate man-made events/disasters, including combat. Symptoms include recurrent thoughts of a traumatic event, reduced involvement in work or outside interests, emotional numbing, hyper-alertness, anxiety and irritability. The disorder apparently is more severe and longer lasting when the stress is human initiated action (example: war, rape, terrorism) as opposed to natural disaster. As a key component of VA's mental health improvements, VA will monitor the delivery of psychotherapy to ensure that Veterans are given adequate courses of treatment, and that providers are evaluating the outcomes of care to determine when treatment has been effective, or, alternatively, when Veterans need intensification or modification of the treatment plans. **e) Cross-Cutting Activities:** None **f) External Factors:** None **g) Other Supporting Information:** None **h) Link to New Strategic Planning Framework:** • Integrated Objective #1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness • Integrated Strategy D: Provide Veterans and their families with integrated access to the most appropriate services from VA and our partners

Table 2: Performance Measure Supporting Information
Percent of primary care appointments completed within 30 days of the desired date (Key Measure) **a) Means and Strategies:** • VHA will strive to achieve the 2011 target by actively spreading the practices of Advanced Clinic Access (ACA), an initiative that promotes the smooth flow of patients through the clinic process and increases availability of open clinic appointments. **b) Data Source(s):** • This measure is calculated using the VistA scheduling software. A patient is defined in the primary care Decision Support System (DSS) stop series as a patient not seen in the previous 24 months at the facility the appointment is being scheduled **c) Data Verification:** • This data is available on a monthly basis. Databases are reviewed for accuracy on an ongoing basis by the data validation committee at each facility and by reviews of Veteran satisfaction surveys. In addition, VA requires staff entering data be trained to ensure accurate entry. **d) Measure Validation:** • This measure was designed to capture the timeliness of primary care appointment scheduling from the perspective of the Veteran. It takes into account the timeline that the patient has identified as meeting his or her need. **e) Cross-Cutting Activities:** None **f) External Factors:** None **g) Other Supporting Information:** None **h) Link to New Strategic Planning Framework:** This measure supports: • Integrated Objective #1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness • Integrated Strategy D : Provide Veterans and their families with integrated access to the most appropriate services from VA and our partners

Table 2: Performance Measure Supporting Information
Percent of specialty care appointments completed within 30 days of the desired date (Key Measure) **a) Means and Strategies**: • VHA fully implemented Advanced Clinic Access (ACA), an initiative that promotes the smooth flow of patients through the clinic process by predicting and anticipating patient needs at the time of their appointment and taking steps to: o assure specific equipment is available o arrange for tests that should be completed either prior to or at the time of the visit o synchronize the patient, the provider and all necessary health information. **b) Data Source(s):** • This measure is calculated using the VistA scheduling software. A patient is defined in the specialty care Decision Support System (DSS) stop series as a patient not seen in the previous 24 months at the facility the appointment is being scheduled **c) Data Verification:** • This data is available on a monthly basis. Databases are reviewed for accuracy on an ongoing basis by the data validation committee at each facility and by reviews of Veteran satisfaction surveys. In addition, VA requires staff entering data be trained to ensure accurate entry. **d) Measure Validation:** • This measure was designed to capture the timeliness of specialty care appointment scheduling from the perspective of the Veteran. It takes into account the timeline that the patient has identified as meeting his or her need. **e) Cross-Cutting Activities:** None **f) External Factors:** None **g) Other Supporting Information:** None **h) Link to New Strategic Planning Framework:** This measure supports: • Integrated Objective #1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness • Integrated Strategy D: Provide Veterans and their families with integrated access to the most appropriate services from VA and our partners

Table 2: Performance Measure Supporting Information

Percent of new patient appointments completed within 30 days of appointment create date (Key Measure)
 	
a) Means and Strategies:
• VHA fully implemented Advanced Clinic Access (ACA), an initiative that promotes the smooth flow of patients through the clinic process by predicting and anticipating patient needs at the time of their appointment and taking steps to:
  o assure specific equipment is available
  o arrange for tests that should be completed either prior to or at the time of the visit; and
  o synchronize the patient, the provider and all necessary health information.
b) Data Source(s):
• The source for the results data is the Decision Support System's (DSS) stop series. A new patient is defined as a patient not seen in the prior 24 months at the facility the appointment is being scheduled in a primary care.
c) Data Verification:
• This data is available on a monthly basis. Databases are reviewed for accuracy on an ongoing basis by the data validation committee at each facility and by reviews of Veteran satisfaction surveys. In addition, VA requires staff entering data be trained to ensure accurate entry.
d) Measure Validation:
• This measure was designed to capture the timeliness of new appointment scheduling from the perspective of the Veteran. It takes into account the timeline that the patient has identified as meeting his or her need
e) Cross-Cutting Activities: None
f) External Factors: None
g) Other Supporting Information: None
h) Link to New Strategic Planning Framework: This measure supports:
• Integrated Objective #1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness
• Integrated Strategy D : Provide Veterans and their families with integrated access to the most appropriate services from VA and our partners

Table 2: Performance Measure Supporting Information

Progress towards development of one new treatment for post-traumatic stress disorder (PTSD). (*One Milestones to be achieved over one year.***) (Key Measure)**
 	
a) Means and Strategies:
• Four different clinical trials will be executed and evaluated: 1), cognitive-behavioral therapy; 2) the drug divalproex sodium; 3) the drug prazosin; and 4) the drug risperidone.
b) Data Source(s):
• Data is obtained from the written annual research progress reports submitted to the Office of Research and Development.
c) Data Verification:
• Personal communications with the investigator in relation to this performance goal will be noted and filed.
d) Measure Validation:
• 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.
e) Cross-Cutting Activities:
• Collaboration with other federal agencies—such as the Department of Defense, the National Institutes for Health, and the Department of Homeland Security—is ongoing with respect to advancing treatments for PTSD.
f) External Factors:
• There is a high interest on the national level for a strong PTSD research program, which will have a positive impact. External factors that could have a negative impact on reaching the goal are
  o competing studies in the same local area
  o changing in accepted medical standards of practice
• The number of potential subjects in the immediate geographical area with the medical condition under investigation could have a positive or negative effect.
g) Other Supporting Information: None
h) Link to New Strategic Planning Framework: This measure supports:
• Integrated Objective #2: Educate and empower Veterans and their families through proactive outreach and effective advocacy
Integrated Strategy B: Leverage technology and partnerships to reach Veterans and their families and advocate on their behalf

Table 2: Performance Measure Supporting Information
Percentage of patients rating VA health care service as very good or excellent (Inpatient & Outpatient) (Key Measure) **a) Means and Strategies:** • To improve patient satisfaction level in both the inpatient and outpatient categories, VHA will implement methods for advancing patient self-management that enables patients and caregivers to share in decision making and improve health outcomes. **b) Data Source(s):** • Consumer Assessment of Health Care Plans and Systems (CAHPS) Surveys are used. The surveys are administered to a sample of inpatients and a sample of outpatients. **c) Data Verification:** • VHA's Office of Quality and Performance, Performance Analysis Center for Excellence (OQP/PACE) conducts national satisfaction surveys that are validated using recognized statistical sampling and analysis techniques. **d) Measure Validation:** • VHA's strategic objective to address the strategic goal and the Secretary's priority are to improve patients' satisfaction with their VA health care. The measure allows VHA to better understand and meet patient expectations. Results are based on surveys that target the dimensions of care that concern Veterans the most. **e) Cross-Cutting Activities:** None **f) External Factors:** None **g) Other Supporting Information**: • The survey instrument used in previous years has been discontinued and the VHA has moved to a nationally standardized tool, which include a family of surveys know as CAHPS. FY 2009 will be a re-baseline year to determine both annual and strategic targets. **h) Link to New Strategic Planning Framework:** This measure supports: • Integrated Objective #3: Build our internal capacity to serve Veterans, their families, our employees, and other stakeholders efficiently and effectively • Integrated Strategy D: 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

Selected Program Highlights

Introduction

This section of the 2011 submission provides narrative descriptions of the various programs supported by the Veterans Health Administration (VHA) appropriations and funds.

Selected Program Highlights

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000)						
AIDS	$694,856	$793,722	$905,736	$951,023	$112,014	$45,287
Blind Rehabilitation Service	$106,081	$116,099	$126,971	$133,320	$10,872	$6,349
CHAMPVA/FMP/Spina Bifida/CWVV	$987,854	$1,080,149	$1,188,846	$1,297,306	$108,697	$108,460
Education and Training	$1,383,347	$1,492,159	$1,596,551	$1,691,316	$104,392	$94,765
Emergency Care	$320,424	$373,294	$435,635	$457,417	$62,341	$21,782
Energy / Green Management	$27,600	$53,476	$252,129	$123,689	$198,653	($128,440)
Enh. of Comp. Emerg. Mgmt. Prog. (CEMP)	$98,450	$168,750	$155,040	$136,390	($13,710)	($18,650)
Gulf War Programs	$1,183,388	$1,377,735	$1,579,216	$1,749,490	$201,481	$170,274
Health Care Sharing:						
Services Purchased by VA	$749,746	$726,517	$759,211	$793,375	$32,694	$34,164
Services Provided by VA	$25,448	$21,555	$22,525	$23,538	$970	$1,013
VA/DoD Sharing:						
Services Purchased by DoD	$72,552	$76,180	$79,789	$83,778	$3,609	$3,989
Serivces Provided by VA	$97,423	$102,942	$108,089	$113,494	$5,147	$5,405
Health Professional Educ. Asst. Prog	$47,011	$54,518	$60,040	$62,626	$5,522	$2,586
Homeless Veterans Programs:						
Homeless Veterans Treatment Costs	$2,547,670	$2,969,460	$3,400,944	$3,841,161	$431,484	$440,217
Programs to Assist Homeless Veterans	$375,941	$534,491	$799,210	$800,529	$264,719	$1,319
Income Verification Match (IVM)	$14,346	$16,350	$19,107	$19,680	$2,757	$573
Long-Term Care	$5,182,864	$5,976,121	$6,834,947	$7,556,933	$858,826	$721,986
Mental Health	$4,446,211	$4,825,255	$5,235,402	$5,575,703	$410,147	$340,301
Non-Recurring Maint. & Leases	$1,896,067	$1,860,535	$1,670,498	$1,463,005	($190,037)	($207,493)
OEF/OIF	$1,466,367	$1,977,732	$2,574,756	$3,254,724	$597,024	$679,968
Pharmacy	$3,950,600	$4,345,428	$4,779,971	$5,305,768	$434,543	$525,797
Prosthetics	$1,638,007	$1,850,000	$1,998,368	$2,179,186	$148,368	$180,818
Readjustment Counseling	$154,104	$171,600	$179,000	$187,000	$7,400	$8,000
Rural Health	$26,785	$440,000	$250,000	$250,000	($190,000)	$0
Spinal Cord Injury	$455,702	$496,946	$537,518	$564,394	$40,572	$26,876
Traumatic Brain Injury (TBI)-All Vets	$203,601	$231,893	$260,915	$287,594	$29,022	$26,679
Traumatic Brain Injury (TBI)-OEF/OIF	$44,095	$58,214	$73,591	$89,629	$15,377	$16,038
Women Veterans Health Care:						
Gender Specific Health Care	$180,328	$199,028	$217,640	$242,905	$18,612	$25,265

AIDS

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000).....	$694,856	$793,722	$905,736	$951,023	$112,014	$45,287

Program ensures that Veterans with Human Immunodeficiency Virus (HIV) infection receive the highest quality clinical care, including timely diagnosis of their infection. The program also provides preventative services and ensures those at-risk receive counseling and assistance for lowering their risk of acquiring infection. These resources will help VHA remain a leader among health care organizations in responding to the challenges posed by the HIV/AIDS epidemic.

Blind Rehabilitation Service

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000).....	$106,081	$116,099	$126,971	$133,320	$10,872	$6,349

The mission of Blind Rehabilitation Service is to assist eligible blind and visually impaired Veterans and active duty service members in developing the skills needed for personal independence and successful integration into the community and family environment. These services include inpatient and outpatient blind and vision rehabilitation programs, adjustment to blindness counseling, patient and family education, and assistive technology.

VA's Blind Rehabilitation Service provides a model of care that extends from the Veteran's home to: the local VA care site, the regional low vision clinics, and lodger and inpatient training programs. Components of the model include:

Intermediate and Advanced Low-Vision Clinics

When basic low-vision services available at all VA eye clinics are no longer sufficient, intermediate and advanced low-vision clinics provide clinical examinations, a full spectrum of vision-enhancing devices and specialized training in visual perceptual and visual motor skills. Eye care specialists and Blind Rehabilitation Specialists work together in interdisciplinary teams to assure that individuals with low vision are provided with technology and techniques to enhance their remaining sight in order to remain independent and active.

Vision Impairment Service in Outpatient Rehabilitation (VISOR) Programs

VISORs provide short-term (about 2 weeks) blind and vision rehabilitation. They provide comfortable overnight accommodations for patients who require temporary lodging. Those who attend VISOR must be able to perform basic activities of daily living independently, including the ability to self-medicate.

Visual Impairment Services Team (VIST) Coordinators
VIST coordinators are case managers who have responsibility for the information, referral, coordination of services, and adjustment counseling for severely visually impaired Veterans and active duty service members and their families.

Blind Rehab Outpatient Specialists (BROS)
BROS are multi-skilled professionals who provide direct rehabilitation care. BROS serve Veterans in their homes, VA medical centers or clinics, colleges or universities, work sites, and long-term care environments.

Inpatient Blind Rehabilitation Centers (BRCs)
The inpatient BRCs provide the most intense and in-depth rehabilitation. Comprehensive, individualized blind rehabilitation services are provided in an inpatient VA medical center environment by a multidisciplinary team of rehabilitation specialists. The management of chronic medical conditions is addressed as part of the training regimen as well. Blind rehabilitation specialists guide the individual through a rehabilitation process that leads to adjustment to blindness, new skill development, use of specialized technology, and reorganization of the person's life. New skills and attitudes foster new abilities to contribute to family and community life.

Civilian Health and Medical Program of the VA (CHAMPVA)

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000)						
CHAMPVA	$885,209	$969,100	$1,070,745	$1,169,670	$101,645	$98,925
Foreign Medical Program	$14,815	$18,300	$20,647	$23,644	$2,347	$2,997
Spina Bifida Program	$19,590	$22,690	$22,347	$23,784	($343)	$1,437
Children of Women Vietnam Vets	$0	$208	$208	$208	$0	$0
Subtotal	$919,614	$1,010,298	$1,113,947	$1,217,306	$103,649	$103,359
Operating Expense:						
Administrative	$63,161	$65,359	$70,082	$74,855	$4,723	$4,773
Facilities	$5,079	$4,492	$4,817	$5,145	$325	$328
Subtotal	$68,240	$69,851	$74,899	$80,000	$5,048	$5,101
Total	$987,854	$1,080,149	$1,188,846	$1,297,306	$108,697	$108,460

Under the Veterans Health Care Expansion Act of 1973, Public Law 93-82, VA is authorized to furnish medical care to the spouse or child of a Veteran who has a total and permanent service connected disability, and to the widowed spouse or child of a Veteran who: (a) died as a result of a service connected disability; or (b) at the time of death had a total, permanent disability resulting from a service connected condition.

The Veterans' Survivor Benefits Improvements Act of 2001, Public Law 107-14, was signed into law June 5, 2001. Section 3 of the Act extends CHAMPVA benefits (called CHAMPVA for Life) to those over age 65 under the following conditions:

- The Veteran sponsor is not a retired military member (these family members are normally eligible for TRICARE for Life);
- A beneficiary who has turned 65 before June 5, 2001, and only has Medicare Part A, will be eligible for CHAMPVA without having to have Medicare Part B coverage; or
- A beneficiary who has turned 65 before June 5, 2001, and has Medicare Parts A and B must keep both Parts to be eligible. Beneficiaries who turn age 65 on or after June 5, 2001, must be enrolled in Medicare Parts A and B to be eligible.

Foreign Medical Program (FMP) - The Foreign Medical Program is a health care benefits program for United States Veterans with VA-rated service-connected conditions who are residing or traveling abroad (excluding the Philippines). Under FMP, VA assumes payment responsibility for certain necessary medical services associated with the treatment of the Veteran's service-connected conditions.

Spina Bifida Health Care Program - Under the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act of 1997, Public Law 104-204, section 421, VA administers the Spina Bifida Health Care Program for birth children diagnosed with spina bifida of Vietnam Veterans. Additionally, certain children of Veterans who served in Korea during the period September 1, 1967, through August 31, 1971, may also be eligible for care under the Spina Bifida Health Care Program. The Veteran must have served in the active military, naval, or air service and must have been exposed to a herbicide agent during such service in or near the Korean demilitarized zone. Prior to October 10, 2008, the program provided reimbursement for those medical services limited to care for all conditions associated with spina bifida except spina bifida occulta. Under the Veterans' Mental Health and Other Care Improvements Act of 2008, Public Law 110-387, the program no longer requires the beneficiary's care be connected to spina bifida; it now provides reimbursement for comprehensive medical care. However, the exclusion for the care of spina bifida occulta continues to be in effect.

Children of Women Vietnam Veterans Health Care Program (CWVV) - Under the Veterans Benefits and Health Care Improvement Act of 2000, Public Law 106-419, section 401, VA administers the CWVV program for children with certain birth defects born to women Vietnam Veterans. The CWVV Program provides 100%

reimbursement for conditions associated with certain birth defects except spina bifida, which is covered under the Spina Bifida Health Care Program.

Education and Training - Health Care Professionals

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000)						
Education and Training Support	$761,604	$794,347	$818,561	$851,304	$24,214	$32,743
Trainees	$621,743	$697,812	$777,990	$840,012	$80,178	$62,022
Total	$1,383,347	$1,492,159	$1,596,551	$1,691,316	$104,392	$94,765
Health Profs. Individuals Rotating thru VA						
Physician Residents & Fellows	35,099	35,329	35,559	35,789	230	230
Medical Students	20,567	21,267	21,967	22,667	700	700
Nursing Students	31,380	31,580	31,780	31,980	200	200
Associated Health Residents & Students	22,916	23,416	23,916	24,416	500	500
Total	109,962	111,592	113,222	114,852	1,630	1,630

VA works in partnership with medical and associated health professions schools to provide high-quality health care to America's Veterans while training new health professionals to meet the patient care needs of VA and the Nation. This partnership has grown into the most comprehensive and integrated system of health care education and care delivery in the country. VA intends to identify and develop new specialized areas of clinical training in order to continue to be a preferred training site for future health professionals.

Each year, over 100,000 trainees, representing more than 40 health care disciplines, receive all or part of their clinical training in VA health care facilities. VA maintains affiliations with 107 of 131 U.S. medical schools and over 1,200 other educational institutions. VA is the second largest federal supporter (after Center for Medicare and Medicaid Services) of education for health care professionals. Health professional trainees contribute substantially to VA's ability to deliver high-quality, cost-effective patient care and to recruit highly trained health care providers. As the Nations' health care system evolves, VA is positioning itself on the leading edge with innovative education and clinical training programs that benefit Veterans and all Americans.

Emergency Care

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000).....	$320,424	$373,294	$435,635	$457,417	$62,341	$21,782

Under the Veteran's Millennium Health Care Act, Public Law 106-117, Veterans who are eligible for reimbursement of emergency services at non-VA facilities are defined as individuals who are enrolled in the VA health care system; have received VA care within the 24-month period preceding the furnishing of such emergency treatment; and are financially liable to the provider of the emergency treatment for that treatment. Veterans who have health insurance coverage for emergency care, entitlement to care from any other Department or Agency of the United States (Medicare, Medicaid, TRICARE, Workers Compensation, etc.), or have other contractual or legal recourse are not eligible for reimbursement. VA is the payer of last resort. The Secretary has the authority to establish maximum amounts and circumstances under which payment is made.

Energy / Green Management Program*

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000).....	$27,600	$53,476	$252,129	$123,689	$198,653	($128,440)

*Includes costs from Medical Care and other accounts.

The Energy / Green Management Program, residing in VA's Office of Management, addresses energy, environmental, transportation (vehicle fleet), and sustainable buildings management challenges in an integrated fashion at the Department level. The program's scope and funding covers all VA administrations and staff offices. Among other mandates, the Energy Policy Act of 2005 (EPAct 2005), Executive Order (EO) 13423 (January 2007), the Energy Independence and Security Act of 2007 (EISA, December 2007), and most recently, EO 13514 (October 2009), require Federal agencies to achieve a number of green management performance benchmarks, such as annual energy and water consumption intensity reductions, increases in renewable energy and alternative vehicle fuel use, deployment of environmental management systems, and creation of sustainable buildings. To meet these requirements, VA created four Department-level task forces that have developed and are coordinating implementation of multi-year action plans for energy management, environmental stewardship, vehicle fleet management, and sustainable buildings. Each action plan and task force includes representation from, and actions for, all three VA administrations and relevant staff offices.

VA took a number of key actions in 2009, including: hiring additional energy managers; contracting for installation of solar photovoltaic systems at eighteen facilities, a geothermal energy system, and a wind turbine project; completing facility energy assessments of VA-owned facilities in six regions (VISNs 3, 4, 7, 8,

9 and 12); conducting sustainable buildings certification processes at 21 facilities, with all certified as green buildings by December 2010; awarding a contract to install advanced electric building-level metering at owned VA facilities nationwide; and conducting feasibility studies at 38 sites for renewably fueled cogeneration. In FY 2010, VA is maintaining energy manager positions and adding energy and environmental expertise; undertaking to certify additional existing buildings as sustainable; implementing wind, solar, geothermal and cogeneration projects; conducting additional feasibility studies for renewably fueled on-site energy projects; and ensuring that all owned facilities are implementing metering for natural gas, steam, and water.

Enhancement of Comprehensive Emergency Management Program (CEMP)

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000).....	$98,450	$168,750	$155,040	$136,390	($13,710)	($18,650)

VA is committed to achieving the readiness necessary to meet its health care responsibilities in national emergencies in times of disaster or attack and ensuring continuity of care to its patients during any emergency. The Emergency Management Strategic Health care Group (EMSHG) manages, coordinates, and implements VHA's Comprehensive Emergency Management Program (CEMP) to help VA meet these mission requirements. CEMP includes preparedness and response actions as mandated through various federal laws and regulations to ensure continuity of care and operation, supporting the Department of Defense medical system in wartime, providing medical backup for national emergencies through the National Disaster Medical System, and providing support as requested under the National Response Framework. The major components of the VHA medical emergency preparedness budget include performance improvement funds to the facilities to meet the identified gaps, pharmaceutical caches, decontamination program, personal protective equipment, deployable clinics, environmental safety specialists/emergency coordinators, training needs and continuity of operations plans for essential functions and personnel. The major initiatives are recent programs that include VISN-based patient evacuation capabilities, a federal emergency regional coordination program, field evaluation and contingency support for CEMP.

Gulf War Programs

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000).....	$1,183,388	$1,377,735	$1,579,216	$1,749,490	$201,481	$170,274

VA's Gulf War Veteran programs provide a range of services, including: ready entry for Gulf War Veterans to access VA clinical care and the Gulf War Registry Program; special clinical care to all combat Veterans with serious, difficult to diagnose illnesses; world-class research on Veteran health issues; meeting the

special medical needs of Gulf War Veterans who served in Southwest Asia who are concerned about depleted uranium munitions or other forms of embedded-fragment wounds during combat; and developing effective outreach and educational tools for Gulf War Veterans with environmental and deployment health concerns and their VA health care.

Health Care Sharing

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Services Purchased by VA:						
Obligations ($000).....	$749,746	$726,517	$759,211	$793,375	$32,694	$34,164
Services Provided by VA:						
Reimbursements ($000).....	$25,448	$21,555	$22,525	$23,538	$970	$1,013

VA has been sharing health care resources with the community based on authority included in title 38 U.S.C., section 8153, enacted in 1966 and last amended by the Veterans Health Care Eligibility Reform Act of 1996, Public Law 104-262. This authority is the contracting mechanism of choice for VHA and all other non-Department of Defense (DoD) health care entities, including medical specialists and the shared use of medical equipment. This authority also allows VHA facilities to maximize the effective use of their resources and can provide services to community entities when there is no diminution of services to Veterans. All revenue generated from the sale of services is used to enhance care for enrolled Veterans.

VA/DoD Sharing

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
VA Services Purchased from DoD:						
Obligations ($000).....	$72,552	$76,180	$79,789	$83,778	$3,609	$3,989
VA/DoD Sharings Svcs, VA Provided:						
Reimbursements ($000).....	$97,423	$102,942	$108,089	$113,494	$5,147	$5,405

Section 721 of the 2003 National Defense Authorization Act (NDAA), Public Law, 107-314, requires the two Departments to identify, fund, and evaluate creative sharing initiatives at the facility, interregional, and national levels. This program is complementary to the DoD/VA Joint Incentive Fund effort.

Health Professional Educational Assistance Program (HPEAP)

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000)						
Education Debt Reduction Program.....	$15,580	$21,000	$22,000	$23,000	$1,000	$1,000
Employee Incentive Scholarship Program.....	$2,000	$2,085	$2,173	$2,265	$88	$92
VA Nursing Education for Employees Prog.....	$13,503	$14,860	$15,479	$16,124	$619	$645
Nat'l Nursing Education Initiative (NNEI).....	$15,928	$16,573	$20,388	$21,237	$3,815	$849
Total.....	$47,011	$54,518	$60,040	$62,626	$5,522	$2,586

The Employee Incentive Scholarship Program (EISP) authorizes VA to award scholarships to employees pursuing degrees or training in health care disciplines for which recruitment and retention of qualified personnel is difficult. The National Nursing Education Initiative (NNEI) and the VA Nursing Education for Employees Program (VANEEP) are policy-derived programs that stem from the legislative authority of EISP. EISP awards cover tuition and related expenses such as registration, fees, and books. The academic curricula covered under this program includes education and training programs in fields leading to appointments or retention in title 38 or hybrid title 38 health care positions listed in 38 U.S.C. section 7401.

The maximum amount of a scholarship that may be awarded to an employee enrolled in a full time curriculum during 2009 is $36,940 for the equivalent of 3 years of full-time coursework.

As of September 2009, VA has awarded 9,648 scholarships to EISP, NNEI, and VANEEP participants since the program began in 2000. Outcome studies have demonstrated the cost-effectiveness of these programs for recruitment and retention of hybrid title 38 and title 38 personnel; and field facilities report this as a critical tool for recruitment and retention.

The Education Debt Reduction Program (EDRP) is an education and student loan reimbursement program for hard-to-recruit health care professionals. In calendar year 2009, VA was authorized to make education debt reduction payments totaling up to $52,613 to each full-time EDRP participant. Award payments are made annually for 1 to 5 years and are further limited to a maximum amount each year. VHA currently caps total awards at $48,000 for budgetary purposes. As of the end of FY2009, 8,183 employees have received authorization for educational debt reimbursement through EDRP since 2002.

Homeless Veterans Programs

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000)						
Homeless Veterans Treatment Costs	$2,547,670	$2,969,460	$3,400,944	$3,841,161	$431,484	$440,217
Programs to Assist Homeless Veterans:						
Health Care for Homeless Vets (HCHV)	$80,219	$83,026	$83,026	$83,026	$0	$0
Homeless Grants & Per Diem Prg	$128,073	$150,000	$146,332	$146,332	-$3,668	$0
Homeless Grants & Per Diem Prg/Liaisons	$0	$25,300	$25,300	$25,300	$0	$0
Supportive Svcs Low Income Vets & Families	$218	$20,000	$16,000	$16,000	-$4,000	$0
Domiciliary Care for Homeless Vets	$115,373	$119,000	$101,960	$101,960	-$17,040	$0
Homeless Ther. Empl., CWT & CWT/TR	$22,206	$22,984	$22,984	$22,984	$0	$0
HUD-VASH	$26,601	$75,332	$75,332	$75,332	$0	$0
Combat Homelessness Pilot Prg:						
Health Care for Homeless Vets (HCHV)	$0	$20,000	$20,000	$21,000	$0	$1,000
Justice Outreach Homelessness Prev Init	$0	$6,000	$6,000	$6,000	$0	$0
Subtotal	$0	$26,000	$26,000	$27,000	$0	$1,000
Other	$3,251	$3,349	$3,466	$3,594	$117	$128
HUD-VA Prevention Pilots	$0	$5,000	$5,175	$5,366	$175	$191
National Referral Call Center	$0	$2,500	$0	$0	-$2,500	$0
National Homelessness Registry	$0	$2,000	$0	$0	-$2,000	$0
Subtotal	$375,941	$534,491	$505,575	$506,894	-$28,916	$1,319
Initiatives:						
Health Care for Homeless Vets (HCHV)	$0	$0	$32,906	$32,906	$32,906	$0
Homeless Grants & Per Diem Prg*	$0	$0	$46,007	$46,007	$46,007	$0
Supportive Svcs Low Income Vets & Families	$0	$0	$34,560	$34,560	$34,560	$0
Domiciliary Care for Homeless Vets	$0	$0	$33,989	$33,989	$33,989	$0
Homeless Ther. Empl., CWT & CWT/TR	$0	$0	$29,804	$29,804	$29,804	$0
HUD-VASH	$0	$0	$75,737	$75,737	$75,737	$0
National Referral Call Center	$0	$0	$3,000	$3,000	$3,000	$0
Substance Abuse Enhancement Init	$0	$0	$1,900	$1,900	$1,900	$0
Justice Outreach Homelessness Prev Init	$0	$0	$12,600	$12,600	$12,600	$0
Expansion of Homeless Dental Initiative	$0	$0	$9,580	$9,580	$9,580	$0
National Homeless Registry	$0	$0	$5,852	$5,852	$5,852	$0
Community Sober Living Housing	$0	$0	$5,000	$5,000	$5,000	$0
Getting to Zero	$0	$0	$2,700	$2,700	$2,700	$0
Subtotal	$0	$0	$293,635	$293,635	$293,635	$0
Grand Totals:						
Health Care for Homeless Vets (HCHV)	$80,219	$83,026	$115,932	$115,932	$32,906	$0
Homeless Grants & Per Diem Prg	$128,073	$150,000	$192,339	$192,339	$42,339	$0
Homeless Grants & Per Diem Prg/Liaisons	$0	$25,300	$25,300	$25,300	$0	$0
Supportive Svcs Low Income Vets & Families	$218	$20,000	$50,560	$50,560	$30,560	$0
Domiciliary Care for Homeless Vets	$115,373	$119,000	$135,949	$135,949	$16,949	$0
Homeless Ther. Empl., CWT & CWT/TR	$22,206	$22,984	$52,788	$52,788	$29,804	$0
HUD-VASH	$26,601	$75,332	$151,069	$151,069	$75,737	$0
Combat Homelessness Pilot Prg	$0	$26,000	$26,000	$27,000	$0	$1,000
Other	$3,251	$3,349	$3,466	$3,594	$117	$128
HUD-VA Prevention Pilots	$0	$5,000	$5,175	$5,366	$175	$191
National Referral Call Center	$0	$2,500	$3,000	$3,000	$500	$0
Substance Abuse Enhancement Init	$0	$0	$1,900	$1,900	$1,900	$0
Justice Outreach Homelessness Prev Init	$0	$0	$12,600	$12,600	$12,600	$0
Expansion of Homeless Dental Initiative	$0	$0	$9,580	$9,580	$9,580	$0
National Homeless Registry	$0	$2,000	$5,852	$5,852	$3,852	$0
Community Sober Living Housing	$0	$0	$5,000	$5,000	$5,000	$0
Getting to Zero	$0	$0	$2,700	$2,700	$2,700	$0
GRAND TOTAL	$375,941	$534,491	$799,210	$800,529	$264,719	$1,319

Currently, it is estimated that there are 131,000 homeless Veterans on any given night. Returning homeless Veterans to self-sufficiency and independent stable living is the primary goal of Homeless Veterans Programs. To achieve this goal, VA will assist every eligible homeless Veteran willing to accept services. VA will help Veterans acquire safe housing; needed treatment services; opportunities to return to employment; and benefits assistance. Working collaboratively with other Federal agencies, VA will work to end homelessness among Veterans within five years. These efforts are intended to end the cycle of homelessness by preventing Veterans and their families from entering homelessness and to rapidly exit homelessness if they should have fallen into homelessness.

To achieve the goal, VA plans to expand existing programs and develop new initiatives to prevent Veterans from becoming homeless and to aggressively treat those who are currently homeless. The Five Year Plan to End Homelessness Among Veterans is built upon six strategic pillars: outreach and education; treatment; prevention; housing with supportive services; assistance in securing income through employment or benefits; and community partnerships. The Plan will increase the number and variety of housing options, including permanent, transitional, contracted, community-operated, and VA-operated; provide more supportive services through partnerships to prevent homelessness, improve employability, and increase independent living for Veterans; and improve access to VA and community-based mental health, substance abuse, and support services. Program enhancements under the plan will provide housing, health care, benefits, employment, and residential stability to more than 500,000 Veterans and their families over 5 years.

Health Care for Homeless Veterans (HCHV): VA will continue its extensive outreach efforts to homeless Veterans in the community. Health Care for Homeless Veterans (HCHV) outreach teams work closely with community agencies and homeless Veterans throughout the country. Outreach efforts receive significant support from locally held Stand Down programs. Stand Downs bring community agencies together to work with the VA, identifying and aiding homeless Veterans. This community-based collaboration has served hundreds of thousands Veterans and their family members since its inception in 1988. In addition to outreach HCHV provides "in place" residential treatment beds through contracts with community partners and VA outreach and clinical assessments to homeless Veterans who have serious psychiatric and substance use disorders. Expansion of the program will provide services to 4,800 Veterans in 2010 and will ensure that every VA medical center has the capacity to offer services that are targeted to and prioritized for homeless Veterans who are transitioning from literal street homelessness.

Housing Urban Development-VA Supported Housing (HUD-VASH): The Consolidated Appropriations Act of 2008 provided funding for the Department of Housing and Urban Development (HUD) and VA to expand the HUD-VA Supportive Housing (HUD-VASH) Program by adding 10,105 new Section 8 "Housing Choice" vouchers in 2008 and an additional 10,000 vouchers in 2009. HUD VASH is a collaborative effort, supported through HUD Section 8 "Housing Choice" rental assistance vouchers and VA's provision of intensive case management services. The primary goal of HUD-VASH is to move Veterans and their families out of homelessness and into permanent housing. HUD-VASH is the nation's largest supported permanent housing initiative that targets homeless Veterans by providing permanent housing with case management and supportive services that promote and maintain recovery and housing stability. More than 6,900 Veterans and their families obtained permanent housing in 2009. Planned program expansion will provide additional permanent housing opportunities for Veterans by allocating 10,000 new Housing Choice vouchers in 2010.

Grant and Per Diem (GPD) Program: Under authority of Public Law 109-461, through the Homeless Providers Grant and Per Diem Program (GPD), VA assists community-based organizations with the provision of services for homeless Veterans. The GPD Program provides operational costs, as well as partial capital costs, to create and sustain transitional housing and service programs for homeless Veterans. VA will continue the development of these services and offer both grants and per diem funding. VA will also continue to fund those community-based organizations that offer services for special need populations including the chronic mentally ill, elderly, terminally ill, and homeless women Veterans, including women Veterans with children. It is estimated that program expansions will create capacity to serve approximately 20,000 Veterans in 2010.

Veterans Justice Outreach (VJO) Program: The Veterans Justice Outreach (VJO) program, formally launched in 2009, aims to prevent homelessness by providing outreach and linkage to VA services for Veterans at early stages of the justice system, including Veterans' courts, drug courts, and mental health courts. The 145 medical center-based VJO Specialists work with local justice system partners to facilitate access and adherence to treatment for justice-involved Veterans. Training for the Specialists began in late 2009, and will continue on a regional basis through 2010. A national VJO training conference will take place in January 2010. Funding for 40 full-time VJO Specialist positions will be distributed in early second quarter FY 2010, and will support collaboration with the Department of Labor's re-started Incarcerated Veterans Transition Program. Program enhancement is expected to provide services for 7,500 Veterans in 2010.

VA Residential Rehabilitation Treatment Programs/ Domiciliary Care for Homeless Veterans (DCHV): DCHV provide homeless Veterans with 24 hour-

per-day, 7 day-per-week (24/7), time-limited, residential rehabilitation and treatment services that includes medical, psychiatric, substance abuse treatment, and sobriety maintenance. There are currently 237 operational programs providing nearly 8,500 treatment beds. Program expansion will increase capacity and access by establishing five 40-bed DCHV programs in large urban locations in 2011. A total of 30,000 Veterans are projected to receive services from this program between 2010 and 2014.

New HUD/VA Prevention Pilot: This new prevention initiative is a multi-site three-year pilot project designed to provide early intervention to recently discharged Veterans and their families to prevent homelessness. Site selection for this pilot project will give priority to communities with high concentrations of returning OEF/OIF soldiers, and to rural communities. Implementation of this program is expected to provide services to nearly 250 Veterans and their families in 2010. A total of 750 Veterans are projected to receive services from this program between 2010 and 2014.

Supportive Services for Veterans and Families: VA will also use the authority mandated in Public Law 110-387 and authority provided in other legislation to establish programs with community-based non-profit and co-op agencies to provide supportive services specifically designed to prevent homelessness. These pilots will encompass both rural and urban sites with the goal of preventing homelessness and maintaining housing stability for the Veteran's family. This new homeless prevention initiative will establish and provide grants and technical assistance to community non-profit organizations to provide supportive services to Veterans and their families in order to maintain them in their current housing. Program regulations are currently under review; grants will be awarded in 2010. Approximately 5,000 Veterans and their families will receive services in 2010.

National Referral Call Center: This new prevention initiative will establish a National Call Center that will provide linkages for homeless Veterans, their families and other interested parties to appropriate VA and community-based resources. It is anticipated that in 2010 the Call Center will provide information and referral to 15,000 Veterans and other interested parties. The National Referral Call Center will be a primary vehicle for VA to communicate with Veterans and community providers assisting them in connecting to local VA and community resources that will assist the Veteran in avoiding falling into homelessness or exiting homelessness.

National Homeless Registry: VA will establish a database to track and monitor homeless expansion and prevention initiatives and treatment outcomes for approximately 200,000 Veterans in 2010. The Registry will serve as a data

warehouse for Veteran Homeless Services identifying and monitoring the utilization and outcomes for VA funded homeless services. It will enhance VA's capacity to monitor program effectiveness and the long term outcomes of Veterans who have utilized VA funded services.

Income Verification Match (IVM)

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000).....	$14,346	$16,350	$19,107	$19,680	$2,757	$573

The Income Verification Match (IVM) module is designed to extract patient-reported Means Test data and transmit it to the Health Eligibility Center (HEC) located in Atlanta, Georgia. IVM allows Veterans Health Administration (VHA) to accurately assess a patient's eligibility for health care when the eligibility criteria are income-based.

IVM electronically transfers patient income and demographic data for eligible Veterans whose VA health care is based on income and for whom a Means Test has been completed. It also sends automatic updates if pertinent patient data are edited at the medical center.

As part of this process, HEC compares the extracted data with earned and unearned income data retrieved from Social Security Administration (SSA) and Internal Revenue Service (IRS). Patients with reported income in the mandatory category, but whose actual income has been proven to be above that level, will have their eligibility for health care changed to the discretionary category and are subject to back billing.

The HEC sends the updated demographic and insurance information to the medical facilities for upload. The IVM module allows the HEC data to be compared with locally collected data and selectively uploaded. An invoice is then generated by Medical Care Cost Recovery to insurance companies. Updated and verified income information from the HEC is automatically uploaded upon receipt at each VA facility, which updates the Veteran's eligibility for health care and creates co-payment charges for previous episodes of care.

This program is partly funded from mandatory funding provided by the Compensation and Pension program to support income verification services for the Veterans Benefits Administration. This source of funding provided $10.1, $14.0 and $ 10.9 million respectively from 2009 through 2011. The Budget includes a legislative proposal under the VBA mandatory funding section to eliminate this source of funding and the Veterans Administration will pick up the full cost of this program starting in 2013.

Long-Term Care

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000)						
Institutional:						
VA Community Living Centers	$3,085,384	$3,391,310	$3,727,329	$4,012,116	$336,019	$284,787
Community Nursing Home	$501,096	$593,255	$692,133	$751,822	$98,878	$59,689
State Home Nursing	$600,411	$725,883	$868,700	$1,042,297	$142,817	$173,597
Subtotal	$4,186,891	$4,710,448	$5,288,162	$5,806,235	$577,714	$518,073
State Home Domiciliary	$50,122	$55,159	$60,105	$65,681	$4,946	$5,576
Geriatric Evaluation & Mgmt (GEM)	$3,853	$4,027	$4,205	$4,388	$178	$183
Total	$4,240,866	$4,769,634	$5,352,472	$5,876,304	$582,838	$523,832
Non-Institutional:						
VA Adult Day Health Care	$13,620	$15,875	$18,468	$21,534	$2,593	$3,066
State Adult Day Health Care	$343	$417	$490	$589	$73	$99
Contract Adult Day Health Care	$40,416	$52,855	$65,384	$71,829	$12,529	$6,445
Home-Based Primary Care	$315,910	$392,349	$482,451	$554,775	$90,102	$72,324
Other Home Based Prgs	$226,080	$292,599	$368,600	$414,125	$76,001	$45,525
Homemaker/Hm. Hlth. Aide Prgs	$264,278	$320,012	$371,940	$430,167	$51,928	$58,227
Spinal Cord Injury Home Care	$9,749	$11,088	$12,023	$13,065	$935	$1,042
Care Coordination/Home Telehealth*	$71,602	$121,292	$163,119	$174,545	$41,827	$11,426
Total	$941,998	$1,206,487	$1,482,475	$1,680,629	$275,988	$198,154
Total Long-Term Care	$5,182,864	$5,976,121	$6,834,947	$7,556,933	$858,826	$721,986
Average Daily Census						
Institutional:						
VA Community Living Centers	10,708	10,794	10,880	10,711	86	(169)
Community Nursing Home	6,178	6,998	7,818	8,116	820	298
State Home Nursing	19,027	19,308	19,588	19,869	280	281
Subtotal	35,913	37,100	38,286	38,696	1,186	410
State Home Domiciliary	2,837	2,837	2,837	2,837	0	0
Total	38,750	39,937	41,123	41,533	1,186	410
Non-Institutional:						
VA Adult Day Health Care	333	348	363	378	15	15
State Adult Day Health Care	21	24	27	30	3	3
Contract Adult Day Health Care	2,551	3,192	3,778	3,955	586	177
Home-Based Primary Care	21,065	23,882	26,811	28,070	2,929	1,259
Other Home Based Prgs	5,887	7,120	8,382	8,776	1,262	394
Homemaker/Hm. Hlth. Aide Prgs	13,890	16,090	17,890	19,740	1,800	1,850
Spinal Cord Injury Home Care	737	802	832	865	30	33
Care Coordination/Home Telehealth	23,594	38,240	49,164	50,147	10,924	983
Community Residential Care	4,237	4,237	4,237	4,237	0	0
Total	72,315	93,935	111,484	116,198	17,549	4,714
Total Long-Term Care	111,065	133,872	152,607	157,731	18,735	5,124

*Includes $40 million Telehealth initiative in 2011 and 2012.

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Per Diem:						
Institutional:						
VA Community Living Centers.....	$789.42	$860.78	$938.59	$1,023.44	$77.81	$84.85
Community Nursing Home.....	$222.22	$232.26	$242.55	$253.10	$10.29	$10.55
State Home Nursing*.....	$86.45	$101.98	$120.30	$141.91	$18.32	$21.61
State Home Domiciliary*.....	$48.40	$52.74	$57.47	$62.63	$4.73	$5.16
Non-Institutional:						
VA Adult Day Health Care.....	$162.95	$181.74	$202.69	$226.06	$20.95	$23.37
State Adult Day Health Care.....	$65.07	$69.16	$73.51	$78.13	$4.35	$4.62
Contract Adult Day Health Care.....	$63.12	$65.97	$68.95	$72.07	$2.98	$3.12
Home-Based Primary Care.....	$41.09	$45.01	$49.30	$54.00	$4.29	$4.70
Other Home Based Prgs.....	$105.21	$112.59	$120.48	$128.93	$7.89	$8.45
Homemaker/Hm. Hlth. Aide Prgs.....	$52.13	$54.49	$56.96	$59.54	$2.47	$2.58
Spinal Cord Injury Home Care [Monthly].....	$1,102.33	$1,152.16	$1,204.24	$1,258.67	$52.08	$54.43
Care Coordination/Home Telehealth.....	$8.31	$8.69	$9.09	$9.51	$0.40	$0.42

**Per diems shown may vary from authorized per diems due to additional services that VA requests and pays for as well as retroactive payments.*

Institutional geriatrics and long-term care services are provided for Veterans whose health care needs cannot be met in the home or on an outpatient basis because they require a level of skilled treatment or assessment which can best be provided in an institutional setting. Institutional services may be long term, (i.e., for life), or may be short term for rehabilitation or recovery from an acute condition.

Short-term institutional care is also available to temporarily relieve caregivers who look after Veterans in the home. Institutional services may include Community Living Center care, State Home domiciliary care, and geriatric evaluation.

Nursing Home Care - VA's nursing home programs include VA operated Nursing Home Care Units (renamed Community Living Centers), Community Nursing Home, and State Home programs. While all three programs provide nursing home care, each program has its own particular features. VA re-structured its own program to reflect the Department's commitment to the culture change movement in nursing homes and to enhance Veteran choice. VA Community Living Centers are hospital-based and provide an extensive level of nursing home care supported by an array of clinical specialties at the host hospital. VA purchases care through the Community Nursing Home program. These homes provide a broad range of nursing home care and have the advantage of being offered in many local communities throughout the nation, enabling a Veteran to receive care near his/her home and family. VA's Community Living Centers and selected Community Nursing Homes specialize in treating Veterans with post-acute needs, thus reducing hospital days. The State Veterans Home

program provides a broad range of nursing home care and is characterized by a joint cost sharing agreement between the VA, the Veteran, and the state.

Domiciliary Care **-** Domiciliary care is a residential rehabilitation program that provides short-term rehabilitation and long-term health maintenance to Veterans who require minimal medical care. It provides a full range of rehabilitation services in a structured therapeutic environment for Veterans who typically have long-standing difficulties in community adjustment due to medical, psychiatric, and/or psychosocial problems. VA expects that most domiciliary patients will return to the community after a period of rehabilitation.

Geriatric Evaluation and Management (GEM) **-** GEM programs provide comprehensive health care assessments, therapeutic interventions, rehabilitative care, and appropriate discharge plans. They primarily serve elderly Veterans with multiple medical, functional and/or psychosocial problems and those with particular geriatric problems such as early stage dementia, urinary incontinence, or unsteady gaits with episodes of falling. An interdisciplinary team of physician, nurse, social worker, and other health professionals skilled in assessing and treating geriatric patients staff the programs. GEM services can be provided in inpatient units and outpatient clinics. Geriatrics evaluation and ongoing care is also provided in geriatric primary care clinics.

Non-Institutional Care - Non-institutional long-term care programs have grown out of the philosophy that: 1) home or community setting is the desired location to deliver long term care; and 2) placement in a nursing home should be reserved for situations in which a Veteran cannot receive the care they need or can no longer safely be cared for at home. Veterans prefer non-institutional care because it enables them to live at home with a higher quality of life than is normally possible in an institution. Within VA, non-institutional long-term care programs and services include home-based primary care, purchased skilled home health care, adult day health care, homemaker and home health aide services, Veteran directed home and community based services, home respite care, home hospice care, community residential care, and care coordination/home telehealth.

Hospice and Palliative Care **-** Hospice and palliative care (HPC) collectively represent a continuum of comfort-oriented and supportive services provided in the home, community, outpatient, or inpatient settings for persons with advanced life-limiting disease. HPC is a covered service, on equal priority with any other medical care service as authorized in the Medical Benefits Package, and VA provides it as appropriate in any inpatient, outpatient, or home care setting.

The mission of the VA HPC program is to honor Veterans' preferences for care at the end of life. VA must offer to provide or purchase hospice and palliative care

that VA determines an enrolled Veteran needs (see title 38 Code of Federal Regulations (CFR) 17.36 and 17.38). These services include but are not limited to: advance care planning, symptom management, inpatient palliative care, collaboration with community hospice providers, and access to home hospice care. To effectively deliver these services, VA has embarked on a Comprehensive End of Life Care Initiative to ensure reliable access to quality end of life care through enhanced palliative care staffing and leadership, expansion of the number of HPC inpatient units, specialized Veteran-specific training, promotion of Hospice-Veteran Partnerships, and implementation of a quality program that links quality indicators to care interventions.

Mental Health

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Treatment Modality:						
Inpatient Hospital	$1,322,505	$1,435,250	$1,557,246	$1,658,467	$121,996	$101,221
Psychiatric Res. Rehab. Trmt	$263,687	$286,167	$310,491	$330,673	$24,324	$20,182
VA Dom. Residential Rehab. Trmt	$414,587	$449,931	$488,175	$519,906	$38,244	$31,731
Outpatient	$2,445,432	$2,653,907	$2,879,490	$3,066,657	$225,583	$187,167
Total	$4,446,211	$4,825,255	$5,235,402	$5,575,703	$410,147	$340,301
Major Characteristics of Program:						
SMI - PTSD	$311,514	$354,190	$396,075	$440,961	$41,885	$44,886
SMI - Substance Abuse	$490,468	$520,199	$551,609	$589,367	$31,410	$37,758
SMI - Other Than PTSD & SA	$2,902,301	$3,094,530	$3,340,739	$3,547,620	$246,209	$206,881
Subtotal, SMI	$3,704,283	$3,968,919	$4,288,423	$4,577,948	$319,504	$289,525
Suicide Prevention	$35,897	$62,000	$66,650	$71,649	$4,650	$4,999
Other Mental Health (Non-SMI)	$706,031	$794,336	$880,329	$926,106	$85,993	$45,777
Total Mental Health	$4,446,211	$4,825,255	$5,235,402	$5,575,703	$410,147	$340,301
Included Above:						
Post-Traumatic Stress Disorder (OEF/OIF)	$243,211	$308,547	$381,844	$453,326	$73,297	$71,482

SMI = Seriously Mentally Ill.

Overview of Mental Health Services**:** VA's Office of Mental Health Services (OMHS) in Patient Care Services (PCS) is responsible for providing oversight and guidance for developing and sustaining Mental Health programs. These include those for Veterans with serious mental illness, substance abuse, and post-traumatic stress disorder, as well as those in need of psychosocial rehabilitation, residential care, and services to prevent homelessness. Since 2005, the Office of Mental Health Services has been focused on implementing the recommendations of the VHA Comprehensive Mental Health Strategic Plan (MHSP) which has guided extensive efforts in VHA to expand, develop, and transform mental health services for Veterans. Over the past year, it has shifted its focus to the implementation of programs and related requirements as specified in VA Handbook 1160.01, "Uniform Mental Health Services in VA Medical Centers and

Clinics," as a vehicle for completing implementation of the MHSP and sustaining enhanced services.

MHSP recommendations can be grouped into several areas: 1) enhancing the overall capacity of mental health services in VA medical centers and clinics with improvements in both access to services and the continuity of care; 2) improving the delivery of mental health care by enhancing services for Veterans at community-based outpatient clinics and those living in rural areas; 3) integrating mental health with primary care and other general medical care services; 4) focusing specialty mental health care on rehabilitation- and recovery-oriented services; 5) implementing evidence-based treatments with a focus on specific, evidence-based psychotherapies; 6) expanding treatment and housing opportunities for homeless Veterans; 7) addressing the mental health needs of returning OEF/OIF Veterans; and 8) preventing suicide. As one measure of its actions addressing the MHSP, VA has hired approximately 6,000 additional mental health staff members since the start of 2005. With the increased staffing, VA has increasingly recognized, diagnosed, and treated the most common mental health conditions through mental health services incorporated into primary care settings. This has allowed specialty mental health care settings to focus on rehabilitation- and recovery-oriented services to help Veterans with severe and persistent mental illnesses lead fulfilling lives, in spite of any residual symptoms and impairments.

In June 2008, to complete the implementation of the MHSP, VA published a handbook, "Uniform Mental Health Services in VA Medical Centers and Clinics," that defines requirements for those mental health services that must be available to all Veterans, and those that must be required in VA facilities: medical centers, very large, large, mid-sized, and small community-based outpatient clinics. VA facilities have been implementing the handbook, with ongoing technical assistance from the Office of Mental Health Services.

More specific information is provided about a number of VHA's key programs in mental health:

Psychosocial Rehabilitation and Recovery Services (PSR&RS): OMHS is committed to transforming mental health services to follow a recovery orientation, providing services that will help Veterans with serious mental illness fulfill their personal goals and live meaningful lives in a community of their choice. To that end, local recovery coordinators have been deployed at VA facilities throughout the country. Their job is to facilitate the transition of mental health services to a recovery orientation through education of staff and Veterans and through involvement in facility- and VISN-level committees and task forces.

The transformation to a recovery orientation cannot be accomplished without the involvement of Veterans, their family members, and stakeholder groups. OMHS encourages the development of Veterans Mental Health Councils, operated independently from VHA, to provide input into mental health programming from the Veterans' perspective. OMHS also maintains contact with outside mental health and Veteran constituency groups (e.g., National Alliance on Mental Illness [NAMI], Depression and Bipolar Support Alliance [DBSA], Veterans Service Organizations) to both solicit and provide information about mental health services for Veterans.

Day Treatment and Day Hospital programs, which typically provided few rehabilitative services, are being replaced by recovery-oriented Psychosocial Rehabilitation and Recovery Centers (PRRC), which provide individual and group treatments designed to help Veterans learn life skills, coping skills, and interpersonal skills. In addition, VA facilities with more than 1,500 Veterans on the National Psychosis Registry must develop a PRRC to meet the needs of these Veterans. By the end of 2009, 26 PRRCs were developed and operational. In 2010, OMHS initiated and developed a process by which developing programs could be officially recognized as PRRCs. A total of 42 programs have applied for official recognition; 14 have been granted this status; and an additional 16 programs' applications will be reviewed and the programs will be officially designated as PRRCs by March 2010. The remaining 12 applicants need additional assistance before they will meet the criteria for a PRRC, and OMHS will work closely with them to ensure that they meet the standards. Finally, OMHS estimates that there should be a total of 116 PRRCs across VHA. OMHS will work closely with those programs that have not yet applied for official recognition to ensure that they develop their programs.

OMHS is also promoting the use of peers in the provision of treatment services. Veterans who have lived through a mental health experience often provide hope and motivation to Veterans who are currently confronting a serious mental illness. Peers can be found on inpatient mental health units, PRRCs, and substance use disorder programs. Human Resources is developing a specific peer specialist job series to facilitate employing peers.

Work is a fundamental component of recovery, and as a result OMHS has significantly expanded its Compensated Work Therapy programs. In particular, Supported Employment has been deployed throughout VA facilities and focuses on helping Veterans with serious mental illness find meaningful, competitive work. OMHS has also started training clinicians in family therapy techniques to assist Veterans and their family members to manage the Veteran's mental health issues.

Finally, Mental Health Intensive Case Management (MHICM) and Rural Access Network for Growth Enhancement (RANGE) programs have been established to provide treatment to Veterans with serious mental illness who are high users of inpatient mental health services. These programs are based on the successful, evidence-based Assertive Community Treatment programs. MHICM teams primarily serve urban and suburban Veterans and RANGE serves Veterans in rural areas. There are 111 MHICM teams serving over 7,500 Veterans with serious mental illness. A newer program, RANGE has 19 programs serving over 300 Veterans, with at least 20 additional programs in development.

Post-Traumatic Stress Disorder (PTSD): PTSD is a mental disorder that can occur following military combat or other potentially life-threatening trauma. Symptoms can include reliving the experience through nightmares and flashbacks; increased arousal and difficulty sleeping; and feeling numb, detached or estranged. These symptoms can be severe and persistent enough to impair daily life, with difficulties that include marital problems, divorces, difficulties in parenting, and occupational instability. PTSD is marked by clear biological changes as well as psychological symptoms, and it frequently occurs in conjunction with related disorders such as depression, substance abuse, problems with memory and cognition, and other problems of physical and mental health. Although it can be an acute condition, it is often episodic, recurrent, or chronic.

Out of those who have sought VA health care, slightly more than half of returning OEF/OIF Veterans with a mental health condition have PTSD, either by itself or in association with another problem. PTSD represents the most common, but by no means the only, mental health condition among returning OEF/OIF Veterans. To address the needs of returning Veterans, VA established post-deployment services in most medical centers that provide mental health assessment and treatment services as well as other components of care. Serving Returning Veterans – Mental Health (SeRV-MH) Teams, are specifically designed to meet the unique needs of returning combat Veterans and work in collaboration with Primary Care Post Deployment Health Clinics to provide care in a setting that minimizes the potential stigma that may be associated with treatment in an identified mental health clinic.

To provide a continuum of care to match the needs of Veterans with PTSD, VA maintains an array of treatment sites and services to help Veterans gain mastery over their PTSD symptoms and to improve their social and occupational functioning. VA operates specialized programs for the treatment of PTSD in each of its medical centers. These programs provide a continuum of care, from outpatient PTSD Clinical Teams and specialists through specialized inpatient units, brief-treatment units and residential rehabilitation programs around the country. Every VA medical center possesses outpatient PTSD specialty

capability, and, increasingly, PTSD services are being provided in community-based outpatient clinics. VA's programs are designed to deliver evidence-based treatments including specific forms of behavioral and cognitive-behavioral psychotherapy and pharmacotherapy. For those who experience recurring or persistent symptoms in spite of evidence-based therapies, VA offers rehabilitative services that focus on improving day-to-day functioning. VA is addressing the need for concurrent treatment for disorders that commonly co-occur with PTSD such as substance use disorders and traumatic brain injury. VA also supports research on new treatments and strategies for delivering care.

Evidence-Based Psychotherapies: VA is actively working to make evidence-based psychotherapies for PTSD, depression, and serious mental illness (SMI) widely available to Veterans who can benefit from them. Promoting the availability of evidence-based psychological treatments is a key component of the VHA Mental Health Strategic Plan. In addition, VHA Handbook 1160.01, now requires that all Veterans with PTSD, depression, and serious mental illness have access to specific evidence-based psychotherapies designed and shown to be effective for those conditions. To stimulate efforts to make these treatments widely available throughout VA, the Office of Mental Health Services has developed national initiatives to train VA mental health providers in the delivery of Cognitive Processing Therapy (CPT) and Prolonged Exposure Therapy (PE) for PTSD, Cognitive Behavioral Therapy and Acceptance and Commitment Therapy for depression, and Social Skills Training for the Seriously Mental Ill. As of October 31, 2009, VA has trained over 2,500 mental health staff in the delivery of CPT or PE. Furthermore, VA has designated a local evidence-based psychotherapy coordinator at each medical center to serve as a champion for evidence-based psychotherapies at the local level that provide clinical support and education and promote local systems and administrative structures to facilitate the implementation of these therapies on the ground.

Substance Abuse: Among the most commonly abused substances are alcohol, illicit drugs, and medications prescribed to alleviate pain. Misuse of substances is associated with a variety of adverse health consequences, psychiatric difficulties, problems with interpersonal and family relationships, diminished work performance, and increased risk of accident and injury. Despite their severity and grave consequences, substance abuse problems are generally quite treatable.

Within the Veteran population, problem drinking and other forms of substance misuse occur in forms that vary in frequency and severity. The most common and mild cases are best identified and treated in primary care and other general medical settings through programs that include screening and brief interventions, and referral to specialty programs as needed. When these problems occur in the presence of other mental health conditions, they can be treated in general mental

health services or dual diagnosis programs. In recognition of this principle, VA has provided substance use treatment specialists to the PTSD treatment teams in each medical center. More severe problems with substance misuse are typically treated in specialty care programs. Services in these programs vary in intensity from multiple sessions several times per week to less frequent and shorter ambulatory care visits. Psychosocial and pharmacologic treatments for substance use disorders are evidence based.

Within VA, treatment for alcohol and other substance use disorders recognizes the principle that these are often chronic or recurring conditions. Treatment for them often begins with medically-supervised detoxification provided in ambulatory or inpatient settings. However, for care to be effective over the long term, detoxification must be followed by stabilization using evidence-based treatments, behavioral, pharmacological, or both. Other components of effective treatment include rehabilitative services focusing on day-to-day functioning and maintenance treatments focusing on preventing relapse.

Suicide Prevention: VA's suicide prevention activities are built upon the principle that prevention requires ready access to high-quality mental health care. This requires outreach, educational, and screening programs designed to help individuals seek care when needed, and programs designed to address the specific needs of those at high risk for suicide.

The suicide prevention program includes specific outreach activities and clinical programs for addressing high-risk patients, including: VA Suicide Prevention Hotline and Veterans Chat; Suicide Prevention Coordinators and their teams in each medical center; Center of Excellence in Canandaigua, NY; Mental Illness Research Education and Clinical Center in Denver, CO; Serious Mental Illness Research and Evaluation Center in Ann Arbor, MI; demonstration projects; and a public information campaign. Enhanced care packages have been developed for those Veterans who have been identified as being at risk.

Mental Health/ Primary Care Integration: The Uniform Mental Health Services Handbook requires that integrated mental health services operate in primary care clinics using evidence based practices including co-located collaborative care and care management. The co-located collaborative care model involves one or more mental health professionals who are integral components of the primary care team and who can provide assessment and psychosocial treatment as needed for a variety of mental health problems, which include depression and problem drinking. The care management component can be based in the Behavioral Health Laboratory, the Translating Initiatives for Depression into Effective Solutions (TIDES) model, or other evidence based strategies. The case management activities include monitoring adherence to treatment, ongoing

evaluations of treatment outcomes and medication side effects, decision support, patient education, and assistance in referral to specialty mental health services, when needed.

Mental Health Programs for Older Veterans: VHA has developed several new programs designed to promote mental health care access and treatment for older Veterans. These new initiatives incorporate innovative and evidence-based mental health care practices, as well as person and family-centered care approaches. This includes the integration of a full-time mental health provider on every VA Home-Based Primary Care team, to best meet the mental health needs of homebound Veterans by providing services such as psychotherapy; behavioral interventions for problems such as sleep disturbance, chronic pain, and disability; and prevention-oriented services. VA has also integrated mental health providers in VA Community Living Centers (formerly Nursing Home Care Units) assessment and treatment services.

Non-Recurring Maintenance and Leases

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Non-Recurring Maintenance	$1,643,904	$1,330,530	$1,110,129	$868,689	($220,401)	($241,440)
Leases:						
Leases (Object Class 23)	$237,174	$510,395	$533,111	$556,427	$22,716	$23,316
Leases (Object Class 32)	$14,989	$19,610	$27,258	$37,889	$7,648	$10,631
Subtotal	$252,163	$530,005	$560,369	$594,316	$30,364	$33,947
Total	$1,896,067	$1,860,535	$1,670,498	$1,463,005	($190,037)	($207,493)

*Excludes personal services and support costs.

