

## Administrative History Project

### **Office of Policy and Planning Department of Veterans Affairs**

#### INTRODUCTION

In May 1991, Secretary Derwinski established the Office of Policy and Planning (OPP) to create a staff office that would support him and other VA managers in policy deliberations and strategic planning, and to place the Department's policy formulation into the strategic management process. The functions of the Assistant Secretary for Policy and Planning were to: 1) facilitate policy development; 2) provide for thorough analysis of policy alternatives; 3) review policy implementation in VA's strategic planning, budget formulation and execution, and legislative efforts; 4) conduct statistical research and demographic analysis; 5) perform management and organizational analyses; and 6) coordinate VA's Total Quality Management Program.

Thus, OPP's main responsibility as a staff office has remained to support the Secretary and other VA leadership both on internal VA issues and in their duties with respect to other agencies, both bilaterally and multilaterally. In the multilateral arena, OPP has sustained the Secretary in his position on the President's Domestic Policy Council, coordinated the Department's participation and contributions to major interagency policy issues, represented VA on important interagency working groups, and supported the Deputy Secretary in his role as VA's representative on the President's Management Council. Today, more than nine years after the creation of OPP, the responsibilities of the office reflect the changes the Department and its provision of services to veterans and their families have undergone.

On behalf of the Secretary, the mission of the Office of Policy and Planning now is to:

- 1) Coordinate VA's strategic planning process and implementation of the Government Performance and Results Act (GPRA);
- 2) Support the development, analysis and review of policy issues affecting VA and veterans' programs;
- 3) Tie together and supplement the quantitative, economic, demographic, and actuarial analysis capabilities of the Department in support of major policy deliberations;
- 4) Serve as VA's focal point for access to and availability of official data;

- 5) Coordinate the conduct of independent, comprehensive program evaluations to assess program performance with a focus on program outcomes, service quality, customer satisfaction, and management efficiencies; and
- 6) Promote the use of management improvement tools and techniques throughout VA.

## FIRST TERM

The Administration made significant alterations to the structure of OPP soon after taking office. In April 1993, Secretary Brown approved a reorganization of OPP by launching the National Center for Veteran Analysis and Statistics (NCVAS) as a separate component of the office. The purpose of this modification was to strengthen VA's analytical and statistical skills and enhance the Department's contributions to major policy debates, including national health care reform, which Mrs. Clinton was beginning at the White House at the same time. The Center became a VA-wide clearing house for important demographic and other statistical information needed for policy development, analysis, and strategic planning, while supplying data to VSOs, Congress, state governments, libraries, other government agencies (such as the Census Bureau, DOD, and OMB), and other parties interested in veterans issues. At the time, among other projects, the Center was producing reports and information on veteran population data and projections at the national, state, and county levels and analyses of veteran data contained in the 1990 Census, as well as special analyses of minority, elderly, homeless, and nursing home veterans.

When the Administration entered office, OPP's Policy component comprised two Services, Health Policy and Benefits/Management Policy. In 1993, several members of the Health Policy staff joined the White House's National Health Care Reform Task Force for the life of that project and also provided support to other VA personnel on the Task Force. Later, among other projects in the health care area, the Service developed a plan to implement Veteran Service Areas as recommended by the Commission on the Future Structure of Veterans Health Care. Health Policy Service also participated in the creation of VA's health care eligibility reform proposal to improve veterans' access to VA health care delivery.

At the beginning of the Administration, the Benefits/Management Policy Service detailed several personnel to the Vice President's National Performance Review (NPR) program. They, working with personnel detailed from other agencies to the NPR staff, were instrumental in spreading the benefits of the program throughout the Federal Government. Additionally, they and others in the Benefits/Management Service played important roles on behalf of the Office of the Secretary in coordinating the Department's contribution to the Vice President's NPR report, "From Red Tape to Results: Creating a Government that Works Better and Costs Less."

During the same period, Benefits/Management was actively helping to coordinate development of VA's policy regarding claims of veterans exposed to mustard gas during World War II testing and to construct a White House policy on the President's Community and National service program. Internally, the Service was important to the creation and implementation of a compressed work schedule program in VA Central Office – a no-cost “family-friendly” benefit to employees to enhance the workplace. Policy also continued to represent VA and the Secretary on the National Commission on AIDS, including contributing to the Commission's Final Report issued when it concluded its Congressionally mandated term in September 1993.

Under National Center auspices and coordination, over 10,000 telephone interviews with veterans were completed by the end of the Administration's first year as part of the National Survey of Veterans (NSV). In subsequent years, the information gathered through this survey was to be used to support policy, planning, and program management officials throughout the Department. This was the fourth in a series of National Surveys of Veterans started in 1978.

On the Planning side in 1993, staff prepared an internal five-year strategic plan containing the overall goals and objectives for major functions and operations in the Department. As PL 103-62, the “Government Performance and Results Act of 1993” (GPRA) required strategic planning for all USG agencies, Planning staff members quickly began making preliminary arrangements for meeting the new requirements of the law.

At the same time, Planning's Quality Improvement Service (QIS) continued to promote total quality management in the Department, with the Secretary's Robert W. Carey Quality Award being the principal prize for organizational excellence and successful operations. VA had created the Secretary's Carey Quality Award, which is based on the Malcolm Baldrige Award criteria, in 1992 to recognize organizations that were excelling in quality achievement. The Award was named for a VA employee who advocated quality service throughout his career, and was director of the Philadelphia VARO and Insurance Office until his untimely passing in 1990. The Award provides a model against which organizations can assess their quality transformation efforts, organizational effectiveness, and performance in delivering service and satisfying our Nation's veterans and their families.

