Strictly Speaking

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REMARKS
HON. HERSHEL GOBER
ACTING SECRETARY OF VETERANS AFFAIRS
VA EEO AWARDS CEREMONY
WASHINGTON, DC
November 21, 2000

Assistant Secretary (Gene) Brickhouse; award recipients; my fellow employees, ladies and gentlemen, good afternoon, everyone. Thank you, Gene, for that very generous introduction. And thank you all for that warm reception. As always, it is a privilege to be here with you.

In the past eight years, we have brought our department together in many ways. When I first came here, I came as part of a team of advocates for veterans with definite goals. Those goals were designed to help VA become better—by serving veterans better.

It has taken a true team effort—a "One VA" effort—for us to accomplish our goals. I am proud to have been a part of this effort, along with every VA employee.

There are many reasons we have been so successful. But one of the main reasons is the diversity of our workforce.

It is no secret that ethnic and gender diversity is one of this nation's great strengths. Many organizations have found the way to success through employing men and women of varied ethnic backgrounds and cultures. Thanks to the work of the men and women in this room and elsewhere, VA is one of them.

Today, in our department, women, African-Americans, and Hispanics serve in positions of real authority, formulating policies that affect us today, and those will determine what kind of place VA will be to work in for years to come.

Diversity also helps us better serve America's veterans.

It allows us to talk the way they talk, understand the values they hold, and respect their different traditions—no matter who they are and where they came from.

And finally, the realities of our population trends suggest that there are few options to working with diversity.

Today, four out of every five people entering the American work force are minorities, women or immigrants, according to the Department of Labor.

In the 21st century, the phrase "racial minority" will become much less meaningful — because no racial or ethnic group will comprise an absolute majority of Americans.

For all these reasons and more, it is our obligation to ensure that every VA employee has the same access to opportunity as each of their colleagues do.

Today, for the thirteenth consecutive year, we honor some extraordinary men and women who have gone the extra mile to help our department attract and maintain a diverse workforce.

We recognize their individual contributions and achievements in furthering the goals of our EEO program. And we hope that, by honoring them, we can motivate others to emulate their example.

Honorees for the year 2000 include Carol Mather, who has done a great job supervising numerous Equal Employment Opportunity and Affirmative Employment programs for the Washington, DC VA Medical Center, including the Federal Women's Program, Persons with disabilities program, Hispanic, Asian American and Black employment programs.

They also include Lynda G. Atchley, EEO program manager at the Columbia, Missouri VA Medical Center. Lynda has trained more than 1,500 employees at 12 VA Medical Centers on issues of sexual harassment, discrimination complaints, alternative dispute resolution and cultural diversity;
and David Whatley, director of the Houston VA Medical Center, whose strategic planning and reorganization initiatives have included strong requirements for fairness and equity among Medical Center employees.

There's also Elizabeth C. Branin, program manager and Women Veterans coordinator at the Philadelphia VA Regional Office and Insurance Center, a great EEO resource, not only for VA, but for all federal agencies in the Philadelphia area.

We honor Audrey Oatis, EEO and Affirmative Employment program manager at the Atlanta VA Medical Center, who reorganized Atlanta's special emphasis programs to include a Native American/Asian-American and Pacific Islander program.

And, last but not least, there's Kevin H. Lind, Vocational Rehabilitation Specialist at the Tuscaloosa VAMC, who successfully planned and implemented his facility's Transitional Work Program, to help veterans with disabilities or illnesses that have kept them from returning to the workforce.

I thank all of you for the exceptional work you have done.

But I know, even without asking, that you could not achieve all that you have accomplished by yourselves. Each of you needed help.

And each of you have received it—from your friends, from your families, and, most important, from your co-workers.

Today, we thank only a few of those who have helped us to make our Equal Employment Opportunity vision come true. I know that there are many others, some right here in this room, who also deserve credit.

What is our vision for VA's EEO program? To me, it is simple. I expect that our depart-

ment will be the finest government agency in the United States, because it will be formed, nurtured, inspired and led in accordance with America's values of fairness, integrity and equality.

In the 21st century, Americans must live and prosper as one society. We must work together as one hopeful and energetic work force. We must go forward as one Department of Veterans Affairs, and as one nation.

That is the legacy our founding fathers gave us, two-and-a-quarter centuries ago. It is the legacy our EEO programs are helping to create in VA. It is the legacy our award winners today have given to our department, for veterans and for all Americans.

Thank you all for coming today—and thank you, award winners, for everything you have done.

STATEMENT BY
ROBERT P. BUBNIAK
VA ACTING PRINCIPAL DEPUTY ASSISTANT SECRETARY
FOR INFORMATION AND TECHNOLOGY
BEFORE THE SUMCOMMITTEE ON OVERSIGHT AND INVESTIGATION
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
September 21, 2000

Good morning, Mr. Chairman and members of the subcommittee. I am pleased to testify before you today to discuss the Department of Veterans Affairs information technology programs.

On June 25, 1998, the decision was made by the Secretary to separate the Chief Information Officer (CIO) function from the Chief Financial Officer and create a new assistant secretary position to assume the duties of the CIO. The entire organization of the Deputy Assistant Secretary for Information Resources Management was realigned under the new assistant secretary. The new office was activated on July 1, 1998, with the assignment of a Principal Deputy Assistant Secretary. On June 1, 2000, the Principal Deputy Assistant Secretary retired and on June 2, 2000, Secretary Togo D. West, Jr. appointed me Acting Principal Deputy Assistant Secretary for Information and Technology and Acting Chief Information Officer for the Department. Until the appointment process for a new Assistant Secretary is completed, the Acting Principal Deputy Assistant Secretary is the Acting CIO. This separation of CFO and CIO duties permits the appropriate emphasis on the Department's information and technology issues, which are keys to improving service to veterans.

I'd like to bring you up to date on some of VA's major initiatives.

<u>VA IT ARCHITECTURE</u>

The Department of Veterans Affairs is committed to the development and full implementation of a Department-wide information technology architecture. We do not expect this to be easy. VA has three (3) distinct administrations, each with its own particular mission and large, legacy information systems. We have done many studies in the past aimed at coordinating or combining these stovepipe management information systems, all with little success. However, with the Acting Secretary's emphatic insistence on One VA, we are beginning to see more cooperation among the administrations.

