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OPENING STATEMENT OF CHAIRMAN JEFF MILLER

The CHAIRMAN. The Committee will come to order.

Thank you, everybody, for being here for today's Full Committee hearing entitled Veterans Affairs in the 112th Congress: Reviewing VA's Performance and Accountability.

Let me start by first saying VA is to be commended for some of the areas that we are going to be examining in this morning's hearing.

For example, the number of homeless veterans is declining and I know that that is something that the Secretary has been very focused on over the last number of years.

VA reports that on any given night, the number of homeless veterans has fallen from 76,000 in 2009 to 67,500 in the latest report of 2011.

We have to sustain that effort and address the root causes of homelessness. But at present, I am pleased that the goal of ending homelessness by 2015 is well within reach.

Also on the positive side, the default rates on VA guaranteed loans continue to be lower than non-VA backed loans. Given the turmoil in the housing market, the success VA has had in keeping veterans in their homes is laudable.

And, finally, I want to congratulate VA on the aggressive manner in which it prepared for and promoted the Veterans Retraining Assistance Program or VRAP, part of our effort to reduce veteran unemployment.

With the VOW Act's goal to retrain 99,000 veterans using the Montgomery GI Bill, as of today, VA had received 58,432 applications and I understand they have approved 45,205 and maybe more than that by this morning.

So to VA today, we say thank you and keep up the good work.
Despite these successes, progress is not being made fast enough or in some cases any progress being made in other key areas.

On the important issue of mental health care, too many veterans either do not seek assistance or are unable to get VA mental health care in a timely fashion. As a result, access to mental health care is in crisis.

In April, the VA inspector general released a report finding that more than half of the veterans who seek mental health care through VA wait 50 days, that is five zero, 50 days to receive an evaluation.

These are men and women who have taken the brave and difficult step of seeking help. They are waiting too long to receive that help.

Interestingly, just days before the IG report was released, VA made a surprise announcement that it was going to be increasing mental health staff by 1,900 individuals. It is undoubtedly important to ensure proper staff are in place to meet the increasing demand for mental health care, but here is the problem.

There is already almost 1,500 mental health professionals and vacancies within the system which means 1,900 new hires equates to a net gain of 400. As of mid July, VA had hired less than 900 employees as part of this effort.

Follow-up requests by Committee staff for additional information unfortunately has gone unanswered. Meanwhile data suggests that 18 veterans per day commit suicide and five of those were receiving VA care at the time of their death. We have got to do better. I do not think anybody can question that.

Another area of continued concern is the backlog of disability claims. Notwithstanding pledges by VA officials that we are about to turn the corner, the backlog has steadily increased throughout the past two years and at the beginning of this Congress, the number of pending claims was 764,476 with 39.4 percent pending for more than 125 days.

As of this month, that total number of claims pending has increased to 897,767 and 66.4 percent are pending longer than 125 days.

The Department’s refrain has been that overall production is over one million claims annually and that the Agent Orange claims presented a challenge. But the simple fact remains that more claims continue to be filed than processed and there is no end in sight.

Although this Administration has promised that the backlog will be eliminated by 2015 and that claims will be processed with 98 percent accuracy by that time, quite frankly, many of us, myself included, are worried as to whether this goal remains realistic or not.

In addition, the Committee has frequently been told that VBA’s transformation plan is the answer to all the problems. Although we certainly commend VA for realizing that comprehensive changes are required to bring VBA into the 21st century, the Committee has yet to see an actual plan.

We need to see it in writing and we need to see clear benchmarks and deadlines. We have yet to see this plan despite making three separate requests both during hearings and in writing which have gone unanswered.
I would like to continue working with the department on bringing VA into the 21st century and we will be best able to do so by being provided with a written copy of the transformation plan.

Finally, although VA has been more fortunate than other agencies in the resources it has received in this tight fiscal climate, the bureaucracy has helped itself to those resources rather than channeling them directly to services for the veteran.

VA’s Senior Executive Service Bonus Program continues to average nearly $4 million in annual pay-outs with no apparent correlation between these bonuses and agency performance. The Committee is also addressing the lavish conference expenditures. I and Ranking Member Filner sent a letter to VA over a month ago asking for details as to how $100 million was spent in 2011 on conferences and to date, we have yet to receive a response.

The government was on the verge of a shutdown and a default last year. Thus the fact that VA cannot describe how over $100 million was spent to me is unconscionable.

Despite promises of better fiscal stewardship from the Administration, these are glaring examples of serious shortcomings that have got to be fixed.

There is more I could have touched on in this opening statement, but I will wait for our questioning. We have got a lot of ground to cover this morning.

And I want to yield now to the Ranking Member, Ms. Brown, my colleague from Florida, for her opening statement.

[THE PREPARED STATEMENT OF CHAIRMAN MILLER APPEARS IN THE APPENDIX]

OPENING STATEMENT OF HON. CORRINE BROWN,
ACTING RANKING DEMOCRATIC MEMBER

Ms. Brown. Thank you, Mr. Chairman, and I appreciate you holding this hearing on VA performance and accountability during the 112th Congress.

I am looking forward to finding out from the VA the progress it has made in addressing concern raised by this Committee.

I am also looking forward to hearing from the deputy secretary how, in his view, the VA has become able to meet its responsibilities and provide health care and benefits to our veterans.

I believe that this is an important point that we should not forget. For all the faults we find with how the VA operates, at the end of the day, it is providing service and benefits to millions of veterans and their families.

Because the VA generally does a good job, it makes it even more important that we are proactive addressing their problems.

Sometimes it is easy for us to forget that our role is to provide needed oversight to the VA. In the final analysis, we are all in this together. As the army says, it is one team, one fight.

I also want to say how disappointed I am with the Senate republicans in an almost party line vote to block the veterans’ job corps legislation. At a time when our veterans sorely need our help, they decided to play politics rather than being patriots.
The cost of the war is more than just airplanes, tanks, and bullets. It is the cost of our heroes, our veterans, and we owe them more than just being a political toy.

So today I am introducing the Companion Bill in the House and I hope, Mr. Chairman, that I have your support in bringing this bill to the House floor as soon as possible. Veterans deserve all that we can do to help them and their families.

We need to stand up for them as they are standing up for us. Veterans' unemployment is 30 percent, so I think we should do all we can. As I said, the army motto is one team, one fight, working together in a bipartisan manner to make sure that we can address these needs.

I am also looking forward to the deputy secretary's update on how the oversight concerns raised by this Committee has been addressed, how the VA is better today than it was yesterday, and what improvements and actions we can look forward to in the future.

Thank you, Mr. Chairman, and I yield back the balance of my time.

[THE PREPARED STATEMENT OF HON. BROWN APPEARS IN THE APPENDIX]

The Chairman. I appreciate the gentlewoman's comments.

I would say that, this Committee has focused on veteran unemployment and if you take our bills that we have done here and compare them to the bill that was over in the Senate yesterday, the job corps bill was looking at costing some $50,000 a job where our VRAP bill was $16,000 a job. And we did not start a whole new bureaucracy in order to do what we needed to do.

VRAP trains up to 99,000 veterans and the Job Corps Program only 20, so, yes, I commit to you to work as we work towards trying to find jobs for those unemployed veterans out there, not only those that are returning from Iraq and Afghanistan, but certainly those 35 to 60-year-old individuals who are finding themselves in need to retrain.

I want to welcome the panel today to the table. With us this morning is W. Scott Gould, the Deputy Secretary of Veterans Affairs for the Department of Veterans Affairs, and Mr. Gould is accompanied by W. Todd Grams, Executive in Charge for the Office of Management and the Chief Financial Officer for the U.S. Department of Veterans Affairs.

I appreciate you both being here this morning. And, Secretary Gould, you are recognized to proceed.


STATEMENT OF HON. W. SCOTT GOULD

Mr. Gould. Thank you, Chairman Miller, Ranking Member Brown, distinguished Members of the Veterans' Affairs Committee.
Thank you for your unwavering commitment to veterans and for this opportunity to testify today.

With me is Mr. Todd Grams, VA’s Chief Financial Officer. Let me also acknowledge some of the veteran service organizations here today. Their insights are always appreciated.

And, Mr. Chairman, I ask that my written statement be included for the record.

The CHAIRMAN. Without objection.

Mr. GOULD. VA’s only agenda is to provide veterans the best care and benefits possible. We appreciate this Committee’s assistance in achieving this goal.

Since 2009, we have accomplished many important achievements, yet we know we have more to do.

Almost four years ago, we set three key priorities which remain unchanged today. First, increase veterans’ access to benefits and services; second, eliminate the backlog in compensation claims in 2015; and, third, end veterans’ homelessness also in 2015.

I will briefly update you on our major achievements in each of these three areas.

First, we have made great strides in increasing veterans’ access to care and benefits. In our medical facilities, VA has handled more than 358 million medical encounters since 2009. Hundreds of thousands more veterans now receive care and benefits thanks to VA decisions on Agent Orange, Gulf War, traumatic brain injuries, and PTSD.

Between 2008 and 2012, we increased the number of veterans receiving VA disability compensation by 21 percent, life insurance coverage for disabled veterans by 31 percent, the number of education beneficiaries by 63 percent, and those compensated for PTSD by 64 percent.

Last month, we opened a state-of-the-art VA medical center in Las Vegas, the first new hospital in 17 years. Three more are under construction, Denver, Orlando, and New Orleans.

We have also added 51 new community-based outpatient clinics, 40 mobile health clinics, and a fifth polytrauma center.

In 2011, we provided telehealth to more than 380,000 veterans. Since 2009, VA built an automated system for processing Post-9/11 GI Bill payments and has issued over $21 billion in payments to over 800,000 recipients.

Today we have over a million veterans and family members in our educational programs across this country.

Since the start of this Congress, 756,000 families got a VA home loan guarantee.

With Congress’ support and leadership, we implemented the Family Caregiver Program and now have over 5,900 primary family caregivers benefitting from this program.

We are using technology to outreach to more veterans than ever before to provide easier access to benefits’ information through online tools such as Blue Button and eBenefits.

Almost a million servicemembers and veterans have downloaded electronic copies of their personal health records to date.

Since 2005, we have increased the number of mental health professionals from 13,000 to over 20,000 and recently announced, as
the Chairman just mentioned, our plans to hire an additional 1,600 more clinical staff, 1,900 including support.

Since its establishment in 2007, our veterans’ crisis line has rescued, rescued over 23,000 potential suicide victims.

Since 2009, our National Cemetery Administration has opened six new national cemeteries, awarded grants to establish 15 state cemeteries and five tribal cemeteries.

Second, VA is using every tool available to end veteran homelessness. We thank the Committee for its support and for the resources to drive these efforts. Homelessness among veterans has declined by nearly 12 percent since the January 2010 HUD count and we remain committed to ending veterans’ homelessness in 2015.

In the last two years, VA has helped over 119,000, 82 and a half percent of VA borrowers who got in trouble, who were in default avoid foreclosure.

Chairman Miller, thanks to the leadership of this Committee, the Administration joined with you to make the VOW to Hire Heroes Act of 2011 a reality.

The VOW Act created the Veterans Retraining Assistance Program or VRAP, as you mentioned a moment ago, and over 55,000 veterans have now applied.

In fiscal year 2011, VA’s total award to small businesses was nearly $5.9 billion, 33.6 percent of all of VA’s procurements, far exceeding the national goals for veteran and service-disabled veteran-owned businesses.

Thirdly, eliminating the claims backlog is certainly our most complex challenge. VBA’s annual claims receipts increased 48 percent over the last four years and there has also been an increase in the average number of medical conditions each claimant files.

This growth in demand is driven by a number of factors, but most importantly our decisions as advocates for veterans that I mentioned a moment ago on Agent Orange, PTSD, Gulf War.

It is also exacerbated by increased survival rates, ten years of war, difficult economic conditions, and I would say successful VA outreach, getting more people to apply for the benefits they have earned.

We are determined to eliminate the backlog. Secretary Shinseki and Panetta testified before you, Mr. Chairman, in an historic joint Committee hearing in July on the range of our VA/DoD collaboration and transition initiatives. These included IDES, the Integrated Disability Evaluation System, VA’s paperless processing system called the Veterans Benefits Management System, and the integrated electronic health record which you know as IEHR, an ambitious effort that we have committed to have in place no later than 2017.

Mr. Chairman, in 2009, President Obama charged Secretary Shinseki to transform VA into a high performing 21st century organization. Both the President and this Congress have afforded us the resources to make that transformation a reality.

We have made significant progress, but we know that more remains to be done. I am grateful that Congress has been both our partner and our constructive critic as we have forged ahead.

Mr. Chairman, I look forward to your questions.
The CHAIRMAN. Thank you very much for your testimony.

We will have the first round of questions and then if we need to
go with a second round, we would be more than happy to do that
as well.

I want to talk a little bit about mental health and where we are
and ask your help. We had asked two months ago for information
in regards to where we are with mental health issues. We asked
for a status broken down by occupation and facility of those new
hires.

There is a concern that I have that some of the new hires may,
in fact, be transfers from other VA facilities that may be getting
hired and also be getting incentive bonuses to make a transfer.
While they are being called a hire, they are leaving a gaping hole
somewhere within the system from where they went.

Like I said, we started the process of asking for this back in July
and I am just trying to find out are we going to get an answer?
Do you have an answer for us today or can we expect an answer
any time in the near future?

Mr. GOULD. Yes, sir, you certainly can. I would just like to place
the interest that the Committee shares and that we are all very fo-
cused into a broader context.

Mental health is obviously an area where we are addressing the
hidden wounds of war. VA has an enormous integrated mental
health system and we understand that link between mental health
and physical health. The two are inextricably linked.

The quality and size of our system is second to none. We have
increased from 13,000 to over 20,000 mental health professionals in
our system. We have a suicide prevention mechanism that is with
our crisis hotline that has literally fielded 650,000 calls in the last
three years, directed 99,000 veterans and active-duty
servicemembers in crisis to help within our system, and lastly
saved 29,000 individuals. It is really an extraordinary record.

And we are a demand driven organization. More people have de-
manded services in mental health here. We identified that problem
last year. The IG confirmed it for us and we have embarked at
your direction, Mr. Chairman, on an aggressive effort to hire 1,900
total mental health professionals and support staff, 1,600 mental
health professionals.

We are today hiring 75 a week. We are on track to meet the
goals that we have set for hiring these individuals and, of course,
our job one will be to train them, get them in place, and have them
into the fight to join this extraordinarily large and high quality sys-
tem that we have at VA.

The CHAIRMAN. And I appreciate the numbers that you provided
to the Committee. I would ask, if you could, provide for us, some-
body provide for us a written report as to where we are in meeting
the goals because I think this Committee and certainly VA itself
share the same end result and that is to be able to provide care
when the veterans need it, not some point down the road unfortu-
nately when the veteran may have done something different than
they may have wanted to do when they were reaching out for help.
Let’s talk a little bit about the backlog of claims that is out there. And I think, you know, probably the big question that a lot of people want answered right now is, is the goal of 2015 attainable? It looks like we are slipping every day because of the numbers of claims that are coming in, but I would like to get an update from you, if you will, as to where we are because we are hearing it from veteran service organizations all across the country.

I did an on-line chat yesterday with DAV and that was one of the big questions obviously is where are we with the tremendous backlog that is out there.

Mr. Gould. Thank you for that opportunity to address the backlog.

We are focused on it. It is a key area of endeavor for all of VA and specifically VBA. We are committed to make sure that our veterans receive the benefits that they have earned. We know that is our number one job. We are committed to make that happen.

Mr. Chairman, as you mentioned, you know that we are swimming upstream on this. We have got a 50 percent growth in the number of claims since 2008. Think of that. Any business you have ever been in, 50 percent growth during that period of time.

And as a consequence, the backlog which we define as any claim longer than 125 days has grown from about 180,000 to 576,000 in that three-year period. At the same time, also the complexity of the claims, the number of components in a claim has grown by 330 percent.

We also recognize that that increased wave is the product of our own decision-making. Think about this, and I want to make sure that every Member of the Committee really appreciates what has happened here.

There were some courageous decisions made to increase access. Agent Orange, PTSD, these were along with Gulf War Syndrome examples where VA knew that the consequence would be that we are going to grow the wave and it might have been in VA's bureaucratic interest to say, no, no, no, let’s not approve, let’s not create that new access.

Instead what we did is we made the right decision. The consequence of that Agent Orange, Gulf War, and PTSD was that more people have access to our system and the consequence of that is a bigger backlog.

That story is laid out in pretty hard data. In 2009, we processed 977,000 claims. We got a million, 2010, we processed a million. For the first time in the organization's history, we get 1.2. In 2011, we processed a million claims again. We received 1.3 million claims. Sir, I am pleased to announce that this year, we will also hit a million claims.

The consequence of that receipt outpacing our ability to produce places us at the beginning of a three-year run to end the backlog. And let me describe, if I might take a minute, how we are going to do that.

At a very high level, our strategy to make this happen is we acknowledge the approximately 700,000 claims that we have in inventory and we project that we will receive another four million.
Our job in the next three years is to process 4.7 million claims. How are we going to do it? There are three elements to our strategy and approach to make that happen.

One begins with our people. Any great organization has got to train, prepare. We are training our people in a new way, more effective training, more of it, designed around a new process. We borrowed from the Internal Revenue Service the segmented lanes model. We are segmenting our lanes so all of our receipts are now in three key areas and we are applying new technology.

Let’s face it. VBA is the land that technology passed by for the last two decades. For whatever reason, there was not adequate investment there and there was not adequate leadership to make that happen. But today we have a plan. It is in place and we are executing it.

And why am I confident that we can do it? For a couple of reasons. One is that the technology that we rely on in part is fielded in four pilot sites now and is going through user acceptance testing. We will know, this Committee will know. I look forward to come in reporting on our progress on the technology.

We also have done the new training. It is at 18 locations now and last week, we are rolling it out across the country. The training works. Our training has improved quality by four points in the last year. And, finally, the new process elements working as well.

Think for a minute of the success story I just mentioned a moment ago on GI Bill, Post-9/11 GI Bill payments. We have got 800,000 people on that program now. When we started this journey three years ago, there was not a program for the new GI Bill. There was no technology to support it and there was not a process in place.

The same team that designed and implemented that system, albeit smaller scaled than the claims that we are tackling, is the team that is doing this now. So I am reasonably confident, daunted but confident that we can do this and we will do it by processing 4.7 million claims over the next three years with better people, process, and technology.

The CHAIRMAN. Thank you.

Ms. Brown.