VHA uses its non-recurring maintenance (NRM) program to make additions, alterations, and modifications of land, interest in land, buildings, other structures (including lease build-outs), nonstructural improvements of land, and fixed equipment (when the equipment is acquired under contract and becomes permanently attached to or part of the building or structure). NRM projects are renovations within the existing square footage of a facility with a maximum of $500,000 for associated cost for expansion of new space, up to $10 million. Minor improvement includes the costs associated with projects that involve renovation or expansion of space to cause a change in space function.

VHA uses its NRM program as its primary means of addressing its most pressing infrastructure needs as identified by Facility Condition Assessments (FCA). These assessments are performed at each facility every 3 years and highlight a building's most pressing and mission critical repair and maintenance needs. VHA will support research-type projects by ensuring that at least 5% of the total

program allocation in a given year for NRM and minor construction projects are used to fund projects at research facilities.

The American Recovery and Reinvestment Act of 2009 (ARRA 2009) provided $1 billion for VHA's NRM projects and energy/water efficiency initiatives. The focus of these NRM projects is to correct, replace, upgrade, and modernize existing infrastructure and utility systems for VA medical centers. Projects include, but are not limited to, patient privacy corrections, life safety corrections, facility condition deficiency corrections, utility system upgrades, and mental health improvements. Energy/water efficiency projects encompass all stages of development from detailed studies through construction. These contracts include utilization of technical experts, as well as the manufacturing of equipment such as building control systems, energy generation equipment, and various construction supplies. The economic impacts are expected to be increases in jobs and activity as contractors supply the labor and materials to install and commission renewable energy and energy efficient systems. Cost savings from these initiatives are expected to be put towards the enhancement of services provided to Veterans and their families.

Operation Enduring Freedom (OEF)/Operation Iraqi Freedom (OIF)

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000).....	$1,466,367	$1,977,732	$2,574,756	$3,254,724	$597,024	$679,968
Unique Patients.....	332,945	382,487	439,271	496,055	56,784	56,784
Cost Per Patient.....	$4,404	$5,171	$5,861	$6,561	$690	$700

VA is providing medical care to military personnel who served in OEF/OIF. Veterans deployed to combat zones are entitled to 5 years of eligibility for VA health care services following their separation from active duty, even if they are not immediately otherwise eligible to enroll in VA. VA is committed to ensuring a continuum of care for our injured service men and women and continues to support ongoing efforts to continuously improve this process while providing the necessary care to these returning service members. The Department's outreach network ensures that returning service members receive full information about VA benefits and services. Each medical center and benefits office now has a point of contact assigned to work with returning OEF/OIF Veterans. OEF/OIF patients represent 7.2% of the overall VA patients served. Funding above reflect the costs resulting from the Afghanistan troop surge.

Pharmacy

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000)*.....	$3,950,600	$4,345,428	$4,779,971	$5,305,768	$434,543	$525,797
# of 30-Day Prescriptions (millions).....	249	258	269	281	11	12

*Drugs and medicines, Object Class 26 which excludes administrative expenses.

VA's use of prescriptions is the fundamental underpinning of how VA practices health care today. VA's focus is diagnosis and treatment on an ambulatory basis with institutional care as the modality of last resort.

- National Formulary - VHA transitioned from medical center formularies to VISN formularies in 1996 and established a VA National Formulary in 1997. VA issued enhanced policy concerning the VA National Formulary in July 2001. VA National Formulary contains national standardization items within selected therapeutic categories and ensures uniform availability of drug therapies across the nation.

- Pharmacy Benefits Management (PBM) Product Line - VHA established the PBM to assist in the management of pharmaceutical expenditures. PBM facilitated implementation of VISN and national formularies and national standardization contracts. Where it is clinically feasible, national standardization contracts will be awarded within therapeutic categories that represent the greatest expense to VA.

- Medication Copayment – The Omnibus Budget Reconciliation Act of 1990, Public Law 101-508, requires VA to assess a medication copayment. Currently this copayment is $8 for each 30-day or less supply of medication dispensed on an outpatient basis for the treatment of non-service connected conditions. Collections from the medication copayment are deposited into the Medical Care Collections Fund (MCCF). The medication copayment is not charged to Veterans rated 50% or more service connected, when provided for the treatment of a service connected condition, to Veterans who are former Prisoners of War, to Veterans whose annual income does not exceed the maximum annual rate of VA pension (which would be payable if such Veteran was eligible for a VA pension under title 38, U.S.C., 1521) or are exempt by other special authority. The Veterans Millennium Health Care and Benefits Act, Public Law 106-117, authorized VA to increase the amount of the medication copayment and to establish a maximum monthly and annual cap for certain Veterans who are in receipt of multiple medications.

- Consolidated Mail Outpatient Pharmacies (CMOP) - VA has automated and consolidated mail prescription service. CMOPs significantly improve

customer service, reduce potential for errors, and improve efficiency by filling large volumes of prescriptions faster with continually improving technologies that require less staff than would be needed at individual VA medical centers. VA currently operates seven of these facilities across the nation and is planning to add an additional one to meet anticipated workload growth.

- VA/DoD Pharmaceutical Activities – VA and DoD continue to convert existing contracts to joint contracts where clinically appropriate.

- VA Adverse Drug Event Reporting (VA ADERS) / VAMedSAFE - VA ADERS is a spontaneous web-based reporting system for adverse drug events. These reports are reported directly to the Food and Drug Administration (FDA) and are analyzed for preventable trends. VAMedSAFE provides surveillance and risk reduction for certain classed of medication. They work collaboratively with the FDA on surveillance with an emphasis on the safe use of medications in the Veteran population.

- VA Mobile Pharmacy - The VA mobile pharmacies provide acute and chronic medications to Veterans and other Americans affected by a natural disaster. The VA mobile pharmacies are connected via satellite to the consolidated mail outpatient pharmacy (CMOP) which provides the dispensing of the medications.

Prosthetics

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000).....	$1,638,007	$1,850,000	$1,998,368	$2,179,186	$148,368	$180,818

Prosthetic and Sensory Aids Service is an integrated delivery system designed to provide medically prescribed prosthetic and sensory aids, devices, assistive aids, repairs and services to eligible disabled individuals to facilitate the treatment of their medical conditions. This is provided in a seamless action from prescription through procurement, delivery, training, replacement, and when necessary, repair. Prosthetic appliances include all aids, appliances, parts or accessories which are required to replace, support, or substitute for a deformed, weakened, or missing anatomical portion of the body. Examples of prescribed prosthetic items and sensory aids are aids for the visually impaired; artificial limbs; terminal devices; stump socks; hearing aids; speech communication aids; home dialysis equipment and supplies; medical equipment and supplies; optical supplies; orthopedic braces and supports; orthopedic footwear and shoe modifications; ocular prostheses; cosmetic restorations and ear inserts; and wheelchairs and mobility aids. VA also includes devices put into the body, such as pacemakers,

joint replacements, or stents. The Prosthetic Service has begun purchasing biological implants to improve accountability for them and to facilitate recalls.

Readjustment Counseling

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000)*.....	$154,104	$171,600	$179,000	$187,000	$7,400	$8,000
Visits (000).....	1,188	1,310	1,370	1,430	60	60
Unique Patients (RCS Only).....	70,429	77,683	81,194	84,791	3,511	3,597
Total Patients**.....	174,362	192,321	201,014	209,919	8,693	8,905
Number of Vet Centers.....	271	299	300	300	1	0

*Includes leasing costs.
**Includes patients seen by RCS only and those seen by both RCS and the larger VHA health care system.

The Readjustment Counseling Service (RCS) oversees the community-based Vet Centers located in all fifty states, the District of Columbia, Guam, Puerto Rico, and the United States Virgin Islands. Vet Centers provide a full range of readjustment counseling services to combat Veterans of all eras, including Veterans sexually traumatized while on active duty and families of service members killed on active duty. Vet Centers also make available services to all eligible Veterans' family members for issues related to the Veteran's military service and readjustment. Readjustment counseling includes individual and group counseling, marital and family counseling for military related issues, bereavement counseling, military sexual trauma counseling and referral, community outreach and education, substance abuse assessments, medical referral, assistance with VA benefits, employment counseling, guidance, and referral and information and referral to community resources.

RCS's OEF/OIF Outreach Specialist program was approved by the Under Secretary for Health on February 3, 2004. This program authorized 50 OEF/OIF Veterans to serve as outreach specialists for their fellow combat Veterans returning from Iraq and Afghanistan and has proven so successful that RCS was authorized to add an additional 50 outreach specialists by the Under Secretary for Health on March 30, 2005. The outreach specialists establish outreach services with military installations and Reserve and National Guard facilities within a designated geographical area, and they provide program briefings to active-duty military, Reserve, and National Guard personnel transitioning from active duty in a combat zone. They develop and distribute outreach materials to include brochures, fact sheets, web content, and other targeted information that highlights Vet Center and VA services and locations. They also provide training and information to VA staff, other federal agencies, and community agencies regarding both Vet Center services and the OEF/OIF experience, and they develop and maintain working relationships with a network of service provision agencies and individuals in all areas relevant to returning OEF/OIF service members and their families.

Readjustment Counseling Service has procured 50 mobile Vet Centers (MVC) and will add 20 in 2011 for a total of 70 to support readjustment counseling services for combat Veterans and their families. These vehicles will be used to provide outreach and direct readjustment counseling at active military, Reserve, and National Guard demobilization activities. The vehicles will be used to provide follow-up services at National Guard Armories, often located in rural areas with limited access to services, following demobilization. Services available, depending on local need, can include health care enrollment, preventive care health screenings, mental health support, and a variety of other options as appropriate to the local area and/or event. The vehicles include confidential counseling space to be used at events where privacy and/or confidentiality are challenges (i.e., Post Deployment Health Re-Assessment events). The counseling areas will be separated by a door and designed specifically to maximize confidentiality. The vehicles have been maximized for multi-use applications by adding portable exam tables that can be configured within the existing confidential counseling areas to provide some health care capability. Additionally, the installation of rear doors, wheelchair lift, and state-of-the-art lifter system within the vehicle provides emergency patient evacuation capability. Each Mobile Vet Center is equipped with a state of the art satellite communications package that includes access to all VA systems (ComputerizedPatient Record System, MyHealthE Vet), video tele-conferencing/tele-health (fully encrypted), and connectivity to emergency response systems (Emergency Management Strategic Healthcare Group).

Rural Health

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000).....	$26,785	$440,000	$250,000	$250,000	($190,000)	$0

The mission for the Office of Rural Health (ORH) is to improve access and quality of care for enrolled Veterans residing in geographically rural areas by developing evidence-based policies and innovative practices to support their unique needs. ORH addresses the unique needs of the over 3.2 million enrolled Veterans living in rural and highly rural areas, which make up approximately 41% of all Veteran enrollees. ORH collaborates with a range of stakeholders to conduct studies and analyses and to implement and evaluate innovative pilot projects. Through this data-driven and collaborative decision-making process, ORH will translate findings and best practices into policy and facilitate broader execution among established VA program offices.

ORH conducts its work around six core areas of focus -- access; quality; workforce; education and training; technology; and collaborations -- identifying and implementing initiatives that include, but are not limited to, increasing

mobile clinics, establishing new outreach clinics, expanding fee-based care, exploring collaborations with federal and non-federal community partners, operating the Rural Health Resource Centers, accelerating telemedicine deployment, developing workforce recruitment initiatives, developing web-based information delivery methods, and funding innovative pilot programs.

Spinal Cord Injury

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000).....	$455,702	$496,946	$537,518	$564,394	$40,572	$26,876
Unique Patients.....	13,242	13,383	13,517	13,644	134	127

The mission of Spinal Cord Injury and Disorders (SCI&D) Services is to promote the health, independence, quality of life, and productivity of individuals with spinal cord injury and disorders. This mission is accomplished through the efficient delivery of acute rehabilitation, psychological, social, vocational, medical and surgical care, as well as patient and family education. The mission will be ensured into the future through professional training of residents and students in the care of persons with spinal cord injuries and through focused research endeavors.

Traumatic Brain Injury (TBI) and Polytrauma

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000)						
TBI - All Veterans.....	$203,601	$231,893	$260,915	$287,594	$29,022	$26,679
TBI-OEF/OIF (Included in TBI - All Vets.)....	$44,095	$58,214	$73,591	$89,629	$15,377	$16,038

VA estimates the ten-year costs (2011-2020) for TBI-All Veterans will be over $3.6 billion, and TBI-OEF/OIF will be nearly 1.4 billion.

VA's Polytrauma/TBI System of Care (PSC) is an integrated nationwide network of over 100 facilities with specialized rehabilitation programs for Veterans and Service Members with TBI and Polytrauma. PSC facilities are organized into a four tier system that is designed to ensure access to the appropriate level of rehabilitation services based on the needs of the Veteran. The PSC has 4 regional Polytrauma Rehabilitation Centers (PRC), which serve as hubs for acute medical and rehabilitation care, research, and education; 22 Polytrauma Network Sites (one in each VISN and Puerto Rico), which help coordinate rehabilitation services within their VISN; 82 Polytrauma Support Clinic Teams, that provide specialized evaluation, treatment, and community re-integration services; and 48 Polytrauma Points of Contact, who facilitate referrals and access to PSC services.

VA has expanded the range and reach of services available for Veterans with TBI and Polytrauma in 2009. New or enhanced programs include Assistive Technology Labs, designed to maximize the functional status of Veterans with

disabilities through the use of technology; Emerging Consciousness Programs, serving Veterans who are slow to recover after severe injuries; Transitional Rehabilitation Programs, to help with progress toward living independently after injury; and Telehealth Monitoring for Veterans with mild TBI living in their communities. These are innovative programs that advance clinical services for Veterans with TBI and Polytrauma.

The hallmark of TBI and Polytrauma rehabilitation in the VA is interdisciplinary team interventions by different specialists who contribute their skills and competencies to identifying Veterans' needs and to devising ways to meet those needs. Other important benefits of VA's PSC include care management, patient and family education and training, psychosocial support, and advanced rehabilitation techniques and environment of care that meet the needs and expectations of the new generation of Veterans.

Rehabilitation programs for TBI and Polytrauma available in VA include:

- Acute rehabilitation - high intensity of rehabilitation care typically provided at the PRCs;
- Emerging consciousness program – a highly specialized approach to rehabilitation designed to promote return to consciousness in very severely injured Veterans. This program is implemented at the PRCs;
- Transitional rehabilitation – these programs prepare the person with TBI to return to independent living and to work and are available at the PRCs;
- Subacute rehabilitation – a less intensive level of rehabilitation services, delivered over a longer period of time, and typically provided at the Polytrauma Network Sites and Polytrauma Support Clinic Teams;
- Outpatient therapies - for patients who do not require hospitalization, provided throughout the PSC.

TBI screening and evaluation are VA priorities. National performance measures were in place for 2009 and will continue in 2010 to monitor the implementation of this initiative. Veterans with positive screening results are offered referral for a comprehensive evaluation with specialty providers who can initiate a treatment plan, when appropriate.

VA contributes to the advancement of medical knowledge in the area of TBI and polytrauma through the development of Clinical Practice Guidelines, Consensus Statements, revision of medical coding practices, and implementation of an impressive portfolio of basic science and clinical research protocols.

Women Veterans Health Care

	2009	2010	2011	2012	2010-2011 Inc/Dec	2011-2012 Inc/Dec
Obligations ($000)						
Gender-Specific Health Care.....	$180,328	$199,028	$217,640	$242,905	$18,612	$25,265
Gender-Specific Unique Patients...	159,920	172,420	185,643	198,204	13,223	12,561

VA specifically addresses the overall health care needs of eligible women Veterans by providing appropriate, timely, compassionate and comprehensive health care at every point where the Veterans access care. VA's focus is on continuity of care for women Veterans. In addition to the primary health care provided to every Veteran, VA is ensuring every woman Veteran receives high-quality comprehensive care, both gender neutral and gender-specific care as clinically indicated. Included in gender-specific care are mammography and breast care, reproductive health care (including maternity services), and treatment for all female-specific diagnostic conditions and disorders. The numbers of active-duty military women are at an all-time high and the corresponding numbers of women Veterans enrolling and using VA health care are also increasing. Therefore, VA expects costs associated with this comprehensive care to rise accordingly over the next several years.

Medical and Prosthetic Research

Leading 21st Century Medical Research

Executive Summary

The VA Research and Development (R&D) program plays a key role in advancing the health and care of Veterans and is uniquely positioned to lead a national transformation of American health care. As part of the largest integrated health care system in the United States, VA research draws upon engaged patients and families, committed clinician-scientists, and an unparalleled national health care delivery infrastructure. These resources provide a rich base for VA to deliver the best health care and develop cutting edge medical treatments for Veterans, their families, and the country. Covering a spectrum of topics from pre-clinical to health services research, the VA research program discovers ways to make health care better for Veterans and the nation as a whole. Through VA's focused mission to advance health care for Veterans, VA research can serve as a 21st Century model for how American medicine can be transformed through scientific inquiry and innovative thought.

To fulfill the commitment to provide superior health care to our Veterans and their beneficiaries, VA is requesting $590 million in direct appropriations in 2011, an increase of $9 million, or 1.5%, over the 2010 enacted level. Additional program resources are estimated at $1.3 billion and consist of private and federal grants, including from the National Institutes of Health (NIH), Department of Defense (DoD), and Centers for Disease Control and Prevention (CDC). VA estimates total resources will reach nearly $1.9 billion in 2011. The estimated direct research program employment level is 3,345 full-time equivalents (FTE), with all VA researchers being VA employees. The January pay raise in 2011 is estimated to be 1.4%. A strong VA research budget is imperative to the mission of providing the most advanced, innovative, and hopeful care to our Veterans. It is estimated that VA R&D will support 2,350 projects during 2011.

Appropriation Highlights - Medical and Prosthetic Research
(dollars in thousands)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase/ Decrease
Appropriation	$510,000	$580,000	$581,000	$590,000	$9,000
Obligations	$536,844	$630,000	$611,894	$630,000	$18,106
Average Employment	3,226	3,345	3,345	3,345	0
Employment Distribution					
Direct FTE	2,787	2,864	2,864	2,864	0
Reimbursable FTE	439	481	481	481	0
Total	3,226	3,345	3,345	3,345	0

The following table summarizes Research and Development Program Funding for selected OEF/OIF, Prosthetics, and Women's Health programs.

Selected Research and Development Program Funding
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase/ Decrease
OEF/OIF					
Pain	$11,096	$11,538	$11,538	$12,286	$748
Post Deployment Mental Health	$36,132	$39,672	$39,672	$40,558	$886
Sensory Loss	$20,607	$21,742	$21,742	$23,456	$1,714
Spinal Cord Injury	$27,191	$28,532	$28,532	$31,305	$2,773
Traumatic Brain Injury and Other Neurotrauma	$14,553	$15,411	$15,411	$15,917	$506
Prosthetics	$12,616	$15,895	$15,895	$17,278	$1,383
Women's Health	$10,673	$11,744	$11,744	$12,097	$353

VA R&D has had significant success developing research leading to clinical achievements that improve the health and quality of life for Veterans and the nation. This success enables VA to be at the forefront of producing new transformational approaches and technologies for preventing, diagnosing, and treating disease. VA R&D takes advantage of being fully integrated within the nation's biomedical community through partnerships with academic affiliates, non-profit and commercial entities, and other federal agencies. VA investigators have been very successful in competing for federal grants and leveraging these resources to optimize the national investment in VA medical research.

VA R&D is both Veteran-centric and results driven. Recent successes with direct applications for improved clinical care for Veterans include neuromotor prosthesis for paralyzed patients, the development of an artificial retina for Veterans who lost vision due to retinal damage, and the use of a generic drug (Prazosin) to treat post-traumatic stress disorder (PTSD). Such accomplishments exemplify VA's unique capabilities as an intramural program where initial discoveries at the patient's bedside can be evaluated and tested in the laboratory before returning to the bedside to provide more effective patient care. More than 70% of VA researchers are active clinicians, making them the most keenly aware health care professionals of the unique health care issues our Veterans face.

Medical and Prosthetic Research Program Description

For over 80 years, VA R&D has continued to be a valuable investment with remarkable and lasting returns for Veterans and the nation. VA investigators led the way in developing the cardiac pacemaker, pioneered concepts that led to the development of the Computed Axial Tomography (CAT) scan, and improved artificial limbs. Three Nobel Laureates were VA investigators, and six VA investigators were Lasker Award winners.

One major advantage of VA R&D is that it is an intramural program where clinical care and research occur together under one roof. Because of this, VA can bring scientific discovery from the patient's bedside to the laboratory and back, making this program one of VA's most effective tools for improving the care of Veterans. Embedding research within an integrated health care system with a state-of-the-art electronic health record creates a national laboratory for the discovery of new medical knowledge and the translation of that knowledge into improved health. The fundamental goal is to address the needs of the entire Veteran population from the young recruit who returns with injuries from recent conflicts to the aging Veteran.

VA R&D consists of four main divisions:

Biomedical Laboratory (BLR&D): Supports preclinical research to understand life processes from the molecular, genomic, and physiological level in regard to diseases affecting Veterans.

Clinical Science (CSR&D): Administers investigations, including human subject research, to determine feasibility or effectiveness of new treatments (e.g., drugs, therapy or devices) in small clinical trials or multi-center Cooperative Studies, aimed at learning more about the causes of disease and providing the evidence base for more effective clinical care.

Health Services (HSR&D): Supports studies to identify and promote effective and efficient strategies to improve the organization, cost-effectiveness, and delivery of quality health care to Veterans.

Rehabilitation (RR&D): Develops novel approaches to restore Veterans with traumatic amputation, central nervous system injuries, loss of sight or hearing, or other physical and cognitive impairments to full and productive lives.

While the focus of VA research is benefiting current and future Veterans, other direct stakeholders include Veteran families and caregivers, VA health care providers, Veterans Service Organizations, other components of the Federal research establishment, academic health centers, and practitioners of health care throughout the nation.

21st Century Medicine

One of VA's major initiatives is to perform research and development to provide evidence-based findings that enhance the long-term health and well-being of Veterans. VA can bring scientific discovery from the patient's bedside to the laboratory and back, making this program one of VA's most effective tools for improving the care of Veterans. The fundamental goal is to address the needs of the entire Veteran population from the aging Veteran to the young recruit who returns with injuries from recent conflicts. The initiative requires a balanced portfolio, a commitment to evidence-based results, and adherence to legal and ethical standards. Four areas of research that will be emphasized are deployment health, access to care, personalized or genomic medicine, and comparative effectiveness research.

VA research transforms medicine by uniquely engaging Veterans both as clinical patients and as research volunteers. Through technology, advancements, and

information, research helps transform VA's health care into a leading example of medicine in the 21st Century.

Rural Health / Access / Telemedicine

One of the critical missions of VA research is to identify system-wide gaps in care to Veterans. This includes assessing specific barriers to care for vulnerable populations, including rural Veterans. VA research has demonstrated an explicit focus on access as a component of validating the quality of care in all VA health care services, organizational structures, and mechanisms for delivering care.

Current studies address new telemedicine and telehealth initiatives, community based outpatient clinics (CBOCs), collaborative care models, access for OEF/OIF Veterans, and access to specialized care such as VA rehabilitation services. The development, evaluation, and implementation of new telemedicine technologies represent an important focus of research to improve access to VA health care, particularly for rural Veterans. For example, VA researchers' findings suggest that collaborative care models can be successfully adapted using telemedicine to address rural disparities. This type of research led to expanded implementation of these care models in rural CBOCs. Telemedicine has also been shown to improve access for diabetic retinal screening, quality of care, and management of diabetes at CBOCs.

Current research is looking at implementing telemedicine-based collaborative care for major depressive disorder (MDD) in contract CBOCs, using a telemedicine PTSD intervention to improve outcomes, and expanding access to care for OEF/OIF Veterans from rural areas. This research is also evaluating the effect of telemedicine on physician-patient communication regarding satisfaction, compliance, and patient understanding. Other telehealth research projects are using telemedicine to: improve smoking cessation counseling; manage pressure ulcers in spinal cord injury and disorders; promote weight loss and improved nutrition for obese patients; improve obstructive sleep apnea management via wireless monitoring; and determine the cost-effectiveness of telephone care as a substitute for routine psychiatric medication management.

Increased research in access to care is needed. Little is known about multiple determinants (e.g., patient, geographic, environmental, and VA system factors) that impact access to the VA health care system and specialized VA services, including mental health care and long-term care. Special issues and barriers to access for vulnerable Veteran populations such as rural Veterans and those with unique care needs such as OEF/OIF Veterans with polytrauma are little understood. Evidence-based development of new telehealth technologies,

including new internet based web interventions and other innovations, is critical to facilitate access.

Genomic & Personalized Medicine

Using information on a patient's genetic make-up, care can be tailored to more effectively provide a precise level of care. Research has found that African-Americans respond differently to a drug for congestive heart failure than other populations and VA expects to continue investigating whether genetic influences in disease and/or responses to medications can be used to further advance personalized care. An on-going study aims to identify genes that may confer susceptibility to the development of amyotrophic lateral sclerosis (ALS or Lou Gehrig's Disease), an incurable and rapidly fatal disorder. The study will also look at the interplay between environmental exposures and genetic susceptibility in the development of ALS. This is the first study of its kind to take into consideration such an interaction between genes and environment and their role in ALS and ultimately hopes to provide new knowledge to help with developing new treatments for the disease. As genetic information and analytic technologies grow, the future of advanced health care will rely more on genetic factors, and VA is at the leading edge of such personalized care.

Scientists are also helping to establish VA's leadership in genomic medicine by developing tools that incorporate the latest technologies that make personalized medicine research more feasible. A Pharmacogenomics Analysis Lab (PAL) in Little Rock, AR, is poised to perform pharmacogenomic polymorphic marker testing which identifies how people react to various medications and treatments due to genetic differences. For example, this testing will look at the best drug dosage combinations for patients with certain genetic makeups. Use of this genomic data in combination with Genomic Information System for Integrative Science (GenISIS)—a computer program that will allow for merging clinical information from the electronic health record with a Veteran's genetic information—will enable better tracking between adverse reactions and genetic variations susceptible to those reactions. These tools will provide unprecedented vigilance to the Veteran's researcher and potentially the Veteran's caregiver.

BioBanks

Safely preserving genetic material for research is vitally important to expanding VA's mission for personalized care. VA's DNA bank and biorepository located at the Palo Alto and Boston VA medical centers, respectively, currently have a capacity to hold DNA samples for 100,000 Veterans with some robotic automation to extract those samples for research. The goal is to expand the facility to hold at least 2.5 million samples and to be fully automated within the next two years. This resource is vital for researchers to be able to extract genomic materials and house genomic samples from clinical trials studies. VA is also examining the establishment of a mirror DNA bank at two locations to safeguard samples for emergency needs.

In addition, VA collects brain and rare tissues at its bank at the Tucson VA Medical Center. Brains from patients who died from ALS are donated and stored at this facility for advancing research and include the photoscanning of brain sections, sampling for genomic materials, and other testing. The use of these tissues will be highly valuable as VA researchers venture into genetic profiling and other genetic testing of select tissue regions of diseases such as PTSD, serious mental illness, and ALS that are strongly linked to the central nervous system.

Informatics

As genomics techniques improve and become more cost effective, VA must also harness and utilize the electronic health record, databases and other information technologies to improve the speed and quality of scientific discoveries, increase the return on research investment, develop VA expertise, and integrate genetic research data.

GenISIS, an initiative at the Boston VA medical center, aims to be a repository for the integration of research, genomic, specimen, medical records, and clinical data to improve personalized medicine within the VA. GenISIS will foster a more collaborative environment among VA researchers by making already existing data widely accessible; creating a knowledge database that combines independent research for the repurposing of data for further analyses. In the long term, the goal is to use the integration of clinical data and research data to improve patient care within the VA.

Another project, the Consortium for Healthcare Informatics Research (CHIR), will provide research access to patient information in Computerized Patient Record System (CPRS) narrative text and laboratory reports. CHIR will develop ways VA researchers can use text data from VA's electronic medical records for research purposes. Currently inaccessible without labor-intensive chart review, this information includes outpatient pharmacy records, laboratory reports,

provider notes (e.g., nurses, physicians, physical therapists, and pharmacists), nuclear medicine and radiologic reports and electromagnetic images, family history, discharge summaries, physician orders, vital sign measurements, and medications administered. Data in these fields are rich and provide researchers an opportunity to characterize patients, their health status, and clinical encounters in meaningful detail for knowledge discovery toward improving care.

Further, the Veterans' Informatics, Information, and Computing Infrastructure (VINCI), which is headed up by the Salt Lake City VA Medical Center will eventually serve the entire VA system as a data warehouse, providing improved access to research and clinical data by VA researchers, while minimizing risk of data loss and compromise.

These programs, while in the early stages, are crucial to the success and implementation of the personalized medicine program within VA.

Transforming Health Care through Core Priorities

Transforming health care using scientific evidence requires that research provide critical answers at all levels of a health care system. From the most basic cellular level, to individuals and groups, to the system of clinics, hospitals, and networks that manage and enable the delivery of care, research must span all levels to optimize health care. This systems-based approach enables the coordination of information and priorities necessary to enact large-scale changes in clinical practice. VA researchers are continually conducting investigations that demonstrate this ability in a range of acute and chronic diseases.

Mental Health Research

Mental illnesses are among the most prevalent conditions affecting Veterans of all generations, wars, or conflicts. VA research continues its commitment to defining the most effective mental health treatments. VA investigators have generated many major findings related to behavioral and psychiatric disorders such as schizophrenia, depression, substance use (including alcohol, illicit drugs, and nicotine), suicide prevention, and PTSD. From conducting large clinical trials to supporting center-based research programs to improving care delivery, mental health research continues to be a major priority for the VA research program.

In one line of research, VA scientists are investigating factors related to improving adherence and compliance. This includes studies on anti-depressant adherence among older Veterans, reducing the impact of drug side effects, and a patient-centered approach to improve screening for side effects of second-

generation antipsychotics. Efforts to improve the quality of care for persons with severe mental illness have focused on the inclusion of family members as active participants in the patient's treatment. VA researchers are also evaluating how to best implement an integrated health care approach for Veterans with serious mental illness. Combined with a number of other behavioral and psychological intervention studies, VA has been at the forefront of mental health research that seeks to improve treatment options for clinicians and patients dealing with mental health care needs.

VA research is also striving to identify critical risk factors for major mental health disorders. One unique study is looking at Veterans who were deployed to Iraq as active duty Army, National Guard, or Reservists who had baseline physical and mental health assessments before deployment. Planned follow up studies will determine the effect of the combat experience on mental health, emotions, reactions, and cognition – shortly after return from Iraq as well as over ensuing years. Other on-going efforts examining the long-term mental health and associated risk factors include a 20-year follow up of Vietnam era male twins to determine PTSD outcomes, depression, and substance abuse. These efforts will provide rich data for a complete and comprehensive understanding of our Veterans' mental health needs now, the short and long-term medical consequences of deployment, and highlight important considerations for diagnostics and treatment studies.

Research is also changing how care is provided to individuals with less access to treatment facilities or providers. VA investigators successfully adapted a collaborative/team care approach to treat depression in older Veterans using telemedicine to address rural health disparities. Subsequently, this study provided the support for implementing telemedicine-based collaborative care in hundreds of small rural CBOCs that do not have on-site mental health specialists.

Suicide Prevention

VA is working to better understand risk factors associated with suicide and the optimal means to prevent suicide. VA investigators focused on suicide prevention recently reported a correlation between chronic pain and suicide suggesting an important risk factor and highlighting a potentially at-risk group. VA research also found that lithium treatment for bipolar disorder is associated with higher rates of suicidal ideation and related attempts. Additional research is ongoing to evaluate the effectiveness of suicide hotline interventions, firearm safety, and how to care for Veterans receiving treatment for substance use disorder and depression who express suicidal thoughts.

Post-Traumatic Stress Disorder (PTSD)

In a major recent scientific advance, VA investigators demonstrated a new use of the drug Prazosin for relief of sleep disturbances and nightmares associated with PTSD. While Prazosin has long been approved for treating hypertension, a small study by VA scientists at the Seattle VA medical center found it was also effective for Veterans with PTSD. Once the initial report was published, VA moved quickly to plan a large, definitive multi-site clinical trial that is currently underway. This potential new use of an inexpensive and commonly used drug may provide an important new resource for treating PTSD symptoms.

Another exciting area of VA's research program with the potential to transform the treatment of PTSD is examining whether one or more genes are associated with PTSD. Findings in this area may help focus treatment targets and develop new ways for specifically addressing PSTD. A pilot study is currently underway to develop an appropriate battery of questions, determine instrument reliability and validity, and evaluate the best approaches to collect genetic materials and enroll participants.

Veterans often have high rates of comorbid disorders occurring simultaneously when they deal with psychiatric or medical problems. For example, chronic pain, PTSD, and substance abuse may occur together, making accurate diagnosis critical to ensure the most effective treatment is provided. VA researchers are using many different state-of-the-art neuro-imaging techniques and other diagnostic assessments to develop differential diagnostic standards that will direct approaches to care.

Overall, VA's comprehensive mental health research portfolio addresses the most challenging questions related to mechanisms of onset, risk factors, treatment, and delivery of care. As VA continues to pursue these efforts, future research will seek to develop and evaluate new modes of treatment including pharmaceutical, psychosocial, telehealth, and computer/Web-based approaches. These efforts enable Veterans to benefit from the best care leading to recovery.

Combat is emotionally and physically challenging. Post-war adaptation ranges from trajectories of successful post-war function or even growth, to functional disability and chronic PTSD. Prior research has been retrospective, cross-sectional and insular, predominately focusing on single systems (psychiatric, psychosocial or biological), which constrains causal inference and limits useful information. The objective of this program is to complete a series of three prospective, longitudinal, interrelated projects that seek to understand better risk and resilience in a cohort of at least 1,600 Marines. The primary programmatic aim is first, to identify the individual, social, and deployment factors that predict

trajectories of mental health response, particularly PTSD, and secondly, by integrating and analyzing data across studies, to accomplish a broader multi-system understanding of the phenomenology of adaptation to stress.

Research for Women Veterans

As the number of women Veterans grows past 1.8 million, or roughly 8% of the Veteran population, it is critical for VA to have the evidence base for guiding women's health care. Current VA research is examining the complex interaction of physical and mental health, effects of military service, military sexual trauma (MST), PTSD, barriers to care, and the impact of VA's organization and structure of health care delivery to women Veterans, especially to address the needs of OEF/OIF women Veterans.

Research on the perceptions of women Veterans about VA care show that gender-related barriers to care remain. Younger women Veterans are more likely to use VA health care but are also more critical about that care than older VA health care consumers, and those who did not use VA care expressed reservations about VA's quality of care. This research led to the first national survey of women Veterans since 1985 to amass comprehensive data on health care needs and VA experiences, differences among cohorts of women Veterans by military era, and women Veterans' preferences and perceptions about access and quality. A follow-up study is further examining the patterns, barriers, and influences on ambulatory care use by women Veterans with different levels of physical and/or mental health disease burden, as well as determinants of gender differences and gaps in VA use.

Screening, treatment and health consequences of sexual assault, MST, and other trauma on women Veterans are important components of VA's research portfolio. An early-stage evaluation of VA's MST screening program demonstrates the importance of universal screening to guide the best mental health and behavioral health treatment. Screening also promotes detection and treatment of this kind of trauma, ultimately leading to better care and access to mental health care. Follow-up studies are examining the prevalence of MST in Veterans returning from Iraq and Afghanistan and the association of MST with mental health diagnoses and risk of depression, PTSD, and substance use disorders.

In the largest randomized clinical trial to date involving women Veterans with PTSD, VA scientists and colleagues demonstrated that prolonged exposure, a type of cognitive behavioral therapy, is an effective treatment for PTSD in female Veterans and active-duty military personnel. Women who received this therapy experienced greater reduction in PTSD symptoms, were more likely to no longer meet the PTSD diagnosis criteria, and were more likely to achieve total remission.

As a result, VA's Office of Mental Health is supporting a national rollout of training in prolonged exposure therapy.

"My name is Jennifer Olds and I served honorably in the Army from 1990-1992 during the Gulf War and returned home with PTSD. When I got out of the military, I went to the Portland VA Hospital in Oregon to get my health care and still get my care there today. After I returned home from my Gulf War service, I found that my PTSD was significantly negatively impacting my daily life. So in an attempt to overcome it, I decided to participate in a research study through the VA that evaluated two different types of therapy. One of the therapies was called 'exposure based therapy' and I soon discovered this type of therapy would have a profound and positive impact on my life. The therapy encouraged and enhanced my ability to change in ways I could have never achieved on my own. I am now able to do things I haven't been able to do in a long time. The research experience encouraged me to look ahead to new platforms on which to build more and more positive changes. I will be forever grateful for the opportunity the VA research study and therapy gave me, and I know other Veterans have received the same positive, life-changing outcomes as I did."

Armed with this growing and comprehensive body of research, VA is working to transform care for women Veterans through a research infrastructure focused on intervention, implementation, and dissemination of best practices centered specifically on this important population.

Regenerative Medicine

The goal of regenerative medicine is to restore function to Veterans with disabling injuries and medical conditions such as spinal cord injuries, chronic pain, Parkinson's disease, and hearing loss. To help achieve this, VA employs prominent physicians nationwide to study innovative treatments to improve the lives of Veterans.

Neurodegenerative Diseases

Major advances in biotechnology have made a new age of molecular medicine possible. The emerging field of stem cell biology provides yet another avenue for scientists to explore when pioneering novel therapeutic interventions. VA researchers are using new molecular tools and cellular technologies to develop more effective therapies and new rehabilitative strategies for a variety of neurodegenerative conditions that affect Veterans such as Parkinson's disease, Alzheimer's disease, and Amyotrophic Lateral Sclerosis (ALS).

Scientists at the Baltimore VA medical center are pioneering methods for the precise delivery of therapeutic genes to the brain for the treatment of Parkinson's

disease. The goal is to develop methods for delivering therapeutic genes or genetically modified stem cells directly to the site of neurological damage in order to encourage the growth of new neurons to replace those damaged by disease progression. These next-generation molecular and cellular therapies, along with definitive studies on surgical options such as deep brain stimulation, will lead to better treatment options and rehabilitation outcomes for Veterans suffering from neurodegenerative disorders.

VA in collaboration with the National Institute for Neurological Disorders and Stroke completed a 6 year study on deep brain stimulation (DBS) for Parkinson's disease with very exciting results. The study included 255 Parkinson's patients at seven VA medical centers and six university hospitals. The study found that patients gained an average of 4.6 hours a day of good motor control and few or no involuntary movements, and 71 percent of DBS patients showed significant gains in motor function compared with only 32 percent of drug therapy patients. The results, which were published in the Journal of the American Medical Association, hold significant implications for the treatment of this disabling disease and received extensive media coverage.

Sensory Loss

Impairment or loss of hearing or vision degrades a person's ability to communicate, navigate, and thereby fully participate in the world. The overarching goal of VA's sensory research program is to restore as much function as possible through technology and training.

VA's hearing research program currently supports work in a number of areas. VA scientists are developing computer-based and tele-rehabilitation auditory training approaches, as well as gaining a better understanding of how speech is processed in the central auditory pathways and how noise interferes with speech processing to inform hearing aid and cochlear implant signal processing schemes. VA also supports studies aimed at discovering ways to protect the auditory system from excessive noise exposure.

Tinnitus (a ringing noise in the ear) is experienced by 3-4 million Veterans. It is one of the most common conditions in returning OEF/OIF Veterans due to blast exposure. Studies confirm that traumatic brain injury (TBI) is a definite risk factor for tinnitus. Physicians at the Portland VA medical center are developing an objective diagnostic test for identifying tinnitus, which is currently done by self-report. Preliminary test results show different responses between people who do and do not have tinnitus, suggesting that a more formalized test can be developed. Elsewhere, a computer-automated, fully documented test, known as the Tinnitus Perception Test (TPT) for tinnitus identification is being tested and would be a major breakthrough in diagnostic capabilities for clinicians in VA.

VA also supports a broad portfolio of vision-related research such as wayfinding (i.e., maneuvering in the environment) for low vision and blind Veterans that allows them to navigate independently in various environments. This includes the use of talking Braille signs, global positioning systems, and virtual reality training systems to use in rehabilitation activities. For more advanced research, progress is being made on the development of an artificial retina for those who lost vision due to retinal damage.

Future planned research includes visual robots for orientation and wayfinding of low vision and blind Veterans; further development of retinal implant technology; and rehabilitation strategies for Veterans with dual sensory impairment (vision and hearing), which is occurring due to trauma, as well as age-related phenomena.

Comparative Effectiveness Research

Comparative effectiveness research (CER) seeks to provide better information on different interventions and strategies to prevent, diagnose, treat and monitor health conditions. The evaluation of options for diagnosing, treating, and/or delivering care is essential for a health care system to ensure the provision of optimal care. CER has been a hallmark of VA research for decades and is a prime example of how VA's combined approach involving research and health care is able to lead national health care reform efforts. Given its large, integrated health care system, established research infrastructure, and a demonstrated ability to conduct high impact CER that can be more directly translated and implemented into clinical practice, VA provides an ideal environment for CER. Three major elements drive VA CER efforts:

1) The Cooperative Studies Program (CSP), which conducts national, multi-site clinical trials and epidemiological studies comparing different treatments on health outcomes and costs.

2) A large portfolio of health-systems-oriented projects that examine questions related to health care delivery and quality of care. VA researchers also possess expertise in using the VA electronic health record and other large databases essential for efficiently comparing commonly used treatments in real-world settings.

3) The Quality Enhancement Research Initiative (QUERI), a program which seeks to improve Veteran health care by studying and facilitating the implementation and spread of evidence-based clinical practices and research findings into routine clinical practice in the VA. The QUERI program has provided critical information on what it takes to actually translate the findings of CER into more effective and more cost-effective care.

CER studies often use findings from laboratory or clinic-based research in order to take the critical step for impacting and informing clinical practice. Overall, these efforts are representative of the full spectrum of a health-care driven research program and are part of a larger program involving several research approaches to address questions in all major disease areas affecting the Veteran population. Priority areas include:

Diabetes Research

Diabetes affects nearly 20% or roughly one million Veterans within the VA health care system. Furthermore, diabetes is the leading cause of blindness, end-stage renal disease, and amputation in the VA. Given the impact of diabetes and its complications, VA supports an innovative and comprehensive diabetes research program directed at a range of immediate clinical concerns such as hyperglycemia, glaucoma, and high blood pressure, long-term complications such as amputation and kidney failure, and care delivery issues through a range of facilities such as outpatient clinics, nursing homes, and home-based care.

VA investigators continue to examine mechanisms and risk factors for one's susceptibility to diabetes and its complications. In addition to cellular and molecular-based research, VA is supporting genetic studies on this complex disease, including one that is measuring gene expression and insulin resistance simultaneously in human fat, muscle, and blood samples from Mexican American Veterans and their family members.

In a recently completed, groundbreaking, 7 year multi-site clinical trial, VA investigators found that intensive blood sugar control, primarily using higher doses of medication, did not cut cardiovascular risks compared with recommended targets in older patients with long standing diabetes (N Engl J Med 2009;360:129-39). The trial also found that an intensive approach provided no added benefits for the kidneys or eyes which are often harmed by the high blood sugar levels in poorly-controlled diabetes. Altogether, these findings informed physicians on how to manage this complex disease and are helping to change prevailing thought that a more intensive approach is always more advantageous.

Since prevention efforts offer the greatest potential for reducing costs and complications from diabetes, an ongoing study is using VA data to develop more efficient and effective strategies for identifying patients with "pre-diabetes". However, much work is still needed to understand the comparative benefits, risks, and costs of different regimens for patients with diabetes and other complicating conditions such as heart failure, kidney disease, or depression. At a system level, testing the next generation of performance measures will drive steady improvement while

also rewarding clinicians for appropriately tailoring treatments to the individual patient.

Infrastructure

In response to Congressional language in 2006, ORD established the Research Infrastructure Evaluation and Improvement Project, headed up by the VA. Seventy-three VA research stations with substantial research programs have been identified for evaluation. An engineering and architectural firm in Omaha, NE, has been retained to assist VA leadership in on-site assessment to identify structural and mechanical deficits. As of June 15, 2009, 47 sites in 19 VISNs have been surveyed, with the remaining sites to be surveyed by the end of 2010. The assessment team has been generating reports on any deficiencies found, the cost of repair, and the priority ranking of deficiencies. Major deficiencies found so far include architectural defects, such as leaking roofs and exterior walls, and aging electrical and mechanical systems, while the majority of research stations need more space. Many stations would benefit from substantive renovation and in some cases, new construction may be necessary.

Cutting Edge Care for Those Who Have Bourne the Battle

VA research is transforming medical care by directly addressing Veteran-specific health care needs that arise from deployment and battle. Because a majority of Veterans involved in VA research also receive health care from VA, our health care providers have the expertise and insight to treat these health problems and define areas that need for further scientific investigation. VA research priorities in this area include:

Rehabilitation Engineering, Prosthetics/Orthotics

VA supports a wide array of research in engineering and technology to improve the lives of Veterans with disabilities. This includes research on "classical prosthetics" to replace an amputated limb, to more advanced "neural prostheses." Neural prostheses are an exciting technology which allows a person with paralyzed legs to walk through the electrical stimulation of muscles. VA works diligently to ensure that the prosthetics research portfolio is aligned with the needs of our Veterans and that whenever possible, successful outcomes of research result in products available to Veterans.

VA's rehabilitation portfolio includes several centers of excellence, which provide the environments for investigators to collaborate and mentor other young scientists in rehabilitation-relevant disciplines. The centers are organized around specific areas of investigation critical to the rehabilitation of Veterans with

disabilities. Within the centers, research is being carried out on a number of cutting edge technologies such as: advanced wheelchair designs; regenerative medicine to re-grow vital nerve connections and body tissues; limb loss prevention and the creation of advanced prosthetic limbs powered by batteries and controlled by computer microprocessors, with the ultimate goal of direct control of the prosthetic device by the patient's own brain; creation of prosthetic retinas to restore vision to Veterans with macular degeneration; stroke and traumatic brain injury repair and rehabilitation; and spinal cord injury and its medical complications.

VA's prosthetics research will continue to develop new and inventive technologies, while moving others into manufacture and commercial distribution in the VA tradition of bringing innovation from the laboratory to the Veteran.

VA is conducting a three year "optimization study" of the advanced prosthetic arm developed by DEKA Integrated Solutions Corporation through funding from the Defense Advanced Projects Agency (DARPA). Veterans who have lost an arm will be fitted with the robotic arm, receive training and use the arm for daily activity over 2 weeks. Their feedback – collected and analyzed by VA researchers – will help DEKA engineers refine the prototype. The goal is to create an arm that performs and feels like a natural limb. This arm is already lauded as one of the most functional and hopeful arm prosthetics and Veterans who suffer from an upper amputation injury are the best to perform this study.

Gulf War Veterans' Illnesses

Soon after Veterans began returning from the Gulf War, VA recognized that while there were few visible casualties, many individuals returned from this conflict with unexplained medical symptoms and illnesses. Currently, diagnosis of Gulf War Veterans with these chronic multi-symptom illnesses relies on symptoms in a case by case situation because no objective laboratory tests can distinguish ill from healthy patients. In addition to the difficulties in diagnosing, few if any effective treatments are currently available.

VA supports a Gulf War research portfolio dedicated to understanding chronic multi-symptom illnesses, long-term health effects of potentially hazardous substances to which Gulf War Veterans may have been exposed during deployment, and conditions or symptoms that may be occurring with higher prevalence in Gulf War Veterans, such as ALS, multiple sclerosis, and brain cancer.

VA research ranges from discovering genetic markers, to advanced neuro-imaging procedures, to altered protein profiles in blood or cerebrospinal fluid. A major focus of VA's Gulf War research portfolio is to identify objective markers

(i.e., biomarkers or tests) that can distinguish ill Gulf War Veterans from their healthy counterparts. Such biomarkers may provide critical clues to understand the mechanisms responsible for how and why these Veterans are ill; identify new avenues of research to find new therapies; and provide objective measures to test the effectiveness of new therapies.

VA is committed to funding new clinical trials to identify therapies for ill Gulf War Veterans. VA recently requested applications from researchers interested in conducting trials to test treatments used for other chronic multi-symptom illnesses such as chronic fatigue syndrome and fibromyalgia. The results of these and other clinical investigations, together with new discoveries based on the use of the newest and most advanced technology, are expected to lead to improved treatments and a better quality of life for Gulf War Veterans.

Traumatic Brain Injury (TBI)

Service members wounded in Iraq and Afghanistan are surviving in greater numbers than in previous conflicts due to advances in body armor, battlefield medicine, and rapid evacuation and transport. As a result, more Veterans are living with the disabling effects of these injuries, including TBI. Because injuries to the brain can result in serious long term or even lifelong effects, research to facilitate improved recovery is essential to ensuring the best possible quality of life for returning Veterans with TBI.

VA supports a range of research aimed at improved diagnosis and rehabilitation of Veterans who suffer from TBI. This includes the development and application of improved technologies for both structural and functional imaging of the brain. Technologies include the use of magnetic resonance imaging (MRI) and diffusion tensor imaging (DTI). Research to better "map" the brain changes associated with specific deficits after TBI is helping to better understand the biology of long-term TBI-related deficits and develop more effective evidence-based rehabilitation strategies to maximize the social and personal well-being of Veterans with TBI. These imaging studies are also helping to define the nature of blast-related TBI, which until now has been poorly understood.

In addition, VA research is developing injury-specific treatments for TBI. Some of the most common and disabling consequences of brain injury are deficits in cognition, including selective attention which affects learning, planning, organization, and problem-solving. VA researchers in San Francisco developed a computer assisted intervention to improve selective attention among Veterans with TBI and are using MRI to track actual improvements in brain function associated with the intervention. Tests are also being conducted to determine the efficacy of blocking cell death pathways in models of TBI.

New VA research suggests that modern driving simulators may be useful in cognitive rehabilitation because they can systematically present realistic and interesting tasks that approximate driving activities, while automatically tracking performance. Novel applications of the use of driving simulators and other virtual reality techniques are being applied to develop interventions to improve cognitive abilities and reduce the impact of secondary conditions often associated with TBI such as alcohol dependence. Since TBI and PTSD frequently co-occur, this research may also have implications for diagnosis and treatment of Veterans with PTSD.

VA supports a career development program for young investigators that will further develop our portfolio in rehabilitation of Veterans who suffer from TBI. Young VA scientists are being mentored in such groundbreaking areas as: neural plasticity and neural rehabilitation, innovative neuro-imaging techniques to better diagnose TBI, the interrelationship of TBI with PTSD, and clinical strategies to enhance neurological assessment and recovery.

Spinal Cord Injury (SCI)

VA researchers are studying a variety of ways to help Veterans recover or rehabilitate after a SCI. Several teams of VA researchers have been tasked to address the issue of functional recovery. A team at the San Diego VA Medical Center pioneered the use of combinational therapies to treat SCI with a focus on the recovery of upper limb function. This is an area of vast importance to returning OEF/OIF Veterans as well as older Veterans who are suffering from a stroke. The team recently demonstrated the feasibility of using gene therapy to deliver neurotrophic factors to damaged neural tissue to promote repair and recovery of function.

Along with clinical care in VA's polytrauma centers and other points of care, stem cell research and other SCI research will lead to breakthroughs for those living with this disorder. The ability will also exist for such breakthroughs in other neurological disorders such as stroke and multiple sclerosis.

Pain

Chronic pain is a common condition afflicting many Veterans and is a very important area of research to the VA. Additional research is needed to identify pain generators to more effectively ameliorate acute pain and to develop better treatments for chronic pain. VA research staff work closely with the DoD on finding gaps and better ways to treat soldiers during the post-deployment transition.

Over 20% of new recruits in the military are women. A research team at Oklahoma VA Medical Center found significant differences between males and females in the sensitivity to the tolerance to pain, especially gastrointestinal pain. By studying the mechanism underpinning the differential tolerance to pain, these investigators hope to develop a better understanding of the interaction among pain perception, hormonal status, and cognitive function.

With advanced body armor, OEF/OIF soldiers suffer burns mostly on their face and hands, unlike the burns suffered by the civilian populations. In addition, combat related injuries of OEF/OIF soldiers often result in polytrauma (combinational injuries) involving TBI, SCI, and others. VA sponsors rehabilitative research in addition to other standard medical research to improve quality, outcomes, and efficiency of care for these Veterans. In one study, a research team at the San Antonio VAMC is partnering with DoD to assess the long-term outcome of OIF/OEF Veterans with burns and polytrauma.

The long-term goal of this VA pain research is to incorporate pain treatment as part of a new standard of care and to increase the awareness among providers and care givers.

R&D Investment Criteria: Management and Performance

- **Management**

Research Integrity—PRIDE

VA's Program for Research Integrity Development and Education (PRIDE) provides support for VA research programs, institutional review boards (IRBs), investigators, and patients participating in research. Research patients take special risks to help not only themselves but other Veterans and all Americans. Through PRIDE, VA has strengthened its culture of ethical research conduct and protection through policy development, education, accreditation, and a VA Central IRB.

The VA Central IRB oversees VA research that is conducted at multiple VA facilities and offers many advantages over using multiple local IRBs. The VA Central IRB reviews the entire research project to ensure consistent implementation and communication across VA facilities. This sharing of information and best practices among VA facilities and VA researchers will stimulate standardization in research oversight and improve protections for research subjects. Further, researchers spend less time working with IRBs at

multiple locations involved in studies, leaving more time to do research and, ultimately, to get quicker research results.

In addition, each VA facility conducting human research must have an outreach program to enhance understanding of human research by participants, prospective participants, and their community. PRIDE facilitates outreach to Veterans by developing and distributing materials to VA facilities and directly to Veterans about research volunteer rights and responsibilities.

Establishing a Quality-Based Clinical Research Program

The Cooperative Studies Program, VA's research division that specializes in multi-site clinical trials and epidemiological research, has also launched a nation-wide initiative among its coordinating centers to become International Organization of Standards 9001:2008 (ISO) certified. ISO certification is widely accepted by leading organizations in both private and public sectors as a mark of quality and represents the highest standards for systems management and improvement. Many processes and elements are linked to those set forth under the Malcolm Baldrige National Quality Award given by the National Institute for Standards and Technology (NIST) and achieving certification indicates the highest level of quality for VA research.

Systems Engineering to Improve the Processes of Care

Operational Systems Engineering (OSE) tools and techniques are increasingly being applied to help untangle the complexities and lead to a deeper understanding of the dynamics of health care systems and subsystems. VA R&D has been working closely with the Systems Redesign Program of the Office of the Deputy Undersecretary for Health for Operations and Management to create a coordinated operations and research based program. This program will be used to design and optimize system performance to meet quality goals such as safety, patient centeredness, and timeliness, while improving prediction, measurement, and management to meet cost, access, productivity, and other performance goals. The Systems Redesign Program recently funded four Veteran Engineering Resource Centers (VERCs). VA is developing a research initiative that will encourage the merging of disciplines such as industrial engineering, operations research, human factors engineering, financial engineering/risk analysis, computer science, and engineering, with the tradition of high quality health services research to more fully understand and improve design, analysis, and control of complex health care processes and systems.

Provider Education to Improve Health Outcomes

Health care providers are committed to providing the best care possible for patients. Thus, recent reports from the Institute of Medicine that highlight the chasm that lies between the health care we have and the health care we could have sparked a reexamination of links between educational interventions for health professionals, actual practice patterns, and patient outcomes. The emphasis on quality improvement and patient safety has provided the clinical focus necessary to catalyze these reflections; in addition, the public investment in education for health care providers is substantial and questions of value cannot be overlooked in discussions of quality. VA supports over 100,000 health trainees annually at a cost of over $1 billion and supports approximately 3 million hours of continuing education (CE) per year for over 75,000 employed health care providers. Yet we still don't fully understand the ways in which the process, content, and context of education may influence an individual health care provider's clinical performance in order to translate into improved outcomes for patients.

Conducting research on educational interventions for health professionals is challenging. Researchers face multiple conceptual, cultural, regulatory, and financial barriers as well as methodological challenges. In addition, there are few organizing, programmatic theories of health professions education and fewer still that assess effects on outcomes at the level of the individual patient and family, patient population, or health care system.

ORD, in collaboration with the Office of Academic Affairs (OAA) and the Employee Education System (EES), has therefore embarked on the ambitious goal of encouraging research that identifies training and educational interventions that measurably improve patient outcomes. We anticipate that outcomes of particular interest could include patient health outcomes, patient safety, and patient expectations and experiences of care.

Genomic Medicine Program Advisory Committee

To ensure that VA genomic medicine research efforts continue to lead the transformation of clinical practice and thought, the Genomic Medicine Program Advisory Committee (GMPAC), a Federal Advisory Committee Act chartered committee was established in 2006. The distinguished members of this committee include internationally recognized leaders in the fields of medical genetics, genomic technology, health information technology, healthcare delivery, policy, program administration, and legal counsel. This group regularly evaluates and provides recommendations on scientific and ethical issues related to the VA Genomic Medicine Program to further VA's medical research.

Performance-Based Management

The VA R&D Investment Criteria provides a framework for deciding whether to modify, terminate, or expand programs. Use of these criteria positively affected VA research management in concrete ways to benefit the Department and the taxpayer. Some examples include:

- VA R&D is transitioning to electronic submission and review of research proposals through *Grants.gov* and *eRA Commons* using the government-wide form and data set for research proposal applications. This allows applicants to use standard forms regardless of the program or agency to which they are applying, reducing the administrative burden on the federal grants community. VA expects to save significant amounts of paper each year and countless hours of human effort involved in paper-based submission and data collection. VA also expects to improve data quality through electronic validations and create a comprehensive repository of data that can be mined by knowledge management and other tools.

- Research programs and centers are established only on a competitive basis and their performance is regularly reevaluated through explicit review. This review is part of a performance-based evaluation to ensure research programs continue to bring added value, productivity, and improved services to VA. For example, HSR&D will initiate uniform competitive review cycles beginning in 2011 for all Research Enhancement Awards Programs (REAPs), and in 2012 for all its Centers of Excellence.

Designated Research Areas

Designated Research Areas (DRA) represents areas of particular importance to our Veteran patient population. The funding shown below for individual DRAs does not necessarily encompass all research funding related to a particular subject. For example, funding for mental health research activities includes not only the Mental Illness DRA, but also funding from other DRAs such as Aging, Health Systems, Special Populations, Military Occupations & Environmental Exposures, Substance Abuse, Autoimmune, Allergic and Hematopoietic Disorders, CNS Injury and Associated Disorders, and Dementia and Neuronal Degeneration DRA.

Appropriations by Designated Research Areas
(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase/ Decrease
Acute & Traumatic Injury	$25,648	$45,735	$29,219	$29,671	$452
Aging	$37,781	$51,172	$43,041	$43,707	$666
Autoimmune, Allergic & Hematopoietic Disorders	$11,323	$17,136	$12,899	$13,099	$200
Cancer	$33,058	$40,833	$37,660	$38,244	$584
CNS Injury & Associated Disorders	$27,191	$38,793	$30,976	$31,456	$480
Degenerative Diseases of Bones & Joints	$10,328	$8,261	$11,766	$11,948	$182
Dementia & Neuronal Degeneration	$22,652	$11,926	$25,806	$26,205	$399
Diabetes & Major Complications	$34,930	$34,293	$39,793	$40,409	$616
Digestive Diseases	$11,370	$14,060	$12,953	$13,154	$201
Emerging Pathogens/Bio-Terrorism	$1,306	$844	$1,488	$1,511	$23
Gulf War Veterans Illness*	$21,839	$21,000	$24,879	$25,265	$386
Health Systems	$29,659	$37,943	$33,788	$34,311	$523
Heart Disease	$53,094	$34,156	$60,486	$61,422	$936
Infectious Diseases	$21,283	$24,018	$24,246	$24,622	$376
Kidney Disorders	$14,678	$15,827	$16,721	$16,980	$259
Lung Disorders	$10,221	$8,984	$11,644	$11,824	$180
Mental Illness	$71,682	$73,754	$81,661	$82,926	$1,265
Military Occupations & Environ. Exposures	$4,110	$21,615	$4,682	$4,755	$73
Other Chronic Diseases	$1,925	$718	$2,193	$2,227	$34
Sensory Loss	$20,607	$21,742	$23,476	$23,839	$363
Special Populations	$23,738	$25,238	$27,043	$27,462	$419
Substance Abuse	$21,577	$31,952	$24,580	$24,963	$383
Total	$510,000	$580,000	$581,000	$590,000	$9,000

*New Designated Research Area directed by Congress, previously included under Military Occupations and Environmental Exposures.

Because many research activities involve more than one particular subject (e.g., a study about diabetes may also involve aging), many individual research projects involve more than one DRA. Therefore, the sum of the projects shown in the "Projects by Designated Research Areas" table below exceeds the number of distinct projects actually supported.

Projects by Designated Research Areas

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase/ Decrease
Acute & Traumatic Injury	137	264	145	145	0
Aging	201	260	213	213	0
Autoimmune, Allergic & Hemaptopoietic Disorders	67	110	71	71	0
Cancer	182	302	193	193	0
Central Nervous System Injury & Associated Disorders	122	334	129	129	0
Degenerative Diseases of Bones & Joints	54	62	57	57	0
Dementia & Neuronal Degeneration	117	100	124	124	0
Diabetes & Major Complications	177	163	188	188	0
Digestive Diseases	74	111	79	79	0
Emerging Pathogens/Bio-Terrorism	8	26	8	8	0
Gulf War Research Illness*	22	110	23	23	0
Health Systems	119	207	126	126	0
Heart Disease	288	215	306	306	0
Infectious Diseases	122	115	129	129	0
Kidney Disorders	77	81	82	82	0
Lung Disorders	57	90	61	61	0
Mental Illness	355	265	377	377	0
Military Occupations & Environ. Exposures**	26	113	28	28	0
Other Chronic Diseases	10	28	11	11	0
Sensory Loss	96	154	102	102	0
Special Populations	121	80	128	128	0
Substance Abuse	122	147	129	129	0

**Includes Gulf War Illness

*New Designated Research Area directed by Congress, previously included under Military Occupations and Environmental Exposures.