As a first step in developing an information technology architecture (ITA), VA completed a technical reference model and standards profiles in May 1999. VA is now developing the enterprise architecture to complete the ITA. An enterprise architecture is the explicit description of the current and desired relationships among business and management pro-

cesses and information technology (IT). It will describe the "target" environment VA wishes to create and maintain by managing its IT portfolio. The enterprise architecture will be a tool used to enable VA to transition from the current to the targeted IT environment. We intend to create a status management capability to track our progress from the current environment to our target environment.

A cross-organizational workgroup, comprised of both business operations and information technology staff from each of the Administrations and staff offices, was approved by the VA's CIO Council to guide the development of the enterprise architecture and to ensure that the architecture fully integrates VA business processes and technology so that it truly reflects One VA. VA's administrations and staff offices have been solicited for workgroup representatives.

At the May House Veterans' Affairs Committee oversight hearings, VA's then Acting CIO agreed to provide Congress with a plan for developing the enterprise architecture. In August 2000, VA provided a white paper, which described the plan and steps to be taken, a statement of work for contractor support, and a milestone chart with estimated completion dates. At that time financial data on information technology expenditures for the last five years was also provided.

VA INFORMATION SECURITY

During the past sixteen months, VA has pursued an aggressive security improvement program that focuses attention to security in our capital investment planning and project approval processes. But most importantly, we created a durable central security organization, whose program model is a continuous process based on risk management principles endorsed by the General Accounting Office (GAO).

We want to assure you that VA does not underestimate the challenges we face to achieve adequate security in all six of the general control areas against which GAO measures any agency's security. We accept Congressman Horn's grade of a D as a rebuke and a wake up call. We are committed to changing that grade to an A as soon as possible. We have much work to do in the areas of access controls, application software development and change control, personnel controls, system software controls, and service continuity controls. And, of course, we must cultivate the security program management groups at the Department and component office levels that are the catalysts for improving all these controls.

Like many agencies, VA let the fast pace of the Internet and other computer innovations outstrip our attention to, and investment in, security practices. So we now have much catching up to do. We have experienced some of the same embarrassments as other agencies – defaced public web sites, sluggish reaction to virus attacks, and so

forth. We appreciate the value of the comprehensive audit results we have from GAO and our Inspector General. These audit results are tangible evidence of how much work we have to do. But they also give us an excellent perspective on just what and where the problems are.

So we are now acutely aware that an underlying cause of our present security posture is that we had not instituted a management approach that proactively attacks risk at its roots. Instead, there was a tendency to react to individual audit findings, with little ongoing attention to systemic causes of weaknesses. Since we strengthened central security management in 1999, improvements have been pursued within a risk management framework, and will continue to be pursued in that way.

A variety of initiatives are already completed or underway in formal risk assessment, policy development, controls implementation, and awareness and training programs. Efforts are pursued from a Department-wide perspective, and concentrate on areas where consistency, balance, and economies of scale across the Department are essential to good security.

In just the last year, we contracted for, and completed, an independent VA-wide risk assessment. We vetted and issued policies in the areas of password strength, dial-in connections, anti-virus controls, and employees' personal use of government office technology. These were some policy areas of greatest concern based on existing audit findings. In addition, we now operate a VA-wide critical incident response operation that is VA's nerve center for rapid and coordinated action against virus outbreaks, network attacks, E-mail storms, or other kinds of security incidents.

We are investing real dollars in the development of a formal system certification and accreditation program to prevent a future generation of security-starved systems. We are also investing real dollars in awareness tools and events, and in a detailed curriculum of training for our security officers. For example, last June we broadcast live by satellite television into every VA facility a two-hour management panel titled "Information Security — The High Cost of Management Apathy."

In the area of technical controls, we are laying the groundwork now for significant capital investments next year in major security infrastructures — including public key infrastructure, biometric controls, intrusion detection, and better virus protection. These capital investments are embodied in an FY 2001 capital investment initiative approved by the Secretary last year in the amount of $17.5 million. This level of commitment to funding an agency's central security management is probably unprecedented in the civilian agency sector.

Because these efforts are now undertaken by a central security management office, scarce security resources in the administrations and staff offices can now concentrate on internal compliance measurement, which by its nature demands inside change agents to overcome cultural and political barriers. We are very excited about what we are doing on information security, and do not plan to lose this momentum in the coming months.

I have begun investigation into the creation of a Senior Executive Service level position to head the Department's IT Security Program. This senior position would serve as the CIO's management advisor and senior consultant regarding development, publication and implementation of Department-wide information security standards, policies and guidance, as well as coordination and integration of all aspects of VA's cyber, telecommunications and information security program.

SMART CARD

During the One VA conferences, discussion focused on providing veterans a Smart Card that would contain veteran-specific information. This information would be contained on a card the size of a credit card. The concept is that a veteran could use this card to obtain expedited services at any VA facility. For example, by using the Smart Card, veterans would not have to repeatedly fill out the same forms concerning eligibility and income information each time they visited a new medial facility or regional office. The card will have critical medical data such as blood type, known drug allergies, etc. The Acting Secretary is fully supportive of the Smart Card concept and has expressed his desire to have Smart Card functionality in place at VA.

The Veterans Health Administration (VHA), working closely with the Office of Information and Technology, was charged with taking the leadership role in combining the business needs of the VHA, the Veterans Benefits Administration (VBA), and the National Cemetery Administration (NCA) in implementing a Department-wide common Smart Card. A VA Smart Card Steering Committee and the VA Smart Card Project Management Team have been established to finalize plans and ensure effective acquisition and implementation. We are working together as One VA to develop the plans, requirements, and resources for a One VA Smart Card for America's veterans.

On August 31, 2000 a Smart Card proof-of-concept demonstration was conducted for the Acting Secretary and Veterans Service Organizations representatives. The demonstration showed how the Smart Card could support express registration to save time for the veteran and the VA staff while improving data quality. The demonstration also showed how a veteran using a kiosk could digitally sign forms using keys securely carried on the card. Our goal is to launch an initial implementation of the VA Smart Card in Veterans Integrated Service Network (VISN) 2 and VISN 12 during January 2001 and begin national implementation by January 2002.

GAO REPORT ON VA'S IT PROGRAMS

We have achieved much progress in addressing GAO's recommendations, particularly in our information technology review process. The Department will continue to strengthen its capital investment planning, make improvements to streamline the process while continuing to capture information needed to make informed investment decisions. We also recognize that VA faces real challenges, including those GAO identified.