Ms. Brown. I will yield to Mr. Michaud.

The CHAIRMAN. Mr. Michaud.

Mr. Michaud. Thank you very much, Mr. Chair and Ms. Ranking Member, for having this very important hearing.

I also would like to thank our panelists as well and I want to thank you, Mr. Gould, and the VA employees for all the great work that you do providing services for our veterans.

And I know the secretary has made a lot of improvements over the last few years, but we still have a long ways to go to make sure that we can provide the adequate services that our veterans have earned and deserve.

I have got a couple questions. My first one is at the end of August, it came to my attention that the VA was moving forward with regulations to implement a fix to the state veterans home reimbursement rate issue. This has been an ongoing problem for the Committee.
We finally were able to pass legislation, the Senate. It went to the President. He signed it. And the VA started moving forward with these regulations without first consulting with the state veterans home and this clearly was not the intent of Congress.

Secretary Shinseki received a letter from myself as well as the chair and Ranking Members of both the House Committee on Veterans' Affairs as well as the Senate Committee, a joint letter from the four corners, stating the law and it is very clear. The secretary should consult with the homes and that is a big issue for me is the fact that that has not occurred.

So my question is, can you assure me that the VA will in good faith meet with and negotiate with the state homes to develop an equitable provider agreement, number one?

And the second issue is, when the VA meets with the state veterans home, to have someone in there that actually can make the decisions in that regard so they can hear firsthand some of the problems.

This has been an ongoing issue since we originally passed the law back in 2006 and I do not want to get in the situation again where rules are implemented that will cause problems for our veterans' homes throughout the country.

Mr. Gould. Mr. Michaud, I am glad you raise it. Very simply, I think that we at VA have an obligation to do two things under the Federal acquisition regulations. You know and I am sure we will hear more about areas where we need to do better in that score.

But I think we have got two principal obligations, an obligation to transparency and an obligation to value. I cannot promise that we will not be very tough negotiators at the table looking to safeguard the expenditure of public funds, but I can assure you as in our discussion represented that the law was clear on that need to have a consultive process. And we will certainly commit to do that. And I look forward to that discussion.

Mr. Michaud. Well, I hope you do because the law is very clear and that was a big concern not only of mine but the four corners of both the House and the Senate that the process was moving forward without that interaction which was required under the law. So I appreciate that.

My second issue, and it is a frustration I know that both sides of the aisle have on this Committee and I know staff, republican staff and democratic staff has as well, is a lot of times when we ask for information from the VA, we do not get it. And it is not in the form that we asked the information and that is really frustrating.

It is not because, I know myself anyway, but I am not sure about other Members, but it is not that we are going to try to get you by asking that information. It is because we have a reason for asking it.

A good example is back in June when we were discussing the claims backlog within VBA, the concern in the inspector general's report was that VA employees were rushing through the process to get a claim done, therefore the accuracy rate has not been anywhere near where it should be.
So taking that consideration with the employees feeling they have to rush through, my question to General Hickey at the time was, is there any benefit for an employee as far as how do you rate the employee as far as doing a good job or a bad job and how do you determine that.

At that time, she stated that they do have a metric system, I cannot remember, that is a 93 or 98, you know, question metrics that they go through on how they evaluate the employee for accuracy, for timeliness getting claims done.

So my question was, well, can the Committee see that metrics. Since that is how they are evaluating employees, it should be there, should be in place. We have not seen that 93 or 98 metric system that we asked for back in June. Instead we received some, you know—well, we received information that was not a 98 metric system.

So I guess my concern is not getting the information that we asked for from the VA so we can do a better job in evaluating how the VA is doing.

Mr. Gould. And, Mr. Michaud, first of all, as Congressman Brown said, you know, one team, one mission here. Our number one job is to take care of our veterans.

One of the roles that this oversight Committee plays is in bringing issues of poor performance to our attention and getting it done. I put your request in that category, informed by the notion that how you manage and rate your people and measure their performance is a critical part of improving our ability to process claims.

I can say that this Committee has not been remiss in the level and vigor of its oversight. In the last three years, we have had 214 hearings. We have had 1,400 a week came up and said, look, we have got an issue, we want to explain what is going on here. We have had 4,400 official requests for the record and 54,000 constituent requests.

By any stretch, that is a great deal of work for a dedicated team of some 40 individuals who work at VA. I can only offer that we are challenged to get the volume of requests and the quality that you demand, that this Committee demands, to apologize for it and know that it has not fallen off the table. We will get that information here.

And I personally know that the performance evaluation system, the performance metrics by which our employees are measured in VBA is changing. Labor and management have worked together to develop a new set of standards to willingly hold each other to a higher standard and to evaluate performance based on group productivity.

So we look forward to share that information with you and I will go back to our team and renew with questions to get that information to you.

Mr. Michaud. Well, thank you very much.

And I just want to reiterate she said they had it, so it was not that they had to create anything new and just a matter of giving us what we asked for, not something that we did not ask for.

Mr. Gould. Yes, sir.

Mr. Michaud. Thank you.

Thank you, Mr. Chairman.
Mr. Roe. [Presiding] I thank the gentleman for yielding.

Just a couple of short questions. One, 54,000 constituent requests sounds like a lot. And you have what, 300,000 employees in the VA system? I get a thousand requests every 90 days in my congressional office for services. And we had 2,000 the first six months of this year and we have got seven people doing that.

So we do ten percent of what the VA does and that is in three years. We do 4,000 requests a year as every congressman and woman up here do, I think. Probably everybody has about that request. So that is not an overwhelming—it sounds like a lot, but we also see the same thing.

Secondly, I want to start by thanking the VA. This Monday in a driving rainstorm in Sevierville, Tennessee, we opened a CBOC. Three hundred people showed up in the driving rain. That is the support that you get for veterans around the country.

And I think that is one of the best programs that the VA has is to take its care to the people, not have them drive great distances to get this care. And I think it means a lot to the veterans. I think the quality of their care goes up because they will access it more.

So we had a local mayor, county mayor who made available space for a dollar a year for the VA to lease, an extremely generous offer even the VA could not turn down. So I want to just put that plug in because that is a very positive thing.

Mr. Walz and I yesterday co-chaired the Invisible Wounds Caucus together and we had a hearing yesterday. And one of the things that is counterintuitive is that the more people the VA has hired, the suicide rate has gone exactly the opposite direction we want it to. So hiring more people had not solved the problem.

And we heard various solutions yesterday and I want to ask some questions. VA working with non-VA assets, for instance, not alone, other programs like that around the country because what we hear and what we heard yesterday was vet on vet is more effective. If you call up and talk to one—one veteran gets to speak to another veteran, that this is extremely effective.

So are you all working with others outside the VA system?

Mr. Gould. We certainly are. And as a physician, as a doctor, I know you know the challenges that we are facing.

I think the most interesting piece of data that we have is that since 2005, the veterans who are under our care, that suicide rate has actually gone down. So our approach is working when veterans get in care.

At the same time in the last ten years in our country, how many people died of suicide, 350,000, the equivalent of the population of New Orleans, took their own lives. We have a national crisis afoot and it is no surprise that the military from which we draw those recruits is also challenged given the unique stress and strains that we have placed on them.

We assert that our care is effective. We are hiring more to create more access and as we had recently with our suicide prevention line increased by 50 percent the number of people who were there to answer that critical call.

Mr. Roe. Here’s what Dr. Rudd yesterday told us and we have heard this testimony before is that you clearly have the group, you just get a group of the population, there is an incidence, a back-
ground incidence of suicide in that group. But then there are two
other groups. There are groups of the number of deployments and
multiple deployments. The rate skyrockets.

Mr. Gould. Yes.

Mr. Roe. So that is where we need to look at a program and we
know out here, we need to do better screening and getting mental
health screening and getting people in the military.

But once you have seen two and three and four deployments,
that goes up. We know that number. And so that is where I think
obviously with DoD and VA, that is sort of out of your purview, but
we need to create programs with both of those to identify those
folks and be proactive in that. I think that is very important.

Secondly, I want to know is that in the backlog, the claim and
backlogs of claims, when will a veteran like myself be able to go
on-line, let's say I have a claim, and can go on-line and look where
my claim is, can find it, look at it, because I have been told ever
since I have been here now for three years that was going to hap-
pen? When is that going to happen?

Mr. Gould. You have been to the Web site and seen eBenefits?

Mr. Roe. No, I have not. I just want to know if I am a veteran
and I have got a claim out there in claims land, wherever it may
be, and I do not know where it is and when it is ever going to—
and I have not heard from anybody in six months, when can I type
in my information and find out why it is taking so long because we
were told that was going to occur?

Mr. Gould. And correctly. It is in the eBenefits functional suite.
Today there are 46 different things that you can do on the
eBenefits Web site. And today I am happy to announce 1.9 million
people have visited that site. So it is a web-based tool to be able
to get information from VA including the status of claims.

Mr. Roe. The question I am asking is, am I going to hear
something in 30 days because I have got a house payment to make
or am I going to hear something in six months? When am I going
to get some resolution for me?

Mr. Gould. Well, I will answer that on a couple of levels. I men-
tioned earlier that we have processed now at the end of this year
almost four million claims. So there are four million people that
have that answer.

If your answer is prospectively when can I use the web to get
that information in the future, that is part of our roll-out.

Mr. Roe. That is the question I am asking. My questions have
not been answered yet. My question is, when a veteran in my dis-
trict or any of these districts that we represent goes on-line with
this backlog, where am I in this process? Am I going to hear
something in two months or three months or when am I going to hear
something?

Mr. Gould. So a couple ways you can get that information. Call
your VSO and they will enter the system or call a service provider.

Mr. Roe. But what we were told was the veteran would be able
to electronically go to their iPad or their computer and—

Mr. Gould. Yes.

Mr. Roe. —be able to find out the status of their claim.

Mr. Gould. Yes.
Mr. Roe. I mean, I know it is a tough situation. But is there in the foreseeable future, is that going to happen?

Mr. Gould. Yes. As I mentioned a moment ago, it is part of our transformation plan, the technology component, and the very system is already deployed called eBenefits. That will be the place that your member can go to find the status of their claim.

And today 1.9 million people already do that, get information from the VA on the web. They can do it today. It is a deployed system. And we continue to add to it on natural basis every 60 to 90 days new functionality. So we are eagerly anticipating growth in the use of that capability.

We also have a new phone system in place, a veterans’ relationship management, and, of course, we have new people who are trained to take a phone call and answer that question by phone. A little bit more conventional, but, again, your member, your constituent can get that information through a variety of ways.

You are specifically asking about eBenefits. I am here to tell you that capability is out there. There are 109 million people using it today.

Mr. Roe. Okay. I am going to have to check that out.

Mr. Gould. Great.

Mr. Roe. I yield now to Mr. McNerney.

Mr. McNerney. Thank you, Mr. Chairman.

Mr. Gould, Secretary Gould, I was very impressed with the list of accomplishments that you gave at the beginning of your testimony.

And when we are back in our districts, we do not hear that. What we hear are the complaints. And so that is what we bring forward.

So I appreciate you making that list and I encourage you to make sure that that is known throughout the community because you have accomplished quite a bit.

Mr. Gould. Thank you.

Mr. McNerney. One of the things that I think is frustrating as a Committee Member, and I have heard this already this morning, is the quality of answers that we receive in Committee when we ask questions and when we submit questions to the Administration.

It is often felt that we are not getting the question answered the way we wanted. The information is misleading or cloudy. So I would encourage you to work within the VA to try and get a culture where when we ask a question that the answer is straightforward and answers the intent of the question. And that might help with some of the tension that does exist between the Committee and the VA.

Another area of frustration is the claims processing. I have the Oakland regional district. A regional office serves my district. And, as you know, there is problems. There has been problems in the past. I know that you are making a big effort to solve those problems.

And one of the questions I have for you is, do you feel that there is sufficient oversight within the VA now moving forward because we are going to get through this one way or another? There may be some pain in between, but are we going to have to face this
again in five years? Are regional offices going to fall behind again or is there a system in place to make sure that we do not get to this place again in the near future, five years or ten years from now?

Mr. GOULD. Well, sir, thank you for the recognition of the accomplishments that VA has achieved over the last several years. We do not get to say it enough and we often have hearings around issues that feel like we are just looking at the missed blocks, the missed assignment, the dropped pass as opposed to the number of times that we put points on the board.

And when I talk about that, I talk about the 800,000 additional people who are in school, the 20,000 people who are in a home today that would have been foreclosed if not but for our intervention, the half a million people receiving claims that is equivalent to the entire standing active-duty army today, and the increased access, that 800,000 veterans by being a part of this wonderful health care system.

You know, I do not know how many of you saw the recent data from one of the top American medical commissions. We have 19 of the top hospitals in the country. There are 6,000 hospitals in America. We only have 152 and 19 of them are in the top hospitals in America. That is really amazing.

To your point about clarifying and getting better at providing information to this Committee, sir, I will take that back and we will redouble our efforts to do that.

One of the challenges is when we are asked for data, we deliver it with a forklift. It literally takes dozens of people to be able to go through. And, you know, we have got one instance where we are going through emails. There is a half million of them. You know, what do you do with a request like that? It is challenging.

And, finally, our commitment to fixing this problem once and for all on claims processing, you are right, we want to build a system that is robust, that has got a strong management infrastructure, and that will be able to solve this problem and keep it solved.

We are doing that. As I have articulated earlier, our plan has the three components, people, process, and technology. We are confident that we can do that because this team that is doing it is the one who successfully fielded the new GI Bill which has got over 800,000 people in school today and has paid over $21 billion worth of tuition. Pretty significant accomplishments and we are confident that we are building the right kind of management infrastructure to make that possible in the future.

Mr. MCNERNEY. Well, in the Oakland regional office, all the claims are being brokered at this point in order for them to catch up, but the brokered claims are not being—they are not being followed. There is not the oversight through the Star Program of the brokered claims.

Wouldn’t that be important to know whether our brokered claims are being processed accurately or not?

Mr. GOULD. Yes, sir, it would. And it is one of the reasons why the technology component of our transformation plan is so important.

Imagine a world now where you want to broker a claim. And what this term means is very simple, is go find the labor that is
available and match the available labor in the queue to that claim so you can get it done more efficiently and what happens? Our veterans wait less time. So that is our objective.

Today we do it by UPS and FedEx. Today we run the risk of having those folders lost. We have got to docket them in on a manual basis from to, and so forth. With the VBMS System, we will be able to broker that electronically and with it an audit trail that gets generated so we know exactly where those claims are going, who they were assigned to, what the status of that is.

Mr. McNerney. And what is our timeline for that implementation?

Mr. Gould. We are in user acceptance testing now. We will have version 3.0 of that IT system by the end of this month, version 3.1 by the end of October. It is delivering the functionality now and, of course, as the system matures, it gets better, it improves, we will be able to embrace more and more functionality over time.

But it is out there. We are testing it now. This is not a hypothetical or theoretical statement. We are doing the work now in four locations.

Mr. McNerney. Thank you, Mr. Chairman.

The Chairman. [Presiding] Mr. Johnson.

Mr. Johnson. Thank you, Mr. Chairman.

Deputy Secretary Gould, veterans are reporting delays in care and products like heart stents and prosthetics.

Do you have any insight into why this might be true?

Mr. Gould. And the particular things were heart stents——

Mr. Johnson. Heart stents and prosthetics.

Mr. Gould. Mr. Johnson, I do not. I can tell you what we are doing to improve the quality of our acquisition system and logistics supply chain, but I'm not aware——

Mr. Johnson. Well, I have a memo that you signed, Mr. Secretary, on August 1st that explains VA's inability to meet certain acquisition goals. And to that end, you have seemingly prohibited the use of VA's national standardized contracts until the next fiscal year.

This move has negatively impacted the care and services to veterans and requires that VA provide reasons why this is still occurring.

Mr. Gould. I disagree that that has. And the memo to which you are referring, I assume, I have not seen it, has to do with small business.

Every single individual on this panel knows that one of our goals, our socioeconomic goals is to open up that $17 billion supply chain at VA and get small business in the middle of it. And we are firmly committed to seeing $34 of every $100 spent to our small businesses. It means in your districts. It means the business owners that some of you have been in your lives depending on that opportunity. We are committed to opening it up.

Mr. Johnson. Well——

Mr. Gould. So that letter——

Mr. Johnson. —the goals are not being met. Why would VA's——

Mr. Gould. Sorry, sir.
Mr. JOHNSON. —prosthetics and sensory aid service need a waiv-
er for national contracts already vetted by the Small Business Ad-
ministration, VA’s Office of Small and Disadvantaged Business Util-
ization, and VA Form 2268? Isn’t that a violation of VA’s contracts
with these vendors?
Mr. GOULD. No, it is not. Here is the goal that the secretary set
for us a year ago. It is a simple one. It says $34 of every $100 in
this massive VA system should be spent on small business. It
should be done competitively. It should be done with an eye to
value. One out of every three dollars. Over the year——
Mr. JOHNSON. Let me ask you a question then. How many con-
tracts over $3,000——
Mr. GOULD. May I complete my answer?
Mr. JOHNSON. How many contracts over——
Mr. GOULD. Mr. Johnson, may I complete my answer?
Mr. JOHNSON. I have got your answer.
Mr. GOULD. No. Actually, you do not have it.
Mr. Chairman, may I complete the answer?
Mr. JOHNSON. No. I have got five minutes——
Mr. GOULD. Sir——
Mr. JOHNSON. —to ask questions, Mr. Gould.
Mr. GOULD. But, sir, I would like to answer the question and——
Mr. JOHNSON. No. We will get back to you if we have a chance
for you to finish that up.
Mr. GOULD. And at the end of the day——
Mr. JOHNSON. I have got another question for you.
Mr. GOULD. —our goal is to——
Mr. JOHNSON. How many contracts over $3,000—Mr. Gould, I am
asking the questions. Okay? I am asking the questions. I have lim-
ited time. I do not have time for you to sit here and debate this.
Mr. GOULD. I am sorry. I thought you wanted a response.
Mr. JOHNSON. Okay. Well, I got my response.
Mr. GOULD. All right.
Mr. JOHNSON. How many contracts over $3,000 were approved
versus those same contract values that were actually executed?
Mr. GOULD. We can provide that information for you in detail.
Mr. JOHNSON. Okay. I would appreciate it if you do that.
Of those total purchases over $3,000, how many went to small
businesses and how many waivers were issued?
Mr. GOULD. I would be happy to provide that information for the
record.
Mr. JOHNSON. Okay. So you do not know a whole lot about this
program, Mr. Gould. You came here, you know, to answer these
questions and you have got to go back and look them up.
But I appreciate that. I thank you for that.
I think our veterans deserve better, but you and I differ on that.
Mr. GOULD. So do our small business owners.
Mr. JOHNSON. Why did——
Mr. GOULD. They deserve an opportunity to participate——
Mr. JOHNSON. Why did the VA fulfill, Mr. Gould, why did the VA
fulfill——
Mr. GOULD. —which they have not had adequately at VA.
Mr. JOHNSON. Mr. Gould, I am asking the questions. Okay?
Mr. GOULD. Go ahead.
Mr. Johnson. Why did the VA only fulfill three percent of its August 2012 single patient one to five day order contracts that cost between $3,000 and $24,999? You got any idea?

