Strictly Speaking

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Secretary of Veterans Affairs
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Good morning, everyone. I've always wanted to be on the bridge of the Enterprise—not the one that bobs up and down in the Ocean, but the one that deals with Klingons.

You know, when I attended Star Fleet Academy, back when it was known as the Naval Academy, I spent a lot of time watching Star Trek and Captain James T. Kirk. It's possible that if I would have spent more time studying thermodynamics instead my class standing would have been higher. But I did learn some very, very important lessons watching Star Trek.

First: that humans, especially Congressional humans, are highly illogical.

Second: When you deal with the Office of Management and Budget, always make sure your phases are set on stun.

And third: Space truly isn't the final frontier—the Appropriations Committees are!

Ladies and Gentlemen it's a great honor and privilege to be with you, and I thank Bob Roswell for that kind introduction.

President Abraham Lincoln, my hero, influenced American history and America's character more profoundly than any other person who ever lived. When Lincoln was President, he often worshipped at The New York Avenue Presbyterian Church—just a short three blocks from Central Office. The President visited that church because he enjoyed the sermons of the pastor—a man named Dr. Phineas Gurley.

At one service, the President was accompanied by one of his aides. On the walk back to the White House—they walked then—Lincoln was asked how he liked the day's sermon. The President replied, "the content was excellent…it was delivered with eloquence…Dr. Gurley worked hard on his message…"

"Then you thought it was an excellent sermon?" the aide asked.
"No," President Lincoln answered.

"But, Mr. President, you said that the content was excellent, it was delivered with eloquence and it showed much work, " the aide said.

"That's true," the President said. "But Dr. Gurley forgot the most important ingredient. He forgot to ask us to do something great."

Every one of us in this room today, ladies and gentlemen, was personally asked by President Lincoln to do something great:

"With malice toward none; with charity for all; with firmness in the right, as God gives us to see the right, let us strive on to finish the work we are in; to bind up the nation's wounds; to care for him who shall have borne the battle, and for his widow, and his orphan—to do all which may achieve and cherish a just and lasting peace, among ourselves, and with all nations."

We in this generation have chosen to fulfill our sixteenth President's sacred promise, made in the name of all of our fellow citizens, to care for those who have borne the battle. Giving life to President Lincoln's vision for veterans means that we must be great at our work, not just good; That we must offer exceptional service to the men and women we are privileged to serve; And that those of us who accepted the responsibility to direct others in caring for America's veterans must demonstrate the extraordinary leadership abilities necessary to honor the service and sacrifices veterans made so that the rest of us might in freedom.

I know that President Lincoln would be very proud of your response to his historic call for greatness in accomplishing our sacred mission. Your dedication to duty, and willingness to go the extra mile on behalf of the men and women you dedicated your careers to serve, set you apart as some of our nation's most outstanding public servants. I have always believed that public service is one of the highest expressions of patriotism. There are few greater callings for Americans, short of donning the uniform of our armed services in defense of America.

Public service gives us an opportunity to make an impact on people's lives, and to make an impact on public policy to better our society, our world, and our future. I have been fortunate to see government from several different perspectives; from my years at VA and the Pentagon, in my years in the Navy, and from my work as a member of the Senate staff. I can tell you that VA's people and our mission are the finest and noblest in government.

Thanks to Dr. Roswell's strong leadership and that of his leadership team, in Central Office and throughout the nation, we are creating an outstanding health care system for the 21st century, and you should be very proud of that.
Bob is a great resource to me, and a great asset to our Department. We are all very fortunate to have him as Under Secretary.

In this generation, I believe that we are the captains of VA's fate, and we are the architects of VA's destiny. It is a responsibility we cannot relinquish; it is a chal-

lenge each of us, as leaders, should welcome. Why? Because we have it in our power to make a difference in people's lives.

As President Lincoln said: "Let us strive on to finish the work we are in." Let us ensure through our actions that the next generation of VHA leaders will know that on our watch we embraced change—not for the sake of change, but because we identified and implemented the changes that are critical to our mission and our future success; progress that will keep us on the leading edge of medicine in the 21st century, not the century gone by.

Let us assure those who follow us that we made the difficult decisions and took the necessary actions when it was our turn to stand up and be accountable for the stewardship of the superb institution bequeathed to us by our predecessors, and by the generosity of the American people;

Let us also assure tomorrow's leaders that we protected the magnificent legacy of service to veterans, their families, and America embodied in the Department of Veterans Affairs. And let us strive on to build a new generation of leaders who reflect the diversity and character of our great nation. Leaders who will propel VA to greatness in the 21st century.

I once read a magazine article asserting there are three variables every health care system must manage: quality, access, and cost.
The writer argued that a good health care system leader can keep any two of these three variables under control—but that no one can control all three.
By that definition, ladies and gentlemen, this is a room full of precedent-setting health care leaders—because we are simultaneously making historic improvements to quality, providing access to care for a record number of patients, and keeping the cost of our care under control.

Our reputation for world-class quality is hard won, and we must defend it at all costs. We must not rest until VHA is the standard of excellence by which all other health care organizations are measured. Thanks to your efforts, that goal is within reach. But we must also understand that quality health care requires constant vigilance at every level of our Department. We must hold to a steady course that allows for no deviation.

Recently, we learned that VA patients who suffer heart attacks have a higher mortality rate than Medicare patients. We did not discover this problem by accident. The media did not bring it to our attention. We discovered it through a study we commissioned ourselves. In my mind, one hallmark of any great organization is its willingness to measure itself against others.

We may have been disappointed with the study's findings, but we quickly took

bold and decisive action to put our cardiac care program squarely on the road to excellence, to safeguard the health of the veterans we serve, and to reinforce our reputation for highest quality care.

Prompt, decisive action to correct problems is the second hallmark of a great organization. We may have to take similar actions if future studies uncover other deficiencies in our care and I'm absolutely confident we shall do so. I am certain that by continuing these systematic reviews, and by confidently addressing the issues they raise, our entire system will be stronger—and our review process will serve as a model for the rest of the health care industry in this country.

Research is another pillar of our health care system's quality. I am very proud of the work of our life-changing research program, which has revolutionized the practice of medicine in VA, in America, and throughout the world. I am gratified to see VA at last—at last—receive the credit it rightfully deserves for the pathbreaking work of some of the finest researchers anywhere in this nation.

However, in recent years, aspects of our research program have struggled. Veterans have participated in research protocols without full knowledge of the meaning of their participation; others have had their health—even their lives—unnecessarily endangered by our research.

I am looking to you as leaders to understand and oversee the research programs at your facilities, to provide the strong leadership necessary to ensure that our veterans are safe in our hospitals, and to ensure that our researchers are accountable for the vast funding we entrust to them. Every veteran participating in a VA research project must fully understand the implications of his or her participation. Informed consent means exactly that.

As leaders, we have no higher responsibility than protecting the well-being of those who trust us to restore their health. Let us ensure that our research programs, like our other health care programs, are models of quality—and safety.
And I ask you to ensure that our research program must complement our primary mission of patient care. Research should focus on the medical care needs of the veterans who come to us in their weakest and most vulnerable moments.

Hundreds of millions of dollars of medical care appropriations are used to support our research program. And I support that support, but let us be mindful that tens of thousands of veterans have been denied access or face long waiting lists to see a physician and that is important as well. Access to care is the second variable every health care provider must address—and an issue of particular concern to our Department.

Today, we are experiencing what I call the "perfect storm"—a storm with

waves higher than any that could possibly be found off the Newfoundland coast.

A combination of eligibility reform, a generous prescription drug benefit, improved access to care through our community based outpatient clinics, vast improvements to our quality and customer service, exacerbated by an allocation model that incentives growth. The result of this confluence of forces has been a profound, staggering increase in the number of patients treated—from 2.9 million in 1996 to almost five million today.

I believe that most health care systems in this nation would have collapsed under the burden. VA did not.

I am very proud of our recent budget increases. They are unprecedented—even historic. The $30.2 billion in discretionary funding in our proposed budget for Fiscal Year 2004 represents the greatest percentage increase for any department in government. Since 2001, our budget has grown from $48 billion to soon to be $64 billion—a 33 percent increase, but I know it is not enough, and we need to continually fight for additional resources.

Our MCCF collection rate is steadily increasing, and I thank you in the business office and around the country for all you are doing to improve our MCCF collection rate, but it, too, is not enough. And unfortunately Congress has not shown any willingness to impose even the most moderate enrollment fees on veterans who can most afford to pay them and have no service-connected disabilities. The result—you know it better than I—has been waiting lists for care in many parts of our country.

For this reason I made the decision to suspend new enrollment for category eight veterans; to offer priority care to seriously disabled veterans, the veterans I believe VA was created to care for many, many years ago; and to fill prescriptions written by non-VA physicians for veterans who, on July 25, had been waiting more than 30 days for an appointment. With regard to my category 8 decision, the politically expedient option would have been to allow more veterans to enroll and just put them on waiting lists, but sometimes—as in this case—leadership calls for making the tough decisions, not the easy ones.

As the architects of VA's destiny in this generation, and for the next, we have the responsibility to make the difficult decisions—and to act on them. We also have an obligation to look beyond our immediate horizons. There is an old Indian fable about six blind men who were taken to "see" an elephant. Each one felt a different part of the beast, and thought that he understood the whole animal, when in fact he had only touched a small part.

Although you may only touch a part of our great system, I ask you to remem-

ber that we are indeed one, and the whole is greater than the sum of its parts. We are a great national system. I ask you to look at issues not only from the perspective of your network or facility but also from the perspective of your role as an integral part of our health care system. I also look to you, as leaders, to ensure that all VA employees, full time and part time, share our dedication and our commitment to exceptional service to the men and women it is our privilege to serve.

With hundreds of thousands of veterans on waiting lists, I look to you to insure that every employee, including part time physicians, serves veterans in the manner we expect and fulfills the responsibilities for which they are compensated; That your staffing ratios are appropriate for your facility; and that your contracts are let in the most cost effective and competitive way possible.
I ask for nothing more and our veterans and the American people who support our healthcare system deserve nothing less!

VHA is a magnificent tapestry of individuals—physicians, nurses, administrators, researchers, and others joined in a sacred bond of service to veterans—and we must always be mindful that one loose thread can cause the entire fabric to unravel. I need you to lead and inspire all the men and women with whom you work to achieve new heights of dedication and new heights of accomplishment.

As leaders, however, we must do more than just lead: we must work together to aggressively manage the resources entrusted to us. We must balance our inpatient and outpatient workloads. We must safeguard our system, and pass on to our successors a better VHA than the one we inherited.

You all know that in 1999, GAO testified that VA could avoid $1 million a day in unnecessary costs by identifying and making better use of underused or vacant space. I don't know if the $1 million a day is accurate but I know there's a certain amount that we are spending that we don't need to. $1 million a day, or whatever figure, that could be better spent providing veterans with additional health care services.

CARES is the path we chose to find those savings and transform them—and I think that's important, to transform them—into the resources we need for 21st century healthcare. VA's health care system is the finest anywhere, and I would hold it up to anyone, but its foundation does have serious cracks. I know how difficult it is to change a hospital's mission or to consolidate facilities, but I believe that we will fail in our mission, and we will fail our veterans, if we do not take the necessary steps to rationalize our infrastructure to the revolutionary advances in 21st century medicine and the demographics of our veteran population.

Finally, the third variable every health care system must attempt to manage is the ability to control its costs. I am proud that together, we are demonstrating to this

government and the American people that we can manage our cost of doing business. I am grateful to you for the progress you have made in managing our Department more efficiently and effectively. I am particularly proud of VA's pharmacy management benefits program, which I often cite as a model for the nation and for Medicare reform.

Clinicians, pharmacists, procurement specialists and managers working together created a program providing veterans with pharmacy services with no equal anywhere in this country in terms of quality, consistency and cost effectiveness. Just last month, I was gratified to see in USA Today that we are controlling drug costs in ways unequalled in private or public health care in the United States—by leveraging our purchasing power. But we need to take our ability to achieve economies of scale in pharmacy benefits and replicate it across the entire system in everything we do and buy, and in all the services that we perform.

Our Procurement Reform Task Force provided recommendations to improve all aspects of our procurement processes. The Task Force's sixty-five recommendations included leveraging our purchasing power in medical-surgical supplies and hi-tech equipment—through standardization, large volume procurements, developing a comprehensive database to track what we buy and from whom, and improving our organizational effectiveness, our program managers, and our procurement management systems. By making these changes, I believe that we can reduce prices and administrative costs, make more effective purchasing decisions, and generally improve our overall procurement performance—and we can achieve significant savings that will expand both the reach of our health care services, and the impact of the resources entrusted to serve America's veterans.