When the Secretary decided in 1998 to establish an independent CIO function, the Department moved swiftly to realign its resources to support that decision. Since then the Principal Deputy Assistant Secretary for Information and Technology has served in the CIO capacity, spearheading the Department's efforts to streamline and integrate itself to a One VA posture that provides seamless service to our nation's veterans. While we have yet to achieve that vision, we continue to make strides towards this end. Our efforts in building an enterprise architecture and mature capital investment process are key strategies to achieving this vision.

DECISION SUPPORT SYSTEM (DSS)

DSS, which was implemented nation-wide in July 1998, is a medical center-based cost distribution program used to produce management information for VHA decision-makers. It directly supports the management of VHA facilities by providing workload, patterns of care and clinical outcomes information linked to resource consumption costs associated with health care processes. In an evolving competitive health care environment, DSS is aimed at improving procedures and practices while lowering costs of care at VHA facilities. As of August 31, 2000, 139 of 140 sites are processing FY 2000 data. The remaining site is on an accelerated plan to come up to the standards of the rest of the system.

DSS is a critical information system for effectively managing at the clinic, medical center, VISN and headquarters levels. While implementation has been slower than projected, the system is now in place. DSS differs from other existing VA databases in that it integrates selected elements from each episode of care, resource allocation and clinical procedure into a longitudinal format. This allows statistical outcomes comparison amongst VHA facilities on key data elements, including fiscal, care descriptors and resources per episode of care. Using this information, DSS allows VHA management to analyze and compare workload and cost data in great detail. It also allows medical centers to perform product line analyses, modeling, clinical performance measurement and clinical quality management.

DSS supports VA's quality improvement initiatives by providing information systems support for outcome-based performance measures that document the effectiveness of the health care delivery process. The combination of observations relating patient care outcomes (quality) with resource utilization information (cost) can facilitate understanding of the value of health care services provided by the VA medical centers.

DSS supports: a) budgeting and planning for medical centers; b) VISN resource distribution to medical centers; c) productivity analysis; d) outcome measurement based performance and effectiveness of health care; e) benchmarking for VA comparative aggregate data at network or national levels; and others. Significantly, in August 2000, the Acting Under Secretary for Health made the decision to transfer DSS to the Office of the Chief Financial Officer to be used as a replacement for the workload distribution engine for the Veterans Equitable Resource Allocation (VERA) system.

Initially, DSS was envisioned to be an individual medical center-based system. As VHA evolved toward a more VISN-centered management model, different VISN and national reporting requirements were identified. Additionally, the degree of standardization required for VISN and national reporting and decision support added complexity to the implementation.

During implementation, a number of issues arose which still require additional attention. DSS is being asked to do corporate roll-ups of information that are beyond what original software was originally intended to do. Our people are finding that loading data into DSS is proving to take a lot of work and very careful attention. Further, DSS is not yet sufficiently user-friendly to make it as valuable as it needs to be to managers at all levels.

But let me very clear. We are strongly committed to a decision support system that helps us effectively manage the veterans health system at all levels. Managers need these tools and they need to use these tools.

VHA leadership and the DSS Steering Committee are working hard at improving the standardization and ease of use of this critical management support tool. At the same time, we are looking carefully at what is the best long term approach to ensuring that a user-friendly and effective decision support system is available to and used by all of our managers. We know this is an issue of high interest to the committee and we will work closely with the committee to ensure a decision support system is in place and effectively used.

VETERANS HEALTH INFORMATION SYSTEMS AND TECHNOLOGY ARCHITECTURE (**V**ist**A**)

VHA operates the largest centrally directed health care system in the United States made up of 172 medical centers, approximately 551 ambulatory and community based clinics, 131 nursing homes, and 40 domiciliaries. The operational support backbone is the **V**eterans Health **I**nformation **S**ystems and **T**echnology **A**rchitecture (**V**ist**A**) system. **V**ist**A** is a combination of more than 130 health care applications that have evolved over time. Let me provide more detail about the evolution of this environment.

∑ In 1982, VHA committed to building an electronic health care architecture called the Decentralized Hospital Computer Program (DHCP). The focus of this program was the implementation of software applications that were easily integrated into a complete hospital information system. VA began developing applications using VHA programmers who worked directly with user groups in software prototyping environments.

∑ In 1996, DHCP went through a major modernization. The existing processing architecture was overhauled to utilize state-of-the-art client server technology, and the applications were modified to utilize intelligent workstations using Graphical User Interface (GUI) conventions. This major renovation signaled the beginning of **V**ist**A,** a rich automated environment that supports the day-to-day operations at VHA health care facilities. In addition, **V**ist**A** includes necessary links that allow commercial off-the-shelf software and products to be used with existing and future technologies.

Vist**A** incorporates all of the benefits of DHCP as well as an array of commercial and other information resources that are vital to the day-to-day operations at VHA medical facilities.

VHA's goal for **V**ist**A** is to improve the quality and timeliness of health care service provided to veterans. To meet this goal, VHA has established standard criteria for the design, development, and implementation of software. The criteria are:

a) all software developed and implemented throughout the VHA medical care system must be standardized and able to be exported to all VA medical facilities;
b) all software must be technically integrated using a common database, programming standards and conventions, and data administration functions;
c) all software must use standard data elements;
d) all software must allow timely access to data;
e) all software must avoid dependence on a single vendor; and,
f) all software must have system integrity and protect data against loss and unauthorized change, access, or disclosure.

Vist**A**, starting with DHCP, was developed some 20 years ago and represented a major breakthrough in providing a strong information system dedicated to providing quality health care and managing the medical centers. For all these years, DHCP and, more recently, **V**ist**A** has carried a heavy load and done it well. We have the intellectual capital, amongst VA and our private sector partners, and the system underpinnings to deliver a much stronger information system for the future.

Today, it is a system that must become much more flexible for it to support a mobile veteran population or manage at the VISN and national levels. While some parts are up with current developments in information technology or are state of the art, other parts are not.

Today and for the future, the requirements placed on a veterans health information system are increasing and at a faster pace. For the future, **V**ist**A** will need to evolve into an information system that makes an individual veteran's health information available any time, any place, to any authorized health care provider and in real time. It needs to be an information system that is flexible, can change quickly, incorporates the latest provider and management applications, and uses the power of the web to support veterans and health care providers. It also needs to be fully integrated with our efforts to establish One VA.