Every year, QIS staff members must conduct a lengthy process of investigating applicants for the prize. In 1993, the Secretary presented the award to the Albany, NY, VAMC for reorganizing patient care around total quality concepts, incorporating employee involvement, work teams, patient feedback, group problem-solving, and results measurement into the process. (See Attachment for a list of all of the Secretary's Carey Quality Award recipients from 1992-2000.) Other achievements in the area of quality during the year included the work of the VARO in New York City in redesigning the standard VA claim process using

self-directed work teams, and QIS's own design of a computerized employee quality perception survey used to measure quality efforts in VA organizations.

Another change was taking place at the same time. PL 102-218 of December 1991 had created the position of Chief Minority Affairs Officer (CMAO) in the Department to guarantee equal VA service to all veterans without regard to race, ethnicity, or gender distinctions. Little was done with the function until 1993 when Secretary Brown assigned the CMAO's statutory responsibilities temporarily to the Assistant Secretary for Policy and Planning. In establishing the new position, PL 102-218 imposed the requirement of a biannual report on the CMAO and related activities. Staff from the Office of Policy and NCVAS assisted the Secretary to prepare the first such report in which the Secretary elaborated on his intention to guarantee that VA provided quality benefits and services to all veterans in a timely manner. These functions of the CMAO remained in OPP until the following year when the Secretary approved establishment of a Minority Affairs Office and a Women Veterans Program Office, both of which were to report directly to him. Despite the separation, OPP has continued to provide policy analysis, data, and strategic management support to both offices.

Among the highlights of OPP's performance the next year were its coordination of VA's participation in the Vice President's NPR and completion of the agency's first customer service plan. In addition, the Office continued to promote quality services to veterans and their families in part through the Carey Quality Award Program. NCVAS prepared reports and information for the 50<sup>th</sup> Anniversary of D-Day and other World War II commemorative activities and provided them to the White House, Congress, the media, and other interested parties. The Center was also refining its veteran population data and projections at the national, state, and county levels, as well as analyses of special veterans groups.

At the request of the Chief of Staff, Policy developed a format, framework, and system that would be used to keep the Secretary abreast of all important matters facing the Department. Until another system was created two years later, the "Secretary's Key Issues Briefing Book" was one of the primary sources of current and critical information the Secretary used to prepare for the media and other public forums.

Policy Office staff continued to assist VHA in planning and developing VA's response to pending national health care reform legislation and VA's own health care reform initiative. This included participation in field and headquarters analyses of marketing, managed care, long-term care, and customer service. Policy also coordinated preparation of the first customer service plan, standards, and brochures. Many of the standards in the VA plan were subsequently incorporated into the President's report, "Putting Customers First: Standards for Serving the American People." Policy coordinated the effort to publish these standards and distribute brochures to VA offices in the field. The Office worked

on other NPR initiatives, including, inter alia, Decentralizing Decision Making Authority and the Joint Work Group on Military Retired Pay and VA Disability Compensation.

That year Policy was designated as the office that would manage VA's relationship with the Corporation for National Service, including the Department's application for AmeriCorps grants. Due to the Office's unremitting attention to the issue and strong intercession, VA was among the first-year AmeriCorps grant recipients having had \$500,000 in grants awarded for programs to assist homeless veterans in Los Angeles and Houston. The Office also represented VA on Interagency Working Groups on National Urban Policy and Immigration Policy, helping to draft reports on government benefits and services and on legal immigration. A Policy staff member also participated for the agency on the American Bar Association's Working Group on Homelessness and Poverty, for the third consecutive year.

At the same time, the Office of Planning was assisting the Secretary to execute the Performance Agreement with the President. The Agreement outlined action VA would complete during FY 1994 to satisfy our Nation's veterans, become an employer of choice, and introduce major service improvement into its practices.

Quality Improvement Service (QIS) staff of the Office of Planning managed the third annual Carey Quality Award Program selection process, in which the overall winner was VBA's VARO in Muskogee, Oklahoma. Category winners included the Richard L. Roudebush VAMC in Indianapolis (for health care), White City, Oregon, Domiciliary (for long term care), Wichita, Kansas, (for unified health care and Benefits), and the VACO Office of Financial Management, Washington, DC (for support services).

In 1995, the Office of Policy conducted a major review of the statutory, regulatory, and policy impediments to efficient VHA management. It also completed work on a number of projects designed to bring quantitative analytic methods to bear on fundamental VA policy debates. It developed a simulation of an enrollment-based model of VA health care finance to identify and compute the cost of VA health care services that are typically not provided in competitive health care markets. It made recommendations to incorporate cost effectiveness into the process of selecting and ranking major construction projects for budgeting to working groups coordinated by VHA and the Office of Management.

Policy staff members further completed a study of the relationship of disability, labor force participation, and VA disability compensation status using data from the latest NSV. A paper on eligibility reform drafted by Office of Policy staff contributed to VA's submission of an eligibility reform proposal to Congress. The Office also coordinated quantitative analyses related to a VA/Medicare reimbursement pilot study. Policy continued to represent VA on the interagency

working groups on National Urban Policy and on Immigration and provide support to the White House Task Force on Disability and Aging.

Through active participation on the Secretary's Working Group on Homelessness and at the request of the National Coalition for Homeless Veterans, Policy Office staff orchestrated "Winterhaven DC," a one-day assistance fair for homeless veterans and the first such "stand down" sponsored by VA in Washington. The Office continued VA's relationship with the Corporation for National and Community Service, submitting a winning grant proposal to renew AmeriCorps projects that were assisting homeless veterans in Houston and Los Angeles.