Mr. Gould. Perhaps, Mr. Johnson, you do.

Mr. Johnson. No. I am asking the questions. You are supposed to have the answers. This is a program that you say is working so well. Why did VA only fulfill three percent of its August 2012 single patient one to five day order contracts that cost between $3,000 and $24,999?

Mr. Gould. Mr. Johnson, our goal is to make small businesses——

Mr. Johnson. Do you have an answer? How many?

Mr. Gould. —have an opportunity——

Mr. Johnson. That is a number.

Mr. Gould. —to particulate.

Mr. Johnson. How many? I am not worried about what your goal is. I know what your goal is.

Mr. Gould. We do——

Mr. Johnson. How many?

Mr. Gould. —$17 billion worth of transactions a year.

Mr. Johnson. How many did you fulfill?

Mr. Gould. You would like to know specifically——

Mr. Johnson. Yeah. I want to know how——

Mr. Gould. —how many transactions under $3,000 were——

Mr. Johnson. How many——

Mr. Gould. —performed less than five——

Mr. Johnson. Why did the VA only fulfill three percent of its August 2012 single patient one to five day order contracts that cost $3,000—between $3,000 and $24,999?

Now, I can only assume, Mr. Chairman, that he does not know. And with that, I yield back the balance of my time.

The Chairman. And, Mr. Secretary, if you will take it just for the record.

Mr. Gould. We would be glad to.

The Chairman. And we will move to Mr. Walz.

Mr. Walz.

Mr. Walz. I will yield my time to the deputy secretary if he wanted to finish where he was at before.

Mr. Gould. Thank you so much, Mr. Walz.

This is a commitment we have to open up a business opportunity at VA. It starts with a simple idea and a standard that small businesses and small businessmen and women across America have a challenge knocking down the door and doing business with the VA.

So Secretary Shinseki established a goal early in the year, $34 out of every $100. We saw over the course of the year slight under-performance. We were 33.6 percent last year, $5.9 billion. We wanted to be that good or better this year following a continuous improvement approach.

And we issued memos and took action to make sure that our folks in the field knew and appreciated how much we were committed to achieving that goal.

Thank you.

Mr. Walz. Yeah, I appreciate it.
And I would like to just follow-up on one thing, Dr. Roe, as he said, he initiated the Invisible Wounds Caucus and trying to bring all of us that we are all on the same team attitude. And it was very enlightening to me.

And there was the clinician’s perspective with Dr. Rudd who has testified here before and has extensive knowledge, I thought brought up a really interesting point. And I say this more as a statement to all of us as a question.

Talking about how we talk about the suicides and things as this incredibly complex issue that cannot be solved. He said, in fact, it is not all that complex from a clinical perspective at all. The issue is cultural. The issue is access to the care, of asking for it and getting it.

Once you get someone in front of a clinician or in front of someone who is there, we have very high success rates in elimination of that. So I think all of us need to go back and take a look at this.

Mr. Deputy Secretary, I thought you brought up a very good point on this. We need to keep in mind that mental health parity, the Wellstone-Domenici Bill that was passed five years ago, HHS has yet to implement the rules on that.

We are not implementing that on the civilian sector side and if we really want to get at the heart of this, the complexity lies in the bureaucracy and the culture of the delivery to the warriors as much as it is in those clinicians being there.

So somehow we need to help to figure this out. And I think it is a fair point to be said we may add as many clinicians as you can possibly hire and we might not get to where we are going because of that part. And that troubles me in terms of caring for the warriors, but it troubles me in the money that we are going to spend.

Are we attacking it from the right way? And I do not necessarily expect you to—it is more of a comment, Mr. Deputy Secretary, but if you have any insights on to that, I—because all of our goal is very clearly here reduce the number of suicides and provide opportunities for our veterans. Whatever it takes to get there, I am on board.

And so this one really troubles me that I am not sure the facts support the way we are heading. So——

Mr. Gould. Mr. Walz, thank you.

We all are seized by the notion that one single person that commits suicide is too many both in the military and among our veteran community and the civilian community as a whole.

Secretary Shinseki and Secretary Gates held the first ever integrated mental health conference. Suicide was a component of that. We are working hard together, closer than we ever have before.

What we have to get into the fight in my view is the highest quality mental health system, integrated mental health system in America with over 20,000 folks turning up every day, great people who want to figure this out.

We do understand that we do not have all the answers to your point. We have got to embrace research and development in this area. We have committed funds to that. We have got to be open to new ideas and we have got to make sure that we are working with our private sector providers to be able to augment our own care and capability.
Mr. WALZ. I think that is a great point. I think part of our responsibility is, we got folks, our veteran service organizations are deeply concerned that the core mission of the VA is maintained. And so when we start talking about this, it gets to be a little bit of scary territory for all of us as we are starting to talk about reaching out in new ways.

But I do not see that traditionally the way we are going that we are going to get to where we want to go without that. And I think this is a place where we lead the civilian sector. This is a place in many cases where we go forward and start to show them how to deal with this.

And I would just leave again with one comment. Thank you for all you are doing. I think I have said it time and time again. You just said it, Mr. Secretary. This is a zero sum proposition to our veterans, very, very difficult. We are not talking Six Sigma here. We are talking infinity on it because we cannot have one mistake. And that is just the nature of it.

And I thank all of you who do this. And I have said it time and again, I will be your staunchest advocate, but your harshest critic when the time is due.

The one thing I would just say from my perspective on this, and I think you have heard it echoed, anything you can do to try and provide the information in a more timely manner is helpful to us. If there is anything in Congress, this Committee takes its oversight responsibility very seriously and we also, I think, guard that legislative pejorative away from the Executive Branch. That separation of power is very important to the Members that are here.

And I think that intentions get misconstrued when the information is not here regardless of what turns out in that information. Just a thought because I know it is helpful to me when I get it. And I know that the people are working very hard over there, but anything you can do to help with that would be helpful to us.

Mr. GOULD. Thank you, sir. I will do that. I appreciate that sentiment.

I just want to comment personally that every day I come to this job, it is an honor and a privilege. I feel grateful for being in this role and grateful for 320,000 employees at VA who respond to those requests for information and are working hard to get it here. We have got to do better. We will. At the end of the day, it is our veterans that matter. That is why we are here.

Mr. WALZ. Thank you.

The CHAIRMAN. Dr. Benishek.

Mr. BENISHEK. Thank you, Mr. Chairman.

I am just a little bit concerned about this mental health problem and I just want to delve into it a little bit more. I do not quite understand some of the numbers. You mentioned that there was 13,000 people in the mental health staff and now there is 20,000.

But in looking through the numbers, it seems to me that the VA had decided to hire 1,900 new personnel for mental health above the 1,500 that there are already vacant staffing positions and that according to this IG report that there was 890 new mental health hires and there is still an estimated 3,800 existing mental health vacancies within the VA.
So what is the plan? I mean, is there an overall plan of hiring and, you know, is there a plan for, you know, finding places for these people to be at?

And I wish you would just give me a quick overview of what the plan is because it seems to me that you have not achieved any of these goals. And, you know, you talk about all these goals, but not achieving them does not seem good. What's the plan?

Mr. GOULD. Thank you for that question.

I am really pleased to be able to say that since that IG report came out, I do not dispute the facts, you know, that VA concurred in the recommendations and analysis. Based on that, our internal review and analysis supplemented by the IG's analysis, we went out and put a plan in place.

We are proceeding on plan to be able to hire those individuals.

Mr. BENISHEK. All right. Okay.

Mr. GOULD. And we also included the vacancies to which you are referring.

Mr. BENISHEK. Could you please forward the plan to the Committee so we can take a look at it?

Mr. GOULD. Sir, we would be happy to do that.

Mr. BENISHEK. All right. I also have some other information here that recently there was a VA follow-up study of the national cohort of Gulf War and Gulf War era veterans that was done and apparently did not have a mental health professional on the survey team. And, you know, some people who are identified to have mental health problems, you know, they were not followed up upon.

So I would like you to, and I am sure you do not know the answer to that today, but could you please provide us with that——

Mr. GOULD. Certainly.

Mr. BENISHEK. —answer as well to the Committee? Do you have a time estimate to determine when you think you are going to have all these hires done?

Mr. GOULD. Yes. As you have seen, the President's Executive Order has come out, tasked us with additional hiring. We are on track to have these individuals hired by the end of the year. And so as we——

Mr. BENISHEK. There is 3,800 existing mental health vacancies that will be filled by the end of the year?

Mr. GOULD. The 1,900 to which the Chairman referred, 1,600 mental health and 300 support staff, those 1,900 will be hired by the end of the year. We are confident of that. We are on track.

As I mentioned earlier, 75 people being hired per week. We think that that will happen. We are committed to that. We will report to this Committee on that issue. We are confident that we will meet that requirement.

Mr. BENISHEK. So you think this number is adequate then because I understand that you have to evaluate a veteran within 14 days?

Mr. GOULD. As I said earlier, this is a demand driven system. So we have evaluated that demand has grown and we are adding additional people into the fight.

Do I know if more people will show up and we will need more? We may. And we are prepared to make that investment and required.
What matters here most is making sure that our veterans get the mental health care that they need.

Mr. BENISHEK. All right. What is the main obstacle to reducing veterans’ homelessness?

Mr. GOULD. That is a great question. It is certainly true that the causes of veterans’ homelessness are many and intertwined. I would say that the biggest causes are substance abuse and a loss of a job. There are many, many other factors.

Our homeless team has deployed in such a way that we are successfully reducing the amount of veteran homelessness in the country. Twelve points last year on the HUD point in time count clearly shows that we are heading in the right direction and we are deploying the enormous resources that we have to do two things.

One is rescue people who are homeless now. That is terribly important. We see individuals on the street every day. We know. Our hearts go out to them. We want to rescue. But our role is to also prevent.

And our system is such that when someone is on the edge, we have the ability with respect to health care, mental health, economic support, training and education, voc rehab to pull that person back from the brink.

And that idea of preventing homelessness is foremost in our mind. We are going to continue to need to do it after we eliminate veterans’ homelessness in 2015.

Mr. BENISHEK. Mr. Gould, I look forward to your future responses. Thank you.

Mr. GOULD. Thank you very much.

The CHAIRMAN. If I could ask one question because I am confused on the number of mental health providers. The number that the President referred to was 1,900 additional and you said, I think, 1,600 were clinicians, support 400 or whatever the number.

Is that in addition to the 1,500 that were already vacant at the time because I was led to believe through testimony, and I am trying to find it now, that the answer was yes which would mean that we had a deficit at that point of 3,500 or whatever the number? So which is it? Is it 3,500 or less than that?

Mr. GOULD. No, Mr. Chairman, your understanding is correct. It is two things happening at one time. There are vacancies in the system and this turn in the system, in fact, people transferring from one place to another.

We obviously would not want to count that as a new hire. That is somebody moving from, you know, Massachusetts to Florida. All right? So it would be inappropriate for us to kind of double count those.

And we have the specific positions that we published, listed, and are tracking on a spreadsheet. That is the 1,900, 300 administrative support, 1,600 mental health professionals.

We want the time of those mental health professionals to be leveraged. They should not be doing the scheduling and admin support. So those two together comprise the 1,900.

We are tracking the 1,900. We are going to fill those on time, on budget consistent with our commitment here, and we are also looking to hire and fill these additional positions.
Mr. Chairman, the net effect of that will be many more mental health professionals hired than just the 1,600 that I mentioned. But for tracking purposes, we want to keep those separate.

The CHAIRMAN. So you are tracking the hires but not the vacancies or at least the numbers you are providing now are the hires?

Mr. G OULD. We are tracking both and, sir, we thought your interest was focused on the 1,900.

The CHAIRMAN. It is, but——

Mr. G OULD. So we are able to report on that. If you want us to report on the other——

The CHAIRMAN. Can you tell me?

Mr. G OULD. —we can do that.

The CHAIRMAN. Do you know what the vacancies are? I have a number here and it is a little staggering, but can you give me what your number is, see if it——

Mr. G OULD. Sir, I would be glad to provide you——

The CHAIRMAN. Here is the number that I have and let’s see if it matches, but 3,833 existing and new mental health vacancies. And, again, that is a number that I have.

Can you help me quantify that number? And you do not have to do it now because Ms. Brown has some questions. But if you would take that for the record.

Mr. G OULD. We will be glad to do that.

The CHAIRMAN. We do have an idea because, I was concerned at one time there may be double counting, that you were counting new hires that were creating a vacancy. And, again, I do not know if that is occurring or not.

But I think the important thing is that, if you are talking about 75 persons a week, but if you have a natural attrition of, 20 a week or whatever that number is, we are sliding backwards again in our total number. So if you can just take that for the record.

And let me go ahead and yield to Ms. Brown for her questions.

Mr. G OULD. Sir, we will do that, provide the information. I think you will be happy to know the management team is focused on the combination of those two numbers, the 1,900 plus these vacancies together, a very big number, very aggressive. We will be pleased to provide that information to you. And as I said, we believe we are on track.

The CHAIRMAN. All right. Thank you.

Ms. BROWN. Mr. Gould, first of all, I want to thank you for your service and let you know that all the Members, if you have anything that you wanted to say, I want to give you an opportunity to say it before I ask my questions, when you were interrupted.

Mr. G OULD. Ma’am, I so appreciate that. Again, I say, and I think, really, is coming out here at this hearing, an opportunity for a balanced presentation of our many accomplishments even as we acknowledge how much more work we need to do, just at a very high level how proud we are about the 800,000 new people who are in school. When you think about that, that is eight years of the student population of all the students at Florida State University, Ohio State University, Virginia Tech. It is an enormous number. It is $21 billion into the education industry. Pretty significant.

Ms. BROWN. Sir, let me just tell you I want to thank you.
When we passed that program, I was so impressed. And then I was home and I was watching the television and the veterans was complaining about the program. I thought we were going to get all hugs and kisses, but we got that program up in operation and people are happy now.

But initially we had not gotten our payment. We have not gotten our housing. But it was something that had to be worked out with the universities and the VA.

And thank you so much for getting it done.

Mr. GOULD. Yes, ma’am. Thank you.

I think this is our next greatest generation. This package is like the World War II era and there is a million people in school, 800,000 on GI Bill. They are going to be our future doctors and lawyers and engineers and accountants and they are going to make this country grow.

Ms. BROWN. I have a letter. I went to California and I visited the units that we did jointly with California. It is four units, 100 per unit, 400 units of housing that is brand new, fabulous facility, and sitting there empty. And I have a real concern. I know that we built it. Sixty percent of our money. Taxpayers cannot figure out, well, this is not the Federal Government. This is the state.

And in the letter that you sent me back or somebody sent me back saying, well, it is California. But if there is any way that we can work it out, if we need legislation, because basically 400 units should not be sitting a couple of years waiting for California to get money to operate it. It should be some way that we could partner with somebody to get—I mean, 400 brand new units and we are talking about the homeless. It does not make any sense to me.

Mr. GOULD. Yes, ma’am.

Ms. BROWN. And government should work for the people. It is all taxpayers’ dollars.

Mr. GOULD. And just a pragmatic view about if you have got 400 units of housing ready to go, let’s see how we can make that final, get that final yard. Often we find ourselves in a situation where we will have grant money and a state given the economic downturn will not be able to meet that. That is happening in several locations.

There is also a program that this Committee knows well, the Enhanced Use Lease Program which we desperately want. You know that we lost that authority in the prior year. It created 4,000 beds for homeless. In the system, we would very much like the Committee to consider taking that up and working to make that happen. It was a wonderful tool and we have lost it.

Ms. BROWN. Yes, sir. And the other question, one of the Members asked about being able to go on-line and get their information. As you develop a system, I know the safeguards we have to put in with the technology. I am not a technology person, but we have had some incidents where people have even gone into banking and stolen identities.

So as we develop this complicated system, we have got to ensure that we protect our supporters, the people we are trying to get the information to.

Mr. GOULD. Yes, ma’am. One of the key components of our IT architecture at VA is cyber security and being able to protect person-
ally identified information. That system from various sources like all agencies in government is under attack.

We now have visibility down to the desktop level and the device level to be able to prevent those kinds of intrusions. Our CIO, Roger Baker, is working hard on that and we are very committed to making sure that we protect our digital information.

Ms. BROWN. And the last question pertaining to minority and women-owned businesses and you were talking a little bit about how you are going to make sure that minorities and female-owned businesses get included. In addition, when we put out that RFP, why don’t we make sure we include hiring of veterans?

Mr. GOULD. Yes, ma’am. As I said earlier, we are trying to open up the number of people who can participate and that those dollars get right into the economy. They build small businesses where 50 percent of the jobs are in America. Our secretary is committed to make that happen.

The memo that I signed that Mr. Johnson mentioned was an effort to make sure we met our commitments. It does not prevent big business from doing business with VA. That is the other, you know, 65 percent of the dollar flow, but it does make that concrete, measurable, and specific effort to welcome into our business opportunities small businesses, veteran-owned service-disabled.

That is what we are about. We have just got to be able to do that. And that is why we have worked so hard in the final months of the fiscal year to make sure that we got every last step of the way.

Ms. BROWN. Well, once again, thank you for your service and thank the VA for the job that they do.

Mr. GOULD. Thank you, ma’am.

The CHAIRMAN. Piggybacking on what Ms. Brown just asked, and you may have the answer, you may not, this is kind of outside a lot of what we are talking about today, but at Orlando, we know there are some delays with the construction of the hospital. But there are some buildings that are complete.

When we did a field hearing down there a few weeks ago, questions were asked in regards to the ability to activate the domiciliary and the nursing home and the facilities that were ready to go. We were told that we would look at those. There was a way that it could be done.

Do you have a status for the Committee and if you do not, if you could take that for the record too?

Mr. GOULD. Mr. Chairman, I will take that for the record. I can tell you that we appreciate your leadership on this issue.