Ladies and gentlemen, the Veterans Health Administration does great things for great people. By almost every measure, today's VA is head and shoulders above private and other government health care providers in our ability to offer world-class health care at a reasonable cost. Our success is due to visionary planning and strong management, the dedication and commitment of Dr. Roswell and VHA's 180,000 employees, our partnership with our affiliated medical schools—and it is also due, in no small part, to you and your leadership skills and your commitment to VA.

In closing, let me tell you about a recent visit I made to Bethesda Naval Hospital and Walter Reed Army Hospital to visit some of the young soldiers and marines who were wounded in Iraq and recently returned home. While at Bethesda, I went into a room and saw a young marine who was lying alone with no family around. So I went over to spend a little time with him, to try to comfort him as best I could. He was very badly wounded at the battle of Nasiriya, and he couldn't talk very well. A young corporal, eighteen years old—I tried to spend as much time with him as I

could. And as I was leaving his bedside I gave him a book, and I said to him I'd like you to read this book when you're better, because you've earned every benefit that's in it. And he nodded and smiled, and said that he would.

Then I went on to the next Marine in his room and his parents were with him, and they were grieving because he was pretty badly wounded as well. And I talked with them a little bit, thanked them, and thanked the Marine for everything he had done for America, and all he sacrificed. And then as I was getting ready to leave thee room, I noticed that the first young Corporal had managed to pick up the book and was reading it. And I wanted to go over and tell him how happy I was to see that he was taking my advice. He couldn't speak very well, but he pointed to a provision in the book and he said, "That's all I want." And I looked at the book and the words he pointed to, and it was the provision that would allow him to become a United States citizen.

It's pretty hard not to get emotional about that, or not to well up, as I did. I assured him that would happen at some point, and again, I thanked him for serving and wished him well.

Well, the rest of my day at Bethesda I was distracted by that young Marine, and how all he wanted was to become a citizen of the United States. And I thought to myself how very blessed America is to have young men and women in its service who were born and raised in every community in this country and those who come to our shores from distant lands who are willing to sacrifice their lives for the right to be called American citizens. And I thought and reflected how fortunate we are as VA employees to serve such magnificent—truly magnificent—men and women like these, to aid in their transition to civilian life, and if they're wounded or become ill like this young marine, to do everything in our power to make them whole again.

That wounded Marine may someday, maybe even on this day, be treated for his wounds at one of our medical centers. The Marine in the hospital bed next to him may receive physical therapy at one of our clinics. They both have a buddy who may come back and enroll in college on the Montgomery GI Bill. And someone in this unit—and regrettably every day we learn of more casualties—will lie buried in one of our National Cemeteries.

Our broad shoulders bear the profound responsibility, and the opportunity, to transform the words of countless Veterans Day speeches into the benefits and services these men and women earned while in our service. There is a very happy ending to the story of the young Marine who only wanted to be a citizen. I talked to the President. He became somewhat emotional, and two days later went out to Bethesda, and with tears in his eyes, swore him in as a United States citizen. So the system does work, sometimes.

The great American poet Robert Frost wrote:

“The woods are lovely, dark and deep.
But I have promises to keep.
And miles to go before I sleep.
And miles to go before I sleep.”

As leaders in this wonderful Department, we too have promises to keep—and we still have many miles to go before we sleep, before we have satisfied our nation’s debt to these men and women. Our success in creating, and maintaining, the world’s best health care organization confirms to me that you, too, see the road ahead, and that you are committed to honoring the promises we are entrusted to keep.

Thank you, from the bottom of my heart, for your daily contributions to success in our mission of service to veterans. And thank you for boldly daring to go where no health care organization has gone before—along a path of excellence in providing increased access to comprehensive, highest-quality, cost-effective, health care.

May God bless the United States and the men and women who defend Her.

Hon. Anthony J. Principi
Secretary of Veterans Affairs
National Young Leaders Conference
Washington, DC
July 2, 2003

Good morning, everyone.

Thank you for that kind introduction. Thank you all for that warm reception. It is a pleasure to be with you this afternoon.

The National Young Leaders Conference is a wellspring of inspiration for tomorrow's leaders. Each one of you is setting out on a journey that begins with a quiet purity of purpose that follows an ever-broader course toward a noble destiny. You are America's greatest assets: you are citizens of character, value, and integrity – and your initiative and resourcefulness are essential to our Nation's future success.

Through NYLC sessions in Washington, and through your day-to-day roles as leaders in school government and as outstanding citizens in your communities, you are taking a time-honored journey toward a very rewarding future for all Americans. I embrace the concept that public service is one of the highest expressions of patriotism. There are few greater callings for Americans short of donning the uniform in defense of freedom.

Public service gives us an opportunity to make an impact on people's lives, to make an impact on public policy for the betterment of our society, our world, and our future. As much as NYLC encourages your aspirations for government leadership, the key word is <u>leadership</u> – and it is not exclusively government's domain. Leadership is needed in every sector of our society.

* We need leaders of vision:
* Leaders of principle;
* Leaders of moral courage who remain steadfast to their principles despite unfair criticism;
* Leaders willing to make the difficult decisions – not the politically expedient ones;
* Leaders with compassion who understand that compassion is not just about how much money we spend, but the results we achieve…the lives we impact;
* Leaders of high ethical standards;
* Leaders who respect others both up and down the line;

* And, most importantly, we need leaders who hold themselves accountable…responsibility and accountability are inextricably interwoven.

Some of you may aspire to the challenges of political office or public service. The person sitting next to you may seek to alleviate homelessness. Both goals will require leadership. Perhaps the person sitting behind or in front of you will apply the leadership lessons they take from this week's NYLC program to lead the fight against illiteracy.

Leaders are needed to overcome the mysteries of mental illnesses – and to plumb the depths of the human genome to solve the riddles of cancer. And we must have strong leadership in our schools if we are to prepare the generations following you to carry on your legacy. These are noble causes in need of credible, compelling, and compassionate leadership.

It is my privilege to lead the 223,000 men and women of the Department of Veterans Affairs – the Cabinet department charged with implementing President Lincoln's Civil War mandate to America: **"…to care for him who shall have borne the battle, and for his widow, and his orphan."**

Just who is a veteran?

They are men and women who, for many reasons, donned the uniform of our country to stand between freedom and tyranny; to take up the sword of justice in defense of the liberties we hold dear; to preserve peace and to calm the winds of war. Your mothers and fathers, your grandparents, your aunts and uncles, your neighbors, the shop owners in your community, your teachers, your favorite athlete, a Hollywood star, and your political leaders... each one could be a veteran.

But as much as they may differ by gender, race, age, national origin, or profession, they share a common love for our great nation; a love great enough to put their very lives on the line, if need be, to guarantee the way of life we enjoy today, and to secure that way of life for tomorrow's generations. The title "veteran" must be earned. It is a title endowed by a grateful nation on citizens whose shoulders were broad enough to carry the weight of our common defense.

It is a title that speaks of courage and sacrifice in the face of mortal danger.

It is a title that speaks of compassion and heartbreak in the wake of the terrible cost of war.

And it is a title that speaks of love of country, and of a belief in America's goodness, and our strength.

In each of America's struggles, heroes in uniform emerged to inspire and spur us on to victory. Our veterans' steadfast resolve to stand and fight for the American way of life is a constant reminder that the righteousness of our destiny overarches the anguish of our losses.

America's servicemen and women, who became our nation's veterans when they set their uniforms aside and resumed their civilian lives, distinguished themselves through their willingness to risk life and limb in defense of the freedoms we all cherish.

I am honored and privileged to lead the Cabinet Department that was charged by Abraham Lincoln to redeem our Nation's debt to liberty's defenders. Those who have served our nation in uniform are the best people our society has to offer. We owe them our full support, and our sincerest thanks.

America's veterans did not shrink from battle; they did not yield to fear; they did not abandon their cause. All too often they paid the ultimate price.

By their example of courage under fire, they raised up a new nation, inspired by the dignity of the common man — a nation blessed with heroes and heroes' dreams. That is leadership of the highest quality. That is America's leadership legacy

As a nation, America has dedicated itself to principles that engender loyalty and devotion, not oppression and fear—the inalienable rights of every citizen to life, liberty, and the pursuit of happiness. And when our friends and allies around the world seek our help to tear down walls of oppression and uproot the weeds of tyranny, we do not hesitate to answer those calls.

When President Bush committed American soldiers, sailors, airmen, Marines, and Coastguardsmen to the perilous mission to free Iraq from a power-hungry regime, he showed the world what leadership is all about.
The President took on an alchemist of evil ruthless enough to concoct and use weapons of mass destruction on his own people. Such terror must not be permitted to run free in a peace-loving world, and President Bush stood up to the winds of dissent to put an end to such a terrible tyrant's assault on humanity.

That's what leadership is all about: Standing resolute for what you believe in and inspiring others to stand with you in a noble cause. I know you all remember the morning of September 11 – you will never forget where you were or what your thoughts were on that terrible morning. We all wondered what it meant – America was under attack and we didn't know where the next blow – if there were a next blow – would come from.

Leaders of every color, creed, religion, and nationality stood tall that morning…and in the days that followed.

Firefighters who faced certain death led hundreds of men and women to safety; police officers placed themselves in mortal peril during the evacuation of the twin towers; Defense Department personnel at the Pentagon raced into the flames to rescue friends and colleagues; and passengers on Flight 93 offered up the ultimate sacrifice – their lives – to end the terrorists' evil plans.

In every case – we saw leadership of the highest order that morning; leadership that did not need a command to take charge; leadership that rose to the challenge with no thought of self…and every thought for others. Teenagers and retirees working side-by-side to comfort the injured and support the rescuers. That day, the world witnessed the best of humanity wresting dignity and hope from inhumanity's treacherous plans. President Bush has pledged his leadership to redeem those brave Americans sacrifices.

Last year, the President said, **"America will do what is necessary to ensure our nation's security.**

Our war on terror is well begun, but it is only begun. This campaign may not be finished on our watch — yet it must be and it will be waged on our watch.

In a single instant, we realized that this will be a decisive decade in the history of liberty, that we've been called to a unique role in human events. Rarely has the world faced a choice more clear or consequential.

Our enemies embrace tyranny and death as a cause and a creed. We stand for a different choice, made long ago, on the day of our founding. We affirm it again today. We choose freedom and the dignity of every life.
Steadfast in our purpose, we now press on.

We have known freedom's price. We have shown freedom's power. And in this great conflict, my fellow Americans, we will see freedom's victory." Today, we are once again involved in a mighty endeavor to preserve our republic and our civilization.

When Americans put their mind to accomplishing a task, no force on Earth is stronger. We will eliminate the threat terrorism poses to our society and to the world — just as we eliminated the threat of fascism nearly sixty years ago and the threat of communist-instigated nuclear war forty years ago.

It will be the men and women now on active duty in the Armed Forces of the United States – heirs to the legacy of valor and commitment created by those who

stormed the beaches at Normandy and by all who have earned the honored title of veteran – who transform our President's words into actions, and results.

In due course, it will be your turn to take up the flame of democracy and, in whatever course the stream of your life takes you, lift that torch above a troubled world, to illuminate the darkness and fill every corner of hopelessness with the light of freedom and justice.

In 1961, President John Kennedy spoke to the issue of leadership, and asked America's future leaders to consider four questions that are as crucial to you today as they were for my generation of high school students four decades ago. Kennedy said,

" For of those to whom much is given, much is required. And when at some future date the high court of history sits in judgment on each of us, recording whether in our brief span of service we fulfilled our responsibilities to the state, our success or failure, in whatever office we hold, will be measured by the answers to four questions: First, were we truly men of courage... Second, were we truly men of judgment... Third, were we truly men of integrity...Finally, were we truly men of dedication?"

Your journey of leadership has already begun…from the headwaters of your own destinies you are setting forth down a great and noble river of service to community, service to country and service to your fellow man.

The National Young Leaders Conference is providing you with the opportunity and skills you will need to answer President Kennedy's enduring challenge. I'm confident, that as tomorrow's leaders, your courage, judgment, integrity, and dedication will see America prosper as a nation and as a partner in the global community.

You have it in your power to lift humanity to a new level, toward a brighter light, and into a better future. Your shoulders have become broader thanks to the National Young Leaders Conference.