VHA's IT strategic vision focuses on expanding **V**ist**A** to become a veteran's information resource, with the health record owned by the veteran and used in partnership with the veterans health system doctors, nurses, pharmacists and other providers. The VHA CIO is working with national leadership to translate the strategic vision into an operational plan.

Information is such a powerful tool to help us improve veterans health. It is incumbent upon us to use the best information system available to ensure the best health care for and maximize the health of our veterans.

VETSNET

VETSNET is an integrated information system designed to meet the critical needs of veterans and their families and/or beneficiaries who receive benefits and services from VBA. The initial phase of VETSNET created an infrastructure and then focused on replacement of the compensation and pension (C&P) payment systems.

During the last several months, VBA has conducted a series of planning summits to identify and plan for essential steps required for successful VETSNET C&P implementation. As a result of these summits, a wide number of VETSNET C&P sub-projects have been identified and project team leaders assigned responsibilities for each of these areas.

On June 12, 2000, VBA established a VETSNET Implementation Project Management Office (IPMO) to facilitate information exchange and coordination between all the VETSNET project teams and to serve as the focal point for the VETSNET project. The Director of the VETSNET IPMO is the same individual (Sally Wallace) who led VBA's successful Year 2000 conversion effort, and VBA is following the same model that was used for the Y2K initiative.

The VETSNET IPMO is currently in the process of developing an integrated project management plan with proposed costs and milestones. Project management methodology is currently being emphasized throughout VBA, and the IPMO is applying this technique to ensure that the application development and implementation remain on track. Additionally, the VETSNET IPMO is in the process of updating the VETSNET Capital Investment Plan to incorporate implementation and deployment costs and activities.

Both VETSNET and VISTA users can now access shared veteran information through an intranet application that is capable of capturing data from the Beneficiary Identifier and Records Locator System (BIRLS) and the Benefits Delivery Network (BDN) and displaying the data in a web browser environment. This new tool is called Intranet BIRLS/BDN Access (IBBA). IBBA is a tool which was developed by VBA with support from VHA. IBBA accesses VBA's key benefits information systems. It works through a standard web browser on any personal computer (PC) connected to the internal VA communications system. Inquiries are sent through the system, through a security application and routed to the appropriate data-base. A snapshot of the requested information is taken and returned to the browser screen. Appropriate personnel in each of VA's Administrations and the Board of Veterans' Appeals were given access to IBBA in a phased approach during June, July and August, 2000. VA is starting to build One VA with IBBA.

CONCLUSION

Mr. Chairman, we know that we have problems. We know that we are not where we need to be, particularly in the areas of IT security and our IT architecture; but we are making progress toward One VA.

A SNAPSHOT OF VA COMPENSATION AND PENSION

JOSEPH THOMPSON, VA UNDER SECRETARY FOR BENEFITS
PRESENTED AT THE VA EX-PRISONER OF WAR ADVISORY COMMITTEE MEETING
DETROIT, MICHIGAN

December 4, 2000

An interesting feature of compensation and pension is how long people have been in military service who are filing claims. Those with three years or less service constitute 27 percent of our claims. Those with 20-plus years constitute 38 percent of our claims. Now many of you may not understand this, but if you retire from active duty and you get compensated by VA, you can't collect both your retired pay and your compensation at the same time. You have to opt for one or the other. Most opt for compensation because it's tax free. So if VA pays $500 a month in compensation, they'll take that in lieu of $500 or retirement pay because this is not taxable. So you'll see a fair number of claims from people who are retired, and you can imagine that in 20 to 25 years in the military you'll pick up your share of things that go wrong. Reopened claims are a little bit different. You'll see they are overwhelmingly from veterans with zero to three years military service. The reason is that Vietnam and Korea had a fair number of folks who served three years or less; Vietnam, particularly, so reopened claims are going to reflect that.

Here is an interesting graph that represents what the military is seeing today. Realize that DoD does have its problems recruiting people into the military. I think these numbers are very illustrative of that. Thirty-seven percent of all people who enlisted in the military failed to complete their first enlistment. This is an all-time high. They do not complete their enlistments for a variety of reasons: medical and physical, performance reasons, fraud on their enlistment, and other. This is interesting from VA's perspective because they do end up at VA. Many of these folks who wash out early do come to VA for help. They turn to us sometimes as a last resort.

This graph illustrates the distribution of disability evaluations. It's a little complicated so let me explain. If we were considering a hundred different disabilities, this is the breakdown on average in FY2000 of how we would have decided those issues. Fifty-three-point-seven percent would have been denied coming out of blocks, either as non-service connected or nondisabled. Another 23.4 percent would have been found to be zero percent disabling. That means you have some disability but it doesn't rise to a level that warrants compensation. Seventeen-point-seven percent would be a 10 percent disability evaluation and then you can see 20, 30, 40 to a 100 percent constitute about five percent of all the evaluations. If you count 10 percent, zero and denials, you account for about 95 percent of all the decisions we make. The popular perception is that we are dealing overwhelmingly with people with very, very severe disabilities. While that does happen, most of the things we look at are not usually that profound.

If you look at claims per veteran, and many file for more than one disability, then in 71 percent of the cases we find some kind of service connection. It may be zero – often times it is zero – which means that you get treatment for the disability but no compensation. The flip side

of that is that in 29 percent of the cases we find nothing.

All of these statistics and demographics are in our annual report — the first time this agency has pulled all of its benefits information together and I think it will really help us shape our programs in the future.

Now I'll talk about issues that I think are of great interest to most veterans. This is our balanced scorecard, the way we have of measuring our own performance. We look at five things: accuracy, speed, unit cost, veteran satisfaction and employee development. I'm going to talk about two of them, accuracy and speed. Accuracy is how many mistakes we make and speed is how quickly we do things.

I'll start with a premise – we make too many mistakes. We acknowledge that going in. We are devoting a lot of time, money and human resource to make that better. The STAR system, our acronym for the system we use to track errors, is a zero defects sytstem. If there are close to 200 ways to make a mistake and if you make only one mistake, that doesn't mean you have a point-five percent error rate; it means you have a 100 percent error. Any mistake is fatal. That's why we call it a zero defects system. It is very stringent.

Payment errors, where we actually calculate the wrong amount, is a relatively small percentage of the errors we find. Most of the errors we find are procedural in nature. That means we strung the case out longer than we needed to; we didn't ask for all the information we needed; and a variety of other things. I'll go through some of the errors.