Policy staff chaired VACO's activities in support of the National Disabilities Employment Awareness Month program and observances, and continued to represent VA on the ABA's Commission on Homelessness and Poverty. Policy staff provided support for the Congressionally mandated Veterans' Claims Adjudication Commission, which reviewed and evaluated VBA programs and their administration. The Commission produced a report that led to the creation of the decision review officer program for VAROs, a VBA annual benefits report, and a program to partner with VSOs at VAROs to help veterans submit their claims.

At the same time, the Planning Office was assisting the Secretary to report on execution of the Secretary's Performance Agreement with the President. Planning managed the search for meritorious programs for the fourth annual Carey Quality Awards competition. The 1995 overall winner was VHA's Domiciliary in White City, Oregon. Other winners were the Dayton, Ohio, VAMC (for health care), Newark New Jersey, VARO (for benefits), Calverton, Long Island, National Cemetery (in the cemetery category), and the Austin, Texas, Automation Center (for support services).

Another highlight of 1995 was Planning's design and implementation of the Deputy Secretary's Scissors Awards Program, established to recognize accomplishments of individuals or groups within VA who were responsible for common sense initiatives that streamlined operations and saved money.

Planning also coordinated and sponsored a VA-wide effort to address the NPR recommendation that government employees be trained in quality management. This included coordination, collaboration, and delivery of a course entitled "Creating a Customer-driven VA." Over 900 employees took the course in the first year, including VA's National Quality Council and the VA's American Federation of Government Employees Executive Council. Planning helped to develop other related training to undergird the exercise. Planning became involved in establishing a new VA National Quality Council (NQC) to support the integration of total quality improvement principles into daily operations of VA personnel.

In 1995, the National Center published the fourth "National Survey of Veterans" (NSV). This survey has provided valuable demographic and socio-economic information covering both veterans who have used major VA programs and others who have not. This information was not otherwise available in VA administrative files. The Center began producing reports based on the NSV and other data including on "Usage of VA Medical Care by Minority Veterans," "Geographic Analysis of VA Health Care Rates," and the "Impact of Medicare on Outpatient Usage from VA's Inpatient Population."

In the following year, promoting a VA-wide approach to strategic management, the Office of Planning coordinated creation of the VA Strategic Management Group (SMG) to oversee VA's strategic management process. Working with the Department's senior management, Planning thus began to create an agency-level strategic management course of action that would integrate many existing processes. These processes have included strategic planning, administration planning, budgeting, performance measurement, business planning, the Secretary's Performance Agreement with the President, performance planning, information technology planning, facility planning, legislative planning, and implementation of GPRA. After producing an initial draft of the GPRA-required strategic plan, the Group began to focus primarily on creating an enhanced statistical research capability.

Under Deputy Secretary Gober's chairmanship, the SMG further agreed to identify critical VA issues and areas for future development through working groups. Among other issues, these groups reviewed VA's mission, vision, and goals as well as external and internal communications. To support such efforts the Office of Planning conducted an environmental scan between January-September 1996. Some of those interviewed included representatives of interested Congressional committees, VSOs, oversight agencies (such as OMB), VA senior management, labor unions, and state directors of veterans affairs, all in order to seek to identify VA strengths, weaknesses, opportunities, and challenges.

On the basis of the Office's coordination, the Secretary presented the fifth annual Carey Quality Award to the National Cemetery System's Calverton National Cemetery, Long Island, NY. Other Carey winners for the year were the: Togus, Maine, VAMROC; Chillicothe, Ohio, VAMC; Riverside, California, National Cemetery, Denver, Colorado, Distribution Center; and Tampa, Florida, VAMC.

Continuing to serve as the central coordinating body for VA's participation in the Vice President's NPR, the office was instrumental in creating the mechanism to encourage VA staff to look constantly for ways to improve our service record to veterans and their families. This was also the first full year of Deputy Secretary Gober's Scissors Award Program and he approved more than 150 awards in a program to further inspire innovative practices in our service delivery. By the

middle of 2000, Deputy Secretary Gober had presented more than 300 Scissors Awards to VA personnel, staffs, working groups, and facilities.

Planning advanced its training efforts in quality areas including programs in "Creating a Customer Driven VA" and "Team Leader Training," the latter also designed to teach skills and the use of tools to enhance VA processes and service delivery. As part of this activity, VA gave special training to VA's American Federation of Government Employees (AFGE) Executive Council.

Among the pursuits of the Office of Policy was to foster establishment of a data group to help develop policy proposals aimed at obtaining reimbursement to VA for health services to veterans eligible for Medicare. In view of the participation of US military personnel in areas overseas of actual or potential conflict, particularly in the former Yugoslavia, Policy directed formulation of a policy statement that explained and consolidated VA services for veterans of US operations in Bosnia. Secretary Brown approved the statement, and the Office used it to support creation of VA's Bosnia Operation Group, which oversaw implementation of that policy. This policy statement can serve as a model to explain VA services to US veterans of other overseas operations as well.

Policy completed an extensive review and analysis of policy, statutory, and regulatory impediments to efficient VHA management, and, at the Secretary's request, analyzed the effects of selected budget proposals on VA programs. It completed an economic analysis of eligibility reform, and improved both estimates of medical care cost inflation and a presentation to Congress to refute myths about the cost and quality of VA health care.

Policy staff represented VA on interagency working groups on National Urban Policy and National and Community Service. Besides providing support to senior officials representing VA on the White House Task Force on Disability and the White House's Interagency Veterans Policy Group, Policy staff also organized a top level briefing for visiting US Army War College staff and students. The success of this briefing helped to initiate a relationship between the Department and the College that has continued to this day.