Obligations by Sub-Activity

(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase/ Decrease
Research Programs (Investigator Initiated).....	$358,474	$452,979	$428,071	$443,998	$15,927
Career Development.....	$44,761	$58,669	$45,209	$45,661	$452
Centers of Excellence.....	$55,470	$49,874	$56,024	$56,584	$560
Special Research Initiatives.....	$5,744	$5,995	$5,995	$6,397	$402
Service Directed Research.....	$6,136	$2,354	$6,197	$6,258	$61
Research Compliance (PRIDE).....	$4,688	$3,459	$5,011	$5,061	$50
R&D Specific Costs.....	$61,571	$55,387	$65,387	$66,041	$654
Franchise Fund.....	$0	$1,283	$0	$0	$0
Total Obligations.....	$536,844	$630,000	$611,894	$630,000	$18,106
Appropriation.....	$510,000	$580,000	$581,000	$590,000	$9,000

Projects by Sub-Activity

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase/ Decrease
Research Programs (Investigator Initiated).....	1,598	1,790	1,790	1,790	0
Career Development.....	463	460	460	460	0
Centers of Excellence.....	98	93	93	93	0
Service Directed Research.....	34	7	7	7	0
Total Projects.....	2,193	2,350	2,350	2,350	0

Obligations by Object

(dollars in thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase/ Decrease
Personal Services	$290,474	$311,147	$310,225	$318,290	$8,065
Travel & Transportation of Persons	$5,679	$8,018	$8,018	$8,318	$300
Transportation of Things	$244	$344	$344	$349	$5
Communication, Utilities & Misc	$2,564	$3,080	$3,080	$3,127	$47
Printing & Reproduction	$564	$807	$807	$816	$9
Other Services:					
Medical Care Contracts & Agree. w/Insts. & Orgs	$36,283	$61,390	$61,390	$67,893	$6,503
Fee Basis - Medical & Nursing Services, On-Station	$191	$982	$982	$993	$11
Consultants & Attendance	$22,675	$18,442	$18,442	$19,146	$704
Scarce Medical Specialist	$447	$2,069	$2,069	$2,095	$26
Repair of Furniture & Equipment	$2,296	$1,984	$1,984	$2,010	$26
Maintenance & Repair Services	$502	$660	$660	$668	$8
Administrative Contractual Services	$87,341	$111,282	$94,098	$93,902	($196)
Training Contractual Services	$2,667	$1,055	$1,055	$1,057	$2
Subtotal	$152,402	$197,864	$180,680	$187,764	$7,084
Supplies & Materials	$44,548	$50,922	$50,922	$52,340	$1,418
Equipment	$40,295	$57,513	$57,513	$58,687	$1,174
Lands & Structures	$74	$305	$305	$309	$4
Total Obligations	$536,844	$630,000	$611,894	$630,000	$18,106

Medical and Prosthetic Research
(dollars in thousands)

Appropriation	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase/ Decrease
Medical research and support, current leg	$510,000	$580,000	$581,000	$590,000	$9,000
Budget Authority	$510,000	$580,000	$581,000	$590,000	$9,000
Reimbursements	$36,804	$50,000	$40,000	$40,000	$0
Budget Authority (Gross)	$546,804	$630,000	$621,000	$630,000	$9,000
Adjustments to obligations:					
Unobligated balance (SOY):					
No-year	$990	$500	$848	$0	($848)
2-year	$40,028	$39,500	$59,102	$70,000	$10,898
Supplemental	$1,396	$0	$944	$0	($944)
Emergency Designation	$9,224	$0	$0	$0	$0
Subtotal unobligated balance (SOY)	$51,638	$40,000	$60,894	$70,000	$9,106
Unobligated balance (EOY):					
No-year	($848)	$0	$0	$0	$0
2-year	($59,102)	($40,000)	($70,000)	($70,000)	$0
Supplemental	($944)	$0	$0	$0	$0
Subtotal unobligated balance (EOY)	($60,894)	($40,000)	($70,000)	($70,000)	$0
Change in Unobligated balance (non-add)	($9,256)	$0	($9,106)	$0	$9,106
Unobligated balance expiring (lapse)	($704)	$0	$0	$0	$0
Obligations	$536,844	$630,000	$611,894	$630,000	$18,106
Obligations	$536,844	$630,000	$611,894	$630,000	$18,106
Obligated Balance (SOY)	$208,711	$237,708	$198,136	$218,604	$20,468
Obligated Balance (EOY)	($198,136)	($266,992)	($218,604)	($232,851)	($14,247)
Adjustments in Expired Accounts	($3,239)	$0	$0	$0	$0
Chg. Uncol. Cust. Pay Fed. Sources (Unexp.)	$0	$0	$0	$0	$0
Chg. Uncol. Cust. Pay Fed. Sources (Exp.)	$76	$0	$0	$0	$0
Outlays, Gross	$544,256	$600,716	$591,426	$615,753	$24,327
Offsetting Collections	($36,345)	($50,000)	($40,000)	($40,000)	$0
Outlays, Net	$507,911	$550,716	$551,426	$575,753	$24,327
Full-Time Equivalents (FTE):					
Direct FTE	2,787	2,864	2,864	2,864	0
Reimbursable FTE	439	481	481	481	0
Total FTE	3,226	3,345	3,345	3,345	0

Veterans Canteen Service Revolving Fund

Program Description
The Veterans Canteen Service (VCS) was established by Congress in 1946 to furnish, at reasonable prices, meals, merchandise and services necessary for the comfort and well-being of Veterans in hospitals and domiciliaries operated by the Department of Veterans Affairs (Title 38 U.S.C. 7801-10). It has since expanded to provide a wide variety of goods and services to non-Veterans.

Congress originally appropriated a total of $4,965,000 for the operation of the VCS and no additional appropriations have been required. Funds in excess of the needs of the Service totaling $12,068,000 have been paid to the U.S. Treasury.

However, provisions of the Veterans' Benefits Act of 1988 (Public Law 100-322) eliminated the requirement that excess funds be paid to the Treasury and authorized such funds to be invested in interest bearing accounts.

Fund Highlights
(dollars in thousands)

	2009 Actual	2010 Estimate	2011 Estimate	Increase/ Decrease
Total revenue	$318,138	$389,550	$436,525	$46,975
Obligations	$313,425	$386,900	$433,400	$46,500
Outlays (net)	$16,313	$7,500	($2,500)	($10,000)
Average employment	3,170	3,175	3,180	5

In fiscal year 2009, VCS management changed reporting to a retail calendar fiscal year which resulted in an 11 month reporting period. This reporting cycle has been adopted in order to better align VCS operations with the financial reporting structure of the retail industry. The calendar uses a (4-5-4) weekly cycle for the monthly reporting schedule. VCS will continue to report to VA on a Federal Fiscal Year basis. FY 2010 growth of revenues and obligations over the prior year of 22.5 percent and 23.4 percent respectively, is partially due to the comparison of an 11 month reporting period (2009) to a 12 month reporting period (2010), as well as increase from operations.

Summary of Budget Request

No appropriation by Congress will be required for the operation of the VCS during 2011. The VCS is a self-sustaining, appropriated revolving fund activity which obtains its revenues from non-Federal sources. Therefore, no Congressional action is required. The VCS functions independently within VA and has primary control over its major activities including sales, procurement, supply, finance and personnel management.

Changes From 2010 President's Budget Request
(dollars in thousands)

	2010 Budget Estimate	2010 Current Estimate	Increase/ Decrease
Total Sales Revenue	$329,900	$389,550	$59,650
Obligations	$326,582	$386,900	$60,318
Outlays (net)	$3,000	$7,500	$4,500
Average Employment	3,020	3,175	155

The FY 2010 current budget estimate reflects an increase of 18.1 percent in revenue based upon re-evaluation of revenue sources and continued investment support for VCS operations.

Analysis of Increases and Decreases - Obligations
(dollars in thousands)

	2010 Current Estimate	**2011 Estimate**
Prior year Obligations	$313,425	$386,900
Increases and Decreases:		
Cost of merchandise sold	$30,000	$20,000
Personel Cost	$15,000	$9,000
Other operating expenses	$7,000	$5,000
Indirect Expenses	$6,475	$5,000
Equipment, Inventory, open orders	$15,000	$7,500
Net change	$73,475	$46,500
Estimated obligations	$386,900	$433,400

Summary of Employment

In the area of personnel management, the VCS uses techniques that are generally applied in commercial retail chain store, food and vending operations. Primary consideration is given to salary expenses in relation to sales. Salary expense data are provided to management personnel for each department in each Canteen, as well as VCS in total. These data are compared to the corresponding period from the previous year and to productivity goals and standards prior to making decisions regarding employment increases or decreases. Productivity is the standard by which VCS measures personnel cost management.

The following chart reflects the full-time equivalent employment (FTE) for 2009 through 2011:

Summary of Employment

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase/ Decrease
Average Employment……	3,170	3,020	3,175	3,180	5

Revenues and Expenses (dollars in thousands)					
		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase/ Decrease
Sales Program:					
Revenue……	$318,138	$329,900	$389,550	$436,525	$46,975
Less operating expenses……	$313,425	$326,582	$386,900	$433,400	$46,500
Net operating income-sales……	$4,713	$3,318	$2,650	$3,125	$475
Nonoperating income or loss (-):					
Proceeds from sale of equipment……	$32	$25	$50	$50	$0
Less net book value of assets sold….	$70	$675	$100	$200	$100
Net Gain or (Loss) ……	($38)	($650)	($50)	($150)	($100)
Interest income……	($113)	$800	$75	$250	$175
Miscellaneous income/(loss)……	($4,680)	($50)	($750)	($375)	$375
Net non-operating income……	($4,831)	$100	($725)	($275)	$450
Net income for the year……	($118)	$3,418	$1,925	$2,850	$925

Creating an environment where patrons can truly enjoy their shopping or dining experience has become a necessity for modern businesses. Providing VA customers the same high quality service found outside the work environment has been and will continue to be necessary for VCS. This philosophy will take VCS into the budgeted fiscal year 2011 and beyond.

Financial Condition

The schedule below reflects the anticipated financial condition of the VCS through 2011. Changes from year to year are the result of anticipated changes in revenues, obligations and outlays previously portrayed.

Financial Condition
(dollars in thousands)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase/ Decrease
Assets:					
Cash with Treasury, in banks, in transit….	$24,358	$43,975	$26,000	$25,000	($1,000)
Accounts receivable (net)……	$31,085	$23,606	$32,000	$33,000	$1,000
Inventories……	$41,224	$40,500	$41,277	$42,000	$723
Real property and equipment (net)……	$29,756	$22,250	$32,250	$34,150	$1,900
Other assets……	($381)	$250	$250	$477	$227
Total assets……	$126,042	$130,581	$131,777	$134,627	$2,850
Liabilities:					
Accounts payable incl. funded accrued liabilities……	$38,799	$37,500	$42,000	$42,000	$0
Unfunded annual leave and coupons books……	$6,391	$6,000	$7,000	$7,000	$0
Total liabilities……	$45,190	$43,500	$49,000	$49,000	$0
Government equity:					
Unexpended balance:					
Unobligated balance……	$33,943	$37,875	$32,000	$33,900	$1,900
Undelivered orders……	$2,800	$5,900	$7,500	$7,500	$0
Invested capital……	$44,109	$43,306	$43,277	$44,227	$950
Total Government equity (end-of-year).	$80,852	$87,081	$82,777	$85,627	$2,850

Government Equity
(dollars in thousands)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase/ Decrease
Retained income:					
Opening balance……	$80,970	$83,663	$80,852	$82,777	$1,925
Transactions:					
Net operating income……	$4,713	$3,318	$2,650	$3,125	$475
Net nonoperating gain……	($4,831)	$100	($725)	($275)	$450
Returned from Treasury……	$0	$0	$0	$0	$0
Closing balance……	$80,852	$87,081	$82,777	$85,627	$2,850
Total Government equity (end-of-year)……	$80,852	$87,081	$82,777	$85,627	$2,850

Medical Center Research Organizations

Program Description

Veterans' Benefits and Services Act of 1988 (Public Law 100-322) authorizes "Medical Center Research Organizations" to be created at Department of Veterans Affairs medical centers. These non-profit organizations (NPO) provide a flexible funding mechanism for the conduct of VA-approved research and educational activities. They administer funds from non-VA Federal and private sources to operate various research and educational activities in the VA. These corporations are private, state-chartered entities. They are self-sustaining and funds are not received into a government account. No appropriation is required to support these activities.

Prior to June 1, 2004, 93 VA medical centers had received approval for the formation of nonprofit research corporations. Presently, 74 are active. However, additional closures are still expected during the up coming fiscalyears.

All 74 active NPOs have received approval from the Internal Revenue Service Code of 1986, under Article 501(c)3. The fiscal year for these organizations was from July to June. The table below reflects actual and forecasted revenues from 2009 to 2011.

Contribution Highlights
(dollars in thousands)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase/ Decrease
Contributions	$242,380	$257,000	$254,000	$256,000	$2,000
Obligations (Expenses)	$237,579	$253,000	$254,000	$256,000	$2,000

The following table is a list of research corporations that have received approval for formation along with their 2009 revenues. In addition, NPOs that show no contributions have been, however, approved. Some have received contributions in the past, others have not, to date, received any contributions:

Corporation Name	City	State	Contributions
Albany Research Institute	Albany	NY	$265,000
Amarillo Research Fnd Inc	Amarillo	TX	$0
Asheville Med Res & Ed Corp	Asheville	NC	$22,000
Atlanta Res & Edu Fnd Inc	Decatur	GA	$17,166,000
Augusta Biomed Res Corp	Augusta	GA	$80,000
Baltimore Res & Edu Fnd	Baltimore	MD	$3,387,000
Bay Pines Fnd Inc (The)	Bay Pines	FL	$1,630,000
Bedford VA Res Corp Inc	Bedford	MA	$1,574,000
Biomed Res Fnd of S Texas	San Antonio	TX	$480,000
Biomed Res & Edu S Arizona	Tucson	TX	$1,827,000
Biomed Res Inst of New Mexico	Alburquerque	NM	$10,200,000
Biomedical Res Found	Little Rock	AR	$490,000
Boston VA Res Inst Inc	Boston	MA	$11,079,000
Brentwood Biomed Res Inst	Los Angeles	CA	$10,886,000
Bronx Vet Med Res Fnd	Bronx	NY	$1,600,000
Buffalo Inst, for Med Res Inc	Buffalo	NY	$300,000
Carl T Hayden Med Res Fnd	Phoenix	AZ	$2,150,000
Central NY Research Corp	Syracuse	NY	$1,576,000
Central Texas Vet Reaserch Foundation	Temple	TX	$266,000
Charleston Research Inst Inc	Charleston	SC	$900,000
Chicago Assoc for Res & Edu	Hines	IL	$4,602,000
Cincinnati Fnd for Biom Res & E	Cincinnati	OH	$690,000
Clinical Research Fnd Inc	Louisville	KY	$425,000
Collaborative Med Res Corp	White River junction	VT	$566,000
Dallas VA Research Corp	Lancaster	TX	$2,342,000
Dayton VA Res & Edu Fnd	Dayton	OH	$0
Denver Research Institute	Denver	CO	$1,107,000
Dorn Research Institute	Columbia	SC	$191,000
East Bay Inst for Res & Devel	Martinez	CA	$1,700,000
Great Plains Med Res Fnd	Sioux Falls	SD	$73,000
Highland Drive Reasearch & Edu Fnd	Pittsburgh	PA	$2,923,000
Houston VA Res & Edu Fnd	Houston	TX	$0
Huntington Inst For Res & Edu	Huntington	WV	$0
Indiana Inst for Med Res Inc	Indianapolis	IN	$970,000
Inst for Clinical Res Inc	Washington	DC	$3,500,000
Inst for Med Res Inc (Durham)	Durham	NC	$2,759,000
Iowa City VA Med Res Fnd	Solon	IA	$600,000
James A Haley Res & Edu Fnd	Tampa	FL	$1,070,000
JH Quillen VAMC Biomed	Johnson City	TN	$234,000
Kecoughtan Research Inst	Hampton	VA	$0

Corporation Name	City	State	Contributions
Lexington Biomed Research Inst, Inc	Lexington	KY	$0
Loma Linda Vet Assn for R & E	San Bernardino	CA	$3,626,000
Louisiana Veterans Research Corp	New Orleans	LA	$0
McGuire Education Institute Inc	Richmond	VA	$3,000,000
McGuire Research Inst Inc	Richmond	VA	$0
Metro Detroit Res & Ed Fnd	Detroit	MI	$100,000
Middle Tenn Res Inst Inc	Nashville	TN	$0
Midwest Biomed Res Fnd	Kansas City	MO	$2,075,000
Minnesota Vet Res Inst	Minneapolis	MN	$4,500,000
Missouri Fnd for Med Res	Columbia	MO	$756,000
Montrose Research Corp	Montrose	NY	$0
Mountainer Edu & Res Corp	Clarksburg	WV	$6,000
Narrows Inst For Biomed Res	Brooklyn	NY	$1,376,000
Nebraska Edu Biomed Res As	Omaha	NE	$600,000
New England Healthcare E & R	Leeds	MA	$0
N Florida Fnd for Res & Educ	Gainsville	FL	$5,127,000
N Cal Inst for Res & Edu Inc	San Francisco	CA	$42,000,000
Ocean State Res Inst Inc	Providence	RI	$720,000
Overton Brooks Res Corp	Shreveport	LA	$20,000
Palo Alto Inst for Res & Ed Inc	Palo Alto	CA	$21,097,000
Philadelphia Res & Edu Fnd	Philadelphia	PA	$620,000
Portland VA Res Fnd Inc	Portland	OR	$5,150,000
Reasearch & Educ Assoc at lakeside	Chicago	IL	$700,000
Research! Mississippi Inc	Jackson	MS	$760,000
Research Incorporated	Memphis	TN	$1,012,000
S Fla Vet Affairs Fndt for Reach & Edu	Miami	FL	$1,690,000
Salem Research Institute	Salem	VA	$804,000
Seattle Inst for Biomed & Clinical Reasch	Seattle	WA	$10,000,000
Sepulveda Research Corp	Sepulveda	CA	$3,144,000
Sierra Biomed Res Corp	Reno	NV	$422,000
Sociedad de Inv Cient Inc	San Juan	PR	$1,870,000
Southern California Inst for R & E	Long Beach	CA	$3,340,000
TEMPVA Res Group Inc	Temple	TX	$0
The Bay Pines Research Fndt, Inc	Bay Pines	FL	$0
The Clevaland VA Med Res & Edu Fndt	Cleveland	OH	$1,000,000
The Research Corp of Long Island, Inc	Kings Park	NY	$336,000
The VA Education Fndt of West Palm Beaches Corp	West Palm Beach	FL	$0
Tuscaloosa Res & Edu Advance Corp	Tuscaloosa	AL	$1,402,000
VA Black Hills Hlth care Syst Res & Edu Fnd	Fort Meade	SD	$0
VA Central California HCS	Fresno	CA	$0
VA Connecticut Res & Edu Fndt	West Haven	CT	$4,000,000

Corporation Name	City	State	Contributions
VA Res Fndt of the west Palm Beaches, Inc.....	West Palm Beach	FL	$0
VA Res & Edu Corp of Pacific.....	Honolulu	HI	$172,000
Vandeventer Place Res Fnd	St. Louis	MO	$250,000
Vet Bio-Med Res Inst (E Orange)	East Orange	NJ	$1,751,000
Vet Edu & Res Assn of Mich.....	Ann Arbor	MI	$500,000
Vet Med Res Fnd of San Diego.....	San Diego	CA	$24,500,000
Veterans Res Fnd of Pittsburgh.....	Pittsburgh	PA	$0
Veterans Res & Ed Fnd.....	Oklahoma City	OK	$601,000
VISTAR Inc.....	Birmingham	AL	$400,000
West Side Inst for Scie & Edu	Chicago	IL	$0
Western Inst for Biomed Res	Salt Lake	UT	$2,233,000
Wisconsin Corp for Biomed Res.....	Milwaukee	WI	$1,090,000
Total			$242,380,000

General Post Fund

Program Description

This trust fund consists of gifts, bequests and proceeds from the sale of property left in the care of Department of Veterans Affairs facilities by former beneficiaries who die leaving no heirs or without having otherwise disposed of their estate. Such funds are used to promote the comfort and welfare of Veterans at hospitals and other facilities for which no general appropriation is available. Also, donations from pharmaceutical companies, non-profit corporations and individuals to support VA medical research can be deposited into this fund (title 38 U.S.C., Chapters 83 and 85). The resources from this trust fund are for the direct benefit of the patients.

Expenditures from this fund are for recreational and religious projects; specific equipment purchases; national recreational events; the vehicle transportation network; television projects; etc., as outlined in Veteran Health Administration Directive 4721, General Post Fund. In addition, Public Law 102-54 authorizes the receipts from the sale of a property acquired for transitional housing to be deposited in the General Post Fund and used for the acquisition, management and maintenance of other transitional housing properties.

Summary of Budget Request

Operations of this trust fund are financed from fund receipts. Congress has provided permanent, indefinite budget authority for this fund and no appropriation is required.

Fund Highlights
(dollars in thousands)

	2009 Actual	2010 Estimate	2011 Estimate	Increase/ Decrease
Budget Authority (permanent, indefinite)……	$36,365	$37,092	$37,833	$741
Obligations:				
Trust Fund and Donation……	$36,760	$34,511	$34,478	($33)
Therapeutic Residences……	$1,077	$1,489	$1,522	$33
Total Obligations……	$37,837	$36,000	$36,000	$0
Outlays, ……	$37,589	$36,700	$35,000	($1,700)

Changes From Original 2010 Budget Estimate
(dollars in thousands)

	2010		
	Budget Estimate	Current Estimate	Increase/ Decrease
Budget Authority (permanent, indefinte)…….	$41,749	$37,092	($4,657)
Obligations:			
Trust Fund and Donation…….	$29,248	$34,511	$5,263
Therapeutic Residences…….	$1,495	$1,489	($6)
Total Obligations…….	$30,743	$36,000	$5,257
Outlays, …….	$28,200	$36,700	$8,500

The budget authority for 2010 Current Estimate will decrease from the previous Budget Estimate. In addition, trust fund and donations are anticipated to increase by approximately 18% .

Program Activity

Trust Fund and Donations
Estimates of trust fund obligations revised for 2010 and 2011 are $36,000,000 and $36,000,000 respectively. The obligations are consistent with the purposes for which proceeds from this fund may legally be expended, (Comptroller General's Decision B-125715, November 10, 1955), and the intent of the donors. Donors usually specify that their donations be used for designated recreational or religious purposes, research projects or equipment purchases.

The invested reserve for 2010 and 2011 is estimated to be approximately $88,276,000 and $96,702,000 respectively. This level of investment exceeds the requirement to retain at least five times the total amount paid to heirs during the preceding five year period.

Cash receipts from donations and estates for both fiscal years 2010 and 2011 are estimated to reach $34,511,000 and $34,478,000 respectively.

Compensated Work Therapy - Therapeutic Residences (CWT-TR)
Per title 38, U.S.C. Section 1772(h), funds received through the operation of the Therapeutic Housing Program are to be deposited in the General Post Fund. The Secretary has the discretionary authority to expend up to an additional $500,000 from the fund above the amount credited to the fund in a fiscal year from proceeds of this program.

Purchases & Renovations
Purchases and renovations projects amounting to approximately $500,000 which were cancelled in 2004 and 2005, are still on hold awaiting collection of donations to be improved. If the projected increase for 2010 occurs, management may reconsider these projects in late 2010 or 2011.

Financial Actions and Conditions
(dollars in thousands)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase/ Decrease
Balance beginning of year*:					
Cash	$11,767	$2,437	$3,877	$10,663	$6,786
Investments	$72,153	$72,757	$80,095	$88,276	$8,181
Property, Plant and Equipment	$19,012	$152,894	$25,313	$31,803	$6,490
Other Assets	$1,348	$0	$1,297	$1,297	$0
Total	$104,280	$228,088	$110,582	$132,039	$21,457
Increase during period:					
Cash	$178,512	$156	$183,867	$189,383	$5,516
Investments	$55,188	$898	$56,844	$58,549	$1,705
Property, Plant and Equipment	$7,932	$5,432	$8,170	$8,415	$245
Other Assets	$3,096	$0	$0	$0	$0
Total	$244,728	$6,486	$248,881	$256,347	$7,466
Decrease during period:					
Cash	$186,402	$208	$177,081	$168,228	($8,853)
Investments	$47,246	$443	$48,663	$50,123	$1,460
Property, Plant and Equipment	$1,631	$3,326	$1,680	$1,730	$50
Other Assets	$3,147	$0	$0	$0	$0
Total	$238,426	$3,977	$227,424	$220,081	($7,343)
Balance at end of year:					
Cash	$3,877	$2,385	$10,663	$31,818	$21,155
Investments	$80,095	$73,212	$88,276	$96,702	$8,426
Property, Plant and Equipment	$25,313	$155,000	$31,803	$38,488	$6,685
Other Assets	$1,297	$0	$1,297	$1,297	$0
Total	$110,582	$230,597	$132,039	$168,305	$36,266

*Balances updated to reflect actuals

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Information and Technology

The FY 2009 actual includes the obligations from the FY 2009 Appropriation (P.L. 110-329) and the American Recovery and Reinvestment Act (P.L. 111-5). The FY 2010 current estimate is derived from the FY 2010 Appropriation (P.L. 111-117) of $3.307 billion.

Appropriation Language

For necessary expenses for information technology systems and telecommunications support, including developmental information systems and operational information systems; for pay and associated costs; and for the capital asset acquisition of information technology systems, including management and related contractual cost of said acquisitions, including contractual costs associated with operations authorized by section 3109 of title 5, United States Code, $3,307,000,000 plus reimbursements, to be available until September 30, 2012.

Summary of Budget Request

For FY 2011, Office of Information and Technology (OI&T) is requesting $3.307 billion to support Information and Technology (IT) development, operations and maintenance expenses, including $966 million to support a staffing level of 7,580, including $23.53 million in estimated reimbursements to support 242 reimbursable FTE. In addition, VA anticipates $25.265 million in collected non-pay reimbursements from credit reform programs and non-

appropriated insurance benefits programs, both of which must be resourced outside the new appropriation due to medical accounts and credit reform funding.

Executive Overview

FY 2011 Budget Request

The FY 2011 OI&T budget request of $3.307 billion will move technology forward through a transformation by creating new approaches and producing outcomes of greater convenience, quality, and client satisfaction for our Veterans. Through a people-centric process of anticipating, advocating, and acting decisively, OI&T will be accountable on behalf of the Veterans we serve. Our budget will be results-oriented; investing in emerging technologies while creating and implementing a VA-wide "informational backbone," a coordinated, synchronized IT structure to move VA into the 21st Century.

The FY 2011 budget request submission restructures the IT budget to more accurately demonstrate IT support to our primary customers (Veterans Health, Veterans Benefits, National Cemetery Administrations, and Corporate offices) while acknowledging the Department's responsibilities for inter-agency IT development particularly in support of the President's mandate to create a single electronic record for service members. The investment framework developed for FY 2011 reflects these four characterizations of programs: Medical, Benefits, Corporate and Inter-Agency. Each characterization is further defined into three tiers: Legacy Development, 21st Century Development, and IT Operating Support. This newly created framework sharpens the focus on the Department's development and IT support, while the future IT architecture for these many development and operational support initiatives is created.

For the Medical IT investment request of $1.275 billion, $346.6 million is for a continued commitment to develop the next generation healthcare system known as Health*e*Vet which will enhance and supplement the current Legacy system (VisTA) with more flexibility, improved security, and the infrastructure designed for data sharing among providers within and outside of the VA. In addition, technological innovations in the field of telemedicine and telehealth will make it possible to reach out and provide access to our Veterans and families through non-institutional care. These innovations have significant implications for how care is organized and delivered in the future. At the same time, we will maintain and improve the direct delivery of quality health care by providing a secure, reliable IT infrastructure to all VA medical facilities with a request of $928.8 million. This ensures uninterrupted access with quality and timely health care delivery to the Veteran by meeting the infrastructure technical standards and

delivering established service levels. For everyday operations, IT ensures the replacement of breakage and life-cycle replacement of equipment, the installation of wireless networks for each medical facility, the coverage of clinical and administrative software licenses, and hardware maintenance. In addition, VHA strives to fulfill the medical and mental health care needs of our Veterans, through the expansion of its facilities as well as the opening of community outpatient and rural clinics; and trauma centers. IT will be there to assist VHA in carrying out their mission with the necessary equipment of servers, desktops, laptops, Blackberries, printers, scanners, network support and field operations technical support.

For the Benefits and Memorials investment request of $380.8 million, $145.3 million will reform the benefits claims process and ensure VA's claims decisions are timely, accurate, fair, and consistent through the use of automated systems. VA's Paperless processing initiative expands on current paperless claims processing already in place for some of our benefits programs and will improve both the timeliness and quality of record-keeping for our Veterans' claim information. A request of $44.1 million is for the development and maintenance of the VA infrastructure and education applications needed to support a long-term solution to the goal of paperless claims delivery. Other education applications and benefits will have to conform to the Post-9/11 GI Bill (Chapter 33) platform and be re-engineered and re-loaded on this new platform. The Benefits IT Support investment of $105.2 million will provide ongoing IT maintenance and infrastructure support for the VA Benefits IT environment, specifically in the areas of hardware, software, telecommunications, call center technology, audio, video and application installations at the 57 VBA regional field offices and associated out-based satellite stations as well as the National Cemetery administrative offices. This investment ensures the VA business community is provided the tools required to process Veterans claims efficiently, quickly, and process internment applications for burial in a timely and honorable manner.

The Corporate investment of $527.2 million, represents the alignment of future architecture and collaborative strategic planning for VA's Corporate 21st Century Core of our financial and human resource systems, information protection and IT administrative support. VA's future financial system, Financial and Logistics Integrated Technology Enterprise (FLITE), OI&T is requesting $120.16 million to develop a streamlined operation by standardizing best practices across VA and eliminate a number of long-standing material financial weaknesses. FLITE will ultimately provide management with access to timely and accurate financial, logistics, budget, real property and related information on VA-wide operations as well as on specific programs and projects. Other investments include maintaining the current financial management system (FMS, until it is replaced

by FLITE in 2014), the regional data processing center, the enterprise license expenses such as Microsoft Office suites, upgrading software applications, and Oracle data systems.

The Enterprise Cyber Security request of $84.87 million for programs which produce secure IT operations at VA's medical and benefit centers 24 hours a day, 365 days a year, as well as policy, guidance, advice, general support, and the tools and services necessary to protect the IT network. These programs provide IT security incident response and risk management, protection of Veteran and employee record confidentiality, oversight and compliance review and continuity of operations planning (COOP). The IT staff develops, distributes, and maintains IT security policy, standards, and guidance based on Federal law and other requirements. Critical Infrastructure Protection operates the Network and System Operation Center (NSOC) for incident reporting and response and provides VA security services such as anti-virus protection, penetration testing, vulnerability scanning, firewall management, and intrusion detection monitoring.

The Inter-Agency investment request of $157.6 million will support the on-going collaborative work with Department of Defense and the establishment an Interagency Joint Virtual Lifetime Electronic Record (VLER) for our Veterans. The VLER initiative will enable the VA to begin collecting data about future Veterans by instituting a uniform VA/DoD registration event at the point of accession to military service. By enabling information interoperability between the VA and DoD, VA service delivery will be improved. Access to electronic records is essential to modern healthcare delivery and the paperless administration of benefits. It provides a framework to ensure that all healthcare providers have all the information they need to deliver high-quality healthcare at the right time and place while reducing the occurrence of medical errors and duplicative testing. The creation of this Interagency Virtual Lifetime Electronic Record will allow VA and DoD to take the next step in delivering seamless, high-quality care, and will serve as a model for the nation.

FY 2010 Highlights

The Office of Information and Technology (OI&T) is undertaking a significant effort to clearly identify and separate the sustainment and operating costs (steady state) from development, modernization, and enhancement (DME) efforts for all OI&T activities. Over time, programs have blended the two distinct functions into single contract actions and therefore into single budget figures. The distinction between sustainment and DME will be based on the OMB definitions. DME means "the program cost for new investments, changes, or modifications to existing systems to improve capability or performance, changes mandated by the

Congress or agency leadership, personnel costs for investments management, and direct support. For major IT investments, this amount should equal the sum of amounts reported for planning and acquisition plus the associated FTE costs reported in the exhibit 300." "Steady State (sustaining costs), means maintenance and operations costs at current capability and performance level including costs for personnel, maintenance of existing information systems, corrective software maintenance, voice and data communications maintenance, and replacement of broken IT equipment. For major IT investments, this amount should equal the amount reported for maintenance plus the associated FTE costs reported in the exhibit 300."

With the separation of distinctive activity costs, OI&T will have an operating plan which will narrow down the discretionary versus the mandatory costs to keep the systems running and identifying the highest priorities of the Department in the best interests of our Veterans.

For the 2010 current estimate of $3.307 billion, VA will continue to invest in better technology to deliver services and benefits to Veterans with the quality and efficiency they deserve. The FY 2010 budget will:

- Continue to provide world-class healthcare through Health*e*Vet
- Provide post-9/11 GI Bill benefits
- Streamline claims processing
- Strengthen seamless data flow between DoD and VA
- Replace financial and asset management data system
- Secure data and information across the enterprise
- Upgrade/Refresh the Infrastructure
- Strengthen the IT workforce

Project Management Accountability System

In June 2009, Secretary Shinseki stated that VA will implement new department-side IT project-management approach in which all new IT programs and projects at VA must utilize the Project Management Accountability System (PMAS is an incremental development approach that ensures frequent delivery) of new functionality to customers, coupled with a rigorous management approach that halts programs that fail to meet delivery milestones. This new system will ensure early identification and correction of failing IT programs.

Further, Secretary Shinseki states:

> "A strong information technology capability is essential to achieving the President's vision of a 21st Century VA Incremental development and strict management of missed milestones will ensure that we are successfully delivering the functionality we need to serve our Veteran clients. By halting programs that fail to meet their delivery milestones, we will prevent wasteful spending and demand accountability from everyone involved in delivering and supporting the technologies that will help transform the VA."

An analysis of 282 ongoing development programs at VA indicated that many of those programs exhibit at least one characteristic that could indicate a failing program. Characteristics include being: significantly behind schedule, significantly over budget, or showing deteriorating product release quality. To ensure that these programs do not continue on a path of potential failure, they will be paused and required to create an incremental development plan with milestone commitments. The new program plan must be approved by the CIO and managed under PMAS before development on the program can restart.

Background

- VA recognizes the challenges facing large development efforts planned for the next 5 years and is taking steps to improve and streamline project management activities for all IT development efforts.
- Intense senior leadership oversight of IT development is demonstrated via several governance boards and the PMAS process.
- Innovative support for development includes the integrated project team concept along with practical actions such as collocating business analysts and technologists in close proximity for the life of the project.

In FY 2010, OI&T will continue to take a proactive role in assessing current projects' performances. Project managers whose projects were identified for replanning in the first increment of PMAS had the opportunity to request a deferral of replanning. This request was dependent upon a high degree of confidence from both the project manager and customer that the project would meet its next scheduled milestone by October 1, 2009.

Non-deferred projects are moving rapidly through the initial steps and all are in the process of forming an Integrated Project Team (IPT). Once documentation and IPT charters are completed, they will be reviewed for approval by OI&T and customer leadership. Following leadership approval, the projects will be prepared for intensive re-planning. Project managers requesting deferral will continue to work toward their next scheduled milestone; but while awaiting the approval/denial of their deferral decision, the project managers will

simultaneously work to prepare groundwork documentation. This ensures that even deferred projects will have appropriate documentation ready to enter the PMAS re-planning process following their next milestone.

Transformation into the 21st Century

OI&T Direct Costs *($ in thousands)*	2010 Current Estimate*	2011
Corporate Analysis & Evaluation	2,500	500
Corporate SES Office	500	500
Enterprise Energy Cost Reduction-Greening VA	500	500
Enterprise-wide Cost Accountability (ABC)	10,000	10,000
Fiscal Responsibility Review (ETA)	65,233	10,000
Hospital Quality Transparency	1,000	1,000
Integrated Operations Center	32,419	100
Preventive Care Program (MyHealtheVet)	10,100	5,000
Readjustment Counseling for Women Veterans	1,300	1,250
Safety & Security Initiative (PIV for HSPD-12)	30,050	12,950
SPD Scope Action Plan (ISO-9001)	3,000	3,365
Strategic Human Capital Investment Plan	905	24,000
Transformed Construction Facility Management	3,700	2,700
Transport for Immobilized and Remote VA Patients	1,500	900
VA Point of Service (Kiosks)	31,500	20,000
VA Tele-Health and Home Care Model	29,050	48,550
Veteran Centered Care Model	22,270	3,470
Veteran Innovation Initiative	35,000	40,000
Veteran Relationship Management	65,100	51,610
Zero Homelessness Among Veterans	8,300	1,630
TOTAL	**$353,927**	**$238,025**

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

In the next five years, the VA is transforming its organization to adapt to new challenges and commitments for a changing population of our Veterans which will require innovative technologies and a dedicated workforce driven by three guiding principles. First, we will be *people-centric* placing Veterans and their families as the centerpiece of our mission and, equally essential, valuing the people who are the backbone of the Department: our talented and diverse workforce. Second, we will be *results-driven* in how we measure by our accomplishments and not by our promises. And third, we will be *forward-looking* in how we seek out opportunities for delivering the best services with available resources, continually challenging ourselves to do things smarter and more effectively. A strategic plan, framed by the VA internal operations and the external environment of our Veterans and their families, resulted in four strategic goals:

- Improve the quality and accessibility of healthcare, benefits, and memorial service while optimizing value.
- Increase Veteran client satisfaction with health, education, training, counseling, financial, and burial benefits and services.
- Raise readiness to provide services and protect people and assets continuously and in time of crisis.
- Improve internal customer satisfaction with management systems and support services to make VA an employer of choice by investing in human capital.

Through these strategic goals came a transformation of IT-related initiatives which will drive the implementation and meet each of those improvements. In this age of technology, IT will be the touch point to streamline the process and services for our Veterans through these initiatives by either taking the lead or in other instances, a supportive role. Overall these objectives will be a collective responsibility of the entire VA through collaboration between administrations and staff offices, between field and headquarters, and between leadership and frontline employees.

Corporate Analysis and Evaluation

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$2,500	$500	-$2,000

To improve allocation decisions, and to get the best value from scarce resources, VA will develop a corporate analysis and evaluation capability (CA&E) that will enable the Department to use cutting-edge planning, programming, budgeting, and evaluation techniques to inform corporate decision-making, enabling VA to implement the most cost-effective approaches to achieve our stated objectives.

The purpose of this initiative is to bring new approaches to planning, programming, budgeting, and evaluation to VA. There are a variety of approaches for consideration that have been used extensively by other government agencies, perhaps most significantly in DoD.

The intended outcome of this initiative is to improve VA's ability to anticipate and strategically prepare for the current and future needs of Veterans, their families, and VA Employees; improve resource allocations; and enable VA to get the best value for scarce resources.

Corporate SES Office

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$500	$500	$0

Information and Technology (IT) infrastructure will establish a Corporate Senior Executive Management Office, in support of the VA initiative to standardize, streamline and enhance staffing actions for 413 Senior Executive Service and title 38 positions. This office will assist the VA with the selection, development, utilization and management of our strategic human capital to lead the Department and most effectively serve our nation's Veterans. The establishment of this office is consistent with the need for centralized management. A single office provides a corporate, standardized approach to the recruitment, selection, and management of senior executives and Senior Executive Service positions in VA, which will ensure consistency and excellence in VA's leadership ranks.

Enterprise Energy Cost Reduction Efforts (Greening VA)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$500	$500	$0

VA manages over 1,600 facilities that provide benefits and services to Veterans. Many of these facilities were built when the cost of fossil fuels was comparatively low, and they now consume large amounts of energy. The cost of energy is rising as supplies dwindle, and much more is known about the harmful environment effects of greenhouse gas emissions that are associated with these energy sources. To fulfill our mission and obtain the best value from our resources, VA must reduce our consumption of non-renewable resources and begin developing alternative sources.

The purpose of this initiative is to provide IT support to reduce fossil fuel dependence by improving management, promoting greater use of sustainable products, investing in renewable sources of energy, adopting more efficient business processes, and changing procurement policies.

Implementation of this initiative will generate cost savings that can be reallocated to provide more benefits and better services to our nation's Veterans and their families, and to reduce VA's energy and environmental footprint.

Enterprise-wide Cost Accountability

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$10,000	$10,000	$0

VA must increase the cost-effectiveness of VA programs by enabling strategic financial decision-making with a robust activity-based cost accounting system. Key steps will generate and integrate all activity-based cost accounting information into VA's Decision Support System in order to standardize costing, as well as assist in budget execution and forecasting within VA.

This effort will provide resources for both employees and contractors to support the consistent implementation of cost accounting methodology. Uniform implementation across VA ensures cost accounting outcomes are understood by decision makers and furnish VA Leadership with performance measurement information to make data-driven decisions. This cost accounting system will ensure that senior leadership has access to accurate cost data for budget formulation, as well as providing effective and flexible tools for overall management analyses.

Fiscal Responsibility Review

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$65,233	$10,000	-$55,233

Fiscal Responsibility Review is an initiative to realize savings by improving management processes throughout the organization. It consists of four parts: 1) Organizational Structure, Cost, Transparency and Accountability Review; 2) VA Employee Payments Review; 3) Management Process Savings; and 4) VA Innovative Processes Board.

This initiative will reduce organizational redundancies and ambiguity and will create opportunities to streamline both organizational units and processes that produce cost savings or cost avoidance. It will also increase accountability across all organizational components by evaluating organizational duplications and redundancies in functional areas and associated costs of operating.

Hospital Quality Transparency

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$1,000	$1,000	$0

The Hospital Quality Transparency (HQT) initiative is designed to allow customers to make informed choices about obtaining health care services by promoting transparency with regard to the quality and safety of health care. HQT has three main objectives. The first is to increase internal and external communications. The second is to develop metrics to allow VA to benchmark against existing external quality and safety dashboards or when not available, internal benchmarks. The final objective of HQT is to develop an organizational risk management structure to manage large scale disclosures.

Integrated Operation Center (IOC)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$32,419	$100	-$32,319

The VA IOC provides a fusion point for unified command, integrated planning, and predictive analysis to present recommendations to VA Senior Leaders and to coordinate with stakeholders, Federal, State, and local partners. The VA IOC (IOC) will support VA's strategic goals by ensuring that the Department can continue mission essential functions during an all hazard disaster. The VA is the second largest Federal department with over 270,000 employees. The Department provides emergency support in regards to mass care and several emergency functions in support of the National Response Frame Work. In addition, as a TIER II agency the Department must be ready to respond to all hazard events including the Continuity of Government.

Preventive Care Program

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$10,100	$5,000	-$5,100

To accommodate the expectations of our newest generation of Veterans and their families, VA will need to expand health promotion and wellness services tailored to their specific needs. Such services are primarily delivered through health coaches to provide activation, support, and on-going contact, including serving as

a referral liaison to community health resources that support healthy behaviors. Such services are oriented to the person as a whole, rather than targeting these changes for management of a specific disease, which has been the traditional focus of most lifestyle or self-management programs. These programs have the opportunity to be aligned with the Veteran-centered medical home model. Establish the infrastructure, policies, and procedures to implement comprehensive health promotion and wellness programs within VA.

Readjustment Counseling for Women

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$1,300	$1,250	-$50

There are currently over 1.8 million Women Veterans in the US, and approximately 270,000 of these used VA healthcare in 2008. Women comprise the fastest growing cohort of Veterans utilizing VA health care services. Over 400,000 women have been deployed to recent conflicts and the overall number of women, as well as their proportional representation, is increasing in both the military and Veteran populations. Transformation of the delivery of women's health care as it prepares for high quality continuum of care delivery to eligible women Veterans will become the delivery model for national benchmarking. This new definition and redesign of women's health delivery places a strong emphasis on Primary Care Clinic Models: 1) achievement of Comprehensive Primary Care for Women Veterans within General Primary Care Clinics, 2) in a Separate but Shared Space, and 3) and in a Women's Health Center. The redesign is in line with the care platform concept addressed in the Universal Services Task Force Report of April 2009, which focuses on improved coordination of care for Women Veterans, continuity, and patient-centeredness.

Safety & Security Initiative (PIV for HSPD 12)

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$10,608	$17,893	$30,050	$12,950	-$17,100

Homeland Security Presidential Directive-12 (HSPD-12) mandated a "Policy for a Common Identification Standard for Federal Employees and Contractors", a secure and reliable identification issued by Federal agencies for their employees and contractors. The VA PIV program is to establish an enterprise standards-based authentication and authorization infrastructure framework to support secure and seamless transmission of business transactions and information

through the use of smart card technology and Public Key Infrastructure (PKI). PIV addresses the expanded E-Government initiatives through the use of an electronic credential (identity) used for identification such as PKI for digital signing, E-Authentication, and physical and logical access through the use of various factors such as PINS, biometrics, and PKI.

Sterile Processing & Distribution (SPD) Scope Action Plan

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$3,000	$3,365	$365

The Sterile Processing and Distribution (SPD) Scope Action Plan initiative will ensure that SPD functions consistently meet the standards and documentation required for high reliability systems. This plan promotes a well controlled SPD process allowing consistent performance in a day to day basis, by facility to facility, and by employee to employee.

Strategic Human Capital Investment Plan

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$905	$24,000	$23,095

The Strategic Human Capital Investment Plan (HCIP) initiative will cultivate a 21st Century Workforce to serve our nations' Veterans by creating and deploying learning systems to support employees' development and training, and their workforce's succession planning. HCIP will provide high-quality service to Veterans by recruiting, hiring, developing, and retaining the best employees. The objective of the Human Capital Investment Plan is to create the talent pool of trained, certified, and inspired employees necessary to ensure the high-level of care and services to Veterans and their families.

Transformed Construction Facility Management

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$3,700	$2,700	-$1,000

VA Facility Management Transformation initiative involves the establishment of an enterprise method for managing VA Facilities. The enterprise system will address life cycle costing; recapitalization; sustainment; acquisition of facilities and real property and disposal of VA real property. The transformation will

integrate the minor and major construction programs for each administration with the sustainment effort to allow VA to assure dollars are allocated strategically to the most critical areas. The initiative will also address facility funding required to effectively manage life cycle cost.

Transport for Immobilized & Remote VA Patients

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$1,500	$900	-$600

Those Veterans who are visually impaired, elderly, or immobilized due to disease or disability, particularly those living in remote and rural areas, may have limited ability to travel to receive health care. This initiative will provide transportation to immobilized and remote Veterans to facilitate access to health care using a range of transportation opportunities including contracts, join ventures and/or partnerships with local communities.

VA Point of Service (Kiosks)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$31,500	$20,000	-$11,500

The Kiosks System has automated the patient check-in process. The system allows a patient to self-check in for appointments by using his or Veteran Identification Card and touch screen input at a kiosk. The Veteran answers a series of prompts regarding next of kin, date of birth, and insurance carrier. If the information is correct, the patient merely responds by pressing "yes" and a printout with the name, location, and time of the patient's clinic appointment for that day is printed. By using the Kiosks System, VA will implement a standard, efficient method for performing streamlined check-in. The system will improve accuracy of VA insurance, demographics and patient information (medications, allergies). Veterans will have a simpler, faster access to their electronic health records and take care of other VA business at the same time.

VA Tele-Health and Home Care Model

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$14,050	$29,050	$48,550	$19,500

VA Tele-Health and Home Care Model initiative will use technology to remove barriers to Veterans and increase access to and use of VA services. This initiative will enable VA to become a national leader in transforming primary care services to a medical home model of health care delivery that improves patient satisfaction, clinical quality, safety and efficiencies. VA Tele-Health and Home Care Model will develop a new generation communication tools (i.e. social networking, micro-blogging, text messaging, and self management groups) that can be used to disseminate and collect information related to health, benefits and other VA services.

Veteran Centered Care Model

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$22,270	$3,470	-$18,800

The Veteran Centered Care Model will improve health outcomes and the care experience for Veterans and their families. The model will standardize health care policies, practices and infrastructure to consistently prioritize Veterans' health care over any other factor without increasing cost or adversely affecting the quality of care.

Veteran Innovation Initiative

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$35,000	$40,000	$5,000

The purpose of the Veteran Innovation Initiative (VII) is to improve support of VA's core business processes with IT platforms that are coherent, cohesive, and cost-effective. VII is designed to create a transferable process to ensure a steady pipeline of new innovations (including organic initiatives) by creating management mechanisms that incentivize and support forward leaning service delivery and by establishing and supporting an innovation investment fund.

Veteran Relationship Management Program

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$65,100	$51,610	-$13,490

The Veteran Relationship Management Program (VRM) will provide the capabilities required to achieve on-demand access to comprehensive VA services and benefits in a consistent, user-centric manner to enhance Veterans, their families, and their agents' self-service experience through a multi-channel customer relationship management approach.

Zero Homelessness Among Veterans

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$8,300	$1,630	-$6,670

VA is the nation's largest integrated health care system and the largest single provider of homeless treatment and benefits assistance services to homeless Veterans in the nation. VA provides health care to more than 100,000 homeless Veterans each year. We do this by aggressively reaching out and engaging Veterans in shelters and in soup kitchens, on the streets and under bridges. Last year VA reached out and conducted clinical assessments on more than 40,000 homeless Veterans. VA's effort is designed to encourage Veterans to utilize health care and benefits and to engage them with community resources and services. Once enrolled, Veterans are provided access to quality primary health care, psychiatric evaluations and treatment, and admission in treatment programs for substance abuse disorders. VA has adopted strong performance measures and a Mental Health Uniform Service Package to ensure that all homeless Veterans receive prompt access to mental health and substance abuse care. The objective is to help Veterans receive coordinated care and benefits, which, in turn, improve their chances of obtaining and maintaining independent housing and gainful employment. Providing this assistance should enable Veterans to live as independently as possible given their individual circumstances.

Department of Veterans Affairs -- SAVE Award

The SAVE Award is part of the President's commitment to a line-by-line review of the Federal budget. It enables Federal employees from across government to submit their ideas for efficiencies and savings as part of the annual Budget process. The goal of the SAVE Award is to produce ideas that will yield savings while also improving the way that government operates.

Oracle Enterprise License Agreement (ELA)

Funding Summary
(dollars in thousands)

	2010	2011	2010-2014
Savings-ELA Compared To Standard GSA Discounts	-$9,926	-$40,243	-$117,750

The Department of Veterans Affairs (VA) intends to issue an award for an Oracle Enterprise License Agreement (ELA). The VA will use this ELA agreement as a means to reduce cost, drive development standardization, improve our system development process, enhance customer service to our Veteran constituency, aid in the improvement of information security and improve our asset utilization and visibility.

In summary the ELA will establish a single contract vehicle that will consolidate all of the existing Oracle software programs owned by the VA today while at the same time providing unrestricted access to the Oracle software programs that the VA requires in order to fulfill its mission. In addition the ELA will establish the support agreements and communication that are required in order to effectively develop, deploy and maintain our mission critical applications supporting the determination and payment of benefits and healthcare to our nations' Veterans.

We anticipate that this enterprise license agreement will reduce costs in a variety of ways. It will:

- Allow the VA to leverage economies by receiving a significant discount on the new license purchase requirements.
- Provide reduced support and maintenance costs in 2010 that will continue on for the life of the ELA.
- Consolidate existing Oracle software licenses under one agreement which will result in the reduction of purchase orders issued and invoices processed from approximately 400+ to 5.
- Significantly reduce the cost associated with license eminence and governance.

This ELA will also provide the VA with the ability to better carry out our mission of providing services to our Veterans by:

- Providing the flexibility to establish a world-class data architecture and disaster recovery strategy without incurring incremental cost.
- Enable the VA to better secure veteran data and PII.
- Allowing the VA to reduce project development and deployment lifecycle time.
- Providing the data infrastructure required to support data sharing between the VA in its constituents. (ie: DOD, CDC, SSA)
- Providing asset visibility and improving budget forecasting.
- Allowing the VA to provide self-service access to our veterans for things such as prescription refill, scheduling appointments, updating and viewing personal records.

Personal Computer Power Savings

In order to demonstrate its commitment to greening and environmental responsibility as well as realize significant recurring cost savings, VA is introducing and/or strengthening its energy conservation efforts. One significant component of this undertaking is reducing the energy consumed by the almost 300,000 personal computers (PCs) in use across the Department through an orchestration of myriad means. The approach has four key components:

1. Introduction of energy efficient hardware.
2. Use of a standard, enterprise software distribution and client management tool (Microsoft System Center Configuration Manager- SCCM).
3. Use of current PC chip technology related to remote, out of band system management.
4. Use of software tools that enhance the power management capabilities such as 1E Night Watchman.

The standard, enterprise PC lease program instituted by OI&T Operations over three years ago has cycled out of service the vast majority of aged equipment in favor of highly energy efficient machines that are compliant with Energy Star specifications as drafted under the Environmental Protection Agency program of the same name. These systems- including, in most cases, the PC monitor- have sleep mode capabilities which place the systems in a low power "hibernated" state when they are left idle. These technologies, developed for laptop computers to preserve battery life, have been ported to desktop systems to and have been extremely effective in decreasing their power consumption. These same PCs from the enterprise lease are also capable of leveraging the latest remote system

management capabilities, allowing for remote power off and on for much greater flexibility and capability in administration and management of the devices.

Long standing procedure in most of VA has necessarily been to leave PCs powered on at all times to facilitate scanning and critical system patching including fixes of a security nature. These important activities are typically performed off-hours to minimize operational disruption and the historical method of leaving the PC on for that activity to occur results in significant energy consumption. The advent of- and VA's use of- advanced tools that can remotely, on a schedule or on an ad hoc basis, turn machines off and on while still preserving and restoring the state of end user sessions (e.g. what documents were open on the PC at the time of shutdown) allows the optimal combination of machines that are energy efficient when on and that can be fully powered off/on on a scheduled or ad hoc basis, remotely and in an automated fashion.

This combination of tools and management methods has been shown to save organizations, on average, $26 per PC per annum in energy costs.

Funding Summary
(dollars in thousands)

	2010	**2011**	**2010-2014**
Savings from employed of advanced energy saving methods on desktop PCs	-$2,194	-$6,890	$32,484

We anticipate that these energy saving efforts will reduce costs in a variety of ways:

- In addition to the move to energy star compliant devices- replacing old devices- energy savings will be realized by having PCs turned off completely when not in use.
- The resultant energy cost savings realized are estimated in the table above.
- "Soft cost" savings in increased end user productivity due to minimized disruptions for PC patching/updates and greater desktop PC stability.
- "Soft cost" savings in increased system administrator productivity due to enhanced tools and capabilities for desktop PC management.

This efforts will also provide the VA with the ability to better carry out our mission of providing services to our veterans by:

- Having end user systems key to serving the veteran more highly available.
- Having better patching control result in greater security of the systems used to process veteran data and other sensitive information.

- Facilitating VA's participation and leadership in federal sector efforts to optimize energy efficiency and reduce carbon footprint, including meeting related goals and objectives of the Obama Administration.

VA's Major IT's Investments - Core Priorities

Benefits for the 21st Century - Education including Post 9/11 G.I. Bill (Chapter 33)

($ in 000s)	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Veterans Educational Assistance Act, P.L. 110-252 for Chapter 33	$55,153	$0	$0	$0	$0
American Recovery and Reinvestment Act, P.L. 111-5 for Chapter 33	43,594				0
Benefits for the 21st Century - Education including Chapter 33		1,937	34,476	44,097	9,621
	$98,747	$1,937	$34,476	$44,097	$9,621

Description:

Public Law 110-252, "Post-9/11 Veterans Educational Assistance Act of 2007" created a new Federal educational assistance benefit, the Post-9/11 GI Bill (Chapter 33). The Post-9/11 GI Bill (Chapter 33) allows qualified students who serve on active duty in the Armed Forces on or after September 11, 2001 to establish eligibility for education benefits. While the eligibility criteria for the Post-9/11 GI Bill (Chapter 33) are similar to the existing programs, the benefits are vastly different than those that exist today. Similarly, the Post-9/11 GI Bill (Chapter 33) offers benefits to claimants not previously available, tuition and fee payments paid to the institution, a monthly housing allowance, and a yearly books and supply stipend. VA estimated 526,000 students will file a claim under the Post-9/11 GI Bill (Chapter 33) each year. On May 1, 2009, Veterans began to apply for benefits and on August 1, 2009, VA began to pay benefits under the Post-9/11 GI Bill. Work continues to implement Phase 3 of the Interim Solution, which provides additional automation of the claims process.

- OI&T was initially authorized $55 million to begin the development process for Chapter 33. Congress provided an additional $48.5 million in FY2009 as part of the American Recovery and Reinvestment Act (Public Law 111-5). In order to meet the August 1, 2009 mandate, an interim solution was deployed. This solution is considered temporary, labor intensive and requires many manual processes by claims processors. The Chapter 33 short-term strategy consists of a two-part IT solution: a "Back End Tool" fiscal payment system which uses the existing Benefits Delivery Network (BDN) to issue payments, and a "Front End Tool" for use by

Education claims examiners to augment the manual processing of education claims. For the interim term solution, IT developed an "in house" process using existing development resources and leveraged existing agreements with non-profit organizations.

Objective:
On May 1, 2009, VA accepted applications for Chapter 33 (GI Bill) benefits through VA Online Application (VONAPP), with 2,528 applications received on the first day. The VA was able to successfully pay claimants for the Post 9-11 GI Bill on August 1, 2009. Phase 3 of the Interim Solution, which adds the ability to amend awards, has been delayed and was released in November 2009.

The Chapter 33 long-term solution will deliver an end-to-end solution to support the delivery of Post-9/11 GI Bill benefits. The long-term solution will be an incremental delivery of capabilities; a distributed application architecture framework supportive of a service oriented architecture developed using an agile methodology and rules-based technology.

VA's Long Term Solution will provide end-to-end, seamless integrated claims processing. To reduce human intervention in processing Chapter 33 claims, the Long Term Solution will use a rules engine, tight data integration strategies and implementation of a well-defined Service Oriented Architecture (SOA). Once the Long Term Solution is deployed, the other Education Service benefits and systems will be modernized and migrated to the Chapter 33 infrastructure. Consequently after FY 2009, The Education Expert System will migrate to Chapter 33.

- For the long term solution, VA is using an Inter-Agency Agreement with Department of the Navy's Space and Naval Warfare Command (SPAWAR) to develop and host the solution.

    - Once the solution is deployed, VA intends to transition the environment to the VA infrastructure. Chapter 33 will support the VA Strategic Goals 1 and 2:

      1) providing increased capabilities for Veterans to obtain educational and vocational training;

      2) enabling the possibility to restore and improve quality of life and aid in a smooth transition from military service to civilian life.

Release 1 of the long term solution is expected in second quarter of FY 2010. VA has entered into 3,498 agreements with 1,165 schools: 254 private for profit, 750

private non-profit and 161 public schools. Contribution amounts at schools vary widely, ranging from hundreds of dollars per student to several thousand. As of August 2009, more than 7,800 Post-9/11 GI Bill payments, totaling approximately $8.3 million, have been made to schools for tuition and to students for books and supplies, VA received over 180,000 Post-9/11 GI Bill applications and 11,000 enrollment certifications. VA has processed approximately 132,000 claims for eligibility and entitlement determinations, and over 3,600 enrollment certifications. VA has received tuition and fee information from 52 of 54 U.S. States and Territories.

Benefit to the Veteran:

The Post-9/11 GI Bill provides benefits based on active duty service. The maximum benefit allows service members, Veterans and family members to receive an in-state, undergraduate education in the state and school of their choice at no cost to themselves.

The Post-9/11 GI Bill program assists in the readjustment to civilian life, supports the armed services recruitment and retention efforts, and enhances the nation's competitiveness through the development of a more highly educated and productive workforce. These benefits will revitalize our economy as the original GI Bill did after World War II by producing a new generation of higher-educated Veterans prepared for professional careers. Veterans will be able to obtain tuition and fees, a housing allowance, and stipend to use for books and supplies for education and vocational training.

The Yellow Ribbon Program established by the Post-9/11 Veterans Educational Assistance Act of 2008 created a matching contribution program between VA and Institutes of Higher Learning (IHLs) to assist eligible Veterans in covering tuition expenses that exceed the highest public in-state undergraduate tuition rate. Schools may enter into an agreement with VA to cover up to 50 percent of the additional tuition that the Post-9/11 GI Bill would not otherwise cover, with a match of up to 50 percent from VA. Regulations and guidelines have been established for schools to follow, and their participation has been solicited via surveys, e-mail, press releases, and web-site postings

Benefits 21st Century Veterans Benefits Management System (VBMS) Initiative

($000s)	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
OEF/OIF Supplemental for Paperless Delivery (P.L, 110-28)	18,015				
Virtual VA	13,679	17,922	8,107	0	-$8,107
FY 2009 funding through The American Recovery and Reinvestment Act, P.L. 111-5	1,500	0	0	0	$0
Paperless Delivery of Veterans Benefits Initiative	0	143,680	63,000	145,305	82,305
	33,194	**161,602**	**71,107**	**145,305**	**74,198**

Description:

The Veterans Benefits Management System (VBMS) - formerly known as Paperless Delivery of Veterans Benefits - is designed to transition from paper-intensive claims processing to a paperless environment. The VBMS technology solution will be deployed in a three-step implementation process. First, a Virtual Regional Office (VRO) will initiate the design process by creating a flexible, iterative, user-in-the-middle development process to solidify user requirements for access to electronic information through a living specification. Next, VBA will conduct regional office pilots to further validate, refine, and harden process and systems requirements. Finally, production environments will be established for full-scale rollout to all Regional Offices (ROs).

It is anticipated that VBMS will be expanded to support pension, insurance, education, vocational rehabilitation and education, loan guaranty, memorials, etc. As the VBMS solution matures, additional capabilities will be incorporated: claims processing steps will be automated, and existing applications will be modernized. The result is a standardized, tracked, and efficient claims processing solution.

The VBMS initiative will deploy a technology solution that supports VA's strategy to improve benefits delivery. VA is developing a Business Transformation Strategy (BTS) to address processes, people solutions and organizational structure factors. The VBA General Operating Expense (GOE) funding item accounts for the corresponding investment in the BTS. VBMS and BTS implementation is sequenced to encourage interaction that results in sharing information and lessons learned. VA's business transformation efforts will

identify and test processes and organizational improvements and feed requirements to the VBMS technology solution. During 2010, the technology solution will be developed through an agile, "user in the middle" methodology beginning with the Virtual RO concept. Subsequent pilots will further refine and strengthen the technology platform. By the end of 2011, target process, organizational, and technology practices will be understood and a nationwide rollout strategy will be developed for execution in 2012. Business and technology transformational efforts will converge as VBMS proceeds. This convergence will ultimately result in a holistic solution that delivers world-class service to our nation's Veterans.

FY 2009 Accomplishments:

- Documented High-level Use Cases
- Developed Project Initiation Documentation in accordance with ProPath
    - Project Management Plan
    - Project Charter
    - IPT Charter
    - Quad Chart
    - SMART Checklist
- Established Project Environment

FY 2010 Deliverables:

- Refined Requirements
- Virtual Regional Office Prototype to Refine User Interface Requirements
- VBMS Architecture
- Capacity Planning
- Security Architecture
    - Access Controls (Role-based and Rule-based)
    - Auditing and Accountability
    - Identification and Authentication
    - Disaster Recovery
    - Continuity of Operations
- Information Integrity
- Deploy In-house Scanning Capability One RO
- Deploy Hardware(HW)/Software (SW) Infrastructure for O RO
- Release 1:
    - Image Repository of Electronic Claims Folder
    - Document Capture, Storage, Indexing, Tagging, and Linkage to Claim
    - User view into Electronic Claims Folder
    - Claims Archival
    - Prototype BTS Workflow
    - Prototype Rules-based Notification of Work

- Service to Communicate with Legacy Systems
- Interface to Internal and External Databases

Benefit to the Veteran:

The VBMS initiative will result in a world class paperless environment for claims processing and benefits delivery. The VBMS Initiative is aligned with the VA Strategic Plan and supports the integrated strategy to improve and integrate services across VA to increase reliability, speed, and accuracy of delivery.