Fundamental result – This is an error where we just got it wrong. We made an incorrect evaluation; maybe the veteran was 20 percent disabled and we put 10 percent – or the other way around, we over-evaluated.

Wrong decision to grant or deny – We should have granted when we denied or vice versa.

Wrong effective date – You would think it's easy to decide when to start paying benefits. It should come from one of two dates, the date the veteran filed or the date of the disabling event. Actually, there are 35 pages of matrices on how to calculate an effective date. The law is that complicated, so we get that wrong a fair amount of time.

Other errors don't necessarily affect payment, but are serious to us nevertheless.

All issues not addressed – Where the veteran might have claimed something in a multi-issue claim that we didn't fully address or, more likely, there are benefits that flow from decisions we make. In other words, if the veteran was found to be permanently and totally disabled, did we also consider telling him or her about dependents' educational assistance for spouse and children. If we don't thoroughly address all those issues, the case is in error.

Duty to assist – We have a affirmative obligation to assist veterans with their claims to try to help them secure evidence. If we do not do that to the extent we're supposed to, that puts the case in error.

And third, this is the most common one, **documentation notification** — Some of our letters our incomprehensible. You might have noticed that. That would be an error. Sometimes we don't send letters to the right party. The veteran has someone he gives power of attorney to t and if we don't notify them in addition to the veteran, that case is in error.

So these are serious errors as far as we are concerned, but they don't necessarily effect the dollar amount actually paid to the veteran.

Here's a breakout of the errors, themselves. About six percent of the time we're making a mistake that affects payment. Twenty-nine percent are in those other error categories and about 65 percent of the time there is no mistake.

This is not acceptable to us. This is way too high and we're putting a lot of effort into trying to fix this.

Many of our VA folks are trainees. VA is a wartime-era agency. We hire people based on periods of war. When I came to work in the mid-seventies, the class of '46 was retiring. Thirty years of service at age 55 is federal retirement. In the mid-seventies we saw the World War II generation leave and not too long after that Korea. Today we're seeing Vietnam walk out the door. Add 30 years to the Vietnam era, figure out the average age and you're getting right around retirement age. So we are seeing an enormous amount of turnover and some of this is reflected in our staffing.

Authorization – An authorizer makes all decisions that are not disability evaluation decisions: decisions about your dependents, decisions about your service, decisions about your income. You can see that approximately 31 percent of these people are what we consider to be fully trained and experienced, with more than three years of experience. Sixty-nine percent are in training. They need some help to a greater or lesser extent. They can't get through their workday without some kind external assistance. This is a serious situation for us and hopefully we'll be able to work through it.

Rating specialists – We're in a little better shape here. These are the people who make the disability evaluation decisions. About 53 percent of them we consider fully trained, but still just less than half are in some kind of training status. Again, it's a serious situation for us and it's not going to get better. The Vietnam era of employment has not begun to crest. It won't crest for another three to four years. When it does, we expect to lose between a third and a half of all the experienced people we have in our regional offices today.

One bright note – we think our accuracy is improving somewhat in appeals. A veteran can appeal his case. If he doesn't like the decision made in a regional office, he can go to the Board of Veterans Appeals. If the Board finds that the case is not complete, it will remand it back to the regional office. Here are the numbers. The remand rate in FY1997 was in the high forties (percent). It is down to 29 percent today. We think that is a good sign. Some remands are necessary and not a result of anybody making a mistake. If a case is in the appellate cycle and the law changes, by definition it must be remanded back to the regional office. We see that today with Congress changing the law on duty to assist this year. Every case that's sitting

in the Board of Veterans Appeals today that has duty to assist as an issue will go back to the regional office; not because anybody made a mistake, but because the law under which the original decision was made has now changed.

We are doing a number of things to improve rating accuracy. We have a host of issues all designed to try to make quality decisions.

By the end of this fiscal year 2001 we expect to get the quality rate from 64 percent to 72 percent as a result of the quality initiatives we have undertaken.

Let's talk about the other half of the equation, speed – how quickly we do things. I know we're a bureaucracy and I know we're slow, but it isn't because people are sitting around being passive. There are a variety of factors that contribute to how long it takes to do a claim, and I'm going to talk about some of them.

Access to evidence – When a veteran files a claim with us, in 99.99 percent of the time we have to get more information. It is extraordinarily rare when everything is included with the original claim. We have to go typically to third parties and the time it takes those third parties to get information back to us is listed here. It takes an average of 166 days to get information out of the CURR, the Center for Unit Records Research. This is particularly important for post-traumatic stress disorder claims. If a veteran files a claim for PTSD and does not have in his or her individual record anything that could be considered a stressful event, then we need to go secure the unit records. Getting those unit records takes on average five-and-one-half months. They have to go in and find the unit records we're looking for by day, by event, dig it out of cardboard boxes somewhere and send it back to us. That's quite a bit of work, but luckily there aren't that many claims that fall into this category. This does not represent a huge number of claims, but it does add a significant amount of time to processing.

The National Personnel Records Center does add time to many claims cases. A year ago, they were taking 122 days on average to return information to us. Today it's 112 days. That's because we've hired people to work there. NPRC is part of the National Archives system. We've hired VA employees to work there to help them work down their backlogs. This is one of the major sources of slowdowns of claims. For any veteran who was discharged before 1993 and files an original claim with us, we have to go to the records center and get his or her service medical records. This is also the place that had the fire in 1972, so a lot of those records were destroyed. So it takes us quite a while to get information out of the NPRC.

On average, it takes us 50 days to get private medical records. We're going to be much more aggressive with that in the upcoming year. We typically write the veteran and ask for release for us to go to the doctor to get the medical records. We're going to use the telephone a lot more than we have in the past to try to speed this up.

VA exams take 41 days, on average. Hospital records take 31 days. And, if you were discharged since 1993, your records go directly to VA. We keep them in St. Louis and it takes two days for us to get them.

We are also increasing the number of decision-makers in the regional offices. This is

important. Even though we have gone down in staffing in many cases, we have actually moved people out of other operations into compensation and pension to help out there. In compensation and pension staffing, we will go from 4,291 three years ago to 6.588 by the end of FY2001. This is why a lot of those folks are in training.