One of our, you know, requirements is that we get value and we do it in a transparent way. We have worked hard with this vendor. We believe that we can still have that facility delivered by summer of 2013. Our third-party advisors tell us that that is possible.

We just need to see hammers swinging and folks showing up to make this happen. It is incredibly important for our veterans in the Orlando area. We want to get it done. And I will be glad to provide additional information to you, Mr. Chairman, that can flush out where——
The CHAIRMAN. I think this Committee would want to see any facility that is complete activated as quickly as possible. And I know that that would be a goal of yours too.

I would ask in all respect for transparency that in regards to the timeline that you think that the facility can be completed, if you would share the information, how that was determined with the contractor that exists now.

I have heard comments from them that they are not being afforded the ability to double check those numbers and see how they were made. I think everybody is trying to fix an existing situation and as long as communication lines remain open, I think that we are going to see a fabulous facility when it is finally completed.

And, again, if you would do that as well.

And with that, I would recognize Mr. Huelskamp.

Mr. GOULD. Mr. Chairman——

The CHAIRMAN. Yes, sir.

Mr. GOULD. —I will do that. And, sir, I would like to just qualify that. Since we have issued a cure notice, there are some set of legal restrictions that may impede my ability to share that with you immediately, but we will certainly do that and respect your request.

The CHAIRMAN. Is that the original cure notice or an additional cure notice?

Mr. GOULD. The original cure notice.

The CHAIRMAN. Okay. That's still hanging out there?

Mr. GOULD. Well, once the cure notice is out, there are certain things that the vendor has a chance to do and/or produce. We have certain restrictions on what information we can share the other way. It gets a little bit of an arm's length process. You can understand transparent focus——

The CHAIRMAN. But you do understand, and I thank you, but you are before this Committee making commitments that you feel like the facility can be finished by the summer of next year.

Mr. GOULD. Yes.

The CHAIRMAN. And, again, obviously the contractor is not here to be able to defend their position as well. We all want it to be finished as quickly as possible, but I think it is only fair that if you are going to make public statements regarding the completion of that project and you are going to say that the contractor should be able to finish it based on a timeline that they did not develop, now you are going off a third-party vendor.

I understand the Army Corps is now looking at the timeline as well or were being asked to do that. And I understand. And, again, I am a little confused on the cure situation because I thought we were passed that. Obviously you are saying that we are not.

But, Mr. Huelskamp.

Mr. GOULD. Thank you, sir.

Mr. HUELSKAMP. Thank you, Mr. Chairman.

And, Mr. Gould, I would like to talk a little bit about VA spending. In your testimony, you did mention there has been at least one recent concern where it was called into question. Of course, there are a number of other instances as well beyond the HR conferences in Orlando last summer.

You have got some of the issue about senior VA employees receiving thousands of dollars in bonuses, national golden games
issue in Hawaii last year which is more than double or triple the cost of games in previous years.

And obviously when we are looking at our Nation and some pretty dire straits financially, we want to make certain every single spare dollar at the VA goes to veterans’ care and not some of these other spending issues.

I did send you a request for some information about last year’s VA conferences more than five weeks ago. When do we expect a response on that?

I know in your testimony, you talk about delivering data by the forklift. All we wanted is a very limited set of information from last year. When we will get a response? I know the Committee has asked for some information as well.

Mr. Gould. Sir, I would be glad to provide that information for the record. We have got your request and we will certainly respond to it.

Mr. Huelskamp. The question is when? It has been five weeks. The data is over a year old. The data is spent. The money has gone out the door. The question is how much did you spend on those conferences and when will I expect a response?

Mr. Gould. If you will allow me to go back and find out the answer to your question, I will do that, sir, and get you a firm date.

Mr. Huelskamp. And that is what bothers me is we do not have the information. We do not have a firm date. You have your CFO right there. This is dollars that were already spent. You have already put the dollars out the door. How much did we spend on that conference?

And, Mr. Grams, maybe you can share what is the problem finding the data? Is there mismanagement? Is the data not there yet? Is it not in the system? And that is what is troubling.

Mr. Gould. And I do apologize. I am sorry. I thought you were asking me a question about—at one point, you asked about SES bonuses. But your question is actually to conferences at Orlando. And I agree with you that Mr. Grams would be a great resource to answer that question.

Mr. Grams. Congressman, my understanding is that what you are talking about, the conference cost has been submitted to the Committee. So we have got a communication issue here. I need to go back and check on that. I came up here today believing you had that information.

I know last year, we talked here at the Committee. We spent last year about $100 million on conferences. I believe you had asked for a further breakout of that figure. And as I said, we came here believing you had that information. But we will go back and find out where it is.

Mr. Huelskamp. Well, in addition to the——

The Chairman. Will the gentleman yield?

Mr. Huelskamp. Yes, Mr. Chairman.

The Chairman. Real quickly because I asked. I wrote a letter to the Secretary along with the Ranking Member, Mr. Filner, in August, August 16th. We have not received a response from that particular inquiry.

And, again, within that letter, there was the conflict between the original testimony of $20 million a year and then subsequent testi-
mony that you provided that was $100 million. We were asking for, help us rectify those two numbers and bring them together. But we have not received that I am aware of any response in regards to those numbers.

Mr. GRAMS. If it would help, can I explain that difference now?

The CHAIRMAN. Yes.

Mr. GRAMS. Okay.

The CHAIRMAN. And if you would, freeze the clock.

Mr. GRAMS. Sure. The difference between the $100 million and the—I mentioned the $100 million to you when I was up here last November. My understanding is you were then submitted a figure of $20 million a few months after that.

As a general rule, it does not apply to every conference, but as a general rule in the VA, about 80 percent of the cost of an average conference is for travel to take the employees to that conference so that they can attend.

The difference is that the $100 million figure I gave you is all inclusive. You asked me how much we spent, so I gave you a number that reflected what I believe was all the costs involved in the conferences that we did last year.

The $20 million figure you were given was a different interpretation of the core costs of the conferences which excluded travel. And that is roughly that 80 percent difference for most conferences that goes to travel.

Mr. HUELSKAMP. I appreciate that. I also had requested a list of all the attendees. Obviously that clearly has not been received of who attended that conference.

I also asked you more recently some information about the golden games. It is interesting you mention 80 percent of the cost of events is travel. There is a $1 million expenditure for an event planner and for the golden games in Hawaii. It is interesting the golden games in Hawaii according to the information on a governmental Web site, it was double or triple the cost of previous golden games in the mainland.

And when do I expect an answer for those questions, especially that $1 million cost for an event planner because I thought you did that in-house? So your response on that?

Mr. GOULD. Sir, if I might, the issue to which the congressman is referring is the world’s largest rehabilitative event. I am sure some of you have been to see these before. You know what goes on there. They are extraordinary opportunities for rehabilitation. They are opportunities for individuals to demonstrate to others who thought they might never walk again or compete again to do so, 55 and over.

Several years ago in 2007, we received a request from the governor of Hawaii, Linda Lingle, and also Senator Akaka who had his last Chairman’s meeting just the other day in the Senate both wrote letters to VA, expressed a desire to hold the games there.

What we saw was an opportunity since these are largely Vietnam veterans to bring them through the point of debarkation for the Pacific where they fought and served our country for——

Mr. HUELSKAMP. Mr. Gould, I am about out of time. When can I expect a response, especially given that——

Mr. GOULD. We certainly can——
Mr. HUELSKAMP. —Hawaii golden games and then you hired somebody in Alaska for $1 million as the event planner?

Mr. GOULD. Yes.

Mr. HUELSKAMP. And so I appreciate a response. And quickly on that in reference, this is financial data that is over a year old in some of the questions from the Chairman. And that data should be readily available and should be made readily available, I think, to the Committee and to myself as well.

So thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Thank you very much.

I have a couple more questions that we will just go ahead and submit for the record. Thank you for your time.

I would like to briefly touch on the Haley Medical Center issue in regards to the taping of a patient and their family in a room without their consent using a covert camera. And it appears that we at the Committee are loggerheads now legally with the interpretations that are being provided.

My question is, do you think that it is appropriate to videotape somebody in their private hospital room without their consent because that is what happened at Haley?

I know what the background is, but this was not a camera that is like any of these cameras in this room. This was a camera that was disguised as a smoke detector. And so I would like to know if you have any information that you can provide in regards to where we are at this point.

Mr. GOULD. Mr. Chairman, thank you.

We obviously place the highest priority on delivering high-quality, safe medical care to our veterans. We have actually two kinds of observation systems in VA. One is a traditional surveillance system. We cover nurses leaving parking lots late at night to get their car, main areas——

The CHAIRMAN. I understand and the Committee understands. I want to talk specifically about a video camera that was hidden inside of a smoke detector.

Mr. GOULD. We do not believe that the camera was hidden. We believe that the family was informed. A sign was placed in the room and posted.

This patient who was comatose and on a ventilator had to be watched, a medical standard of direct line of sight. We could not have a nurse sit in the room with that individual. Imagine the impact on privacy there.

What we had was a nurse monitoring a camera——

The CHAIRMAN. But you do——

Mr. GOULD. —in the room.

The CHAIRMAN. Excuse me. You do do one-on-one patient monitoring; do you not?

Mr. GOULD. Where it makes sense to do so, we do.

The CHAIRMAN. Where does it make sense to do so? With a comatose patient, that would not make sense?

Mr. GOULD. So imagine a comatose patient how unusual any movement would be. They are completely unable to communicate or talk with their care provider. What you need to see is a——

The CHAIRMAN. If the patient cannot communicate, then who does communicate, their family. Okay.
Mr. GOULD. That is correct.

The CHAIRMAN. So here are the facts as I understand them. A covert camera, hidden inside of a smoke detector and that is not disputed, that is exactly what took place, was installed without notice or consent of the family of the patient.

Now, claims have been made that notice was given after it was installed. That is what was told to me by the director herself of the center. But there was no requirement for consent. And subsequent to that, we have now found out that it was not just monitoring. It was also taping what was going on in the room.

And so my question is, where are we now because I have been told that VA is now coming up with a policy how to deal with that?

I also understand, and if it is your testimony that that is an appropriate way to monitor a patient, why was the camera taken down because it is not there?

Mr. GOULD. Well, the patient has transferred to another facility at this point.

The CHAIRMAN. I know they have been transferred, but prior to the transfer, the camera was removed.

Mr. GOULD. There is no doubt in my mind that front-line staff were under extraordinary stress, that relationships between the family and the front-line medical staff were strained.

I can imagine that all kinds of emotional content were involved in this set of decisions. But as physicians, as medical care providers, what our absolute number one priority is, is the security and safety of our patients.

To accomplish that in this instance, we believe that having a camera placed on a comatose patient with a ventilator was the appropriate way to render care safely and securely in that environment.

In my belief, it eliminates the possibility that a nurse is going to leave the room. It allows for that seven by 24 hour care.

And, Mr. Chairman, I also understand that we have a large amount of information that has been delivered to your Committee, to the staff on this issue. We are ready to disclose, provide what information is needed to get to the bottom of this.

But my position is here in testimony that our number one priority is safety and security of patients. We accomplished it with that camera. And that is how this patient was cared for during the time that they were comatose, unable to respond or communicate their desires to our staff other than having that seven by 24 hour observation device on them.

The CHAIRMAN. Okay. We will agree to disagree because I guess common sense where I come from would say just put up a camera. If you are going to put a camera up, just put a camera up where people can see it. For some reason, somebody made the decision to hide the camera. It was installed without notice. It was installed without consent.

What is interesting to me, and I am not an attorney, is that there is a claim that consent is not required within a VA facility. And, again, the family tried many times to draw attention to the fact that they did not give consent.
And while this is small in comparison to a $140 billion budget, it is not to the family nor to the patient. And we will continue to move forward.

I just thank you for the update. I did receive the update that the patient had been transferred and I know that that was something that the family had desired to move him closer to their own home facility.

And with that, Mr. Stutzman.

Mr. STUTZMAN. Thank you, Mr. Chairman.

And thank you, Mr. Gould, for being here and your service as deputy secretary.

My question is regarding oversight of contractors. And my understanding is that the VA inspector general works to provide oversight with regard to these contractors and has reviewed hundreds of CBOC clinics resulting in important corrective actions.

My question relates to the bad actors or contractors providing care to our veterans in a clinic who may have systematic deficiencies that result in poor care.

What do VA contractor officers do in review of bids to determine if a bidder has these systematic problems?

Mr. GOULD. Thank you.

Obviously we reach out and get a lot of our services and products from the private sector, about $17 billion. One of the things that our contractors do is when they award on a competitive basis, they do something called evaluating prior performance.

So in a folder, and they call folks when they evaluate prior performance and other agencies and say how did this person do, they look to evaluate electronically whether they performed their duties appropriately and that is a factor that goes into the qualification of a contractor in rendering services.

We do not always get it right and sometimes contractors work to hide that information from the VA, but our folks are committed to making that kind of assessment and make sure we have got good quality providers working in VA.

Mr. STUTZMAN. So if a bad actor seeks a bid in a new VISN where it is not currently operating, what steps, if any, does the VA contractor officers take to research the bidder against the inspector general’s reports, media reports, or VSO reports? Are contracting officers supposed to check to see if the VA IOG has significant concerns regarding the CBOC contractor?

Mr. GOULD. We are working to make sure that that process works properly in several different ways. One is making sure that the individuals who are making that decision are trained and certified to do it. And we put an enormous amount of energy and effort in making sure that that has happened over the last three years.

New technology, the Electronic Contract Management System, so called ECMS, and lastly an enterprise data system that allows us to for the first time understand who has purchased what for what purpose and where in our organization for 95 percent of our buy in a day’s time.

So the monitoring systems that we have strengthened go directly to your issue of making sure that information is shared, that things like prior performance are known.
Mr. STUTZMAN. Do you have any report on the monitoring process or what results you are seeing?

Mr. GOULD. I would be glad to provide that information for you on the record, sir. If you are aware of any report or additional information that you would like to bring to my attention, I would be pleased to——

Mr. STUTZMAN. Okay. If you could provide an update, that would be helpful.

Mr. GOULD. Thank you.

Mr. STUTZMAN. All right. With that, Mr. Chairman, I will yield back the balance of my time.

The CHAIRMAN. Mr. Turner.

Mr. TURNER. Thank you, Mr. Chairman.

I can only say as a veteran and my brief work here on the Veterans' Committee, I think the VA does a pretty good job. Our job here, as you know, is oversight and to find fault. And we will continue to do that. And you continue to do a good job and we will meet in between.

Thank you. Yield back.

The CHAIRMAN. Thank you very much.

Mr. Gould, thank you very much for being here.

All Members will have five legislative days to revise and extend their comments.

And with that, this hearing is adjourned.

Mr. GOULD. Thank you.

[Whereupon, at 11:54 a.m., the Committee was adjourned.]
Prepared Statement of Chairman Jeff Miller

Good morning, and welcome to today's Full Committee hearing Entitled, "Veterans Affairs in the 112th Congress: Reviewing VA's Performance and Accountability."

VA is to be commended for some of the areas we will examine today. For example, the number of homeless veterans is declining. VA reports that on any given night, the number of homeless veterans has fallen from 76,000 in 2009, to 67,500 in the latest report in 2011. We have to sustain that effort and address root causes of homelessness, but at present, I am pleased that the goal of ending homelessness by 2015 is within reach.

Also on the Positive side, the default rates on VA guaranteed loans continue to be lower than non-VA backed loans. Given the turmoil in the housing market, the success VA has had in keeping veterans in their homes is laudable.

Finally, I would like to congratulate VA on the aggressive manner in which it prepared for and promoted the Veterans Retraining Assistance Program, or "VRAP," part of our effort to reduce veteran unemployment. With the VOW Act's goal to retrain 99,000 veterans using the Montgomery GI Bill, as of Tuesday, VA had received 58,432 applications and approved 45,205.

So, VA, keep up the good work.

Despite these successes, progress isn't being made fast enough, or at all, in other key areas. On the important issue of mental health care, too many veterans either do not seek assistance or are unable to get VA care in a timely manner. As a result, access to mental health care is in crisis.

In April, the VA Inspector General released a report finding that more than half of the veterans who seek mental health care through VA wait fifty days – that's five-zero days - on average - to receive an evaluation. These are men and women who have taken the brave and difficult step of seeking help - and they are waiting too long to receive it.

Interestingly, just days before the IG report was released, VA made a surprise announcement that it would be increasing mental health staff by 1,900. It is undoubtedly important to ensure proper staff are in place to meet the increasing demand for mental health care.

But, here's the problem: there are already almost 1,500 mental health professional vacancies in the VA system which means that 1,900 new hires equates to a net gain of 400. As of mid-July, VA had hired less than 900 employees as part of this effort. Follow-up requests by Committee staff for additional information have gone unanswered.

Meanwhile, data continues to show that eighteen veterans per day commit suicide, and five of those were receiving VA care at the time of their death.

We must do much better.

Another area of continued concern is the backlog of disability claims. Notwithstanding pledges by VA officials that we're about to "turn the corner," the backlog has steadily increased throughout the past two years. At the beginning of this Congress, the number of pending claims was 764,476, with 39.4% pending for more than 125 days. As of this month, that total number of claims pending increased to 897,767, with 66.4% pending over 125 days.

The Department's refrain has been that overall production is over one million claims annually, and that the Agent Orange claims presented a challenge, but the simple fact remains that more claims continue to be filed than processed with no end in sight. Although this administration has promised that the backlog will be eliminated by 2015 and that claims will be processed with 98% accuracy by that time, quite frankly, I am worried about whether this goal remains realistic.

In addition, the Committee has frequently been told that VBA's transformation plan is the answer to these problems. Although we certainly commend VA for realizing that comprehensive changes are required to bring VBA into the 21st century,
the Committee has yet to see an actual plan, in writing, with clear benchmarks and deadlines. We have yet to see this plan despite making three separate requests, both during hearings and in writing, which have all gone unanswered. I would like to continue working with the Department on bringing VA into the 21st century, and we will best be able to do so by being provided with a written copy of the transformation plan.

Finally, although VA has been more fortunate than other agencies in the resources it has received in this tight economic climate, the bureaucracy has helped itself to those resources rather than channeling them to direct services for veterans. VA's Senior Executive Service (SES) bonus program continues to average nearly $4 million in annual payouts, with no apparent correlation between these bonuses and agency performance.

The Committee is also addressing the issue of lavish conference expenditures. I and Ranking Member Filner sent a letter to VA over a month ago asking for detail of how over $100 million dollars was spent in 2011 on conferences, and we've received no response.