In the area of statistical analysis, National Center analysts continued to work with the NSV database, producing analyses on such topics as:

- Implications of Medicare cuts to VA;
- The effect of distance from VA facilities on the usage of VA health care by high priority veterans;
- Profile of service-connected veterans receiving supplemental security disability income; and
- Profile of veterans using rehabilitation programs.

In addition to these analyses, Center staff used administrative data to profile the characteristics of female and male veterans using VA hospitals and project the numbers of VA inpatients by bed sections and major diagnostic categories.

The Center also produced projections of the veteran population by VHA's newly created Veterans Integrated Service Networks (VISNs) as well as special analyses of minority, elderly, homeless, and nursing home veterans.

## SECOND TERM

The Assistant Secretary sought to improve utilization of the Office's assets in 1997 by combining the National Center with the Office of Policy so that the Center's resources could more directly support policy analysis and related functions. An important project started at that time was the attempt to create a storehouse that would make key corporate information more widely and easily available throughout VA and to important stakeholders. This "corporate information repository" ultimately would be entered by way of a gateway permitting controlled access. The purpose for creating such an enterprise was to ensure that the availability of official information about VA and veterans is usefully defined, carefully documented, timely, and accurate, but without involving the release of privileged information or data protected under privacy laws. The Office continues to try to refine this project.

Another important undertaking the newly created Information Content Management Service of the Office of Policy began was to produce and store VA reports on CD-ROM. The first such venture was to collect and preserve published copies of VA's "Annual Report" from FY 1918-96. Actually, they are the annual reports of the Secretary from FY 1989-96 and of the Administrator of the Department's predecessor agencies from FY 1918-1988. (Attached hereto is the index of Reports on each of the four CD-ROMs produced to date.)

Becoming active in the benchmarking/best practices realm, OPP began coordinating benchmarking studies to determine the organization's effectiveness in achieving strategic outcome goals, objectives, and target levels of performance. It started working with all organizational elements to identify and implement improvements, and supported three important benchmarking initiatives during the year:

- Development of objectives to provide "One-VA world class" customer service as a key management strategy of the VA Strategic Plan for FY 1998-2003. Major objectives involved in the initiative are: 1) ease of access, 2) customer satisfaction, 3) courtesy, 4) do it right the first time, 5) prompt delivery of services and benefits, and 6) outreach;
- Dedicating resources to establish an infrastructure for a "One-VA" benchmarking program; and

- Supporting work, including maintaining an Internet home page, of the Interagency Benchmarking and Best Practices Council.

The Tampa, Florida, VAMC received the Secretary's Carey Quality Award for 1997. Other winning Carey Quality recipients were the West Los Angeles VAMC; Portland Oregon, VARO; Fort Logan, Colorado, Cemetery; Denver Distribution Center; St Paul, Minnesota, VARO and Insurance Center; and the Honolulu National Memorial Cemetery of the Pacific.

Secretary West directed a reorganization of OPP the following year by turning the Office of Policy and Planning into the Office of Planning and Analysis (OP&A). While the Office of Policy was designated the Office of Program and Data Analyses (OPDA), the Office of Planning was renamed the Office of Strategic Planning.

Consistent with established strategic objectives and to meet the demand for reliable "corporate" information, OP&A created a comprehensive system of data and information pertaining to Gulf War veterans. The Gulf War Veterans Information System (GWVIS) was designed to serve as a repository of decision, utilization, and workload information constructed from a consolidation of veteran information and other relevant data extracted from multiple VA information systems. Supported by collaboration throughout the Department, the office is committed to developing and organizing the system to produce the highest level of information quality.

Almost throughout its existence, OPP has provided support -- including personnel on detail -- for various Congressional activities, most prominently the Congressionally mandated Veterans' Claims Adjudication Commission and the Congressional Commission on Servicemembers and Veterans Transition Assistance. In the latter, Policy staff on detail to the commission contributed to many provisions including drafting recommendations for improved joint procurement by VA and DOD of medical supplies and pharmaceuticals. As implemented, these steps may be leading to savings of at least \$300 million this year with more savings projected annually on a recurring basis.

During 1997, Policy staff was designated to represent the Department on NPR's Plain English Network (PEN). NPR established the interagency PEN to begin planning reduction and ultimately elimination from federal government usage of language that was difficult to read and understand, and to foster the use of simplified language throughout the federal government especially with clients and other interested parties.

As part of participating on the PEN, Policy staff contributed to the draft of the Memorandum the President issued on behalf of the effort in 1998 requiring that all USG public communications be in plain language. Secretary West chose a

Policy staff member to lead the VA Plain Language Working Group, which produced a highly commended plain language action plan that has been used as an example in other agencies. Policy staff members continue to represent VA both on the PEN and on the larger interagency Plain Language Action Network (PLAN), actively participating in plain language programs around the government.

After two consecutive years of winning the Carey Award Support Services category, the Denver Distribution Center was awarded first prize in 1998. The Secretary recognized the Center for innovative practices in distributing prosthetic and audiology devices to more than 380,000 disabled veterans around the country. Other Carey Quality winners were the Erie, Pennsylvania, VAMC; St. Paul, Minnesota, VARO and Insurance Center; Florida National Cemetery Complex, Bushnell, Florida; Jonathan M. Wainwright Memorial VAMC, Walla Walla Washington; Manchester NH VARO; and Jefferson Barracks National Cemetery, St. Louis, Missouri.

At the same time, VA, with Planning in the vanguard, completed the research and fieldwork for two benchmarking studies—one on strategic management and the other on access. The Office also collaborated with the Interagency Benchmarking & Best Practices Council, on which a number of federal agencies were represented. Planning, furthermore, maintained the Council's Internet home page, which the newsletter "Harvard Management Update" recognized as one of the best in the world for benchmarking content.