Your shoulders will become wider still as you take on new challenges in education, as you bear the new responsibilities of citizenship in this great country, and as you open your hearts and minds in the service of the world.

Oliver Wendell Holmes Sr., said**, "I find the great thing in this world is not so much where we stand, as in what direction we are moving. To reach the port of heaven, we must sail sometimes with the wind, and sometimes against it—but we must sail, and not drift, nor lie at anchor."**

I commend the National Young Leaders Conference for its outstanding service to America's student leaders, and I commend each one of you for your success in school and in your communities. I urge you to continue to pursue knowledge and understanding. Do not lie at anchor. Unfurl your sails and take to the wind. The world is waiting for you.

God bless our great country and the men and women who defend her.

Hon. Leo S. Mackay, Jr., Ph.D.
Deputy Secretary of Veterans Affairs
National Association of State Directors of Veterans Affairs
Mid-Winter Conference
Arlington, Virginia
March 19, 2003

President (Ray) Boland; members of the National Association of State Directors of Veterans Affairs; my fellow veterans; ladies and gentlemen—good afternoon, everyone.

I am very pleased to be here to share some thoughts on issues that are important to you … to VA … and, most important, to America's veterans.

Since coming to VA as chief operating officer, I've been very impressed with what I have learned about the relationships and the programs in place under the umbrella of our joint efforts. As I say this, I am thinking particularly about the state homes program and the state cemeteries program, which make it possible to provide services to so many more veterans … and the families of veterans … than would otherwise be possible for VA alone.

Your organizations and mine are exactly alike. As far as agendas go, we have only one— to take care of veterans, all veterans, wherever they may be.
While most people probably know VA's role in Government, they may not be as familiar with the fact that you also represent the entire spectrum of veterans and veterans programs. I think that's an important point to make. And I intend to make use of every opportunity to reinforce that alliance.

We all benefit from the synergy that evolves from our relationship. The fact of the matter is that our partnership functions as a force for achievement and for progress.

Sixty years ago at Harvard University, Prime Minister Winston Churchill delivered his great clarion call for Anglo-American unity in the face of tyranny and aggression. Churchill told America that, *"The price of greatness is responsibility."*

Responsibility to rise above what he termed, *'a mediocre station'* …

Responsibility to take on the *"struggle"* …

Responsibility to reject the tendency to be *"absorbed* [only] *in* [our] *own affairs."*

America, of course, rose to the challenge and took on the responsibility of greatness. However, his words strike a resonant cord in terms of unity among your State organizations and the Department of Veterans Affairs.

Because today VA is at the vortex of tremendous transition. A transition demanded by new times … new technologies … new demographic realities … and by veterans who are entitled to the best possible care we can provide.

The State of VA Health Care as you here well know, VA is adapting to fit these new parameters. VA is evolving across most of its vast network of programs and services. But no-where more so than in its changing health care system.

VA has established itself as a leader in the Nation's health care industry. Since 1995, it has taken on the responsibility to position itself as a force in health care delivery. One that, today, leads private and other Government health care providers across almost every measure … In research … medical education … patient safety … computerized records … telemedicine … and in special services like blind rehabilitation, severe psychological conditions, prosthetics, and spinal cord injury.

Within the medical community, there is ample testament through awards and citations to the change in VA— the care we deliver … the way we manage that care … and the way in which it is perceived. In fact, our 4.6 million patients are VA's most fervent supporters. I need not tell you, however, that problems remain. We are working hard to resolve them.

On balance, VA operates a *great* health care system and the price of that *greatness*, as Churchill maintained, is *responsibility*.

Responsibility to do what needs to be done to further our ability to deliver effective … efficient … and quality care to each and every veteran who enters our more than 1,300 health facilities across the Nation. A decade ago, it would not have been unfair to say that VA's buildings defined VA health care. We operated a hospital-centered health care system that we had inherited.

Congress had given us eligibility criteria favoring inpatient hospital care, which in turn, spawned rules allowing the availability of beds to serve as a *gatekeeper* for access. We've come a long way since then.

Congress reformed eligibility criteria and VA severed the equation of health care with hospital care. Even more important, though, resource allocation is now based on veterans rather than on facilities.

VA has made quality of care more than just a slogan and has embarked on a journey to patient-centered health care. We have established objective measures of quality … defined metrics … collected and analyzed data … and acted responsibly on what we've found.

Now, we must strive to meet new challenges spawned by time and technology. It is incumbent on us to do two things.

First, to position ourselves for tomorrow, we must plan and prepare today.

Second, in preparing today, we must institute the right means by which to meet the demands of tomorrow.

Our *CARES* initiative does that.

Capital Asset Realignment for Enhanced Services is the bedrock on which VA can provide veterans the *right care* … at the *right place* … at the *right time*.
It addresses veterans' needs in a systematic manner on a system-wide basis.
Most certainly, veterans would not be well-served if we were to maintain the status quo …That is, an infrastructure designed to care for World War II-era veterans, at locations where they lived in the distant past. Rather, we must undertake the responsibility of implementing a system that can meet the changing needs and locations of today … and tomorrow's veterans.

The tremendous medical and operational strides we have made over the past decade demand nothing less. VA must continue to be on the leading edge of health care delivery – to include infrastructure – or be relegated to the past.
Our Nation has very rapidly transitioned health care delivery from hospitals to ambulatory care clinics and, now again, to the trend towards in-home care.

Through *CARES,* the Secretary and I have chosen to lead VA on the road to the future and not languish among the outmoded practices of a century gone by.
Consider this. VA has 4,800 buildings totaling 140 million square feet on over 15,500 acres of property. The average age of this inventory is more than 50 years and approximately 30% of these facilities are on – or eligible for – the National Historic Register. Eight hundred are located within various seismic risk zones.
Slightly less than 10 million square feet is considered *'vacant.'*
Added to that is the fact that almost 800 leases provide another 5.4 million square feet of space that VA does not use.

Not long ago, the General Accounting Office gave testimony to Congress that VA spends $1 million every day on buildings we do not need to provide 21st century care to 21st century veterans. To my mind, that is not responsible stewardship of taxpayer dollars. That is not an investment in a great medical system. I would

instead prefer to commit the dollars now allocated to poorly located facilities – or those designed for obsolete medicine – to cutting edge veterans health care.

I am certain that each and every one of you can tell me about a VA health care facility in your state that houses one, two, or three empty floors … and a crowded, overflowing waiting room.

That is exactly why the *CARES* process was initiated. Maintaining inpatient capacity rendered obsolete by the changing practice of medicine is irresponsible when veterans need additional capacity for ambulatory care.
It is exactly these kinds of resource mismatches that *CARES* will identify … and for which I expect the *CARES* process to propose solutions. I say this because *CARES* implementation is based on a construct whose hallmarks are performance … accountability … and quantifiable outcomes.

Simply put, *CARES* means restructuring for results. Results measured by greater access to care … greater levels of care for veterans … and a right-sized infrastructure that will serve them well. VA's first challenge is to adapt to the shifting health care environment that is governed by new technologies and new treatment philosophies. Second, VA must re-tool an outmoded operating framework. And, third, VA needs to meet new veteran demands as seen in migrating population concentrations … and an aging population that exhibits increasingly specialized and long-term medical needs.

Our template is to leverage our many assets and resources … and to channel the energy of partners and stakeholders, like you …So that together, we can dispense effective, efficient, and quality health care to America's veterans. *CARES* is the matrix for organizational responsibility. And it is the blueprint for continued health care greatness.

As you may know, I was heavily invested in what happened in North Chicago and Phase I of this initiative.

I consider its implementation to be among my proudest moments as Chief Operating Officer of this Department. It was hard and difficult work, but we got a good result … and we learned a lot.

At this point in time, we have completed three of the nine-phases of the *CARES'* process. We have produced a thorough analysis and projection of the veterans' population – and its health care needs – for the next two decades. From that projection, we have identified planning initiatives – or critical *gaps* – between current supply and future demand.

Basically, what we have just done is conduct a thorough *needs assessment.*

We looked at such factors as workload … facility location … access … space … and health care needs. We targeted opportunities to collaborate with the Department of Defense, university affiliates, local communities, and our broad range of stakeholders. Our goal is to draw active, regular, and constructive input to the process from every corner … at every level, from national to local.

Since December, VA's 21 health care networks have been focusing on resolving the needs to fill the *gaps* identified by the planning initiatives. Their proposed solutions, called *market plans,* are due this April. This will complete Phase IV of the *CARES* process. From there, regional network plans will be integrated into a draft *National CARES Plan,* which will be scrubbed by VA clinical leaders and by an independent *CARES Commission.*

The recently appointed Commission – composed of distinguished individuals with expertise in various aspects of health care and delivery – will play a critical role in assessing proposed *CARES* initiatives. I am very happy to recognize a Commission member here today— Ray Boland, president of this Association and member of the *CARES* panel. Thank you, Ray, for your continuing service in the interests of America's veterans. I look forward to working with you.

Over the summer, the Commission will be holding a series of public hearings and collecting a wide range of input from veterans and other stakeholders. It will then submit its findings and recommendations to the Secretary, who will announce his decisions in the fall of this year.

While any discussion involving our facilities is fraught with political landmines, we can no longer postpone the pressing need to bring our infrastructure into the 21st century. And there is absolutely no question that we can improve the quality of VA care even further if we can shape our operational framework to the needs of 21st century medicine.

Let me say this. *CARES* is not about *bricks and mortar.* It is not about reductions in service. And, most certainly, it is not about process for the sake of reinventing process. *CARES* is about veterans … *CARES* is about optimal health care. *CARES* is the responsibility we must assume if we are to maintain the greatness that is the hard-earned legacy of VA health care.

I firmly believe in the universal, enduring truth of Sir Winston Churchill's words … *"The price of greatness IS responsibility."* Those six words have stood the test of time for six decades. To my mind, they stand as a guide-star for our actions. Churchill's speech also contains words that bring to mind the special relationship shared by this association and the Department of Veterans Affairs. In urging unity of purpose, he said, *"If we are together, nothing is impossible."*

CARES is an essential undertaking in the interest of America's veterans.

It demands and deserves the support of all stakeholders— veterans … VA employees … Congress … union officials … VSOs … community leaders … and organizations such as the National Association of State Directors of Veterans Affairs.

I would like to thank each of you for what you have done … For what you continue to do … and for what you will do in the future on behalf of this critical initiative.

In closing, let me once more turn to England's war-time prime minister and encourage that we covenant together to further our support of America's veterans through *CARES*.

In Churchill's words, *"Let us* [together] *rise to the full level of our duty and of our opportunity …"*

Thank you ladies and gentlemen.

Hon. Leo S. Mackay, Jr., Ph.D.
Deputy Secretary of Veterans Affairs
Energy Industry Forum
VA Energy Conservation Program Roll-out
June 17, 2003

Thank you, Bill (Campbell, Asst Sec for Management), for your kind introduction. And thank you all for your warm reception.

Welcome, everyone, to our *Industry Forum* and VA's rollout of its energy conservation program*!*

I don't have to tell you that **energy** is one issue on everyone's mind this summer. Vacationers face rising prices at the pump. Californians look to the threat of rolling black-outs. And we all anticipate the shock of that next gas or electricity bill.

Energy is on our minds at VA, too.

Today's modern hospitals depend on lots of energy to power the facilities and state-of-the-art equipment demanded by quality health care. VA operates more than 160 medical centers and 800 outpatient clinics. In all, we manage 1300 health care sites across the Nation. Our power consumption is growing. And our energy bills are climbing along with everyone else's. Like most Americans, we operate on a fixed budget … one appropriated each year by Congress. And like most Americans, we know what happens when you are on a fixed income and expenses rise … you cut back. You do with less …
OR, you find new ways of doing things that save money … or even generate income. And **that's** what VA is doing—putting in place a plan that confronts our energy challenge head-on. We are moving forward to build on the Administration's energy blueprint for America.

The president has proposed a comprehensive approach to our growing energy needs … One that focuses first and foremost on conservation—to kick-start it where it has slowed … and restart it where it has failed. As President Bush has said—

"Conservation does not mean doing without. Thanks to technology, it means doing [things] *better … smarter … and cheaper."*

At VA, we have taken those words to heart. We are actively pursuing ways to improve efficiency and conservation in our facilities. We hold for ourselves the goal of being recognized as good stewards of the environment.

Toward that end, we are seeking out and installing energy and water conservation systems that will pay for themselves in energy savings.