The government was on the verge of both a shutdown and default last year. Thus, the fact that VA cannot describe how over $100 million dollars was spent is outrageous. Despite promises of better fiscal stewardship from the administration, these are glaring examples of serious shortcomings that need to be fixed.

There is more I could have touched on in this statement, but I'll wait for questioning. We have a lot of ground to cover today, and we look forward to hearing from the VA panel on these important topics.

Prepared Statement of Hon. Corrine Brown,
Acting Ranking Democratic Member

Mr. Chairman, I appreciate you holding this hearing on the VA's performance and accountability during the 112th Congress.

I look forward to finding out from the VA the progress it has made in addressing concerns raised by this Committee. I also look forward to hearing from the Deputy Secretary how, in his view, the VA has become able to meet its responsibilities to provide health care and benefits to our veterans.

I believe this is an important point that we should not forget: for all the faults we find with how the VA operates, at the end of the day it is providing services and benefits to millions of veterans and their families. Because the VA generally does a good job, it makes it even more important that it proactively address problems that arise and hinder the VA's ability to assist veterans.

Sometimes it is easy to forget that our role is to provide needed oversight to the VA. In the final analysis, we are all in this together, working hard to take care of our veterans.

So I look forward to the Deputy Secretary's update on how the oversight concerns raised by this Committee have been addressed, how the VA is better today than it was yesterday, and what improvements and actions we should look forward to in the future.

Prepared Statement of Hon. Russ Carnahan

I would like to thank Chairman Miller, Ranking Member Filner, and Members of the Committee for holding this hearing. I want to begin by recognizing the efforts of the Department of Veterans Affairs (VA) and congratulating them on their successes in the past year. Two VA campaigns, The Veterans Crisis Line and Make the Connection, have been particularly noteworthy, consequently earning forty-three awards for excellence. Another case between the VA and the Department of Housing and Urban Development reduced veterans' homelessness by 12% and won the distinguished Samuel J. Heyman Citizens Service Medal. The VA has even committed $28 billion to finding homeless veterans homes that they have a chance at keeping, affecting 25 states across the Nation, including my home state, Missouri.

In summary, we have done well for our veterans, but now, sixty years after the establishment of the VA, we must renew our commitment to provide the men and women who have served our country in uniform with the health care services they have earned. Our troops are committed to protecting our freedom, and our commitment to them does not end when they return home.

The VA offers health care treatment and services to our Nation's veterans who suffer from service-related physical or mental disabilities. While the diagnosis of
physical injuries typically is made before or shortly after separation from the military, mental illnesses may not manifest themselves until years later. As the United States military and the VA continue to improve treatment for those who have served, there remains a gap for veterans struggling with mental illnesses.

The frequency of possible diagnosis for mental health disorders is estimated at 43.7 percent of Operations Enduring Freedom and Iraqi Freedom veterans who have received Veterans Administration treatment. I encourage you to protect veterans’ rights to mental health care treatment and services by supporting the Veterans Mental Health Accessibility Act.

Currently, Afghanistan and Iraq veterans face a five year window in which they must seek treatment for mental illnesses before losing their higher priority status. Veterans from previous wars face harsher bureaucratic obstacles. The Veterans Mental Health Accessibility Act, which I introduced last March, would eliminate the five year window and give veterans who served in combat from all military operations the ability to seek treatment for service-connected mental illnesses, regardless of when their conditions manifest themselves. This bill would make the services and treatments that are available to Afghanistan and Iraq veterans available to all veterans who have served in combat in previous military operations such as the Second World War, the Korean War, and Vietnam. I urge the members on this Committee who are not already cosponsors of the bill to take action now.

It is our responsibility to care for the veterans who have defended our Nation, and our continuing duty to prepare for the return of our soldiers still abroad. I hope today’s hearing will shed some light on ways that we can work together to guarantee our service men and women have the support they need and deserve.

Prepared Statement of Hon. W. Scott Gould

Chairman Miller, Ranking Member Filner, and Distinguished Members of the House Committee on Veterans’ Affairs: thank you for the opportunity to be with you today to discuss the Department of Veterans Affairs’ (VA) accomplishments and challenges.

I am accompanied by W. Todd Grams, Executive in Charge for the Office of Management and Chief Financial Officer. I want to thank the Committee for its ongoing partnership in our common commitment to serve our Nation’s Veterans. We appreciate your support – especially the continued robust funding that is required to meet the growing needs of our Veterans. Our highest priority is to care for those who have borne the battle, their families, and their survivors.

As the 112th Congress draws to a conclusion, we welcome the opportunity to report on the challenges we have faced, the lessons we have learned, and the great things that we have accomplished, all within context of the vast array of services and benefits we provide to Veterans across the globe, the number of Veterans we serve, and the complex nature of what we do.

VA is second only to the Department of Defense (DoD) in personnel, with 320,000 employees who directly touch the lives of nine million Veterans and their families.

We have the largest integrated health care system in the country. It includes 152 hospitals, over 800 clinics, 300 Vet Centers, more than 130 community living centers, and dozens of research facilities and more. Since the start of this Administration, VA has handled more than 358 million medical encounters.

VA has issued over $21 billion in Post-9/11 GI Bill benefit payments to over 802,000 individuals and their educational institutions since the program’s inception in August 2009. VA’s life insurance products help protect seven million clients. And, just since the start of this Congress, VA has guaranteed over 756,000 home loans for Veterans and Servicemembers. We are gratified that more Veterans are coming to us for the benefits they have earned. That success also creates the challenge of meeting increased demand.

In 2009, we settled on three key priorities, which remain unchanged today:

- A commitment to increase Veterans’ access to VA benefits and services;
- A commitment to eliminate the benefits backlog in compensation claims—in 2015; and
- A commitment to end Veteran homelessness—also in 2015.

My testimony today, consequently, will be organized around the challenges and achievements and challenges in these three areas: (1) increasing Veteran access, (2) improvements in claims processing; and (3) ending Veteran homelessness.

VA is proud of the progress it has made in increasing access to quality health care for Veterans. Our goal is not just easier availability, but access to the highest qual-
ity healthcare in the United States. We continue to innovate to provide better health care that is closer to the Veteran. VHA's ASPIRE program offers Veterans, their families, and the public the opportunity to examine detailed data on any VA medical center's performance in safety, effectiveness, efficiency, timeliness, and other areas.

VA has taken this a step beyond the usual level of performance reporting, in that we do not simply accept being better than others in many metrics as satisfactory; rather, we aspire to the highest level of performance, especially when it comes to patient safety. The robustness of our performance measures allows VHA to identify best practices that help improve outcomes versus those that do not, and to transfer these best practices across the system to improve the care we deliver as a whole. Awareness of performance inspires leaders at all levels to constantly improve by instilling a sense of excellence among peers, and providing the best possible care to Veterans is a powerful motivation for all VHA employees.

Access also means more points of service. Since 2009, VHA has funded the opening of 51 new community-based outpatient clinics (CBOC) located in rural areas nationwide and supported the opening of 40 new outreach clinics that, at a minimum, provide primary care, on-site case management, and access to specialty mental health care. We will always do everything in our power to find ways to reach out to Veterans in need.

VHA has dedicated great resources and innovative thinking to improving access to quality health care in rural areas. It is a national leader in establishing telehealth capabilities. In FY2011, clinical video telehealth, home telehealth, and store-and-forward telehealth provided care from more than 150 VA Medical Centers and 750 CBOCs to more than 380,000 Veterans. We expect this number to increase by an additional 100,000 in FY2012. Telehealth provides access to more than 35 areas of specialty care, reduces the need for travel, and provides high levels of patient satisfaction. VA and Veterans further benefit by reducing the number of bed days of care and reducing travel costs. VA has established three regional centers for post-traumatic stress disorder (PTSD) telemental health to augment services among facilities and networks. VA has also been involved in the launch of the PTSD Coach smartphone application, the first in a suite of mental health applications for mobile devices.

We are very proud of the VA Primary Family Caregiver Support Program, which has been accepting applications since May 9, 2011. Congress put forth a major effort to create this program, which is a significant new benefit for families who are sacrificing to provide seriously injured Veterans with care day-in and day-out. As of August 30, 2012, there are over 5,900 primary family caregivers - and the Veterans they care for - who are benefiting from this important new source of support.

Access to quality mental health services is a vital priority. In 2005, at the height of operations in Iraq, we had 13,000 mental health professionals handling the health care needs of our Veterans. Today, there are more than 20,000, and we recently announced our plans to hire 1,600 more clinical staff, bringing our total mental health staff up to approximately 22,000 professionals - to address the growth in mental health requirements spawned by the burdens of a decade of combat deployment shouldered by our all-volunteer force and their families.

One of our most successful outreach efforts is our Veterans' Crisis Line. DoD knows it as the Military Crisis Line—using the same phone number and the same trained VA mental health professionals to respond to calls, with no cost to DoD. Since 2007, over 640,000 people have called in, including over 8,000 active-duty Servicemembers. We have made over 99,000 referrals for care and rescued over 23,000 from potential suicide. Younger Veterans may be more comfortable with chatting and texting, so in 2009 we added on-line chat, and in 2011, a texting service. We know that when we diagnose and treat, people get better. Among the 8.6 million Veterans enrolled in VA health care, the total number of Veterans receiving mental health treatment has increase from 897,643 in FY 2005 to 1,338,482 in FY 2011.

At the same time, for Veterans receiving VA treatment, suicide rates are down because treatment works. In FY 2009, the suicide rate among individuals with mental health or substance use disorder was 56.4 per 100,000, as compared to 23.5 among patients without these disorders. This continues a steady trend of lowering rate ratios observed since FY 2001, when the rate among patients with mental health or substance use disorder diagnosis was 78.0 as compared to 24.7 among patients without these diagnoses.

Vet Centers are a very successful way we are reaching Veterans and families with support and counseling. In FY 2011, Vet Centers provided 189,811 Veterans and families with 1,377,028 visits, a 9 percent increase in direct counseling services from fiscal year 2010. This included providing 18,553 Veteran families with 91,716 visits.
Another area of increasing progress is access to quality health-care that meets the needs of women Veterans. Women make up 15 percent of today's active duty military forces, and about 337,000 are currently using the VA health care system. The population of women Veterans using VA is increasing at a rapid pace—doubling in the last decade. To meet the needs of this growing Veteran community, VA is enhancing care and access for women Veterans by implementing Comprehensive Primary Care and designating a staff member as the women's health liaison at each CBOC. VA also applauds the Congress' recent enactment of a measure that allows us to establish a child-care pilot that is serving as a great help to Veterans by on-site child-care at select VA medical centers, making use of their health care benefits that much easier. That law also allowed VA to provide a period of care for newborn children of Veterans receiving maternity care.

Mr. Chairman, I believe that access includes to job opportunities, and to all the tools VA can offer to help those making the transition from military service. In August 2011, the President directed DoD and VA to lead the Veterans Employment Initiative (VEI) Task Force and provide recommendations to maximize the career readiness of all Servicemembers. I would like to applaud this Congress for passing the “VOW to Hire Heroes Act of 2011,” which included steps to improve the existing Transition Assistance Program (TAP) for Servicemembers. Among other things, the VOW Act made participation in several components of TAP mandatory for all Servicemembers. VA and DoD have made progress in implementing VEI Task Force recommendations and preparing for the requirements of this law.

The VOW Act also created the Veterans Retraining Assistance Program (VRAP) for unemployed Veterans between the ages 35 and 60 years old. VRAP provides up to 12 months of training assistance towards an associate’s degree or certificate in a high-demand career field for up to 99,000 Veterans. As of September 7, 2012, over 55,000 Veterans have applied for the program. It also provides tax incentives to companies that hire Veterans, and extended VA’s special employer incentives under our Vocational Rehabilitation and Employment program.

VA is proud to have partnered with the First Lady’s “Joining Forces” initiative and the U.S. Chamber of Commerce’s “Hiring Our Heroes” campaign. The President challenged private companies to hire or train 100,000 Veterans and military spouses by the end of 2013. To date, 2,100 companies have committed to 175,000 hires, and 125,000 Veterans and spouses have already been hired. VA held its own hiring fairs in Washington, DC, and Detroit, Michigan, earlier this year. Over 12,000 Veterans participated, and over 8,000 interviews were conducted. More than 1,700 job offers were made on the spot, and participants continue to receive offers.

VA also conducted two Veteran-owned small-business training expositions in the past 12 months—our opportunity to educate Veteran small business owners on our procurement requirements and allow the 3,500 who showed up to demonstrate their capabilities and improve their preparation of competitive proposals for government contracts. The bottom line is this: Veterans hire Veterans. So the more successful Veteran entrepreneurs we cultivate, the better the opportunities for Veterans employment.

Access also means affording Veterans opportunities in federal contracting. Under the Veterans First Contracting Program, VA greatly expanded opportunities for service-disabled Veteran-owned small business (SDVOSB) and Veteran-owned small business (VOSB). In FY 2011, preliminary data indicate that VA’s total award to small businesses was nearly $5.9 billion, or 33.3 percent of all VA procurements. This far exceeded the national goal of 23 percent for small business procurements. Additionally, VA surpassed the government minimum of 3 percent for SDVOSBs, and its own internal goal of 12 percent for VOSBs and 10 percent for SDVOSBs, with 20.5 percent going to VOSBs and 18.2 percent going to SDVOSBs.

Access for VA also means ensuring that Veterans have every educational opportunity available they have earned through their service. As of September 10, 2012, VA issued over $21.4 billion in Post-9/11 GI Bill benefit payments to over 802,200 individuals and their educational institutions since inception in August 2009. Since the program’s enactment, VA has implemented multiple legislative changes to the Post-9/11 GI Bill, without disrupting the flow of benefits to students. These changes included expanding Veterans’ educational options under the Post 9/11 GI Bill to include technical on-the-job training and apprenticeship programs. This expansion makes Post 9/11 GI Bill educational offerings consistent with those under other benefits programs and allows beneficiaries to pursue shorter-term training prior to entering the job market. VA has also developed a processing system that automates components of the education claims process and continues to focus on timely benefits delivery. Full automation of a subset of claims is expected this Fall.
VA also is taking steps to support Veterans on campus. The Vocational Rehabilitation and Employment (VR&E) VetSuccess on Campus (VSOC) program is designed to provide on-campus benefits assistance and adjustment counseling to Veterans. The program encourages Veteran-students to complete a college education and prepare to enter the labor market in viable careers. As of September 10, 2012, 28 VSOC sites were established at campuses throughout the country that provide outreach, counseling, and benefits assistance to Veteran-students and their families.

Access also means the honor of interment at one of VA’s 131 national cemeteries. NCA has opened six new national cemeteries since 2009, and lowered the Veteran population threshold to allow improved access for more Veteran families to better avail themselves of benefits those Veterans have earned. In addition, since 2009 VA has awarded grants to support the opening of 15 new State Veterans cemeteries and four tribal Veterans cemeteries. Since 2009, VA has helped expand existing State cemeteries and assisted them in achieving higher standards and appearance and service through $65.9 million in grants to 28 cemeteries. NCA continues its extraordinary record of customer service, receiving 94 points out of 100 on the American Customer Satisfaction Index in 2010—the highest in either the federal government or the private sector. NCA was also awarded the Achievement in Excellence Award by the State of Virginia, the highest award given by the state in 2011.

A critical aspect of access is making VA and DoD work together as never before to serve those men and women making the transition from Servicemember to Veteran. Providing a ‘seamless’ transition between VA and DoD is a complex and multifaceted challenge, but it is vital to ensuring care for those who have served this Nation. As Secretary Shinseki and Secretary Panetta stated in testimony before this Committee in its joint hearing with the House Armed Services Committee in July, we have brought our Departments closer together than ever before.

As we highlighted in that hearing, DoD and VA have increased the number of Servicemembers and Veterans whose electronic data is shared between the two Departments by 1.1 million. That 1.1 million increase includes the increased sharing of:

- 23 million more laboratory results;
- 3.6 million more radiology reports; and
- 24 million more pharmacy records.

As this Committee knows, the Integrated Electronic Health Record – or iEHR— is an ambitious effort that will take some time, but VA and DoD have committed to a fully operational iEHR no later than 2017, with clinical capabilities deployed in Hampton Roads and San Antonio in 2014—a significant challenge, but one that is critical to achieve for our Nation’s Veterans and Servicemembers. The result will be a single, standard open architecture and modular electronic health record system that will improve quality and lower total costs for VA and DoD.

In the July joint hearing, VA highlighted progress in getting Veterans access to their benefits information through online tools such as Blue Button and eBenefits. The Blue Button is a joint program between the Department of Health and Human Services, DoD, and VA that provides Veterans on-demand access to personal health information at the click of a button, delivered in a format that is easy to read and accessible without any special software. President Obama announced this in the summer of 2010 and it was officially launched that October. Today, nearly one million Servicemembers and Veterans have downloaded electronic copies of their personal health records.

VA and DoD also have shown concrete results in the eBenefits portal, the joint VA/DoD client-services portal for life-long engagement with Servicemembers, Veterans, and their families. Thanks to DoD leadership, Servicemembers now automatically sign up for eBenefits when they enter service. eBenefits enrollment now exceeds 1.8 million users, and VA expects enrollment to exceed 2.5 million by the end of 2013. The eBenefits portal provides over 45 self-service features to check the status of a claim or appeal; review the history of VA payments; request and download military personnel records; secure a certificate of eligibility for a VA home loan; and numerous other benefit actions. We aggressively continue to expand and update online self-service and access capabilities. We are engaging our Veterans Service Organization partners in registering Veterans for eBenefits accounts. In the coming months, Servicemembers will be able to complete their Servicemembers’ Group Life Insurance applications and transactions through eBenefits. Recent enhancements allow Veterans to view their scheduled VA medical appointments. They will soon be able to file benefits claims online and upload supporting information that feeds our paperless process.

VA and DoD completed implementation of the Integrated Disability Evaluation System (IDES) at 139 sites globally on September 30, 2011. IDES is aimed at
achieving an integrated process for wounded, ill, and injured Servicemembers who face potential medical separations. We have improved transparency and consistency of outcomes, while reducing processing times between a Servicemember’s referral for a fitness determination and receipt of VA benefits. As of August 26, 2012, we have reduced the processing time under the separate DoD and VA legacy processes from about 540 to 395 days. Our goal is 295 days. Total processing time for the month of August, as of August 26, was down to 375 days. VA’s portion of this goal is 100 days, which has been as low as 105 days before responding to surges in military departures. In the month of August, as of August 26, VA processing time was 114 days.