Planning for the fifth National Survey of Veterans OPDA initiated a comprehensive study to determine the nature, scope, content, and sampling design of the survey. This survey will create a more current data source to plan and analyze Departmental policy and program issues, answer queries from major stakeholders, and describe the present characteristics of the veteran population including information on veterans who use VA benefits as well as those who do not. This survey, collecting data from a scientifically chosen sample of veterans, will allow analysts to provide variable estimates that can be generalized to the entire veteran population, as well as to selected subgroups of this population.

In November 1998, to commemorate the 80<sup>th</sup> anniversary of the end of World War I, OPDA produced a report on "Data on World War I Veterans". An objective of the project was to collect as much data in one source as possible on the characteristics of these veterans inasmuch as they are a rapidly declining segment of the veteran population.

In 1998, Planning and Analysis gained responsibility for program evaluations. Thus, the Program Evaluation Service (PES) was formed within Strategic Planning to manage the operational aspects of all evaluations conducted by the Department.

PES began working with VHA, VBA, and NCA to select programs for near term evaluation and assemble a longer five-year evaluation schedule. After some discussion the first two evaluations were selected. The first was to be on three major VA education programs: Chapter 30 (of Title 38, US Code, the Montgomery GI Bill) for veterans and active duty service members; Chapter 1606 for reservists; and Chapter 35 for dependents. After completion, the evaluations of these three programs were published in April, May, and June 2000 respectively with an executive summary of the three issued in August.

The second evaluation chosen was for a two-phased study of VA's prosthetics program. The Prosthetics and Sensory Aids evaluation is in a formative stage with a contract to be awarded in early 2001.

Elsewhere in Planning and Analysis, OPDA supported the success of VA's efforts to expand benefits for veterans and avoid a five-year, \$17 billion mandatory expenditure for tobacco-related compensation by producing a credible cost-benefit analysis of the difficult "tobacco" issue. The projected savings funded part of increases in Montgomery GI Bill education programs, aid and attendance rates for veterans eligible for pension, the assistance amount for specially adapted housing, and the assistance amount for automobile and adaptive equipment for certain veterans.

In the past several years the Office of Planning and Evaluation has moved relentlessly forward to tame VA's Strategic Planning process and make it a functioning and contributing element to the Department's progression. Despite early roadblocks and problems, in 1999 the Office of Planning staff scored a significant advance by working with the three administrations and all the staff offices to create an Integrated Strategic Planning Schedule for VA, linking key processes -- strategic planning, legislative proposal development, budget formulation, performance planning, program evaluation, and quarterly strategic/tactical management performance reviews.

In June 1999, the Strategic Planning staff saw some of its major efforts bear fruit with the first publication of the "Secretary's Annual Statement, 1999-2000." This publication succinctly highlighted for all interested parties the Department's mission, vision, values, goals, resources, and priorities. The Department published the next annual version, the statement for "2000-2001," in September 2000 and is committed to ensuring the timely release of annual updates in order to complement the President's State of the Union and the Administration's annual budget submission to Congress:

Tied to the "Secretary's Annual Statement" is the "One VA Employee Strategic Plan" which Planning and Evaluation began developing in 2000 for the edification of VA employees. Another facet of this process is the "Department of Veterans Affairs Strategic Plan for Employees FY 2001 - 2006", a document to communicate the key elements of the VA Strategic Plan to VA employees. It is

the first document of its kind in VA, and perhaps, in the federal government. SPS completed a discussion draft of this document in June 1999, and expects to complete it in December 2000.

A significant activity in which Planning staff began supporting the Deputy Secretary in 1999 is that of "One-VA". The purpose of this endeavor has been to infuse employees with the notion that VA is a single agency supporting veterans and their families instead of a collection of disparate and varied administrations and staff offices. Divided among three distinct administrations -- on health care, entitlement benefits, and memorial services -- and group of staff offices, VA's 200,000 employees should think and work cooperatively. A 1998 Senate Special Investigations Unit on Gulf War Illness report, however, called VA, "a loosely linked group of bureaucracies that operate largely in isolation from one another."

To begin to correct this problem and accelerate the emergence of a truly unified culture, Strategic Planning conducted five conferences beginning in July 1999 and concluding in 2000, attended by over 2,500 employees and external stakeholders. The theme of these events -- in Phoenix, Atlanta, Pittsburgh, St. Louis, and Washington, DC -- was "One VA - One Mission, One Vision, One Voice." The focus has been on educating all employees on the benefits and services VA provides, or at least the tools VA provides them to direct veterans to the appropriate source and reduce numerous hand-offs. The conferences were part of a campaign to link learning opportunities with the Department's strategic direction and improve interaction and communication at the local, regional, and national levels.

Progress has been made since 1999, for example, to improve the compensation examination process, develop a combined VA/DOD separation examination, which complements the Transition Assistance Program/Disability Transition Assistance Program, and produce an Overseas Separation Center, wherein VA would work with DOD to provide the pre-discharge examinations and outreach regarding other programs. The ultimate impact of VA's crosscutting activities will be to eliminate or at least reduce duplication of effort making VA's programs more effective for veterans and their families.