We are installing energy upgrades … retooling and updating our infrastructure … and diversifying our energy supplies by investing in, and using technologies that will bring new, renewable power sources on line. We are relighting our hospitals … installing computerized power and energy control systems … and, in some places, even selling excess power back to local utilities. Under our new energy conservation program, we are consolidating energy initiatives under the umbrella of our Office of Asset Enterprise Management. For the first time, our department will have a systematic, agency-wide approach to energy conservation. Primarily, this approach will promote **efficiency** as we refit VA's 1950 energy infrastructure with a new, high-tech delivery network ready to meet VA's needs in 2050.

This program stands for **efficiency**—In our building design and operations; in our energy consumption; in our water conservation; and In the use of new advances made in energy conservation technologies. We have laid out an ambitious timetable for ourselves. We expect to close in on our energy goals within the next 5 to 7 years. That includes reducing *greenhouse* gas emissions by 30% … Lowering energy consumption per square foot by 35% … Cutting petroleum use, and expanding the use of renewable energy sources… As well as instituting water management plans in at least 80% of our facilities.

The bottom line to our efforts is summed up in one word— **veterans**. Veterans are VA's business, not energy. My department exists for one and only one reason— to fulfill President Lincoln's Civil War mandate to America: *care for him who shall have borne the battle.* But like all other Americans, we cannot do our job – or do it well – without a dependable, predictably priced energy supply.
We cannot provide the highest quality service and care to veterans if our budget is constantly eroded by rising and unwieldy energy costs.

We must do more than just spend our limited dollars wisely. We must take meaningful steps to secure VA's energy future. We are keenly aware that every dollar we save in energy costs, is a dollar we can redirect toward enhanced care and service to America's veterans.

Abundant natural resources, unrivaled technology, and unlimited human creativity will be our tools in this venture. With the forward-looking leadership and energy policies of the president, VA intends to work aggressively to meet its energy demands … promote conservation … And do so in an environmentally responsible way that *sets the bar* for the Federal Government.

America and America's veterans deserve no less.

Robert H. Roswell, M.D.
Under Secretary for Health
Department of Veterans Affairs
National Association of State Directors of Veterans Affairs
Washington, DC
September 15, 2003

Mr. Strickland (President), Mr. Boland (Outgoing President), and distinguished guests, I am pleased to be here today to share with you my vision for the future of healthcare in the VA. It's an honor to be with you today.

In my position as Under Secretary for Health, I serve many roles. However, I want to talk about the role that we both share and that is the role of *advocate for veterans*. I learned the meaning of advocacy the hard way – working many years, day in and day out – providing medical care to individual veterans, and translating VA policy and the law into the tangible things of real life — like shelter for a homeless veteran, health care for the service connected, and mental health assistance for combat veterans with PTSD.

We share this common bond as advocates for a very special group of veterans and we share a common vision: providing quality services to those who served in the military. I appreciate the opportunity to talk with you today about our shared commitment to our Nation's veterans.

The VA health care system has come a long way in its more than half-century, with the most crucial part of its journey to success taking place since 1995. It is a new VA, substantially different, profoundly better … a recognized leader in providing quality health care, conducting medical research and in training health care professionals for the Nation. The *transformation* of the VA health care system is indeed landmark. In almost every measure it leads private and other government health care providers. This was achieved in the face of significant financial challenge, and hard budget decisions. That speaks to visionary planning and strong management, and it speaks to the dedication and commitment of the Veterans Health Administration's 180,000 health care employees.

VA has come to lead the health care industry, not only in the areas of specialized care for which it is so well known, but also in many other important areas like patient safety, health promotion and disease prevention, computerized patient records, telemedicine, and clinical and health services research.
VA decentralized management of its health care system with the establishment of 22 - now 21 – Veterans Integrated Service Networks, or VISNs, that are charged with managing the daily operations and decision-making affecting the hospitals, clinics, nursing homes, and counseling centers within their respective regions.

VA now has nearly 1,300 sites of care and provides health care services at locations much closer to where our patients live.

Eighty-seven percent of VA's patient population now lives within 30 minutes of a VA medical facility.

We have reduced the cost of care per veteran by 26 percent, not by cutting corners, but by delivering care more efficiently and more effectively. VHA has sustained an 11 percent decrease in employees, yet taken care of 60 percent more veterans.

Why is VA care finally gaining recognition? What has put it at the forefront in many specialties and in innovation? How did it improve?

Information technology is at the heart of most changes in VA health care. VA uses technology to more readily and accurately process clinical and administrative information, to automate processes that were done manually, to deliver care across distances, to train staff, and to improve quality and reduce errors.

Examples of the use of technology include the computerized patient record with diagnostic images, a cost accounting and analysis system, consolidated mail-out pharmacy, simulated patient training in surgery and anesthesia, satellite broadcast of continuing medical education, gamma-knife radiation therapy, advanced neuro-imaging, bar-coding to aid in the accuracy of medication administration, and telemedicine. The bar code administration program won the 2002 Pinnacle Award, a top honor by the American Pharmaceutical Association Foundation.

The second dynamic that has changed VA care, and subsequently its patient satisfaction scores, is access. VA has moved from an inpatient model of care characterized by a limited number of specialized facilities often far from a veteran's home, to an outpatient model with more than 1,300 sites in veterans' communities across the United States. The CARES process, which I will discuss in a minute, also identifies ways to improve access.

Once mostly a hospital setting where illness was treated in its latter stages, VA health care is now a system focused on prevention of disease, early detection, health promotion and easier access. VA is conducting more than 350,000 consultations annually via telemedicine. Telemedicine has made care more accessible for rural, disabled and elderly patients. Telemedicine initiatives are being utilized for radiology, pathology, dermatology, psychiatry, and home-care teleconsultation for spinal cord injury patients.

VA has also made improvements in its management structure. An October 2002 report published by the U.S. Institute of Medicine (IOM) entitled Leadership by

Example, lauded VA's use of performance measures to improve quality in clinical disciplines and in ambulatory, hospital and long-term care. The IOM report also cited VA's National Surgical Quality Improvement Program (NSQIP), which uses performance measurements, reports, self-assessment tools, and site visits and best practices. From 1991, when the NSQIP data were first collected, to 2000, the impact on the outcomes of major surgeries was dramatic: 30-day post-operative deaths decreased by 27 percent.

Recent findings show that veterans using VA health care facilities are receiving comparable and often higher quality care than their private sector counterparts. To achieve these results the best scientific "evidence" for optimal care outcomes is delivered to physicians and other health care providers in the system in the form of clinical practice guidelines. The recommended care processes and outcomes, such as checking and managing cholesterol in patients with diabetes, are monitored through VA's performance measurement system. Performance information is fed back to clinicians and managers for continuous improvement.

With the transformation to a primary care delivery model and by employing new models of care coordination and delivery, veterans have gained access to an integrated health care system focused on addressing their health care needs before hospitalization becomes necessary. Every VA patient now has access to a primary care provider or team. Eighty percent of VA patients report appointments are scheduled at a time that is convenient to them. In addition VA has computerized mail-out pharmacy services that ensure the timely and efficient delivery of drugs to patients.

Also VA's National Center for Patient Safety (NCPS) received the John E. Eisenberg Award in Patient Safety for System Innovation this past year and the 2001 Innovations in American Government Award. The rest of the medical community now looks to VA for innovations in reducing medical adverse events. Australia, Japan, Denmark, the United Kingdom and other countries have adopted strategies and portions of the VA patient safety program. In addition, JCAHO patient safety goals have been significantly influenced by the work of VA.

VA has long been known for its accomplishments in spinal cord injury treatment and research, prosthetics, blind rehabilitation and combat-related wounds, but less well known is the VA's emphasis on, and contributions to, the understanding of mental illness and mental health. VA provides a full continuum of mental health care from inpatient care to residential care to outpatient clinics. In FY 2002 VA treated nearly 767,000 veterans in a comprehensive array of mental health programs. This represents a 6.8 percent increase from the prior year.

As you know VA's mission includes research and education in addition to direct health care. VA's research program is specifically directed toward ensuring

that the best science reliably informs our patient care, and that our research portfolio increasingly focuses on the clinical and health services research that specifically addresses the needs of veterans. Widely recognized as a leader in such research areas as aging, women's health, AIDS, post-traumatic stress disorder, and other mental health issues we realize that VA must continue its quest to become the best provider of health care to America's veterans.

Our partnership with 107 medical schools and 1,500 other health professional training programs ensures that we bring quality medical care to veterans, and state-of-the-art training to thousands of health care professionals. Sixty percent of all health professionals, and 70 percent of physicians experience some portion of their training in VA.

Our fourth mission is to support DoD in times of national disaster. However in addition to that direct support, which we provided on September 11th and numerous other lesser occasions, VA and the DoD can benefit from continued collaboration. For over a year now, top leadership in DoD and VA have served on a Joint Executive Council that has developed an overarching shared vision for the future and has begun to implement changes. We expect continued results as we coordinate the delivery systems beyond that experienced in the past.

As a result of this transformation VA health care does not simply meet community standards of quality — in many areas it surpasses government targets and private sector performance. VA health care performance data are compared, where possible, with similar data from other health care organizations. For 16 of the 18 indicators where comparable data are available, VA outcomes exceed best-reported performance, including use of beta-blockers after a heart attack, breast and cervical cancer screening, cholesterol screening, immunizations, tobacco screening and counseling, and multiple aspects of diabetes care. For the two remaining indicators VA and private sector health care scores were nearly identical.

Where external data are not yet available VA compares its current findings to prior performance. Examples of improvement within the VA health care system between 2000 and 2001, where comparable external data are not available, include: Screening for problem alcohol use (74%, up from 66%), educating patients about prostate cancer (83%, up from 71%), and screening patients for depression (81%, up from 70%). Tobacco use screening is 96% and tobacco cessation counseling 93%.

These improvements don't just look good on paper, they save lives, reduce hospitalizations, preserve function, lower costs, and satisfy patients.
VA led the way in establishing pain as a fifth vital sign. Two years after VA made pain assessment mandatory and pioneered pain assessment scales, the Joint Com-

mission on Accreditation of Healthcare Organizations released new pain management standards.

As VA improves technologies such as computerization, advances accountability through measurement, and develops delivery models that better address patient needs, we improve health care for the country. Veterans, surveys and studies clearly indicate that VA is moving in the right direction.

While transforming VA health care to a more efficient, effective, and accessible system, VA has become an industry leader in customer satisfaction, as is shown by its consistent benchmark-level scores on the American Customer Satisfaction Index, a cross-industry/government measure of customer satisfaction. Overall, VA's customer satisfaction index score for outpatient care was 78 (on a 100-point scale), 82 for inpatient care and 83 for pharmacy. Customer service, perceived in terms of courtesy and professionalism, was the highest of VA's measurement areas, an average score of 87. ACSI considers scores above 80 to be "high." On questions about patients' likely return to VA medical centers and willingness to say positive things about VA, VA scored an 88. It is also noteworthy that VA medical facilities' average accreditation scores exceed those of private sector facilities.

In the delivery of inpatient services and outpatient pharmacy services, according to one prestigious survey, VA leads all segments of the health care industry.

The changes in the VA health care system have been profound, and the benefits have been recognized both inside and outside the Department. We provide better care to our nation's veterans, closer to their homes, and using the latest technology. However, we also face significant challenges, which we must meet to assure that our Nation maintains a comprehensive, integrated health care system for all veterans who choose to come to VA for their care.

Due to these and other factors veterans are choosing VA for their health care services in dramatically increasing numbers. In FY 2002 800,000 additional veterans were enrolled, bringing the enrollment to nearly 6.5 million veterans. That resulted in nearly 54 percent more veterans being treated in 2002 than in 1996. Between Priority Groups 7 and 8 alone, the number of veterans treated in 2002 was about 11 times greater than it was in 1996. We anticipate that the total number of veterans treated in 2003 will increase to 4.6 million veterans over the 4.3 million seen in 2002. The combined effect of several factors, including the economy, as well as improved access, and quality of VA services, has resulted in this large increase in the demand for VA health care services.

This increase in workload has put a severe strain on our ability to continue to provide timely, high-quality health care, especially for those veterans who are our core mission.

Another challenge VA faces is the legacy bricks and mortar buildings that the VA has inherited. The locations and age of our buildings do not always align with where our veterans reside, nor provide the best setting for state-of-the-art care. Many of the buildings were built to care for the WWII veterans and were built in the 1950s and 1960s. These buildings are old, and would cost significantly more to modernize than to build new buildings. The GAO estimates that millions of dollars are lost each year maintaining old buildings and unused space. In addition, Congress has made it clear that the VA will not receive major construction funding until it has a comprehensive plan to address its extensive capital needs.