The VBMS Initiative will produce benefits including:

- Improved Veteran access to VA services, through enhanced web-based information processing.
- Better timeliness and consistency of delivery of Veteran services.
- Improved claims adjudication processes through file redundancy, efficient workflow management, and workforce flexibility.
- Heightened control over the acquisition and movement of Veteran data throughout VBA and among stakeholders.

Benefit to the VA Organization:

The VBMS initiative improves service to Veterans by providing the capability to apply for, monitor, and manage benefits on-line. On-line management of benefits will help VA decrease reliance on the receipt, movement, and storage of paper; and eliminate efficiency constraints associated with paper claims files. In addition, this investment will substantially contribute to the overall efforts to reduce average days to complete C&P rating claims. By implementing the VBMS initiative, VA will achieve several business benefits, including improved access to and delivery of VA services to Veterans through improved web based services, and increased flexibility, and greater control over the movement of Veterans' data throughout VA. VBMS supports VA Strategic Goals through restoration and improved quality of life for disabled Veterans, and providing a smooth transition to civilian life. By leveraging information technology to improve services to VA customers, the VBMS initiative supports the expanded E-Government initiative.

Financial and Logistics Integrated Technology Enterprise (FLITE)

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$24,022	$85,623	$78,983	$120,159	$41,176

Description:

The Financial and Logistics Integrated Technology Enterprise (FLITE) program is VA's multi-year initiative to replace existing financial and asset management systems with integrated enterprise-level systems. It has three primary components: the Integrated Financial Accounting System (IFAS), a financial management system; the Strategic Asset Management (SAM), an asset management system; and FLITE Data Warehouse (FDW), a data warehouse project. FLITE effectively integrates and standardizes financial/asset management data and processes across all VA offices. It also provides management with access to timely and accurate financial, logistics, budget, real property and related information on VA-wide operations as well as on specific programs and projects. In addition, it will establish an advanced technology environment with improved security and internal controls.

In FY 2009, VA accomplished the following program related activities: released the Request for Proposal (RFP) for the IFAS component of FLITE following OMB Financial Management Line of Business guidance. The purpose of the RFP was to obtain a Federal or Commercial Shared Service Provider (SSP) to help VA implement a core financial system that will standardize business processes, accounting procedures and data elements across all VA. This will facilitate stronger internal controls and a common accounting operation across all VA. Initiated site readiness activities at the SAM Beta sites. Awarded the Program Management Support Service Contract (PMOS) and the SAM Pilot implementation contract. The PMOS ensured that the Program Office has the augmented resources, expertise and internal controls in place to plan, manage, coordinate and oversee the development and implementation of the FLITE Program. With the awarding of the SAM Pilot Implementation Contract, VA initiated the SAM pilot phase at Milwaukee VA Medical Center which will provide assurance on the initial operating capability of the SAM system. VA released Request for Information (RFI) to seek industry input regarding potential software solutions for managing and tracking VA real property assets. This will help enhance VA's management controls and provide a better solution to enhance oversight over the Property, Plant and Equipment. VA initiated efforts to develop a concept of operations for the FDW. The Concept of Operations will help VA to formulate a strategy for the data warehouse to provide timely and accurate financial and asset management information in one central location. In 2009, VA accelerated the change management and communication activities targeted to stakeholders. End users were actively engaged to bring about understanding and awareness of the FLITE Program, the benefits of the changing processes and procedures, and how end users will be impacted.

In FY 2010, VA plans to accomplish the following activities: initiate integration testing of the Strategic Asset Management solution at the Milwaukee pilot site; award the IFAS contract and initiate the Pilot phase of the Financial Management System (FMS) replacement and begin development of the Integrated Funds Control Point Activity, Accounting and Procurement (IFCAP) replacement. The purpose of the Pilot/Beta phase is to validate the system and associated business processes in a production environment, to gain experience with production cutover, and to obtain acceptance from the user community. The IFCAP Replacement Development will include the development and testing of the IFAS components that replace IFCAP, the integration between IFAS and SAM, and the replacement of the interfaces between IFCAP and the VistA applications with interfaces between IFAS and the VistA applications. It also will include the cleansing and conversion of data at the Pilot sites. In addition, FDW will release an RFP to obtain a data warehouse implementation contract.

In FY 2011, VA plans to accomplish the following activities: complete the SAM Pilot phase; award the SAM Beta contract; complete deployment of the new Strategic Asset Management system at selected Beta sites including the Demonstration and Validation (D&V) of the SAM system; begin SAM national deployment; begin FMS national deployment, replacing the FMS legacy system and begin implementing the FDW.

Objectives:

FLITE's objectives are to:

- Implement accessible and enterprise level standardized business processes that result in increased efficiencies and enhanced internal controls.
- Provide VA executives and managers with timely, accurate and transparent financial, logistics, budget, and asset management information on VA wide operations as well as on specific programs and projects to make and implement effective policy, management, stewardship and program decisions.
- Establish an advanced technology environment which provides the greatest capability and an extended life cycle.

Benefit to Veteran:

FLITE will directly benefit the delivery of health care services to Veterans by streamlining the operations of VA's medical facilities and standardizing best practices. Once implemented nation-wide, FLITE will deliver world-class service to Veterans through effective communication and management of people, technology, business processes and financial resources.

Benefit to the VA Organization:

FLITE will assist in providing timely information for management decisions and improve automated reconciliation and analytical capabilities. The FLITE program will touch almost everyone in VA who directly or indirectly serves a Veteran. Benefits to the VA Organization are numerous and include:

- Standardization of business processes based on accepted business requirements
- Standardization of processes eliminates the need for re-training when relocating to a different site
- Creation of a secure, standardized data environment
- Simplification of the user interface that increases system utility resulting in the elimination of duplication in data entry and reconciliation
- Improved visibility of financial and asset data at all levels within VA
- Enhanced auditing capabilities
- Elimination of multiple versions of historical data and legacy systems via the integration of IFAS and SAM
- Enhanced buying leverage via VA-wide knowledge of enterprise needs and contracting/purchasing improvements
- Visibility into excess enterprise assets for transfer and re-utilization within VA, as well as capability for emergency planning

Virtual Lifetime Electronic Record (VLER)

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$42,157	$52,032	$9,875

Description:

On April 9th, the President asked Veteran Affairs' Secretary Shinseki and Department of Defense (DoD) Secretary Gates to deliver a "virtual lifetime electronic record" that seamlessly integrates DoD data to VA's in order to ensure that no Veteran has a delay in service as a result of the transition from active duty to Veteran status.

The basic premise of VLER is to facilitate electronic access to administrative and medical information – under proper security and privacy controls – from the day young men and women enter military service, throughout their military careers, and for the rest of their lives.

Built on existing point-to-point electronic health record infrastructure, VLER has become a standards-based open architecture framework that will ultimately enable seamless interoperability with other federal agencies and, crucially, private sector partners.

Electronic medical records – and VA has one of the best platforms in the world – indisputably improve quality, convenience, and continuity of care. VLER will make them better. Benefits administration depends on timely access to military assignment records, administrative records, and service-related medical records. VLER will make that better too. VLER will provide automated information access to Veterans, their families and care-givers, and their service providers. It will relieve them of the burden of keeping track of their paper records, because documentation will all be in one complete, secure, and "virtual" place.

Under the Secretary's leadership, the ground-up transformation of VA has already begun. His clear vision of the use of information technologies will make a tremendous difference. Our dedicated employees are going to get better tools that will enable us to provide better service, faster and more effectively. And, our Veterans are going to get the delivery of their health care and benefits they have earned and deserve, with less stress and red tape.

The VLER initiative is defined as the capability for VA and DoD to electronically access and manage the health, personnel, benefits, and administrative information needed to efficiently deliver seamless health care, services, and benefits to Service members, Veterans, their families, and caregivers. The scope of VLER will encompass Service member/Veteran information in our electronic systems from initial accession to the Service member/Veteran's death and until the point in time whenever eligibility for DoD/VA medical care, services, benefits, and/or compensation for all surviving family members/beneficiaries has expired.

In December 2009, VA began a health record pilot program between the VA Medical Center in San Diego and a local Kaiser Permanente hospital to exchange electronic health record (EHR) information using the Nationwide Health Information Network (NHIN) created by the Department of Health and Human Services. Interoperability is key to sharing critical health information. Utilizing the NHIN standards will allow organizations like VA and DoD to partner with private sector health care providers to promote better, faster and safer care for Veterans. During the first quarter of 2010, the Naval Medical Center San Diego will be included in the next phase of the pilot.

It is anticipated that for the near term in 2010 and continuing into 2011 that VLER will encompass both Nationwide Health Information Network and Bidirectional Health Information Exchange (BHIE) initiatives. VA is currently running a pilot program in the San Diego area to test the sharing of data with the private sector. Department of Defense and Department of Veterans Affairs will start the process of integration into a framework for the foundation of VLER.

Objective:

To create an interagency virtual lifetime electronic record that will improve care and services to transitioning Veterans by smoothing the flow of health, personnel, benefits, and administrative records between the Defense and Veterans Affairs departments. The concept, long advocated by officials in both departments, is considered a major step toward improving the delivery of care and services to service members transitioning from military to civilian life.

Both VA and DoD have agreed that the objective for VLER is to establish a coherent, lifetime electronic record that will capture Service member/Veteran information from accession into military service to interment, and include all information necessary to provide medical care, services, benefits, and compensation to the Veteran, eligible family members, or eligible beneficiaries.

Access to electronic records is essential to modern healthcare delivery and the paperless administration of benefits. It provides a framework to ensure that all healthcare providers have all the information they need to deliver high-quality healthcare while reducing the occurrence of medical errors. The creation of this interagency Virtual Lifetime Electronic Record by the two organizations would take the next leap to delivering seamless, high-quality care, and serve as a model for the nation.

Benefit to the Veteran:

When a member of the Armed Forces separates from the military, he or she will no longer have to walk paperwork from a DoD duty station to a local VA health center or regional office. Their electronic records will transition along with them. This modernizes the way health care is delivered and benefits are administered for our nation's Veterans. It would allow all VA sites access to a Veteran's complete military medical record, giving them the information they need to deliver high-quality care. It reduces the requirement for Veterans to produce historical DoD data for review and inclusion in their VA records.

VA and DoD are dedicated to ensuring that transitioning service members receive the benefits they have earned in a timely manner. The information critical to the

provision of benefits is obtained through the One VA/DoD data sharing initiative, which consolidates the transfer of data between DoD and VA and will eventually eliminate the need for paper copies of discharge documentation. The Defense Enrollment Eligibility Reporting System (DEERS) supports that transfer, and the VA Defense Information Repository (VADIR), serves as the secure and authoritative database for a service member's demographic, personal identity information, and military history. This longitudinal electronic eligibility record can be used by all VA entities to administer benefits and care for a transitioning service member.

With our leadership and experience, DoD and VA have the opportunity to drive the improvement of health care through interoperable records, not just for Veterans and service members, but for the nation as a whole. It will also accelerate the claims process and eliminate delays in receiving care.

Health assessment data is collected from two sources: questionnaires administered at military treatment facilities and a DoD health assessment reporting tool that enables patients to answer questions about their health upon entry into the military. Questions relate to a wide range of personal health information, such as dietary habits, physical exercise, and tobacco and alcohol use, while the departments have established the capability for VA to view questions and answers from the questionnaires collected by DoD at military treatment facilities.

Information interoperability supports the exchange of information necessary to ensure continuity of medical care for all Veterans and the development and adoption of the national standards required to enable health information to follow the patient regardless of the point of care. Beneficiaries will still receive health care from the private sector so the ability to exchange health information between the public and private sectors is critical to both Departments. In addition, fulfillment of our goal of the virtual lifetime electronic record requires that it include complete administrative and medical information from all points of care.

Today, VA and DoD are sharing computable allergy and pharmacy information on patients who use both health care systems. The benefit of sharing computable data is that each system can use information from the other system to conduct automatic checks for drug interactions and allergies. In VA, we have implemented this capability at seven of our most active locations where patients simultaneously receive care from both VA and DoD facilities. Once a patient is "activated" with this capability, his or her pharmacy and allergy information is computable enterprise-wide in DoD and VA and is eligible for this automatic clinical decision support.

Benefit to the VA Organization:

Reduces backlog in processing benefit requests, improves coordination of health care delivery, and reduces redundant testing and health care costs.

VA clinicians with relevant disabled Veteran patient data, from both VA and DoD, are able to maximize the physical, mental, & social functioning of disabled Veterans including special populations of Veterans by assessing their needs and coordinating the delivery of health care, benefits, & services.

Ensuring a smooth transition for Veterans from active military service to civilian life by providing required DoD health data that is viewed by VA clinicians, creates an increased awareness of, access to, and use of benefits and services during transition. Federal Health Information Exchange (FHIE) supports the processing of disability claims within the Veterans Benefit Administration (VBA). Through CAPRI, FHIE data is now available for use by VBA claims adjudicators to fulfill the evidentiary requirements for processing disability compensation claims as well as in determining eligibility for Vocational Rehabilitation and Employment benefits.

The FHIE solution delivers substantial functionality that satisfies the original intent at a considerably lower cost and in a considerably shorter timeframe. There are anticipated reductions in cost per customer due to increased availability of more comprehensive and complete clinical data. These reductions include decreased repetition of laboratory tests because original test results cannot be accessed, avoidance of adverse medical events, and improved clinical decision-making.

The sharing of viewable social history data captured in DoD's electronic health record provides VA with additional clinical information on shared patients that clinicians could not previously view. These data describes, for example, patients' involvement in hazardous activities, tobacco and alcohol use.

The sharing of physical exam data, allowing VA to view DoD's medical exam data through the Bi-directional Health Information Exchange (BHIE) interface, supports the physical exam process when a service member separates from active military duty. VA clinicians are able to view outpatient treatment records, pre- and post deployment health assessments, and post deployment health reassessments.

VLER will enable VBA to have a consolidated view of Veterans' data and leverage the exchange of accurate data from the authoritative source, in order to

streamline claims processing with more timely and complete access to Veterans' medical records.

Concurrent with the VLER effort, VA continues to develop HealtheVet as our foundational tool, to deliver top quality health care to our patients and share important medical information with DoD and eventually, other health care partners that treat our Veterans. HealtheVet is the most critical IT development program for medical care—advancement of VA's "HealtheVet" program, which is the future foundation of our electronic health record system. This system includes a health data repository, a patient scheduling system, and a reengineered pharmacy application. "HealtheVet" will equip our health care providers with the modern technology and tools they need to improve the safety and quality of care for Veterans.

VETSNET

($000s)	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
VETSNET	24,638	24,555	24,555	31,738	7,183
FY 2009 includes of $100,000 from The American Recovery and Reinvestment Act (P.L. 111-5)	100	0	0	0	0
Total	**$24,738**	**$24,555**	**$24,555**	**$31,738**	**$7,183**

Description:

The VETSNET Program is a suite of applications that facilitates the entire Compensation and Pension (C&P) claims process. Within the suite, the end user can establish and develop Veterans' claims, document rating decisions, and issue award and notification letters. The system records and sends the accounting and payment information to the Department of the Treasury. Throughout these activities, data is shared and passed between the applications to support end-to-end claims processing, customer service, and notification. VETSNET became VBA's primary compensation and pension payment application in April 2008.

During FY 2010, VETSNET will provide the payment interface to support the movement of Chapter 31 subsistence allowance payments to the corporate database. Also the legislatively mandated Month of Death functionality will be delivered. In addition, two major conversions of Benefits Delivery Network (BDN) data and three major system version releases will occur. Currently, VA's mission is being supported by the BDN, which is scheduled for retirement in FY 2012. VETSNET is targeted to replace the C&P functions of the BDN, currently in

maintenance phase. BDN has exceeded its useful life and there are minimal tools available to support it. Additionally, various material weaknesses have been identified, including BDN's lack of compliance with the government-wide Standard General Ledger, lack of automated audit trail, and over payment errors.

Oversight for the VETSNET investment is provided by the VETSNET Executive Team. The Executive Team is an interdisciplinary team led by senior executives well-versed in C&P processes. The team is responsible for day to day execution of the project and strategic direction is provided by the VETSNET Integrated Project Team (IPT). The VETSNET IPT meets on a regular basis to monitor and control the investment's progress. VETSNET is a fundamental component of VA's Enterprise Architecture providing critical C&P informational support to its customers through an integrated environment.

FY 2009 Accomplishments:

- The February 2009 Release included delivery of the Disability Evaluation System (DES) enhancement to support VA/DoD interoperability agreements. This release also delivered the legislated enhancements for the Veterans Claims Assistance Act.
- Filipino Veterans Equity Compensation Act (FVEC) Release began delivery of $198 million to deserving Filipino Veterans who supported US troops during World War II and delivered pension letters to the field via a new web platform. It also brought Education into the VETSNET environment for the first time by adding Chapter 33 (New GI Bill) Education payment history to the field in anticipation of the August 2009 delivery of that benefit.
- Economic Recovery Payments (ERP) Release delivered on the legislative mandate to pay $250 to approximately 2.8 million beneficiaries.
- The August 2009 Release delivered the Concurrent Retirement Disability Payment (CRDP) legislation, another VA/DoD Project benefiting retired Veterans.

FY 2010 Deliverables:

- December 2009 Eligibility Verification Release
- Version Release 6 – Nationwide VETSNET Software Release
- Version Release 7 – Nationwide VETSNET Software Release
- 2010 BDN Data Conversion – Live Pension
- 2010 BDN Data Conversion – Child Dependency and Indemnity Compensation (DIC)
- July 2010 Clothing Allowance Adjustment

Benefit to the Veteran:

The VETSNET investment facilitates a variety of direct and indirect benefits to Veterans. It provides front-line support of Veteran inquiry routing, electronic filing of disability claims and supplemental information needed in claims settlement. Direct adjudication support is also provided for smaller beneficiary classes to include Chapter 18 Spina Bifida and the Restored Entitlement Program for Survivors. Indirectly, greater efficiency is provided through processes designed to enhance the exchange of military records, the moving of claims folders efficiently between stations, and maintenance of a reliable fiduciary oversight system that protects beneficiaries unable to successfully manage their own finances. Furthermore quality assurance components facilitate the ability to run a data-centric benefit decision review process, and also provides real-time capability for phone monitoring, which enhances the Veteran's overall level of service.

Benefit to the VA Organization:

VETSNET Program represents a number of efficiencies designed to facilitate the ease of administration of benefit programs. Training tools allow for the quality and timely delivery of sophisticated training materials that properly equip employees to fulfill their duties. Automated data exchanges allow for faster retrieval of information critical to adjudicate benefits, reducing the time an employee spends on individual claims processing. Back-end report systems provide the organization with the data needed to make informed business decisions and identify additional ways to improve claims processing performance. A consolidated appeals management system provides shared tracking, content management and reporting between the Board of Veterans Appeals and administrations. Information routing systems allow contract examination providers to receive and re-transmit examination results, from desktop request to final e-file delivery. Overall, this investment is designed to maximize the speed and accuracy of benefits delivery, a key priority in VA's overall performance.

Information and Technology FY 2011 Budget Request (Dollars in Thousands)					
		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Budget Request	Variance
MEDICAL	1,027,691	1,404,820	1,424,120	1,275,370	-148,750
Medical 21st Century - HealtheVet Core	107,021	149,536	135,716	131,476	-4,240
Medical 21st Century - Scheduling Replacement	11,482	46,476	10,000	10,000	0
Medical 21st Century - VistA Laboratory IS Reengineering	10,953	32,389	29,200	20,000	-9,200
Medical 21st Century - Pharmacy Reengineering	4,577	20,561	14,000	14,000	0
Medical 21st Century - Revenue Improvements and System Enhancements (RISE)	0	12,000	12,000	10,000	-2,000
Medical 21st Century - CAPRI Strategic Reengineering	0	2,030	3,000	2,030	-970
Medical 21st Century - MyHealth*e* Vet	16,409	20,840	13,808	23,340	9,532
Medical 21st Century - Registries	9,356	9,660	4,320	9,660	5,340
Medical 21st Century - Tele-Health and Home Care Model	23,186	14,050	400	48,550	48,150
Medical 21st Century - Bar Code Expansion	2,421	2,500	14,550	2,500	-12,050
Medical 21st Century - CBO Business Systems	0	0	0	0	0
Medical Legacy	57,958	91,133	105,454	75,000	-30,454
Medical IT Support	784,328	1,003,645	1,081,672	928,814	-152,858
BENEFITS & MEMORIALS	221,078	316,153	252,271	380,778	128,507
Benefits 21st Century Education	55,153	1,937	34,476	44,097	9,621
Benefits 21st Century - Paperless Delivery of Veterans Benefits	31,694	161,602	71,107	145,305	74,198
Benefits Legacy VETSNET (American Recovery and Reinvestment Act (P.L. 111-5) funded $1.5 million in FY 2009	24,638	24,555	24,555	31,738	7,183
Benefits Legacy	10,981	12,310	8,261	52,310	44,049
Benefits IT Support	97,752	114,940	113,872	105,167	-8,705
Benefits 21st Century - VR&E	0	0	0	0	0
Benefits 21st Century -Memorials	0	0	0	0	0
Benefits Legacy - Memorials Legacy Development Support	860	809	0	2,161	2,161

Information and Technology					
FY 2011 Budget Request					
(Dollars in Thousands)					
		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Budget Request	Variance
CORPORATE	**346,866**	**530,569**	**567,064**	**527,214**	**-39,850**
Corporate 21st Century Core	**35,374**	**30,742**	**39,419**	**32,255**	**-7,164**
Corporate 21st Century - FLITE	**24,022**	**85,623**	**78,983**	**120,159**	**41,176**
Corporate Legacy	**35,476**	**32,075**	**34,795**	**32,075**	**-2,720**
Corporate IT Support	**162,720**	**236,328**	**222,663**	**196,924**	**-25,739**
Corporate IT Support Enterprise Cyber Security and Privacy	**63,892**	**84,865**	**122,577**	**84,865**	**-37,712**
Corporate IT Support - PBX Replacement	**0**	**25,134**	**30,619**	**15,134**	**-15,485**
IT Enterprise Strategy, Policy, Plans and Programs	**5,944**	**10,688**	**8,667**	**10,688**	**2,021**
IT Resource Management	**13,538**	**15,608**	**19,835**	**25,608**	**5,773**
E-Gov	**5,900**	**9,506**	**9,506**	**9,506**	**0**
INTERAGENCY	**52,037**	**116,633**	**124,720**	**157,638**	**32,918**
Interagency 21st Century Core	**11,715**	**11,921**	**8,320**	**11,921**	**3,601**
Interagency 21st Century - Virtual Lifetime Electronic Record	**0**	**0**	**42,157**	**52,032**	**9,875**
Interagency 21st Century - PIV	**10,608**	**17,893**	**30,050**	**12,950**	**-17,100**
Interagency 21st Century - Enrollment Systems Redesign (ESR)	**11,703**	**13,793**	**4,500**	**9,629**	**5,129**
Interagency 21st Century - One Vet	**19,419**	**59,937**	**24,575**	**64,895**	**40,320**
Interagency IT Support (Future)	**0**	**0**	**0**	**0**	**0**
Interagency 21st Century - CHDR	**0**	**6,878**	**8,907**	**0**	**-8,907**
Interagency 21st Century - FHIE/BHIE	**-1,249**	**6,211**	**6,211**	**6,211**	**0**
Total IT Activities	**1,647,672**	**2,368,175**	**2,368,175**	**2,341,000**	**-27,175**
Staffing & Administrative Payroll	**762,291**	**938,825**	**938,825**	**966,000**	**27,175**
Total Budget Authority	**2,409,963**	**3,307,000**	**3,307,000**	**3,307,000**	**0**
IT Activities Reimbursements	25,767	32,229	32,229	25,265	-6,964
Staffing Reimbursements	19,000	29,177	29,177	23,530	-5,647
Total Reimbursements	**44,767**	**61,406**	**61,406**	**48,795**	**-12,611**
Total BA and Reimbursements	**2,454,730**	**3,368,406**	**3,372,756**	**3,355,795**	**-12,611**
Unobligated Balance Brought Start of Year	0	0	688,558	0	-688,558
H1N1 Pandemic Influenze Preparedness and Response Supplemental Fund (P.L. 111-32)	0	0	4,350	0	-4,350
Total Budgetary Resources	**2,454,730**	**3,368,406**	**4,061,314**	**3,355,795**	**-701,169**
BA FTE	6,548	7,338	7,338	7,338	0
Reimbursable FTE	162	242	242	242	0
Total FTE	**6,710**	**7,580**	**7,580**	**7,580**	**0**

Information and Technology Systems Appropriation/Obligations

(Dollars in Thousands)

Description	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase/ Decrease
IT Systems Appropriation: FY 2009 (P.L. 110-329); FY 2010 (P.L. 110-117)	2,489,391	3,307,000	3,307,000	3,307,000	0
Transfer from Dept of HHS for H1N1	0	0	4,350	0	**-4,350**
Transfer from VHA/VBA-GOE to support staffing	258,690	0	0	0	0
American Recovery and Reinvestment Act of 2009 Supplemental Funding (P.L. 111-5)	50,100	0	0	0	0
Total IT Appropriations	**$2,798,181**	**$3,307,000**	**$3,311,350**	**$3,307,000**	**-$4,350**
Reimbursements					
IT Systems Appropriation	25,767	32,229	32,229	25,265	-6,964
IT Pay Reimbursements	19,000	29,177	29,177	23,530	-5,647
Subtotal Reimbursements	**$44,767**	**$61,406**	**$61,406**	**$48,795**	**-$12,611**
Total Budgetary Resources	**$2,842,948**	**$3,368,406**	**$3,372,756**	**$3,355,795**	**-$16,961**
Adjustments to Obligations					
Unobligated Balance (SOY):	-265,558	0	-688,328	0	688,328
Unobligated balance transferred from Chapter 33 Supplemental Funding (P.L. 110-252)	-35,000	0	0	0	0
Unobligated Balance (EOY):	688,328	0	0	0	0
Change in Unobligated Balance (non-add)	**$387,770**	**$0**	**-$688,328**	**$0**	**$688,328**
Unobligated Balance Expiring (Lapse)	-462	0	0	0	0
Change in uncollected orders	12	0	0	0	0
Obligations	**$2,454,728**	**$3,368,406**	**$4,061,084**	**$3,355,795**	**-$705,289**
Obligated Balance (SOY)	829,133	1,360,113	833,908	1,731,931	898,023
Obligated Balance (EOY)	-833,908	-1,526,155	-1,731,931	-1,771,602	-39,671
Adjustments in Expired Accounts and Other	-9,835	0	0	0	0
Outlays, Gross	**$2,440,118**	**$3,202,364**	**$3,163,061**	**$3,316,124**	**$153,063**
Less Collections	-44,781	-61,406	-61,406	-48,795	12,611
Outlays, Net	**$2,395,325**	**$3,140,958**	**$3,101,655**	**$3,267,329**	**$165,674**
FTE	6,548	7,338	7,338	7,338	0
Reimbursable FTE	162	242	242	242	0
Total FTE	**6,710**	**7,580**	**7,580**	**7,580**	**0**

Office of Information and Technology Obligations by Object Class and Funding Sources (Dollars in Thousands)					
		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Personal Services	738,572	862,432	889,959	887,530	-2,429
Travel	13,496	18,428	18,625	19,314	689
Rent, Communications and Utilities	404,963	354,369	586,945	594,003	7,058
Printing and Reproduction	359	338	521	527	6
Other Services	923,914	1,522,077	2,023,801	1,306,679	-717,122
Supplies and Materials	15,756	35,352	22,837	23,112	275
Equipment	355,340	553,772	515,023	521,216	6,193
Lands and Structures	2,179	18,211	3,158	3,196	38
Other	149	3,427	215	218	3
Total Obligations	**$2,454,728**	**$3,368,406**	**$4,061,084**	**$3,355,795**	**-$705,289**
Funding Sources					
Appropriation	**$2,798,181**	**$3,307,000**	**$3,311,350**	**$3,307,000**	**$43,150**
Reimbursements	**$44,767**	**$61,406**	**$61,406**	**$48,795**	**-$12,611**
Non-Pay Reimbursements	25,767	32,229	32,229	25,265	-6,964
Pay Reimbursements	19,000	29,177	29,177	23,530	-5,647
Unobligated expiring	-462	0	0	0	0
Change in uncollected orders	12	0	0	0	0
Unobligated SOY	265,558	0	688,328	0	-688,328
Unobligated CH. 33 transfer	35,000	0	0	0	0
Unobligated EOY	-688,328	0	0	0	0
Total	**$2,454,728**	**$3,368,406**	**$4,061,084**	**$3,355,795**	**-$657,789**

Mission

The VA Office of Information and Technology's mission is to provide and protect information necessary to enable excellence through client and customer service. IT has developed four key components that comprise IT's mission and supporting tasks that will enable IT to achieve this mission.

Provide and protect the means for uncompromised, safe information and technology (IT) services to and for customers and clients.

- Improve and integrate services across VA to increase reliability, speed, and accuracy of delivery.
- Provide Veterans and their families with integrated access to the most appropriate services from VA and our partners.
- Create a collaborative, knowledge-sharing culture across VA and partners to support our ability to be Veteran-centric, results-driven, and forward-looking at all times.
- Create and maintain an effective, integrated, Department-wide management capability to make data-driven decisions, allocate resources, and manage.

Provide IT including hardware and software to convert, store, protect, process, transmit, exchange, control, display, and retrieve information securely from desktop computing to complex networks and centers.

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

Maintain and grow a skilled workforce and provide service excellence to customers and clients.

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

Provide rapid delivery of external-customer-valued services and products.

- Ensure clients will only need to enter non-identifying information in IT systems once.
- Develop a range of effective delivery methods that are convenient to Veterans and their families.
- Reach out proactively and timely to communicate with Veterans and their families.

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

CIO Priorities

Information Technology (IT) is an integral component of VA's health care, medical, and benefits delivery systems. IT is the key to helping the Secretary create a 21st Century VA vision for the Department that is people-centric, results-oriented, and forward leaning. VA depends on a reliable and accessible IT infrastructure, a high-performing IT workforce, and modernized information systems that are flexible enough to meet both existing and emerging service delivery requirements. To ensure that we succeed in our mission, it is imperative that we employ all of our resources, including information technology, in the most cost- effective way possible.

1. Customer Service

Customer Service is a primary strategic focus area for OI&T employees working with our internal customers at VHA, VBA, and NCA that are serving our nation's Veterans. Every OI&T employee needs to achieve the following:

1) Think about who our customers are, write down their names, and personalize them.
2) Meet with each customer to make sure we understand their jobs and their needs from OI&T.
3) Measure facility satisfaction by engaging medical facility CIOs for point of delivery.

2. Information Security

Information Security has been one of the biggest challenges at the Department and an area we've made substantial progress. OI&T's continued commitment to the protection of Veteran and employee information will enhance our security posture.

1) Focus is to create a next generation information security plan and moving OI&T information security into the class of the better private sector organizations and among the best in the Federal Government from an actual on-the-ground information security posture.

3. Metrics-driven Operations

Change needs to occur to impact the availability of services. This focus area centers on Senior Operational leadership assessing what metrics are available and which ones need to be employed.

1) OI&T must review our availability and response times to our customers.
2) On the operational side, OI&T will move forward with consolidation of data centers and help desks.
3) Better service can be achieved in a consolidated versus fragmented environment.
4) Pilots with consolidation in Region 1 and 4 have proven beneficial and serve as a nationwide benchmark.

4. Effective systems development processes

Improving our development process is an important step in our efforts to transform the OI&T organization into one of the best in the Federal Government. The roll-out of the Program Management Accountability System (PMAS) addresses system development issues within the Department.

1) All IT systems development over the next year will move to an incremental development approach that ensures frequent delivery of new functionality to customers, coupled with a rigorous management approach that halts programs that fail to meet delivery milestones.
2) This new system will ensure early identification and correction of failing IT programs. VA will stop the project and change its direction to move it forward and make it more successful.

5. People and Skills

OI&T is an approximately 7,500-person organization, and it is the management's responsibility to motivate the workforce.

1) OI&T will recruit qualified candidates and provide training to employees.

6. Getting more from our supply chain/partners

Payments to commercial vendors make up $2.3B of FY 2010 current estimate. Three-quarters of OI&T's budget dollars fund vendor contracts.

1) Vendor partners are critical to the work effort since they make up a large segment of the work that gets accomplished.
2) VA will strive to educate the private sector and our vendor community on the importance of improving the value delivered by our processes and purchases in order to assist VA in accomplishing our mission.

7. Internal and External Communications

The objective is to communicate with our customers about the actual issues they face in delivering good customer service.

1) The purpose of this initiative is to create a social networking pilot to establish communications between OI&T and OI&T Management.
2) An initial website was piloted of 700 GS-14s and 15s to provide facilitation of two-way communication for responding to key issues, voting based on feedback and discussion, and addressing OI&T issues on how to improve customer service and innovation.

8. Innovation

The goal is to move forward on plans to help foster innovation inside OI&T using tools such as social networking, which will promote the discovery of knowledge and innovation inherent to OI&T employees.

1) OI&T needs to stand-up better ways of surfacing ideas, bring them forward, invest in them, help improve what OI&T already executes for customers, and identify what service our customers provide to our Veterans.

Governance

VA IT Governance Plan, dated March 12, 2007, requires VA executive leadership support and participation in building and enforcing more structure, discipline, and behavioral change within IT and the business areas. No longer is each organization in a position to plan IT investments without consideration of the overall impact upon VA as well as Veterans, service members, employees, and other stakeholders. The key has been aligning business and IT processes across VA in meeting the primary objective – exceptional services for Veterans their dependents and their survivors. In addition to the CIO's priorities, some of the improvements will include:

- Realization of business goals (e.g., responsiveness to Veteran needs)
- Optimized resource and asset utilization
- More effective use of IT for:

    - Increased return on investment
    - Increased business flexibility
    - Improved service levels
- Measurement through the use of meaningful performance metrics

To establish governance over IT, VA created three IT governance boards that provide Departmental IT direction, oversight, prioritization, enforcement, and issue resolution. Each board meets monthly and sometimes more frequently during program/project/budget development phases. All VA administrations and staff offices are represented to ensure their inputs are understood for critical business requirements. Based upon IT governance best practices, the CIO uses the existing VA governance model to the maximum extent possible. That model is the Department's Strategic Management Council (SMC), which is chaired by VA Deputy Secretary and serves as the conduit for directly linking to the three IT governance boards. SMC serves as the senior board making decisions related to IT strategy and technology, decides the overall level of IT spending, aligns and approves Enterprise Architecture, accepts IT risks, and provides final approval.

In November 2008, VA did an assessment of the current state of the Governance process and through a working group made further improvement to meet the needs of our stakeholders. Effective coordination and information flow between the Boards are critical to a synchronized IT governance effort. Specific focus areas have been assigned to each to effectively address and manage both near term and long term IT requirements and resources. The Programming and Long Term Issues (PLTI) Board 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 (BNTI) Board is responsible to oversee. Transparency, collaboration, and continuity play a vital role in effective governance of IT programs. Toward this end, vertical and horizontal coordination, reporting, and critical information flow between PLTIB and BNTIB will be implemented and maintained for ensuring situational awareness of actions and decisions. The Information Technology Leadership Board (ITLB) will adjudicate inter- and intra-board issues of significance that cannot be resolved between or within the respective boards.

Table 1: Performance Summary Table

Integrated Objective 1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness									
		Performance Measures Data							
			Results History				Annual Targets		
Integrated Strategies	**Organization-Specific Strategies and Initiatives**	**Measure Description** (Key and Dept. Mgt. Measures in **bold**)	**2006**	**2007**	**2008**	**2009**	**Current Year 2010** (Final)	**Budget Year 2011** (Request)	**Strategic Target**
A. Improve and integrate **services** across VA to increase **reliability**, **speed**, and **accuracy** of delivery	1. Integrate clients' navigational experience with systems (channels) used for communication with VA	Annual percent growth in online transactions in VA integrated communication systems (NEW)	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	10%
B. Develop a range of effective **delivery methods** that are **convenient** to Veterans and their families	1. Optimize IT systems affecting service delivery	Percent of VA IT systems that achieve performance requirements defined in service level agreements (NEW)	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	100%
		Percent of VA IT system components deployed by committed schedules after first revisions due to management review (NEW))	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	100%
	2. Support VA High Priority Performance Goals	Percent of milestones achieved towards deployment & implementation of a paperless disability claims processing system. (NEW) **(Supports High Priority Goal)**	N/Av	N/Av	N/Av	N/Av	Baseline	TBD	100%
		Percent of milestones achieved in deploying and implementing the Client Relations Management System (CRMS) (NEW) **(Supports High Priority Goal)**	N/Av	N/Av	N/Av	N/Av	Baseline	TBD	100%

Integrated Objective 1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness									
		Performance Measures Data							
			Results History				**Annual Targets**		
Integrated Strategies	**Organization-Specific Strategies and Initiatives**	**Measure Description** (Key and Dept. Mgt. Measures in **bold**)	**2006**	**2007**	**2008**	**2009**	**Current Year 2010** (Final)	**Budget Year 2011** (Request)	**Strategic Target**
		Percent of milestones achieved towards deployment & implementation of an automated GI bill benefits delivery system (NEW) **(Supports High Priority Goal)**	N/Av	N/Av	N/Av	N/Av	Baseline	100%	100%
		Percent of milestones achieved in deploying and implementing the Virtual Lifetime Electronic Record (VLER) (NEW) **(Supports High Priority Goal)**	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	100%
		Percentage of available virtual Veteran electronic records which can be accessed through Virtual Lifetime Electronic Record (VLER) capabilities (NEW) **(Supports High Priority Goal)**	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	100%
C. Provide Veterans and their families with **integrated access** to the most appropriate **services** from VA and our partners	1. Build IT products for flexible adaptation to changing requirements	Percent of VA IT projects delivering functionality on 6-month or less intervals (NEW)	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	100%

Integrated Objective 2: Educate and empower Veterans and their families through proactive outreach and effective advocacy									
		Performance Measures Data							
			Results History				**Annual Targets**		
Integrated Strategies	**Organization-Specific Strategies and Initiatives**	**Measure Description** (Key and Dept. Mgt. Measures in **bold**)	**2006**	**2007**	**2008**	**2009**	**Current Year 2010** (Final)	**Budget Year 2011** (Request)	**Strategic Target**
A. Use **clear**, accurate, consistent, and sensitive **messages** to build **awareness** of VA's benefits among our employees, Veterans and their families, and other stakeholders	1. Ensure clients need only enter non-identifying information in IT systems once	**Percent of VA IT systems that automatically reuse all relevant client information in other systems**	N/Av	N/Av	N/Av	N/Av	15%	TBD	100%
B. Reach out proactively and **timely** to **communicate** with Veterans and their families	1. Establish effective, ubiquitous service connectivity for clients	Annual percent growth in client utilization of IT connection channels as use of VA services (NEW)	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	10%
C. Engage in two-way communications with Veterans and their families to help them **understand** available **benefits**, get input on VA programs, and **build relationships** with them as our **clients**	1. Provide engaging and interactive online experiences to potential clients	Annual percent growth in unique users of VA online products (NEW)	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	10%

Integrated Objective 3: Build our internal capacity to serve Veterans, their families, our employees, and other stakeholders efficiently and effectively									
		Performance Measures Data							
			Results History				**Annual Targets**		
Integrated Strategies	**Organization-Specific Strategies and Initiatives**	**Measure Description** (Key and Dept. Mgt. Measures in **bold**)	**2006**	**2007**	**2008**	**2009**	**Current Year 2010** (Final)	**Budgeted Year 2011** (Request)	**Strategic Target**
B. Recruit, hire, develop, deploy, and **retain** a **diverse** VA **workforce** to meet current and future needs and challenges	1. Build a qualified, professional IT workforce	Percent of VA IT professionals holding industry-based qualification standards (NEW)	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	100%
C. Create a collaborative, **knowledge-sharing culture** across VA and partners to support our ability to be **Veteran-centric**, **results-driven**, and **forward-looking** at all times	1. Ensure knowledge management that is useful to VA employees	Percent of VA employees satisfied with knowledge management enabled by IT (NEW)	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	100%

Integrated Objective 3: Build our internal capacity to serve Veterans, their families, our employees, and other stakeholders efficiently and effectively									
		Performance Measures Data							
			Results History				**Annual Targets**		
Integrated Strategies	**Organization-Specific Strategies and Initiatives**	**Measure Description** (Key and Dept. Mgt. Measures in **bold**)	**2006**	**2007**	**2008**	**2009**	**Current Year 2010** (Final)	**Budget Year 2011** (Request)	**Strategic Target**
D. Manage **physical** and **virtual infrastructure** plans and execution to meet emerging needs	1. Ensure IT systems are interoperable	Percent of IT systems that require information sharing meet interoperability requirements (NEW)	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	100%
	2. Ensure IT systems are secure	Percent of IT systems formally approved for secure operations (NEW)	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	100%

Table 2: Performance Measure Supporting Information

Percent of VA IT systems that automatically reuse all relevant client information in other systems. (Departmental Management Measure)

a) Means and Strategies:

- VA will compile a database of all systems requiring direct input of client information (for purposes of tracking and assessment of performance measure success)
- VA will assess the current ("as is") state of client information input methods and add this information to the database
- VA will design and develop a common interface for all systems (websites and telephony-based), incorporating a common "look and feel" for the user
- VA will publish this common interface as a standard and direct application/system owners to develop an "add-on" interface to existing applications/systems while directing newly developed application/systems to use the common interface
- VA will establish a schedule to implement these changes in a manner that balances cost, benefit and social considerations
- VA will provide financial incremental funding for each application/system to perform the requested remediation/changes
- VA will establish progress goals for each successive fiscal year
- VA will track the implementation process for each system, validating when a system is deemed remediated, and provide reporting information relevant to percentages of remediated systems (vs. total number of systems)

b) Data Source(s): A newly-established database of all systems/applications requiring direct input of client information (obtained from OI&T organizations)

c) Data Verification: Data on progress will be assessed by the OI&T Quality, Performance and Oversight organization annually to ensure a) the database includes all requiring systems needing direct input of client information, 2) those systems identified as "remediated" are, in fact, as stated

d) Measure Validation:

- Data on progress will be published annually with the list of all systems requiring direct input of client information and list of remediated systems, with specificity to allow for independent assessment of the reported results

e) Cross-Cutting Activities:

- Future system development will have a standard client identity
- Future system development with DoD/VA interoperability will be less complex with remediated systems and new systems complying with standard client identity
- All systems will have a standard level of security, reducing the risk of inconsistency in security practices

f) External Factors:

- DoD/VA interoperability issues may require schedule changes in remediation activities
- Electronic Health Record projects may require schedule changes in remediation activities

g) Other Supporting Information: Not applicable

h) Link to New Strategic Planning Framework: This measure supports:

- Integrated Objective #2: Educate and empower Veterans and their families through proactive outreach and effective advocacy
- Integrated Strategy A: Use **clear**, accurate, consistent, and sensitive **messages** to build **awareness** of VA's benefits among our employees, Veterans and their families, and other stakeholders

Table 2: Performance Measure Supporting Information

Percent of milestones achieved towards deployment & implementation of a Paperless Disability Claims Processing System (PDCPS). (Supports High Priority Performance Goal)

Means and Strategies:

- VA will complete project initiative actions, specifically create project management and software development environments
- VA will provide funding , staffing resources, and the authority to proceed with the PDCPS
- VA will complete the following project management activities:
  - Form an Integrated Project Team
  - Create Quality Assurance Plan
  - Create Project Management Plan
- VA will develop the following supporting documents:
  - Configuration Management Plan
  - Disaster Recovery Plan
  - Concept of Operations Plan
  - Contingency Plan
  - Acquisition Plan
  - System Security Plan
  - Privacy Interaction Assessment
  - System Interconnect Agreement
- VA will build the PDCPS incrementally using the "Agile Scrum" method and deliver, per an approved schedule and architecture, product components that have been:
  - Tested as components
  - Tested in an integrated environment
  - Delivered in system "builds"
  - Accepted by the user (VBA) community
- VA will field a mature, tested and operationally-ready PDCPS with the following release-unique documents:
  - Master schedule
  - Deployment, Implementation and Training plans
  - National Deployment request
  - Approval document – National Deployment

b) Data Source(s): ProPath and the Program Management Assessment System (PMAS), Milestone Reviews, Business Relationship Meetings, OI&T Monthly Performance Reviews

c) Data Verification: Will include Milestone Reviews documenting adherence to schedule.

d) Measure Validation: This measure indicates OI&T performance on timely delivery of new functionality to customers. Schedule is validated through the use of internal OI&T Product Delivery Measurements.

e) Cross-Cutting Activities:

- PDCPS supports the overarching Veterans Benefit Management System
- PDCPS will achieve a high level of security, reducing the risk of inconsistency in security practices

f) External Factors:

- DoD/VA interoperability required to minimize technical changes due to concurrent development
- The Veterans Benefit Management System and Veteran Lifetime Electronic Record may require schedule changes in PDCPS to meet higher-level VA goals.

g) Other Supporting Information: None

h) Link to New Strategic Planning Framework: This measure supports:

- Integrated Objective #1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness
- Integrated strategy B: Develop a range of effective delivery methods that are convenient to Veterans and their families

Table 2: Performance Measure Supporting Information
KEY OR DEPARTMENTAL MEASURES ONLY

Percent of milestones achieved in deploying and implementing the Client Relations Management System (CRMS). (Supports High Priority Performance Goal)

a) Means and Strategies:

- VA will complete project initiative actions, specifically create project management and software development environments
- VA will provide funding , staffing resources, and the authority to proceed with the CRMS
- VA will complete the following project management activities:
  - Form an Integrated Project Team
  - Create Quality Assurance Plan
  - Create Project Management Plan
  - Create a Project Schedule
- VA will develop the following supporting documents:
  - Configuration Management Plan
  - Disaster Recovery Plan
  - Concept of Operations Plan
  - Contingency Plan
  - Acquisition Plan
  - System Security Plan
  - Privacy Interaction Assessment
  - System Interconnect Agreement
  - Incident Response Plan
- VA will build the CRMS incrementally using the "Agile Scrum" method and deliver, per an approved schedule and architecture, product components that have been:
  - Tested as components
  - Tested in an integrated environment
  - Delivered in system "builds"
  - Accepted by the user (VBA) community
- VA will field a mature, tested and operationally-ready CRMS with the following release-unique documents:
  - Master schedule
  - Deployment, Implementation and Training plans
  - National Deployment request
  - Approval document – National Deployment

b) Data Source(s): ProPath and the Program Management Assessment System (PMAS), Milestone Reviews, Business Relationship Meetings, OI&T Monthly Performance Reviews

c) Data Verification: Will include Milestone Reviews documenting adherence to schedule.

d) Measure Validation: This measure indicates OI&T performance on timely delivery of new functionality to customers. Schedule is validated through the use of internal OI&T Product Delivery Measurements.

e) Cross-Cutting Activities:

- CRMS will achieve a high level of security, reducing the risk of inconsistency in security practices

f) External Factors:

- DoD/VA interoperability required to minimize technical changes due to concurrent development
- The Veterans Benefit Management System and Veteran Lifetime Electronic Record project may require schedule changes in CRMS to meet higher-level VA goals

g) Other Supporting Information: None

h) Link to New Strategic Planning Framework: This measure supports:

- Integrated Objective #1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness
- Integrated strategy B: Develop a range of effective delivery methods that are convenient to Veterans and their families

Table 2: Performance Measure Supporting Information

Percent of milestones achieved towards deployment & implementation of an automated GI bill benefits delivery system (AGIBBDS). (Supports High Priority Performance Goal)

Means and Strategies:

- VA will complete project initiative actions, specifically create project management and software development environments
- VA will provide funding , staffing resources, and the authority to proceed with the AGIBBDS
- VA will complete the following project management activities:
  - Form an Integrated Project Team
  - Create Quality Assurance Plan
  - Create Project Management Plan
  - Create Communications Plan
  - Create Risk Management Plan
  - Establish the Project Change Control Board
  - Create a Project Schedule
- VA will develop the following supporting documents:
  - Configuration Management Plan
  - Disaster Recovery Plan
  - Concept of Operations Plan
  - Contingency Plan
  - Acquisition Plan
  - System Security Plan
  - Privacy Interaction Assessment
  - System Interconnect Agreement
  - Incident Response Plan
- VA will build the AGIBBDS incrementally using the "Agile Scrum" method and deliver, per an approved schedule and architecture, product components that have been:
  - Tested as components and in an integrated environment
  - Delivered in system "builds"
  - Accepted by the user (VBA) community
- VA will field an operationally-ready AGIBBDS with the following release-unique documents:
  - Master schedule
  - Deployment, Implementation and Training plans
  - National Deployment request
  - Approval document – National Deployment

b) Data Source(s): ProPath and the Program Management Assessment System (PMAS), Milestone Reviews, Business Relationship Meetings, OI&T Monthly Performance Reviews

c) Data Verification: Will include Milestone Reviews documenting adherence to schedule.

d) Measure Validation: This measure indicates OI&T performance on timely delivery of new functionality to customers. Schedule is validated through the use of internal OI&T Product Delivery Measurements.

e) Cross-Cutting Activities:

- AGIBBDS supports the overarching Veterans Benefit Management System

f) External Factors:

- DoD/VA interoperability required to minimize technical changes due to concurrent development
- Veteran Lifetime Electronic Record project may require schedule changes in AGIBBDS

g) Other Supporting Information: None

h) Link to New Strategic Planning Framework: This measure supports:

- Integrated Objective #1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness and responsiveness
- Integrated strategy B: Develop a range of effective delivery methods that are convenient to Veterans and their families

Table 2: Performance Measure Supporting Information

Percentage of available virtual Veteran electronic records which can be accessed through Virtual Lifetime Electronic Record (VLER) capabilities. (Supports High Priority Performance Goal)

a) Means and Strategies

- VLER will improve access to available Veteran electronic records
- Results will be calculated using 100 percent of available virtual Veteran electronic records. The numerator is the number of available Veteran electronic records which can be accessed thru VLER. The denominator is the total number of available virtual Veteran electronic records.

b) Data Source(s): DoD and VA

c) Data Verification: It is recommended that audits be conducted on the data submitted for validation purposes.

d) Measure Validation:

- It is the stated goal of the White House for every servicemember to have a Virtual Lifetime Electronic Record. This statistic is a measure of accomplishment toward that goal.

e) Cross-Cutting Activities:

- The VLER program will provide for the combining of servicemember and Veteran data and information into a single, "virtual" electronic record from which Veterans, servicemembers, benefits providers or health care clinicians can draw all necessary information or data to provide for health care or benefits delivery.

f) External Factors:

- Close cooperation with DoD will be required for the life of the project.

g) Other Supporting Information: End users of the data will include the Secretary of Veterans Affairs and the VA Office of Policy & Planning.

h) Link to New Strategic Planning Framework: This measure supports:

- Integrated Objective # 1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness, and responsiveness
- Integrated Strategy A: Improve and integrate **services** across VA to increase **reliability, speed**, and **accuracy** of delivery

Table 2: Performance Measure Supporting Information

Percent of milestones achieved in deploying and implementing the Virtual Lifetime Electronic Record (VLER). (Supports High Priority Performance Goal)

a) Means and Strategies

- VLER will improve access to available Veteran electronic records
- Results will be calculated using the approved VLER project plan to determine the number of milestones planned in a given fiscal year (denominator) and the number of planned milestones achieved in the equivalent fiscal year (numerator).

b) Data Source(s): DoD and VA

c) Data Verification: Data will be verified against the schedule and milestone baseline established in the approved VLER plan.

d) Measure Validation:

- It is the stated goal of the White House for every servicemember to have a Virtual Lifetime Electronic Record. This statistic is a measure of progress in moving the project forward to that goal.

e) Cross-Cutting Activities:

- The VLER program will provide for the combining of service member and Veteran data and information into a single, "virtual" electronic record from which Veterans, servicemembers, benefits providers or health care clinicians can draw all necessary information or data to provide for health care or benefits delivery.

f) External Factors:

- Close cooperation with DoD will be required for the life of the project.

g) Other Supporting Information: End users of the data will include the Secretary of Veterans Affairs and the VA Office of Policy & Planning.

h) Link to New Strategic Planning Framework: This measure supports:

- Integrated Objective # 1: Make it easier for Veterans and their families to receive the right benefits, meeting their expectations for quality, timeliness, and responsiveness
- Integrated Strategy A: Improve and integrate services across VA to increase **reliability, speed,** and **accuracy** of delivery.

Medical IT Systems

Medical IT Systems

Information and Technology FY 2011 Budget Request (Dollars in Thousands)					
		FY 2010			
	FY 2009 Actuals	Budget Estimate	Current Estimate	FY 2011 Budget Request	Increase/ Decrease
MEDICAL	1,027,691	1,404,820	1,424,120	1,275,370	-148,750
Medical 21st Century - HealtheVet Core	107,021	149,536	135,716	131,476	-4,240
Medical 21st Century - Scheduling Replacement	11,482	46,476	10,000	10,000	0
Medical 21st Century - VistA Laboratory IS Reengineering	10,953	32,389	29,200	20,000	-9,200
Medical 21st Century - Pharmacy Reengineering	4,577	20,561	14,000	14,000	0
Medical 21st Century - Revenue Improvements and System Enhancements (RISE)	0	12,000	12,000	10,000	-2,000
Medical 21st Century - CAPRI Strategic Reengineering	0	2,030	3,000	2,030	-970
Medical 21st Century - MyHealth*e*Vet	16,409	20,840	13,808	23,340	9,532
Medical 21st Century - Registries	9,356	9,660	4,320	9,660	5,340
Medical 21st Century - Tele-Health and Home Care Model	23,186	14,050	400	48,550	48,150
Medical 21st Century - Bar Code Expansion	2,421	2,500	14,550	2,500	-12,050
Medical Legacy	57,958	91,133	105,454	75,000	-30,454
Medical IT Support	784,328	1,003,645	1,081,672	928,814	-152,858

For the Medical IT investment request of $1.275 billion, $346.6 million is for a continued commitment to develop the next generation healthcare system known as Health*e*Vet which will enhance and supplement the current Legacy system (VistA) with more flexibility, improved security, and the infrastructure designed for data sharing among providers within and outside of the VA. In addition, technological innovations in the field of telemedicine and telehealth will make it possible to reach out and provide access to our Veterans and families through non-institutional care. These innovations will have significant implications for how care is organized and delivered in the future. At the same time, we will maintain and improve the direct

delivery of quality health care by providing a secure, reliable infrastructure to all VA medical facilities with a request of $928.8 million. This ensures uninterrupted access with quality and timeliness of health care delivery to the Veteran by meeting the infrastructure technical standards and delivering established service levels. For everyday operations, IT ensures the replacement of breakage and life-cycle replacement of equipment, the installation of wireless for each medical facility, the coverage of clinical and administrative software license, and hardware maintenance. In addition, VA strives to fulfill the medical and mental health care needs of our Veterans, through the expansion of its facilities as well as the opening of community outpatient and rural clinics; and trauma centers. IT, as an extension of this service, will assist VA in carrying out their mission with the necessary equipment of servers, desktops, laptops, blackberries, printers, scanners, network support and field operations technical support.

Medical 21st Century HealtheVet Core

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$107,021	$149,536	$135,716	$131,476	-$4,240

Description:

Medical 21st Century HealtheVet Core is intended to better serve and meet the needs of our Veterans and internal customers, placing VA as a world-class leader in health care delivery and patient care management. HealtheVet Core is a set of initiatives that will result in the continued improvement of health care delivery, provide the platform for health information sharing, and transform VA into the 21st century organization envisioned by the Secretary of VA when implemented. HealtheVet Core will support Veterans, their beneficiaries, and providers by advancing the use of health care information and leading edge IT to provide a patient centric, longitudinal, computable health record. HealtheVet Core will increase readiness to support the universal access health care model and improve the overall satisfaction of clients and customers.

Business Objectives:

- Meet the needs of stakeholders in the delivery of health care for providers, administrators, researchers, and educators
- Provide the opportunity for business process reengineering of health care functionality
- Seamless migration and improvement of health care capabilities over time
- HealtheVet will be VA's perspective of the Virtual Lifetime Electronic Record (VLER)

Technical Objectives:

- Meet or exceed the functionality and performance of current systems
- Collaborate with other federal agencies and private providers to establish an interoperable and computable exchange of health care data/information
- Implement consistent standards and terminology across all domains
- Fit a Regional Data Center (RDC) model and support the storage and retrieval requirements for the lifetime electronic health record
- Provide an integrated architectural design for modern health care provision conforming to VA's Enterprise Architecture
- Provide clinical decision support based on the patient's comprehensive medical record

Business - Technical Components:

- Provide critical components that will support the group of related investments comprising the HealtheVet informational systems (a transformational system of highly integrated health care applications) to complete a patient-centric model of healthcare delivery to Veterans.
- Components include software engineering and architecture, testing services, terminology standards and services, data repositories (i.e. Health Data Repository (HDR) and Administrative Data Repository (ADR) and Blood Bank support)
- Funds the reengineering of older legacy VistA applications onto the modern HealtheVet platform

Accomplishments for FY 2009:

- Health Data Repository II and Clinical Data Service (HDR-II/CDS v2.0) were nationally released in January 2009. HDR-II/CDS will replace the HDR Interim Messaging Solution (HDR-IMS). HDR-II/CDS v2.0 enables providers to obtain integrated data views and acquire the patient-specific clinical information at a national level needed to support treatment decisions.
- HDR-II/CDS v2.1.0 was nationally released in July 2009. HDR-II/CDS version 2.1.0 provided enhancements and defect repairs required prior to the start of field testing of Remote Data Interoperability (RDI), Data Warehouse and the VistA Web User Acceptance Testing (UAT).Testing permitted the applications to migrate from the HDR Interim Messaging Solution (HDR-IMS) and begin reading data from the HDR-II Repository. The key enhancement changed the sequenced storage of multiple segment HL7 fields to permit an accurate replication of the VistA representation of the data.

Version 2.1.0 also repairs several data quality defects that could not be identified until the HDR-II database was populated with actual VistA data.

- HDR-II/CDS v2.1.1 was nationally released in September 2009. HDR-II/CDS v2.1.1 added the lab domain and will store chemistry and hematology lab results. Lab will be the fourth clinical domain to store data in the HDR.
- Health Data Repository Historical (HDR-Hx) released the HDR-Hx extractor in June 2009. The HDR-Hx Extractor gathers data from VistA sites and places data into the HDR-Hx database. This release was a minor modification that addressed a known defect with Caché SQL (the database engine utilized by VistA). As a result of the defect in the cache system, the results of the HDR-Hx Extractor queries ended up being cached in Vista so if one changed the query the data did not actually change. The defect impacted Corporate Data Warehouse (CDW) and the prosthetics/surgery extractions the HDR-Hx team performs weekly and monthly.

Deliverables for FY 2010:

I. Planned Blood Bank Maintenance patches:
Multiple deliveries of Blood Bank patches will enhance various aspects of the Computerized Patient Record System (CPRS) including updates, additional checks, display modifications, and the addition of information pertinent to blood products. Patches will also improve 508 compliance.

II. Required Blood Bank work for medical device patching:
Monthly evaluation and pre-release testing of virus definitions and Microsoft patches are required to ensure safe usage of medical devices.

III. Blood Bank Quality System Work
The Blood Bank Program is a medical device manufacturer and quality system work is ongoing. The Blood Bank Program oversees quality system regulation for released software as well as continuing development. Work also includes customer support for VA hardware and software products and continued implementation of the VistA Blood Establishment Computer Software (VBECS) in RDC Region 4.

IV. Health Data Repository Interim Messaging Service (HDR-IMS)
The HDR-IMS supports Remote Data Interoperability (RDI), Clinical Data Repository/Health Data Repository (CHDR) and VistA Web. Work will be performed to retire HDR-IMS.

V. HDR-II
Work for versions 2.1.2 and 2.1.3 will include shutting down Interim Messaging Service (IMS), migrating CHDR from IMS, MyHealtheVet (MHV)

performance enhancements, and laboratory read integration for CHDR version 3.0, MHV, VistA Web, and RDI.

VI. HDR-DW

Future work for versions 2.0 and 2.1 includes obtaining data feeds for Vitals and Outpatient Pharmacy from HDR-II and providing data to customers in compliance with International Classification of Diseases (ICD).

Benefit to the Veteran:

The functionality provided in the Medical HealtheVet Core Exhibit will enable the delivery of world-class care to Veterans, their beneficiaries, and providers by implementing a set of initiatives that leverage health care information and leading edge IT which provides a patient centric, longitudinal, computable health record. Delivering a HealtheVet infrastructure that supports standardized messaging and terminologies will result in uniform high-quality care for our Veterans throughout the VA network as well as true interoperability with DoD and other federal agencies. This exhibit will enable seamless care in multiple settings through continued implementation of a patient centric model in additional reengineered applications and will increase the availability of data/information for decision making. HealtheVet Core will assist patients in becoming more active participants in their own care, by providing them with the ability to contribute to their own clinical data (e.g. blood glucose test results).

VA clinical data systems will deliver a longitudinal data repository that will provide patient-centric historical data in a commutable form enabling interoperability and giving clinicians the ability to quickly access all relevant patient data through multiple interfaces nationwide. Clinical data will become more uniform and will be based on common data and communication standards. Clinicians will have access to the patient's visit history, previous test results, procedure outcomes, and clinical documentation, regardless of where the care was provided. VA will be able to improve the health care services provided to Veterans.

Benefit to VA Organization:

HealtheVet Core standardizes health data and communications within VA and with other health organizations. By standardizing clinically relevant information, the communication of patient data between facilities will be greatly improved. Functional capabilities of the transformed system are closely aligned with needs articulated by the clinical and business communities, and the entire transformation will be managed using improved processes and practices. HealtheVet Core enables the interoperability of clinical data between VA, DoD

and future partners. It supports health record access, self-entered information, services (e.g., appointments, refills, co-pays, registration & enrollment), trusted information, and care that are provided in the clinical and community settings. It supports established VA standards for seamless technology integration, interoperability and information accessibility and usability. The use of an Electronic Health Record (EHR) reduces administrative costs, costs associated with redundant testing, and improve quality outcomes.

Medical 21st Century HealtheVet Scheduling

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$11,482	$46,476	$10,000	$10,000	$0

Description:

In August 2009, OI&T was instructed to create a new HealtheVet (HeV) Scheduling program that would take into consideration important business process changes, technical enhancements, and overall organization realignments since 2001 as the program moves forward. All program aspects are being re-analyzed, such as cost, schedule, resources, risks, and lifecycle methodology. HeV Scheduling will fulfill enterprise-level scheduling needs and align to the 21st-century once the program is authorized.

HeV Scheduling goals are to deliver an enterprise-level outpatient scheduling application (close an agency gap of creating a One-VA Patient medical record); align investment to Federal Enterprise Architecture (FEA) Business Reference Model BRM Services to Citizens, LoB 110 Health (Access to Care). HeV Scheduling also support VA's Strategic Goal: restore capability of Veterans to greatest extent possible and improve quality of their lives, as well as VA's Enabling Goal: deliver world class service to Veterans and their families.