In 1999-2000 Strategic Planning staff was instrumental in supporting the Secretary to prepare the first internal five-year strategic plan for the agency. Begun in 1999, the plan was issued, and distributed widely in September 2000 as the "Department of Veterans Affairs Strategic Plan 2001-2006." Strategic Planning Service (SPS) staff developed the plan based on GPRA requirements and the Secretary's priorities. Working closely with senior management and the Strategic Planning Working Group, SPS staff guided the development of Departmental strategic goals and objectives through a collaborative effort with the administrations and staff offices. The Plan contains inter alia the overall goals and objectives for VA's major functions and operations. The Plan lists the

following as VA's Strategic Goals:

1. Restore the capability of disabled veterans to the greatest extent possible, and improve the quality of their lives and that of their families;
2. Ensure a smooth transition for veterans from active military service to civilian life;
3. Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation; and
4. Contribute to the public health, socio-economic well being, and history of the Nation.

With the 1998 edition being the last of the Secretary's Annual Reports, in 1999 the Office of Policy began providing the Statistical Appendix to VA's Annual Accountability Report. The Appendix, a compendium of data showing expenses and workloads for a wide area of VA activities covering all business lines and services and including workload, financial, and enrollment information, is an important element of the Accountability Report.

As VA's principle entity for analyzing VA-wide policies and plans, the Policy Analysis Service (PAS) must work within and without the Department -- including other agencies, academe, public policy institutes, VSOs -- to study the multidisciplinary implications of existing and proposed programs for veterans.

Over the past two years in pursuit of this goal, PAS has been involved in a disparate group of projects, as for example the Health Insurance Portability and Accountability Act of 1996 (HIPAA). HHS issued implementing regulations requiring significant changes in business processes throughout VA and the healthcare industry nationwide to (1) reduce fraud and abuse, (2) improve and establish standards for electronic transmission of healthcare data to protect the privacy and security of electronically transmitted data, and (3) assure the portability of health insurance. PAS is chairing working groups to define the parts of HIPAA that apply to VA, find methods of assuring compliance with HIPAA, and coordinate the implementation of these methods.

PAS is also engaged in the Study of Filipino Veterans, requested by the President, which outlines current compensation and other benefits for Filipino veterans and provides options to expand benefits. The study is to be completed by December 2000.

A VA Internet Work Group (IWG) has been charged to develop a handbook for processes and procedures associated with VA's use of the Internet. PAS staff participate in this group because the Office of Policy produces significant data and information placed on the Internet or Intranet. Additionally, since Policy has taken a lead in e-governance, knowledge management, and other Internet-related activities, its participation on the IWG is important. IWG's work is ongoing but the handbook should be released by early 2001.

Policy Analysis Service is also supporting the Assistant Secretary in his role as co-chair, along with the Assistant Secretary for Information and Technology, of an Internet Policy Task Force (IPTF) to coordinate development of policy related to VA's presence on the Internet. IPTF is charged to "propose the policy and governance process for managing the identification, collection, analysis, storage and distribution (internally and externally) of information and data regarding veterans and veterans benefits and services." This group is scheduled to have recommendations for the SMB in mid-December 2000.

As part of VA's efforts to meet the Presidential Directive to Improve Access to Persons with Limited English Proficiencies (LEP), PAS staff is working to establish a "Spanish" hot button on the front page of VA's Internet home page. The staff will continue assessments of LEP needs within VA.

New race and ethnic standards (categories and definitions) to be used in data collection and reporting, as mandated by OMB, are being implemented throughout the federal government. PAS leads this effort within VA by chairing working groups and representing VA on interagency groups that are addressing the implementation of these new standards.

PAS coordinates the Department's responses to the 70-100 resolutions VA receives annually from Veterans Service Organizations. The process for responding is complex and tedious in part because of the complexities of obtaining OMB clearance on issues involving proposed legislation. Nonetheless, it is an important function due to the need to be responsive to some of VA's most important stakeholders.

Policy Analysis staff are also drafting a research paper, "Who is a Veteran: Definitions According to the Law." This report will provide an introduction to the complexities involved when using the word "veteran." It specifically identifies conditions and requirements to be met to establish "veteran" status for the benefits and services provided by VA.

Among the more significant recurring reports PAS staff members produce are:

- Geographic Distribution of Expenditures (GDx): The GDx, prepared annually, compiles and presents VA expenditures by state, county, and congressional district for five program areas: compensation and pension, education, insurance, construction, and medical and administration. The GDx for FY 2000 is scheduled for completion in January 2001.
- Financial Assistance Awards Data System (FAADS): FAADS is a quarterly report to the Census Bureau that provides VA expenditures for specific programs identified by the Bureau. This report presents data by state and county in the second month of the following quarter. Frequently

requested by VA employees and external stakeholders, these data are the bases of a variety of analyses.

-- Statistical Appendix to VA's Annual Accountability Report: The appendix is a compendium of statistical data showing expenditures and workloads for a broad area of VA activities. We anticipate the next appendix to be completed by January 2001.

-- Federal Aid to States Report (FASR): The FASR is an annual report to the Census Bureau showing the amounts of grant funds dispensed by VA for specified programs. The data is reported to Census by state. We expect the next report to be completed in December 2000.

-- Summary of Medical Programs (SMP): SMP contains medical workload and facility infrastructure data for inpatient and outpatient services at VA and non-VA hospitals, outpatient clinics, nursing homes, and domiciliaries. Data may be used for performance and/or capacity measures. The next SMP should be completed by January 2001.

In early 1999, Secretary West approved creation of the Office of the Actuary and subsequently, in July, appointment of the first Chief Actuary of the VA. The Chief Actuary was made responsible for developing the estimate and projection of the nation's veteran population, as well as analyzing the demographics of the veteran population. The Office must forecast workload for VA programs, cost effects of changing benefit amounts or eligibility rules, and the adequacy of program funding under various assumptions for all VA programs.