Reduce the backlog – It is important for us to get rid of the stuff that's filling up the pipeline. We think that 250,000 pending claims pending at any given time is an appropriate amount of work for our 6,000 workers. The amount of claims in the system above that – what we consider in excess of our capacity – was up just under 400,000 total claims in the system in February 1999. We ended this fiscal year at 309,000, and with any luck we'll eliminate excess pending claims above the 250,000 level by the end of FY2001. This is the result of people working very hard and will ultimately affect how long it takes us to do claims.

Average days pending – When we look at the work sitting in regional offices –that 250 to 300 thousand claims – we look at how old they really are. In December 1999, they averaged 156 days. Today, they are in the 130s and that's going down. This is good because this is a leading indicator on how long it takes to do claims. This is the first thing that goes down. The second thing that goes down is the actual cycle times. We continued to go up for about the same period and peaked in February-March at about 176 days to do a claim. We ended last fiscal year at 168 and expect to end this fiscal year at 158. Nothing to write home about, but it is trending in the right direction. There are a couple of codicils, though, which I'll mention later.

National Personnel Records Center – We hired 30 VA people to work at the center to help reduce backlogs and when they showed up for work October 1, 1999, they had 62,000 requests for records backed up. They've helped trim that down to about 41,200. We are probably going to add another 20 or so employees to the NPRC this year. We've got to get this down to a manageable number because this eats our lunch. Even though it's not our job to do this, we think it's money well spent .

I'll mention just a few other issues. We have new legislation; duty to assist legislation, there's legislation on Filipino veterans. We pay Filipino veterans the half-pay rate. They don't get dollar-for-dollar for disability compensation. However, the law changed. If they live in the United States, they will get dollar-for-dollar; so we're going to have to find these veterans and figure a way to confirm their residency.

New presumptive conditions – We are going to service-connect Vietnam veterans for diabetes. We're considering other presumptive conditions, as well. That is going to add work. This new legislation will give our workload a fairly good bump over the next two years. If nothing changes, we expect our pending claims to climb up to 300,000 instead of trending down to our desired 250,000 level. That actual days pending which we projected to go down to 119, will probably go up to 150. The average days cycle time for completing a claim instead of going down to 158 will go up to 171 this year and 183 next year. Now this is if nothing changes, but we believe something will change; two things are going to change.

We are going to go to Congress through the Office of Management and Budget to ask for a supplemental appropriation to help pay for some of the changes in the law. But more

important than that, we have taken some fairly dramatic steps to change the way we do business in the regional offices. We've put some teams together to look at how we can approach some of this work differently. They've come up with a number of recommendations we think will really help us do this work appropriately.

In the Gulf War, we got in the hole for a couple of reasons. One is we grossly underestimated how much work would come out of that war. The war lasted a week, combat lasted a week; we assumed it would have a minimal impact on what we did. The fact is that we got a ton of claims, not just because of the war, itself, but the military downsized at the same time so a lot of guys were getting out. We created something called the Transition Assistance program that actually put counselors at the separation centers and told people exactly what they had coming to them so they were much more ready to file claims. We got in a big hole as a result of that. We are working to make sure that never happens again.

AN INTERVIEW WITH

VA UNDER SECRETARY FOR HEALTH DR. THOMAS L. GARTHWAITE
PUBLISHED IN THE FALL 2000 ISSUE OF

THE BUSINESS OF GOVERNMENT

"You've got to give people a reason to change," states Dr. Thomas Garthwaite, under secretary for health at the Veterans Health Administration (VHA), Department of Veterans Affairs (VA). "You have to make sure that they understand the importance of that change and that it makes sense to them." Dr. Garthwaite is familiar with change- the VHA recently went through the greatest period of transformation in its history.

With more than 150 VA medical centers nationwide and 3.5 · million veterans enrolled for care, VHA manages one of the largest health care systems in the United States. The VHA also conducts research and education, and provides emergency medical preparedness.

Dr. Garthwaite joined the VA in 1976, after receiving his medical degree from Temple University and completing his internship and residency at the Medical College of Wisconsin. His career includes nearly 20 years of experience as a physician and clinical administrator at the Milwaukee VA Medical Center. He served as the medical center's chief of staff for eight years.

In 1995, when Dr. Garthwaite was deputy under secretary for health, the VHA embarked on large-scale transformation, leading to impressive results. The number of full-time equivalents (FTEs) has been reduced by more than 14 percent, while the number of patients treated per year has increased by more than 25 percent. Annual inpatient admissions have declined by more than 32 percent, while outpatient care visits have increased by more than 45 percent. Approximately 60 percent of hospital beds have been eliminated, and patient satisfaction scores have improved by more than 15 percent.

"In the past, it was competing facilities — each trying to have all the programs that were possible in medicine, each trying to have the tertiary care, each trying to have the latest and greatest technology," Dr. Garthwaite explains. "But what was missing was the coordination of care and the preventive medicine, the primary care for the rest of that population before they needed that tertiary care. So, in the end, what we were able to do was to refocus all of our staff on the concept that it is really about that population [of patients], not about the facilities."

An additional change that this brought about was a new focus. "That also changed us from specialty care to primary care. It changed us from inpatient care to outpatient care. It changed us from end-of-disease care to prevention. So it had dramatic effects just going from a facility-based organization to a population-based organization," Dr. Garthwaite observes.

An emphasis on prevention not only saves lives, but also money. "Years ago, I think we waited till the end of a disease, and we came in with tubes and scalpels and tried to save the patient at the end stage of an illness," recalls Dr. Garthwaite. "Last year, we had immunization rates approaching 90 percent for pneumonia and influenza, and we believe that in cases of patients who have lung disease and who are elderly, that every time we give a shot, we not only save lives and prevent hospitalizations, we save $294 with each shot that we give."

Performance measurement was a key to making the new vision a reality. “The use of performance measurement did several things for us,” he asserts. “One, it forced us to have conversations about what’s most important, what the real goal is. Secondly, it forced us to then say, ‘What would be a measure of that?’ And, third, it said, ‘What kind of progress have we made?’ It gave us an opportunity to chart our progress towards those goals. So, I think, more than anything else, performance measurement really led to the dramatic changes we’ve seen.