Turning from access to VA benefits and services to the second of VA’s three top priorities, eliminating the claims backlog is perhaps our largest and most complex challenge. We are aggressively tackling this challenge on multiple fronts. The disability claims workload from the newest generation of returning Veterans, as well as from Veterans of earlier periods, continues to increase. VBA’s annual claims receipts increased 48 percent over the last four years, from 888,000 in 2008 to 1.3 million in 2011. The growth in disability claims volume is driven by a number of factors, including:

- Additional presumptive disabilities associated with Agent Orange exposure,
- New regulations for processing certain claims related to Gulf War service, traumatic brain injuries, and post-traumatic stress disorder (PTSD);
- Growth in the average number of medical conditions for which each claimant files;
- Improved access to benefits through the joint VA and DoD pre-discharge programs such as the Integrated Disability Evaluation System (IDES);
- Ten years of war with increased survival rates;
- Successful extensive use of VA of outreach programs encouraging more Veterans to submit claims; and
- Post-conflict downsizing of the military.

Several of these factors, including the addition of presumptive disabilities associated with Agent Orange and regulatory changes, were the result of VA decisions to expand benefits during this Administration. These decisions – the right ones to make for our Veterans – dramatically expanded access to benefits and services. In the face of an increasing workload, VBA must deliver first-rate and timely benefits and services – and they must be delivered with greater efficiency. These decisions make it critical that we dedicate the right resources, technology, and innovation to eliminating the backlog.

VA also is pursuing its Transformation Plan, a series of tightly integrated people, process, and technology initiatives designed to eliminate the claims backlog and achieve our goal of processing all claims within 125 days with 98 percent quality in 2015.

Through people-focused initiatives, we are strengthening the expertise of our workforce by changing the way we are organized and trained to do the work. We are also increasing the productivity of our workforce and the quality of our decisions through national training programs and standards. We estimate that these “people” initiatives will contribute to a 15–20 percent improvement in productivity and four percent improvement in quality when fully implemented in all regional offices.

Through process-improvement initiatives, we are rapidly developing and testing streamlined processes, focusing on eliminating repetition and rework in the claims process while delivering optimal service. We expect our process initiatives to contribute to a 15–20 percent increase in productivity and a minimum four percent improvement in claims quality when fully implemented nationwide.

These increases in productivity cited above due to people, process, and technology improvements are additive.

Through technology initiatives, we are deploying solutions that improve access, drive automation, reduce variance, and enable faster and more efficient operations. Our new paperless claims processing solution, the Veterans Benefits Management System (VBMS) is a key component in eliminating the backlog. Our technology initiatives aim to improve access and increase efficiency, with goals to contribute to an additional 15–20 percent increase in productivity and a four to six percent improvement in claims quality.

VBA has implemented the Transformation Organizational Model (TOM) at 18 regional offices to date. Thirty-eight regional offices will implement TOM by the end of December 2013. VBMS, a key component of our technology solutions, is currently being piloted at four regional offices and will be deployed to all stations by the end of 2013.
Our third top priority is to use all the tools at our disposal, including partnerships with other Federal agencies, States, community providers, and volunteers to end Veterans Homelessness. VA offers a comprehensive continuum of homelessness services which are coordinated with community efforts. We want to thank the Committee for its partnership and commitment in this effort – it is truly appreciated.

When HUD, the Department of Housing and Urban Development, announces its 2012 Point-in-Time estimate of homeless Veterans, we expect additional progress to be made and to stay on track to end Veterans' homelessness in 2015. Between the 2010 and the 2011 point in time counts, veteran homeless has decreased nearly 12 percent.

VA’s Loan Guaranty Program has also played a part in this effort. Since January 2011, VA has helped over 119,000, or 82.5 percent of, defaulted VA borrowers avoid foreclosure. This foreclosure avoidance assistance translated into an average estimated $4.2 billion in foreclosure claim payments avoided. In many cases, VA intervened, working with Veterans’ financial institutions to lower interest rates and payments or modify loan repayment terms to keep Veterans and their families in their homes.

In addition, VA’s National Cemetery Administration has implemented a new Homeless Veterans Apprenticeship Program in collaboration with VHA and VA Learning University. This program will create paid employment positions as Cemetery Caretakers – successful completion of twelve months of training will result in permanent full-time employment.

Leadership

We cannot talk about achievements and challenges without talking about the leadership, management, and organizational structures required to make change happen. Good will and dedication are not enough, and we owe it to Veterans and taxpayers to provide the best return on every dollar appropriated to meet the Nation’s debt to our Veterans.

In 2009, the Department of Veterans Affairs faced significant internal and external challenges. Despite a cohort of dedicated, caring, and committed employees, the organization was experiencing problems. President Obama seized the opportunity to initiate a sweeping transformation of VA, with the goal of creating a more effective and efficient organization. He charged Secretary Shinseki to transform VA into a high-performing 21st century organization. VA launched a transformation effort that emphasized:

- **Cultural Change:** This critical facet of the transformation binds all transformation initiatives together, enabling VA to change its relationship with Veterans fundamentally—treat them as clients and continually emphasizing new and better ways to serve them. To that end, Advocacy is a prominent value among the five core values that imbue our work at VA with purpose including: Integrity, Commitment, Advocacy, Respect, and Excellence.
- **Modernization and Innovation:** VA facilities, systems, programs, and business processes required updating and cutting-edge technological solutions.
- **Integration and Collaboration:** Critical to the transformation was the integration of disparate support services, including Information Technology (IT), Human Resources (HR), Acquisitions and Logistics, and Financial Management. Additionally, serving Veterans necessitated an enhanced collaborative relationship with the DoD and other federal entities. To that end, the Secretaries of VA and DoD have met an unprecedented 10 times since 2009, and for the first time ever, testified before a joint hearing of this Committee and the House Armed Services Committee in July 2012 to report on our collaborative efforts.
- **Disciplined Decision Making Based Upon Data, Metrics, and Performance Monitoring:** VA has developed and deployed a comprehensive performance management system. Program planning is informed by evaluation of program efficiency and effectiveness supported by new measures of critical success factors.
- **Access and Responsiveness:** To become a more accessible and responsive organization, VA needed to expand and enhance its connections with Veterans, and emphasize accountability and transparency through improved outreach, use of new media as well as traditional field visits.

VA’s transformation also required fundamental changes in management infrastructure to coordinate operations across business lines and hold managers accountable for effective delivery of services. This required closer integration of four major organizational components of VA: VBA, VHA, and NCA, as well as the VA Central Office (VACO) policy and program staffs. New and more robust business systems support unity of action through better oversight, consolidation of support services, and enterprise-level efforts aimed at serving Veterans in a more comprehensive and
holistic fashion. For example, eliminating Veteran homelessness required budget allocations and project management support from VACO, as well as health professionals from VHA; housing and employment specialists from VBA; and IT systems to integrate, track, and unify the effort. As an example of utilizing all of VA in this integrated effort, NCA is offering job apprenticeship opportunities for Veterans who are homeless or at risk of homelessness.

Public outreach was coordinated with members of Congress, our Veterans Service Organizations, and the media. That outreach also helped galvanize the activities of State and local governments, as well as non-profit and faith-based organizations on whom our success depends.

Tighter integration also requires leaders to work within a more transparent governance process so that senior leadership can achieve their respective transformation objectives by leveraging three resources:

- People—Human resources for strategic management and staffing;
- Money—Sufficient budgetary resources for the right programs; and
- Things—Modern and innovative IT systems as well as our extended supply chain for goods and services, and other enabling technologies.

As a result of the focus on these management drivers, VA has reduced the average time to hire VA employees from 102 to 87 days; trained 300,000 employees through the VA Learning University (VALU); implemented the Project Management Accountability System (PMAS), increasing VA’s accountability for IT projects with on-time delivery to over 80 percent; established the Strategic Acquisition Center (SAC) to leverage VA’s spending power and improve contracting and procurement activities; produced a long-term strategic investment plan to identify gaps and optimize utilization of capital resources; developed and deployed over 20 dynamic performance dashboard views to support executive decision making; and issued security access cards known as Personal Identity Verification (PIV) cards to nearly 100 percent of VA employees, contractors, and affiliates. These changes in internal capabilities have enabled more effective and efficient delivery of services and benefits to Veterans.

I want to address the issue of training conferences, as there was one recent well-publicized instance that called into question VA stewardship of taxpayer dollars. This particular conference occurred before VA had taken significant steps to establish tighter controls and more accountability for conference expenditures. I will make two points – first, that VA is redoubling its efforts to prevent instances of misuse of funds or wasteful spending. At the same time, we must be very cautious not to curtail conferences that have demonstrated value in training our employees and developing innovative approaches that ultimately save money and serve our Veterans better. Hopefully, you will see that VA’s transformation efforts are providing value to the Nation and profoundly changing our services to Veterans.

These actions will ensure real lasting progress on the Secretary’s three priorities: better access to quality health care, services, and benefits, eliminating the claims backlog, and ending Veteran homelessness.

Our team and our dedicated employees have achieved the following:

- The number of Veterans receiving VA disability compensation has increased by 21 percent from FY2008 to August FY2012;
- Vocational Rehabilitation (Ch 31) participants increased by 15 percent from FY2008 to August of FY2012;
- The number of Veterans compensated for PTSD increased by 64 percent from FY2008 to August of FY2012;
- Created an automated system, provided GI Bill benefits to nearly 800,000 individuals since 2009– comprising nearly half of all Veterans (or their eligible family members) who have served since 9/11 – over 800,000 individuals. The number of education beneficiaries increased by 63 percent from FY2008 to August of FY2012;
- Delivered average pensions of $11,000 into the hands of more than 300,000 Veterans living at the poverty level, and $6,500 per year to 250,000 of their survivors caring for over half a million elderly Veterans who otherwise might be destitute and potentially homeless;
- Through the VA Home Loan Homeless Prevention program, kept over 83,000 Servicemembers, Veterans, and survivors in their homes in FY2011 alone;
- Life Insurance coverage for disabled Veterans increased by 31 percent from FY2008 to August FY2012;
- Created an internet eBenefits portal that is a “place to go” for Veterans and Servicemembers for health care, employment, insurance, disability compensation, and GI Bill information, and added over 45 new capabilities;
• Built and piloted a paperless claims processing system that will be the core of our effort to eliminate the claims backlog and that lowered the average processing time from 250 to 115 days;
• Expanded access to allow almost 700,00 more Veterans to enroll in VA health care;
• Delivered high quality health care to an additional 600,000 Veterans between FY2008 and FY2012;
• Recruited over 150,000 Veterans in a cutting-edge study evaluating genomic medicine;
• Treated 12 percent more unique patients in VA Health Care facilities increased from FY2008 to FY2012;
• Opened the first new state-of-the-art medical center in 17 years in Las Vegas, as well as more than fifty CBOCs to deliver high quality primary and mental health care to more than 215,000 Veterans closer to home;
• Trained over 4,000 mental health providers in evidence-based psychotherapies for PTSD and other mental health conditions;
• Identified locations for the development of five new national cemeteries that will provide burial access to an additional 500,000 Veterans and their eligible family members. In total, VA plans to provide 95 percent of the Veteran population – approximately 21 million individuals – with access to a burial option in a national or state Veterans cemetery within 75 miles of their homes by the end of FY 2015;
• Identified locations for the development of five new national cemeteries and five new columbarium in urban locations;
• Identified eight rural National Veterans Burial Grounds to serve low-density Veteran populations; and,
• Began our work with DoD to create the single electronic medical record system that will serve over 15 million patients under VA and DoD health systems every year;

As we have detailed here, these are big challenges that are requiring our best minds and most determined and talented employees to take on, and there is much work to do. I am grateful that Congress has been both our partner and our constructive critic as we’ve forged ahead.

Mr. Chairman, I will be glad to answer any questions you or the other Members of the Committee have.

Questions For The Record

Responses from the Department of Veterans’ Affairs

Question 1. An explanation of why there are more than 98 metrics in the attachment for FY2012.

Response: Performance metrics span all business lines and vary from year to year depending on current priorities. VBA issues Director Performance Plans at the beginning of each fiscal year (FY) that outline the performance metrics which they will be evaluated on at the end of the FY. Because priorities and business lines vary by RO, the number of metrics can change from year to year and be different from RO to RO.

Question 2. The document/language that Diana mentioned explaining the EOY evaluation process.

Response: Please see attached methodology for the FY2011 Director Performance Rankings. The Office of Field Operations is currently revising the methodology for FY2012. OFO is happy to have another call to discuss the methodology if more explanation is needed.

Attachment

FY11 DIRECTOR RANKING METHODOLOGY

OCTOBER 2011

The FY11 Director Performance Ranking was done based on the Organizational Performance element. A weighted method was used, meaning each business line was assigned a specific weight within the performance element, and each performance metric was assigned a weight within its specific business line. Stations were rated on a five-point scale, and then ranked on the number of points earned out of the potential five points.
For example, Atlanta is a station with four business lines (Compensation, Vocational Rehabilitation, Loan Guaranty, and Education). Each of these business lines is weighted, and contributes to the potential five points Atlanta can earn as a station.

Next, additional points were added to station totals based on that station having extenuating circumstances affecting their FY11 performance, such as a D1BC or DRAS. Lastly, stations were split into those having SES or GS–15 Directors, and ranked as “Outstanding”, “Excellent”, or “Fully Successful”.

**Organizational Performance Element**

The Organizational Performance elements are weighted dependent upon how many business lines the station has. Compensation is given the largest weight, with the remaining weights being divided equally among the additional business lines.

1 Business line = Compensation 100%
2 Business lines = Compensation 75%, Second 25%
3 Business lines = Compensation 65%, Second, Third 17.5% each
4 Business lines = Compensation 55%, Second, Third, Fourth 15% each
5 Business lines = Compensation 50%, Second, Third, Fourth, Fifth 12.5% each

**Business lines considered:** Compensation, VR&E, Pension, Loan Guaranty, Education, Call Center, IRIS

**Element Point Values:**

1. Each performance metric has a maximum value of 5 points
2. Points 1–5 are awarded based on the performance of each given metric, as follows:
   a. Outstanding (25% or better) = 5 points
   b. Excellent (15% or better) = 4 points
   c. Fully Successful (achieved target) = 3 points
   d. Minimally Successful (15% below target) = 2 points
   e. Unsatisfactory (25% below target) = 1 point
3. A performance improvement factor is also considered for stations that were ranked below “excellent”
   a. Exceeding FY10 performance by 15% is awarded 1 point
   b. Exceeding FY10 performance by 25% is awarded 2 points
4. A business line may not exceed 5 points total.

Once a point value is awarded, the weighting of the specific performance metric within the business line is applied as follow:

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<p>| VR&amp;E (2 Business Lines)      | 25.0%  |
| VR&amp;E (3 Business Lines)      | 17.5%  |
| VR&amp;E (4 Business Lines)      | 15.0%  |
| VR&amp;E (5 Business Lines)      | 12.5%  |
| Rehab Rate                   | 20.0%  |
| SEH Rehab Rate               | 20.0%  |
| Outcome Accuracy             | 10.0%  |
| Days to Entitlement          | 6.0%   |
| Interrupted Status           | 6.0%   |
| Evaluation and Planning      | 6.0%   |
| Fiscal Accuracy              | 10.0%  |
| EPRSA Accuracy               | 15.0%  |
| Employment Rehab Rate        | 6.0%   |</p>
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<tr>
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<td>Pension (4 Business Lines)</td>
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<td>EP 190 ADC (FYTD)</td>
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<td>Rating Accuracy</td>
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<td>NOD ADP</td>
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<td>Form 9 ADP</td>
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<td>NOD Inventory</td>
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<td>Loan Guaranty (3 Business Lines)</td>
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<td>Loan Production Full Reviews</td>
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<td>SAPP Reviews</td>
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<td>C&amp;V Field Reviews</td>
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<td>C&amp;V Accuracy</td>
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<td>SAH Accuracy</td>
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<td>Education (4 Business Lines)</td>
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<td>IRIS (3 Business Lines)</td>
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<td>Timeliness</td>
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<td><strong>Total Weight</strong></td>
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<tr>
<td>Call Centers (3 Business Lines)</td>
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<td>Call Centers (4 Business Lines)</td>
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<tr>
<td>Call Centers (5 Business Lines)</td>
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<td>Quality Call Review</td>
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<td>Average Wait Time</td>
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<td>Agent Availability Rate</td>
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<tr>
<td><strong>Total Weight</strong></td>
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</tr>
</tbody>
</table>

**Potential Number of Points Per Station:**

1. A station’s potential point value is determined by the number of business lines at that station, and the weights for those business lines. Stations ranged from a maximum of 10.03 points available to a minimum of 2.225.

**% of Points Earned:**

1. Once a total weighted point value is calculated, it is compared to the total potential point value for the station.
2. Stations are ranked based on the percentage earned of the total available points.
Adjustment Points:
1. Once stations were ranked on a % basis, point adjustments were made based on Area Director discretion, to account for extenuating circumstances that RO faced during the FY.
   a. Stations with D1BC = 3 points
   b. Station with partial year D1BC = 1 point
   c. Nehmer brokering support = 1 point
   d. DRAS stations = 2 points
   e. DRAS support = 1 point
   f. Quality Review Teams and Fully Integrated Teams implementation = 3 points
   g. ILAB = 3 points
   h. Extensive brokering = 1 point
   i. Extensive involvement in mid-term bargaining = 1 point

Final Ranking:
Final ranking based on percentage of station points earned, with the Area Director adjustment factored in. Stations were split into those having SES or GS–15 Directors, and ranked as “Outstanding”, “Excellent”, or “Fully Successful”.

Prepared by the Office of Field Operations
06/26/2013

Regional Office Director
SES and GS–15
Performance Appraisal Plan
October 1, 2011–September 30, 2012

I. Organizational Performance – (Critical Element)
Weight: 60%
In support of Strategic Goals: 1, 2, 4
In support of Integrated Strategies: 1a, 1b, 1c, 1e, 2c, 2d

The Director leads his or her regional office in the pursuit of optimum performance in all applicable program areas. Appropriate emphasis is placed on the Secretary for Veterans Affairs and Under Secretary for Benefits’ priorities assuring that those priorities are reflected in the regional office’s performance. In addition, through efficient and effective management, ensures that benefits and services are provided in a timely, objective manner, with respect to speed, accuracy, customer satisfaction, and employee development. Evidence of this leadership will be observable in terms of performance against established targets and goals. The Director assures that national policy and procedural changes are expeditiously distributed, accurately communicated, and effectively implemented. Directs and documents actions taken to sustain sound quality assurance programs, workload management processes, and internal control systems to effectively oversee work accomplishments and minimize risks in all program areas.