Delivery of HeV Scheduling will enable providers to see patient history across VA, regardless of location, and improve clinical efficiency by adopting a resource-based model to integrate providers, rooms, and equipment. It will also reduce return appointments and wait times by enabling more capacity for care and enable clinicians to link ancillary appointments that move if the patient cancels or reschedule. Other features include: group scheduling, integrated electronic wait lists, and patient preferences (used when searching for appointments). It will reduce no-show rates by managing patient preferences and the enhanced appointment reminder process. Patients will also be able to

view and request appointments on-line which will allow inter-facility scheduling to further coordinate care between facilities.

FY 2009 Accomplishments:

- November 2008: Office of Enterprise Development (OED) took ownership of the Repository for Application Requirements
- February 2009: Completed Replacement Scheduling Application (RSA) version 3.1 assessment
- April 2009: VA Assistant Secretary of Information Technology placed the Scheduling Replacement Project on a "strategic pause" and directed an Analysis of Alternatives (AoA) be completed

Deliverables for FY 2010:

FY 2010 is a planning year for Scheduling. Key deliverables are:

- Analysis of Alternatives detailing potential directions VA could pursue in the delivery of an enterprise-wide scheduling application
- Documentation of executive decision on strategy to be pursued
- Definition of an acquisition strategy with continuous monitoring plan and aligned to the alternative selected

Benefit to the Veteran:

Enterprise-level Scheduling provides a single view of all patient appointments regardless of location of care. The scheduling application will enable patients to view and request appointments on-line. This will improve the patient's access to care by allowing them to select times that adhere to their schedule. In addition, it will improve delivery of health care by allowing staff to perform inter-facility scheduling for coordination of care between facilities. Veterans and service providers will have greatly improved information pertaining to the availability of appointments and resources.

Performance Outcomes:

- Percentage of appointments set aside for same day care (target to be defined once an alternative is selected)
- Percentage of patients able to securely view or request their appointments online (target to be defined once an alternative is selected)
- Reduce the percentage of missed opportunities (target to be defined once an alternative is selected)

- Percentage of appointment data available and viewable across the enterprise to enable inter-facility scheduling (target to be defined once an alternative is selected)

Benefit to VA Organization:

HeV Scheduling will support easy access to all VA Medical Centers (VAMCs) for appointment scheduling. This will provide an enterprise-level appointment management system and allow a single view of patient appointment history from any VAMC in a single consolidated record. It is part of VA's Strategic Plan to field a new HealtheVet IT system and close an agency gap by furthering the goal of a One-VA patient medical record. It will provide management awareness of resource needs in order to improve availability and thereby increase the timeliness of Veterans getting appointments.

The Analysis of Alternatives being conducted will enable the Scheduling program to determine the best course of action in order to fulfill the organization's needs and better align to VA's strategy. In addition, the efforts conducted by VA to reassess previous work-identify reusability of artifacts; rethink acquisition strategy, risk alignment, management plans, and governance structures; and participate in Program Management Accountability System (PMAS) and incremental development will ensure the business needs are met within the agreed upon timeframes, with the expected quality, and in a structured manner.

Performance Outcomes:

- FY 2010: Analysis of Alternatives 100% complete which details potential directions VA could pursue in the delivery of an enterprise-wide scheduling application
- FY 2010: Acquisition strategy defined with continuous monitoring plan and aligned to the alternative selected
- FY 2010: Program fully compliant (100%) with incremental delivery and milestone management outlined in the Program Management Accountability System (PMAS)

Medical 21st Century HealtheVet Laboratory

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$10,953	$32,389	$29,200	$20,000	-$9,200

Description:

The Medical 21st Century HealtheVet Laboratory project will provide the Veterans Health Administration (VHA) Pathology and Laboratory Medicine Service (P&LMS) with an industry leading Laboratory Information Management System (LIMS). LIMS will support emerging technologies, allow the P&LMS to meet current and future patient needs, laboratory reporting requirements, and deliver diagnostic results efficiently, accurately, securely, and with greater client satisfaction. The VHA P&LMS is a critical part of overall healthcare framework within VA which will offer high quality clinical care to Veterans.

The VistA Laboratory legacy system was created more than 20 years ago, due to its antiquated architecture, the system limits the provision of quality patient care, does not meet current regulatory requirements, and hinders process efficiencies and revenue collections. The new LIMS will allow VA to meet future requirements of the Electronic Medical Record, HealtheVet, and the interoperability requirements between DoD and PHS as per Public Law 107-287. The existing prototype interfaces a commercial off the shelf LIMS with the VistA information system. The current project schedule includes field testing and the initial phase of national deployment in FY 2011.

Benefit to the Veteran:

- Delivery of healthcare and benefits – Delivered laboratory data that is patient focused (vs. facility focused), improved quality with a decrease in the number of corrected reports, and subsequent improvement in patient safety. Improved clinical reporting of microbiology results, and improved diagnosis of infections and appropriate antibiotic selection. Improved phlebotomy, ordering, processing, verification/release of data, reporting and data extracts capabilities for external databases. Support for modern epidemiology initiatives for monitoring and controlling the spread of major disease causing pathogens.
- External agency interoperability - Improved interoperability, usability and external exchange of data to Department of Defense (DoD), reference laboratories and external laboratories by complying with Healthcare Information Technology Standards (HITSP) for test result names and Clinical Terms. Molecular/Cytogenetic testing, an emerging testing technology that

is not currently supported in the current system, will utilize clinical bioinformatics ontology codes.

- Access to healthcare and benefits - Increase access and exchange of laboratory data that supports auto-verification functionality for improved efficiency and turn-around times of results to Veterans and clinicians. Enterprise-level application deployed to four regional data centers providing authoritative databases for laboratory information.

Benefits to VA Organization:

- Access to information – Improved accessibility to laboratory data by supporting an information model that is Veteran-focused. Improved exchange of laboratory data and information by complying with HITSP data standards and use of standard messaging. Planned application data model supports standardization and efficiencies of the laboratory information system and will minimize facility specific support.
- Internal business processes - Improved support for re-engineered business processes, improving workflows and results dissemination through functionality such as auto-verification, bar code technology and support for emerging laboratory testing such as molecular/cytogenetic testing. Improved specimen collections, tracking and analyzing workflows will achieve increased labor efficiencies.
- Increase in third-party revenue collection – Automated communication with reference laboratories will allow for competitive sourcing, and improved data capture will increase revenue from remitted billing to third party collections.
- Aligned with target HealtheVet - The proposed reengineered laboratory information system is a commercial solution that is compatible with future VA systems as VHA transitions from the current VistA legacy system to "HealtheVet." This commercial solution is available to VA through a competitively awarded contract made by General Services Administration (GSA) on behalf of DoD. The contract includes pre-negotiated costs for VA and is structured into delivery phases that include prototype, field test, deployment and maintenance.
- IT Infrastructure - Planned regional data center support models for network and systems management will minimize facility specific support. Integration strategy is phased and integrates the laboratory information system with VistA and HealtheVet applications as they become available.

Medical 21st Century HealtheVet Pharmacy Reengineering

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$4,577	$20,561	$14,000	$14,000	$0

Description:

The scope of HealtheVet Pharmacy Reengineering (HeV PRE) is to replace current pharmacy software modules with new technology by reengineering, new development and purchase of commercial products. This project will facilitate improved VA pharmacy operations, customer service and patient safety, improved cost management controls, and improved research and clinical monitors, concurrent with pursuit of full reengineering of pharmacy applications to support a new patient centric business model. It will address critical needs, such as the following benefits for the Veteran: improving patient safety by 50% reduction of adverse drug events and the prevention of serious errors, improving access to patient and care giver clinical information, increasing access to benefits by improving formulary management support and improving fiscal performance by reducing 5% in cost of inventory.

It will provide a flexible technical environment to adjust to and meet future business conditions and needs in the clinical environment which is focused on the patient safety features. The HeV PRE system will fit into the One VA architecture by implementing the standards proposed by the consolidated health informatics group. HeV PRE has been independently reviewed externally by the Government Accountability Office, Congress, and Inspector General. Internally, HeV PRE is currently being evaluated internally in the 21st Century Governance Group review.

Benefit to the Veteran:

Delivery of Health Care & Benefits:

- 50% reduction in preventable Adverse Drug Events (ADEs)
    - In FY 2008 there were 40,784 Adverse Drug Events Reported and 3,127 in the first quarter of FY 2009.
    - 526 of the FY 2008 ADEs were identified as being related to dosage order checks
    - PRE and VA ADERS (VA Adverse Drug Event Reporting System) staff project that PRE 0.5 enhanced drug order checks could have prevented many of the 526 ADEs reported in FY 2008

  - 173 Mild Events
  - 186 Moderate Events
  - 167 Severe Events
  - 5 deaths, 23 life threatening events, 147 initial or prolonged hospitalization events, and 48 events which required hospitalization to prevent impairment or disability

- Increased reimbursement for third party billing support e-prescribing to non-VA pharmacies thereby reducing ePharmacy claims rejections by 4.4%.
- Improved access to clinical drug knowledge data - provides source of consistent, reliable, accurate and secure pharmaceutical information to Veterans, their families, and employees.
- Improved cost control and patient care outcomes through improved formulary management and an inventory management system.
- Improved clinical decision support tools for providers and pharmacists to prevent medical errors.
- Increased frequency database updated from five times to 52 times a year.
- Improved operational efficiency reducing patient and caregiver wait times through medication dispensing and administration.
- Provided the ability to capture and access a better patient profile regarding medications, including over the counter, herbal and non-formulary medicines.

Access to Healthcare and Benefits

- Provides standardization of pharmacy information that supports the sharing of data both internally and also externally with other health care providers and supports the Nationwide Information Health Network (NIHN) and President's Electronic Health Record initiatives
- Improves patient access to clinical information provided through medication dispensing.
- Improves Veteran access to and use of their personal health record through the MyHealtheVet application.
- Supports initiatives for a joint DoD and VHA electronic health record.

External Agency Interoperability

- In an effort to comply with an American Health Information Community (AHIC) Consolidated Health Informatics standard, the new VHA information system for pharmacy will be able to support information sharing with non-government health care systems.

- Improves cross-agency interoperability with DoD. This will facilitate two-way sharing of information for hospitals, pharmacies or drug distribution centers.
- Inter-agency collaboration with IHS (Indian Health Systems) and DoD Programs and Systems.
- IHS representation in the PRE workgroups to assist in defining system requirements.
- Analyzes commercial products and services that will be potentially utilized by DoD for better compatibility with PRE system.

Benefit to VA Organization:

Access to Information:

- Improves the access to, quality of, and accessibility to drug information and clinical decision support tools by way of commercial data bases within PRE.

- Reduces costs and time to provide information system improvements needed to provide pharmaceutical care and services at VA Medical Centers. The PRE project has the ability to provide better and faster access to improve patient safety, operational efficiency, and reduce costs instead of continuing the current process of multiple New Service Requests (NSRs) that have a poor project performance for on time completion and cost management.

    - There are currently 86 New Service Requests (NSRs) and Class 3 Software Conversions for information technology improvements that will be impacted by Pharmacy Reengineering (78 NSRs, and 8 Class 3). The PRE project will replace the costs and resources for these projects, beginning with 4 for PRE 0.5, 12 for PRE 1.0, and 60 for PRE 2.0.

- Supports and improves access to information in other VA programs including: Computerized Patient Record System (CPRS), My HealtheVet, e-Prescribing and Billing, Bar Code Medication Administration, VA research programs, VA and DoD formularies and contacts, VA Consolidated Mail Out Pharmacy Program, VA TriCare, and other programs that utilize pharmacy data.

Internal Business Processes:

- Improves efficiency of VHA medication related operations including: Improves access and inclusion of drug content information (commercial

and VA developed), medication order entry, formulary and inventory control, dispensing, bar code medication and administration, research, clinical monitoring and reporting, e-Prescribing, electronic prescription claims processing, compliance with DEA regulations, and electronic prescription claims billing.

Medical 21st Century HealtheVet Revenue Improvements and System Enhancements (RISE)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$12,000	$12,000	$10,000	-$2,000

Description:

Medical 21st Century HealtheVet Revenue Improvements and System Enhancements (RISE) establishes Veteran-centric revenue solution, addressing the Congressional mandate for a comprehensive, enterprise wide, patient financial system. The current revenue process and system contains critical business process and technology inefficiencies, requiring extensive manual intervention resulting in inaccurate claims, significant delays in revenue collections and diminished reimbursements. RISE closes these significant performance weaknesses by providing integrated business processes and tools to deliver revenue improvement through the implementation of improved business practices, state-of-the-art software and enhanced VHA applications.

RISE will provide Veterans an improved and automated patient financial system, thereby reducing unpaid bills in accounts receivable, decreasing the number of days to send bills, reducing the gross days receivable out, and increasing fee collections for services performed by the VA. Important qualitative benefits will also include reducing billing inaccuracies, improving customer service, increasing revenue and collections, reusing shareable data, resolving material weaknesses and rectifying problems with coding, billing, and financial compliance and internal controls.

This program scope encompasses modernization of the entire revenue cycle, including coordination with front-end processes, agency-to-agency support and e-Government initiatives, while optimizing interoperability with future internal and external VHA initiatives. RISE advances the VA's enabling goal to deliver world-class service to Veterans and their families through effective communication and management of people, technology, business processes, and financial resources. Overall, Veterans will benefit from timely and easy access to

their financial information, increased efficiency in claims processing, and improved customer service and satisfaction.

FY 2009 Accomplishments:

Fiscal year 2009 activities include the development of a business case, strategic planning, and the formation of an Integrated Project Team (IPT). Specific accomplishments for 2009 include the following:

- The Workflow Management IPT was formed in December 2008 to oversee the acquisition of an enterprise revenue workflow engine, the first product in a suite of products which will comprise the new revenue system which will replace VHA legacy revenue applications.
- Milestone 0, concept definition and requirements development, was approved by the Programming and Long-Term Issue Board (PLTIB) on March 17, 2009.
- The RISE IPT was formed in July 2009 to begin work on the acquisition of an enterprise Charge Description Master (CDM) and will remain together to oversee the acquisition of the remaining software products included in the new revenue system.
- The chief business office began creation of business use cases that will define the remaining products included in the new revenue system.

Planned Deliverables for FY 2010:

Deliverables for FY 2010 include the following:

- Implementation of the enterprise revenue workflow engine.
- Completion of the requirements matrix.
- Procurement of the CDM product.

Benefit to the Veteran:

RISE increases collections of healthcare revenues to provide care to more Veterans, while also providing flexibility to adapt to changes in the business environment in a timely manner through the adaptation of technical improvements. RISE increases accuracy and effectiveness of revenue cycle support systems to ensure care is focused on Veterans' special needs. This program also improves timeliness and communication of first party statements to Veterans, thereby simplifying and improving payment processing for Veterans, including enterprise patient statement for Veterans. While increasing customer satisfaction and services to Veterans, RISE also promotes the reuse of shareable data, fits into the e-Gov initiative, and is market-based and citizen-centric. RISE assists with the coordination of VA and DoD programs since it also

enables automation of work with outside stakeholders such as insurance companies.

The current revenue process requires extensive manual intervention, resulting in inaccurate claims, significant delays in revenue collections and diminished reimbursements. Veterans are likely to be burdened by inaccurate claims, incorrect reimbursement amounts and/or delays in reimbursement. This decreases their satisfaction with the benefits and services provided by VA and require their time and attention to address the problem.

Benefit to VA Organization:

RISE will significantly reduce time required to access information and financial data while maximizing and simplifying the process as well as significantly enhancing the accuracy and timeliness of financial transactions. RISE will provide accurate information for insurance billing via a standardized process for gathering data and will implement an electronic work list for management of staff for daily assignments. RISE expands proactive denial management and payer compliance for Veterans' third party health insurance claims, reducing significant delays in revenue collections. This program improves core functions that support the performance and management of the revenue cycle and business processes while also addressing material weaknesses in patient financial processes. RISE will respond to the Congressional mandate to implement industry standard, patient financial system, and support future VA initiatives with DoD, Centers for Medicare and Medicaid Services (CMS) and insurance carriers. This program more effectively integrates revenue processes with business programs, including VHA Enrollment, Fee Basis and Purchased Care (CHAMPVA), other programs, and also more efficiently integrates revenue processes with clinical programs, including enhanced integration with coding processes and enhances integration with clinical systems. RISE decreases utilization of staff resources to correct errors and to perform duplicate effort.

RISE comprehensively adopts electronic transaction processing with external stakeholders, including insurance companies. This program provides accurate information for insurance billing through a standardized process for data gathering while, also developing electronic workflow distribution for more efficient utilization of staff resources based on available capacity to perform billing activities. It also provides a comprehensive enterprise wide solution that will result in revenue improvement in an effort to standardize IT business processes through the implementation of improved business practices, state-of-the-art software and enhanced security applications.

RISE enhances the revenue process and improves employee satisfaction by streamlining and simplifying business processes while also reducing current reliance on inefficient, manual billing and related activities that result in inaccurate claims, significant delays in revenue collections and diminished reimbursements.

Medical 21st Century HealtheVet Compensation and Pension Records Interchange (CAPRI) Reengineering

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$2,030	$3,000	$2,030	-$970

Description:

Medical 21st Century HealtheVet Compensation and Pension Records Interchange (CAPRI) is an initiative to improve services to the nation's Veterans by providing automated tools to enhance the disability evaluation process. The goals of this program align with the VA Secretary's priority to provide timely and accurate decisions on disability compensation claims to improve the economic status and quality of life of service-connected Veterans. Efforts within this program also extend to external data sharing with other federal departments to improve coordination of healthcare by sharing data between VA and DOD. VA's enabling goals supported by this program are to enable a smooth transition for Veterans from active military service to civilian life and improve the quality of their lives and that of their families. To accomplish these goals, the program will support accessibility improvements to the Veteran's medical record, provide examiners enhanced tools for recording disability exam results, provide the Veteran greater control over the disability process by enabling use of VA software by Veteran Service Organizations, and include cross-organizational initiatives, such as sharing of Electronic Health Records between DOD and VA.

CAPRI is an integral element in VA's support to the Joint Disability Evaluation System (DES) and supports the Virtual Lifetime Electronic Record (VLER). This project will also provide improvements in the common medical record access in support of Transformation 21 (T21) initiative for Veterans Relationship Management (VRM). Through this program the quality of service to Veterans will improve significantly while the costs to VA will decrease. Planning activities for this new start effort will commence in FY 2010 at which time the draft approach going forward, will be validated and strengthened. The national deployment of first iterations will begin in 2012.

Deliverables for FY 2010:

FY 2010 will be a planning year for CAPRI with the following key activities:

- Develop enterprise-wide workflow processes
- Architecture and Detailed System Design (SDD)

Benefit to the Veteran:

Delivery of Healthcare and Benefits:
The Veteran will benefit from faster processing and completion of compensation and pension examinations which means quicker access to VA services; enabling Veterans to receive quicker compensation and pension reviews for service related disabilities.

External Agency Interoperability:
Integration with DoD health records will allow a more accurate representation of the Veteran's medical history thus improving the quality of benefits provided to the Veteran. Additionally, interfaces with external DoD systems will allow for more timely determination of benefits upon discharge.

Access to Healthcare and Benefits:
CAPRI has dramatically improved access, quality and timeliness of healthcare and benefits information to the Veteran and service providers. The reengineered solution will meet all of the requirements of current systems plus those that will emerge from the other reengineering efforts such as HealtheVet and VBA's paperless environment, as well as reaching the strategic goal to: "Improve the timeliness and accuracy of claims processing".

Benefit to VA Organization:

Access to Information:
This application improves the efficiency of Compensation and Pension (C&P) examinations, in addition to meeting or exceeding performance objectives, which is a Congressional mandate. A reengineered CAPRI will provide the security, quality, and efficiency needed for this fundamental enterprise system.

Medical 21st Century HealtheVet- My Health*e*Vet

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$16,409	$20,840	$13,808	$23,340	$9,532

Description:

Medical 21st Century HealtheVet-My HealtheVet (MHV) is a nationwide initiative intended to improve the overall health of Veterans. It provides an eHealth portal, a secure environment where Veterans can view and manage their Personal Health Record (PHR) online, as well as access health information, health assessments, and electronic services online. The online environment will complement existing VA clinical business practices, and also transform the way healthcare is delivered and managed. Veterans can request copies of key portions of their electronic health record and store it in a secure, personalized eVAult along with their PHRs and they will be able to share the ability to view and manage all or part of the information in their accounts with healthcare providers, both inside and outside VA, as well as with family.

This has the potential to dramatically improve the quality and outcome of care available to our nation's Veterans through increased access, information, education, co-management and advocacy. This is in alignment with VA Strategic Objective 3.1: provide high-quality, reliable, accessible, timely, and efficient healthcare that maximizes the health and functional status of enrolled Veterans with special focus on Veterans with service-connected conditions, those unable to defray cost, and those statutorily eligible for care.

FY 2009 Accomplishments:

My HealtheVet was awarded the Toward Electronic Patient Record (TEPR) Award: My HealtheVet won the first place TEPR Award in the competition for personal health-record systems, based on criteria that include data, data integrity, security, and consumer control. The basic My HealtheVet PHR is available without charge to anyone, Veteran or non-Veteran, and can be used to access vetted healthcare information as well as store their own, self-entered personal healthcare information. Veterans have access through the PHR to additional information stored on VA's VistA clinical-record system.

Benefit to the Veteran:

My HealtheVet allows Veterans to be full participants in VA's health information tools and services, so they can prevent illness, communicate better with

clinicians, understand costs and treatment options, make better health decisions, and take better care of loved ones.

Through the MHV portal Veterans can directly refill prescriptions and communicate directly with their clinician via the MHV Secure Messaging (SM) facility.

- Web access enables care that can be provided across multiple settings (locations). Care can be better tailored to specific individual needs. Lifelong health records support increasing improvement in quality and value of care available to Veterans, enabling key strategic business initiatives, such as mental health and advanced clinic access.
- Combined health record information, enhanced by online health resources and tools that enable patient/clinician collaboration; increase Veteran self-management of their care, enables Veterans to keep track of contact information, emergency contacts, health care providers, treatment locations, health insurance information, military health history, medications (e.g., prescription and over-the-counter), allergies, tests, medical events, immunizations, etc.
- Improve communication: Enhance communication between patients, health care providers, and teams through Secure Messaging.
- Enhance satisfaction: Increase satisfaction by offering valuable tools and services that meet Veterans' needs and preferences.

Benefit to VA Organization:

Access to Information:
This investment enables the internal exchange of information through VHA clinician access (with delegation) to self entered information, and PHR data, as well as VHA clinician to patient communications via secure messaging.

- Enables VA to continue to play a role in healthcare delivery nationwide through the provision of a robust standards-based information exchange system that effectively and securely enables health information sharing and interoperability.
- Provide 24/7 access to personal health care information via the internet.

Medical 21st Century HealtheVet Registries

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$9,356	$9,660	$4,320	$9,660	$5,340

Description:

Our patient registries are organized systems that collect and store uniform data, (clinical and other) to evaluate specified outcomes for the patient population defined by a particular disease, condition, or exposure, and support multiple researches, clinical, and policy purposes. This request is based upon a re-alignment and consolidation of HealtheVet Registries' projects into a single element as it is established as a new investment item in FY 2011 to allow greater visibility as it goes forward.

The HealtheVet Registry program is composed of several highly visible projects that support specific registries as mandated by laws, regulations or VA mandates. These registries are used to coordinate care, track longitudinal outcomes in order to facilitate research and develop best practices. The component parts of the Registries Program area supports the population-specific data needs of the enterprise and the healthcare needs of Veterans, including, but not limited to Clinical Case Registries, Oncology Tumor Registry, Traumatic Brain Injury Registry, Embedded Fragment Registry, Veterans Implant Tracking and Alert System and Eye Trauma Registry, among others.

In addition, the program's Healthcare Associated Infection and Influenza Surveillance System (HAIISS) project monitors data in VA's integrated IT systems to monitor for emerging infectious disease outbreaks including the H1N1 virus, potential bioterrorist events, healthcare associated infections, and antimicrobial usage and resistance trends. This investment will provide service to the Veteran through improved healthcare outcomes for those Veterans with conditions monitored by the registries. It supports various strategic goals for public health and healthcare delivery and responds to mandates including those from Congress and the President arising from overseas contingency operations.

FY 2009 Accomplishments:

- Oncology Tumor Registry – Mandated updates have been completed and upgrades are underway.
- Clinical Case Registries – Mandated updates have been completed and upgrades are underway.

- Veterans Implant Tracking and Alert System – Requirements identification and elaboration are underway.
- Traumatic Brain Injury Registry – Interim solution is in place and the long term solution is under development.
- Embedded Fragments Registry – Requirements Analysis is approaching completion and design/development preparing to begin.
- Eye Trauma Registry – Requirements have been elaborated and the development of approaches to extract data and create a "data store" to support transmission to the DoD Vision Center of Excellence' (VCE) registry is in process.
- Registries Convergence – Convergence strategy and architecture have been defined and are being elaborated and established.

In addition, HealtheVet Registries' program manager, development managers and associated enterprise systems management personnel are working closely with business owners and stakeholders to define and establish overall requirements and solutions. An overall strategy and approach to future registries and their convergence have been defined in a manner that will allow "quick reaction" to evolving needs have been established. Coordination with Corporate Data Warehouse staff to define and establish an architectural platform and approach to support an overall convergent strategy for current and evolving registries have occurred.

Deliverables for FY 2010:

- Initial Development and Deployment of Embedded Fragments Registry
- Initial Development and Deployment of Eye Vision Injury Data Store in Support of the DoD's Vision Center of Excellence
- Initial Development and Deployment of Traumatic Brain Injury Registry
- Initial Planning and Analysis for Surgical Implant Registry (Veterans Implant Tracking and Alert System)
- Deployment of Healthcare Associated Infection and Influenza Surveillance System (HAIISS) at Initial Sites
- Development and Deployment of updated Clinical Case Registry
- Development and Deployment of Updated Oncology Tumor Registry

Benefit to the Veteran:
The Veterans included in each registry will receive direct healthcare and treatment benefits as a result of the direct attention and consideration given to the specific condition. The registries will generally provide a basis for research and review of their conditions and improvement in the long term treatment and care for individuals within the registries' area of focus:

- Oncology Tumor Registry – this registry supports the ability to track and report care and outcomes for research and analysis to improve care for Veterans with cancer.
- Clinical Case Registries – this registry supports the ability to track and report care and outcomes for research and analysis to improve care for Veterans with Hepatitis C and Human Immunodeficiency Virus (HIV).
- Veterans Implant Tracking and Alert System – this registry supports the ability to record and track implants, identify patients in the event of recalls and field corrections, report data to the FDA and monitor follow-up implant care for Veterans.
- Traumatic Brain Injury Registry – this registry supports the ability to identify and track Veterans with Traumatic Brain Injuries and to ensure these Veterans receive comprehensive evaluations to allow for monitoring and improvement of care.
- Embedded Fragments Registry – this registry supports the ability to identify and track Veterans with embedded fragments to ensure they receive appropriate monitoring and follow up care.
- Eye Trauma Registry – this registry supports the ability to track and report care provided to Veterans with eye injuries as well as related outcomes allowing for the coordination of care and treatment.

Benefit to VA Organization:

The Registries Program area supports the population-specific data needs of the enterprise including, but not limited to Oncology Tumor Registry, Traumatic Brain Injury Registry, Embedded Fragment Registry, Veterans Implant Tracking and Alert System and Eye Trauma Registry, among others.

The enhanced availability and access to registry-specific information will allow for improvements in treatment programs and the recognition of population-based healthcare issues by VA.

- Oncology Tumor Registry – this registry supports VA's Central Cancer Registry by capturing data on the diagnosis and treatment of Veterans with cancer. Data is provided to state/national cancer programs and VA maintains a Commission on Cancer approved cancer program which requires an accredited cancer registry.
- Clinical Case Registries – this registry supports VA's national Clinical Case Registries database by capturing data on the diagnosis and treatment of Veterans with Hepatitis C and HIV.
- Veterans Implant Tracking and Alert System – this registry supports VA's commitment to tracking of biological and non-biological implants providing clinicians with implant data at the point of care. It will also have the ability to

identify patients in the event of a recall to meet FDA medical tracking policy. This registry will provide statistical data requested for implant recalls and clinical outcomes.

- Traumatic Brain Injury Registry – this registry supports VA's mission to provide care to OEF/OIF Veterans with traumatic brain injuries. It provides screening and evaluation data for internal and external entities.
- Embedded Fragments Registry – this registry supports VA's Toxic Embedded Fragment Surveillance Center (TEFSC) by capturing data on Veterans with embedded fragments. It will provide sustained, longitudinal data collection of benefit to VA and DoD in providing medical care, completing epidemiological research and reporting data as requested by Congress and other entities.
- Eye Trauma Registry – this registry supports the DoD/VA Vision Center of Excellence for eye injuries. It will provide longitudinal outcomes which will be beneficial to VA and DoD in providing medical care and research as well as reporting as requested by Congress and other entities. It is required by Public Law.

Medical 21st Century HealtheVet TeleHealth

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$23,186	$14,050	$400	$48,550	$48,150

Description:

The VA program offices responsible for Telehealth are the Care Coordination Services (CCS) and Diagnostic Services (DS) in the Office of Patient Care Services. CCS is responsible for areas of telehealth other than teleradiology that provided care to over 230,000 Veteran patients in FY 2009 and links appropriately, as required to other programs and offices. DS is responsible for teleradiology.

CCS Telehealth Programs:

- Care Coordination/General Telehealth (CCGT) involves real-time videoconferencing technologies and peripheral devices, to provide care and consultation between clinics and hospitals. Current focus areas include: polytrauma, tele-mental health, tele-rehabilitation and tele-surgery. In FY 2009 CSS, in conjunction with OI&T implemented VHA's Clinical Enterprise Video Network (CEVN). CEVN provides an expansible clinical videoconferencing platform in VHA that is dedicated to CCGT and currently consists of over 900 end points. CEVN has established standardized

techniques to allow any video teleconferencing system in VA network architecture to communicate with any other video communications enabled device. With the appropriate refinements regarding scheduling, and the credentialing and privileging process, this enterprise clinical videoconferencing network will be able to provide a national teleconsultation platform.

- Care Coordination/Home Telehealth (CCHT) places medical devices in patient homes to improve health monitoring, the quality of care and the standard of living for Veterans by reducing hospital admissions, clinic visits, and emergency room visits. The program office CCS is exploring the use of mobile technologies to make telehealth more widely available to those with chronic conditions.
- Care Coordination/Store-and-forwards (CCSF) technologies acquire and store clinical information (e.g. data, image, sound, video) that is then forwarded to (or retrieved by) another site for clinical evaluation. Tele-retinal and tele-dermatology are currently in progress. CCS plans to expand CCSF to include store-forward technologies for tele-pathology and wound care.
- Training – CCS has three dedicated telehealth centers in VHA that provides training to staff in all three areas of telehealth and links with VHA's Employee Education System (EES) for its content distribution that focuses upon virtual training modalities involving web-based and satellite communications.
- National Teleradiology Program (NTP) is a service that provides remote radiology procedure interpretations. Teleradiology is the electronic transmission of radiological images from one location to another for the purposes of interpretation and/or consultation.
- ORH pilot initiatives have included: mobile health care services, collaboration with non-VA facilities and patient education.
- Veterans Remote Tele-health Access will upgrade current network response time (speed) as well as additional network connectivity options.

FY 2009 Accomplishments:

- Increased Home Telehealth patient population support to approximately 40,000 patients
- Activated VistA Integration in 72 VA Medical Centers with 2 Home Telehealth vendors. Currently supporting approximately 11,500 out of 40,000 patients
- A VistA Radiology Patch was released to support NTP's expansion by enabling VistA to pull the radiology patient's historical reports by patient or case number and send them to the remotely located NTP radiologists
- The Clinical Enterprise Video Network (CEVN) infrastructure was developed to support CCGT. CEVN currently supports over 900 clinical video

conferencing systems. CEVN is currently being used by the Tele-mental health clinical program
- Activated the initial version of Home Device Inventory

Deliverables for FY 2010:

FY 2010 planned milestones include:
- Progress Note System Requirements Specification (SRS) complete
- IP Video SRS, design specifications, and test specifications complete
- Enhanced rural average daily census and completed and released to program office
- Census and survey design specification for new record communications protocols complete
- Survey new trend report released to program office
- VistA Integration Support for new vendors; update Security / contingency assessments
- Update application communications network monitor

Benefit to the Veteran:

Telehealth provides services in situations which patient and clinician are separated by geographical distance and is therefore particularly suited to supporting care in rural and remote locations. The goals of introducing telehealth can therefore be directly related to improving access to care for Veteran patients: supporting home-based care, by monitoring health status of patients in the home, clinical videoconferencing between VA Medical Center (VAMC) and clinics and between facilities. These services utilize real-time video technology and data transport, supporting patients with active home monitoring using traditional analog phone service and Internet, supporting patient encounters between VA facilities via CEVN.

Benefit to VA Organization:

VA Tele-health and Home Care Model directly support the mission by enhancing access to and quality of healthcare for Veterans. It will improve the efficiency and quality of remote communications with Veterans. The Home Telehealth -VistA Integration effort links four Home Telehealth vendor systems to VA systems in order to ensure that the important patient identity information is kept consistent and that important administrative and clinical data are accurately exchanged. This will simplify the work of VA care coordinators, improve data accuracy, improve patient safety and improve national/VISN and facility based reports.

Medical 21st Century HealtheVet Bar Code Expansion

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$2,421	$2,500	$14,550	$2,500	-$12,050

Description:

Prior to FY 2011, Medical 21st Century HealtheVet Bar Code Expansion (BCE) was funded under the VistA Application Development. Patient misidentification through mislabeled specimens for the clinical laboratory, anatomic pathology or blood bank can lead to adverse patient events. The Bar Code Expansion (BCE) project will use bar code scanning technology for the administration of all blood products and for the collection of all types of laboratory specimens at VA Medical Centers and clinics which will improve Veteran safety through correct patient identification at the point of care. The collection of a properly labeled laboratory specimen from the correct patient is critical to ensure safe blood transfusions and accurate laboratory results reporting.

The VA National Center for Patient Safety recently completed a review of patient misidentification adverse events and close calls in the Root Cause Analysis (RCA) database. A total of 227 RCA cases of patient misidentification events were examined. The data comprised 223 individual and four aggregate RCAs involving 126 patients. Over 80% of reports were directly related to mislabeled specimens. Unintended consequences resulted in unnecessary surgical procedures, unnecessary treatment such as radiation therapy, chemotherapy, antibiotics, blood transfusions, and cardiac catheterizations. Patients experienced delays in treatment for cancer and other medical conditions, repeat phlebotomy procedures, and repeat biopsies. Many patients received inaccurate pathology reports pertaining to specimens from other patients.

VA's Strategic Plan FY 2006-2011 contains the VA Secretary Performance Measure to be achieved with this project, through the Enabling Goal to "Deliver world class service to Veterans and their families through effective communications and management of people, technology, business processes, and financial resources" and states: "by FY 2011, 90% of laboratory specimens will be collected using bar code technology".

This project will also assist VA to achieve a Joint Commission 2008 National Patient Safety Goal 1 "to improve the accuracy of patient identification." The College of American Pathologists (CAP) Patient Safety and Performance Measures Committee developed a core set of laboratory patient safety goals in

2006. CAP requires all laboratories to develop a plan for addressing the following:

- Improve patient and sample identification
- Improve verification and communication of life threatening or life altering information about patients.

FY 2009 Accomplishments:

The program team documented business processes affected by this effort. The program team completed procurement artifacts in anticipation of contract award in FY 2010. VHA procured an external project assessment and analysis of alternatives.

Deliverables for FY 2010:

The program team will award a contract for the Bar Code Expansion system. The development team will be staffed through contract award. The team will document technical requirements and begin interface development.

Benefit to the Veteran:

The purpose of the Bar Code Expansion project is to improve Veteran safety by using bar code scanning technology at the point of care to positively identify a patient. The collection of a properly labeled specimen from the correct patient is critical to ensure safe blood transfusions and accurate laboratory results reporting. Patient misidentification through mislabeled specimens for the clinical laboratory, anatomic pathology or blood bank can lead to adverse patient events which can be fatal. With barcode scanning technology Veterans will be positively identified before receiving any blood products for submitting laboratory specimens at Veterans Affairs Medical Centers (VAMCs), VA-run clinics, and contract clinics that use VistA.

Benefits derived from the proposed wireless bar code technology implemented in VA facilities include the:

- Reduction of patient misidentification due to laboratory specimen mislabeling for the clinical laboratory or anatomic pathology
- Reduction of wrong patient blood product administration
- Reduction of redundant and inefficient documentation by nursing
- Enhancement of safe medication administration
- Increased patient safety (decreased morbidity and mortality)

Benefit to VA Organization:

Substantial savings in the cost of repeat lab tests repeated due to mislabeling will be realized. Tort claims with attendant costs will be avoided. Bar code scanning technology applied to blood administration will significantly reduce the probability that blood products will be administered to the wrong patient, or laboratory results will be reported on the wrong patient.

Medical Legacy

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$57,958	$91,133	$105,454	$75,000	-$30,454

Description:

The Medical Legacy (ML) program provides the software applications required for a modern Veterans Health Care IT System that currently delivers reliable, accessible, timely and critical health care services to our Veterans. Additionally, ML supports enterprise priorities such as VA-DoD Sharing, the North Chicago Federal Health Care Center, Bi-Directional Health Information Exchange (BHIE), Nationwide Health Information Network (NHIN) and President Obama's and Secretary Shinseki's Virtual Lifetime Electronic Record initiative (VLER). Finally, this program supports initiatives necessary to transform VA into a 21st Century organization that is Veteran-centric, results-driven, and forward-looking.

ML currently supports the delivery of critical enhancements to the current suite of functional health care systems to ensure safe and compliant performance until these systems may be transitioned to the HealtheVet platform. Included are:

- Software changes critical in sustaining deployed applications including quarterly and annual updates and other maintenance releases
- Functionality required to ensure patient safety
- Enhancements required to address legislative mandates, OIG findings, and directives
- Support for implementing locally developed projects at an enterprise level across VA

ML also enables the VLER initiative by providing seamless data sharing capabilities with a single secure point of entry for the beneficiary. The VLER program identifies and implements the standards, protocols and service-oriented design methodologies that enable the full electronic exchange and portability of

health care records. These ML projects improve the quality and accessibility of Veteran's health care by integrating services and increasing the reliability, speed and accuracy of delivery. ML is a new mixed state program reflecting projects transitioned from VistA Applications Development (VistA AD) and VistA Foundations Modernization (VistA FM), including the Master Patient Record, Clinical Flow Sheets (CLIO), VistA Imaging Storage, and Class III to Class I Development. It also includes Compensation and Pension Records Interchange (CAPRI) Maintenance & Tactical Enhancements and four transformational initiatives.

Benefit to the Veteran:

CAPRI Maintenance and Tactical Enhancements makes fundamental improvements to the tools used to order, track, and perform C&P exams, while also providing real-time status reports to VA administrators, as well as Veterans and VSOs, which will significantly improve the quality of services delivered to Veterans. Veterans benefit from faster processing times of C&P exams and gain quicker access to VA services. Integration with DoD health records will allow for a more accurate representation of the Veteran's medical history, also improving the quality of benefits provided to the Veteran. CAPRI has been shown to dramatically improve access, quality, and timeliness of healthcare and benefits information to the Veteran and service provider.

The Class III to Class I program identifies Class III (local) IT products and scales them for delivery to the VHA enterprise (Class I). This program will deliver such advances as Mobile Electronic Documentation (MED) which enables providers to view and update health information from a laptop at the point of care and later upload when network connectivity is available. Class III conversions will also be leveraged to address Joint Commission National Patient Safety Goals such as the Anticoagulation Management tool developed in the Portland VAMC which delivers a standardized process for the management of patients on extended anticoagulation.

Benefit to VA Organization:

CAPRI has improved the efficiency of C&P examinations and meets or exceeds the performance objectives specified in the Congressional mandate. The program is vital in order for VA to respond to the expected increase in demand for claims processing and addresses past GAO and IG reviews showing a great need to improve this process. This program will enhance the usability of CAPRI for clinicians and VA staff in order to improve processing time and turnaround of C&P exams. Capabilities included in this project meet immediate Compensation

and Pension Claims processing, Virtual Lifetime Electronic Record, and Joint Disability Evaluation System initiatives needs.

From strategic planning to project management, and from remote configuration to social networking, there are a host of new IT support tools – many very inexpensive or free – that when properly implemented can have a tremendous impact on IT infrastructure availability and reliability, project visibility and scale, and workforce productivity and effectiveness. The Veteran Innovation Initiative will substantially improve availability, security, and accessibility of core IT functions. Additionally, it will create platforms for VA employees that provide easy-to-use self-service and self-care.

This program also includes benefits from several prior VistA Application Development (AD) and Foundations Modernization (FM) initiatives. VistA Imaging storage improves storage capabilities and ensures integrity with VistA database. Nursing Clinical Flow Sheets support patient care in critical care and other clinical areas merging VistA, bedside monitoring, tasks and standardized observational data in an integrated display. Clinical Observations provide a bidirectional interface to bedside monitoring systems, ICU reporting systems and medical procedure reporting devices. The Master Patient Index provides a unique patient identifier for patients for data sharing for VHA healthcare systems and is fundamental for VLER and North Chicago Federal Healthcare Center.

Finally, this program delivers the Class III to Class I process whereby local IT products undergo a rigorous functional analysis and, if appropriate, are rolled out as Class I products to the VHA enterprise. This process is designed to deliver critical functionality quickly because the products analyzed and selected are already active in the field, which result in a savings in valuable design and development time.

Transformation Initiatives

Sterile Processing & Distribution (SPD) Scope Action Plan

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$3,000	$3,365	$365

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

The Sterile Processing and Distribution (SPD) Scope Action Plan initiative will ensure that SPD functions consistently meet the standards and documentation required for high reliability systems. This plan promotes a well controlled SPD process allowing consistent performance in a day to day basis, by facility to facility, and by employee to employee.

Preventive Care Program

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$10,100	$5,000	-$5,100

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

To accommodate the expectations of our newest generation of veterans and their families, VA will need to expand health promotion and wellness services tailored to their specific needs. Such services are primarily delivered through health coaches to provide activation, support, and on-going contact, including serving as a referral liaison to community health resources that support healthy behaviors. Such services are oriented to the person as a whole, rather than targeting these changes for management of a specific disease, which has been the traditional focus of most lifestyle or self-management programs. These programs have the opportunity to be aligned with the Veteran-centered medical home model. Establish the infrastructure, policies, and procedures to implement comprehensive health promotion and wellness programs within VA.

VA Tele-Health and Home Care Model

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$14,050	$29,050	$48,550	$19,500

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

VA Tele-Health and Home Care Model initiative will use technology to remove barriers to Veterans and increase access to and use of VA services. This initiative will enable VA to become a national leader in transforming primary care services to a medical home model of health care delivery that improves patient satisfaction, clinical quality, safety and efficiencies. VA Tele-Health and Home Care Model will develop a new generation communication tools (i.e. social networking, micro-blogging, text messaging, and self management groups) that can be used to disseminate and collect information related to health, benefits and other VA services.

VA Point of Service Kiosks

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$31,500	$15,000	-$16,500

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

Description:

VA Point of Service (Kiosks) is an automated, user friendly process planned for all VA healthcare facilities (similar to ATMs) that allows a patient to self-check in for appointments by using his or Veteran Identification Card and touch screen input at a kiosk (NOTE: the IT equipment and telecommunications support for Kiosk is contained in the Medical IT Support project).

Benefit to the Veteran:

Kiosk improves the direct delivery of quality health care by providing a secure, reliable mode of Veteran self service at all medical facilities. A standard product will improve the Veterans' ability to manage his/her own appointment related information including demographic, insurance, appointment specific medical questionnaires, and related information. Improved data quality will also positively affect the billing and collection figures by identifying insurance and

patient billing information. This investment improves internal customer satisfaction by providing a state of the art proven technology solution for data collection which decreases routing and redundant entry by staff, allowing them to focus on patient or clinic specific needs.

Benefit to VA Organization:

Kiosk improves access to and quality of appointment check in and Veteran demographic information for the organization. Self-service check-in will improve the quality of data available to VA staff for utilization during the provision of health care to Veterans. Collection of data prior to an appointment will allow the clinician to focus on the purpose of the visit versus spending time collecting data. This investment supports delivery of industry best practices in health care to insure the integrity, quality, availability, and security of self service technology with a standardized framework.

Readjustment Counseling for Women Veterans

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$1,300	$1,250	-$50

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

Description:

Readjustment Counseling for Women Veterans increases the number of women Veteran counselors at RCS/Vet Centers, providing a range of emergency, acute and chronic healthcare services, sun-specialty care, telehealth/telemental health, and medical and IT equipment needed by women.

Benefit to the Veteran:

Readjustment Counseling for Women Veterans supports the development of female Veterans and family focused services in existing and new sites in Vet Centers to promote state of the art holistic care including leveraging new technologies to promote access, care, and case management of female Veterans and families. This provides easy to access local and confidential readjustment services, increases the number of providers and services female Veterans need, leverages technology in providing outreach to female combat Veterans and their families, develops national capacity to provide comprehensive readjustment services to include rural areas, and expands care to involve the Veteran's family

with military related problems. This will enable VA to become the world leader in providing female combat Veterans readjustment services.

Benefit to VA Organization:

Readjustment Counseling for Women Veterans decreases fragmentation of comprehensive primary health care for women and will lead to increased female Veteran satisfaction with clinical care. It is critical to build a cadre of interested and proficient women's health provider.

Hospital Quality Transparency

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$1,000	$1,000	$0

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

Description:

The Hospital Quality Transparency (HQT) initiative is designed to allow consumers to make informed choices about obtaining health care services by promoting transparency with regard to the quality and safety of health care.

HQT has three main objectives. The first is to increase internal and external communications. The second is to develop metrics to allow VA to benchmark against existing external quality and safety dashboards or when not available, internal benchmarks. The final objective of HQT is to develop an organizational risk management structure to manage large scale disclosures.

Benefit to the Veteran:

HQT will address policy makers' desire that VA become more transparent about the quality and safety of health care. HQT will also provide a better understanding of gaps in the quality and safety of health care services provided. This information will allow targets for quality improvement activities within facilities, VISNs or nationally to be identified.

Benefit to VA Organization:

With increased transparency regarding the quality and safety of health care services, HQT will enhance the knowledge base of VA health care providers and

create an appreciation by the American people and Congress of the scope and quality of the health care provided by Veterans Health Administration.

HQT will also improve relationships with private sector and community organizations in order to negotiate an exchange of quality and safety data. The infrastructure required to support the increased technical support necessary to implement this plan is currently in place within the Office of Quality and Safety.

Benefits and Memorials

Benefits and Memorials

Information and Technology FY 2011 OMB Budget Submission (Dollars in Thousands)					
		FY 2010			
	FY 2009 Actuals	Budget Estimate	Current Estimate	FY 2011 Budget Request	Increase / Decrease
BENEFITS & MEMORIALS	221,078	316,153	252,271	380,778	128,507
Benefits 21st Century Education	55,153	1,937	34,476	44,097	9,621
Benefits 21st Century - Paperless Delivery of Veterans Benefits (VBMS)	31,694	161,602	71,107	145,305	74,198
Benefits Legacy VETSNET	24,638	24,555	24,555	31,738	7,183
Benefits Legacy	10,981	12,310	8,261	52,310	44,049
Benefits IT Support	97,752	114,940	113,872	105,167	-8,705
Benefits Legacy - Memorials Legacy Development Support	860	809	0	2,161	2,161

The Benefits and Memorials investment will improve the benefits claims process and ensure VA's claims decisions are timely, accurate, fair, and consistent through the use of automated systems. VA's Veterans Benefits Management System (VBMS, formerly Paperless Delivery of Veterans Benefits) expands on current paperless claims processing already in place for some of our benefits programs and will improve both the timeliness and quality of record-keeping for our Veterans' claim information.

The VA will develop and maintain the VA infrastructure and education applications needed to support a long-term solution for the Post-9/11 GI Bill (Chapter 33) platform. Chapter 33 provides VA the opportunity to develop and implement a more modernized IT infrastructure, which can be leveraged by additional education and benefits delivery benefit processing systems. This investment will modernize and automate manual business processes through the use of rules engine technology. Additional education

applications and benefits will have to conform to the Chapter 33 platform and be re-engineered and re-loaded on this new platform.

The Benefits IT Support investment provides ongoing IT maintenance and infrastructure support for the VA Benefits IT environment. Support is specifically provided in the areas of hardware, software, telecommunications, call center technology, audio, video and application installations at the 57 VBA regional field offices and associated out-based satellite stations as well as the National Cemetery administrative offices. This investment ensures the VA business community is provided the tools required to process Veterans claims efficiently and, quickly, and to process internment applications for burial in a timely and honorable manner.

Benefits 21st Century – Education

($ in 000s)	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Veterans Educational Assistance Act, P.L. 110-252 for Chapter 33	$55,153	$0	$0	$0	$0
American Recovery and Reinvestment Act, P.L. 111-5 for Chapter 33	43,594				0
Benefits for the 21st Century - Education including Chapter 33		1,937	34,476	44,097	9,621
	$98,747	$1,937	$34,476	$44,097	$9,621

Description:

On June 30, 2008, Congress amended title 38 by appending Chapter 33, Post-9/11 Veteran Education Assistance Act, (Chapter 33) which provides education assistance to Veterans, service members and members of the National Guard and Selected Reserve. The legislation mandated that VA must begin processing the new benefit payments on August 1, 2009. VA's Office of Information and Technology authorized the development of a technology solution using supplemental funding in order to meet the mandated deadline. During FY 2009, Congress provided additional funding for Chapter 33 as part of the American Recovery and Reinvestment Act (ARRA). The interim solution is considered temporary, labor intensive, and does not automate critical business formulation and functional components. The interim solution includes the Front End Tool (FET), modifications to the Benefits Delivery Network (BDN) to address payment processing for Chapter 33, and modifications to other education support applications. For FY 2010, Benefits Education Services is obligating the remaining ARRA funding to support Independent Verification and Validation (IV&V), capacity planning efforts, and additional IT staff to support field station activities.

VA's Long Term Solution (LTS) will provide an end-to-end, seamless integrated claims processing capability. To reduce human intervention in processing Chapter 33 claims, the LTS will incorporate a rules engine, tight data integration strategies and implementation of a well-defined Service Oriented Architecture (SOA). For example, a service will be created for Chapter 33 and other Education Benefits applications to interface with the Financial Accounting System (FAS). Once the LTS is deployed, the Education service benefits and systems will be modernized and migrated to the Chapter 33 SOA and infrastructure. VA anticipates the interim solution and LTS will run in parallel until after FY 2010 when the LTS demonstrates the performance and functionality capabilities necessary to meet business requirements. The planned Chapter 33 SOA infrastructure improvements overlapped the planned developments of The Education Expert System (TEES). Thus the monies and requirements for TEES were redirected into the Chapter 33 development effort. The interim solution was developed in-house utilizing VA's existing development resources. For the LTS, VA is using an interagency agreement with SPAWAR to develop and host the solution. Once the solution is deployed, VA intends to transition the infrastructure to the VA environment.

FY 2009 Accomplishments:

- Chapter 33 Program Initiation
- Completed Integrated Project Team Concept-of-Operations
- Receipt and installation of new circuits for Regional Processing Offices in Buffalo, St. Louis, Muskogee, Buffalo, and Atlanta
- Chapter 33 Phase 1 successfully released March 9, 2009
- Chapter 33 Phase 2 successfully released July 7, 2009
- Successfully generated payments to Veterans on August 3, 2009
- Requirements for TEES were validated and the Work Study Management System was re-hosted and is currently in production

FY 2010 Deliverables:

- Chapter 33 Phase 3 Release: Interim Solution
- Chapter 33 Release 1: Manual Implementation
- Chapter 33 Release 2: Non-Financial Data Interface
- Chapter 33 Release 3: Financial Data Interface
- Chapter 33 Release 4: Veteran Service Interface
- Work Study Management System Enhancements – Link to TIMS
- Work Study Management System Enhancements – Link to BDN/FAS
- Work Study Management System Enhancements – 508 Compliance and Removal of Share Requirement
- FOCAS Enhancements

Benefit to the Veteran:

The Chapter 33 program will assist the Veteran during his/her readjustment to civilian life, support armed services' recruitment and retention efforts, and enhance the Nation's economic competitiveness through the development of a highly educated and productive workforce. Veterans will be able to obtain tuition and fees, a housing allowance, and a stipend for books and supplies to support their educational and vocational training.

Chapter 33 provides benefits based on active duty service. The maximum benefit allows service members, Veterans, and family members to receive an in-state, undergraduate education at the school of their choice at no personal cost.

The Yellow Ribbon Program, established by the Post-9/11 Veterans Educational Assistance Act of 2008, created a matching contribution program between VA and Institutions of Higher Learning (IHLs) to assist eligible Veterans in covering tuition expenses that exceed the highest public in-state undergraduate tuition rate. Schools may enter into an agreement with VA to cover up to 50 percent of the additional tuition that Chapter 33 would not otherwise cover, with VA matching up to 50 percent.

Benefit to the VA Organization:

Chapter 33 provides VA the opportunity to develop and implement a more modernized IT infrastructure, which can be leveraged by additional education and benefits delivery systems. This investment will modernize and automate manual business processes through the use of rules engine technology.

The Chapter 33 allows VA to improve service to beneficiaries by fully-automating the claims process for most Post-9/11 GI Bill benefit claims, thus improving the timeliness of claims processing and accuracy of payment to beneficiaries and schools. Additionally, by minimizing manual processing procedures, it will allow VA to maximize the use of its resources to ensure that all needed customer service activities are provided to beneficiaries and stakeholders. The flexibility of an automated, rules-based system will allow VA to be prepared for future benefit changes or new initiatives.

VA is instituting a highly structured and disciplined approach to project management called Project Management Accountability System (PMAS). PMAS is an incremental program management framework with a rigorous management approach that halts programs that are failing to meet delivery milestones. PMAS will ensure early identification and correction of failing IT programs which will help facilitate an efficient approach to handling the complexities and challenges of administering the new Chapter 33 through a compressed schedule.

Several outreach initiatives have been directed with the goal of raising awareness about the educational benefits that are available through the Post-9/11 GI Bill among the Veteran community. VA mailed approximately 2 million letters to Veterans to inform them of the benefits available under the Post-9/11 GI Bill. VA is also working with the Department of Defense to inform service members about Post-9/11 GI Bill education benefits. For example, we sent a letter to all service members prior to the May 1, 2009, application acceptance date. This letter informed service members how to apply for the benefit and where to go for more information.

Further, VA developed a Post-9/11 GI Bill Facebook page, a social network tool that contains useful links and provides the Veteran demographic population essential information. To better inform stakeholders of the new Post-9/11 GI Bill, VA attended over 30 conferences on the Post-9/11 GI Bill and plans to attend several more.

Benefits 21st Century – Veterans Benefits Management System (VBMS)

		2010			
($000s)	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
OEF/OIF Supplemental for Paperless Delivery (P.L, 110-28)	18,015				
Virtual VA	13,679	17,922	8,107	0	-$8,107
FY 2009 funding through The American Recovery and Reinvestment Act, P.L. 111-5	1,500	0	0	0	$0
Paperless Delivery of Veterans Benefits Initiative	0	143,680	63,000	145,305	82,305
	33,194	**161,602**	**71,107**	**145,305**	**74,198**

Description:

The Veterans Benefits Management System (VBMS) - formerly known as Paperless Delivery of Veterans Benefits - is designed to transition from paper-intensive claims processing to a paperless environment. The VBMS technology solution will be deployed in a three-step implementation process. First, a Virtual Regional Office (VRO) will initiate the design process by creating a flexible, iterative, user-in-the-middle development process to solidify user requirements for access to electronic information through a living specification. Next, VBA will conduct regional office pilots to further validate, refine and harden process and systems requirements. Finally, production environments will be established for full-scale rollout to all Regional Offices (ROs).

It is anticipated that the VBMS will be expanded to support pension, insurance, education, vocational rehabilitation and education, loan guaranty, memorials, etc. As

the VBMS solution matures, additional capabilities will be incorporated, claims processing steps will be automated, and existing applications will be modernized. The result is a standardized, tracked, and efficient claims processing solution.

The VBMS initiative will deploy a technology solution that supports VA's strategy to improve benefits delivery. VA is developing a Business Transformation Strategy (BTS) to address process, people solutions and organizational structure factors. The VBA General Operating Expense (GOE) funding item accounts for the corresponding investment in the BTS. VBMS and BTS implementation is sequenced to encourage interaction that results in sharing information and lessons learned. VA's business transformation efforts will identify and test process and organizational improvements and feed requirements to the VBMS technology solution. During 2010, the technology solution will be developed through an agile, "user in the middle" methodology beginning with the Virtual RO concept. Subsequent pilots will further refine and strengthen the technology platform. By the end of 2011, target process, organizational, and technology practices will be understood and a nationwide rollout strategy will be developed for execution in 2012. Business and technology transformational efforts will converge as VBMS proceeds. This convergence will ultimately result in a holistic solution that delivers world-class service to our nation's Veterans

FY 2009 Accomplishments:

- Documented High-level Use Cases
- Developed Project Initiation Documentation in accordance with ProPath
    - Project Management Plan
    - Project Charter
    - IPT Charter
    - Quad Chart
    - SMART Checklist
- Established Project Environment

FY 2010 Deliverables:

- Refined Requirements
- Virtual Regional Office Prototype to Refine User Interface Requirements
- VBMS Architecture
- Capacity Planning
- Security Architecture
    - Access Controls (Role-based and Rule-based)
    - Auditing and Accountability
    - Identification and Authentication
    - Disaster Recovery
    - Continuity of Operations
- Information Integrity
- Deploy In-house Scanning Capability One RO

- Deploy Hardware(HW)/Software (SW) Infrastructure for One RO
- Release 1:
    - Image Repository of Electronic Claims Folder
    - Document Capture, Storage, Indexing, Tagging, and Linkage to Claim
    - User view into Electronic Claims Folder
    - Claims Archival
    - Prototype BTS Workflow
    - Prototype Rules-based Notification of Work
    - Service to Communicate with Legacy Systems
    - Interface to Internal and External Databases

Benefit to the Veteran:

The VBMS initiative will result in a world class paperless environment for claims processing and benefits delivery. The VBMS Initiative is aligned with the VA Strategic Plan and supports the integrated strategy to improve and integrate services across VA to increase reliability, speed, and accuracy of delivery.

The VBMS Initiative will produce benefits including:

- Improved veteran access to VA services, through enhanced web-based information processing
- Better timeliness and consistency of delivery of veteran services
- Improved claims adjudication processes through file redundancy, efficient workflow management, and workforce flexibility
- Heightened control over the acquisition and movement of veteran data throughout VBA and among stakeholders.

Benefit to the VA Organization:

The VBMS initiative improves service to Veterans by providing the capability to apply for, monitor, and manage benefits on-line. On-line management of benefits will help VA decrease reliance on the receipt, movement, and storage of paper; and eliminate efficiency constraints associated with paper claims files. In addition, this investment will substantially contribute to the overall efforts to reduce average days to complete C&P rating claims. By implementing the VBMS initiative, VA will achieve several business benefits, including improved access to and delivery of VA services to Veterans through improved web based services, and increased flexibility, and greater control over the movement of Veterans' data throughout VA. VBMS supports VA Strategic Goals through restoration and improved quality of life for disabled Veterans, and providing a smooth transition to civilian life. By leveraging information technology to improve services to VA customers, the VBMS initiative supports the expanded E-Government initiative.

Benefits Legacy – VETSNET

($000s)	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
VETSNET	24,638	24,555	24,555	31,738	7,183
FY 2009 includes of $100,000 from The American Recovery and Reinvestment Act (P.L. 111-5)	100	0	0	0	0
Total	**$24,738**	**$24,555**	**$24,555**	**$31,738**	**$7,183**

Description:

The VETSNET Program is a suite of applications that facilitates the entire Compensation and Pension (C&P) claims process. Within the suite, the end user can establish and develop Veterans' claims, document rating decisions, and issue award and notification letters. The system records and sends the accounting and payment information to the Department of the Treasury. Throughout these activities, data is shared and passed between the applications to support end-to-end claims processing, customer service, and notification. VETSNET became VBA's primary compensation and pension payment application in April 2008.

During FY 2010, VETSNET will provide the payment interface to support the movement of Chapter 31 subsistence allowance payments to the corporate database. Also the legislatively mandated Month of Death functionality will be delivered. In addition, two major conversions of Benefits Delivery Network (BDN) data and three major system version releases will occur. Currently, VA's mission is being supported by the BDN, which is scheduled for retirement in FY 2012. VETSNET is targeted to replace the C&P functions of the BDN, currently in maintenance phase. BDN has exceeded its useful life and there are minimal tools available to support it. Additionally, various material weaknesses have been identified, including BDN's lack of compliance with the government-wide Standard General Ledger, lack of automated audit trail, and over payment errors.

Oversight for the VETSNET investment is provided by the VETSNET Executive Team. The Executive Team is an interdisciplinary team led by senior executives well-versed in C&P processes. The team is responsible for day to day execution of the project and strategic direction is provided by the VETSNET Integrated Project Team (IPT). The VETSNET IPT meets on a regular basis to monitor and control the investment's progress. VETSNET is a fundamental component of VA's Enterprise Architecture providing critical C&P informational support to its customers through an integrated environment.

FY 2009 Accomplishments:

- The February 2009 Release included delivery of the Disability Evaluation System (DES) enhancement to support VA/DoD interoperability agreements. This release also delivered the legislated enhancements for the Veterans Claims Assistance Act.
- Filipino Veterans Equity Compensation Act (FVEC) Release began delivery of $198 million to deserving Filipino Veterans who supported US troops during World War II and delivered pension letters to the field via a new web platform. It also brought Education into the VETSNET environment for the first time by adding Chapter 33 (New GI Bill) Education payment history to the field in anticipation of the August 2009 delivery of that benefit.
- Economic Recovery Payments (ERP) Release delivered on the legislative mandate to pay $250 to approximately 2.8 million beneficiaries.
- The August 2009 Release delivered the Concurrent Retirement Disability Payment (CRDP) legislation, another VA/DoD Project benefiting retired Veterans.

FY 2010 Deliverables:

- December 2009 Eligibility Verification Release
- Version Release 6 – Nationwide VETSNET Software Release
- Version Release 7 – Nationwide VETSNET Software Release
- 2010 BDN Data Conversion – Live Pension
- 2010 BDN Data Conversion – Child Dependency and Indemnity Compensation (DIC)
- July 2010 Clothing Allowance Adjustment

Benefit to the Veteran:

The VETSNET investment facilitates a variety of direct and indirect benefits to Veterans. It provides front-line support of Veteran inquiry routing, electronic filing of disability claims and supplemental information needed in claims settlement. Direct adjudication support is also provided for smaller beneficiary classes to include Chapter 18 Spina Bifida and the Restored Entitlement Program for Survivors. Indirectly, greater efficiency is provided through processes designed to enhance the exchange of military records, the moving of claims folders efficiently between stations, and maintenance of a reliable fiduciary oversight system that protects beneficiaries unable to successfully manage their own finances. Furthermore quality assurance components facilitate the ability to run a data-centric benefit decision review process, and also provide real-time capability for phone monitoring, which enhances the Veteran's overall level of service.