Many challenges lie ahead for VHA, including adopting new technology, recruiting workers, and dealing with changing veteran demographics. “The good news is that, by reinventing and transforming the VA, I think the potential roles that the VA could take on in the future have expanded,” Dr. Garthwaite asserts. I think five years ago, one wouldn’t look to a large, lumbering bureaucracy that couldn’t demonstrate the quality of care that it gives for any new tasks. But, today, I think you have a much leaner VA that’s very responsive, that’s high technology, that’s high touch, that can demonstrate to anybody who wants to look at the kind of quality of care we’re capable of providing. We’re having trouble finding systems out there that have benchmark performance measures as good as ours. So I think that we have the potential of really being a model system and one that also provides valuable service in research and education.”

EXCERPTS FROM "THE BUSINESS OF GOVERNMENT HOUR"
RADIO INTERVIEW WITH
DR. THOMAS L. GARTHWAITE, VA UNDER SECRETARY FOR HEALTH
Broadcast December 17, 2000

LEADERSHIP

On vision

The quality of a good leader is to have clarity of vision, because if you don't have clarity of vision, it's hard to develop a shared vision with all the employees of the organization. I think if you don't have a shared vision with all your employees, you can only get them to go part way towards any goal.

I mean, we really only go where we believe we want to go. We can be ordered to go some-place, and we'll go reluctantly if there's enough of a power structure there. But when we really go enthusiastically somewhere, it's because we see the goal, we agree with that goal and that vision, and that's how we get there. So, to me, the first part is to really have that clarity of vision.

On the ability to listen

It's impossible to know everything, but in an organization of 180,000 people, for instance, we have somebody who has a good idea about almost everything. The hard part is to listen. You can find a lot of people who will be quiet while you're speaking, but you find relatively few people who actually listen to what you have to say, incorporate that into their thinking and then turn it into a true dialogue with you.

So I think that's another key piece of leadership, especially in today's society, which I think is moving from a kind of hierarchical command-and-control structure to more integrated and virtual organizations and more democratic leadership.

NEW APPROACHES TO MANAGEMENT

On performance measurement

We've been able to focus people on key measurements that we think really reflect our progress, both as facilities but also as a larger system. By picking things to monitor and to measure that are critically important to patients, we've turned the focus of what your job is from the old days, where it was kind of impressing the person higher than you are in the hierarchy to now making some measurable change in the lives of veterans, their immunization rates, their surgical mortality, the number who are put on aspirin and beta blockers after a heart attack — you go down the list — the customer or patient satisfaction scores for your facility.

All those things that we measure, you're going to have to change how you do the process of care and make it better to make them change. So that's made for a lot of focus in local facilities and nationally on how to make that happen, which all about the process of delivering care, and I think it's made us a much better organization.

On emphasizing patients
I would just go back to a very simple premise. You know, in a previous presidential election, the phrase, “It’s the economy, stupid,” was used, and I tell people, “It’s the patient, stupid.” If you really focus in on the patient, if you’re worried about their waiting times and if you’re worried about our communication with them; if you design systems that make sense to the patient, then you’re going in the right direction.

Whereas, if you just say, “Well, we have to preserve this old structure that we’ve had for so many years because my goal in life was to be the assistant chief of that structure,” that’s not the same as saying, “You know, it doesn’t matter what my title is as long as the patients don’t have to wait in line, that they are treated with courtesy and respect, that they get the proper diagnosis and proper treatment.”

That’s what we’re really about as an organization. We’re not about creating management structures and titles that people aspire to; we’re about creating outcomes that patients care about.

TECHNOLOGY

On information systems
The ... thing that’s ... really dramatically different in the years that I’ve been in the VA is the emergence of information systems, and the VAs really been a leader in information systems dedicated to patient care.

You know, we didn’t have to bill for many years. In the private sector, the computer systems were developed and maintained primarily around billing. Since we weren’t billing, we developed and maintained them primarily around the delivery of health care. And if you think about it, ultimately; the most effective and efficient and the highest quality way to deliver health care would be supported by good informag [information management] systems around the process of delivering care. So I think we’re a little ahead there. Unfortunately, we had to begin to bill, and so we’re catching up with the private sector in how to bill, but I think we’re ahead in how to use computers to deliver care.

On technological challenges
Clearly, the emergence of technology and how to use it, how to deploy it, how to pay for it, how to kind of get over the hump from the old technology to the new technology safely and efficiently and effectively is certainly a challenge. That’s not only computers, but also fancy diagnostic machinery, and fancy therapeutic machinery, and new medications, and genetic testing, and all those sort of things.

HUMAN RESOURCES

On future challenges

I see huge issues in the workforce, from competition for workers with the wonderful economy that we're experiencing, to finding people that want to go into health care and nursing. That competition for workers has an upward pressure on pay It has been noted that all of the government workers are getting older and closing in on retirement, so there's some very special issues related to the federal government and the retirement systems and the age of the average government worker, and that's even worse in VA for nurses. These are some real issues in the workforce for us.

On recruitment
One thing we have on our side is we have a wonderful mission. It's pretty noble to take care of America's heroes, do research, train tomorrow's health care providers. But altruism only goes so far if the salary structure isn't any good. So we've tried to make sure that our salary is the best that we can make it within the current legislative mandates that we have.

We also try to challenge our employees. We want them to feel like it's fun to come to work. We want them to feel that it's challenging to come to work, that it's a good thing that they have a noble mission. We'd also like them to believe that, for working with the VA, they will grow as professionals and as people, that they will have an opportunity to learn things and at their level of confidence, and that the things they know are marketable inside the VA and outside the VA.

On reductions in staff
Most of our reductions have been through attrition. We've proposed some involuntary separations — or as the government calls them, reductions in force, or RIFs — but we've ended up separating relatively few people via that mechanism. We've used buy-outs, early retirements, and general turnover to try to restructure the workforce.

REMARKS OF ROBERT J. EPLEY, DIRECTOR,
VA COMPENSATION AND PENSION SERVICE
FOR NATIONAL VETERANS SERVICE ORGANIZATIONS
(adapted from video presentation)
WASHINGTON, D.C.
December 6, 2000

Compensation and pension (C&P) represent a significant part of the entitlement programs provided to veterans in recognition of their service and sacrifice for their country.

These are programs of significant size and complexity. In terms of size, our decisions affect the lives of millions of veterans and their families. The programs account for over three million beneficiaries and $21 billion in annual payments. In terms of complexity, VA C&P programs rival any in government.

The programs' size and complexity have led to problems. We're working diligently to fix those problems ....