The Capital Asset Realignment to Enhance Services, or CARES, initiative is designed to realign the VA's capital assets to improve access to care, provide a comprehensive plan to address the VA's capital needs, and reduce funds wasted in maintaining a number of antiquated and under-utilized infrastructures.
The CARES process was piloted in 2000 in VISN 12 – the Chicago area. The remaining 20 VISNs have developed CARES Market Plans. I reviewed those plans, and developed a Draft National CARES Plan that has been transmitted to the CARES Commission. For those of you who may not be familiar with CARES, let me briefly review where we are in the process. The CARES staff provided planning guidance and extensive data to the VISNs, who then each prepared a plan for how they could better align their capital assets to be near where veterans lived and to enhance services to veterans. These 20 plans were developed with extensive input from stakeholders – including veterans, employees, and many others. This summer, I reviewed the 20 plans, requested some additional data, and developed the National CARES Plan. Secretary Principi appointed the CARES Commission this past spring and they have been holding a series of hearings around the country to obtain additional input from stakeholders on the National CARES Plan. They will submit their National Plan to the Secretary in December. Mr. Principi has indicated that he plans to accept or reject the entire set of recommendations from the Commission – all up or all down on the CARES Plan for the VA.

Some have compared CARES to the Base Realignment and Closure process. I want to assure you that there is a significant difference between the two, and that is the "E" in CARES. The "E" is for *Enhanced* services. CARES is not about closing VAs. It is about moving VA services to be near where veterans live. It's about assuring that veterans have state-of-the-art physical facilities that are in keeping with the state-of-the-art healthcare that the transformations of the last 7 years have worked so hard to bring to veterans. I encourage you to participate in the CARES Commission hearings and I encourage you to look toward the future of the VA. Sometimes this means letting go of the old in order to embrace the new. The resources saved from not having to maintain old, inefficient buildings will be used to provide more services to veterans at more convenient locations. I welcome your involvement with the CARES process, and I invite you to learn more by visiting the CARES web site at www.va.gov/CARES.

While CARES will address the capital infrastructure of the VA, it is clear that continued workload growth of the magnitude we have seen in recent years is unsustainable. VA has been unable to provide all enrolled veterans with timely access to health care services because of the tremendous growth in the number of veterans seeking VA health care. During the past year the Secretary took steps to assure that VA would be able to afford priority access to veterans with service-connected disabilities. Specifically, on January 17, 2003, the Secretary made the decision that the VA will enroll all priority groups of veterans, except those veterans in Priority 8 who were not in an enrolled status on January 17, 2003, or who request disenrollment on or after that date. This was necessary for the system to ensure that VA has capacity to care for veterans for whom our Nation has the greatest obligation: those with service-connected disabilities, lower-income veterans, and those needing specialized care. This change in policy is projected to result in 520,000 fewer enrollees, and an $800 million cost avoidance by FY 2005, growing to 1.1 million fewer enrollees, and a $2.8 billion cost avoidance by FY 2012 if Priority 8 enrollment suspension continues.

However we are working on a way to provide VA care to those Priority 8 veterans who are Medicare eligible, and not currently enrolled in VA care.

Work is underway with the CMS at the Department of Health and Human Services (HHS) to determine the most practical way for us to offer Medicare eligible Priority Group 8 veterans who cannot enroll in VA's health care system access to a "VA+Choice" Medicare plan. To accomplish this VA could contract with a Medicare+Choice provider, and veterans in the program would be able to use their Medicare benefits to obtain care from VA. I have set up an office for VA+Choice, and have hired a physician to head it. We are staffing the office now and selecting the first sites for this benefit. We hope to start enrollment in January 2004, and see the first VA+Choice veteran patients in the VA by April. We are excited about this new benefit, and the dedication of those in CMS who are working with us. Additional details will be forthcoming as we work out this approach.

During much of the past year we had over 300,000 patients on waiting lists to receive medical care. Currently about 83,000 veterans are on waiting lists. Boosting physician recruitment, eliminating Category 8 enrollment, and physician pay changes will not be enough to eliminate the wait list. VHA is also developing a care coordination program to provide home care to more patients, which would allow practitioners to manage more patients in settings appropriate to their condition and desired by the patient. This new program will eliminate the need for frequent visits by patients, as care will be moved to the home and to the veterans' workplace, allowing patients to be more actively involved in their care management. Interactive sessions via the Internet, telephone lines, and telemedicine units will help physicians determine whether complications have developed and, if so, arrange for care when needed. The VA is already in the forefront of telemedicine technology because of its

network of facilities nationwide. There are as many as 300,000 telemedicine cases each year in 31 clinical specialties. Together with the necessary equipment and staff, care management will move VHA into the next generation of healthcare – patient-centric care; providing care *just in time* rather than *just in case*.

By the end of VHA plans to increase its medical force by more than 800 doctors and 2,500 nurses in primary and specialty care in order to keep pace with the current demand for care and assure our ability to meet the comprehensive needs of the veterans we serve.

We also instituted the Transitional Pharmacy Benefit to help veterans who have been on waiting lists for their first appointment for an extended period of time. You may have seen the article in the September VFW magazine that contained erroneous information about the Transitional Pharmacy Benefit or TPB. The VFW is printing the retraction, but let me review why the TPB was put in place, and review the criteria for veterans to qualify for this transitional benefit to clarify this issue.

The Transitional Pharmacy Benefit (TPB) was designed for a very specific situation; to provide prescription drugs to veterans waiting for their first Primary Care appointment with a VA doctor. VA's goal is to provide initial Primary Care appointments within 30 days or less. The intent of the Transitional Pharmacy Benefit program is to ease the financial burden of medications for veterans who must wait a lengthy period of time for their initial pharmacy care appointment. VA will fill prescriptions from non-VA (private) physicians until such time that a VA physician can examine the veteran and determine a course of treatment.

By early 2004, VA expects the waiting time for an initial Primary Care appointment to be within that goal, which will eliminate the need to continue this benefit.

A veteran must meet all three of the following criteria to be eligible for this benefit:
He or she must have been enrolled in the VA health care system prior to July 25, 2003.

He or she must have requested their initial Primary Care appointment prior to July 25, 2003.

He or she must be waiting more than 30 days for the initial Primary Care appointment as of September 22, 2003.

Drugs available under this benefit include many of the drugs currently available on the VA National Formulary. Exclusions to the drugs available under this program include: controlled substances, injectable drugs, medications which are required to be administered by a medical professional, over-the-counter medications

(with the exception of insulin and syringes) and one-time medications used to teat acute illnesses (such as antibiotics, cough and cold medications, etc.).

VA will mail all veterans eligible for this program a packet explaining the process for obtaining drugs through this program. The veteran will then complete the VA Information Sheet, and then take it, the physician letter, and the Temporary Pharmacy Benefit formulary brochure to their private physician. The private physician will complete their portion of the VA Information Sheet, provide prescriptions for the veteran, and mail the information to the VA medical care facility listed in the letter.

VA will begin to process prescriptions under this program beginning September 22, 2003.

I thought I would give you an update on the 2004 budget.

For Medical Care, the Full Senate Committee on Appropriations has provided $26.8 billion in appropriated funds, an increase of $1.570 billion above the budget request and $2.870 billion above 2003. $1.3 billion designated in emergency funding for medical care due to the unanticipated and urgent need of veterans seeking medical treatment and services. Emergency funds will allow VA to treat unaccounted veterans from the current Iraqi conflict and peacekeeping efforts around the world.

By accepting the Administration's proposal to merge all medical receipts together, the Committee estimates collections of $2.141 billion will be available. Therefore, with $1.3 billion contingent emergency funds, retaining $2.1 billion in co-pays and third party collections combined with $26.8 billion in appropriated funds, the Full Committee recommends $28.352 billion in total resources for medical care. $3.076 billion more funds or an 11.8 % increase above the 2003 enacted level.

Committee did not include any fee proposals either for the enrollment fees or for the increases in pharmacy or primary care co-pays that were included in the President's FY 04 budget, in the bill. Given the fact that the House did the same in July, it appears highly unlikely at this point that Congress will approve any fee increases in FY 04.

Although our efforts to reduce waiting times have been highly successful, we must continue to find better ways to deliver health care. Historically health care in this nation has been managed from the perspective and needs of the provider. As a hospital system, we waited until veterans required hospital care. Even now we schedule appointments based on the provider's best guess of when the patient will need to be seen and when an appointment might be available, not based on when the patient actually requires care. We're not alone; this is the approach taken by most health care systems today. However, we believe that better health care management strategies are now possible.

We must find new ways to partner with patients to more effectively manage health and disease processes continuously, 24 hours a day, 365 days a year. We need to be able to see the patient *just in time* when a complication or need starts to develop. This shift constitutes a fundamental change in how we view health care, and this approach will have a groundbreaking impact on both primary care and long-term care. While the impact on primary care, and the management of many chronic conditions will be substantial, the impact on long-term care will be even more profound, especially as we are a system that will experience a 200 percent increase in veterans over 85 years of age by decade's end.

Institutional long-term care is very costly and may impair a long-term spousal relationship and reduce overall quality of life. Long-term care should focus on the patient and his or her needs, not on an institution. The technology and skills exist to meet a substantial portion of long-term care needs in non-institutional settings.

In those situations where long term care in the veteran's home is not practical, assisted living facilities may meet the needs of veterans and their spouses. The VA recognizes that assisted living facilities are used in the private sector as a lower cost alternative to institutionalization, and more importantly, as an option which keeps the pair bond between the husband and wife intact, providing a higher quality of life. VA currently is operating an assisted living pilot project and will evaluate the significant impact of the pilot in terms of quality of care, veteran satisfaction, and cost.

VA must leverage its leadership in computerization and advanced technologies to better provide patient-centric care. Technology is increasingly available to provide the limited health care that is needed to support long-term care for many veterans in their homes or in assisted living facilities. Technology can be used to monitor how patients feel and whether they are taking their medications properly. Technology can also be used to monitor various health status indicators in the patient's home, such as blood pressure, blood glucose levels for diabetics, and weight for patients with heart failure. With tele-health support many of our nation's veterans will be able to stay in their homes or in
assisted living facilities with their spouses in the towns where they have a support network. Nursing home care should always be the option of last resort, where it is medically infeasible, or inadvisable for a veteran to receive care at home or in an assisted living facility.

To help meet the increasing long-term care needs of veterans through non-institutional settings whenever feasible, VA has implemented a Performance Measure with a strategic target of 22% increase in home and community-based services provided during FY 2003 compared to last year. To oversee many of the initiatives needed to implement a patient-centered model for primary and long-term care, I have instructed creation of a Care Coordination Office. Although the final responsi-

bilities of this office are still under consideration, it will have in its charge such things as the use of technology in care coordination and the development and implementation of policy and initiatives in chronic disease management and long term care.

But while there is much that VA can do on its own, there are also legislative impediments that need to be addressed. First, we must revisit the long-term care capacity provisions implemented by the Veterans Millennium Health Care and Benefits Act. As we move toward increased non-institutional long-term care, bed days of care is no longer the appropriate measure of our delivery of services. I believe that the capacity requirement could be revised to better reflect VA's current direction in the provision of long-term care.

The current state of VA health care is excellent, but we still have much to do to maintain that excellence and build upon it in order to provide the right services, at the right time, and in the right place to the veterans of the 21st century. My vision of the future of VA health care is positive, but to realize that vision, we must address head-on the challenges I have outlined and do so deliberately, or we risk a different future.

I firmly believe that if the VA is to move forward to meet these challenges, we will do so more strongly with your support. Joining together with the State and Federal VA as a team, your voice, your conviction, and your commitment to best in health care for veterans can make the journey to the future a reality.

Thank you.

Dr. Robert Roswell
Under Secretary for Health
Department of Veterans Affairs
Health Care Leadership Institute Graduation
Annapolis, Maryland
June 5, 2003

I'd like to thank you for inviting me here today to address the Health Care Leadership Institute's commencement program. I enjoy graduations — and the pomp and circumstance, and celebrations that go with it. This commencement is no different.

This intensive three-week program prepares you for the future by providing you with the tools and skills needed to construct a solid foundation built of brick, and sealed with a unique mortar made up of dedication, compassion, and caring.

What you have learned throughout the course of Health Care Leadership Institute will be extremely helpful not only in the workplace but also in other professional as well as social settings. How you use and apply this information is entirely up to you.