Overseen by the Chief Actuary, the Office of the Actuary collects and disseminates existing data within VA, establishes, as needed, data exchanges with other USG and private sector organizations, and identifies and obtains access to useful non-VA data. The Office provides actuarial, statistical, demographic, and economic consulting services throughout the VA. In particular it works with VHA in the Enrollment Decision process, Capital Asset Realignment Enhanced Services (CARES), and Veterans Equitable Resource Allocation (VERA) adjustments; with VBA on the annual valuation of the liability for future compensation and pension benefits; and with the Office of Management to verify and validate performance measures.

One of the important sources of information for the Office is the veteran population model, which is used to determine the official count of the number of veterans and project the number of future veterans. In October 1999, the Chief Actuary began to work on an improved, documented, user-friendly model, which would provide extensive information about veterans in October 1999. The project's first phase is to be completed by December 2000.

On an ongoing basis, the Office of the Actuary prepares summaries for official publications of known data about the veteran population and its characteristics. It also summarizes reports on special populations of veterans, such as by period of service, race, gender, age group and state. In 2000, the Office published among other products:

-- Data on Veterans of the Korean War (June 2000) -- Prepared, including socioeconomic and demographic characteristics, to honor veterans of the Korean War on the 50<sup>th</sup> anniversary of its beginning.

-- Data on Asian/Pacific Islanders Veterans (March 2000) -- Prepared in response to many requests for information about Asian/Pacific Islander veterans, using information on the socioeconomic and demographic traits of these veterans, as well as VA program use, and containing information from various sources, including from the Census Bureau.

-- Data on Women Veterans (Expected December 2000) -- Inspired by a conference on women veterans held in Washington in the summer of 2000. Unlike their male counterparts, female veterans are actually increasing in number. This report presents data on their socioeconomic and demographic characteristics, and their use of VA programs.

On an ongoing basis, the Office receives, analyzes and summarizes data from external sources that include a veteran indicator, such as the Census, Current Population Survey, DOD active loss (separations from service) file, Medical Expenditure Panel Survey, and the American Community Survey (ACS). The Office represents VA with agencies that produce the data, and suggests, for example, improvements to veteran questions on the ACS. The office also represents VA on interagency data committees.

In 2000 the Office of the Actuary produced a compendium, "The Changing Veteran Population 1990-2020," which has become very popular among those interested in veterans and their issues. This report presents charts, tables and graphs with accompanying text on many aspects of the current and future veteran population, answering critical questions about the numbers now and expected in the future, what veterans look like in terms of age, race, sex, period of service, education, income, poverty, incarceration, homelessness, and health status, and where they are now and projected to be located. It also reports on the use of VA services.

Still being formed, the Data Development and Analysis Service, a successor to the Information Content Management Service, is intended to support the data development, inventory, and reporting requirements for OPP and the Department. Establishment of this service will utilize knowledge and technology to implement a process for effective information dissemination.

DDAS is developing systems to create, publish, disseminate, and provide access to the information portfolio, including a knowledge management portal for organizations to apply their experiences and information throughout their business. DDAS staff members have also been lending skills for graphic illustrations of data and statistics to depict veteran demographics based on social trends. Examples include compensation and pension payments by age, veteran population by age or sex, and the distribution of veteran expenditures. This service is an important aspect of data delivery.

Strategic Planning Service has continued to support the Secretary directly in preparing the VA Strategic Plan, Secretary's Annual Statement, and One VA Employee Strategic Plan; serving as VA's focal point for the One VA initiative; managing independent and comprehensive evaluation of programs; coordinating benchmarking studies to determine the organization's effectiveness, and working with all organizational elements to identify and implement improvement initiatives that will enable VA to meet or exceed the Strategic Plan's goals and objectives.

Chairing the SPWG and serving as VA's primary representative with external organizations for matters relating to strategic planning, program evaluation, VA's overall implementation of GPRA, management improvement initiatives, quality award assessments, and benchmarking and best practice studies.

Within its role, and besides its other functions, SPS serves as the Department's primary contact with OMB, GAO, Congress, VSOs, and other organizations for issues relating to strategic planning and GPRA through the Four Corner stakeholder consultation meetings.

The Environmental Scan, the review of factors that may influence conduct of business in which the Department is engaged, was conducted every three years prior to developing a revised strategic plan. SPS plans to make the scan an ongoing assessment of the state of VA.

To ensure that regular consultation with stakeholders is carried out to improve communication and understanding of VA and satisfy GPRA requirements, SPS initiated Four Corners Consultation meetings between VA's leadership and major stakeholders in 1999. These full day meetings, currently scheduled every two-three months, have addressed both planning and policy issues.

Also in 1999, SPS initiated a scenario-based planning process to begin to assess what the Department might look like in 2010 and 2025. The first step in this approach was a futurist meeting with senior leadership in November 1999. Following this initial meeting, SPS and the SPWG crafted four alternative scenarios that were presented to the senior VA leadership and stakeholders. These scenarios were used to develop strategies for the Strategic Plan.

To clarify strategic planning and its ramifications for all employees, SPS along with the SPWG and senior management is drafting a Strategic Planning Handbook to coordinate VA's planning activities. It will describe VA's strategic management process and seek to impart a clear understanding of VA's terms of reference. The handbook, documenting VA's strategic management system, should be completed by March 2001.

SPS was also engaged in preparing Scenario-Based Planning Papers 2025 the purpose of which is to develop a more future-oriented perspective among VA's leaders and stakeholders. Considered a work in progress, they will be refined and modified, based on additional research related to VA's programs.

Meanwhile, the Program Evaluation Service has been engaged in several ongoing program evaluations.

