Uploaded to the VFC Website

August 2013

This Document has been provided to you courtesy of Veterans-For-Change!

Feel free to pass to any veteran who might be able to use this information!

For thousands more files like this and hundreds of links to useful information, and hundreds of "Frequently Asked Questions, please go to:

Veterans-For-Change

Veterans-For-Change is a A 501(c)(3) Non-Profit Organizaton
Tax ID #27-3820181
CA Incorporation ID #3340400
CA Dept. of Charities ID #: CT-0190794

If Veterans don't help Veterans, who will?

We appreciate all donations to continue to provide information and services to Veterans and their families.

https://www.paypal.com/cgi-bin/webscr?cmd=_s-xclick&hosted_button_id=WGT2M5UTB9A78

Note: VFC is not liable for source information in this document, it is merely provided as a courtesy to our members & subscribers.

Department of Veterans Affairs

Volume II

Medical Programs & Information Technology Programs

Congressional Submission, FY 2010

Table of Contents

Abbreviations

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

Executive Summary of Medical Care

Department of Veterans Affairs (VA) is committed to providing Veterans and other eligible beneficiaries timely access to high-quality health services. VA's health care mission covers the continuum of care providing inpatient and outpatient services, including pharmacy, prosthetics and mental health; long-term care in both institutional and non-institutional settings; and other health care programs, such as CHAMPVA and Readjustment Counseling. VA will meet all of its commitments to treat Operation Enduring Freedom/Operation Iraqi Freedom (OEF/OIF) Veterans and service members in 2009 and 2010. In honoring our obligation to this generation of Veterans and those who have come before, VA faces many of the same financial challenges as the health care industry in general and some that reflect our unique population of Veterans.

To meet our commitments VA is requesting $47.4 billion in direct appropriation for 2010 for the three medical care appropriations, an increase of over $4.6 billion (11%) over the 2009 level excluding the $1 billion from the American Recovery and Reinvestment Act of 2009. The direct appropriation includes $2.9 billion in collections, an increase of 12.7% over the 2009 estimate. This request supports an increase of 6,992 full-time equivalents (FTE) or 3% over the 2009 current estimate of 232,684 FTE. The funding for each of the medical appropriations is displayed in the following table.

Medical Care Budget Authority
(dollars in thousands)

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase/ Decrease
Appropriation:					
Medical Services	$28,003,345	$29,819,503	$30,701,013	$34,704,500	$4,003,487
Medical Support & Compliance	$3,956,617	$4,256,000	$4,450,000	$5,100,000	$650,000
Medical Facilities	$4,233,182	$4,661,000	$5,029,000	$4,693,000	($336,000)
Total Appropriations	$36,193,144	$38,736,503	$40,180,013	$44,497,500	$4,317,487
MCCF Collections	$2,442,563	$2,466,860	$2,556,855	$2,881,462	$324,607
Subtotal Budget Authority	**$38,635,707**	**$41,203,363**	**$42,736,868**	**$47,378,962**	**$4,642,094**
American Recov. & Reinvest. Act of 2009	$0	$0	$1,000,000	$0	($1,000,000)
Total Budget Authority	**$38,635,707**	**$41,203,363**	**$43,736,868**	**$47,378,962**	**$3,642,094**
FTE	216,401	218,591	232,684	239,676	6,992

Policy
VA will provide more care for a larger population of Veterans beginning in 2009. VA will re-open enrollment to a segment of Priority 8 Veterans whose incomes exceed the current Veteran means test and geographic means test income threshold by 10% or less. This initiative is also extended into 2010 in this budget request.

Medical Patient Caseload
For 2010, we expect to treat nearly 6.1 million patients, an increase of 2.1% over the number of patients treated in 2009. Of those 6.1 million patients, we project we will treat nearly 4 million Veterans in Priorities 1-6, an increase of more than 104,000. This represents an increase of 2.7% over the number of these patients VA treated in 2009.