I am truly humbled to be addressing professionals with such extensive knowledge, experience, and dedication. I congratulate you on completing this outstanding educational program. I'd like to, at this time to acknowledge your coaches. Would you please stand.

Your coaches offer support and guidance as well as serve as role models and mentors. Thank you coaches.

My hope is that each graduate give back to this program or similar leadership programs, and serve as coaches or mentors helping to groom future leaders.

I can only image how many years of VA service is represented by the people in this room. If you multiply just the national average, which is 14.5 years, times the 63 graduates plus 15 coaches, that's 1100 years of experience and caring for veterans. That's pretty impressive. And it says a lot about the caliber of people who work for VA.

Having this opportunity to talk with the men and women who will open doors to change and mold how our nation cares for our veterans is truly an honor for me.

Today's VA health care system is one of the most effective and successful health care systems in the nation and it is the largest. Widely recognized as a leader in such research areas as aging, women's health, AIDS, post-traumatic

stress disorder, and other mental health issues, VA recently added customer satisfaction and performance measures to our growing list of accomplishments.

You should be proud of the fact that VA medical facilities achieved benchmark-level scores in the areas of customer satisfaction and performance. VA health care was determined to be as good as — if not better than — care provided by many private sector companies in a report, which measured performance indicators of health care organizations.

In 18 of the 18 clinical performance indicators, VA scores exceeded the "best performance" marks in the areas of — use of beta-blockers after a heart attack, breast and cervical cancer screening, cholesterol screening, immunizations, tobacco screening and counseling, and multiple aspects of diabetes care.

These improvements don't just look good on paper; they save lives, reduce hospitalizations, preserve function, lower costs, and satisfy patients. That's an achievement to be proud of.

However, instead of becoming complacent, we continue to raise the bar and level of expectations even higher. As we look back over the years, we see that profound changes have occurred in VA's health care system and even more change is expected as we continue to enhance quality, increase access, improve service satisfaction and optimize patient functioning. We're constantly striving to provide the best possible care to veterans.

As we continue to develop our national integrated health care system, we know that our success depends largely on our ability to function together and in concert with public and private health care facilities. This will allow us to meet the health care needs of veterans enrolled in our health care system, and minimize duplication of services.

Transforming VA into a more efficient, effective, and accessible health care system increased VA's popularity among veterans. As a result, we've witnessed an unprecedented demand in the number of veterans seeking care.

This influx has resulted in increased wait times that in some cases exceed six months. This is a major concern for us and we're working hard to reduce, if not eliminate, that wait.

The good news is: we're making progress. Since July 2002, we've experienced a 48 percent drop in the number of veterans waiting to be seen by a health care professional. We're down from 310,000 to just over 159,000.

The VA health care system in general has come a long way in its more than half-century, with the most crucial part of its journey to success taking place since 1995 — when we made the transition from inpatient to outpatient care. Additionally, legislation like — the Veterans Health Care Eligibility Reform Act of 1996 and the Veterans Millennium Health Care Act of 1999 — opened the door to comprehensive health care services to all veterans.

VA is providing better care to veterans, closer to their homes and using the latest technology, while continuing to place a strong emphasis on comprehensive specialty care.

VA now has nearly 1,300 sites of care and provides health care services at locations much closer to where our patients live. 87 percent of VA's patient population now lives within 30 minutes of a VA medical facility. VA is providing care to nearly 48 percent more veterans than it did in 1997.

It is also clear that the continued workload growth of the magnitude seen in recent years would be unsustainable in the current federal budget climate. That's why VA's 2004 budget request is $27.5 billion, which represents an unprecedented 7.7 percent increase over the 2003 expected level. We need this additional funding to properly serve America's veterans who have chosen VA has their health care provider of choice.

We just cannot provide all veterans with timely access to health care services because of the tremendous growth in the number veterans seeking VA health care.

To help ease this strain, last January, VA Secretary Anthony J. Principi announced that VA must limit enrollment of higher income veterans with no service-connected disabilities. This allows VA to focus more closely on providing care to service-connected, low-income, and special needs veterans, as well as future veterans who may suffer disability resulting from combat service. This is a concern now that some troops are returning from Iraq with injuries.

The Secretary also announced that plans are underway with the Department of Health and Human Services to determine how to give Medicare eligible Priority Group 8 veterans who cannot enroll in VA's health care system access to "VA + Choice" Medicare plan.

Under this plan VA could contract with a Medicare + Choice organization, and eligible veterans would be able to use their Medicare benefits to obtain care from VA.

These are just some of the changes coming down the pike. Because we no longer have the resources to see a patient on a "just in case" basis, we must find

new ways to manage our patients' disease processes continuously, 24 hours a day, 365 days a year on a "just in time" basis. The new patient-centric approach will have a groundbreaking affect on primary and long-term care — especially as we experience a 200 percent increase in veterans over age 85 by the end of this decade.

This projected peak in the number of elderly veterans is expected to occur approximately 20 years before the general U.S. population. Typically VA patients are older in comparison to the general population, have lower incomes, lack health insurance, and are much more likely to be disabled and unable to work.

VA began preparing for this dramatic increase years ago when it established a program in 1975 dedicated to studying the aging process. The program is known as GRECC — the Geriatric Research, Education and Clinical Center.

Today 21 geriatric centers are at the forefront of the fields of gerontology and geriatrics — applying basic research to clinical programs. Last year, we expended approximately $20 million for aging and age-related projects.

Consequently, we are improving long-term care too. Institutional care is very costly and may impair a long-term spousal relationship and reduce overall quality of life. VA recognizes that assisted living facilities are used in the private sector as a lower cost alternative to institutionalization, and more importantly, as a way to keep the bond between husband and wife in tact.

In situations where long term care in the veteran's home is not practical, assisted living facilities may meet the needs of veterans and their families. An assisted-living pilot project is currently underway. VA will evaluate the significant impact of the pilot in terms of quality of care, veteran satisfaction and cost.

VA will provide long-term care through an integrated care management system that includes home health care, adult day health care, respite, and home-maker/ home aide services.

No longer is VA a hospital system, but rather a health care system that has extended its continuum of care to include community and home-based extended care services in addition to nursing home care. Our goal is to provide care in the least restrictive setting.

By using interactive technology such as telemedicine to coordinate care and monitor veterans in a home setting, we can significantly reduce hospitalizations, emergency room visits and prescription drug requirements, while providing veterans with a more rewarding quality of life and greater functional independence.

VA has developed world-class facilities, staffed by world-class doctors, nurses, and other allied health care professionals who are devoted to treating our nation's veterans.

Our partnership with 107 medical schools and 1,500 other health care professional training programs ensures that we bring quality medical care to veterans and state-of-the-art, hands-on training to thousands of health care professionals nationwide.

In order to provide and maintain the high level of care and service that our veterans demand and deserve, we must recruit additional primary care and specialty care staff — including medical, nursing and allied health professionals. We hope to attract and retain a large number of well-educated health care professionals by offering special pay incentives and educational benefits including training on how to use the latest technology.

Information technology is at the heart of most changes in VA health care. Technology can be used to monitor how patients feel and whether they are taking their medications properly.

What was impossible a few years ago, is now possible today thanks to sophisticated technology.

VA health care professionals located hundreds, even thousands, of miles apart can discuss treatments and diagnoses, provide medical consultations, and view medical procedures.

VA conducts more than 350,000 consultations annually using this method. Telemedicine helps to bridge gaps especially in outlying and rural locations, and with disabled and elderly veterans.

VA uses other types of technology to process clinical and administrative information, to automate processes that were once done manually, to train staff in different locations simultaneously, and to improve quality and reduce errors.

Under an initiative known as CARES — which stands for Capital Asset Realignment for Enhanced Services — VA is restructuring its infrastructure in an effort to improve operations and service delivery.

The challenge before us now with the CARES process is not to focus so much on capital assets but rather on patients. I feel very strongly that the CARES process is about looking at the veteran population and trying to determine what their needs will be 10 years, 20 years down the road. And then from that, figure out how we'll meet those needs with our capital infrastructure.

I think it's an ambitious process and it's one in which we have a huge investment.

VA is planning for the future and we need visionary leaders who can get many spirited horses all pulling in the same direction. That can be a difficult, but not an impossible task with the proper training and the right skills.

With 98 percent of VHA's senior executives, 80 percent of chiefs of staff and 75 percent of nurse executives eligible to retire by 2005, we'll need leaders who can successfully make the transition to key leadership positions.

The HCLI program helps to prepare you for this transition as well as for life's challenges. The skills you've learned throughout the course of this program will prove to be invaluable.

As leaders in VA, I am relying on your talents, knowledge, insight and unwavering dedication and commitment to help us chart a new course for VA. America's veterans are relying and depending on you — the 2003 graduating class of VA's Health Care Leadership Institute. Congratulations graduates!

John W. "Jack" Nicholson
Under Secretary for Memorial Affairs
Department of Veterans Affairs
American Legion Veterans Affairs and Rehabilitation Commission
St. Louis, Missouri
August 23, 2003

Good afternoon ladies and gentlemen and fellow veterans.

Thank you for inviting me here today to address members of The American Legion's Veterans Affairs and Rehabilitation Commission. It is a distinct pleasure for me to speak to you about a subject that is as important to you as it is me.

There are two things I want to say here at the start.

First, I want to thank all Legionnaires for your outstanding voluntary service to veterans. Here is a phenomenal statistic—between June 1, 2002 and May 31, 2003, members of the American Legion participated in 137, 678 funeral honors details nationwide. That figure includes funeral honors in national cemeteries, state veterans cemeteries and private or commercial cemeteries. Clearly, your support of a dignified burial for each of our United States veterans is superb. The veterans who join the American Legion's funeral honors details are some of the most dedicated patriots in our Nation.

The second thing that I would like to do here at the start is tell you how the American Legion has been an important part of my life. The Legion was a big part of my life growing up in Iowa. My father was a Legionnaire.

Legionnaires used to fire the three volleys at our small town's Memorial Day ceremonies. The American Legion sent me to Boys State. Our small town had a Legion baseball team. Our American Legion baseball coach visited our NCA national conference in Portland, Oregon in August. He is a Marine and a World War Two veteran. The American Legion has always had a presence in my life. And I am grateful for the leadership that Legionnaires provide through volunteerism, as veterans, and as patriots.

The mission of the National Cemetery Administration is to honor veterans with a final resting place and lasting memorials … that commemorate their service to our Nation. I have a deep appreciation for what we do for veterans and their survivors. So I want to talk about several things today.

Number one is the status of new cemetery construction.

Number two is the significance of the National Shrine Commitment.

And number three—I want to say more about the value of your volunteer service in our national cemeteries.

At the conclusion of my remarks I will be happy to entertain any questions that you may have.

Let's go back to that first topic—the status of new cemetery construction.

We face an immediate challenge. More than 1,800 veterans are dying every day, and that number is increasing. We must expand burial capacity to meet the ever-increasing numbers of veterans who choose interment in a national cemetery. They are leaving us at an ever-increasing rate, and we expect the numbers will peak in 2008. Last year, more than 89,000 veterans and their loved ones chose burial in a national cemetery. It is our responsibility to ensure that we are prepared for the ever-increasing number of veterans opting to utilize NCA's services. And as the number of interments increases, so does our inventory of gravesites that we maintain.

Land is our primary capital asset. Land represents burial capacity. We are anxious to open five new national cemeteries and I will address that later in more detail.

The State Cemetery Grants Program gives us a valuable tool for encouraging the states to open veteran's cemeteries and provide further burial space … burial space that complements our national cemeteries.

I will come back to the State Cemetery Grants Program in just a moment.

Before I do that though, I'd like to talk about the status of burial space in our national cemeteries.

We hear in the media and from some of our veterans that they are concerned that VA is running out of burial space. You might be asking yourselves the same question ... Is VA running out of space? And if so, what is being done about it? The answer is NO, but let's take a look at the numbers.

We have had 3 million burials in 2.5 million gravesites since 1862. NCA's total existing acreage is approximately 14,000 acres. Of that, some 6,900 acres are developed, and 7,000 acres are undeveloped. That means there are 2.5 million gravesites on half of our *existing* land. And we're constantly expanding.

We are working right now to open five new national cemeteries by 2005 in the metropolitan areas of Atlanta, Detroit, Pittsburgh, South Florida and Sacramento. Four of these cemeteries—Atlanta, Detroit, Pittsburgh and South Florida—together

will add more than 1,900 acres to our burial capacity.