-- An evaluation of the survivors program to assess the effectiveness and efficiency of the VA programs that assist the survivors of service members who die on active duty and veterans who die with service-connected disabilities. This evaluation will also fulfill the requirements of Public Law 105-368. Five VA benefits programs are addressed: Dependency and Indemnity Compensation (DIC), Service Disabled Veterans Insurance (SDVI), Veterans Mortgage Life Insurance (VMLI), Veterans Group Life Insurance (VGLI), and Service Members' Group Life Insurance (SGLI).

-- An evaluation of the cardiac care program will assess the effectiveness and efficiency of the treatment provided for patients with ischemic heart disease, which condition approximately 20 percent of VA patients experience. Treatment of these patients in other settings, paid for by the Health Care Financing Administration (HCFA), will also be identified. The results of the evaluation should be available in the summer of 2001.

-- An examination of VA's Leadership VA (LVA) program, the Department's leadership development program, using an in-house team representing the major elements of the Department and led by PES staff. The final draft report is being written and will be available in early December 2000.

-- Planning for the evaluation of the Pension and Parents' Dependency and Indemnity Compensation (DIC) programs started in August 2000. A project team has been formed and is in the process of planning the evaluation. The contract should be awarded in early 2001.

Over the past two years, the Management Improvement Service (MIS) continued to develop and manage quality-oriented processes and support individual program/project level initiatives throughout the Department. MIS facilitated and provided guidance and consulting services in the areas of assessment of organizational performance, benchmarking, best practices and knowledge

transfer studies and assistance in organizational transition and change management. The Service also performs training in such areas as facilitation, assessment criterion, customer service, benchmarking, and development of learning maps.

MIS coordinates a number of VA activities including employee surveys as a part of Government-wide effort, implementing the Hammer Award program at VA, and participating in the President's Quality Award program. The Service coordinated VA participation in the Excellence in Government Conferences, and participated in the American Productivity and Quality Center, Global Benchmarking Council, the Beat Practices and Benchmarking Exchange, and the Inter-agency Benchmarking and Best Practice Council.

Internally, MIS supports the Deputy Secretary in the Scissors Award program, chairs and coordinates the joint union/ management oriented National Quality Council and the VA Headquarters Quality Coordinators Council, and plans and conducts VA's National Self-Assessment Symposium and the annual Carey Awards Ceremony. It continued to assist VA facilities in performing organizational self-assessments utilizing Baldrige/Carey Criteria and other organizational assessment tools. The Service provides organizational assessment focused training to employees to develop and maintain a cadre of examiners and facilitators and provides a full cycle of support to facilities and offices as they assess their performance.

MIS reviews and supports Benchmarking studies to assess best practices for implementation within VA, and partners with other organizations in both the private and public sectors in studies that result in collective learning.

MIS began playing a key role in the integration of One VA initiatives into the strategic management process. Specifically, the Service serves as a champion for national initiatives and communicates the status and results to all employees and external stakeholders, provides support to state and local One VA Councils, and fosters One VA outreach and marketing

The year 2000 is the first year MIS prepared the "Annual Report of Awards and Best Practices." It highlights Hammers, Scissors, and Carey Awards presented to outstanding VA facilities during the year and reports some of their best practices.

Finally, among other activities of Planning and Evaluation are

- Performing the inventory of "commercial" activities for both FY 1999 and FY 2000 required by the Federal Activities Inventory Reform Act (FAIR Act);

- Supporting the Deputy Secretary in preparation and follow-up activities for the monthly meetings of the President's Management Council; and
- Actively participating in a number of NPR reinvention and management improvement activities, including numerous benchmarking studies, customer and employee survey efforts, business process reengineering, improving stakeholder communications, and the Vice President's Hammer Award.

## CONCLUSION

After Secretary West resigned earlier in 2000, Acting Secretary Gober authorized return of the office's name to Policy and Planning. Program and Data Analyses became the Office of Policy again, and the Office of Strategic Planning was renamed Planning and Evaluation.

Today, the Office of Policy provides conceptual, analytical, and data/information services throughout VA and collaborates with program officials to identify and analyze strategic questions facing VA and its delivery of veterans' benefits and services. It is the central clearing house for the collection, analysis, and dissemination of data and information on veterans and veterans programs and services. Within Policy:

- The Policy Analysis Service serves as VA's principle group responsible for analysis of Department-wide policies and plans;

- The Office of the Actuary is responsible for developing quantitative information addressing trends in veteran population, benefit costs, and workload; and

- The Data Development and Analysis Service supports the data development, inventory, and reporting requirements for OPP and the Department.

The Office of Planning and Evaluation oversees implementation of the Department's integrated strategic planning process, introduction of quality management methods into mainstream organizational performance, and efforts to unify VA's disparate service providers and staff offices. Within Planning and Evaluation:

- The Strategic Planning Service develops and manages the Department level processes that are integral elements of VA'S strategic planning process;

- The Program Evaluation Service coordinates the operational aspects of all program evaluations conducted by the Department; and

-- The Management Improvement Service develops and manages quality-oriented processes at the Department-level, and supports individual program/project level initiatives throughout the Department.

The names of the office and its components have changed several times over the past eight years, but seem to have returned to or close to their originals. Clearly, however, the functions of the office changed dramatically. It did not exist as a coherent unit at the time the Department of Veterans Affairs was formally established as a cabinet agency in 1989. OPP was created two years later in part to help guide the Department's leadership in policy development and strategic planning activities. Today, nine years later, VA's Office of Policy and Planning is an essential player in VA policy analysis and development, the Department's manager in the strategic planning, program evaluation, and quality processes, and crucial to VA in the data and information arena.



Drafted:IPernick  
OPP:2735049