The Director is also responsible for ensuring that programs and policies are implemented, assessed through an effective internal control process, and adjusted as necessary to achieve appropriate results. Failure to meet any of the following sub-elements means that the Director will be required to submit compelling mitigating reasons why the sub-element was not met and to identify those actions that are being taken to achieve the standard set in the sub-element. The Rating Official will have the discretion to determine if the Director meets the sub-element based on management actions taken rather than on actual performance achieved.

Note: Clients include Veterans and their families. Customers are defined as organizations outside of VA such as VSOs, OMB, and Congress. Stakeholders refer to organizations outside of VA such as VSOs, OMB, and Congress.

Sub-element 1: Transformation
Supports the implementation of VA’s Major Initiatives and Organization-Specific Initiatives, which execute the Department’s transformation in fiscal year 2012.
Initiative/Action Performance Goal: Leads and manages the regional office which promotes a 21st century VA and ensures that organizational and individual performance are Veteran-centric, Results-Driven and Forward-Looking.

Veteran-Centric - Services and products provided by the regional office are useful and beneficial as measured by achievement of service delivery targets as outlined in Sub-element 2. Uses feedback to continuously improve delivery of
services and products. Works to strengthen the relationship between the regional office and the veterans served.

Results-Driven - Serves as an active participant in supporting the Department's thirteen Major Initiatives and/or regional office Initiatives. Communicates the Department's vision and holds self and subordinate employees accountable for accomplishments through shared goal setting. The leader works to strengthen the relationship between the organization and its customers and stakeholders. The leader supports a transformational approach by collaborating and partnering with other VA offices and offices outside of VA to accomplish goals. This approach results in achieving 60% of critical actions/designated goals specific to mission and organization operating plan accomplishment by the end of the fiscal year.

Forward Looking - Anticipates future needs of Veterans and VA and encourages organizational and individual improvement. Demonstrates commitment to the 21st century VA by ensuring that operating plans are aligned with VA's Strategic Plan's strategic goals, integrated objectives, and integrated strategies. Alignment is strong and evident when the Department's strategic goals and objectives are cascaded down to the specific goals of the organization. Then, the goals of the organization must be clearly translated into objectives and performance standards for each employee.

In support of Sub-element 1: Transformation, the Director actively supports, promotes and implements official VA and VBA policy as interpreted by VA and VBA leadership. The Director regularly participates in activities and projects intended to further the goals of VBA. These activities typically require the contribution of local resources. Examples include, but are not limited to:

- Projects at the National Level
- Special ad hoc efforts

Evaluation Method: The Director's actions and conduct in regards to policy will be observed. Any failures to actively support, promote and implement official policy will be documented and communicated to the Director. The Director may be assigned projects during the course of the performance year. The Director and Rating Official will agree on clear expectations for successful completion of the project at the time of assignment. The size and quantity of these projects will be considered in light of the size of the Director's regional office.

Fully Successful Performance Evaluation: Meets Performance Expectations Performance is acceptable if there is no documented failures to support, promote, or implement VA or VBA policy, and the Rating Official determines that completion of projects and innovations is substantially equal (or equivalent) to agreed upon expectations.

Sub-element 2: Service Delivery

The Director leads his/her regional office in appropriate workload and human resource management aimed at achieving national and regional office-specific performance goal/targets.

The following end products will be removed from Veteran Service Center calculations for regional offices maintaining identified special missions.

- Philadelphia Regional Offices: 019, 119, 029, 180 series, 120 series, 140 series, 160 series, 165, 190 series, 137, 150 series, 155, 297
- Winston-Salem and Salt Lake City Regional Offices: 011, 111, 021
- Winston-Salem and San Diego Regional Offices: 017, 117, 027
- Jackson Regional Office: 012, 112, 142, 022
- Louisville Regional Office: Camp Lejune Water Contamination claims
- Baltimore, Providence, and Seattle Regional Offices: Disability Evaluations System claims (689)

Evaluation Method: Sub-element 2: Service Delivery will be evaluated based on the Performance Scale for each individual Service Delivery performance measure. The Performance Scale indicates the performance level (Outstanding, Excellent, Fully Successful, Minimally Successful, Unsatisfactory) for each measure assigned within this sub-element.

It is important to note that the Performance Scale is specific to each performance measure in Sub-element 2: Service Delivery, and is not an indication of the Director's final overall performance rating, or the aggregate rating for this sub-element.

In order to provide a mechanism that allows for recognizing regional offices making considerable improvements during the course of the fiscal year, an Improvement
Factor is included. The Improvement Factor provides for the increase of one performance level for each performance measure that achieves a 15% improvement from the previous fiscal year, and the increase of two performance levels for each performance measure that achieves a 25% improvement from the previous fiscal year. The Improvement Factor is applied to only to individual performance measures and allows for the Director to achieve a higher evaluation, should the regional office achieve considerable improvement.

An example of the Improvement Factor is as follows:

Regional office A achieved a rating ADP of 265.0 during FY11. During FY12, the regional office achieved a rating ADP of 198.6. Although the regional office did not achieve the FY12 rating ADP target of 180.0, the regional office did improve by over 25%. Therefore, instead of achieving minimally satisfactory performance for rating ADP, the regional office will have achieved excellent performance for rating ADP, due to the application of the Improvement Factor, which increases by two, the performance level for regional offices attaining 25% improvement, per measure, from the previous fiscal year. Had Regional office A only achieved an FY12 rating ADP of 225.3, an improvement of 15% from the previous fiscal year, the Improvement Factor would result in Regional office A achieving fully successful performance for rating ADP.

Although not included as a performance standard metric, for which Directors will be evaluated, regional office-specific rating inventory indicators are established, which lead to the national target of 840,000. Additionally, the impact of workload brokering will be considered as a mitigating factor for regional offices that broker work in to the Veterans Service Center to address national workload needs.

### VETERAN SERVICE CENTER COMPENSATION

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>FY12 Target</th>
<th>G</th>
<th>E</th>
<th>FS</th>
<th>NS</th>
<th>U</th>
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<td>14.9% to Regional office Target</td>
<td>14.8% to 24.9% worse</td>
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## SPECIAL MISSIONS COMPENSATION (IDES)

**Baltimore, Providence, Seattle Regional Offices**

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<th>Performance Measure</th>
<th>FY12 Target</th>
<th>O</th>
<th>E</th>
<th>FS</th>
<th>MS</th>
<th>U</th>
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<td>Claims Development ADC (FYTD)</td>
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<td>7.6 to 8.5</td>
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<td>11.4 to 12.8</td>
<td>12.9 to 15.0</td>
<td>15.1 to 18.7</td>
<td>Greater than or equal to 18.8</td>
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<tr>
<td>Final Rating ADC (FYTD)</td>
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<td>15.1 to 17.0</td>
<td>17.1 to 20.0</td>
<td>20.1 to 25.0</td>
<td>Greater than or equal to 25.1</td>
</tr>
<tr>
<td>Rating Production Regional Office</td>
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<td>24.9% to 15.0% better</td>
<td>14.9% to Regional office Target</td>
<td>14.8% to 24.9% worse</td>
<td>25.0% worse</td>
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<tr>
<td>Backlog Inventory Regional Office</td>
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<td>24.9% to 15.0% better</td>
<td>14.9% to Regional office Target</td>
<td>14.8% to 24.9% worse</td>
<td>25.0% worse</td>
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## SPECIAL MISSIONS COMPENSATION (PRE-DISCHARGE)

**Winston-Salem, Salt Lake City, San Diego Regional Offices**

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<th>FY12 Target</th>
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<th>E</th>
<th>FS</th>
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<td>BDD ADC (FYTD)</td>
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<td>61.3 to 72.0</td>
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<td>Greater than or equal to 90.0</td>
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<td>Quick Start ADC (FYTD)</td>
<td>138.0</td>
<td>Less than or equal to 103.5</td>
<td>103.6 to 117.3</td>
<td>117.4 to 138.0</td>
<td>138.1 to 172.4</td>
<td>Greater than or equal to 172.5</td>
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<tr>
<td>Rating Production Regional Office</td>
<td>25.0% better</td>
<td>24.9% to 15.0% better</td>
<td>14.9% to Regional office Target</td>
<td>14.8% to 24.9% worse</td>
<td>25.0% worse</td>
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</tr>
<tr>
<td>Backlog Inventory Regional Office</td>
<td>25.0% better</td>
<td>24.9% to 15.0% better</td>
<td>14.9% to Regional office Target</td>
<td>14.8% to 24.9% worse</td>
<td>25.0% worse</td>
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## SPECIAL MISSIONS COMPENSATION (RADIATION)

**Jackson Regional Office**

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>FY12 Target</th>
<th>O</th>
<th>E</th>
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<th>MS</th>
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</thead>
<tbody>
<tr>
<td>Rating ADP</td>
<td>272.0</td>
<td>Less than or equal to 204.0</td>
<td>204.1 to 231.2</td>
<td>231.3 to 272.0</td>
<td>272.1 to 339.9</td>
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<td>24.9% to 15.0% better</td>
<td>14.9% to Regional office Target</td>
<td>14.8% to 24.9% worse</td>
<td>25.0% worse</td>
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<tr>
<td>Backlog Inventory Regional Office</td>
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<td>24.9% to 15.0% better</td>
<td>14.9% to Regional office Target</td>
<td>14.8% to 24.9% worse</td>
<td>25.0% worse</td>
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<td>Performance Measure</td>
<td>FY12 Target</td>
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<tr>
<td>Rating Production</td>
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<td>24.9% to 15.0% better</td>
<td>14.9% to Regional office Target</td>
<td>14.8% to 24.9% worse</td>
<td>25.0% worse</td>
</tr>
<tr>
<td>Backlog Inventory</td>
<td>Regional Office</td>
<td>25.0% better</td>
<td>24.9% to 15.0% better</td>
<td>14.9% to Regional office Target</td>
<td>14.8% to 24.9% worse</td>
<td>25.0% worse</td>
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<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>FY12 Target</th>
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</thead>
<tbody>
<tr>
<td>Homeless ADP</td>
<td>75.0</td>
<td>Less than or equal to 56.3</td>
<td>56.4 to 63.8</td>
<td>63.9 to 75.0</td>
<td>75.1 to 93.7</td>
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<tr>
<td>Homeless ADC (FYTD)</td>
<td>95.0</td>
<td>Less than or equal to 71.3</td>
<td>71.4 to 80.8</td>
<td>80.9 to 95.0</td>
<td>95.1 to 118.7</td>
<td>Greater than or equal to 118.8</td>
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<tr>
<td>Rating ADP</td>
<td>99.0</td>
<td>Less than or equal to 74.3</td>
<td>74.4 to 84.2</td>
<td>84.3 to 99.0</td>
<td>99.1 to 123.7</td>
<td>Greater than or equal to 123.8</td>
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<td>Rating ADC (FYTD)</td>
<td>115.0</td>
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<td>86.4 to 97.8</td>
<td>97.9 to 115.0</td>
<td>115.1 to 143.6</td>
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<td>EP 140 ADC (FYTD)</td>
<td>105.0</td>
<td>Less than or equal to 78.8</td>
<td>78.9 to 89.3</td>
<td>89.4 to 105.0</td>
<td>105.1 to 131.1</td>
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<tr>
<td>EP 190 ADC (FYTD)</td>
<td>131.0</td>
<td>Less than or equal to 98.3</td>
<td>98.4 to 111.4</td>
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<td>131.1 to 163.6</td>
<td>Greater than or equal to 163.7</td>
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<tr>
<td>Rating Production</td>
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<td>24.9% to 15.0% better</td>
<td>14.9% to Regional office Target</td>
<td>14.8% to 24.9% worse</td>
<td>25.0% worse</td>
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<tr>
<td>Backlog Inventory</td>
<td>Regional Office</td>
<td>25.0% better</td>
<td>24.9% to 15.0% better</td>
<td>14.9% to Regional office Target</td>
<td>14.8% to 24.9% worse</td>
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<tr>
<td>Non-Income ADP</td>
<td>89.0</td>
<td>Less than or equal to 66.8</td>
<td>66.9 to 75.7</td>
<td>75.8 to 89.0</td>
<td>89.1 to 111.2</td>
<td>Greater than or equal to 111.3</td>
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<tr>
<td>EP 155 ADC (FYTD)</td>
<td>46.0</td>
<td>Less than or equal to 34.5</td>
<td>34.6 to 39.1</td>
<td>39.2 to 46.0</td>
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<td>EP 150 ADC (FYTD)</td>
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<td>83.4 to 94.4</td>
<td>94.5 to 111.0</td>
<td>111.1 to 138.6</td>
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<td>IVM Controlled/Completed</td>
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<td>96.8% to 95.0%</td>
<td>94.9% to 90.1%</td>
<td>Less than or equal to 90.0%</td>
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<tr>
<td>Performance Measure</td>
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<td>Entitlement Accuracy</td>
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<td>N/A</td>
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<td>Authorization Accuracy</td>
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<td>Date of Claim Accuracy</td>
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<tr>
<td>NOD Timeliness</td>
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<td>136.6 to 182.0</td>
<td>182.1 to 227.4</td>
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<td>Form 9 Timeliness</td>
<td>320.0</td>
<td>240.1 to 320.0</td>
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<tr>
<td>Appeal Control Time</td>
<td>7.0</td>
<td>5.4 to 6.0</td>
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<td>NOD Inventory</td>
<td>Regional Office</td>
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<td>14.9% to Regional office Target</td>
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<td>25.0% worse</td>
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**SPECIAL MISSIONS FIDUCIARY**

Indianapolis, Columbus, Louisville, Lincoln, Milwaukee, Salt Lake City Regional Offices

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<thead>
<tr>
<th>Performance Measure</th>
<th>FY12 Target</th>
<th>O</th>
<th>E</th>
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<tbody>
<tr>
<td>Fid-Ben Appts. Pending &lt;= 120 days</td>
<td>90.0%</td>
<td>97.9% to 94.5%</td>
<td>94.6% to 90.0%</td>
<td>89.9% to 82.1%</td>
<td>Less than or equal to 82.0%</td>
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<tr>
<td>Fid-Ben Appts. Processed &lt;= 120 days (FYTD)</td>
<td>92.0%</td>
<td>97.9% to 94.8%</td>
<td>94.7% to 92.0%</td>
<td>91.9% to 89.2%</td>
<td>Less than or equal to 89.1%</td>
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<tr>
<td>Initial Appts. Pending &lt;= 45 days</td>
<td>90.0%</td>
<td>97.9% to 94.5%</td>
<td>94.6% to 90.0%</td>
<td>89.9% to 82.1%</td>
<td>Less than or equal to 82.0%</td>
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<tr>
<td>Initial Appts. Processed &lt;= 45 days (FYTD)</td>
<td>92.0%</td>
<td>97.9% to 94.8%</td>
<td>94.7% to 92.0%</td>
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<tr>
<td>Accountings Reviewed within 14 days</td>
<td>94.0%</td>
<td>97.9% to 96.0%</td>
<td>95.9% to 94.0%</td>
<td>93.9% to 90.1%</td>
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<tr>
<td>Accountings not Seriously Delinquent</td>
<td>95.0%</td>
<td>97.9% to 96.5%</td>
<td>96.6% to 95.0%</td>
<td>94.9% to 92.1%</td>
<td>Less than or equal to 92.0%</td>
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<tr>
<td>Performance Measure</td>
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<tr>
<td>Overall Call Quality</td>
<td>82.5%</td>
<td>Great than or equal to 90.8%</td>
<td>90.7% to 86.6%</td>
<td>86.5% to 82.5%</td>
<td>82.1% to 78.4%</td>
<td>Less than or equal to 78.3%</td>
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<tr>
<td>Technical Quality</td>
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<td>Great than or equal to 82.5%</td>
<td>82.4% to 78.8%</td>
<td>78.7% to 75.0%</td>
<td>74.9% to 71.3%</td>
<td>Less than or equal to 71.2%</td>
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<tr>
<td>Courtesy/ Professionalism</td>
<td>90.0%</td>
<td>Great than or equal to 98.0%</td>
<td>97.9% to 94.1%</td>
<td>94.0% to 90.0%</td>
<td>89.9% to 86.0%</td>
<td>Less than or equal to 85.9%</td>
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<tr>
<td>Avg. Wait Time (seconds)</td>
<td>240.0</td>
<td>Less than or equal to 180.0</td>
<td>180.1 to 204.0</td>
<td>204.1 to 240.0</td>
<td>240.1 to 299.8</td>
<td>Greater than or equal to 299.9</td>
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<tr>
<td>Client Satisfaction</td>
<td>720.0</td>
<td>Great than or equal to 900.0</td>
<td>899.9 to 828.0</td>
<td>827.9 to 720.0</td>
<td>719.9 to 612.0</td>
<td>Less than or equal to 611.9</td>
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<tr>
<td>Agent Availability Rate</td>
<td>70.0%</td>
<td>Great than or equal to 73.5%</td>
<td>73.4% to 71.8%</td>
<td>71.7% to 70.0%</td>
<td>69.9% to 68.3%</td>
<td>Less than or equal to 68.2%</td>
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</table>

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>FY12 Target</th>
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<th>U</th>
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<tbody>
<tr>
<td>Accuracy</td>
<td>85.0%</td>
<td>Great than or equal to 98.0%</td>
<td>97.9% to 91.5%</td>
<td>91.4% to 85.0%</td>
<td>84.9% to 78.6%</td>
<td>Less than or equal to 78.5%</td>
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<tr>
<td>Timeliness</td>
<td>5.0</td>
<td>Less than or equal to 3.8</td>
<td>3.7 to 4.3</td>
<td>4.2 to 5.0</td>
<td>5.1 to 6.2</td>
<td>Greater than or equal to 6.3</td>
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<table>
<thead>
<tr>
<th>Performance Measure</th>
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<tbody>
<tr>
<td>Rehab Rate</td>
<td>77.0%</td>
<td>Great than or equal to 90.0%</td>
<td>89.9% to 83.2%</td>
<td>83.1% to 77.0%</td>
<td>76.9% to 70.8%</td>
<td>Less than or equal to 70.7%</td>
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<tr>
<td>Rehab Rate (San Juan)</td>
<td>70.0%</td>
<td>Great than or equal to 81.8%</td>
<td>81.7% to 75.6%</td>
<td>75.5% to 70.0%</td>
<td>69.9% to 64.4%</td>
<td>Less than or equal to 64.3%</td>
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<tr>
<td>S.E.H. Rehab Rate</td>
<td>77.0%</td>
<td>Great than or equal to 90.0%</td>
<td>89.9% to 83.2%</td>
<td>83.1% to 77.0%</td>
<td>76.9% to 70.8%</td>
<td>Less than or equal to 70.7%</td>
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<tr>
<td>S.E.H. Rehab Rate (San Juan)</td>
<td>70.0%</td>
<td>Great than or equal to 81.8%</td>
<td>81.7% to 75.6%</td>
<td>75.5% to 70.0%</td>
<td>69.9% to 64.4%</td>
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<tr>
<td>Actual Rehabs</td>
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### VOCATIONAL REHABILITATION & EMPLOYMENT—Continued