We have other expansion projects as well, such as land transfers and purchases of land adjacent to existing national cemeteries. These land acquisitions will enable us to expand capacity, or in some cases, reopen cemeteries that are now closed.

Just to give one example—Barrancas National Cemetery, in Florida—received 50 acres in a land transfer from the Department of the Navy last October. That is a substantial increase in acreage. At the present rate of usage, Barrancas National Cemetery can remain open for another 40 years.

Going back to burial space. Of those 3 million burials that have been performed since 1862, 1.7 million of those occurred since 1973. So the real question then … is not whether we have burial space … but where is it located? The challenge before us is to make certain that our burial capacity is located in places that provide reasonable access to veterans and their loved ones.

The 14 original cemeteries that were established in 1862—those were located near battlefields, hospitals, and training and supply centers. Today, we must confront the phenomenon of veteran migration, population centers, and changes in demographics for an aging veteran population. We have learned that citizens will drive up to 75 miles to visit the grave of a friend or loved one. This is something that they want to do. I am sure that everyone in this room knows how important our cemeteries are to the families … long after they've buried their loved ones.

Are we running out of burial space? No.

Do we have enough burial space located in areas that will accommodate the ever-increasing number of veterans that choose burial in a national cemetery? No.

This past week I initiated a futuristic look at what we will need in the year 2050. As we maintain our current cemeteries, we are dedicated to ensuring that we have burial capacity in areas with large veteran populations. That's why we're opening five new national cemeteries in the next two years.

Each of the five new national cemeteries will serve more than 250,000 veterans within a 75-mile radius of the cemetery. Atlanta Area National Cemetery—A World War II veteran donated 775 acres in Cherokee County. Planning and design is complete. Construction could begin in fall 2003 and initial burials could begin by June 2004.

Detroit Area National Cemetery—In a ceremony on November 21, 2002, VA celebrated the purchase of 544 acres. Operations are tentatively scheduled to begin

in a “fast track” section by late 2004.

Pittsburgh Area National Cemetery—A Land Acquisition Ceremony was held on April 23, 2003, celebrating the purchase of 292 acres. Construction will begin in spring 2004 with initial burials in the fall.

South Florida—In September 2002, Secretary Principi announced the purchase of land for a new national cemetery in West Palm Beach County. The cemetery will serve 438,000 veterans living within a 75-mile radius. First burials are expected by March 2005.

Sacramento—Negotiations for land are ongoing. When completed, this cemetery will serve veterans throughout the San Francisco Bay area.

We Also Have Expansion Projects

Here are some examples of large expansion projects made possible by various types of acquisition include:

Calverton National Cemetery, located on Long Island, N.Y., will develop 90,000 additional gravesites on existing land.

Fort Logan National Cemetery, in Denver, plans to develop 61 acres of its remaining space to create 26,400 casket sites, 7,000 in-ground cremation sites and 10,000 columbarium niches.

We are also working with several state governments to establish six new state veterans cemeteries. Through the VA’s State Cemetery Grants Program, we have contributed to projects that are open or soon to be open.

On Memorial Day, we participated in the dedication of a new state veterans cemetery in Madison, Indiana. VA awarded more than $4.2 million to help establish that new cemetery.

On July 2nd we helped celebrate the groundbreaking for a new state veterans cemetery in Winchendon, Massachusetts. This cemetery will serve veterans in the north central part of Massachusetts. Eight thousand veterans already are pre-approved for burial there. VA awarded more than $7 million to help establish the cemetery in Winchendon.

On July 15, operations began at the new state veterans cemetery in Caribou, Maine, which was established with a $2.8 million grant from VA. This cemetery will serve veterans in the northern part of Maine.

And in September we will participate in groundbreaking ceremonies for the

new Albert G. Horton, Jr. State Veterans Cemetery in Suffolk, Virginia, which will serve veterans and their loved ones in the Tidewater region of Virginia.

VA contributed $6.5 million to help establish the new Horton State Veterans Cemetery in Virginia. Other state veteran cemeteries under construction include projects in Boise, Idaho; Wakeeney, Kansas; and Bloomfield and Jacksonville, Missouri. We also awarded two recent grants for expansion in state veterans cemeteries: A grant of $1.8 million for an expansion project at Union Grove, Wisconsin. The cemetery is open. A grant of $1.1 million for an expansion project at the Brigadier General William C. Doyle Memorial Cemetery in New Jersey. This will provide for 1,500 garden niches and a columbarium with niches for 1,680. VA's State Veterans Cemetery Grant Program has been very successful, enabling the federal government to partner with the states to create burial space for veterans in areas that will benefit veterans and their families.

Another source of land for burial space is the CARES program.

You may have heard of VA's CARES Commission.

We are looking to the CARES Commission to help us acquire land. CARES stands for Capital Asset Realignment for Enhanced Services. We are active participants in the CARES process. There are several opportunities for expansion at sites where existing national cemeteries are adjacent to VA Medical Centers. All of these opportunities are under review. Secretary Principi must approve the national CARES plan, and we should know the Commission's findings after first of the year.

Here are three opportunities for expansion of existing cemeteries—

1. Roseburg National Cemetery, Oregon—allows for expansion of 15 acres
2. Mountain Home, Tennessee—allows for expansion of 50 acres
3. Jefferson Barracks National Cemetery, Missouri — the CARES Commission is reviewing options

Another opportunity offers the potential to re-open a cemetery that is currently closed—

4. A 20-acre site in West Los Angeles would allow us to reopen for cremations only.

We are looking at a possible co-location site with VHA in Puerto Rico:

5. VHA is pursuing land at Sabana Seca Naval Facility in San Juan, Puerto Rico.

Currently, there isn't any information available on the status of VA's talks with the Navy.

6. In Chillicothe, Ohio, there is good potential for a state veterans cemetery site. VHA has identified surplus land, and we may pursue this at a later date. The state of Ohio is interested in a building on the premises. That gives you an overview of the many ways that VA is striving to establish burial capacity for veterans and their loved ones throughout the United States, and in areas where they will use it most. These efforts will increase burial space for the ever-increasing number of veterans that are choosing interment in a national or a state cemetery.

Now I would like to talk about the National Shrine Commitment, and what we are doing at NCA to elevate the appearance of each of our 120 national cemeteries to National Shrine status.

I mentioned earlier that NCA's mission is to honor veterans with a final resting place and lasting memorials that commemorate their service to our Nation. I believe that the appearance of our national cemeteries demonstrates to America's veterans that our Nation appreciates their selfless service, and the sacrifices that they have made on our behalf.

The National Cemetery Administration currently maintains more than 2.5 million gravesites. VA's mission calls for each cemetery to be maintained as a National Shrine.

How do we ensure our national cemeteries are National Shrines? Our number one priority is to elevate the appearance of the cemeteries to Shrine status. That means that headstones and markers are cleaned and aligned, grass is green or other appropriate ground cover is healthy and well-maintained; buildings, walls, gates, roads, walkways and monuments are presentable and meet safety standards; and committal shelters are maintained to ensure a dignified and respectful setting.

These are just some of the ways that we provide a place of beauty and serenity to families of those buried in our cemeteries and millions of visitors every year. We must maintain national cemeteries as National Shrines as they will be with us forever. Our national cemeteries help foster patriotism and preserve our nation's history. We are committed to honoring America's heroes long after they have made the supreme sacrifice.

In fact, we are committed to honoring America's heroes in perpetuity. National cemeteries, those hallowed symbols of our Nation's gratitude, deserve to be National Shrines. Our veterans gave their best. They deserve the best final resting place that we can give them. This is the reason attaining Shrine status for all our cemeteries is the National Cemetery Administration's number one goal.

There are three things that we are doing to establish the appropriate standard of appearance for Shrine status in our national cemeteries**.**

First. In January our Cemetery Directors received a document entitled *Operational Standards and Measures.* This document establishes one set of standards for performance in the key cemetery operational areas of: Interments; Grounds maintenance; Headstones, markers and niche covers and Equipment maintenance. These standards will be applied at both open and closed national cemeteries where work is performed by either a federal or contract workforce.

Second. At NCA's annual conference last week in Portland, Oregon, we rolled out our *Organizational Assessment and Improvement Program*. This is a formal program and standardized process to assess operational performance and progress in achieving our strategic goals in national cemeteries. This program promotes standardization and consistency across the National Cemetery Administration. And it gives our cemetery directors and senior leadership the tools to monitor progress toward successful achievement of Shrine status in our cemeteries. The third part of this effort to establish the appropriate standard of appearance for Shrine status involves coordinating the resources necessary to serve our veterans—the land, the people and the equipment.

Here is what we have done:

We verified that the Congress of the United States has mandated that national cemeteries be cared for as National Shrines in honor of the service and sacrifice of our veterans.

We verified that maintaining national cemeteries as National Shrines is a primary goal of VA, and an often-stated goal of VA Secretary Principi. We created a plan to achieve this goal of achieving Shrine status for all national cemeteries within five years. We tasked our cemetery directors and their teams to accomplish everything possible within their means toward the Shrine goal. We are seeking funding levels to accomplish this mission and it will be included in our annual budgets from Fiscal Year 2005 through 2009.

I am confident that the talented and dedicated people at NCA—many of whom are veterans—will create a new source of pride and honor for all veterans and their families, as well as the entire Nation, when these National Shrines come to fruition.

There is one more thing I would like to do today and that is thank you for your voluntary service in our national cemeteries. VA is proud of the many partnerships in place with Veterans Service Organizations nationwide that provide military funeral honors in national cemeteries, especially where DoD no longer has the manpower to provide the services it once did. On behalf of the National Cemetery Administration, I want to express my deep appreciation for everything that the members of The American Legion do to support the dignified burials of our Nation's veterans. Legion-

naires are renowned for their voluntary service on behalf of veterans. I understand that your Membership Department tracks 98 volunteer activities that Legion members are involved in.

I mentioned at the beginning of my remarks the phenomenal statistic, that between June 1, 2002 and May 31, 2003, members of the American Legion participated in 137,678 funeral honors details nationwide. Your support of a dignified burial for each United States veterans is superb. Veterans who join the American Legion's funeral honors details are some of the most dedicated patriots in our Nation.

Funeral honors are one of many important functions that volunteers help us with throughout the year.

Here are some of the things volunteers devote their time and talents to in support of our national cemeteries. Volunteers work flowerbeds, maintain honor roses and Memorial Day grave decorations, Avenue of Flags, prepare for Memorial Day and serve as office volunteers. Volunteers help Scouts earn badges, teach history to elementary school students, and provide staffing for public information centers. Volunteers help visitors locate gravesites and pass out info about the cemetery. Volunteers provide flag maintenance crews, headstone maintenance, and attend funerals to ensure that no vet is buried alone. In some cemeteries, volunteers share their stories of previous wars, and "Operation Love" provides gravesite floral arrangements and photographs that are sent to family members.

One of our most successful volunteer programs has been the Memorials Inventory Project, which was launched in May 2002 with the objective of documenting all major historic monuments and memorials in our national cemeteries.

We expected that the project would take about one year to complete, using volunteers to gather the information.

When the project began, we estimated that there were about 300 major historic monuments and memorials. To date, we have identified 427 such objects, not including cenotaphs at Congressional Cemetery in Washington, D.C. We know of 72 memorials that remain to be surveyed—47 of which are at Fort Snelling National Cemetery in Minnesota.

I mentioned at the beginning of my remarks the phenomenal statistic, that between June 1, 2002 and May 31, 2003, members of the American Legion participated in 137,678 funeral honors details nationwide. All in all, we're seeing an average of eight volunteer hours per memorial.

We have opportunities to inventory and document memorials. This involves taking photographs, copying inscriptions, and doing historical research at your library. We recommend fall as a perfect time to do a survey. Some volunteers have taken their grandchildren with them.

Some volunteers have conducted surveys in their home state, and then again while on vacation in another state. For instance, someone documented a memorial in Wisconsin, and then surveyed two while vacationing in Hawaii. Another family surveyed 24 memorials in national cemeteries in their state.

We still have opportunities available to assist with the Memorials Inventory Project at 10 cemeteries:

Bay Pines National Cemetery, Florida
Salisbury National Cemetery, North Carolina
Camp Nelson National Cemetery, Kentucky
Rock Island National Cemetery, Illinois
Jefferson Barracks National Cemetery, Missouri
Dayton National Cemetery, Ohio
Fort Snelling National Cemetery, Minnesota
National Memorial Cemetery of Arizona, Phoenix
Eagle Point National Cemetery, Oregon
Willamette National Cemetery, Oregon

Anyone interested in volunteering for the Memorials Inventory Project should contact NCA's Historian, Darlene Richardson, preferably by e-mail, so that she can send you information. Her e-mail address is:

Darlene.Richardson@mail.va.gov.