Benefit to the VA Organization:

VETSNET Program represents a number of efficiencies designed to facilitate the ease of administration of benefit programs. Training tools allow for the quality and timely delivery of sophisticated training materials that properly equip employees to fulfill their duties. Automated data exchanges allow for faster retrieval of information critical to adjudicate benefits, reducing the time an employee spends on individual claims processing. Back-end report systems provide the organization with the data needed to make informed business decisions and identify additional ways to improve claims processing performance. A consolidated appeals management system provides shared tracking, content management and reporting between the Board of Veterans Appeals and administrations. Information routing systems allow contract examination providers to receive and re-transmit examination results, from desktop request to final e-file delivery. Overall, this investment is designed to maximize the speed and accuracy of benefits delivery, a key priority in VA's overall performance.

Benefits Legacy

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$10,981	$12,310	$8,261	$52,310	$44,049

Description:

The Benefits Legacy mixed-lifecycle investment includes specific new capabilities for the Loan Guaranty (LGY) line of business and is one hundred percent funded through reimbursable funds. For FY 2010, LGY reimbursable development funding totals $9.07 million. For FY 2011, LGY reimbursable development funding totals $9.7 million. This investment will provide stakeholders with libraries of common business services and tools. It will also cover processes and technologies for document and content management, migration, consolidation of databases, and streamlining of application interfaces.

The home loan mortgage industry has radically changed in the last two decades. Traditionally, the industry was based on local and paper-based banks and lenders that originated and serviced loans from underwriting through payoff or liquidation. Today, the mortgage industry is based on lenders operating nationally and using third party mortgage brokers to market their mortgage products and close loans. It supports a vast secondary loan market where home mortgages are bought and sold both individually and in mass. The current industry is possible only through the extensive use of communications and information technologies.

CWINRS is the Vocational Rehabilitation and Employment (VR&E) Service's case management application, which facilitates the creation and tracking of Chapter 31 case management plans for disabled Veterans. The application provides a uniform platform for case managers to determine eligibility and develop individual case management plans to meet the needs of Veterans.

The CWINRS BDN Migration will reduce VR&E's dependence on the BDN. This effort will fully transition General Eligibility Determination (GED) functionality and Subsistence Allowance Module (SAM) functionality from the BDN to CWINRS, which resides in the corporate database environment. The migration will also transfer subsistence allowance awards payments and accounting processing from the BDN to FAS. The FAS application also resides in the corporate database environment and currently pays reoccurring payments for C&P. This effort will prepare VR&E for the full shutdown/retirement of the BDN legacy mainframe.

Modernization and enhancements will re-code CWINRS functionality to mirror VR&E's business process. This will allow the creation of new interfaces with other VBA, VHA, and NCA services, as well as with DoD and other agencies.

BIRLS/VADS databases serve as the system of record for information on Veterans and their respective families/beneficiaries. These systems of record support VA and VBA business lines (compensation, pension, education, housing, and vocational rehabilitation and employment) by providing information necessary to process all types of Veterans' benefit claims.

FY 2009 Accomplishments:

- Developed Change Case Manager/Case Status for CWINRS
- Improved functionality to CWINRS to provide Chapter 31 Benefits according to the National Defense Authorization Act
- Completed AutoGED modification of GED to use tuxedo service calls and discontinue use of the antiquated BDNShell process
- Deployed Specially Adapted Housing (SAH)/Special Housing Adaption (SHA) and Veterans Information Portal (VIP) with WebLogic (9.2)
- Developed LGY WebLogic java interface collaboratively between Benefits Enterprise Platform team and LGY Java platform team to share critical Veteran data needed for benefit eligibility determination

FY 2010 Deliverables:

- Knowledge Management Web Content Management Release
- CWINRS BDN Migration
- Eliminate MailMerge dependency for CWINRS document creation

- Interface with the VONAPP on-line Benefit Application
- Interface with Administrative and Loan Accounting Center (ALAC)
- Add export capability to "National Limits Screen" for VACO 101 system administration users
- Upgrading the Filenet (scanning and work flow) platform to P8 to support emerging business requirements
- Deployed The Appraisal System (TAS) application to a new software platform to allow for better integration with other LGY enterprise applications
- Redesign the registration function of the LGY WEB Portal to deliver more functionality for Veterans and integration with other VA applications

Benefit to the Veteran:

The new capabilities of the Loan Guaranty (LGY) line of business will allow Veterans to request VA issued identifiers, update addresses, request data on VA loans, grants and associated property records, and communicate securely with VA. Veterans will have access to extensive record information and a home loan program tool set with residential mortgage calculators, loan amortization tables, builder and approved mortgage lender directories and locators, an online Native America Direct Loan application and automated qualification process. Additionally, this investment includes the funding to support the ongoing LGY business systems.

Benefit to the VA Organization:

The modernization and enhancements of CWINRS will ultimately improve information processing efficiency and reduce the burden of paperwork on VR&E staff. VR&E benefits and case management data will be incorporated into the corporate database, allowing the data to be shared with other VA business lines and also external agencies upon authorization. Modernization will improve and expand the capability of CWINRS to provide extensive reporting and performance measures tracking.

This initiative will also facilitate the maintenance and enhancement of communications and access capabilities with internal and external stakeholders, include LGY portfolio and property contractors, DOD, Native American Tribal Governments, Valeri Contractors, HUD, GNMA, and Rural Housing (USDA).

Veteran Innovation Initiative

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$35,000	$40,000	$5,000

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

The purpose of the Veteran Innovation Initiative (VII) is to improve support of VA's core business processes with IT platforms that are coherent, cohesive, and cost-effective. VII is designed to create a transferable process to ensure a steady pipeline of new innovations (including organic initiatives) by creating management mechanisms that incentivize and support forward leaning service delivery and by establishing and supporting an innovation investment fund.

Corporate Database and Engineering Support

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$6,298	$4,264	$4,264	$4,264	$0

Description:

The corporate database serves as a data repository containing records of Veterans, family members, and beneficiaries. This information is used to maintain, enhance, and validate the corporate database architecture. The support activities also include managing the promotion of business requirements to corporate data model and physical database, enabling nonmedical benefit lines of business to deploy mission critical claims processing applications. This project includes support for the Web architecture enterprise application and is critical for support of VA EA environments and system oriented architecture standards.

Benefits Legacy –Memorial Legacy Development Support

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$860	$809	$0	$2,161	$2,161

Description:

This initiative supports all application development activity for NCA systems.
VA has two mission critical systems that support the two major business lines of NCA: burial and memorials. There are many smaller systems that support the major business lines of budget, contracting, construction, and policy and planning support services. There is also application development and enhancement work that supports NCA products, including Presidential Memorial Certificates (PMC) and First Notice of Death (FNOD) notices.

VA has recently changed its business model to begin centralizing all eligibility and scheduling functions. Functions that were done at 80 cemeteries around the country will now be conducted at one site in St. Louis, MO. This change has necessitated major updates to VA support systems that have created a backlog of projects in Memorial Products Division (MPD). Furthermore, these systems are 15 years old and have been modified over the years and are now difficult to maintain.

This initiative supports VA's major systems and all software support for miscellaneous applications such as:

- Presidential Memorial Certificates (PMC)s
- Nationwide Grave Locator (NGL)
- Management and Decision Support System (MADSS)
- Public Information KIOSKS
- Eligibility
- Resource Management Tool (RMT)
- Scheduling Display

FY 2009 Accomplishments:

- Completed enhancements of legacy systems in support of VA's new business model of centralization
- Deployed Postcard Notification Program (PNP), which notifies families when a gravesite marker has been ordered
- Deployed thirty-six (36) large screen scheduling displays to National cemeteries
- Redesigned Gravesite Assessment including the input and retrieval of information from Burial Operations Support System (BOSS). BOSS evaluates the condition of headstones/grave markers to prioritize the limited distribution of maintenance funds
- Consolidated the burial scheduling function to improve efficiencies at MSNs I, III, IV

FY 2010 Deliverables:

- Continue redesign of the Gravesite Assessment System

- Implementation of Historical Letters Project to standardize and personalize letters that go to Veterans' next of kin to keep them apprised of various aspects of the monument ordering system
- Assessment of in-house legacy systems to the VA Service Oriented Architecture (SOA) for the sharing of VA-wide resources
- First Notice of Death (FNOD) and scanning initiative to facilitate VA centralization of FNOD processing under NCA
- Presidential Memorial Certificate (PMC) Redesign to improve case processing and functionality
- Enhancements to legacy systems to support Appeal process case tracking and reporting
- Enhancements to legacy systems to support VA's new business model of centralization

Benefit to the Veteran:

This initiative allows VA to pursue efficiencies and enhancements for the delivery of memorial benefits, including global delivery of headstones and markers and Presidential Memorial Certificates, preservation of cemeteries as national shrines, and provision of grants for the development of state managed cemeteries.

This initiative also ensures the fulfillment of the following goals from the NCA Strategic Plan for FY 2008-FY 2012:

Goal 1 - Ensure that the burial needs of Veterans and eligible family members are met.

Goal 2 - Provide Veterans and their families with symbolic expressions of remembrance.

Goal 4 - Provide OneVA world-class service to Veterans and their families through the effective management of people.

Benefit to the VA Organization:

Funding over the life cycle matches performance to expected changes in demand, such as the addition of new National cemeteries and State Veteran cemeteries that use BOSS and AMAS. This continuous, proactive approach allows VA to transition to new, improved technologies without substantial spikes in the annual budget requests, and also facilitates compliance with security requirements and VA, OneVA and Federal initiatives.

Additionally, the Space and Naval Warfare (SPAWAR) contract is the principal, nationwide source for the VA to acquire application development and support services. This contract will be the primary vehicle for procuring the IT contracted support for this initiative. Utilizing the SPAWAR contracting vehicle will help achieve both cost savings and cost avoidance, expedited procurement, and help ensure project costs, schedules and performance goals are met.

Corporate

Information and Technology					
FY 2011 Budget Request					
(Dollars in Thousands)					
		FY 2010			
	FY 2009 Actuals	Budget Estimate	Current Estimate	FY 2011 Budget Request	Variance
CORPORATE	346,866	530,569	567,064	527,214	-39,850
Corporate 21st Century Core	35,374	30,742	39,419	32,255	-7,164
Corporate 21st Century - FLITE	24,022	85,623	78,983	120,159	41,176
Corporate Legacy	35,476	32,075	34,795	32,075	-2,720
Corporate IT Support	162,720	236,328	222,663	196,924	-25,739
Corporate IT Support Enterprise Cyber Security and Privacy	63,892	84,865	122,577	84,865	-37,712
Corporate IT Support - PBX Replacement	0	25,134	30,619	15,134	-15,485
IT Enterprise Strategy, Policy, Plans and Programs	5,944	10,688	8,667	10,688	2,021
IT Resource Management	13,538	15,608	19,835	25,608	5,773
E-Gov	5,900	9,506	9,506	9,506	0

The Corporate investment of $527.2 million represents the alignment of future architecture and collaborative strategic planning for VA's Corporate 21st Century Core of our financial and human resource systems, information protection and IT administrative support. VA's future financial system, Financial and Logistics Integrated Technology Enterprise (FLITE) is requesting $120.16 million to develop a streamlined operation by standardizing best practices across VA and eliminate a number of long-standing material financial weaknesses. FLITE will ultimately provide management with access to timely and accurate financial, logistics, budget, real property and related information on VA-wide operations as well as on specific programs and projects. Other investments include maintaining the current financial management system (FMS, until it is replaced by FLITE in 2014), the regional data processing center, the enterprise license expenses such as Microsoft office suites and upgrade software applications, and Oracle data systems.

Corporate 21st Century – Core

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$35,374	$30,742	$39,419	$32,255	-$7,164

Description:

Aligning future architecture and collaborative strategic planning, VA Corporate 21st Century Core is a consolidated Mixed Life Cycle HR system of sustainment and Development/Modernization/Enhancement (DME), with over 50 percent of the total funding supporting sustainment to transform HR service efforts of Automated Position Management System (APMS), Human Resource Information System (HRIS), VA Learning Management System (LMS), USA Staffing, VA-Wide Travel Solution and Enterprise Human Resource Integration (EHRI). APMS provides HR with the ability to create position descriptions and secure background check information. HRIS established Shared Service Centers (SSCs) with improved HR management support via OPM service, fulfilling the HR LOB vision to implement a common solution to identify systems, best practices, migration strategies and key interfaces while achieving cost benefit and consistency. The VA Strategic Communication System (VASCS) replaces the Electronic Document Management System (EDMS) that manages executive level correspondence & documents. Through the Interagency Agreement (IAA) with OPM, LMS develops an online learning umbrella for VA employees consisting of courses, catalogues and records. USA Staffing provides automated Federal recruiting to HR management, focusing on qualified candidates and Veteran's preference requirements. VA-Wide Travel Solution, known as FedTraveler.com, provides a single travel planning, authorization and approval service to VA employees. EHRI enables workforce planning, forecasting, and analysis, streamlines employee transfer, and enhances retirement processing throughout the Executive Branch.

This consolidation enabled VA to promote efficiencies via automated standardization, reduce duplicative systems, minimize investments and traffic, streamline business and VA services processes, and enhance VA's HR information management capabilities to form a single, seamless, ubiquitous, and routinely used services. Additionally, it will integrate primary HR data collection, reporting, collaboration, and tracking systems into a single service that will meet immediate and strategic Human Resources needs.

Many accomplishments were recognized in FY 2009. APMS greatly improved VA's ability to assure that employees handling sensitive information had the

appropriate background checks completed in a timely manner. HRIS continued with its Interagency Agreement with OPM to provide a replacement strategy and system for the antiquated COBOL/Mainframe HR/Payroll legacy system called PAID. Under the umbrella of VA Learning University (VALU), LMS continued to meet the needs of Veterans and VA personnel to register for and complete on-line courses; however, LMS was placed on pause with the Program Management Accountability System (PMAS). USA Staffing provided advanced training in Prescreen Assessments for 75 VA users through an Interagency Agreement with OPM. VA-Wide eTravel Solution continued to streamline the process required to make travel arrangements, get authorization to travel and to reimburse VA employees for official government travel, including those employees providing care or benefits directly to Veterans. VASCS began expansion to allow an additional 1,500 users at first-level field offices access. EHRI completed conversion to eOPF, and as part of the conversion, created an online workflow for the SF 50 approval process.

In FY 2010, APMS plans to improve its facilitation of the creation of position descriptions, as well as the classification of positions. HRIS will enhance VA's ability to capture and maintain employee data and improve reporting capability throughout the Department; projecting the elimination of PAID's maintenance costs at $24 million annually and to allow the HR office to focus available staff resources on consultative work rather than routine transactional work with HRIS. It is anticipated that LMS will be restarted in FY 2010 in order to launch VA-wide training courses to develop and certify VA's talent in mission-critical occupations with accredited agencies certification software. USA Staffing plans to launch an Interagency Agreement with OPM to provide VA USA Staffing users with best practice operational support for the automated staffing solution. Upon completion of the coaching/training services, VA users will be able to effectively and independently complete all aspects of their examining workload while utilizing the USA Staffing product. EHRI will continue to provide VA with secure access to Federal workforce data by employees, managers, HR personnel lists and oversight agencies using the EHRI Portal based on user roles and assigned authority. EHRI will assist VA with the transition to a paperless environment and provide VA with additional business intelligence and workforce analysis reporting tools to support all management activities. VA Wide e-Travel Solution will be fully deployed in FY 2010 and VA will begin to receive maximum use of the system which will allow Department configuration for enforcement of travel policies and procedures and improve report generation to provide for increased accountability over travel authorizations and payments. In FY 2010, Phase 3 of VASCS development will complete the field implementation of this highly scalable system as an enterprise wide solution for document management. The fully functional web-based workflow and imaging system will

securely track correspondence and internally generated documents throughout VA, regardless of where the documents originate or the users reside.

Deliverables for FY 2010 will include status and progress reports, as well as quarterly reports required for OMB.

Benefit to the Veteran:

Core supports VA medical research and development programs that address Veterans' needs by making available standardized and computable data.

Benefit to VA Organization:

This consolidation will promote efficiencies using automated standardization, reduce duplicative systems, minimize investments and traffic, streamline business and VA service processes, and enhance VA's HR information management capabilities to form a single, seamless, ubiquitous, and routinely used service. Additionally, it will integrate primary HR data collection, reporting, collaboration, and tracking systems into a single service that will meet immediate and strategic Human Resources needs.

Fiscal Responsibility Review

		2010			
	2009 Actuals	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$65,233	$10,000	-$55,233

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

Fiscal Responsibility Review is an initiative to realize savings by improving management processes throughout the organization. It consists of four parts, Organizational Structure, Cost, Transparency and Accountability Review, VA Employee Payments Review, Management Process Savings, and VA Innovative Processes Board.

This initiative will reduce organizational redundancies and low visibility into costs and will create opportunities to streamline both organizational units and processes that produce cost savings or cost avoidance. It will also increase accountability across all organizational components by evaluating organizational duplications and redundancies in functional areas and associated costs of operating.

Corporate 21st Century – FLITE

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$24,022	$85,623	$78,983	$120,159	$41,176

Description:

The Financial and Logistics Integrated Technology Enterprise (FLITE) program is VA's multi-year initiative to replace existing financial and asset management systems with integrated enterprise-level systems. It has three primary components: the Integrated Financial Accounting System (IFAS), a financial management system; the Strategic Asset Management (SAM), an asset management system; and FLITE Data Warehouse (FDW), a data warehouse project. FLITE effectively integrates and standardizes financial/asset management data and processes across all VA offices. It also provides management with access to timely and accurate financial, logistics, budget, real property and related information on VA-wide operations as well as on specific programs and projects. In addition, it will establish an advanced technology environment with improved security and internal controls.

In FY 2009, VA accomplished the following program related activities: released the Request for Proposal (RFP) for the IFAS component of FLITE following OMB Financial Management Line of Business guidance. The purpose of the RFP was to obtain a Federal or Commercial Shared Service Provider (SSP) to help VA implement a core financial system that will standardize business processes, accounting procedures and data elements across all VA. This will facilitate stronger internal controls and a common accounting operation across all VA. Initiated site readiness activities at the SAM Beta sites, and awarded the Program Management Support Service Contract (PMOS) and the SAM Pilot implementation contract. The PMOS ensured that the Program Office has the augmented resources, expertise and internal controls in place to plan, manage, coordinate and oversee the development and implementation of the FLITE Program. With the awarding of the SAM Pilot Implementation Contract, VA initiated the SAM pilot phase at Milwaukee VA Medical Center which will provide assurance on the initial operating capability of the SAM system. VA released Request for Information (RFI) to seek industry input regarding potential software solutions for managing and tracking VA real property assets. This will help enhance VA's management controls and provide a better solution to enhance oversight over the Property, Plant and Equipment. VA initiated efforts to develop a concept of operations for the FDW. The Concept of Operations will help VA to formulate a strategy for the data warehouse to provide timely and accurate financial and asset management information in one central location. In 2009, VA

accelerated the change management and communication activities targeted to stakeholders. End users were actively engaged to bring about understanding and awareness of the FLITE Program, the benefits of the changing processes and procedures, and how end users will be impacted.

In FY 2010, VA plans to accomplish the following activities: Initiate integration testing of the Strategic Asset Management solution at the Milwaukee pilot site; award the IFAS contract and initiate the Pilot phase of the Financial Management System (FMS) replacement and begin development of the Integrated Funds Control Point Activity, Accounting and Procurement (IFCAP) replacement. The purpose of the Pilot/Beta phase is to validate the system and associated business processes in a production environment, to gain experience with production cutover, and to obtain acceptance from the user community. The IFCAP Replacement Development will include the development and testing of the IFAS components that replace IFCAP, the integration between IFAS and SAM, and the replacement of the interfaces between IFCAP and the VistA applications with interfaces between IFAS and the VistA applications. It also will include the cleansing and conversion of data at the Pilot sites. In addition, FDW will release an RFP to obtain a data warehouse implementation contract.

In FY 2011, VA plans to accomplish the following activities: Complete the SAM Pilot phase; award the SAM Beta contract; complete deployment of the new Strategic Asset Management system at selected Beta sites including the Demonstration and Validation (D&V) of the SAM system; begin SAM national deployment; begin FMS national deployment, replacing the FMS legacy system and begin implementing the FDW.

Objectives:

FLITE's objectives are to:

- Implement accessible and enterprise level standardized business processes that result in increased efficiencies and enhanced internal controls
- Provide VA executives and managers with timely, accurate and transparent financial, logistics, budget, and asset management information on VA wide operations as well as on specific programs and projects to make and implement effective policy, management, stewardship and program decisions
- Establish an advanced technology environment which provides the greatest capability and an extended life cycle

Benefit to Veteran:

FLITE will directly benefit the delivery of health care services to Veterans by streamlining the operations of VA's medical facilities and standardizing best practices. Once implemented nation-wide, FLITE will deliver world-class service to veterans through effective communication and management of people, technology, business processes and financial resources.

Benefit to the VA Organization:

FLITE will assist in providing timely information for management decisions and improve automated reconciliation and analytical capabilities. The FLITE program will touch almost everyone in VA who directly or indirectly serves a veteran. Benefits to the VA Organization are numerous and include:

- Standardization of business processes based on accepted business requirements
- Standardization of processes eliminates the need for re-training when relocating to a different site
- Creation of a secure, standardized data environment
- Simplification of the user interface that increases system utility resulting in the elimination of duplication in data entry and reconciliation
- Improved visibility of financial and asset data at all levels within VA
- Enhanced auditing capabilities
- Elimination of multiple versions of historical data and legacy systems via the integration of IFAS and SAM
- Enhanced buying leverage via VA-wide knowledge of enterprise needs and contracting/purchasing improvements
- Visibility into excess enterprise assets for transfer and re-utilization within VA, as well as capability for emergency planning

Corporate Legacy

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$35,476	$32,075	$34,795	$32,075	-$2,720

Description:

Corporate Legacy is a consolidation of four essentially Steady State investments: Financial Management System (FMS) is VA's core financial system, which contains VA's single Standard General Ledger for financial reporting and is the

single financial system for all administrative (non-benefit) payments and accounting. Payroll/HR Systems is VA's payroll and payroll human resources system; however, the payroll functions have been migrated to Defense Finance and Accounting Service and the human resources portion will be replaced by a yet to be determined HR line of business solution. CAMS is used to manage all VA capital assets, portfolio management, and provides support to the IT appropriation and congressional reporting processes.

In FY 2009, FMS continued to serve as VA's core system to provide the critical payment and accounting services required by all VA activities in support of the VA mission, as well as the President's Management Agenda (PMA) goal, of improved financial performance. This includes such items as eliminating erroneous payments, producing quarterly and annual financial statements and reports, monitoring and executing budget, and disbursing funds through Treasury. HR/Payroll System continued to serve as VA's ongoing human resources system. CAMS continued to be utilized as VA's source for managing its capital assets, as well as OMB and congressional reporting.

In FY 2010, FMS will continue as VA plans and starts its migration to FLITE, which is scheduled for completion in 2012. The Payroll/HR System will continue as VA's ongoing human resources system. It is the only system VA has for Human Resource Management and will remain a critical system until another solution is available. CAMS will continue to be utilized as VA's source for managing its capital assets, as well as OMB and congressional reporting.

Deliverables for FY 2010 will include status and progress reports, as well as quarterly reports required for OMB.

Benefit to the Veteran:

Corporate Legacy investments support VA medical research and development programs that address Veterans' needs by making standardized, computable data available.

Benefit to VA Organization:

This consolidation supports the IT realignment at VA by placing all legacy systems under one business owner.

IT Enterprise Strategy, Policy, Plans and Programs (ESPP&P)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$5,944	$10,688	$8,667	$10,688	$2,021

Description:

Advises and assists the Chief Information Officer (CIO) in managing and directing the areas of IT Strategic Planning, Business Relationship Management (BRM), Research and Innovation, and Program Management Standards, and Project-level Governance. In short, this office assists the CIO in "developing and managing" the IT plan.

ESPP&P consists of many functions that have not been a part of VA in the past. These functions are critical to the planning and oversight of IT activity within VA. Each of the organizations noted above is either new and a result of the IT realignment (Strategic Planning, BRM, Research and Innovation), or significantly enhanced to better plan and execute IT resources (Enterprise Architecture, Portfolio Management, Program Management Standards/Processes).

Benefit to the Veteran:

All of ESPP&P's activities are focused on enhancing the focus, effectiveness and efficiency of the IT delivery of services to the business lines to support service to the Veteran.

Benefit to VA Organization:

ESPP&P functions were not previously performed in VA and the organization will benefit from increased planning and oversight of IT activities. In addition, the BRM group works issues such as Service Level Agreements (SLAs), requirements identification, and IT Service Cataloging. All greatly improve the delivery of services and ensure various elements of OI&T work more effectively to deliver services, both to Veterans and within VA.

IT Resource Management (ITRM)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$13,538	$15,608	$19,835	$25,608	$5,773

Description:

Information Technology Resource Management directs the financial management, human capital management, IT asset management and procurement activities of OI&T. ITRM has the primary responsibility of linking the budgeting process with IT programs.

Benefit to the Veteran:

VA achieves savings from increases in operational efficiency. The system expects to result in a more efficient and cost effective IT Resource Management system, thus elevating the level of service to Veterans.

Benefit to VA Organization:

Improved staffing resources will allow the Office of Information and Technology to facilitate activities of VA to better leverage resources, reduce costs and improve quality of services, increase level of customer service to organizations/program offices that provide necessary services to Veterans and their families. Additionally, appropriate staffing will create proactive management of IT services that benefit Veterans.

Enterprise-wide Cost Accountability

	FY 2009 Actuals	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$10,000	$10,000	$0

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

VA must increase the cost-effectiveness of VA programs by enabling strategic financial decision-making with a robust activity based cost accounting system. Key steps will generate and integrate all activity based cost accounting information into VA's Decision Support System in order to standardize costing, as well as assist in budget execution and forecasting within VA.

It will provide resources for both employees and contractors to support the consistent implementation of cost accounting methodology. Uniform implementation across VA ensures cost accounting outcomes are understood by decision makers and furnish VA Leadership with performance measurement information to make data-driven decisions. This cost accounting system will ensure that senior leadership has access to accurate cost data for budget formulation, as well as providing effective and flexible tools for overall management analyses.

E-Gov Initiatives

Information and Technology FY 2011 Budget Request (Dollars in Thousands)					
		FY 2010			
	FY 2009 Current Estimate	Budget Estimate	Current Estimate	FY 2011 Budget Request	Increase/ Decrease
E-Gov	**5,900**	**9,506**	**9,506**	**9,506**	0
E-Gov: Federal Health Architecture LoB	1,983	1,994	1,994	1,994	0
E-Gov: E-Payroll	170	0	0	0	0
E-Gov: E-Authentication	211	173	173	173	0
E-Gov: Financial Management loB	245	147	147	147	0
E-Gov: Budger Formulation and Execution LoB	97	98	98	98	0
E-Gov: Disaster Assistance Improvement Plan	291	490	490	490	0
E-Gov: E-Training	65	2,774	2,774	2,774	0
E-Gov: EHRI	222	299	299	299	0
E-Gov: Recruitment One-Stop	22	920	920	920	0
E-Gov: Human Resource Management LoB	267	269	269	269	0
E-Gov: Integrated Acquisitions Environment	1,536	1,530	1,530	1,530	0
E-Gov: Gov Benefits	332	332	332	332	0
E-Gov: E-Rulemaking	84	46	46	46	0
E-Gov: Grants.gov	132	41	41	41	0
E-Gov: IAE - Loans and Grants	125	126	126	126	0
E-Gov: Business Gateway	74	60	60	60	0
E-Gov: Grants Management LoB	29	32	32	32	0
E-Gov: Geospatial One-Stop	15	15	15	15	0
E-Gov: IT Infrastructure	0	160	160	160	0

E-Gov – Federal Health Architecture (FHA) LoB

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$1,983	$1,994	$1,994	$1,994	$0

Description:

FHA supports federal health IT needs by providing a collaborative forum for creating a federal framework that is interoperable within the federal government, and other private and public organizations. FHA's three main goals for supporting the President's health IT plan are input, implementation, and accountability. FHA leverages federal expertise, coordinates business and technology aspects of the President's Health IT Plan and routes policy issues. FHA plans to incorporate the products of the private-public processes across federal agencies. FHA aims to achieve economies of scale for agency investments in common architectures, services and technologies. The current decentralized claims processing system (VistA Fee Application and related processes) will be replaced with a national centralized system (Healthcare Claims Processing System Fee).

In FY 2009, through an Interagency Agreement with HHS, VA was able to provide support for developing a framework for capturing all Federal efforts towards the support of the Federal Health IT Strategic Plan and interoperability goals and Expand on FHA production of Architectural products for consideration for inclusion where relevant into the Departmental segment architectures. VA will continue with this Interagency Agreement partnership in FY 2010.

Benefit to the Veteran:

Veterans will be provided with the delivery of better of health care services and centralized claims processing.

Benefit to VA Organization:

The new system will facilitate better health care service delivery for Veterans by ensuring effective and efficient authorization of payment processing for all non-VA care. The resulting operational efficiencies and greater cost effectiveness will ensure a smooth transition for Veterans, provide more accurate information about non-VA healthcare providers, improve claims payment process and promote greater access to complete medical records for health care providers.

E-Gov – E-Authentication

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$211	$173	$173	$173	$0

Description:

The General Services Administration's (GSA) Federal Acquisition Service held a half-day conference to discuss the future of the E-Authentication Services Initiative. This event provided attendees with an opportunity to gain knowledge about the identity management services the agencies need for accessing online government applications and learn about GSA's acquisition approach in particular. Participants were able to ask questions about how to participate using Schedule 70. The GSA Office of Government-wide Policy presented information about electronic authentication policy guidance for credential service providers and product vendors.

In FY 2009, VA was able to successfully safeguard user information by providing the critical capability of validating via the presentation of an electronic identity credential that a citizen, business or government employee uses when accessing a Web-based government system. This safeguard will be more visible in FY 2010 with the potential of terrorist threats to the nation.

Benefit to the Veteran:

Veterans will be provided the ability to conduct safe and secure transactions with the Government.

Benefit to VA Organization:

This initiative will enable millions of safe, secure, trusted online transactions between Government and the citizens and businesses it serves, reduces online identity management burden for Government agency application owners and system administrators, and provides citizens and businesses with a choice of credentials when accessing public-facing online Government applications.

E-Gov – Financial Management (FM) LoB

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$245	$147	$147	$147	$0

Description:

This vision of the FM LoB is to improve the cost, quality, and performance of financial management (FM) reducing non-compliance systems by leveraging common standards, shared service solutions and implementing other government-wide reforms that foster efficiencies in federal financial operations.

Under the Interagency Agreement with GSA, VA provided support to develop a series of measures to assess the performance of the financial services organization; develop guidance for shared service centers and agencies migrating to a shared service center; develop a standard set of core financial management practices for key functions to be adopted by all Federal agencies; and develop and implement a common accounting code structure, including an applicable set of definitions to which all federal agencies will adhere upon adoption. VA will continue with the Interagency Agreement partnership in FY 2010.

Benefit to the Veteran:

Veterans will recognize stronger VA controls that ensure integrity in accounting the use of a shared services solution and standardization of systems.

Benefit to VA Organization:

This initiative will provide timely and accurate data available for decision making, facilitate stronger internal controls to ensure integrity in accounting and other stewardship activities, increase the numbers of agency financial management operations without material weaknesses with clean audit positions and in compliance with Federal Financial Management (FFMIA), reduce costs by providing a competitive alternative for agencies to acquire, develop, implement, and operate financial management systems through shared service solutions, standardize systems, business processes and data elements and provide for seamless data exchange from feeder systems and between Federal agencies by implementing a common language and structure for financial information and systems interfaces.

E-Gov – Budget Formulation and Execution (BFE) LoB

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$97	$98	$98	$98	$0

Description:

BFE LoB is an across-government investment supported by annual contributions from over 26 agencies executed through a reimbursable agreement with the Department of Education. Funding is allocated across a number of initiatives, some offering IT solutions and tools, but most focused on better coordination between OMB and agencies. Activities are reported bi-monthly to the BFE LoB Taskforce which is overseen by Budget Officers Advisory Council (BOAC).

Goals of this initiative are to improve the efficiency and effectiveness of agency and central processes for formulating and executing the Federal Budget. Additionally, this initiative seeks to improve the integration and standardized exchange of budget formulation, execution, planning, performance measurement, and financial management information and activities across government; capabilities for analyzing budget, execution, planning, performance, and financial information in support of decision making; and enhance capabilities for aligning programs and their outputs and outcomes with budget levels and actual costs to institutionalize budget and performance integration.

In FY 2009, under an Interagency Agreement with the Department of Education, VA provided support to improve the efficiency and effectiveness of agency and central processes for formulating and executing the Federal Budget; improve the integration and standardized exchange of budget formulation, execution, planning, performance measurement, and financial management information and activities across the government; improve capabilities for analyzing budget execution, planning, performance measurement and financial information in support of decision-making; enhance capabilities for aligning programs and their outputs and outcomes with budget levels and actual costs to institutionalize budget and performance integration; and enhance the effectiveness of the Federal budgeting workforce. VA will continue with the Interagency Agreement partnership in FY 2010.

Benefit to VA Organization:

More and more agencies are moving toward automated tools. The underlying data structure of these tools will drive Office of Management and Budget's

systems directions. Momentum gained over the past two years is yielding direct benefits government-wide. Most importantly the data standards are being set for more seamless interaction with OMB. Performance integration and financial systems integration are approaching clear benchmarks that will yield alignments for formulation through production on systems that tie across from the Department of Treasury and OMB to VA's core financial systems.

E-Gov – Disaster Assistance Improvement Plan

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$291	$490	$490	$490	$0

Description:

The E-Gov Disaster Assistance Improvement Plan (DAIP) will help citizens and members of the emergency management community at the local, tribal, state, and Federal levels by improving public safety response through more effective and efficient interoperable data communications. The plan will serve as a unified point of access to disaster preparedness, mitigation, and response and recovery information.

In FY 2009, DAIP allowed VA to recognize benefits to include reduced costs, improved productivity, more efficient use of emergency management resources, reduced redundancies, reductions in property damage, saved lives, and reductions to insurance costs. It is anticipated that these benefits will continue to be realized by VA in FY 2010 as a direct result of its continued Interagency Agreement with Federal Emergency Management Agency (FEMA).

Benefit to the Veteran:

DAIP provides Veterans with a one-stop vehicle for identifying disaster recovery and response information. Veterans will receive improved public safety response.

Benefit to VA Organization:

The central value proposition of the Disaster Management program is to save lives and reduce property damage through more effective information sharing. This sharing takes place both within the responder community in the form of information sharing and improved availability of digital tools and across the nation's citizens, businesses and other organizations through the continued development of a "one stop shopping" source of disaster information. The current cost benefit analysis of the program indicates that there will be $690 million in

risk-adjusted benefits to the public and the government through cost avoidance and cost savings. Benefits include reduced costs to the government, improved productivity, more efficient use of emergency management resources, reduced redundancies, reductions in property damage, saved lives, and reductions to insurance costs.

E-Gov – E-Training

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$65	$2,774	$2,774	$2,774	$0

Description:

E-Training is part of the E-Gov initiative and is designed to support development of the Federal workforce through simplified and one-stop access to high quality e-Training products and services; thus, advancing the accomplishment of agency missions.

In FY 2009, E-Training was placed on pause with the Program Management Accountability System (PMAS). It is anticipated that the program will be restarted in FY 2010 to support standardization of courseware development and delivery for the enterprise through the deployment of a Learning Content Management System (LCMS) and a standard Web-Based Training delivery platform (iContent).

Benefit to the Veteran:

VA Learning Management System (LMS) relies on funding support from e-Training. It has a direct impact on the access, quality, and timeliness of health care and benefits provided to Veterans through the training it manages for medical staff. Over 2,000,000 courses were completed by VA employees in FY 2009 using VA LMS as the portal to a limited number of courses. Eventually, most, if not all online training in VA will be accessed using VA LMS as the portal and tracking mechanism. Additionally, Continuing Medical Education (CME) credits will eventually be tracked by the LMS.

LMS provides easy access to training for VA employees, thus ensuring a knowledgeable workforce to provide better healthcare and other services to Veterans. If an enterprise solution is not in place, this will reduce the staff's ability to maintain current skills sets and clinical certifications. This will diminish the quality of health care and benefits provided to the Veteran.

Benefit to VA Organization:

LMS will serve as the single point of access for all VA employees to view national and local learning catalogs, register for courses, launch on-line courses, record completed learning activities, and access their learning transcript. E-Training funds allow LMS to meet agency goals for knowledgeable federal workforce.

E-Gov – Electronic Human Resources Initiative (EHRI)

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$222	$299	$299	$299	$0

Description:

EHRI is a collaborative e-Government initiative designed to transform the way Federal HR Specialists and Managers access human resource information and the way all Federal employees access their personnel file information. As part of the initiative, EHRI provides a set of value-added products and services offered to customer agencies on a fee-for-service basis.

Through an Interagency Agreement partnership with OPM, VA provided support to build standard interfaces to allow exchange of HR data between agencies and the EHRI data warehouse and lead the effort to define electronic personnel data and imaging standards. These standards will support the EHRI e-OPF solution, the comprehensive electronic data warehouse, and the electronic transfer, separation and retirement of employee records.

Benefit to the Veteran:

Veterans will benefit from a more effective and efficient means of accessing their personnel files.

Benefit to VA Organization:

Reduced costs related to OPF storage, retrieval, copy, fax, and mailing. Employee benefits through self-service access by Managers, HR Personnel lists and oversight agencies via the EHRI Portal based on user role and assigned authority.

E-Gov – Recruitment One-Stop (ROS)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$22	$920	$920	$920	$0

Description:

The Recruitment One-Stop initiative automates the recruitment and application process using internet-accessible software that automates the recruitment, assessment, referral, and notification process as well as making the hiring process faster and more effective.

In FY 2009, VA was able to successfully identify and hire qualified candidates more easily. Additionally, it is anticipated that the number of people seeking government positions will be drastically increased in FY 2010 due to rising unemployment and Veterans returning from war.

Benefit to the Veteran:

Veterans will be able to more easily locate and apply for Federal jobs.

Benefit to VA Organization:

USAJOBS's objectives are to simplify the process of locating and applying for Federal jobs. USAJOBS seeks to help Federal agencies meet their Human Capital recruitment challenges, increase public satisfaction with the Federal hiring process and expedite agencies' identification of qualified candidates.

E-Gov – Human Resources Management (HR) LoB

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$267	$269	$269	$269	$0

Description:

The HR LoB vision is to implement a common solution that identified systems, best practices, migration strategies and key interfaces to develop common business processes and system solutions in the HR Line of Business area. The common solution is a market-driven approach where service providers competing or government business are driven to provide the best services and most innovative solutions at the lowest cost. The HR LoB initiative will establish

Shared Service Centers (SSCs) to provide technology solutions to support multiple agencies with HR management and back office activities. Multiple SSCs will be established to leverage economies of scale, reduce costs, and increase the quality and consistency of services provided.

Under an Interagency Agreement partnership with OPM, VA provided support to develop guidelines, map requirements to components, and support e-Gov HR initiative integration. VA will continue with the Interagency Agreement partnership in FY 2010.

Benefit to Veteran:

Veterans will benefit utilizing a market-driven approach where service providers competing for government business are driven to provide the best services and most innovative solutions at the lowest cost.

Benefit to VA Organization:

VA benefits through its use of the "best-in-class" HR services and systems provided by one of the approved service providers. Through its adoption of an approved service provider, VA can achieve the benefits of "best-in-class" HR solutions without the costs of developing and maintaining its own HR systems. Employees across the agency will benefit from improved HR services. The HR common solution is a market-driven approach where service providers competing for government business are driven to provide the best services and most innovative solutions at the lowest cost.

E-Gov – Integrated Acquisitions (IAE) Environment

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$1,536	$1,530	$1,530	$1,530	$0

Description:

The IAE is one of the 19 E-Government initiatives, which support the President's Management Agenda. Through agreements between VA and the IAE Program Office, funding is transferred to GSA for management and operations of the shared systems within IAE. IAE provides a shared set of mandatory tools that are leveraged by the acquisition community across the government. These tools include Federal Business Opportunities, Federal Procurement Data system, Information Retrieval System, and several other acquisition-related systems. Additionally, the Federal Funding Accountability and Transparency Act of 2006

(FFATA) requires all agency award information (procurements, grants and loans) be reported to USASpending.gov.

In FY 2009, through an Interagency Agreement with GSA, VA provided support for the development of training and outreach materials to assist agencies in implementing IAE; and publish and maintain IAE related activities and information through the initiative's web site (www.acquisition.gov). VA will continue with the Interagency Agreement in FY 2010.

Benefit to the Veteran:

VA achieves savings from increases in operational efficiency. The system is expected to introduce modern electronic communication for Veterans and suppliers, thus elevating the level of service and performance.

Benefit to VA Organization:

Based on the recommendations of the Transparency Act Taskforce, the website will leverage functionality provided by the IAE to provide Data Universal Numbering System (DUNS) numbers as the unique identifier. While this capability exists for contracts, work remains to fully support the determination of unique identifiers for grants
The systems managed by the IAE remove duplication, eliminate paperwork, and transform numerous manual processes to electronic transactions. The IAE systems provide tools and acquisition data that enable VA contracting professions to make informed buying decisions promoting increased efficiency and savings, entry of contract data, reuse, a reduction in time for processing contract actions, interagency communication flow, and allowing for greater utilization of existing human capital.

E-Gov – GovBenefits

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$332	$332	$332	$332	$0

Description:

GovBenefits.gov significantly reduces the amount of time individuals spend trying to identify and access relevant information about government benefit programs that match their specific needs. GovBenefits.gov improves the ability of government agencies to assess program performance and pinpoint duplicative or redundant services. This creates opportunities for more efficient resource

allocation. GovBenefits.gov allows local government or social service caseworkers to quickly identify and match alternative programs with an individual's specific needs.

In FY 2009, GovBenefits.gov continued to provide a single point of access for citizens to locate and determine potential eligibility for government benefits and services. It is anticipated that the need for government benefits and services will be increased in FY 2010 due to soldiers returning home from war and the need for increased benefits due to the state of the economy.

Benefit to the Veteran:

GovBenefits.gov enables Veterans to more efficiently access programs related to their specific needs by reducing time spent identifying relevant information and government benefit programs.

Benefit to VA Organization:

GovBenefits.gov is a partnership of Federal agencies with a shared vision to provide improved, personalized access to government assistance programs. GovBenefits.gov provides access to benefits programs in the format of an online screening tool.

E-Gov – E-Rulemaking

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$84	$46	$46	$46	$0

Description:

E-Rulemaking allows citizens to easily access and participate in the rulemaking process. This initiative improves the access to, and quality of, the rulemaking process for individuals, businesses, and other government entities while streamlining and increasing the efficiency of internal agency processes.

In FY 2009, under an Interagency Agreement with EPA, VA provided support to expand public understanding of the rulemaking process, improve the quality of Federal rule making decisions and streamline and improve the efficiency of the rulemaking process, increase the amount, breadth, and ease of citizen access and participation in rulemaking. VA will continue with the Interagency Agreement partnership in FY 2010.

Benefit to the Veteran:

E-Rulemaking allows Veterans easy access and participation in the rulemaking process.

Benefit to VA Organization:

The E-Rulemaking initiative is designed to make it easier for the public to comment on Federal agency rulemaking activities. VA's participation in the multi-agency initiative supports VA's outreach efforts to improve the flow of information to America's Veterans.

E-Gov – Grants.gov

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$132	$41	$41	$41	$0

Description:

Grants.gov was established as a governmental resource named the E-Grants Initiative, part of the President's 2002 Fiscal Year Management Agenda to improve government services to the public. This project fulfills current and pending OMB guidance to post all discretionary grant opportunities and matching application packages on a central government website.

In FY 2009, under an Interagency Agreement with HHS, VA was able to provide support required for deploying enhancements to Grants.gov's Find and Apply functionality. VA will continue with this Interagency Agreement partnership in FY 2010.

Benefit to the Veteran:

Veterans will be provided with more access to grants, a more efficient submission process, and improved Government decision making.

Benefit to VA Organization:

VA benefits include improved delivery of services to grant recipients, improved decision-making, and decreased costs associated with building and maintaining Grants Management IT systems. VA will work with the consortium lead agency and other members to define requirements, streamline processes, improve

reporting, and host a grants management system. By sharing services, VA costs to build and maintain grants management systems decrease.

E-Gov – Integrated Acquisitions (IAE) Loans and Grants

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$125	$126	$126	$126	$0

Description:

Loans and Grants (IAE-L&G) supports the Federal Funding Accountability and Transparency Act of 2006 (FFATA) requirement as defined by the Office of Management and Budget (OMB) to "ensure the existence and operation of a single searchable website, accessible by the public at no cost to access" that includes information on each Federal award.

In FY 2009, under an Interagency Agreement with GSA, VA provided support to ensure that the capability exists for contracts, work remains to fully support the determination of unique identifiers for grants and loans. VA will continue with this Interagency Agreement partnership in FY 2010.

Benefit to the Veteran:

This initiative allows Veterans to search a single website and access Federal Grants and Loans awards, at no cost.

Benefit to VA Organization:

Based on the recommendations of the Transparency Act Taskforce, the website will leverage functionality provided by the IAE to provide Data Universal Numbering System (DUNS) numbers as the unique identifier. While this capability exists for contracts, work remains to fully support the determination of unique identifiers for grants and loans. This funding is to assist the IAE initiative to enhance functionality for providing necessary capabilities to support this requirement.

E-Gov – Business Gateway

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$74	$60	$60	$60	$0

Description:

The Business Gateway (BG), business.gov, provides the Nation's businesses with a single, internet-based access point to government services and information to help businesses with their operations.

In FY 2009, through an Interagency Agreement with SBA, VA supported the government-wide effort intended to provide plain language information and services that reduce compliance and regulatory burden on the small business community. VA will continue with the Interagency Agreement partnership in FY 2010.

Benefit to the Veteran:

This provides Veteran-owned businesses with a single, internet-based access point to Government services and information to help their businesses' operations.

Benefit to VA Organization:

Business Gateway, a Presidential E-Government Initiative, provides businesses with a single access point, www.business.gov, for businesses to easily find government information, including forms and compliance resources and tools. Business Gateway also reduces the regulatory paperwork burden on businesses through easier data submission.

E-Gov – Grants Management (GM) LoB

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$29	$32	$32	$32	$0

Description:

GM LoB is a government-wide solution to support end-to-end grants management activities that promote citizen access, customer service, and agency financial and technical stewardship. GM LoB's goals are include improving customer access and efficiency of submission processes and decision-making, integrating with the financial management processes, improving efficiency of reporting procedures in order to increase usable information content, and optimizing post-award and closeout actions.

In FY 2009, under an Interagency Agreement with NSF, VA provided support to this government-wide initiative intended to support the GM LoB activities through communications, development of reporting and analytic tools, and information gathering and analyses. VA supports CL efforts to implement government-wide standards for functional, IT, and data systems and processes, as well as establishing effective collaborations with partnering agencies, serving as an interface between OMB and grants-making agencies in establishing, monitoring, and reporting performance against initiative goals and milestones, and supporting Grants Policy Committee (GPC) efforts to standardize grants policies. VA will continue support of this Interagency Agreement in FY 2010.

Benefit to the Veteran:

Grants Management provides Veterans with improved access and efficiency of the grants submission process.

Benefit to VA Organization:

VA benefits include improved delivery of services to grant recipients, improved decision-making, and decreased costs associated with building and maintaining Grants management IT systems. VA will work with the consortium lead agency and other members to define requirements, streamline processes, improve reporting, and host a grants management system. By sharing services, VA's costs to build and maintain grants management systems decrease.

E-Gov – Geospatial One-Stop LoB

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$15	$15	$15	$15	$0

Description:

The Geospatial Line of Business (LoB) is an OMB E-Government initiative to identify ways in which services commonly found in numerous agencies can be provided in a more efficient manner. Geospatial LoB will better coordinate producing, maintaining, and using geospatial data. It will ensure sustainable participation from Federal partners to establish a collaborative model for geospatial-related activities and investments. Progress to date includes completion of Joint Business Case and Common Solutions/Target Architecture document, establishment and designation of Senior Agency Officials for Geospatial Information (SAOGIs), development of common definitions for federal geospatial investments and acceptance of the restructuring for the Federal Geographic Data Committee – Federal Advisory Committee Act (FACA_ component.

In FY 2009, through an Interagency Agreement with the U.S. Geological Survey, VA provided support for identifying common capabilities to allow cost-benefit return on investment (ROI) for shared services. VA supported implementing a Geospatial SmartBUY opportunity for geospatial data and technologies which promotes shared licenses for smaller agencies. Additionally, VA helped develop and implement common grants language for geospatial information and services. In FY2010, VA will continue to participate in the Interagency Agreement.

Benefit to the Veteran:

VA achieves savings from increases in operational efficiency. The system is expected to result in a more efficient and cost effective geospatial system, thus elevating the level of service and performance to Veterans.

Benefit to VA Organization:

Geography is rapidly changing the thinking of those who develop public policy, and this change will affect VA. Because VA is a major contributor to the healthcare marketplace, compensation, insurance, housing, education, property management, emergency preparedness, and rehabilitation, it has an
incentive to increase its knowledge of how its business practices affect Veterans in different places, given labor markets, healthcare funding, housing,

intergovernmental affairs, and other critical contextual factors. The benefits to Veterans for continuing development of VA geospatial capacity include ensuring comprehensive knowledge, improving accuracy of information, increasing timelines of policies, enhancing communications, increasing the confidence in information and locating customer needs and industry changes.

E-Gov – IT Infrastructure

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$160	$160	$160	$0

Description:

IT Infrastructure puts in place a government-wide approach for measuring and optimizing agency infrastructures to enhance cost efficiency and level of service. IT Infrastructure better enables core agency missions and customer-centric services. While the IT Infrastructure provides the standardized framework for comparing performance across the Federal Government, Departments, and agencies remain responsible for choosing appropriate strategies for optimizing their commodity in infrastructure cost efficiency and service level metrics. The IT Infrastructure does not mandate how agencies optimize their infrastructure. Instead, it will provide tools for agencies to leverage.

In FY 2009, VA was able to leverage the tools provided by IT Infrastructure to realize cost savings through a coordinated approach to spending for commodity IT infrastructure. This cost savings will also be recognized in FY 2010.

Benefit to the Veteran:

VA achieves savings from increases in operational efficiency. The system expects to result in more efficient and cost effective IT infrastructure for use by Veterans.

Benefit to VA Organization:

IT Infrastructure leaves VA in charge of determining how to make improvements. It provides a way to validate agency performance, allows for reinvestment of savings from IT commodities into more value-added IT functions, gives VA ongoing access to current industry benchmark information, provides access to government-wide metric dashboard tools, provides quantitatively-based analysis of best practices in each of the three areas, ensures standardized information regarding service levels achieved at various costs and appears less expensive than other benchmarking alternatives.

InterAgency

InterAgency

Information and Technology					
FY 2011 Budget Request					
(Dollars in Thousands)					
		FY 2010			
	FY 2009 Actuals	Budget Estimate	Current Estimate	FY 2011 Budget Request	Variance
INTERAGENCY	52,037	116,633	124,720	157,638	32,918
Interagency 21st Century Core	11,715	11,921	8,320	11,921	3,601
Interagency 21st Century - Virtual Lifetime Electronic Record	0	0	42,157	52,032	9,875
Interagency 21st Century - Personal Identification Verification	10,608	17,893	30,050	12,950	-17,100
Interagency 21st Century - Enrollment Systems Redesign (ESR)	11,703	13,793	4,500	9,629	5,129
Interagency 21st Century - One Vet	19,419	59,937	24,575	64,895	40,320
Interagency 21st Century - CHDR	0	6,878	8,907	0	-8,907
Interagency 21st Century - FHIE/BHIE	-1,408	6,211	6,211	6,211	0

The Inter-Agency investment request of $157.6 million will support the on-going collaborative work with Department of Defense to achieve an Interagency Joint Virtual Lifetime Electronic Record (VLER) for our Veterans. It also supports VA's efforts in Veteran Relationship Management (VRM), Homeland Security Presidential Direct (HSPD) 12, and Enrollment System modernization

The VLER initiative will enable the VA to begin collecting data by instituting a uniform VA/DoD registration event at the point of accession to military service. By enabling information interoperability between the VA and DoD, VA service delivery will be improved. Access to electronic records is essential to modern healthcare delivery and the paperless administration of benefits. It provides a framework to ensure that all healthcare providers have all the information they need to deliver high-quality healthcare at the right time and place while reducing the occurrence of medical errors and duplicative testing. The creation of this

Interagency Virtual Lifetime Electronic Record will allow VA and DoD to take the next step in delivering seamless, high-quality care, and serve as a model for the nation.

InterAgency 21st Century Core

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$11,715	$11,921	$8,320	$11,921	$3,601

Description:

The enterprise infrastructure plays a key role in delivering world class medical care to our Veterans while controlling cost. VA implemented an integrated inpatient/outpatient capability via a reengineered VistA platform. The new HealtheVet (HeV) architecture will transform electronic medical records from being hospital-based (only available healthcare providers at the treatment facility) to patient-centered (being available anywhere a patient decides to be treated). No functionality will be lost as part of this transformation and the new architecture will provide additional capabilities, improved system performance and increased system stability. New capabilities will include: an updated common services architecture, security, messaging and interface, workflow and business rules engine, standards and terminology services, and inter-agency data sharing services. VA's Core Strategy is to implement an Enterprise Service Bus (ESB) technology based on Service Oriented Architecture (SOA) standards. Core services will allow all VistA applications to subscribe to platform-based common services, for example: Enrollment, Scheduling, Laboratory, Pharmacy, and Radiology.

FY 2009 Accomplishments:

- Released the Naming Directory Service (NDS) for production. This provides an authoritative repository and query capability for the SOA. Provides for the software service location and associated connectivity information.
- Released the Cross-Application Integration Protocol (CAIP) to production. This provides HeV applications the capability to look up information using the NDS for software services location and connectivity information.

FY 2010 Deliverables:

- System Toolkit v2.1.5 will automate the implementation and configuration of standard hardware platforms using modern application servers.

- Deployment Toolkit v3.1 will provide a standardized installation tool which supports application deployment to clinical application servers using modern application servers.

Benefit to the Veteran:

- Enrollment system modifications from Core services will relieve two million Veterans from duplicative annual enrollment updates, improving both Veterans' access to care and their Veteran satisfaction with VA services.
- Better access to healthcare information through telephone, web, and kiosk services.
- Greater efficiency in administrative processes providing up-to-date patient demographic, insurance, and administrative information.
- Improved reliability in healthcare and benefits eligibility decisions due to availability of more accurate eligibility data.
- Reduced cycle time for processing Veterans' applications for care and updating their information; enhanced verification of Veterans' self-reported income with federal tax information to confirm healthcare eligibility; and improved Customer Relationship Management across VA business lines.

Benefit to the VA Organization:

The Core projects and associated deliverables directly benefit the VA organization. The impact of these services is wide ranging, from reducing the cost of development to shortening the duration of the concept-to-release life cycle. The standardization reduces development cost by eliminating the need to recode similar functionality. Another benefit to standardization is the ability to plan future development and capacities based on the knowledge of how functionality is going to be integrated. The new Core functionality is designed to be compatible and support disparate systems, reducing the requirements for developing one of a kind interface solutions that are specific to each individual application solution. Standardized data improves sharing of data among federal agencies and contributes to the ability to meet the President's goal of a portable electronic health record within 10 years. The combination of additional capacity, increased functionality and greater stability will significantly improve the quantity and quality of services available to the Veteran. Moreover, Core objectives align with OPEN Government principles to use technology platforms that will improve collaboration and interoperability.

InterAgency 21st Century Virtual Lifetime Electronic Record

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$42,157	$52,032	$9,875

Description:

The Virtual Lifetime Electronic Record (VLER) is an interagency federal initiative to create a convienient, cost effective means for electronically sharing all health and benefits data of our Service Members and Veterans. Data will be exchanged between the Department of Veterans Affairs (VA) and the Department of Defense (DoD), as well as with private sector providers who care for Veterans and their beneficiaries. From the users' perspective, VLER will be a virtualized single portal through which they can access the information necessary to provide superior healthcare services and benefits.

Beginning with health data, information interoperability between VA, DoD and the private sector will be accomplished in a two-step development/implementation process. The first step, focuses on the linkages between VA, DoD, and Kaiser Permanente (in the San Diego region). This will be a "local" proof of concept effort to validate basic functionality, the security and authorization mechanisms, and baseline certain performance metrics.

The second step adds federal partners and other private sector providers as part of a regional pilot exchange. As the Nationwide Health Information Network (NHIN) becomes available to private sector providers, VA anticipates having a better opportunity to more effectively stress test operational components and identify performance bottlenecks, implement custom requirements and views, and improve modularization. More importantly, during this phase we expect to conduct early prototype integration to Veteran Benefits Administration (VBA) Veterans Benefits Management System (VBMS) - a separate and crucial effort to eliminate dependency on paper records.

Following this two-step implementation, further expansion of information interoperability will be accomplished by working with the Department of Health and Human Services (HHS) and participating in their federal-private sector interoperability programs. VA will also actively support private sector networks providing care to broad demographic segments of our beneficiaries similar to the San Diego pilot program. This ambitious project will guide the transformation of business processes and technical systems to enable a very high level of interoperability and information exchange. Ultimately, these combined

approaches will create the foundation for implementing VLER – to include all health and benefits data for our Service Members and Veterans.

Specific VA goals for VLER are to**:**

- Integrate VA with (NHIN)-compliant, authorized, and ceritifed community resources. This integration will enhance services to Veterans by aggregating data from VA, DoD, and the private sector through a national system based on standards.
- Establish a consistent universal view of a Veteran's electronic record.
- Enable proactive, convenient, comprehensive, and secure access to other VA services and benefits.

FY 2009 Accomplishments:

NHIN software demonstration, September 2009

- Gathered and documented the requirements to create version 1.0 of the NHIN software which will initially be deployed between VA and Kaiser-Permanente in San Diego.
- Installed the initial version of the NHIN production software in a national data facility and obtained all system Authority To Operate (ATO), established a secure connection to Kaiser; other VistA applications completed production software changes to support the NHIN demonstration.
- Completed a demonstration of full end-to-end production exchange of data between the NHIN team and Kaiser-Permanente.
- Developed and signed Data Use and Reciprocal Support Agreement (DURSA) with our private and public sector partners to ensure security and privacy of Veteran data.

FY 2010 Deliverables:

VLER will be implemented in six month segments where each succeeding segment is built upon the product and lessons learned from the previous segment. VLER FY 2010 strategic business objectives are based on the following performance measures being met:

- Successful replacement of BHIE, CHDR, and other current interoperability programs through the NHIN will lead to the initiation of VLER.
- Successful prototype deployment of the NHIN specifications and infrastructure in San Diego.

- Successful exchange of production level C32 "Summary of Care Record" between VA, DoD and Kaiser Permanente in San Diego.
- Successful identification and deployment of additional pilot sites (Estimate 2 to 6 sites).
- Successful definition and deployment of the enhanced VLER data set that will replace the C32 "Summary of Care Record".
- Successful development of a VLER socket for benefits data exchange.

Benefit to the Veteran:

When a member of the armed forces separates from the military, the Veteran will no longer walk paperwork from a DOD duty station to a local VA point-of-care facility. Their electronic records are already available at the VA, transforming the way information is transmitted and improving healthcare delivery and benefits administration. It will permit appropriate personnel at all VA sites to have access to a Veteran's complete electronic military medical record, giving them the information they need to deliver high-quality care. It reduces to near zero the amount of historical DoD medical information Veterans must produce for review and inclusion in their VA clinical record.

VA and DoD are dedicated to ensuring transitioning Service Members receive, in a timely manner, the benefits they have earned. Information critical to provision of benefits is obtained through the One VA/DoD data sharing initiative, which consolidates the transfer of data between DoD and VA and will eventually eliminate the need for paper copies of DD-214s (military discharge and separation document). The Defense Enrollment Eligibility Reporting System (DEERS) supports that information transfer, and the VA Defense Information Repository (VADIR) serves as the secure and authoritative database for a Service Member's demographic, personal identity information, and military history. This longitudinal electronic eligibility record can be used by all VA entities to administer benefits and care for a transitioning Service Member.

With our leadership and experience, DoD and VA have the opportunity to drive improvements in healthcare delivery through interoperable electronic records, not just for Veterans and Service Members, but for the nation as a whole. Electronic records will also speed up claims processing and eliminate delays in receiving care.

Health assessment data is collected from two sources: questionnaires administered at Military Treatment Facilities (MTF) and a DoD health assessment reporting tool that enables patients to answer questions about their health status

upon entry into the military. Assessment questions relate to a wide range of personal health information, such as dietary habits, physical exercise, and tobacco and alcohol use. VA has the capability to view questionnaire questions and answers.

Information interoperability supports the exchange of information necessary to ensure continuity of medical care for all Veterans and the development and adoption of the national standards required to enable health information to follow the patient regardless of the point of care. Beneficiaries receive healthcare from the private sector, so the ability to exchange health information between the public and private sectors is critical to both Departments. In addition, fulfillment of our goal of VLER requires that it include complete administrative and medical information from all points of care.

VA and DoD are sharing computable allergy and pharmacy information on patients who use both healthcare systems. The benefit of sharing computable data is that each system can use information from the other system to conduct automatic checks for drug interactions and allergies. VA implemented this capability at seven of the most active locations where patients simultaneously receive care from both VA and DoD facilities. Once a patient is "turned on" with this capability, their pharmacy and allergy information is computable enterprise-wide in DoD and VA and is available for this automatic clinical decision support.

Benefit to the VA Organization:

Reduces backlog in processing benefit requests, improves coordination of healthcare delivery, and reduces redundant testing and healthcare costs.

VA clinicians with relevant disabled Veteran patient data, from both VA and DoD, are able to maximize the physical, mental, and social functioning of disabled Veterans including special populations of Veterans by assessing their needs and coordinating the delivery of healthcare, benefits, and services.

Ensuring a smooth transition for Veterans from active military service to civilian life by providing required DoD health data that is viewed by VA clinicians, creates an increased awareness of, access to, and use of benefits and services during transition. Federal Health Information Exchange (FHIE) supports the processing of disability claims within the Veterans Benefit Administration (VBA). Through Compensation and Patient Record Interchange (CAPRI), FHIE data is available for use by Veteran Benefits Administration (VBA) claims adjudicators to fulfill the evidentiary requirements for processing disability compensation claims as well as in determining eligibility for Vocational Rehabilitation and Employment benefits.