Case management is at the heart of what we're doing at VBA. It means being well-informed about the status of individual veterans' applications and keeping those same veterans updated, before they ask.

The initiatives we're implementing are all helping us to effect this fundamental shift in how VBA deals with veterans. We're improving access, professionalizing and training the workforce, enhancing information gathering, and ultimately making better decisions and improving our quality of service to the veteran.

With case management, our goal is to make the process simple and comfortable to the veteran, like meeting with their personal financial advisor. We are rebuilding our systems to meet this goal.

Two main elements of this restructuring are the Modern Awards Process in Development, or MAP-D, and the establishment of the Decision Review Officer position, or DRO.

We are trying to build a different organization here at C&P, one that is closer to and more personal with the veteran. While technology plays a large role in these changes, it must fit into our overall relationship with the people we serve. These changes are not just about efficiencies; they're about veterans.

We've moved from a fragmented impersonal process to a new personalized system and it hasn't been without growing pains. Bob Galvin of Motorola said, "The ability to set expectations for significant new results and to stick by them in the face of resistance is the least developed management skill in America."

We have set our expectations high, and we need to stay the course. We have had resistance in many areas and it has been difficult on our employees. We know our agenda is broad, but we believe our new approach ... will build a stronger foundation for service to our

veterans. It will improve our consistency and reliability, and lead to a process that is credible for both veterans and stakeholders.

In the locations where case management changes are in effect, we're already hearing positive feedback from veterans. They don't know exactly what we're doing differently, but they do know things are better, and the system is working.

REMARKS OF WILLIAM LEONARD, DIRECTOR,
HUNTINGTON, W.VA., VA REGIONAL OFFICE
PEARL HARBOR REMEMBRANCE DAY 2000 PROGRAM
HUNTINGTON, W.VA.
December 7, 2000

Good afternoon, ladies and gentlemen, - Welcome to the Pearl Harbor Remembrance Day program sponsored by Detachment 340 of the Marine Corps League.

We come together to remember a defining moment in our nation's history.

Much of what our country and our lives are like today was shaped by events that occurred 59 years ago -America was driven into World War II by a surprise attack on its Pacific Fleet anchored in the bay at Pearl Harbor.

In the two years before the bombing of Pearl Harbor, our European allies were —- one by one —- being overrun by the Nazi war machine.

By 1941, only England remained free. To our west, Japanese military forces were steamrolling across the Pacific Rim.

The quiet of that distant Sunday morning on the Hawaiian island of Oahu was shattered by a massive air assault that ultimately changed the course of world history.

For the people of the United States December 7th, 1941, marked the first of 1,351 days of war.

It was a war fought on every continent of the globe. And it touched the lives of all who lived in that time.

President Franklin Roosevelt called December 7th, 1941, *"a date which will live in infamy,"* and with good reason.

Just before 8 in the morning the first wave of 183 Japanese planes flew across the mountains north of Pearl Harbor, to begin bombing, strafing, and torpedoing ships of our Pacific Fleet.

Forty minutes later a second wave of 170 planes intensified the attack.

The assault claimed more than 2,400 American lives and left more than a thousand others wounded. The mighty battleship *Arizona* sustained a direct hit and nine minutes later went down with 1,177 sailors and marines entombed in its hull forever.

Later that morning, when the Japanese fighter planes finally turned out to sea, eight battleships had been sunk or heavily damaged along with many cruisers and destroyers.

American air power, too, was crippled. More than 325 planes were destroyed. Within a

matter of hours, the bulk of America's naval and air power in the Pacific lay smoldering.

The devastation at Pearl Harbor left the nation stunned and shaken to its core.

In the days that followed, there was great fear that the Japanese would return to invade Hawaii or attack the California coast.

In the wake of Pearl Harbor, the nation's 132 million citizens united in common purpose as never before, realizing that they faced a dire challenge. The country quickly mobilized for war.

Almost overnight, manufacturers converted from making consumer goods to turning out war materiel.

Mass production was streamlined. Parts were standardized. Shortages of raw materials prompted national rationing and recycling.

Door-to-door collection drives gathered-up practically everything, from grease — used for glycerin, to lipstick tubes — used for shell casings. Nothing was wasted. *"Doing without"* became trendy and everyone felt part of the war effort.

Victory gardens were planted in city parks and backyards, and over time, helped generate the millions of tons of food that fed our country, our troops, and our allies.

The wasteful use of fabric for clothing was stopped to conserve cloth needed for the war effort. Women's hemlines rose high above the knee and lace disappeared from lingerie!

Nylon — essential to making parachutes — was replaced by cotton in women's stockings. Nylon hosiery wasn't available again until after the war ended.

An unending line of volunteers supported Red Cross blood drives, which helped save the lives of more than 670,000 American servicemen who would be wounded over the course of the war.

In cities and towns, popular USO dances brought together local young women and GIs who were shipping out to unknown destinations.

Hollywood also did its part, producing training films for the troops and glamorizing the war in more than 300 movies. Even huge stars of the time, like Clark Gable, Henry Fonda, and James Stewart, served in uniform, many in combat zones.

In communities across the country, city-wide blackouts were conducted to deter enemy aircraft, and Civil Air Patrol pilots and scouts continuously monitored the skies.

Civil defense volunteers checked to see that every family had provisions stockpiled in case of attack or invasion.

The slogan *"Remember Pearl Harbor"* sprang from that surprise attack of December 7th, 1941. It came to symbolize America's vow never to be caught off-guard again, and formed the basis of our nation's security policy for the next half century.

And so, each year, we solemnly commemorate December 7th 1941.

Today, we are reminded of the almost 3,600 Americans killed or wounded at Pearl Harbor. And the more than 16 million men and women in uniform who served and sacrificed during the following years of our country's largest conflict.

We are reminded of America's resilience and determination in the face of adversity.

In 1941, we used our military, industrial, and spiritual strength to rise from the ashes of Pearl Harbor, and fight to win a global war against aggression, injustice, and tyranny.

Today we remember all these things and all the veterans that make up the story of Pearl Harbor.

I'd like to leave you with a simple but profound idea, found in the writing of philosopher, George Santayana: *"Those who cannot remember the past are condemned to repeat it."* These words offer compelling 'food for thought' as to why we should never stop remembering epic events — like Pearl Harbor — that altered the course of our history, shaped our present, and continue to influence our future.

Thank you all for joining us today. And let us long *"Remember Pearl Harbor!"*