And Darlene can also be reached by telephone at (202) 565-5426.

Once again, I want to thank you for this opportunity to speak with you here in St. Louis. The American Legion provides a valuable service to our veterans, and we appreciate the support that you provide to the National Cemetery Administration.

Thank you for all that you do, each and every day, in support of our Nation's veterans.

May God bless you and this great Nation of ours.

Gail Wilensky, PhD
Co-Chair, President's Task Force to
Improve Health Care Delivery For Our Nation's Veterans
Statement Before the Committee on Veterans' Affairs
U. S. House of Representatives, Washington, DC
June 3, 2003

Mr. Chairman and Members of the Committee, I am pleased to be here today to discuss the Final Report of the President's Task Force to Improve Health Care Delivery for Our Nation's Veterans. Along with your former colleague, John Paul Hammerschmidt, I was honored to co-chair this Task Force. Copies of the Final Report, along with a Brief Guide to the Report, have been delivered to the Committee, and I ask that they be made a part of the record of today's hearing.

At the outset, I note that this Final Report is indeed the work of a task force, not of any individual member or members. While John Paul and I were privileged to chair the Task Force, the final product is the work of the overall body and speaks for itself.

I also note that all of the work of the Task Force was carried out in a very open, very public manner. Anyone with an interest in what we were doing — and I know that included staff of the Committee — could attend our public meetings or, shortly after each meeting, find both all the briefing slides and a verbatim transcript of the meeting on the Task Force's web site. Now that the Final Report has been issued, it, along with last summer's Interim Report, is available on the Task Force web site which will be maintained as a stand-alone site though the summer and then will be placed on the VA web site.

As you know, the Task Force was established pursuant to Executive Order 13214 issued in May 2001. Along with the two co-chairs – originally former Congressman Gerry Solomon was the other co-chair until his untimely death in October 2001 – the President appointed thirteen other members. We were a diverse group, with backgrounds in medicine, VA and DOD affairs, information management, health policy, and various other disciplines and life experiences. Some knew VA or DOD well, while, for others, Federal medicine was a new enterprise. Over time, I think we worked together very effectively. One demonstration of our effort to forge consensus is that, of our 23 numbered recommendations which, with sub-elements, comprise 35 specific recommendations – all but one was supported by the full Task Force.

The President identified improved cooperation between VA and DOD in delivering health care to those who served in the Armed Forces as one of his Administration's ten management improvements, and he established the Task Force

to assist in that effort. The Task Force was given three specific missions:

- To identify ways to improve benefits and services for VA and DOD beneficiaries through better coordination of the activities of the two Departments;

- To review barriers and challenges that impede that cooperation and to identify opportunities to improve VA and DOD business practices so as to ensure high-quality and cost-effective health care; and

- To identify opportunities for improved resource allocation between VA and DOD so as to maximize the use of their resources.

As I will discuss later, as the Task Force carried out its focused work on collaboration matters, we realized that there were other issues, most notably those associated with the mismatch in VA between demand and available funding, that had to be addressed if we were to successfully deal with the primary mission of identifying ways to improve VA-DOD collaboration.

In the end, I believe that the PTF's work, as exemplified in our Final Report, adds important insights and direction on the collaboration issue. This issue is one that will continue; I do not believe that any of us on the Task Force supposed that we would have the final word, but I do believe that we have helped further the process. Our goal, from the outset, was to forge a set of recommendations that would be implemented.

Few are more aware than my co-chair, John Paul Hammerschmidt, of the challenges associated with fostering greater cooperation between VA and DOD. John Paul was the Ranking Member of this Committee when the original sharing legislation was enacted in the early 1980s and he worked on the issue until he left the Congress in 1993. The Task Force benefited greatly by his insights and perspective gained through his experience in the Congress and specifically on this Committee.

Since the Final Report speaks for itself and our work, I will not go into any detailed discussion of the specifics although, of course, I am very happy to attempt to answer any questions you may have. Instead, I will just highlight some of the more significant themes from the report.

As the Members of this Committee are only too aware, the history of VA-DOD collaboration is one of fits and starts. In the early days, after the enactment of the original Sharing Act, Public Law 97-174, back in 1982, there was a flurry of activity. However, that activity was focused almost exclusively at the local level and seemed to flourish in those locations where it was in the mutual interest of the local facilities involved.

Early in our deliberations, the Task Force identified senior leadership commitment as the linchpin of any sustained collaborative effort between VA and DOD. It was not until the mid-1990s that there was any focused leadership at the national level and that interest was not sustained. Indeed, it has only been in the last two years or so that there has been a renewed attention at the national level on increased cooperation between the Departments, interest that I believe reflects the President's attention to the issue and the creation of the Task Force.

The Task Force found that the current leadership focus within the two Departments to VA-DOD collaboration is very effective. We heard from and met with some of the key VA and DOD officials on a number of occasions. The Task Force was pleased with the activity of the Joint Executive Committee, chaired by VA Deputy Secretary Dr. Leo Mackay and DOD Under Secretary Dr. David Chu, as well as with the Health Executive Committee, chaired by Dr. Roswell and Dr. Winkenwerder. This level of leadership commitment must be sustained.
The effort of the Congress to solidify the statutory underpinning for this effort, most recently in H.R. 1911 as passed by the House in late May, is an important element in seeking to institutionalize the needed leadership but, frankly, it cannot be seen as enough by itself. I strongly urge your Committee and the other committees and subcommittees that deal with VA and DOD to maintain vigilant oversight of the two Departments and insist that they continue the current level of attention to VA-DOD collaboration.

It is also vital that the field-level managers of the two Departments come to understand the commitment of the top leadership to improved collaborative efforts between VA and DOD. Once field managers begin to see that increased success in undertakings between the Departments is recognized and rewarded, it is likely that there will be a much more sustained and consistent effort throughout the Departments.

Before I turn to some of our specific recommendations on collaboration issues, I stress one key, underlying principle of our work: the goal of improved collaboration between VA and DOD is not collaboration for the sake of collaboration, but rather that, through such activity, VA and DOD can improve timely access to quality health care and reduce the overall costs of furnishing services.

As directed in the Executive Order, the Task Force identified a number of processes, institutional, and organizational barriers to improved collaboration, and our report provides specific recommendations to address these barriers. In addition to these departmental process issues, the Task Force members quickly focused on what their work would mean to the individual veteran. Specifically, they asked what should the Task Force recommend to make the transition from military service to veteran status seamless to the individual.

Early on, we decided it was important to get input from the field – from the VA medical center directors and military treatment facility commanders and their staffs engaged in the day-to-day challenge of delivering quality health care to their beneficiaries. As delineated in Appendix E of the Final Report, Task Force members and staff made a concerted effort to visit both joint venture sites and a number of co-located VA and DOD facilities.

We rapidly came to the conclusion that providing timely, high-quality health care requires effective information sharing. When you talk with clinicians at joint venture sites, you are quickly struck by the inability of the VA and DOD electronic medical record systems to readily share data. The frustration of providers is often palpable. I well remember at one of the joint venture sites I visited how delighted the staffs were that their IT experts had developed a way to display both the VistA and CHCS medical records on the same desktop so the provider could at least have access to the full medical record on one computer. This was important enough to the local leadership that they invested scarce facility resources that were intended to fund other activities to accomplish this IT collaboration. And, while this was an important step, it was clearly only a first step. The Task Force quickly identified the electronic medical record as one of our focus areas.

As we researched the electronic medical record issue further, we found that the issue was not technology – the technology exists today — but rather the will and the leadership commitment to overcome institutional "rice bowls" and make it happen. The development and use of electronic medical records that can share data would not only foster collaboration in the delivery of health care services but also reduce medical errors and attendant costs.

As a result, development and deployment in real time of interoperable, bi-directional, standards-based electronic medical records is the centerpiece of the PTF's seamless transition recommendations. VA and DOD responsibility for an individual's health begins when the service member enters the Armed Forces. It is important to gather baseline medical information in an electronic medical record that DOD can later use to exchange appropriate information with VA in mutually understood and usable formats. Subsequently, information relevant to deployments, occupational exposures, and health conditions should follow the service member throughout the military career. As discussed in greater detail in the report, DOD's personnel tracking systems are also a vital component in correlating subsequent health problems to exposure to occupational hazards during military service and need to be adequately resourced.

Upon separation from military service, the process for determining eligibility for veterans' benefits, reviewing health status, and receiving VA health care should be timely, accurate, and seamless to the individual service member. A mandatory separation physical from DOD should set the stage, where appropriate, for a com-

pensation and pension examination to determine the level of VA disability. When the individual separates, the DD214 should be immediately transmitted electronically to VA, not take weeks or months. The current transition process is often cumbersome, slow, and overly bureaucratic. The technology exists to make it reasonably seamless to the individual, and the Task Force felt strongly that, with continued leadership commitment, this was an achievable goal.

Earlier in my statement, I mentioned that many Task Force members and staff visited a number of joint ventures. The individual effort expended by local medical center directors and military treatment facility commanders and their staffs at these joint ventures are extraordinary, and they are clearly committed to overcoming a variety of obstacles. I also learned early on that, when you've seen one joint venture site, you've seen one joint venture site. They are all very different and, in many ways, still viewed as pilots. In addition, the separate strategic planning and management practices, personnel assignment processes, and standard IT capital investment programs of each Department generally have disregarded the needs of joint venture sites. The Task Force believed that VA and DOD should declare joint ventures to be integral to the standard operations of both Departments and made specific recommendations for action by the Joint Executive Committee, including that all proposed VA and DOD facility construction within a geographic area be evaluated as a potential joint venture.

As I noted earlier, as the Task Force addressed issues set out directly in our charge, we invariably kept coming up against concerns relating to the current situation in VA in which there is such a mismatch between the demand for VA services and the funding available to meet that demand. It was clear to us that, although there has been a historical gap between demand for VA care and the funding available in any given year to meet that demand, the current mismatch is far greater, for a variety of reasons, and its impact potentially far more detrimental, both to VA's ability to furnish high quality care and to the support that the system needs from those it serves and their elected representatives.
The PTF members were very concerned about this situation, both because of its direct impact on VA care as well on how it impacted overall collaboration. Our discussion on the mismatch issue stretched over many months and, as anyone following the work of the Task Forces already knows, it was the area of the greatest difference of opinion among the members.

Although we did not reach agreement on one issue in the mismatch area – that is, the status of veterans in Category 8, those veterans with no service-connected conditions with incomes above the geographically adjusted means test threshold – we were unanimous as what should be the situation for veterans in Categories 1 through 7, those veterans with service-connected conditions or with incomes below the income threshold.

Our recommendations, if adopted, would represent a very significant change in how the government fulfills its commitment to these veterans who represent VA's historical constituency. Recommendation 5.1 calls on the Federal government to provide full funding so as to ensure that enrolled veterans in Categories 1 through 7 are provided the current comprehensive benefit within VA's established access standards. Recommendation 5.2 provides that, in instances where VA cannot offer an appointment to enrolled Category 1 through 7 veterans within its access standards, VA would be required to arrange for care with a non-VA provider. If these recommendations become law, service-connected and low-income veterans would get needed care from VA in a timely manner, with no use of waiting lists to manage access to care.

As to Category 8 veterans, the Task Force members had legitimate disagreements. Some members believed Category 8 veterans should be treated the same as Category 1 through 7 veterans; others believed that these veterans should have access to VA but on a pay-as-you-go basis; and still others believed that the Task Force had neither the information nor the authority to make such decisions.

While we were not in agreement on the specifics of how the issue of Category 8 veterans' access to the system should be resolved, the Task Force members did agree that the status quo is not acceptable. It is not clear what Congress intended for these veterans with the enactment of the Eligibility Reform legislation or whether VA's response to that legislation has been in keeping with that intent. To the extent there was uncertainly about the impact of providing this category of veterans with access to VA care, that would now seem to be at least partially addressed, as more specific information is becoming available on their demand for service. With such information, it should be possible to engage in a full and open debate on the appropriate policy, and that was the recommendation of a majority of the members of the Task Force.

Mr. Chairman, that concludes my statement. I am happy to attempt to answer any question that you or the other members of the Committee might have, but note again that the Final Report is indeed the work of the entire Task Force and can and does speak for itself.