The FHIE solution delivers substantial functionality that satisfies the original intent at a considerably lower cost and, in a considerably shorter timeframe. There are anticipated reductions in cost per customer due to increased availability of more comprehensive and complete clinical data. These reductions include decreased repetition of laboratory tests because original test results cannot be accessed, avoidance of adverse medical events, and improved clinical decision-making.

The sharing of viewable social history data captured in DoD's electronic health record provides VA with additional clinical information on shared patients that clinicians could not previously view. These data describe, for example, patients' involvement in hazardous activities and tobacco and alcohol use. The sharing of physical exam data, allowing VA to view DoD's medical exam data through the Bi-directional Health Information Exchange (BHIE) interface, supports the physical exam process when a Service Member separates from active military duty. VA clinicians are able to view outpatient treatment records, pre- and post-deployment health assessments, and post deployment health reassessments.

InterAgency 21st Century Personal Identification Verfication (PIV)

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$10,608	$17,893	$30,050	$12,950	-$17,100

Description:

Homeland Security Presidential Directive-12 (HSPD-12) mandated a "Policy for a Common Identification Standard for Federal Employees and Contractors" to provide secure and reliable identification issued by federal agencies for their employees and contractors. The VA Personal Identity Verification (PIV) project is established to provide compliance with HSPD-12. The PIV credential will be used for identification and authentication across federal logical and physical access systems. The National Institutes of Standards and Technology (NIST) developed the Federal Information Processing Standard (FIPS-201) which defines the requirements for the PIV credential. This standard includes the enrollment and issuance necessary to provide common assurance under which all PIV credentials are issued. The VA PIV program established a FIPS-201 compliant enterprise standards-based smart card and Public Key Infrastructure (PKI) authentication and authorization foundation to support secure and seamless transmission of business transactions and information. PIV addressed the expanded E-Government Presidential Management Agenda through the use of an electronic credential (identity) used for identification using PKI, Personal

Identification Numbers (PINS), and biometrics (facial and fingerprint) for both physical and logical access through the use of these multiple factors (PKI, Biometrics, PINS).

FY 2009 Accomplishments:

During 2009, the PIV program procured the necessary equipment for the 202 individual client sites which will issue credentials at facilities across the nation. The program was implemented at 110 of the 202 sites.

FY 2010 Deliverables:

The capability (processes and system) will be fully implemented at all 202 sites is scheduled for completion June of 2010. The VA PIV program will also cutover to version 2.0 of the central system during February of 2010 commensurate with an Authority to Operate (ATO).

Benefit to the Veteran:

The compliance of agencies with Homeland Security Presidential Directive 12 and the FIPS-201 standard ensures interoperability across the federal government. In addition to interoperability, the Veteran can be assured that all employees and contractors providing their care have been identified and verified using secure and reliable forms during an official accreditation process.

Benefit to the VA Organization:

PIV protects access to information by providing "Secure and reliable forms of identification that (a) is issued-based on sound criteria for verifying an individual employee's identity; (b) is strongly resistant to identity fraud, tampering, counterfeiting, and terrorist exploitation; (c) can be rapidly authenticated electronically; and (d) is issued only by providers whose reliability has been established by an official accreditation process.

Cost avoidance includes the costs for each facility to develop and maintain an independent infrastructure for controlling logical and physical access. These costs are replaced by the return on investment benefits of an enterprise standard for credentialing, identification, background investigation, and controlling access to both logical and physical federal property.

The system is also designed to deliver "security as a service," by integrating with the VA Enterprise Architecture service-oriented systems model. It provides an integrated standardized approach to the broad, diverse VA network and

forwards the concepts embodied in the One-VA strategic goal. In doing so, the program intends to reduce the cost of ownership for identity services. Further, the initiative offers improved security of critical VA assets and extends broad protection for privacy and identity information maintained by VA.

InterAgency 21st Century Enrollment Systems Redesign (ESR)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$11,703	$13,793	$4,500	$9,629	$5,129

Description:

In October 1996, the Veterans' Health Care Eligibility Reform Act of 1996 was enacted, requiring VA to implement a priority-based enrollment system. On March 29, 2009, the Enrollment System Redesign (ESR) v3.0 project was implemented, which re-hosted the legacy information system onto a new platform and implemented the initial HeV Registration Enrollment Eligibility (REE) system of systems" framework. The system compiles military service, demographics and financial data from VA healthcare facilities and authoritative sources to process Veterans' applications for enrollment and support benefits determinations and shares them with VA healthcare facilities treating the Veteran. The initial Enrollment System release provides the foundation for future capabilities vital to making it easier for Veterans and beneficiaries to access benefits, consolidate health benefits eligibility determinations for all VA's programs, reduce Veteran and administrative staff burden, and provide self-service opportunities for Veterans and beneficiaries.

Planned Enrollment system enhancements are vital to the Secretary's Transformational and VLER initiatives. Implementation of military service data sharing, a cornerstone of VLER, will enable VHA to seamlessly establish a Veteran's eligibility for health benefits and enrollment, thus streamlining access to care. Enrollment system modifications, including enhanced enrollment business rules and new system interfaces will fulfill VA's vision of providing Veterans' a personalized health benefits package and a standards-compliant member benefits card.

Enrollment system modifications will allow VA to relieve two million Veterans from required annual enrollment updates, allowing Veterans to retain access to care and relieving administrative burden. Veterans will be able to access benefit lines by telephone, web, and kiosk. An eligibility service will enable internal and external systems access to authoritative health benefits eligibility data. Workflow

will enhance verification of Veterans' self-reported income with federal tax information to confirm healthcare eligibility, better manage administrative processing and improve Customer Relationship Management across VA business lines.

FY 2009 Accomplishments:

- Deployment of Enrollment Systems Redesign (ESR) 3.0 was completed end of March 2009. This major deployment re-hosted the legacy information system onto a new platform and implemented the initial HeV REE system of systems" framework. The major business capabilities include:
    - Access of eligibility and enrollment data that was not previously available on the legacy system.
    - Collaborate both with medical centers and other VA systems to obtain most current Veterans' information critical in making enrollment and eligibility decisions.
    - Enable reduced durations for processing enrollment determinations through more timely and accurate information.
    - Establish rudimentary case tracking and processing functionality.

- Deployment of Priority Group 8 enhancements were completed on June 15, 2009. The major business capabilities include:
    - Expanded enrollment opportunity for certain Priority Group 8 Veterans with income within ten percent or less of means test threshold or ten percent or less of geographic means test threshold.
    - Re-determination of those who had applied for enrollment between January 1 and June 14, 2009.

FY 2010 Deliverables:

- Allow Veterans to apply for healthcare benefits online, and view/update personal information on file with VA.
- Allow centralization of VA's health benefits enrollment process to relieve VA healthcare facility staff from processing manually submitted Applications for VA Health Benefits (VA Form 10-10EZ) and significantly reducing the amount of time a Veteran needs to wait to process their application for enrollment.
- Incorporate authoritative military service history, including Combat Veteran eligibility for those who served in Operation Enduring Freedom (OEF) or Operation Iraqi Freedom (OIF), into the health benefits eligibility processes. This will allow VA to utilize the most reliable military information in the determination and evaluation of healthcare eligibility status based on changes in military service.

- Reduce the need for Veterans to provide updated financial information to VA annually (in order to re-establish their eligibility for VA healthcare benefits) by leveraging the Income Verification Matching (IVM) process to determine eligibility.
- Provide increased automation and streamlining of current case management activities. This will reduce labor expenditure per case, and increase IVMcase conversion activities.
- Integrate Health Eligibility Center (HEC) case management activities with VHA contact centers, yielding better service to Veterans, reduce lifecycle costs, and improve return on investment.
- Issue a Veterans Health Benefits Handbook tailored to each Veteran based on their specific eligibility, healthcare facility and personal information. As their factors change, the guide will be updated and distributed (either as paper or online) to the Veteran.
- Issue a Veterans Identification Card (VIC) as a standards-compliant health benefits card. The new health benefits card would carry abbreviated health plan information, phone numbers and a Member Benefits Number on the face of the card.
- Enable Veterans and other beneficiaries to complete administrative and patient management processes at VA healthcare facility settings via VA's Point of Service program that is a platform-independent Kiosk framework.

Benefit to the Veteran:

- Enrollment system modifications will allow VA to relieve two million Veterans from onerous annual enrollment updates, allowing Veterans to retain access to care, relieving administrative burden, and improve Veteran satisfaction.
- Veterans will be able to access benefit lines by telephone, web, and kiosk improving access to healthcare information.
- Improve currency of patient demographic, insurance and administrative information improving efficiency in administrative processes.
- Ease the burden for Veterans performing administrative actions at VA healthcare facilities.
- Improved reliability in healthcare and benefits eligibility decisions due to availability of more accurate eligibility data.
- Reduced cycle time for processing Veterans' applications for care and updating their information; enhanced verification of Veterans' self-reported income with federal tax information to confirm healthcare eligibility; and improved Customer Relationship Management across VA business lines.

Benefit to the VA Organization:

The Enrollment System will support VA's strategic goals to: "Improve the quality and accessibility of healthcare, benefits and memorial services while optimizing value" and to "Increase Veteran client satisfaction with health, education, training, counseling, financial and burial benefits and services." The benefits to the VA organization are:

- Improves efficiency of administrative processing of Veteran's applications for care and updates.
- Enables VA to improve its relationship with Veterans through enhanced customer relationship management and implementation of customer-friendly self-service applications and streamlined administrative processes.
- Improved Communications with Veterans, improving their knowledge and understanding of health benefits eligibility.

The Enrollment System will reach full operating capacity with re-engineering the VistA healthcare registration process onto the Enrollment System, thereby eliminating data and processing redundancies. Registration modernization leverages the enrollment system to re-engineer intake and eligibility/enrollment processes to include:

- Consolidating benefits eligibility determinations
- Enhancing business rules to better identify dual eligible patients, and
- Appropriagtely billing payers for care delivered

InterAgency 21st Century–OneVet

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$19,419	$59,937	$24,575	$64,895	$40,320

Description:

OneVet supports integration of information that enables seamless access and the provision of benefits across the federal enterprise, for the care continuum of the Service Member, Veteran, and beneficiaries.

This initiative was established to address several key challenges, including:

- Helping Veterans know the "right" question to ask and the "right" person or area within VA to contact

- Removing the burden of Veterans proving their identity (sometimes multiple times) and registering more than once to seek multiple types of benefits
- Creating a single consolidated view of the Veteran
- Better integrating multiple databases and systems to make available a comprehensive and standard Veteran data set, and
- Implemening consistent standards/ architecture for data sharing and key processes across the federal enterprise

OneVet is a realignment of investments aimed at unifying, coordinating and integrating activities with the shared vision and Veteran-centric goals. These consolidated initiatives include the Contact Management, Identity and Access Management, and Registration and Eligibility programs. OneVet will also support the Joint Virtural Lifetime Electronic Record (VLER) initiative by providing seamless data sharing capabilities and will collaborate with information security, privacy, and various lines of business to manage information access and establish a single and secure point of entry for the beneficiary to access VA services. Moreover, OneVet will support the National Health Information Network (NHIN) initiatives to enable data sharing of health records.

FY 2009 Accomplishments:

The following key accomplishments for 2009 reflect interim realization of OneVet goals:

- The VA/DoD Identity Repository is fully populated.
- The Veterans Tracking Application (VTA)/Disability Evaluation System (DES) was expanded in June 2009. This Congressional initiative for a joint VA and DoD effort assists VBA employees to track assistance provided to, and applications submitted by, seriously disabled Veterans.
- The National Resource Directory (NRD), an online compilation of resources for severely injured Veterans and Services Members was deployed in November 2008.
- The first two releases of the E-Benefits portal were completed.
- All DoD/VA Interagency Clinical Informatics Board (ICIB)/2009 National Defense Authorization Act mandated requirements for achieving DoD/VA information interoperabilitywere achieved.

FY 2010 Deliverables:

Key deliverables for FY2010 will focus on Veteran Relationship Management and include:

- Expansion of Veteran and beneficiary self-service capabilities, including::
    - explanation of available benefits
    - benefits potential eligibility pre-determination capabilities
    - online applications & claims submissions capabilities
    - personal benefits record capabilities
    - health-related capabilities
    - self-service not related to a benefit
    - core portal capabilities
- Voice Access Modernization conversion to Verizon
- VA enablement of DoD issued level 1&2 Veteran credentials

Benefit to the Veteran:

OneVet's business capabilities will benefit the Veteran by providing an integrated client experience for Veterans and beneficiaries using any VA service and providing the basis for improved efficiency, reduced errors, significantly shortened processing times for benefits and comprehensive healthcare to local facilities that serve rural locations. This initiative will enable Veterans to:

- Access VA through multiple channels and obtain consistent information regardless of that channel or geographic location
- Uniformly find information about VA's benefits and services
- More efficiently complete relevant VA business processes online and access multiple online services through a single authentication or log-on
- Be quickly identified by VA without having to repeat information
- Obtain personalized content and more timely and relevant communication with the VA

More seamlessly transition from DoD and access benefits from the VA once discharged from active duty or reserve status.

Benefit to the VA Organization:

OneVet will benefit VA by positioning the Veteran at the center of VA programs. This initiative will align efforts to consistently, uniquely and securely define the

identity of the Veteran and their history to the VA. OneVet will ensure that all key information about a Veteran is linked appropriately to support decision-making, benefits and service delivery regardless of organization or business line.. This effort will provide seamless data sharing capabilities and will collaborate with information security, privacy and the lines of business to manage information access and establish a single and secure point of entry to the VA for the beneficiary. The VA organization will realize the following benefits as a result of the OneVet initiative:

- Improved efficiencies by facilitating any time/anywhere access via web
- Seamless access to comprehensive military history information and access. to accurate and consistent information on benefits and services
- Streamlined internal business processes
- Improved consistency and quality across interfaces
- Improved ability to measure service quality
- Improved ability to successfully resolve Veteran and beneficiary issues on the first contact
- Secure access to multiple applications through a single authentication or log-on
- Access to information to support VA outreach efforts and to streamline and optimize existing programs
- Enhanced capability to analyze and report on Veteran enrollment and eligibility activity information

IT Systems and Infrastructure Support

IT Systems and Infrastructure Support

Information and Technology FY 2011 Budget Request (Dollars in Thousands)		FY 2010			
	FY 2009 Actual	Budget Estimate	Current Estimate	FY 2011 Budget Request	Increase / Decrease
IT Systems and Infrastructure Support Total	**1,044,800**	**1,380,047**	**1,448,826**	**1,246,039**	**-202,787**
Medical IT Support	784,328	1,003,645	1,081,672	928,814	-152,858
Benefits IT Support	97,752	114,940	113,872	105,167	-8,705
Corporate IT Support	162,720	236,328	222,663	196,924	-25,739
Corporate IT Support - PBX Replacement	0	25,134	30,619	15,134	-15,485

The Information and Technology (IT) is the touch point for the enterprise of Veterans Affairs (VA), the second largest cabinet-level department with over 287,000 employees serving over 23.4 million Veterans and their families. Proper operation and maintenance (including planning and budgeting), refreshment of existing equipment, and the delivery of essential services and business operations are dependent on a viable and reliable information technology infrastructure. Veterans obtain benefits through business processes that reside on and communicate through the IT infrastructure. Basic administrative activities, such as telephone and e-mail also rely on the IT infrastructure. VA is also a primary health care provider in the event of natural disasters or national emergencies, which requires a responsive, flexible, and reliable IT infrastructure.

Infrastructure base foundations include VA Computing Infrastructure and Operations, VA Network Infrastructure and Operations, VA Voice Infrastructure and Operations, VA Video Operations, Regional Data Processing, National Data Centers, Enterprise License Expenses, and other Infrastructure Support. Significant projects include continuous life cycle refresh of printers, scanner,

network equipment, laptops, servers and file storages, and videoconferencing equipment, etc.

VA Computing Infrastructure and Operations responsibilities consist of the implementation, and sustained performance and availability of operating IT assets, including systems, hardware, software, and applications; critical local processing centers that operate the great variety of software applications across the VA enterprise providing patient, benefit, and burial information. Acquisitions for computing infrastructure include computers, monitors, printers, servers, switches, applications, storage, hardware environmental controls, maintenance and technology refresh. These acquisitions are required for facility activations, like new community based outpatient clinics, and space renovations. Since VA converted to electronic records processing for both medical records and benefits claims, maintenance of the computing infrastructure has become even more critical to the operations of VA.

Network Infrastructure and Operations responsibilities consist of the activities involved in operating and expanding the network infrastructure required to provide reliable and secure system and data access within the VA and to Veterans and business partners in support of all VA missions and internal administrative functions. Acquisitions in this program include network switches, routers, voice and video conferencing equipment, maintenance, support services, and technology refreshes. It also includes Internet gateway equipment, network performance and capacity management tools, radio frequency equipment, and all maintenance, management, operations, and support items. VA Network Infrastructure and Operations enable consistent, current, and timely availability of Veteran information as well as supports clinical, benefits, memorial, appeals, and administrative communication in service to Veterans.

Voice Infrastructure and Operations responsibilities consist of non-recurring investment in voice systems. It includes all hardware, software, and services specifically associated with the acquisition, upgrade, maintenance, management, and support of traditional analog as well as digital Private Branch Exchange (PBX) and Voice over IP (VoIP) telephone systems that operate in VA hospitals, regional offices, and other facilities. This includes complex functions, such as call waiting, call directing, call queuing, voice messaging, and a variety of service access capacities like prescription refills, appointment reminders, and call center services. Voice systems are critical to patient care and life safety in the medical arena and increased investment is essential to replace outdated systems and to take advantage of current business-enhancing and cost-effective technologies.

During FY 2009, VA began the transition to GSA's new Networx telecommunications services acquisition vehicle and selected vendors through the

fair opportunity process. Networx will improve telecommunications services and management, minimize future cost increases, and provide trusted internet connections for VA.

Medical IT Support

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$784,328	$1,003,645	$1,081,672	$928,814	-$152,858

The FY 2011 Medical IT Support investment delivers information technology products, services, and outcome based initiatives resulting in an enhancement to existing or new functionality used by the Veteran Health Administration (VHA) to deliver the highest quality health care possible to Veterans and their dependents.

Information technology products and services are an integral part of the VHA's healthcare delivery system at 153 medical centers, over 853 Community Based Outpatient Clinics (CBOC), 5 Mobile Outpatient Clinics, 299 Re-adjustment Counseling Vet Centers, 135 Community Living Centers, 54 domiciliaries, the Consolidated Mail-Out Pharmacy (CMOP), the Health Resource Center, and the National Center for Patient Safety.

Medical IT Support Highlights

Information technology systems support healthcare delivery to Veterans and VHA programs, including medical care, medical and prosthetic research, and enrollment. The systems described in this chapter represent those major IT systems and programs which actively support VHA program areas and the millions of unique patients, survivors, children, and reservists.

Allocation Resource Center

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$934	$3,209	$3,209	$3,209	$0

The IT investment at the Allocation Resource Center (ARC) is used primarily by VHA Office of Finance Staff to directly support Financial Performance through financial analyses and the development of financial modeling structures. The ARC's ability to provide complete and timely information is important to VA

management so that meaningful and appropriate decision making can occur. The ARC allows VA to be in a position to provide complete and timely information externally to organizations such as OMB and Congress. Examples include information related to Veteran patient enrollment priorities or the age of Veterans receiving care is requested.

Benefit to the Veteran:

ARC directly contributes to the ability of VA to serve returning soldiers as they transition to civilian life by ensuring fair and adequate funding is available at local medical centers. ARC is the authoritative source for patient costing, classification and pricing within VHA. It provides funding allocation methodologies that are used to distribute funding that will recognize the needs of the Veteran population. The patient class structure, used in the development of patient workload tracking and funding is continuously refined in reaction to changes in health care delivery such as new drug therapies. In 2007, the allocation model distributed 99.5% of designated funding to support VA efforts to ensure a smooth transition of returning soldiers.

Benefit to the VA Organization:

ARC IT allows development of business models built upon historical cost and patient workload trends. Medical Centers rely on information that the ARC makes available monthly in the areas of patient cost and workload accomplishment, and how that workload is recorded. Assists VHA management in the decision making process that deals with allocating resources (funding, personnel, and equipment) to best serve our returning troops.

Decision Support System (Legacy)

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$15,937	$19,238	$19,238	$19,238	$0

Description:

The Decision Support System (DSS) is the designated Managerial Cost Accounting (MCA) System of the Department of Veterans Affairs. This system is the VA's only means of complying with the public law (e.g., P.L. 101-576 – the Chief Financial Officers Act of 1990) that mandates all Cabinet-level Departments use of a MCA system that can assign costs to the product level. Prior to FY 2008, DSS served as the MCA system of the Veterans Health Administration

exclusively. In October 2006, the VA Assistant Secretary for Management mandated that DSS be adapted for use as the Department's single MCA system. MCA operations at the Department of Veterans Affairs level began on October 1, 2007. DSS cost data is used at all levels of the VA for important functions, such as cost recovery (billing), budgeting, and resource allocation. Additionally, the system contains a rich repository of clinical information which is used to promote a more proactive approach to the care of high risk (i.e., diabetes and acute coronary patients) and high cost patients. In addition, the data in DSS is used to calculate and measure the productivity of physicians and other care providers.

Benefit to the Veteran:

DSS captures historical treatment information on individual and groups of patients that can be used to evaluate the effectiveness of current treatment plans both in terms of resource utilization and outcomes. The program also has modeling capabilities that uses historical data to model what-if scenarios DSS supports the VA Enabling Goal "Create an environment that fosters the delivery of One VA world-class service to Veterans and their families through effective communication and management of people, technology, business processes, and financial resources."

DSS has been selected to serve as the single MCA system for the Captain James A. Lovell Federal Healthcare Center (FHCC) in North Chicago, IL. This responsibility will result in the adaptation of DSS to accept financial and workload feeds from DoD systems. The FHCC will utilize DSS to determine the full cost of all patient encounters, regardless of the venue where the delivery of health care was provided. The system will also provide complete patient demographic information to all stakeholders (VA/Navy-DoD). The combination of full cost and patient demographic information will serve as the key components to the FHCC's financial reconciliation process and ensure that the participating Cabinet-level Departments are providing an adequate level of financial resources.

Benefit to the VA Organization:

DSS supports VA's Mission and VA Strategic Goals by ensuring the effective stewardship of resources in the provision of health, benefit, and cemetery services to Veterans. DSS provides VA with timely, accurate, and audited cost data on high interest patient cohorts (e.g., Operation Enduring Freedom (OEF)/Operation Iraqi Freedom (OIF), Polytrauma, and Mental Health programs). Utilization of DSS data assists leaders in fulfilling VA Strategic Objective (3.1) "to improve the overall health of enrolled Veterans including special populations of Veterans through a health care system characterized by convenient access, high quality, satisfied patients, and cost efficiency". Additionally, DSS data is utilized to

determine budgets, funding allocation, and the provision of answers to inquiries from Congress and The Office of Management and Budget (OMB).

DSS provides complete and accurate costing information to the VHA Central Business Office (CBO) and local chief financial officers throughout the Department. This enables the determination and recovery of the full cost of products and services provided when third party collections are required. DSS data includes the cost incurred by the organization of determining and collecting third party payments.

Health Administration Center (HAC) IT Operations

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$14,894	$12,020	$12,020	$12,020	$0

Description:

The Health Administration Center (HAC) administers a variety of critical congressionally mandated programs by providing payment for healthcare services to veterans, their family members, and health care providers. The HAC establishes benefits policy, determines eligibility, process claims and checks for fraud, waste, and abuse. HAC IT Operations are considered "steady state" and support the administrative functions that are provided to several VHA CBO Field Offices and to the Health Eligibility Center in Atlanta. The HAC also supports the CBO Programs such as FEE and Project HERO.

Benefit to Veteran:

The HAC administers a variety of critical congressionally mandated programs by providing payment for healthcare services to veterans, their family members, and health care providers. The HAC establishes benefits policy, determines eligibility, process claims and checks for fraud, waste, and abuse. HAC IT Operations are considered "steady state" and support the administrative functions that are provided to several VHA CBO Field Offices and to the Health Eligibility Center in Atlanta. The HAC also supports the CBO Programs such as FEE and Project HERO.

Benefit to VA Organization:

HAC IT operations involve payment of health care claims. Included in the process are multiple cost avoidance measures to eliminate fraudulent and erroneous payments. Furthermore, operational improvements are necessary to avoid

unnecessary administrative costs associated with claims processing. Additionally, the HAC IT Operations support the timely and accurate payment of health care claims thus ensuring civilian providers are willing to accept our patients. Finally, HAC IT operations provide veterans and family member's access to health care claims information.

Medical and Prosthetic Research

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$13,950	$16,605	$16,605	$16,605	$0

Description:

The Department of Veterans Affairs, Office of Research and Development (ORD) provide oversight for the approximately 1,500 research projects performed at 117 VAMCs every year. This investment represents the purchase and support of the IT equipment necessary for the administrative support of research project investigations and an automated system that provides for the collection and management of research proposals and projects. Most research projects require some IT investment ranging from computer-operated automatic timers to dedicated, non-networked Personal Computers (PC) s handling sensitive medical data in a secure environment. Investment funds allocated by ORD enable field research sites to acquire and operate the IT equipment approved for their project. When IT equipment becomes available as a research project ends, the equipment is evaluated for possible use in another project. Within ORD, the research project administration process covers the entire life cycle for projects, starting with the issuance of Request for Proposals (RFP) by ORD, followed by proposal submission and review, notification of funding, decisions and the subsequent management of funded projects. This process also includes committee management, financial management, compliance management, and performance tracking. The VA relies on several automated programs and tools to perform these tasks for the four ORD services.

Benefit to the Veteran:

This investment supports the VA Research and Development (VA R&D) program information technology needs that are utilized in research focused on understanding and improving treatment for conditions that are either unique to Veterans or are of particular importance to those Veterans receiving health care within the VA system. This investment supports VA funded scientists, who partner with colleagues from academic medical centers, nonprofit organizations, and commercial entities nationwide to investigate a broad array of Veteran

centric topics including treatment for mental illness; rehabilitation of those who have suffered limb loss, spinal cord injury and traumatic brain injury; organ transplantation and kidney dialysis; and organization of health care systems. The VA R&D clinical trials program administers investigations to develop innovative clinical treatments for the rehabilitation of Veterans with traumatic amputation, central nervous system injuries, loss of sight or hearing, or other physical and cognitive impairments can return to full and productive lives.

Benefit to the VA Organization:

This investment describes the resources, including technology, required by VA researchers in meeting one of VA's core missions, and is in concert with the current mission statement of the Veterans Health Administration (VHA) ORD: "discover the knowledge and create innovations that advance the health and care of Veterans and the nation."

VistA Imaging

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$14,611	$14,880	$14,880	$14,880	$0

Description:

The VistA Imaging (VI) Project integrates state-of-the-art hardware and software to provide online patient clinical images and scanned documents to healthcare providers, increase clinician productivity, facilitate medical decision-making, and improve the quality of care for Veterans. VistA Imaging captures clinical images, scanned documents, Electrocardiography (EKG) waveforms and other non-textual data files and makes them part of the Computerized Patient Record System (CPRS). Clinical images and scanned documents linked to online medical chart information are essential in providing healthcare in VHA's distributed environment and in complying with hospital accreditation regulations. Planned enhancements to VI have provided Veterans Affairs Medical Centers (VAMC) with the capability to view their patients' images even when stored at other VAMCs. VI provides economical, Windows based imaging software that runs on commercial off-the-shelf (COTS) workstations and is totally integrated with the computerized patient record and other VA healthcare applications, thus enhancing workflow, clinical diagnosis and decision making capabilities.

Benefit to the Veteran:

The VI Project integrates state-of-the-art hardware and software to provide online patient clinical images and scanned documents to healthcare providers, increase clinician productivity, facilitate medical decision-making, streamline patient directives management, and improve the quality of care for Veterans. It also enables viewing of images by offsite specialists. The products of the VI Project enhance the ability of medical clinicians to improve the quality of health care provided to Veterans and their families in medical centers.

Benefit to the VA Organization:

Imaging technology makes it possible for clinicians at different locations (on-site or off-site) to access radiographic and document images at any time on a computer network (30 seconds after the procedure), rather than waiting for hard copy films to be processed or located. The use of imaging systems eliminates loss of medical images and administrative record. Through the improved accuracy brought about by VI, there will be significantly lower operational costs associated with the handling and use of patient records, reports, and tests at VAMCs. With Imaging, radiologists get more information from an x-ray or CT scan because they can manipulate it to enhance different structures.

VistA Legacy

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$114,278	$115,950	$121,323	$115,950	-$5,373

Description:

The Veterans Health Information Systems and Technology Architecture (VistA) Legacy investment funds the operations and maintenance of a veteran facing Information Technology Medical Care program; an agency-wide initiative that seamlessly integrates legacy applications and databases associated with clinical operations. This investment directly impacts delivery of medical care services to veterans and supports VA's Medical Care program identified in the Department's Strategic Plan and Performance and Accountability Report. VistA Legacy supports Strategic Objectives 3.1 by "supporting the clinical scheduling, processing, storage and retrieval of electronic records. These records support the 700,000 patients with inpatient services and over 45 million outpatient visits. It closes in part the VA's performance gap to improve access to health care through the use of advanced technologies for diagnosis, testing, data exchange and scheduling by using information technology to provide medical information electronically to clinicians in real-time.

VistA Legacy is a mature system that has reduced costs and improved efficiencies for more than a decade. In the period since it began in 1982 as the Decentralized Hospital Computer Program (DHCP), VistA Legacy has provided the means to automate many processes and maintain electronic records related to the provision of medical services. Examples of processes automated by VistA Legacy include billing, accounts receivable, and feebasis health provider. It helps maintain patient demographic information, tests, and diagnostic reports. Automating processes decreases personnel costs and allows functions to be completed rapidly. It increases efficiency through rapid task completion and the improved accuracy of the result. Although this is a legacy system, the reduction of costs and efficiency improvements still exists over previous methods of work completion.

VistA Legacy provides critical data that supports the delivery of healthcare to Veterans and their dependents. Using a personal computer, the VA health care provider can access Vista Legacy applications, which include over 100 applications and databases, and meet a wide range of health care data needs. The system operates in medical centers, ambulatory and community-based clinics, nursing homes and domiciliaries. VistA Legacy system supports IT services across the VA organization which has a network of 21 Veterans Integrated Service Networks (VISNs) that manages 153 medical centers, over 853 CBOCs, 54 residential rehabilitation treatment programs, 135 Community Living Centers, 299 readjustment counseling centers, over 55 Veteran benefits regional offices, and over 128 national cemeteries.

Benefit to the Veteran:

VistA (Legacy) provides rapid access to critical clinical and administrative data that supports the delivery of healthcare to Veterans and their dependents. The automated clinical record organizes the clinical data for the provider to improve access, and quality and the integration of digital images in the clinical record provide state of the art radiographic diagnostic information to provide top quality care to the Veteran.

Benefit to the VA Organization:

VistA Legacy supports the clinical scheduling, processing, storage, and retrieval of electronic records. These records support the 700,000 patients with inpatient services and over 45 million outpatient visits. In addition, VistA Legacy software supports areas such as pharmacy, blood bank, laboratory, and other diagnostic departments while integrating the electronic information into the patient's medical record. A healthcare system the size of the VA could not exist and provide this volume of service without quality automatic support. Specific examples of areas of VHA health services supported by the VistA platform

include: order entry/results reporting; bar code medication administration; record keeping for nursing homes; procurement activities and patient information management system. Examples of the many records associated with medical care that are stored electronically include patient demographic information, test, and diagnostic reports. Automating processes decreases the cost of personnel by performing functions rapidly. It increases efficiency by way of rapid task completion and the improved accuracy of the result. Although this is a legacy system, the reduction of costs and improvements in efficiency still exist over the previous methods of task work. As the VistA Legacy system has evolved the cost savings have been absorbed in the form of staffing adjustments, and improved and expanded services. The careful coordination of the replacement system ensures that the gains in productivity will continue and that system capabilities will be expanded through newer and more efficient technologies.

Small/Other-Financial System (VHA Financial System)

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$24,012	$40,000	$40,000	$40,000	$0

Description:

The items included under Small/Other Financial Management represent a number of production applications, run at the Austin Information Technology Center (AITC) that support tracking and reporting of financial data, financial management, debt collection, cost recovery, claims, and payments. In addition, some of these applications facilitate generation of letters and mailings in support of VA financial programs.

This work must be funded here, because the parent entities of these applications do not have access to IT funding. Funding of these Small/Other Financial Management applications will allow the VA to support necessary reporting of financial data, financial management, debt collection, claims, and payment processing. These significant initiatives support VA's efforts to improve financial tracking, reporting, and management.

Benefit to the Veteran:

Production applications are critical for the delivery of Veterans' services from the delivery of health care using the electronic patient record through implementation and ongoing management of a wide array of technical, administrative and production IT support.

Benefit to the VA Organization:

Applications managed at the AITC serves an entire range of business functions, including the primary mission of serving the Veterans.

Health Resource Center (HRC)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$5,000	$5,000	$5,000	$0

Description:

The Health Resource Center (HRC) operates a national contact management center that receives 3.5 million inquiries annually. The HRC helps Veterans and their family members understand eligibility for health care, the enrollment process, access to care, and financial issues associated with treatment at VA facilities. The HRC also operates the Combat Veteran Call Center (CVCC), an outbound call campaign that reaches out to recently discharged Veterans to explain available VA programs and assist with enrollment; and a National Pharmacy Customer Care Center (PCCC). The PCCC program receives redirected calls from enrolled VISNs for Pharmacy related inquiries. The HRC has implemented state of the art technology, efficient staffing utilization, standardized business processes, trusted case management, and call referral/escalation protocols in the expansion of the PCCC program.

Benefit to the Veteran:

The HRC ensures that technology is available for employees and Veterans to meet our disaster contact center responsibilities. With this technology in place, Veterans will be able to continue to contact the HRC in the event the HRC experiences a disaster event. Additionally, the HRC will be able to provide expanded call center capabilities, thereby improving the Veterans' ability to contact the VA for answers to their inquiries.

Benefit to the VA Organization:

The HRC will be able to expand and will be able to ensure continuity of operations in the event of disaster. The HRC currently answers 3.5 million calls per year. This project will ensure we can continue this function during an emergency.

Consolidated Patient Account Center (CPAC)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$3,430	$3,430	$3,430	$0

Description:

The first Consolidated Patient Accounts Center (CPAC) began as a pilot in November 2005. During the pilot, the Mid Atlantic Consolidated Patient Accounts Center (MACPAC) significantly enhanced cash collections and achieved many of the original goals of consolidation including effective revenue cycle management and process standardization. Due to these initial successes, the Chief Business Office (CBO) decided to expand MACPAC operations across second VISN creating the first multi-VISN consolidated revenue program within VHA. The CPAC initiative has been implemented in three phases.

- Phase I – Convert a VISN Centralized Revenue Unit into the CPAC operating model
- Phase II – Expansion of a MACPAC with additional workload from facilities outside of VISN 6
- Phase III – National roll out

Benefit to the Veteran:

Benefits to the Veteran include improved consistency in facility-based functions including insurance identification, verification, and authorization in addition to improved consistency in claims processing for revenue. Consolidated Patient Accounts expanded proactive denial management and payer compliance for Veteran's third party health insurance carriers which increased collections of healthcare revenues to provide care to more Veterans. The CPAC model standardized both the front-end revenue cycle processes, which remain at individual VAMCs, and the back end processes that are transitioned to the consolidated operation. The underlying business functions are supplemented with process and technological enhancements to reflect predominant industry practices. The CPAC service delivery model emphasizes integration of all revenue cycle functions.

The CPAC integrates a comprehensive denial management program into traditional VHA revenue cycle activities. The purpose of a denials management system is to provide timely identification and reporting of insurance company payment denials and develop continuous process improvements that minimize the root cause of underpayments and denials. Two of the key components of the

CPAC denials management approach are 1) more clearly defining assignment of responsibility for appealing and overturning each type of denial, and 2) utilizing business tools which manages denial workflow and provides feedback reports seamlessly integrated within the denials management process to provide for regular reporting and review of key trends.

Benefit to the VA Organization:

The implementation of CPAC is a major tactical initiative that will dramatically change the manner in which revenue cycle operations are conducted within VHA. More specifically, revenue-related business office operations will shift from a facility-based function under medical center or VISN management to a regional function under the direction of the CBO partnering with involved VISN and VAMC leadership. One of the main benefits in the establishment of CPAC is the expected increase in cash flow. These benefits are achieved in consolidated system by allowing staff to specialize in targeting skill development and leveraging lessons learned across the Center of Excellence. The combination of improved productivity, empowered employees and increased accountability achieved through specialization results in dramatic advances in revenue cycle performance. Using the current gain in VISN 6 as a VHA-wide assumption and extrapolating, the VHA could have potentially realized an increase of $147 million in third party collections alone over five years.

Corporate Data Warehouse

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$2,000	$2,000	$2,000	$0

Description:

The Corporate Data Warehouse (CDW) is a strategic initiative to centralize and integrate key enterprise-wide clinical, administrative, and financial data to provide standardized information to all levels of VA management.

Key objectives of the CDW initiative include:

- Support data-driven decision-making across the enterprise
- Facilitate the practice of evidenced-based medicine
- Provide data for process reengineering initiatives
- Support patient safety activities
- Provide analytical data for chronic disease management activities
- Support waste reduction and cost effectiveness analyses
- Provide data to support national contract compliance analyses

- Provide data in support of fraud detection studies
- Support health care service utilization analyses
- Support point of care clinical informatics initiatives
- Support chronic care modeling and analysis
- Support early detection and warning of healthcare system issues

Medical Facility Infrastructure Activations

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$40,000	$24,000	$21,766	-$2,234

Description:

Activations ensure that information technology infrastructure, equipment, and support in VA medical centers, community based outpatient clinics, and VHA office space meet the required technical, performance and quality standards. VHA is undergoing significant transformation with initiatives such as the rural healthcare which provide rural resource centers, mobile healthcare, mental health programs, polytrauma support, annex buildings, and expansion of Vet Centers and outpatient clinics. Funding these activations is critical to support the growing and changing landscape of service delivery to Veterans in the 21st Century.

Lifecycle Management

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$75,000	$70,000	$41,061	-$28,939

Description:

Enterprise Operations and Field Development (EOFD) are furthering the adoption of a technology life cycle management program. Technology life cycle management incorporates both economic and performance considerations and results in the scheduled rotation of technology in and out of the organization to ensure customer needs are met most efficiently. Industry standards will be incorporated to calculate life cycle refresh intervals. In FY 2008, EOFD initially introduced this concept by executing a lease for all desktop computers (PCs). The VA PC lease as a separate funding guarantees a specified technological platform that is refreshed every three years, which is essential for strong configuration management as well as software application performance. In FY 2010, EOFD will

carry this theme forward to include the first steps to standardize the network infrastructure, mobile computers and printers. These efforts will guarantee that technology is consistently replaced as it grows obsolete or can no longer meet the demands placed on it by the business.

PC Standardization and Refresh (PC Lease)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$60,000	$72,111	$59,339	$60,000	$661

Description:

The VA supports over 240,000 PCs across multiple points of service, from cemeteries to executive offices to operating rooms. An efficiently run PCs support system requires: 1) life cycle management; 2) platform standardization and 3) a configuration that meets the Department's goal of achieving the Gold Standard in Information Protection. These requirements must be addressed as a predictable and calculable recurring cost which minimizes the fluctuation of the equipment expenditure on year-to-year basis. The current standardization and refresh strategy for the VA is the PC Lease. Standard commercial equipment is leased from the vendor through a Blanket Purchasing Agreement (BPA). The BPA was signed August 3, 2007. Orders may be placed against the BPA up to three years from the signature of the BPA. The term of the leased equipment is 36 months from equipment installation. A quantity range of 240,000 PC to a maximum of 300,000 is available under the BPA. The intent is to replace approximately one third of the VA aging PC population every year for the next three years. The lease also meets emergent and new VA requirements such as increased staffing or establishment of new clinics. Over the three-year period, the VA PCs will have been replaced with new contactor leased equipment. At the end of the lease, equipment will either be returned to the contractor or purchased by the VA. At that time a new vehicle for standardization and refresh will have been developed. The intent is to continue with the acquisition of standardized equipment which is procured by a methodology that is predictable, with calculable recurring cost which minimizes the fluctuation of equipment expenditures.

Benefit to the Veteran:

One of the most important responsibilities of the Department of Veteran Affairs is to protect Veterans and employees' personal data. The Office of Information Technology (OI&T) must provide a secure environment for the use and storage of personal data. To accomplish this OI&T established the Strategic Goal to become

the Gold Standard for Data Security. The goal requires that the Department of Veteran Affairs be recognized as the best-in-class benchmark for data management and security in the federal government. Additionally the PC lease will provide site parity of computer equipment used to serve Veterans and their families. The Veteran will have standard up to date technology at all VA sites to be used by VA employees in meeting the Veteran's requirements. It provides computer resources required to support the VA in provision of new and improved services to Veterans and their families.

Benefit to the VA Organization:

- Provides PC new equipment in support of VA approved projects. Projects as clinic openings or Administrations' increases in staffing are covered.
- Replace obsolete and failing equipment.
- Provides a scheduled equipment replacement which simplifies budgeting.
- Establishes a VA standard baseline for desktop which also supports security by providing a known platform
- Avoids operating system obsolescence which can occur as newer versions of Windows Operating systems become standard and older versions become non-supported.
- Increase user productivity through standardization. Most PC outages are caused by software configuration problems. The reduction of overall system complexity through standardization reduces the number of potential conflicts system wide. This in turn leads to fewer outages experienced and less time investment by user on calls to the help desk.
- Cost savings through the ability to implement a detailed system impact analysis and simplified patch deployment made possible by standardized configurations. Fully tested routine patches, tested by experts and rolled out to the field. Experts available to assist local sites in installation.
- Establishes PC equipment parity for all VA, achievable in three years.
- Gold Warranty Service reduces wait time for PC repair.
- A standardized platform leads to more rapid diagnosis of problems.
- A standardized platform leads to a quicker more efficient roll out of technology upgrades.
- Predictable costs and a means to standardize the IT infrastructure, a core component of the VA's Enterprise Architecture (EA).
- Flexibility – new products/systems can be phased in as required and in line with VA standards and the Government has the flexibility of purchasing some, all or none of the equipment at lease end

VHA Field Program Offices

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$23,500	$23,500	$23,500	$0

Description:

Many of the program offices were created in response to Congressional mandates for improving efficiencies by consolidating programs at a national level. For example, the Health Eligibility Center (HEC) was created in order to consolidate healthcare enrollment activities from all of the individual medical centers into one location. The Consolidated Patient Accounts Center (CPAC) expansion also occurred because of legislative mandates. In fact, the CPAC is currently in the process of this rapid expansion. Historically, these program offices were outside of the VHA mainstream organizational structure (i.e., medical center) and were created as individual entities often with no ties to any other program offices. Most program offices have national exposure, working with all VA medical centers and organizations such as Department of Defense (DoD), Indian Health Services (IHS), and Social Security Administration (SSA).

IT support to these program offices consists of typical infrastructure architecture support (i.e., wide area and local area network functionality), customer support (i.e., IT help desk, desktop equipment, mobile computing equipment), and datacenter support (i.e., Exchange, file/database server environments, etc.).

Some of the unique IT support needs for the program offices involve specialized application development support in addition to some unique wide area network requirements. Center for Engineering Occupational Safety and Health (CEOSH) develops unique applications which are utilized across all VAMCs supporting engineering and occupational safety programs. National Center for Patient Safety (NCPS) similarly provides unique applications which are utilized nationally. Pharmacy Benefits Management / Consolidated Mail Outpatient Pharmacy (PMB/CMOP) IT staff support a national centralized program supporting applications and robotic systems which automate the national Mail Out Pharmacy program – supporting Veterans nationwide. Office of Quality and Performance (OQP) and Allocation Resource Center (ARC) support national VHA nationally by providing data necessary in making financial and quality performance decisions. VA Learning University/Employee Education System (VALU/EES) supports VA employees' training needs nationally leveraging state of the art tools, including social media technologies, and providing training content delivered to VA campuses nationwide, on demand. Health Revenue

Center's (HRC) unique telephone system supports a nationwide call center providing an avenue for Veterans to contact the VA. The Health Administration Center maintains their own unique VistA system (similar to CMOP) and develops one-of-a-kind applications which support Veterans' families through programs such as Tricare and ChampVA.

Many of the program offices are experiencing significant growth at present as well. Offices such as Consolidated Patient Account Center (CPAC) and HRC are in the process of activating new offices across the country, supporting significant increases in FTE as well. Other offices are experiencing significant growth in personnel and/or programs which require IT support (e.g., Health Eligibility Center (HEC), NCPS, OQP, and VALU/EES).

VistA High Availability

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$15,800	$0	$11,800	$11,800

Description:

VistA is the application that provides the full range of clinical and administrative functions to run VA's health care facilities. Amongst the VistA suite of applications are various modules that are used for direct patient care. There continues to be an increased reliance on the VistA systems by clinicians, health care executives and the range of other health care workers and the need for greater performance and availability likewise increase. The High Availability initiative graduates the Regional Data Center (RDC) architecture to optimize the availability of VistA databases to the business. This implementation will also facilitate the highest level of data protection and rapid recovery from system failures that has been requested by VHA. The funding would be used for additions and expansions of the wide area network links at both the RDCs and medical centers connecting to the RDCs as well as hardware to increase needed redundancies and capacity.

VINCI / Center for Scientific Computing

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$0	$3,734	$3,734

Description:

Veteran's Informatics, Information, and Computing Infrastructure's (VINCI) mission is to develop quality national Veteran health data sets and to provide the computational resources needed to analyze and model large data sets. VINCI is currently servicing select large multi-site research projects in a secure high-performance computing environment. In FY 2011, VINCI will expand in order to serve national patient data and analytical capabilities to the greater VA research community. New requirements for this expansion include virtual desktop and virtual machine technology, analytic and server software, hardware, and significant centralized programming and other IT professional support.

This project addresses the need for VA researchers to have timely, secure access to large, high quality national data sets and access to high performance computing systems necessary for analyzing large data sets. Since all analysis will be performed on VINCI's centralized servers, data security will be substantially increased. Currently, VA researchers have access to a relatively small portion of Veteran health data. Comprehensive national data provides researchers the opportunity to include all Veterans data in VA's research mission and to gain greater insight with richer and higher quality health data and clinical text. VINCI will also provide informatics researchers a VistA research platform with near real-time data sources for research innovations, eliminating the risk of distressing clinical administrative servers.

VINCI provides a collaborative and information rich environment to discover the best practices for providing quality health care to all Veterans. Comprehensive national data provide researchers opportunities to include all Veterans in VA's research mission and to gain greater insight with richer and higher quality health data and clinical text. This project assures VA is using state of art; evidence based best practices in the healthcare environment. VINCI will also provide informatics researchers a VistA Legacy research platform with near real-time data sources for research innovations, eliminating the risk of distressing clinical administrative servers. VINCI is designed to maximize the security of personally identifiable data in the research environment.

VINCI provides VA a state of the art high performance, secure computing environment for national data analysis, which is a strategic capability. It supports the following Chief Information Officer's (CIO) Priorities: standardize IT Infrastructure and IT business processes throughout the VA; establish programs to make VA's IT systems more interoperable and compatible, not only within VA, but also with other Federal agencies with which we interact; strengthen data security controls within VA and among our contractors to substantially reduce the risk of unauthorized exposure of sensitive Veteran or VA employee information.

Transformation Initiatives

VA Point of Service (Kiosks)

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$0	$5,000	$5,000

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

Description:

The Kiosks System has automated the patient check-in process. The system allows a patient to self-check in for appointments by using the Veteran's Identification Card and touch screen input at a kiosk. The Veteran answers a series of prompts regarding next of kin, date of birth, and insurance carrier. If the information is correct, the patient merely responds by pressing "yes" and a printout with the name, location, and time of the patient's clinic appointment for that day is printed.

By using the Kiosks System, VA will implement a standard, efficient method for performing streamlined check-in. The system will improve accuracy of VA insurance, demographics and patient information (medications, allergies). The Kiosks will reduce VA staff's efforts performing administrative functions, and reliance on collecting patient information.

Benefit to the Veteran:

Strategic Goal 1: Improve quality, access, and cost of health care and benefit services. Strategic Goal 2: Increase Veteran client satisfaction for health, education, training, counseling, financial, and burial services. Strategic Goal 4: Improve internal customer satisfaction with management systems and support services, including operations and business processes of human resources

management, information technology, financial management, and acquisition. This investment improves the direct delivery of quality health care by providing a secure, reliable mode of Veteran self-service at all medical facilities. A standard product will improve the Veterans' ability to manage his/her own appointment related information including demographic, insurance, appointment specific medical questionnaires, and related information. Improved data quality will also positively affect the billing and collection figures by identifying insurance and patient billing information.

Veterans will have a simpler, faster access to their electronic health records and take care of other VA business at the same time. VA plans to install simple, user-friendly automated kiosks—similar to ATMs—at all VA health-care facilities. This will reduce lines—and increase privacy.

Benefit to the VA Organization:

Strategic Goal 1: Improve quality, access, and cost of health care and benefit services. Strategic Goal 2: Increase Veteran client satisfaction for health, education, training, counseling, financial, and burial services. Strategic Goal 4: Improve internal customer satisfaction with management systems and support services, including operations and business processes of human resources management, information technology, financial management, and acquisition. This investment improves access to and quality of appointment check in and Veteran demographic information for the organization. Self-service check-in will improve the quality of data available to VA staff for utilization during the provision of health care to Veterans. Collection of data prior to an appointment will allow the clinician to focus on the purpose of the visit versus spending time collecting data. This investment supports delivery of industry best practices in health care to insure the integrity, quality, availability, and security of self-service technology with a standardized framework. This investment improves internal customer satisfaction by providing a state of the art proven technology solution for data collection which decreases routing and redundant entry by staff, allowing them to focus on patient or clinic specific needs.

Veteran Centered Care Model

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$22,270	$3,470	-$18,800

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

Description:

The Veteran Centered Care objective is to improve health outcomes and the care experience for Veterans and their families. This program's goal is to provide a wide scope of services in a manner which is continuous, coordinated, comprehensive, and accessible. Veteran Centered Care offers Veterans the opportunity to receive most of their health care via one team and often in one place. The model will standardize health care policies, practices, and infrastructure to consistently prioritize Veterans' health care over any other factor without increasing cost or adversely affecting the quality of care.

Benefit to the Veteran:

By deploying a patient centered care model called Veteran Centered Care VHA can realize the following benefits to our Veterans. Using best practices in the private sector of health care to develop this model will result in a fully engaged partnership between Veteran, family, and health care team. The ultimate goal is to establish healing relationships and provide optimal healing environments. The ever-increasing complexity of the medical care needed by our Veterans requires highly skilled personnel capable of functioning expertly within the team setting. Some of the specific goals of this initiative are to:

- Optimize access (including alternatives to face-to-face care) to meet Veteran expectations;
- Redesign primary care practices to become patient-centric;
- Improve care management and coordination of care, facilitating integration of mental health and specialty care services within primary care;
- Develop measurement and evaluation tools pertinent to the Veteran Centered Medical Home.

This initiative will align VA with national health care reform initiatives and enable VHA to provide truly optimal health care for our Veterans and continue leadership in health care delivery.

Benefit to the VA Organization:

The Veteran Centered Care Model will help VA accomplish programmatic standards, operational policies, and other support services/materials. The Veteran Centered Care model and pilot field-based Centers will serve as expert consultants in Veteran Centered Care to local facilities, assist in on- going training, and scientifically evaluate patient outcomes and effectiveness in an effort to determine best practices. These centers will systematically evaluate and implement patient preferences (e.g., evening and weekend clinics). VA will also establish a National Clinical Inventory that details services availability at each care delivery site and use it to standardize infrastructure requirements and services. This will allow VHA to produce customized handbook/web information which is individualized and tailored for each Veteran.

Zero Homelessness among Veterans

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$8,300	$1,630	-$6,670

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

Description:

VHA's goal is to achieve zero homelessness among Veterans. This will be accomplished by providing housing and services through Department of Housing and Urban Development (HUD)-Veterans Affairs Supportive Housing (VASH) is a central element of overall efforts to reduce the homeless Veteran population through prevention. The goal is to reduce the homeless Veteran population by more than 50 percent from FY 2009 levels by FY 2012, with the ultimate goal of eliminating homelessness among Veterans. VA is the only Federal agency that provides substantial hands-on assistance directly to homeless persons. Although limited to Veterans and their dependents, VA's major homeless-specific programs constitute the largest integrated network of homeless treatment and assistance services in the country.

Benefit to the Veteran:

By working to achieve zero homelessness, VA will address several issues to make it possible for Veterans to transition to permanent homes and jobs. Many homeless Veterans, particularly the chronic homeless, lack the resources need to transition to residency in permanent housing. There is also a lack of affordable and approved housing. These issues will be addressed through this program to

carefully monitor available area housing that will provide more rapid access to housing stock. The VA National Center on Homelessness Among Veterans, in collaboration with Veterans Integrated Service Network Support Services Center (VSSC), is to develop an electronic tracking system for HUD-VASH. Some of the other goals this program wants to accomplish by FY 2010 are:

- Conduct training for field program leaders on completion of new reporting requirements
- Continue conducting training for field program leaders on completion of new reporting requirements

These goals will assist with reducing the homeless Veteran population and help them transition to live as self-sufficiently and independently as possible.

Benefit to the VA Organization:

Zero Homelessness establishes a national "zero tolerance" policy for Veterans falling into homelessness by expanding proven programs and launching innovative service to prevent Veterans from falling into homelessness. This helps the VA promote inter-agency collaboration and community partnerships for eradicating homelessness among Veterans and their families.

Transport for Immobilized & Remote VA Patients

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$1,500	$900	-$600

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

Description:

Currently medical centers coordinate local efforts to provide transportation services to Veterans, including specialized services to meet the specific needs of Veterans in their catchment areas. VA also provides beneficiary travel benefits to eligible Veterans.

Even with these efforts, VA recognizes that access to VA's benefits and services sometimes remains difficult. In some cases, medical centers even use mobile clinics to provide services.

VA especially recognizes the problems Veterans, who are visually impaired, elderly, or immobilized due to disease or disability, particularly those living in remote and rural areas, face in traveling to access VA health care. This program will work towards providing these Veterans with the most convenient and timely access to transportation services. In order to do this, VA's vision is to explore the establishment of a network of community transportation service providers that could include Veteran Service Organizations (VSO's); community and commercial transportation providers; federal, state and local government transportation services as well as non-profits, such as United We Ride, operating within each VISN or even local facility.

This initiative would not replace current activities, but will rather supplement existing benefits and programs to improve access to VA health care.

Benefit to the Veteran:

This initiative supports VHA's Goal of becoming the leader in remote patient-centered care by providing critical improvements in access to VA healthcare services. This initiative improves health outcomes for Veterans who would normally not make appointments for preventative care due to transportation issues therefore improving Veteran satisfaction.

Benefit to the VA Organization:

This initiatives support VHA goal to increase access to care by facilitating timely transportation to appointments thus decreasing the number of missed appointments. It also strengthens the community relationships in partnering with community and Veteran service organizations.

Benefits IT Support Investment

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$97,752	$114,940	$113,872	$105,167	-$8,705

Description:

The FY 2011 Benefits IT Support investment delivers information technology products, services, and outcome based initiatives resulting in an enhancement to existing or new functionality used by the Veteran Benefits Administration (VBA) and National Cemetery Administration (NCA) to deliver VA benefits to Veterans and their dependents.

Information technology products and services are an integral part of the VBA's and NCA's benefits delivery system at 57 VBA regional field offices and associated out-based satellite stations and NCA's benefit delivery system at 128 national cemeteries. This year, the Benefits IT Support investment has fifteen IT programs and projects that will deliver the functionality required to support benefits delivery, including maintaining benefits IT systems, benefits application maintenance, and benefits IT programs.

In FY 2010, the current estimate is approximately $113.9 million to deliver new functionality.

BDN Maintenance and Operations

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$6,757	$7,416	$7,416	$7,416	$0

Description:

The Benefits Delivery Network (BDN) is the legacy system employed by VA to process entitlements for three business lines: Compensation and Pension, Education and Vocational Rehabilitation and Employment. BDN's primary services entail the receipt, processing, tracking, and disposition of Veterans' applications for benefits and requests for assistance, and the general administration of legislated benefits programs. The compensation program is to provide monthly payments to Veterans in recognition of the effects of disabilities, diseases, or injuries incurred during active military service.

The pension program provides monthly payments to needy wartime Veterans who are permanently and totally disabled because of a disability not related to military service. Education assistance provides opportunities for higher education, restoration of lost educational opportunities, and vocational readjustment. The Vocational Rehabilitation and Employment program helps service-disabled Veterans achieve independent life skills and obtain employment. It provides services to enable Veterans with service-connected disabilities to achieve independence in daily living, become employable, and obtain and maintain suitable employment.

The BDN legacy system will be phased out as components and applications are transferred into the VBA Corporate Architecture and Database. OI&T plans to continue to invest in the maintenance and operations of the BDN until all legacy applications have been replaced into VBA Corporate Platform.

Benefit to the Veteran:

BDN Payment System supports the Compensation program with monthly payments and ancillary benefits to Veterans; the Pension program provides monthly payments to wartime Veterans who are permanently and/or totally disabled; the Educational Assistance program provides opportunities for higher education, restores lost educational opportunities and vocational readjustment. The Vocational Rehabilitation and Employment program assists service-disabled Veterans to achieve independent life skills and employment. Without the BDN, monthly benefits payments will not be processed and many benefit programs would slow, creating additional work for Veterans and service providers.

Benefit to the VA Organization:

BDN supports the Departmental goal of implementing an information technology framework that supports the integration of information processing of Veterans benefits across business lines and provides a source of consistent, reliable, accurate, and secure information to Veterans and their families, employees, and stakeholders.

The BDN Stabilization Plan requires IT funds to upgrade mainframe system software and associated peripherals to include disaster recovery; VA is at major risk of not meeting the overall VA Strategic Plans, Goals, and Objectives as well as impacting VA's ability to administer Veterans' benefits as defined in the Code of Federal Regulations.

Program Integrity/Data Management

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$12,364	$14,861	$14,861	$13,861	-$1,000

Description:

The Program Integrity/Data Management investment has improved strategic and daily decision-making capabilities and organizational information management by using an Enterprise Data Warehouse (EDW) as the central information repository. This program provides business intelligence reporting capabilities to manage all six benefits programs: compensation, pension, education, housing, insurance, and vocational rehabilitation and employment.

EDW is a business intelligence program that facilitates business decision-making throughout the VA organization at all levels, VA regional offices, and management staff. As a steady state investment, this program was initiated and developed several years ago in response to strategic information requirements identified by VA leadership. The information reporting capabilities of the enterprise data warehouse allow VA to monitor case workload, check the status of cases, prioritize workload, and allocate appropriate resources to VA regional offices. Additionally, this business intelligence program enables VA to provide timely and accurate reports to internal and external Veteran stakeholders, including VA executive leadership, Veteran's service organizations, and Congress.

This program has been fully implemented for several years. Information emanating from this central information repository will continue to contribute to improved service delivery to Veterans and their families by providing end users and their leadership with time sensitive information. VA management and organizational program reviews confirm the need for this strategic investment to support VA strategic goals. VA users and stakeholders continually place demands that additional information be made available through the data warehouse. As users become aware of the potential of reports produced through the data warehouse, requests to have different types of data and longer time spans included in the warehouse has grown and will continue to grow. A recent review of the physical data storage equipment shows the data warehouse has nearly doubled in size over the past three years. Normal growth projections call for the storage requirements to more than double in the next three years. New initiatives may further impact these projections.

Benefit to the Veteran:

This project improves the access, quality, timeliness, and accuracy of information concerning benefits to VBA employees and leadership at all levels of the organization, enabling better decision making and more timely delivery of benefits and services to Veterans. Information on beneficiaries/claims is now available in a web-based interface the business day after data entry occurs. Provides management and service providers at VBA's 57 Regional Offices (ROs) information that helps them to prioritize claims workload, monitor timeliness and respond to special situations. This investment will directly and significantly affect VBA's ability to manage, track, and prioritize the disability claims workload, potentially leading to delays in the delivery of benefits and services to Veterans, including those in high priority categories, such as seriously injured Veterans.

Benefit to the VA Organization:

This project is a web-based interface substantially improves access to information throughout VBA. Data used to support claims processing is updated from production systems on a daily basis, allowing near real-time workload management. Program Identity/Data Management integrates data from various sources, allowing a comprehensive view of data and access via the VA intranet. Information is used to ensure proper priorities are given to Gulf War, Operation Enduring Freedom/Operation Iraqi Freedom (OEF/OIF), and Seriously Injured/Very Seriously Injured Veterans. The data warehouse allows more timely and accurate responses to information requests from the Secretary, Office of Management and Budget (OMB), General Accountability Office (GAO), Congress and other stakeholders. The EDW helps to reduce administrative costs by providing faster response time and increased accessibility to information as compared to legacy systems. In addition, helps reduce need for costly ad hoc reports generation from production systems. It supports the VBA strategic goal of shutting down the legacy Benefits Delivery Network system by providing centralized data storage and reports generating capabilities. Workload management reports generated from EDW are faster and more robust than the previous system, resulting in a time savings on the part of end users, including VBA management at all levels, as well as service providers at regional offices.

C&P Application Maintenance

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$1,303	$1,023	$2,600	$3,750	$1,150

Description:

More than 3 million Veterans receive benefits from Compensation and Pension services (C&P). Both programs focus on restoring Veterans' capabilities to the extent possible, thus improving their quality of life. Included under this budget line item are administrative costs such as the C&P central processor system operations Franchise Fees, certification, and accreditation of C&P systems. Also included are important sub-systems which support C&P claims processing. This includes the tracking application for contract compensation examinations Veterans Examination Request Information System (VERIS), the interface with DoD for requesting and retrieving military service records Personnel Information Exchange System (PIES)/Defense Personnel Records Image Retrieval System (DPRIS), and the legacy on-line forms package Veterans Online Application System (VONAPP).

Education Application Maintenance

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$456	$2,620	$2,708	$2,000	-$708

Description:

Education program processing is supported by IT systems, including The Image Management System (TIMS), Electronic Certification Automatic Processing, and various Intranet/Internet applications. These systems will continue to be supported as education processing is transitioned into VA's corporate IT environment through development of The Education Expert System (TEES). Systems will continue to be modified in order to comply with legislative and court decision changes and to provide optimal service to Veterans and other beneficiaries.