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<tbody>
<tr>
<td>Outcome Accuracy</td>
<td>97.0%</td>
<td>Great than or equal to 98.6%</td>
<td>97.9% to 97.0%</td>
<td>Less than or equal to 96.0%</td>
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<tr>
<td>Avg. Days to Entitlement</td>
<td>45.0</td>
<td>Less than or equal to 33.8</td>
<td>33.9 to 38.3</td>
<td>38.4 to 45.0</td>
<td>45.1 to 56.2</td>
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<td>Interrupted Status</td>
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<td>Less than or equal to 9.9%</td>
<td>10.0% to 10.5%</td>
<td>10.6% to 11.0%</td>
<td>11.1% to 11.5%</td>
<td>Greater than or equal to 11.5%</td>
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<tr>
<td>Avg. Days Evaluation &amp; Planning Status</td>
<td>105.0</td>
<td>Less than or equal to 78.8</td>
<td>78.9 to 89.3</td>
<td>89.4 to 105.0</td>
<td>105.1 to 131.1</td>
<td>Greater than or equal to 131.2</td>
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<tr>
<td>Fiscal Accuracy</td>
<td>92.0%</td>
<td>Great than or equal to 96.0%</td>
<td>97.9% to 94.8%</td>
<td>94.7% to 92.0%</td>
<td>91.9% to 89.2%</td>
<td>Less than or equal to 84.6%</td>
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<td>EPRSA Accuracy</td>
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<td>Great than or equal to 93.5%</td>
<td>93.4% to 89.3%</td>
<td>89.2% to 85.0%</td>
<td>84.9% to 76.5%</td>
<td>Less than or equal to 76.4%</td>
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<td>MRG Accuracy</td>
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<td>94.0% to 90.0%</td>
<td>89.9% to 86.0%</td>
<td>Less than or equal to 85.9%</td>
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<tr>
<td>Employment Rehab Rate</td>
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<td>Great than or equal to 82.5%</td>
<td>82.4% to 78.8%</td>
<td>78.7% to 75.0%</td>
<td>74.9% to 71.3%</td>
<td>Less than or equal to 71.2%</td>
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<tr>
<td>Employment Rehab Rate (San Juan)</td>
<td>70.0%</td>
<td>Great than or equal to 77.0%</td>
<td>76.9% to 73.5%</td>
<td>73.4% to 70.0%</td>
<td>69.9% to 66.5%</td>
<td>Less than or equal to 66.4%</td>
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### EDUCATION

Buffalo, Atlanta, Muskogee, St. Louis Regional Offices

<table>
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<th>Performance Measure</th>
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<tbody>
<tr>
<td>ADC (FYTD) Originals</td>
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<td>Less than or equal to 17.3</td>
<td>17.4 to 19.6</td>
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<td>ADC (FYTD) Supplementals</td>
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<td>Less than or equal to 9.0</td>
<td>9.1 to 10.2</td>
<td>10.3 to 12.0</td>
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<td>Payment Accuracy</td>
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<td>Great than or equal to 98.0%</td>
<td>Great than or equal to 97.5%</td>
<td>97.4% to 97.0%</td>
<td>96.9% to 95.1%</td>
<td>Less than or equal to 95.0%</td>
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### LOAN GUARANTY

Cleveland, Manchester, Atlanta, Roanoke, St. Petersburg, Houston, St. Paul, Denver, Honolulu, Phoenix Regional Offices

<table>
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<th>Performance Measure</th>
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<td>Full Reviews</td>
<td>10.0%</td>
<td>Great than or equal to 12.5%</td>
<td>12.4% to 11.5%</td>
<td>11.4% to 10.0%</td>
<td>10.1% to 7.6%</td>
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## LOAN GUARANTY—Continued

### Cleveland, Manchester, Atlanta, Roanoke, St. Petersburg, Houston, St. Paul, Denver, Honolulu, Phoenix Regional Offices

<table>
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### INSURANCE

#### Philadelphia Regional Office

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<th>E</th>
<th>FS</th>
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### RECORDS MANAGEMENT CENTER

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**RECORDS MANAGEMENT CENTER—Continued**

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**APPEALS MANAGEMENT CENTER**

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<td>10.1% to 12.5%</td>
<td>Greater than or equal to 12.6%</td>
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</table>

**B. Additional Priorities**

Additional priorities, not specifically identified in this document, which may be established by VA Leadership, will also be used to evaluate performance in Element I.
Fully Successful—Meets Performance Expectations

II. Workplace Responsibilities (Critical Element)

Weight: 15%
In support of Strategic Goals: 1, 3, 4
In support of Integrated Strategies: 1c, 3a, 3b, 3c, 3d

Where appropriate, the Director promotes and maintains an effective labor-management relations program. Creates and maintains a working environment that is free of discrimination and one that assures diversity and inclusion in the workplace. Ensures that plans exist and are adequately implemented to recruit, select, train, coach, retain, motivate, empower, and advance employees; and promotes the needs and goals of the individual and the organization. Provides a safe, healthy work environment. Appropriately appraises, rewards and addresses employee performance and conduct deficiencies. The following performance indicators identify professional behavior and outcomes that may occur during the course of a rating cycle. The Rating Official may consider any combination of these indicators—or any other indicators as appropriate—to support the evaluation performance.

1. Maintain a healthy and safe work environment;
2. Ensure that the determination process used to identify the “Best Qualified” candidates is effective and that selections are made from this pool of candidates;
3. Promote workforce diversity through their recruitment, coaching and developmental activities, consistent with merit system principles;
4. Retain highly qualified employees;
5. Implement and communicate the performance plans for each of their employees, and inform them as to their progress in relation to their individual performance plans;
6. Use the performance recognition system to reward employees and improve productivity;
7. Respond to employees who exhibit performance or conduct deficiencies;
8. Ensure that the organization’s training requirements are met and that employees receive training that supports their professional growth;
9. Implement professional developmental strategies that enhance the organization’s recruiting strategies or existing workforce.
10. Provide employees with transitional, coaching or mentoring support that increase the employees’ likelihood of success;
11. Maintain effective communications and working relationships with labor representatives, to include exploration and implementation of cooperative labor management forums as outlined under Director Order 13522.
12. Participate in the organization’s workforce planning, innovative recruiting, or development of effective interviewing strategies, as applicable.

Evaluation Method: EEO, Diversity and Inclusion

(Ensures compliance with applicable equal employment opportunity (EEO) laws, regulations, Director Orders, Management Directives, and VA policies; promptly addresses allegations of discrimination and retaliation; engages in early conflict management and alternative dispute resolution (ADR); and advances the goals of the VA Diversity and Inclusion Strategic Plan, including meeting the Secretary’s two percent hiring goal for individuals with targeted disabilities.)

Fully Successful Performance Evaluation: Meets expectations for EEO Compliance, and specifically, the actions addressed below:

1. Within five business days of issuance, posts and disseminates VA’s EEO, Diversity, and No FEAR Policy Statement. Responds to requests for information related to EEO complaints within five business days.
2. Processes and provides effective reasonable accommodations within 30 days from request and in accordance with VA Directive 5975.1. Within the performance cycle, at least 50 percent of the time, complaints are resolved at the informal stage.
3. Complies promptly and effectively with EEO and ADR settlement agreements and corrective actions ordered by the Equal Employment Opportunity Commission and final agency decisions.
4. By September 30, ensures compliance, as follows, for mandatory EEO-related training:
   • At least 90% of all employees complete the biennial No FEAR training requirement; new hires will complete training within 90 days of hire and every 2 years thereafter; and
At least 90 percent of supervisors/managers complete mandatory on-line EEO, Diversity, and Conflict Management training.

Performance is acceptable if there are no documented instances where, based on objective findings, the Director failed to meet the stated expectation and where no mitigating circumstance exists.

Evaluation Method: Early Conflict Management and Alternative Dispute Resolution

Fully Successful Performance Evaluation: Meets expectations, and specifically, the actions addressed below:

1. By September 30, collaborates with key stakeholders, i.e., labor, human resources, general/regional counsel, and develops and implements an ADR program that is widely communicated and marketed to the workforce. If an ADR program exists, the program is marketed and communicated to the workforce on a quarterly basis.
2. On a quarterly basis, evaluates the use of and satisfaction with the ADR program and monitors positive and negative trends impacting the program. Develops and implements action plans to address negative trends; i.e., low participation - below 48%, low ADR resolution - below 50%, high ADR processing time - more than 60 calendar days.

Performance is acceptable if there are no documented instances where, based on objective findings, the Director failed to meet the stated expectation and where no mitigating circumstance exists.

Evaluation Method: Workforce Diversity and Inclusion

Fully Successful Performance Evaluation: Meets expectations, and specifically, the actions addressed below:

1. Within agreed upon timeframes, submits Federally mandated EEO reports (e.g., MD 715, FEORP, DVAAP, etc.) that contain accurate, comprehensive, and meaningful accomplishments, along with measurable goals and objectives.
2. By September 30, participates in at least two targeted outreach events to increase diversity in the applicant pool or two special emphasis programs to support workforce diversity and inclusion initiatives.
3. On an ongoing basis, actively supports VA Diversity Council and implemented initiatives to support work-life balance.
4. By September 30, meets Secretary’s two percent hiring goal and VA’s two percent on-board representation goal for individuals with targeted disabilities.
5. By September 30, demonstrates measurable progress in implementing the goals of the VA Diversity and Inclusion Strategic Plan.

Performance is acceptable if there are no documented instances where, based on objective findings, the Director failed to meet the stated expectation and where no mitigating circumstance exists.

Evaluation Method: Hiring Reform

Fully Successful Performance Evaluation: Meets expectations to support OPM’s Hiring Reform Initiative, and specifically, the action addressed below:

Implements recruitment, retention, and developmental strategies that support organizational performance objectives, agency hiring goals, and successful transition of highly qualified employees into Federal service or new positions.

Ensures subordinate supervisors (if applicable) meet all timeframes and deadlines established for supervisors in the Agency’s recruitment and hiring plan.

III. Program Integrity (Critical element)

Weight: 10%
In support of Strategic Goals: 3
In support of Integrated Strategies: 1a, 1c, 3a, 3e

Sub-element 1: Compliance

The Director will lead his or her regional office to ensure compliance with VBA’s program integrity directives. The Director is responsible to ensure that program integrity initiatives and policies are implemented, assessed through an effective internal control process, and adjusted as necessary to achieve appropriate results.

Evaluation Method: Adherence to IG Recommendations applicable to VAROs as outlined in VBA Letter 20–59–68, Adherence to VBA Program Integrity Directives.

Fully Successful Performance Evaluation: Meets Expectations

Sub-element 2: Information Security

Directors must exercise due diligence in their efforts to plan, develop, coordinate and ensure accountability and control of government property and implement effec-
tive information security procedures as identified by the Office of Management and Budget (OMB), the National Institute of Standards and Technology, VA policies, and VBA policy and guidance documents. Directors must improve internal communications and information security requirements and reiterate responsibilities to employees.

**Fully Successful Performance Evaluation:** Meets expectations to support Information Security, and specifically, the action addressed below:

Performance will be satisfactory if all required program integrity safeguards are implemented, monitored and on-site reviews do not reveal critical flaws in oversight of program integrity issues.

In addition, the Director is responsible for:

1. Ensuring that Information System (IS) security plans that safeguard systems within their authority exist and are implemented in accordance with NIST and OMB guidelines.
2. Ensuring that all operations under their authority prepare, document, test and maintain IT contingency plans (i.e. COOP, BCCP).
3. Ensuring that annual risk assessments are conducted for each identified IS (applications, hardware, software, etc.) within their jurisdiction to ensure that the identified risks, vulnerabilities, and threats are adequately addressed by appropriate security controls.
4. Ensuring that all employees comply with departmental training requirements and are trained to understand their information security responsibilities.
5. Complying with established procedures for detecting, reporting and responding to information security incidents.
6. Improve internal communications of privacy and information security requirements and policy adherence, and reiterate responsibilities to employees.
7. By 30 September, 100% of employees receive Privacy training. New employees receive the training 90 days from their appointment date. This measure is tracked and reported by the CIO.
8. By 30 September, 100% of employees receive Cyber Security training. This measure is tracked and reported by the CIO.

Performance is acceptable if there are no documented instances where, based on objective findings, the Director failed to meet the stated expectation and where no mitigating circumstance exists.

**Evaluation Method:** Ensure accountability and control of government property.

**Fully Successful Performance Evaluation:** Meets expectations to ensure sensitive data is neither mismanaged nor used for any unauthorized purpose, and specifically, the action addressed below:

1. By 30 September, conducts annual risk assessments and inventory of property to ensure 95% accountability in accordance with VA policy.

Performance is acceptable if there are no documented instances where, based on objective findings, the Director failed to meet the stated expectation and where no mitigating circumstance exists.

**IV. External Relations (Non-critical element)**

**Weight:** 5%

In support of Strategic Goals: 2
In support of Integrated Strategies: 1e, 2a, 2b, 2d, 3a

**Evaluation Method:** The director builds effective, productive relationships with organizations external to VBA in order to further VA’s goals and interests. Enhances external satisfaction by handling complaints effectively and promptly and ensures a veteran focus in direction and daily work. Uses veteran and other stakeholder feedback in planning and providing services and encourages subordinates to meet or exceed veteran and stakeholder needs and expectations. Examples of activities, include, but are not limited to the following.

1. Work on a Federal Director Board project
2. Participation in VISN meetings
3. Relations with the media, congressional offices and service organizations
4. Engage in ongoing outreach activities (i.e., stand-downs, POW outreach, etc.) to ensure targeted populations of veterans are appropriately served (Strategic Goal 3.2)

**Fully Successful Performance Evaluation:** Meets expectations to maintain an effective means to receive, evaluate and resolve veteran and stakeholder feedback. Tracks data to identify and correct issues. Performance is acceptable if the rater receives no more than 2 sustained complaints based on failure to effectively and promptly address needs of external organizations.
V. Acquisition Process (Non-critical element)

**Weight:** 5%

**In support of Strategic Goals:** 1

**In support of Integrated Strategies:** 1d, 3d, 3e


**Evaluation Method:** Periodic review of acquisition packages.

**Fully Successful Performance Evaluation:** Meets expectations to support the acquisitions process through Department-wide Small Business Program Goals by ensuring acquisitions are directed to appropriate sources.

VI. Action Plans – All Employee Survey (Non-critical element)

**Weight:** 5%

Develops, implements and successfully completes an action plan methodology to address All-Employee Survey results, to include:

- Identified issues
- Actions
- Target Dates
- Responsible Parties
- Expected Outcomes
- Accomplishments since last update
- Linkage to other organizational initiatives
- Status

**Evaluation Method:** Periodic review of progress towards goals outlined in action plan.

**Fully Successful Performance Evaluation:** Meets performance expectations expected outcomes and accomplishments since last update.

Prepared by: Office of Field Operations
Distributed: October 14, 2011

**Materials Submitted For The Record**

**Setting up an eBenefits Account**

eBenefits is a joint VA/DoD web portal that provides resources and self-service capabilities to Veterans, Servicemembers, and their families to research, access and manage their VA and military benefits and personal information. eBenefits uses secure credentials to allow access to personal information and gives users the ability to perform numerous self-service functions. It also provides links to other sites that provide information about military and Veterans benefits. Some of the self-service features in eBenefits allow users to: access official military personnel documents; view the status of a disability compensation claim; transfer entitlement of Post-9/11 GI Bill to eligible dependents (Servicemembers only); and register for and update direct deposit information for certain benefits.

eBenefits is located at [www.ebenefits.va.gov](http://www.ebenefits.va.gov). To register for an eBenefits account, users must be listed in the Defense Enrollment Eligibility Reporting System (DEERS) and first obtain a DoD Self-service (DS) Logon. A DS Logon is a secure identity (username and password) that is used by various DoD and VA web sites. If a user is already registered in DEERS, they are eligible for a DS Logon, which does not have an expiration date. If an individual attempts to register without a DEERS record, the Department of Veterans Affairs (VA) will first verify military service and add the individual to DEERS. This occurs most often among Veterans who served prior to 1982. Individuals should contact a VA regional office for assistance in being added to DEERS or call our National Call Center at 1–800–827–1000.

Registration for an eBenefits account online can be done using the eBenefits DS Logon Account Self-Registration Wizard. There are two types of registration, Basic and Premium. Users will be walked through a series of questions to assist in obtaining a Premium eBenefits Account, which provides the highest level of access to eBenefits features. With a Premium Account, users can view personal data in VA and DoD systems, apply for benefits online, check the status of a claim, update address records, and complete other actions.
Servicemembers may register online by using their Common Access Card. Military retirees may verify their identity online using their Defense Finance and Accounting Service (DFAS) Logon. For those unable to verify their identity online, they will instantly receive a Basic Account, which allows users to customize the site and access information entered into eBenefits; however, personal information from VA and DoD systems cannot be viewed.

Additionally, Veterans in receipt of VA benefits via direct deposit may have their identity verified by calling 1–800–827–1000 and selecting option 7. My HealtheVet users may use their secure My HealtheVet identity to obtain an eBenefits account. Others may need to visit a VA regional office or TriCare Service Center to have their identity verified in person.

Benefits Assistance Service
July 2012
Claim Status Availability in eBenefits

Veterans have been able to view the status of claims within eBenefits since April 2010. This is the most popular self-service feature within eBenefits, receiving over 9.1 million views to date.

Claim status is divided into specific phases that reflect where the claim is in the process, how long the Veteran can anticipate the claim should remain in each phase, and ultimately a timeframe for completion as shown below. Timeframes are calculated based on the type of claim filed and are specific to each regional office.

Prepared by Benefits Assistance Service
September 24, 2012