Insurance Application Maintenance

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$763	$80	$80	$80	$0

Description:

VA provides life insurance benefits to Veterans and service members that may not be available from the commercial insurance industry due to lost or impaired insurability resulting from military service. Two major performance goals of the Insurance program are to receive high Veterans' satisfaction ratings on at least 95 percent of services delivered, and to maintain average processing time for disbursements at 2.7 workdays or less. In FY 2008, the actual performance was 1.4 workdays with Veterans' satisfaction reaching 95 percent. One significant contributor to this performance is the Veterans Insurance Claims Tracking and Response System (VICTARS) imaging and workflow application. Incoming claims documents are scanned, indexed, stored, routed, and retrieved online as electronic images. When a document has been imaged, VICTARS routes it electronically for appropriate action based on pre-established work-item profiles.

This system provides employees with comprehensive electronic access to policyholder information, allowing them, for example, to handle phone inquires and requests for service immediately with no need for reference to paper files. Electronic Workflow also allows other service requests, such as policy loans and address changes, to be completed quickly and efficiently, as evidenced by our average processing times.

VR&E Application Maintenance

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$2,030	$3,309	$1,900	$2,202	$302

Description:

The Vocational Rehabilitation and Employment (VR&E) program provides services and assistance as necessary to Veterans with service-connected disabilities. The VR&E program assists Veterans in becoming employable and obtaining and maintaining suitable employment. When employment is not feasible, services are provided to achieve maximum independence in daily living. The VR&E program is supported by Corporate WINRS (CWINRS), BDN, and a number of legacy systems operating in the client/server and Internet/Intranet environments. CWINRS will continue to be

enhanced with improvements to support the VR&E program, and updated as program needs and regulations change. Legacy systems are maintained and updated as needed as long as the VR&E program requires the functions of these programs.

Benefits Program IT Support

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$55,985	$74,464	$56,818	$64,691	$7,873

Description:

The Benefits IT Support investment provides ongoing IT maintenance and infrastructure support for the VA benefits IT environment, specifically in the areas of hardware, software, telecommunications, audio, video, and application installations at the 57 VBA regional field offices and associated out-based satellite stations. In addition, the investment will provide IT infrastructure support for the headquarters of the Under Secretary for Benefits and their subordinate staff and business offices. This investment ensures a stable IT environment for the VBA workforce. It provides for the maintenance and technical refreshes of the VBA inventory of hardware, software, and services. The investment also provides for the appropriate level of technical staff and expertise to ensure the highest level of support to the VBA business community.

This investment will also provide the resources required to continue the electronic processing of Veterans claims. It will ensure that each VBA employee is resourced with the appropriate hardware, software, and IT service support necessary to provide the optimal means of processing claims of Veterans and their dependents. Furthermore, as VBA, requirements grow with increased staff and reliance on modern technologies, this investment will provide the additional infrastructure necessary to maintain or improve the service delivery to Veterans.

Finally, this investment, through reimbursements, provides for technical FTE resources supporting VBA at the Regional Offices, VBA Headquarters, Hines Information Technology Center, Philadelphia Information Technology Center, St. Petersburg Network Support Center, St. Paul Network Support Center, and the San Diego Network Support Center.

Benefit to the Veteran:

This investment ensures the viability of the VA IT infrastructure to continue to pay Veterans' benefits. The investment represents the funding required to support existing technologies used by VBA staff to process Veteran claims from application through

payment. In addition, the investment reflects the anticipated infrastructure improvements required to modernize VA technology platforms in support of new VBA initiatives intended to enhance the Veterans' claims filing experience. The investment ensures that the VBA is resources with the appropriate hardware, software and human capital necessary to maintain the operational suite of applications that track and pay Veteran entitlements such as GI Bill education assistance, vocational rehabilitation, insurance, housing mortgage guarantees, compensation for service related injuries and service pension benefits.

Benefit to the VA Organization:

This investment provides for the appropriate level of technical staff required to support over 15,000 VBA employees located at the regional offices, their satellite sites, and VBA Headquarters. In addition, the investment ensures that all VBA staff is appropriately resourced to successfully perform their duties in support of Veteran's claims processing by provisioning workstations, printers, image scanning equipment, wireless devices, telephony devices, serves, data backup hardware, and data communication infrastructure. The investment ensures the stability of the VBA computing environment by anticipating and planning for technical refreshes of hardware and software. The investment also accounts for the Franchise Fees for production systems that support the hardware, software and services that make up the VBA Corporate Environment in Austin. Finally, as stated above, the investment also provides for technology refreshment and advancements.

Burial Program IT Support

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$6,013	$4,893	$4,893	$4,893	$0

Description:

The Burial Program IT Support initiative supports NCA's IT infrastructure and consists primarily of 'must pay' costs, including: Implementation, management, and security of all FTS 2001 data lines, operating systems, and databases; Network support for processors, memory, disk drives, hubs, routers, switches, and storage upgrades; Recurring telephone, cell phone, and blackberry charges as well as new devices; Planned telephone systems for newly opening cemeteries and existing cemeteries; Repairs, service, and replacement of telephone equipment, as needed, and; hardware and software maintenance and leases.

Funds for this initiative also support the Memorial Affairs Program Executive Office (PEO) and every NCA site, including all national cemeteries, Memorial Service Networks (MSNs), NCA Training Center, NCA Scheduling Office, NCAS HR Center, Quantico Regional Processing Center (QRPC), and Central Office. It enables on-going, direct support of the memorial business line and Memorial Affairs PEO operations by providing necessary resources for desktop computers, printers, and all IT peripheral devices. The Memorial Affairs PEO provides centralized procurement, inventory, shipping, receiving, and tracking and maintenance of all IT components to ensure standard configurations across the administration and adherence to VA and federal mandates.

Benefit to the Veteran:

This initiative provides the information technology that continues to enhance and improve the amount of information the VA can make available to the Veterans and their families without requiring them to visit a VA facility. It also provides more timely notification to the families in a proactive fashion making them aware of the delivery of their benefits via the internet.

This initiative helps to support and maintain the IT infrastructure necessary to ensure delivery of burial benefits.

This initiative ensures the fulfillment of the following goals provided by the NCA Strategic Plan for FY 2008 - 2010.

1) Goal 1: Ensure that the burial needs of Veterans and eligible family members are met.

2) Goal 2: Provide Veterans and their families with symbolic expressions of remembrance.
3) Goal 3: Provide OneVA world-class service to Veterans and their families through the effective management of people.

Benefit to the VA Organization:

This initiative improves the efficiencies across NCA as well as VA by better aligning processes and implementing measures to help improve the performance of the organizations.

The nationwide network infrastructure provides reliable, high-speed access to mission critical applications and other applications developed or supported by NCA's System Integration Center (SIC). The network is based on an open architecture that allows NCA to establish data transfer to VA and non-VA systems.

The network has reduced communications costs while providing fast and reliable services. It has increased functionality, such as providing a method for easy message notification to all cemeteries and increased file sharing between all NCA elements. It positions NCA to easily adopt new technology.

NCA Small/Other

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$567	$533	$533	$533	$0

Description:

The NCA Small/Other investment consists of COTS and VA developed applications that facilitate the performance of Memorials business line activities and administrative tasks. These applications provide NCA employees located at the national cemeteries, five Memorial Service Networks (MSN)s, NCA Training Center, NCA Scheduling Office, NCA Human Resource Center, Quantico Regional Processing Center (QRPC), and Central Office with automated tools that make it possible to fulfill NCA's mission as provided for in the Department of Veterans Affairs Strategic Plan. COTS products and IT activities supported include business and performance measurement and tracking tools, cemetery shop/maintenance area programs, public information kiosks, intra/internet, Computer Aided Design (CAD), forms automation, e-mail, and customer support. VA developed applications supported include: Presidential Memorial Certificates (PMC)s, Nationwide Grave Locator, Historian Program, FEITH Document Database (FDD), Construction Project Tracking System (CPTS), and Gravesite Reservation System.

NCA Small/Other provides necessary funding for routine, information technology refresh acquisitions of advanced versions of hardware and software, programming enhancements, and Austin Information Technology Center (AITC) Franchise Fund payments.

Benefit to the Veteran:

This investment will continue to improve the amount and quality of information VA can make available to Veterans and their families without requiring them to visit a VA facility. It will also provide more timely notification to the families in a proactive fashion making them aware of the delivery of their benefits.

NCA Small/Other applications will allow for continued sustainment of the production environment, improved operational efficiencies, and reduced redundancies. The refresh acquisitions are scheduled to mitigate risk and costs associated with technological obsolescence, down time, and maintenance-related activities.

This investment ensures the fulfillment of the following goals provided in the NCA Strategic Plan for FY 2008 – FY 2012:
Goal 1. Ensure that the burial needs of Veterans and eligible family members are met.
Goal 2. Provide Veterans and their families with symbolic expressions of remembrance.
Goal 4. Provide OneVA world-class service to Veterans and their families through the effective management of people.

Benefit to the VA Organization:

NCA Small/Other investment will improve efficiencies across NCA, as well as, VA by better aligning processes and implementing measures to help improve the performance of the organizations. Memorials will continue to implement its successful formula of achieving synergy through consolidation. This project provides detail reporting (case status and history, statistics, performance indicators) and allows oversight elements to review cases

Funding over the life cycle matches performance to expected changes in demand (addition of new National cemeteries and State Veterans' cemeteries that use Burial Operations Support System (BOSS) and Automated Monument Application System (AMAS). This continuous, proactive approach allows us to remain compliant with security requirements, VA, OneVA, and Federal initiatives. We are in a better position to transition to new, improved technologies without having to accommodate substantial spikes in the annual budget requests.

Automated Monument Support System (AMAS)

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$80	$93	$93	$93	$0

Description:

The Automated Monument Application System (AMAS) is a web-based application that automates all business processes associated with monument ordering, delivering, and tracking. It provides for the creation and maintenance of a complete historical record for each monument application. AMAS receives, processes, and tracks over 335,000 applications each year for government-furnished monuments (i.e., headstones, markers,

niche covers) for graves of Veterans and beneficiaries buried in National, State Veterans', Arlington National Cemetery, post/military, Department of Army, Department of Interior, and private cemeteries. AMAS is considered an NCA mission critical system and these funds support the necessary software and FTE to enable its continued operation and maintenance.

Benefit to the Veteran:

AMAS serves to facilitate monument condition and accuracy by improving the percent of headstones and markers that are undamaged and correctly inscribed.

AMAS increases the level of service provided to Veterans and beneficiaries through on-line ordering and tracking of monument application orders. It facilitates timely processing of the monument applications for the graves of Veterans and beneficiaries who are buried in National, State Veterans', Post/Military, Department of Army, Department of Interior, and private cemeteries.

AMAS helps eliminate improper payments and expedites benefits. It also speeds up benefit processing designed to help Veteran's families after their loss.

AMAS contributes to implementation of a OneVA information technology framework that supports the integration of information across business lines while providing a source for consistent, reliable, accurate, and secure information for Veterans and their families, employees, and stakeholders.

This initiative ensures the fulfillment of the following goals provided the NCA Strategic Plan for FY 2008 FY 2012:
Goal 1. Ensure that the burial needs of Veterans and eligible family members are met.
Goal 2. Provide Veterans and their families with symbolic expressions of remembrance.
Goal 4. Provide OneVA world-class service to Veterans and their families through the effective management of people.

Benefit to the VA Organization:

Benefits include:
1) Automates all manual, paper-intensive record keeping and forms processing associated with over 335,000 monument applications processed yearly.
2) Expedites order processing, improves the accuracy of orders received, and facilitates monument order tracking and management.
3) Provides an electronic repository for monument orders thereby eliminating the space needed for record storage space and handling at each cemetery and the NCA Scheduling Office.

4) Improves accessibility, timeliness, accuracy, reliability, and security of information.
5) Decreases employee time required to perform administrative tasks, including monument ordering, conflict resolution, delivery tracking, monument setting monitoring, etc.
6) Enables the cemetery and NCA Scheduling Office staff to provide more support that is direct to cemetery visitors, callers, and funeral homes.
7) Reduces the need for more FTE to support cemetery administrative tasks.
8) Provides tracking capability for all claims entered manually, thus expediting case research and NCA's response to individual case inquiries.
9) Provides a benefit delivery system efficiently designed

AMAS hands off data to several organizations within the VA as well as other Federal departments, agencies, and entities. VBA receives a data extract from the NCA enterprise database to facilitate timely and accurate processing of Compensation Payments, Life Insurance benefits, and Presidential Memorial Certificate processing. Additionally, a file is sent to the Department of Army's Defense Manpower Data Center (DMDC) to facilitate updates to their database.

Burial Operations Support System (BOSS)

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$195	$206	$206	$206	$0

Description:

The Burial Operations Support System (BOSS) automates all the manual, paper intensive record keeping, and information and forms processing associated with over 100,000 yearly interments from National, State Veterans', Post/Military, Department of Army, and Department of Interior cemeteries. BOSS provides for the creation and maintenance of a complete historical record for each interment and is considered an NCA mission critical system.

This initiative is a major system for NCA and major application enhancements are in process. These funds provide the ability to procure the necessary hardware support to enable the continued operation and maintenance of BOSS.

BOSS provides nationwide burial location capability via the Nationwide Grave Locator and NCA Public Information Kiosk; linkages to Gravesite Reservation files, and facilitate timely First Notice of Death (FNOD) to VBA and its benefit delivery systems.

These funds support the creation and maintenance of a complete historical record for each interment.

Benefit to the Veteran:

BOSS increases the level of service provided to Veterans and beneficiaries through faster eligibility determinations, automated interment scheduling, expedited monument ordering, and an automated grave locator capability.

BOSS helps eliminate improper payments and expedites benefits. BOSS provides the FNOD information to VBA, enabling the VA to negate/reduce overpayments and collection activities thereby avoiding payment of millions of dollars in benefits to those no longer entitled according to federal regulation. It also speeds up benefit processing designed to help Veteran's families after the loss.

BOSS contributes to implementation of a OneVA information technology framework that supports the integration of information across business lines while providing a source for consistent, reliable, accurate, and secure information for Veterans and their families, employees, and stakeholders.

This initiative ensures the fulfillment of the following goals provided in the NCA Strategic Plan for FY 2008 - FY 2012:

1) Goal 1. Ensure that the burial needs of Veterans and eligible family members are met.
2) Goal 2. Provide Veterans and their families with symbolic expressions of remembrance.
3) Goal 4. Provide OneVA world-class service to Veterans and their families through the effective management of people.

Benefit to the VA Organization:

Benefits include:

1) Improves accessibility, timeliness, accuracy, reliability, and security of information
2) Eliminates space needed for record storage and handling at cemeteries and the NCA Scheduling Office
3) Decreases employee time required to perform administrative tasks, including interment scheduling, managing gravesite assignments, and conducting grave location searches
4) Enables the cemetery and NCA Scheduling Office staff to provide more support that is direct to cemetery visitors, callers, and funeral homes

5) Reduces the need for additional cemetery staff and reduces time spent to perform cemetery administrative tasks
6) Presents an aggregation of different information in real time, i.e., gravesite management, interment history, and interment scheduling
7) Improves the timeliness and ability to share data among other VA service providers, including VBA, VHA, the AITC, VA staff offices, other Federal agencies, including DoD, and the private sector. BOSS automatically generates reports as required by Inspector General, and Department of the Army
8) Provides a benefit delivery system efficiently designed

BOSS hands off data to several organizations within the VA as well as other Federal departments, agencies, and entities. VBA receives a data extract from the NCA enterprise database to facilitate timely and accurate processing of Compensation Payments, Life Insurance benefits, and Presidential Memorial Certificate (PMC) processing. Additionally, a file is sent to the Department of Army's Defense Manpower Data Center (DMDC) to facilitate updates to their database.

Loan Guaranty Application Maintenance

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$5,815	$0	$0	$0	$0

With this mixed lifecycle investment, Loan Guaranty (LGY) will continue to implement the knowledge management program by initiating projects to build libraries of common business services and tools for internal and external program participants and stakeholders. This investment includes implementation of processes and technologies for document and content management and migration, consolidation of databases and streamlines application interfaces. External participants such as the Loan Guaranty Service (LGS) property management contractor, the LGS portfolio loan contractor, lenders, and others will be able to request VA issued identifiers, update business addresses, payment addresses, request data on loan, grant and property records associated with them, and communicate securely with VA.

Employees will be able to perform participant oversight functions using an integrated suite of common services instead of the several different applications. This project will replace the existing Web-based Electronic Lender Information (WebELI) application, appraiser management functions embedded in The Appraisal System 1 (TAS), builder and lender management functions contained in the National Control List (NCL), and add servicer and contractor management functions. LGS business functions that are currently manual will be automated. Veterans will have access to expanded veteran record information and a home loan program tool set including but not limited to

residential mortgage calculators, loan amortization tables, [home] builder and approved mortgage lender directories and locators, on line Native America Direct Loan (NADL) application and an automated qualification process. Additionally, this investment includes the funding to support the ongoing systems that support LGY business functions

Benefit to the Veteran:

Veterans will have access to expanded veteran record information and a home loan program tool set including but not limited to residential mortgage calculators, loan amortization tables, home builder and approved mortgage lender directories and locators, on line (NADL) application and an automated qualification process.

Benefit to the VA Organization:

By using this application, employees will be able to perform participant oversight functions using an integrated suite of common services instead of the several different applications.

Corporate IT Support Investment

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$162,720	$236,328	$222,663	$196,924	-$25,739

Description:

The FY 2011 Corporate IT Support investment delivers information technology products, services, and outcome based initiatives resulting in an enhancement to existing or new functionality deliver to other IT systems, service to VA customers and internal OI&T staff. Corporate information technology products and services are an integral part VA's ability to conduct business operations across the enterprise.
This year, the Corporate IT Support investment has twelve IT programs and projects that will deliver the functionality required to support business operations, including maintaining corporate IT systems and corporate IT programs, ongoing initiatives started prior to FY 2010, new initiatives starting in FY 2010 and FY 2011 to support the 21st Century Transformation and the VA's Strategic Plan.

The current estimated budget in FY 2010 is $223 million. In FY 2011, the cost will be approximately $197 million to support delivery of new functionality.

Regional Data Processing Center (RDPC)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$22,399	$33,000	$9,900	$20,000	$10,100

Description:

VHA is heavily dependent on its information system and data processing infrastructure, which has historically been distributed at numerous facility level locations across the enterprise (e.g. 150+ medical centers). With improvements in technology and data management, this decentralized model was no longer providing optimum effectiveness or efficiency, was not effective in today's demanding environment, had become cost-prohibitive to perpetuate the next generation healthcare systems, and, given current and projected resource limitations, was not sustainable. Additionally, it presented challenges in the areas of security, data transfer, disaster recovery, and resource optimization.

To better align with these next generation healthcare service requirements and delivery processes being implemented within the Administration, and to prepare for those that are likely to occur over the next 20 or more years, VHA has endeavored to transform its information systems and infrastructure by replacing, reengineering and re-hosting existing applications to a modern computing architecture and infrastructure.

Initiated in FY 2005 as a cornerstone first step in the effort of moving IT activities and controls to a federated IT model, Regional Data Processing Center (RDPC0) seeks to centralize healthcare related data processing. RDP is charged with developing processes and procedures for the co-location and consolidation of VistA data processing to regional level data centers in order to achieve greater efficiency and reliability in heath information data processing.

Benefit to the Veteran:

By co-locating where Veterans' data is processed, the RDPC investment provides a key step on the road to transforming VHA from a facility-centric to customer-centric organization by establishing the foundation upon which all data can start to be related by key customer specific factors such as universal IDs.

Benefit to the VA Organization:

The RDPC investment will replace the current decentralized data processing structure employed across the VHA, permitting leveraging of a consolidated data center model towards the realization of economies of scale for staffing, hardware, software, data center costs. It enables VHA to engineer its IT infrastructure in order to provide required levels of service in regard to availability and rapid recovery and provide enterprise-level virtualization to enable the proactive management of services across the nation, improving utilization of IT resources and resource availability.

Enterprise Management Framework (EMF)

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$40,000	$28,000	$20,000	-$8,000

Description:

To design and implement a centralized, comprehensive framework to effectively manage the VA's information technology (IT) systems/processes, increase accountability across the enterprise and reduce VA overhead and cost through tracking and accountability of existing underutilized assets. The multiple phases of this project

provide; needed gathering of intelligence about VA assets throughout the organization, implement a vehicle to automate and centralize the discovery of electronic information on the network, and a system to collect information that is not discoverable by automated means. EMF will allow for the creation of a National Federated Data Repository (FDR) and a National Federated Change and Configuration Management Database (CMDB). This will improve accountability serving as the centralized repository for system change, configuration and release management activities, as well as a mechanism to track asset ownership and map assets to financial/contract information. EMF also includes the automation of enterprise-level compliance reporting for requirements of the Federal Information Security Management Act (FISMA) and Federal Desktop Core Configuration (FDCC). As EMF matures, this robust project will be able to utilize thin computing, server-centric models, and lay the foundation for future technologies (i.e. Radio Frequency Identification (RFID)) which will lower costs per use, centralize system management, and tighten security control providing better service for Veterans. EMF will continuously improve the experience for IT services, VA staff, and our ultimate customers: Veterans and their families.

Benefit to the Veteran:

Enterprise Management Framework improves the customer experience for consumers of IT services. Implements systems enabling the proactive management of IT services to safeguard and improve the availability and reliability of IT services to Veterans. EMF enhances mechanisms for effective service level management and monitoring to ensure that Service Level Agreements (SLAs) are met, and refines Help Desk/Incident Management systems and processes to meet the emerging needs of the enterprise.

Internal Facing IT Support

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$26,815	$54,370	$62,356	$43,666	-$18,690

Description:

The functioning of VACO staff and program offices is dependent on the proper operation and maintenance of a viable and reliable information technology infrastructure, refreshment of existing equipment, and delivery of essential services and technical operations. Significant activities include recurring maintenance/licensing of specialized software applications and telecommunication routine charges; contracted support resources; continuous life cycle refresh of printers, document scanners, network equipment, laptops, servers and file storages, wireless infrastructure, and videoconferencing equipment, etc.

Benefit to the Veteran:

This investment improves the delivery of quality Veteran services indirectly by providing a secure, reliable infrastructure between all VA offices. This investment improves access, quality, and timeliness of service delivery to the Veteran by ensuring that the infrastructure meets the technical standards and established service levels. This investment leverages and enhances interoperability with external agencies by providing a transport platform used to share information between VA IT Systems and other Federal IT Systems.

Benefit to the VA Organization:

This investment improves easy access to information, expertise, and knowledge for VA employees, volunteers, and partners by supporting online collaboration and information sharing. This investment contributes to cost avoidance by using centralized purchasing, consolidating contracts, and the use of performance based contracting. This investment uses an information technology that improves internal controls and business processes by reducing processing time and increasing quality. This investment supports delivery of Veteran services indirectly by managing the timely technology refresh to meet the changing information technology standards and insure the integrity, quality, availability, and security of the corporate IT infrastructure.

Enterprise License Expenses

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$84,893	$100,340	$114,010	$100,340	-$13,670

Description:

The Enterprise License Expenses investment funds the annual Enterprise Microsoft software, Rational software, and Adobe LifeCycle Reader licenses.

Benefit to the Veteran:

This investment improves the delivery of quality Veteran services indirectly by providing a secure, reliable infrastructure between all VA offices. This investment improves access, quality, and timeliness of service delivery to the Veteran by ensuring that the infrastructure meets the technical standards and established service levels. This investment leverages and enhances interoperability with external agencies by providing a transport platform used to share information between VA IT Systems and other Federal IT Systems. The consequence of not funding this investment directly affects

delivery of Veteran services, resulting in a less than timely delivery and lower quality of service to Veterans.

Benefit to the VA Organization:

This investment supports easy access to information, expertise, and knowledge for VA employees, volunteers, and partners by supporting online collaboration and information sharing. This investment contributes to cost avoidance by using centralized purchasing, consolidating contracts, and the use of performance based contracting. This investment uses information technology that improves internal controls and business processes by reducing processing time and increasing quality. This investment supports delivery of Veteran services indirectly by managing the timely technology refresh to meet the changing information technology standards and insure the integrity, quality, availability, and security of the corporate IT infrastructure.

Transformation Initiatives

Corporate Analysis & Evaluation

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$2,500	$500	-$2,000

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

Description:

VA does not currently have an objective, data- driven, transparent analysis capability to facilitate strategic investment decisions senior leadership. This initiative will provide objective, data-driven, transparent analysis to facilitate strategic investment decisions by senior leadership. Successful implementation will incorporate VA programs into a multi-year program where outcome based analysis and resource recommendations can be provided to VA leaders.

In late February 2009, the Office of Policy and Planning was assigned responsibility for establishing a Program Analysis and Evaluation (PA&E) capability within the Department of Veterans Affairs. This capability would be similar to the DoD PA&E that has been in place for decades. As part of the analysis process, interviews were conducted with senior subject matter experts and leaders representing the largest and most complex federal departments. Additionally, a cross-functional team was

established which produced an inventory of current VA analysis and evaluation capabilities as well as corporate PA&E capability development recommendations.

The development of the Office of Corporate Analysis and Evaluation (OCA&E), including the functional mission areas of Multi-Year Programming, Analytical Agenda, Independent Cost Estimating, and Long-Term projections will be established within the Office of Policy and Planning.

OCA&E is an independent body dedicated to aligning VA resource allocations with investments that best serve our Veterans, their families, dependents and survivors. OCA&E informs capital investment decision-making activities and enables development of resourcing options and priorities. Specific missions include:

- Multi Year Programming
- Analytic Agenda
- Independent Cost Analysis
- Long Term Projections

OCA&E provides the objective, data-driven, transparent analysis to facilitate strategic investment decisions by VA Secretary and Deputy Secretary.

Benefit to VA Organization:

Successful implementation of the OCA&E will result in the near-term ability to effectively analyze programs and allow VA leaders to consider investment options and prioritize resources to deliver results consistent with the Secretary's Vision for a 21st Century VA. OCA&E would provide the Secretary and Deputy Secretary the analytical basis for deciding among investments not only in ongoing programs but also in new initiatives.

Longer term, a OCA&E capability will allow VA leaders to identify and address long-term trends in resource requirements and explore excursions from a baseline based on changes in assumptions on Veteran health and benefits needs as well as changes in the national health care environment.

Deliverables:

Multi-year programming:

- Record decisions made and follow on costs
- Create a full Multi -Year Program for all of VA (own the process and the product)
- Compile Multi -Year Programs produced by current budget holders (own the process, compile the product)

Analytic Agenda:

- Analyze Multi-Year Program submissions
- Conformity to fiscal guidance
- Executability
- Cost/Benefit Analyses
- New Starts
- Current Programs
- Develop alternative programmatic courses of action
- Analyze effectiveness of current operations

Independent Cost Analysis:

- Selected Acquisition Programs

Integrated Operation Center (IOC)

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$32,419	$100	-$32,319

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

Description:

The VA Integrated Operations Center (IOC) provides a fusion point for unified command, integrated planning, and predictive analysis to present recommendations to VA Senior Leaders and to coordinate with stakeholders, Federal, State, and local partners. The IOC will support VA's strategic goals by ensuring that the Department can continue mission essential functions during an all hazard disaster. The Department of VA is the second largest Federal Agency with over 270,000 employees. The Department provides emergency support in regards to mass care and several emergency functions in support of the National Response Frame Work. In addition, as a TIER II agency the Department must be ready to respond to All Hazard Events including the Continuity of Government.

The IOC will be the nucleus for information gathering for VA by developing and sharing information in a New Era in intelligence and fusion process, through which information is collected, integrated, evaluated, analyzed, and disseminated. Nontraditional collectors of intelligence, such as public safety entities and private sector organizations, possess important information (e.g., risk assessments and suspicious activity reports) that can be "fused" with law enforcement data to provide meaningful information and intelligence about threats and criminal activity. Examples of the types

of information incorporated into these processes are threat assessments and information related to public safety, law enforcement, public health, social services, and public works. The Ops Center normally (routine, non-crisis basis) hosts 8-12 VA staff, mostly 24x7. During a crisis, there will be a total of 20-30 staff, not including additional Principals. VA OI&T will provide the necessary IT equipment for the operation of this command center with desktops, laptops, blackberries, audio visual monitors and network support.

Enterprise Energy Cost Reduction-Greening VA

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$500	$500	$0

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

Description:

VA purchases large quantities of commodities such as natural gas, electricity, and water to operate healthcare and other facilities at a cost of approximately $550 million annually. Individual facilities purchase commodities locally without taking advantage of regional and other opportunities that could save VA operating dollars annually.
VA facility and regional energy managers serve as stewards of VA facility energy operation, maintenance, and physical enhancement. Increased organizational visibility is needed to ensure the greening of VA, including green awareness education for all staff.
The goal of the program is to optimize Clean-Energy investments physically and the infrastructure knowledge to reduce VA's dependence on fossil fuels while supporting the VA mission of serving the Nation's Veterans and their families.

Benefit to the Veteran:

As part of the clean-energy transformation, the following Veteran benefits are key steps in reducing VA's carbon footprint:

- Purchase commodities from competitive suppliers where possible, creating new opportunities for Veteran-owned and service-connected disabled Veteran-owned businesses.
- Green investments helps to reduce adverse impacts to the environment, conserve energy and other natural resources, improve public health and safety, and create new markets and jobs.
- Construction initiatives support the establishment of complex Medical Centers requiring a substantial investment in IT Systems and infrastructure in order to provide effective long-term healthcare service delivery to Veterans.

Benefit to the VA Organization:

In conjunction with the investments in green projects that VA is making through its clean-energy transformation, these benefits are key steps in reducing VA's carbon footprint:

- Reduction in VA's dependency on fossil fuels through energy infrastructure improvements and renewable energy projects with the same level of investment to continue and enhance the greening of VA.
- Enhanced training for energy managers in energy efficiency and renewable energy technologies and best practices in energy management.
- Strengthen program Departmental oversight to ensure best use of skills and abilities in service to all VA facilities in the greening of VA.
- Improved Department energy performance as cost-effectively as possible.

- Establishment of regionally-based boards comprised of internal technical experts to advise individual facilities on negotiating for the best possible utility rates, terms and conditions.
- Make continuing investments in educating energy managers and VA staff in Green Management.
- Optimize investments in physical and knowledge infrastructure to reduce VA's dependence on fossil fuels while supporting the VA mission of serving the Nation's Veterans and their families.

Transformed Construction Facility Management

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$3,700	$2,700	-$1,000

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

Description:

VA Facility Management Transformation initiative involves the establishment of an enterprise method for managing VA facilities. The enterprise system will address life cycle costing; recapitalization; sustainment; acquisition of facilities and real property and disposal of VA real property. The program will integrate the minor and major construction programs for each administration with the sustainment effort to allow VA to assure dollars are allocated strategically to the most critical areas. The initiative will also address facility funding required to effectively manage life cycle cost.

The initiative includes a corporate system of policies and processes and a decentralized approach to project execution. The selection of software tools to facilitate the transformation is a critical element.

The benefit to the VA is effective management of resources. These resources are allocated to advance VA's strategic goals and effective life cycle management of facilities. The benefit to the Veteran is the right facilities in the right locations to deliver the health care needed.

Benefit to the VA Organization:

Under this structure, VA will integrate facilities management functions to maximize life-cycle performance. This will include a corporate system of policies and processes and a decentralized approach to project execution. This approach will help VA achieve the following:

1. Effectively Meet Facilities Needs (Current and Future)
    - Locate facilities to best support service delivery
    - Provide highly functional facilities
    - Provide highly adaptable facilities
    - Support "new mission" requirements

2. Effectively Manage Existing Facility Assets
    - Right Size facility footprint
    - Recapitalize overage infrastructure
    - Eliminate life-safety deficiencies
    - Sustain existing infrastructure
    - Programmatic investment to meet requirements

3. Reduce Cost
    - Minimize life-cycle cost
    - Minimize energy consumption
    - Business case for own vs. lease

Corporate SES Office

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$500	$500	$0

*The Transformation initiatives estimates, as shown in the FY 2010 current estimate column, will be funded through the FY 2009 unobligated balance brought forward.

Description:

IT infrastructure will establish a Corporate Senior Executive Management Office, in support of the VA initiative to standardize, streamline and enhance staffing actions for 413 Senior Executive Service and Title 38 positions. This office will assist the VA with the selection, development, utilization and management of our strategic human capital to lead the Department and most effectively serve our Nation's Veterans. The establishment of this office is consistent with the need for centralized management and has been vetted through the appropriate governance structures (Senior Review Group, Strategic Management Council, and VA Executive Board). A single office provides a corporate, standardized approach to the recruitment, selection, and management of senior executives and Senior Executive Service positions in VA, which will ensure consistency and excellence in VA's leadership ranks.

This initiative will be designed to create a regional IT network to allow data sharing and aggregation along a continuum that involves VA, DoD and the private sector. It will have a proof of concept to be scaled to other regions prior to full development and integration. This initiative aligns to VA Strategies to build our internal capacity to serve Veterans, their families, our employees, and other stakeholders efficiently and effectively and to recruit, hire, train, develop, deploy, and retain a diverse VA workforce to meet current and future needs and challenges. This initiative will be formulated as a joint initiative with VHA/VBA.

Corporate IT Support - PBX Replacement

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$0	$25,134	$30,619	$15,134	-$15,485

Description:

Private Branch Exchange (PBX), also referred to as a "telephone switch", is the system that provides voice services within a facility as well as inbound/outbound service. A significant number of these telephony systems are beyond their life expectancy and are

at risk of failure. A "ground up" inventory has been undertaken to chart the current state of infrastructure, identify existing risk and prioritize replacement.

Several types of modernization activities are needed: First, the replacement of Private Branch Exchanges (PBXs) and associated systems with more modern Voice Over Internet Protocol (VoIP) systems; the replacement of PBXs with systems that are a hybrid of VoIP and traditional voice systems; and the replacement of VA owned hardware with leased services; Second, the modernization of key call centers at the Health Resource Center (HRC), Health Eligibility Center (HEC), and the Health Administration Center. Third, in order to lower the cost of voice communications across the VA, network integration of each voice telephony system is necessary. Fourth, this investment also includes the consolidation of voice mail systems across the VA. Fifth, in medical environments, this includes investments in direct management of emergency "Code" calls for medical life safety and security as well. Finally, associated management systems needed to control fault, configuration, accounting, performance, and security of these systems are included as part of this investment.

Benefit to the Veteran:

This program will ensure that Veterans can access the VA via the phone in a reliable fashion and add flexibility to integrate Veterans' voice interactions with those via the web.

Benefit to the VA Organization:

This program will also ensure that health providers serving Veterans at VAMCs have reliable and modern communication systems. This will also upgrade the VBA regional offices' communication lines.

Information Protection

Information and Technology					
FY 2011 Budget Request					
(Dollars in Thousands)					
		FY 2010			
	FY 2009 Current Estimate	Budget Estimate	Current Estimate	FY 2011 Budget Request	+/- Differences
Corporate IT Support Enterprise Cyber Security and Privacy	**63,892**	**84,865**	**122,577**	**84,865**	**-37,712**
Enterprise Cyber Security Program	60,068	80,507	118,219	80,507	-37,712
E-FOIA	0	398	398	398	0
Enterprise Privacy Program	3,824	3,960	3,960	3,960	0

Due to growing cyber security threats specifically targeting federal agencies such as the Department of Veterans Affairs (VA), security measures must be enhanced to mitigate risk and protect sensitive information. Cyber security and privacy programs are essential to strengthening information security and protecting the personally identifiable information (PII) of Veterans, their beneficiaries, and VA employees and stakeholders. The Enterprise Cyber Security request of $84.9 million for programs that ensure secure IT operations across all VA offices and medical facilities , 24 hours a day, 365 days a year, as well as provide policy, guidance, procedures, general support, and the latest tools and services necessary to protect the IT network. These programs provide IT security incident response and risk management, protection of Veteran and employee sensitive information, oversight and compliance, and continuity of operations planning (COOP). Critical Infrastructure Protection operates the Network and System Operation Center (NSOC) for incident reporting and provides VA security services such as anti-virus protection, penetration testing, vulnerability scanning, firewall management, and intrusion detection monitoring.

Corporate IT Support Enterprise Cyber Security and Privacy

	2009 Actual	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$63,892	$84,865	$122,577	$84,865	-$37,712

In support of VA's mission, it is important that Veterans' most sensitive and vulnerable information about their personal identity and medical records be protected. VA systems contain sensitive but unclassified data, personally identifiable information (PII), and protected health information (PHI) that, if compromised, may have a negative impact on Veterans, VA, and the Federal Government. The challenge is to ensure that VA safeguards this information in a way that minimizes any interference with the business processes and technologies used to deliver benefits to our nation's Veterans. In support of this challenge, and the VA mission, VA established an Information Protection Program, with a mission to 'Serve our Veterans, their beneficiaries, employees, and all VA stakeholders by ensuring the confidentiality, integrity, and availability of VA sensitive information and information systems." To strengthen and ensure the Program's mission, the Office of Information Protection and Risk Management (IPRM) Strategic Plan for fiscal year 2009 (FY2009) – FY2011 incorporates a set of five goals: (1) build a high performing organization, (2) be a part of VA business processes, (3) strengthen training and awareness, (4) ensure governance and compliance, and (5) optimize tools and techniques to realize the mission. VA's Enterprise Cyber Security and Privacy Programs are managed by the VA Office of Information Protection and Risk Management (IPRM).

The VA Information Protection Program supports VA in the following areas: Enterprise Cyber Security Program, Personal Identification Verification (PIV), Identity and Access Management (IAM), E-Government/E-Authentication, Enterprise Privacy Program, E-Freedom of Information Act (FOIA), Discovery/E-Discovery, and Records Management/Electronic Records. These programs are key to maintaining the confidence of the Veteran and beneficiary community, preventing future breaches of personal information, and—most importantly—enabling the delivery of health care and benefits to our nation's Veterans and their beneficiaries in a secure manner. Cyber security and privacy accomplishments in FY2009 include:

- Increased visibility of security progress and weaknesses;
- Transitioned from implementation to continuous improvement;

- Leveraged emerging technologies to secure information and information systems;
- Executed a clear strategy to mitigate weaknesses and close Inspector General (IG) findings;
- Gained outside recognition from the Office of Management and Budget (OMB) (Training Information System Security [ISS] Line of Business [LoB]) and the Department of Defense (DoD) (Certification and Accreditation [C&A]); and
- Increased outreach and communication with field offices (Veterans Health Administration [VHA], Veterans Benefits Administration [VBA], and National Cemetery Administration [NCA]).

Enterprise Cyber Security Program

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$60,068	$80,507	$118,219	$80,507	-$37,712

Description:

Cyber Security Program

The Enterprise Cyber Security Program ensures the confidentiality, integrity, and availability of VA information and information systems; and proactively manages risk to enable VA's mission of honoring America's Veterans. Incorporating privacy, risk management, cyber security, records management, FOIA, incident response, business continuity, critical infrastructure protection (CIP), and field security operations, the Enterprise Cyber Security Program integrates a continuous cycle of performance measurement, risk assessment, and threat mitigation to ensure that information protection complements VA business operations and is integrated throughout the lifecycle of VA operating systems and software.

Personal Identity Verification

The VA PIV Project is a Departmental initiative intended to provide compliance with Homeland Security Presidential Directive (HSPD)-12, Federal Information Processing Standard (FIPS) 201, the Federal Common Policy, and related standards that address the Federal Government's need for a standardized

identity credential to be issued to all federal employees and contractors. The PIV credential meets the need for a standardized identity credential, and can be used for identification and authentication across federal logical and physical access systems. The VA PIV system implements PIV card, public key infrastructure (PKI), and IAM services to meet federal requirements. The VA PIV system automates the enrollment and issuance processes for the PIV credential, manages the identities of PIV cardholders, manages the lifecycle of the PIV credential, provides data management and provisioning services for interfacing systems, and provides audit and reporting data on PIV transactions and events. The VA PIV system is also designed to deliver "security as a service" by integrating with the VA Enterprise Architecture service-oriented systems model, providing an integrated standardized approach to the broad, heterogeneous VA network, and forwarding the concepts embodied in the OneVA strategic goal. In doing so, the program reduces the cost of ownership for identity services. Furthermore, the initiative offers improved security of critical VA assets, and extends broad protection for privacy and identity information maintained by VA.

Identity and Access Management (IAM)

The IAM Portfolio provides comprehensive and cohesive enterprise-wide IAM services that include a single VA identifier for Veterans, employees, and all persons of interest to the VA. IAM provides the ability to correlate each enterprise-level identity to the multiple VA identifiers currently in use, as well as to the DoD identifier, and also provides a standardized proofing process and provisioning solution to automate the process of granting electronic access to VA resources. The security mechanisms for these items are enhanced by an enterprise-level security framework and an auditing and compliance component. Building upon this foundation, VA provides services such as single sign-on, federated sign-on, PKI enablement, and electronic signature; these features allow for the automation of many business processes and the potential for many of these processes to become truly paperless. Overall, the IAM Portfolio improves the accuracy and security of electronic transactions, while increasing the number and type of electronic services offered, simplifying the use of these electronic services, and improving the satisfaction of our Veteran customers.

E-Government/ E-Authentication

The E-Authentication Federation allows VA to use identity credentials issued and managed by organizations within and outside the Federal Government, thereby relieving VA of much of the cost of providing its own identity management solutions. This initiative provides expertise, guidance, and documentation, including project planning and reporting templates.

Benefit to the Veteran of the Enterprise Cyber Security Program:

- Improves VA's ability to provide quality services by ensuring secure and consistent information and transactions
- Reduces Veteran Social Security number (SSN) use through the OneVA identifier, which can be utilized to correlate all other known electronic identities both within VA and with external partners, such as DoD
- Allows Veterans to present their identity information a single time and to have that information shared across the enterprise as required by the individual applications, thereby eliminating redundancy
- Streamlines network access for providers, improving Veteran service time
- Elevates, enhances, and improves customer service to Veterans enterprise-wide

Benefit to the VA Organization of the Enterprise Cyber Security Program:

- Increases Veteran and public confidence in the quality of VA services
- Enables strong information protection and risk management processes and procedures
- Permits secure flexible work arrangements and consistent communications through the Remote Enterprise Security Compliance Update Environment (RESCUE)
- Provides the ability to conduct virtual operations in a crisis situation
- Ensures compliance with federal legislation, regulations, and mandates
- Allows for business processes to be improved, streamlined, and modified through new electronic capabilities, such as electronic signature and access provisioning

Enterprise Privacy Program

		2010			
	2009 Actual	Budget Estimate	Current Estimate	2011 Estimate	Increase / Decrease
Appropriations ($000)	$3,824	$4,358	$4,358	$4,358	$0

*Funding for E-FOIA is included in the Enterprise Privacy Program.

Privacy Program

The Enterprise Privacy Program provides policies for and protection of confidential information for Veterans, their beneficiaries, and VA employees, in order to improve VA's data management and to ensure compliance with federal and VA-specific requirements and legislation established for the safeguarding of PII and protected health information (PHI). Relevant legislation includes the Health Insurance Portability and Accountability Act (HIPAA), the Privacy Act of 1974, FOIA, and the E-Government Act of 2002.

The Enterprise Privacy Program plans and incorporates privacy management and controls into the business of VA. The Program has developed a set of overarching goals and multi-year objectives to marry compliance activities with strategic activities in order to ensure that the Program meets compliance obligations and continues progress toward building privacy into VA operations.

The Enterprise Privacy Program facilitates Departmental objectives through the following efforts:

- Integrates privacy within the VA Enterprise Architecture and new VA systems, processes, and products throughout the system lifecycle
- Offers training, assessments, awareness, and outreach that encompass role-based training modules, HIPAA compliance, and employee survey tools to all VA employees; develops assessment instruments for measuring the effectiveness of training modules and updates training as necessary
- Proactively creates business agreements with other agencies for privacy sharing arrangements
- Maintains a privacy web portal within the IPRM information protection portal
- Chairs the Privacy Steering Committee to encourage Department-wide collaboration of VA privacy initiatives and practices
- Conducts FISMA privacy impact assessment (PIA) review processes, risk assessments, and mitigation strategies
- Manages a tracking tool to assess privacy violations and provide trend analyses
- Defines a career path to establish a common body of knowledge for Privacy Officers (POs)

E-FOIA

VA will continue to implement to e-FIOIA system in response to the Openness Promotes Effectiveness in our National (OPEN) Government Act of 2007, which mandates agencies to improve their customer service in responding to FOIA requests. Demand for the new VA system has expanded by 100% to accommodate the needs of Administrations and Offices for additional licenses. The new e-FOIA system is web-based and allows internal tracking of FOIA requests. It provides the additional service of permitting requestors to track the status of their requests. This system offers the enhanced capability to allow ad hoc reporting of FOIA backlogs and timelines as provided in the law. This system also includes capabilities to furnish boilerplate letters to respond to similar FOIA requests, and can store documents to ensure quicker access to requests for the same type of information. Training on the use of this system will also provide a repeatable process that assists in both training and responding to FOIA requests as turnover occurs. As VA is one of the largest agencies responsible for FOIA responses, the adoption and use of this new technology will permit VA to be a "best practice" example to all government agencies.

Discovery/E-Discovery

The Federal Rules of Civil Procedure mandates the search and furnishing of documents and electronic information maintained by an agency and related to pending litigation. Guidance on the implementation of these amendments (as interpreted by federal courts) should be published and disseminated to ensure that all agency personnel are familiar with the latest statutory and legal requirements. The Office of General Counsel (OGC) and the FOIA Service are coordinating activities to release new guidance documents, including a handbook on procedures to be followed both by the legal teams involved and by the IT teams charged with determining the information that can be furnished and the approximate costs of complying with specific Discovery production requests.

Records Management/Electronic Records

The Records Management Service oversees requirements for federal agencies to inventory, record, and schedule their records systems, including electronic records. The Federal Records Act (FRA) also provides penalties in the event of misuse or violations of federal records. In light of concerns over the protection and retention of federal records, VA is attempting to comply with the latest direction from OMB and the National Archives and Records Administration (NARA). The goal of this direction is to create an electronic records system that will record and maintain all types of federal records electronically, and will allow those records to be scheduled in accordance with published Records Schedules.

Pursuant to this direction, VA is developing an electronic records management system to capture, index, and reference its records and their disposition throughout the records' lifecycles. In addition, the records management program will ensure that Information Collection Requests (ICRs) are reviewed for compliance with the Paperwork Reduction Act, that PII is collected in accordance with mission requirements, and that Release of Names and Addresses (RONA) requests are reviewed and approved to ensure their compliance with federal statutes.

Benefit to the Veteran of the Enterprise Privacy Program:

- Increases confidence that Veteran personal and health information is safeguarded
- Provides increased accountability for information protection
- Ensures secure and consistent information and transactions, improving VA's ability to provide quality services to Veterans
- Improves response time to Veterans' FOIA requests
- Reduces the use of Veteran SSNs

Benefit to the VA Organization of the Enterprise Privacy Program:

- Ensures the confidentiality, integrity, and availability of all VA information
- Increases Veteran and public confidence in the quality of VA services
- Reduces the likelihood of legal action against VA as a result of a security breach
- Ensures, through training and awareness initiatives, that VA employees and all partners act responsibly to protect sensitive information
- Ensures compliance with federal legislation, regulations, and mandates

Appendix
Project Crosswalk

Office of Information and Technology
FY 2011 Budget Request
(Dollars in Thousands)

	2009 Actuals	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
VETERAN IT SYSTEMS					
Medical	**$1,096,295**	**$1,559,243**	**$1,539,136**	**$1,378,831**	**-$160,305**
Development	**$289,436**	**$446,570**	**$380,736**	**$383,989**	**$3,253**
VistA Application Development	94,842	107,859	110,665	95,053	-15,612
VistA Foundations Modernization	96,322	125,202	114,708	99,564	-15,144
Enrollment Enhancements	19,912	17,287	9,000	9,153	153
Scheduling Replacement	11,482	46,476	10,000	10,000	0
Health Data Repository	24,273	41,495	43,524	34,617	-8,907
MyHealth*e* Vet	16,409	20,840	13,808	18,340	4,532
Preventive Care Program	0	0	0	5,000	5,000
Pharmacy Reengineering	4,577	20,561	14,000	14,000	0
Blood Bank	1,949	1,923	2,323	1,923	-400
Sustainment/Fixed Costs within Development	0	0	0	9,213	9,213
SPD Scope Action Plan	0	0	0	3,365	3,365
VistA Laboratory IS Reengineering	10,953	32,389	29,200	20,000	-9,200
VHIT Program Support	55	5,638	5,638	0	-5,638
Revenue Improvements and System Enhancements (RISE)	0	12,000	12,000	10,000	-2,000
Medical Center Innovations	8,662	10,000	10,000	7,000	-3,000
VA Tele-Health and Home Care Model	0	0	0	24,611	24,611
VA Point of Service (Kiosks)	0	0	0	15,000	15,000
Readjustment Counseling for Women Veterans	0	0	0	1,250	1,250
Hospital Quality Transparency	0	0	0	1,000	1,000
Compensation and Pension Record Interchange (CAPRI) Maintenance, Tactical Enhancement and Strategic Engineering	2,780	4,900	5,870	4,900	-970
Operations and Maintenance	**806,859**	**1,112,673**	**1,158,400**	**994,842**	**-163,558**
Allocation Resource Center (ARC)	934	3,209	3,209	3,209	0
Consolidated Patient Account Center	0	3,430	3,430	3,430	0
Decision Support System (Legacy)	15,937	19,238	19,238	19,238	0
Enrollment Operations and Maintenance	538	270	270	270	0
Federal Health Information Exchange	-1,249	6,211	6,211	6,211	0
E-Gov: Federal Health Architecture LoB	1,983	1,994	1,994	1,994	0
Health Administration Center (HAC) IT Operations	14,894	12,020	12,020	12,020	0
Health Revenue Center	0	5,000	5,000	5,000	0
Medical and Prosthetic Research	13,950	16,605	16,605	16,605	0
VistA Imaging	14,611	14,880	14,880	14,880	0
VistA Legacy	114,277	115,950	121,323	115,950	-5,373
Small/Other - Financial Systems	24,012	40,000	40,000	40,000	0
Regional Data Processing Center	22,399	33,000	9,900	20,000	10,100

Office of Information and Technology
FY 2011 Budget Request
(Dollars in Thousands)

	2009 Actuals	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Medical Program IT Support	**576,472**	**840,866**	**898,495**	**725,035**	**-173,460**
Insurance Buffer Card	8,101	0	5,825	0	-5,825
VA Point of Service (Kiosks)	0	0	0	5,000	5,000
Veteran Centered Care Model	0	0	0	3,470	3,470
Zero Homelessness Among Veterans	0	0	0	1,630	1,630
Transport for Immobilized & Remote VA Patients	0	**0**	**0**	900	900
Compensation and Pension	**149,266**	**292,182**	**202,904**	**315,022**	**112,118**
Development	**56,332**	**186,157**	**95,662**	**217,043**	**121,381**
VETSNET (FY 2009 Current Estimate includes addtl. supplemental funding of $100,000 from The American Recovery and Reinvestment Act Supplemental fund, P.L. 111-5)	24,638	24,555	24,555	31,738	7,183
Virtual VA	13,679	17,922	8,107	0	-8,107
Paperless Delivery of Veterans Benefits Initiative (FY 2009 Current Estimate: $1.5 million from the American Recovery and Reinvestment Act, P.L. 111-5; OEF/OIF Supplemental Fund, P.L. 110-28)	18,015	143,680	63,000	145,305	82,305
Veteran Innovation Initiative	0	0	0	40,000	40,000
Operations and Maintenance	**92,934**	**106,025**	**107,242**	**97,979**	**-9,263**
BDN Maintenance and Operations	6,757	7,416	7,416	7,416	0
Program Integrity/Data Management	12,346	14,861	14,861	13,861	-1,000
Beneficiary Identification Records Locator Subsystem/Veterans Assistance Discharge System (BIRLS/VADS)	3,310	3,997	3,997	3,997	0
Corporate Database and Engineering Support	6,298	4,264	4,264	4,264	0
VBA/C&P Application Maintenance	1,303	1,023	2,600	3,750	1,150
Benefits IT Support	**62,920**	**74,464**	**56,818**	**64,691**	**7,873**
VBMS (VBA Paperless) Infrastructure Engineering	0	0	15,000	0	-15,000
System Equipment for Albany Test Center	0	0	2,286	0	-2,286
Education	**55,609**	**4,557**	**37,184**	**46,097**	**8,913**
Development	**55,153**	**1,937**	**34,476**	**44,097**	**9,621**
Chapter 33 (FY 2009 Current Estimate: $48.5M American Recovery and Reinvestment Act, P.L. 111-5)	55,153	0	32,539	44,097	11,558
The Education Expert System (TEES)	0	1,937	1,937	0	-1,937
Operations and Maintenance	**456**	**2,620**	**2,708**	**2,000**	**-708**
Education Application Maintenance	456	2,620	2,708	2,000	-708
Vocational Rehabilitation	**3,403**	**5,809**	**1,900**	**4,702**	**2,802**
Development	**1,373**	**2,500**	**0**	**2,500**	**2,500**
VR&E Quality Assurance Information Technology Initiative	0	500	0	500	500
CWINRS Upgrade	1,373	2,000	0	2,000	2,000

Office of Information and Technology
FY 2011 Budget Request
(Dollars in Thousands)

	2009 Actuals	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Operations and Maintenance	**2,030**	**3,309**	**1,900**	**2,202**	**302**
VR&E Application Maintenance	2,030	3,309	1,900	2,202	302
Insurance	**763**	**80**	**80**	**80**	**0**
Operations and Maintenance	**763**	**80**	**80**	**80**	**0**
Insurance Application Maintenance	763	80	80	80	0
Burial	**7,715**	**6,534**	**5,725**	**7,886**	**2,161**
Development	**860**	**809**	**0**	**2,161**	**2,161**
NCA Memorial Development Support	860	809	0	2,161	2,161
Operations and Maintenance	**6,855**	**5,725**	**5,725**	**5,725**	**0**
NCA Small/Other	567	533	533	533	0
Burial Operations Support System (BOSS)	195	206	206	206	0
Automated Monument Application System (AMAS)	80	93	93	93	0
Burial Program IT Support	6,013	4,893	4,893	4,893	0
***Veteran IT Systems* Subtotal**	**$1,313,051**	**$1,868,405**	**$1,786,929**	**$1,752,618**	**-$34,311**
CORPORATE IT SYSTEMS					
Corporate Management	**5,028**	**774**	**774**	**774**	**0**
Development	**5,028**	**774**	**774**	**774**	**0**
Document and Correspondence Management System (DCMS)	1,741	774	774	774	0
Logistics Systems	3,287	0	0	0	0
Financial Resources Management	**50,620**	**118,055**	**114,135**	**162,591**	**48,456**
Development	**24,022**	**85,623**	**78,983**	**120,159**	**41,176**
Financial and Logistics Integrated Technology Enterprise (FLITE)	24,022	85,623	78,983	120,159	41,176
Operations and Maintenance	**26,598**	**32,432**	**35,152**	**42,432**	**7,280**
Financial Management System (FMS)	12,075	14,276	14,276	14,276	0
Fiscal Responsibility Review	0	0	0	10,000	10,000
E-Gov: Financial Management LoB	245	147	147	147	0
E-Gov: Budget Formulation and Execution LoB	97	98	98	98	0
Payroll/HR Systems	11,674	15,125	17,845	15,125	-2,720
E-Gov: E-Payroll	170	0	0	0	0
VA-Wide e-Travel Solution	2,337	2,786	2,786	2,786	0
Asset Management	**1,606**	**3,164**	**3,164**	**3,164**	**0**
Operations and Maintenance	**1,606**	**3,164**	**3,164**	**3,164**	**0**
Capital Asset Management System (CAMS)	1,315	2,674	2,674	2,674	0
E-Gov: Disaster Assistance Improvement Plan	291	490	490	490	0

Office of Information and Technology
FY 2011 Budget Request
(Dollars in Thousands)

	2009 Actuals	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Human Capital Management	**15,396**	**33,433**	**24,192**	**24,948**	**756**
Development	**13,128**	**8,486**	**0**	**0**	**0**
Human Resource Management LoB - Human Resources Information System (HRIS) Services Component	598	8,486	0	0	0
Electronic Human Resources Initiative (EHRI) *(moved to O&M in 2010)*	5,582	0	0	0	0
USA Staffing *(moved to O&M in 2010)*	4,885	0	0	0	0
Automated Position Management System (APMS) *(moved to O&M in 2010)*	2,063	0	0	0	0
Operations and Maintenance	**2,268**	**24,947**	**24,192**	**24,948**	**756**
IT Support of HR&A	1,703	3,570	3,571	3,571	0
VA Learning Management System	-11	4,772	4,772	4,772	0
Automated Position Management System (APMS) *(moved from Development to O&M in 2010)*	0	1,688	1,688	1,688	0
Electronic Human Resources Initiative (EHRI - eOPF component) *(moved from Development to O&M in 2010)*	0	5,615	5,615	5,615	0
USA Staffing *(moved from Development to O&M in 2010)*	0	5,040	4,284	5,040	756
E-Gov: E-Training	65	2,774	2,774	2,774	0
E-Gov: Recruitment One-Stop	22	920	920	920	0
E-Gov: Enterprise Human Resources Integration (EHRI) (Initiative Analytical Reports Component)	222	299	299	299	0
E-Gov: Human Resource Management LoB (PM Support Fee to OPM Component)	267	269	269	269	0
Corporate IT Systems	**157,708**	**184,806**	**208,668**	**188,402**	**-20,266**
Operations and Maintenance	**157,708**	**184,806**	**208,668**	**188,402**	**-20,266**
Corporate IT Support	28,062	54,370	62,356	43,666	-18,690
	25,271	0	0	0	0
VA Operation Center, COOP Site B and Site C	0	3,800	3,800	3,800	0
IT Enterprise Strategy, Policy, Plans and Programs	5,944	10,688	8,667	10,688	2,021
Enterprise License Expenses	84,893	100,340	114,010	100,340	-13,670
Enterprise Resource Management	13,538	15,608	19,835	15,608	-4,227
Corporate Analysis & Evaluation	0	0	0	500	500
Integrated Operation Center	0	0	0	100	100
Enterprise Energy Cost Reduction - Greening VA	0	0	0	500	500
Transformed Construction Facility Management	0	0	0	2,700	2,700
Corporate SES Office	0	0	0	500	500
Enterprise-wide Cost Accountability	0	0	0	10,000	10,000
Cyber Security	**70,887**	**122,604**	**169,942**	**122,903**	**-47,039**
Development	**10,608**	**37,393**	**51,550**	**37,692**	**-13,858**
Safety & Security Initiative (PIV for HSPD-12)	10,608	17,893	30,050	12,950	-17,100
Veterans Relationship Management - Identity Access Management	0	19,500	21,500	14,772	-6,728
Veteran Relationship Management	0	0	0	9,970	9,970

Office of Information and Technology
FY 2011 Budget Request
(Dollars in Thousands)

	2009 Actuals	2010 Budget Estimate	2010 Current Estimate	2011 Estimate	Increase / Decrease
Operations and Maintenance	**60,279**	**85,211**	**118,392**	**85,211**	**-33,181**
Enterprise Cyber Security Program	60,068	85,038	118,219	85,038	-33,181
E-Gov: E-Authentication	211	173	173	173	0
Privacy	**3,824**	**4,358**	**3,960**	**4,358**	**398**
Operations and Maintenance	**3,824**	**4,358**	**3,960**	**4,358**	**398**
E-FOIA	0	398	0	398	398
Enterprise Privacy Program	3,824	3,960	3,960	3,960	0
Other	**30,183**	**32,576**	**56,411**	**81,242**	**24,831**
Development	**23,644**	**30,235**	**54,069**	**78,900**	**24,831**
Virtual Lifetime Electronic Record	0	0	34,569	52,032	17,463
Enterprise Development	16,626	0	19,500	0	-19,500
OneVA Contact Management	4,660	15,759	0	0	0
Veterans Relationship Management - OneVA Contact Mgmt	0	0	0	11,938	11,938
OneVA Eligibility and Registration	2,358	14,476	0	0	0
Veterans Relationship Management - OneVA Eligibility and Registration	0	0	0	10,963	10,963
Veterans Relationship Management - Enrollment Enhancement	0	0	0	3,967	3,967
Operations and Maintenance	**6,539**	**2,341**	**2,342**	**2,342**	**0**
E-Gov: Integrated Acquisitions Environment	1,536	1,530	1,530	1,530	0
E-Gov: Gov Benefits	332	332	332	332	0
E-Gov: E-Rulemaking	84	46	46	46	0
E-Gov: Grants.gov	132	41	41	41	0
E-Gov: IAE - Loans and Grants	125	125	126	126	0
E-Gov: Business Gateway	74	60	60	60	0
E-Gov: Grants Management LoB	29	32	32	32	0
E-Gov: Geospatial One-Stop	15	15	15	15	0
E-Gov: IT Infrastructure	0	160	160	160	0
OI&T Small/Other	4,212	0	0	0	0
Adjustment	-631	0	0	0	0
Corporate IT Systems Subtotal	**$334,621**	**$499,770**	**$581,246**	**$588,381**	**$7,135**
Total IT Activities	**$1,647,672**	**$2,368,175**	**$2,368,175**	**$2,341,000**	**-$27,175**
PAY - T21 Strategic Human Capital Investment Plan	0	0	0	24,000	24,000
Staffing & Administrative Payroll	**$762,291**	**$938,825**	**$938,825**	**$966,000**	**$27,175**
Total Budget Authority	**$2,409,963**	**$3,307,000**	**$3,307,000**	**$3,307,000**	**$0**
IT Activities Reimbursements	25,767	32,229	32,229	25,265	-6,964
Staffing Reimbursements	19,000	29,177	29,177	23,530	-5,647
Total Reimbursements	**44,767**	**61,406**	**61,406**	**48,795**	**-12,611**
Total BA and Reimbursements	**2,454,730**	**3,368,406**	**3,368,406**	**3,355,795**	**-12,611**
Unobligated Balance Brought Start of Year	0	0	688,558	0	-688,558
H1N1 Pandemic Influenze Preparedness and Response Supplemental Fund (P.L. 111-32)	0	0	4,350	0	-4,350
Total Budgetary Resources	**2,454,730**	**3,368,406**	**4,056,964**	**3,355,795**	**-701,169**
BA FTE	6,548	7,338	7,338	7,338	0
Reimbursable FTE	162	242	242	242	0
Total FTE	**6,710**	**7,580**	**7,580**	**7,580**	**0**
Non-Pay Reimbursements	**25,767**	**32,229**	**32,229**	**25,265**	**-6,964**
Enrollment Enhancements	4,271	2,886	2,886	4,901	2015
Enrollment Operations and Maintenance	589	0	0	784	784
Medical and Prosthetic Research	0	1,017	1,017	1,088	71
Benefits Processing and Workflow (Knowledge Mgmt - Housing Development)	0	1,892	1,892	2,024	132
Loan Guaranty Application Maintenance	5,201	7,178	7,178	7,680	502
Benefits Support Service (Loan Guaranty Maintenance)	11,991	14,100	14,100	0	-14100
Benefits Support Service (Insurance Maintenance)	1,833	1,208	1,208	2,079	871
IT Support for HR&A	1,882	3,948	3,948	1,885	-2063
IT Support (Housing and Insurance)	0	0	0	4,037	4037
IT Support for Insurance	0	0	0	787	787

(Note Transformation Initiatives are in blue and italicized)

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