As a result of re-opening enrollment to a segment of Priority 8 Veterans in 2009, the number of Priority 7 and 8 patients is expected to increase more than 160,000 from 2008 to 2009, an 11.7% increase. In 2010, VA expects to treat 11,000 more Priority 7 and 8 Veterans, or 0.7%, than we treated in 2009. VA also provides medical care to non-Veterans; this population is expected to increase by over 5,900 patients or 1.2% during the same time period. In 2010, VA anticipates treating 419,256 Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) Veterans, an increase of 55,981 patients, or 15.4%, over the 2009 level.

Unique Patients

		2009				
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase/ Decrease	Percent Change
Priorities 1-6.....	3,709,060	3,861,329	3,890,188	3,994,758	104,570	2.7%
Priorities 7-8.....	1,369,209	1,396,790	1,529,704	1,540,997	11,293	0.7%
Subtotal Veterans.....	5,078,269	5,258,119	5,419,892	5,535,755	115,863	2.1%
Non-Veterans.....	498,420	513,232	509,167	515,098	5,931	1.2%
Total Unique Patients..	5,576,689	5,771,351	5,929,059	6,050,853	121,794	2.1%
OEF/OIF (Incl. Above)	261,019	333,275	363,275	419,256	55,981	15.4%

Budget Authority
Medical Care and Research
(dollars in thousands)

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Appropriation:					
Medical Services	$28,003,345	$29,819,503	$30,701,013	$34,704,500	$4,003,487
Medical Support & Compliance	$3,956,617	$4,256,000	$4,450,000	$5,100,000	$650,000
Medical Facilities	$4,233,182	$4,661,000	$5,029,000	$4,693,000	($336,000)
Total Appropriations	$36,193,144	$38,736,503	$40,180,013	$44,497,500	$4,317,487
MCCF Collections	$2,442,563	$2,466,860	$2,556,855	$2,881,462	$324,607
Medical Care, Subtotal Budget Authority	$38,635,707	$41,203,363	$42,736,868	$47,378,962	$4,642,094
American Recov. & Reinvest. Act of 2009	$0	$0	$1,000,000	$0	($1,000,000)
Total Budget Authority	$38,635,707	$41,203,363	$43,736,868	$47,378,962	$3,642,094
Medical & Prosthetic Research	$480,000	$442,000	$510,000	$580,000	$70,000
Total	$39,115,707	$41,645,363	$44,246,868	$47,958,962	$3,712,094

Medical Care Program Funding Requirements

The following table displays, on an obligation basis, the estimated amount of resources by major category that VA projects to spend based on our appropriation request.

VA Medical Care Obligations by Program
(dollars in millions)

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Health Care Services:*					
Acute Care	$27,060	$27,806	$30,344	$32,899	$2,555
Rehabilitative Care	$589	$646	$659	$698	$39
Mental Health	$3,852	$4,191	$4,276	$4,564	$288
Prosthetics	$1,437	$1,532	$1,719	$1,844	$125
Dental	$497	$575	$587	$631	$44
Total Health Care Services	$33,435	$34,750	$37,585	$40,636	$3,051
Nursing Home Care:					
VA Community Living Centers	$2,902	$3,054	$3,140	$3,405	$265
Community Nursing Home	$455	$425	$519	$591	$72
State Home Nursing	$498	$525	$622	$678	$56
Total Nursing Home Care	$3,855	$4,004	$4,281	$4,674	$393
All Other	$53	$54	$55	$61	$6
Total Institutional Care	$3,908	$4,058	$4,336	$4,735	$399
Total Non-Institutional Care	$701	$762	$940	$1,205	$265
Total Long Term Care	$4,609	$4,820	$5,276	$5,940	$664
Other Health Care Programs:					
CHAMPVA & Other Dependent Prg	$864	$1,014	$939	$1,014	$75
Readjustment Counseling	$109	$173	$185	$192	$7
Other	$371	$308	$413	$433	$20
Total Other Health Care Programs	$1,344	$1,495	$1,537	$1,639	$102
Presidential Initiatives:					
Combat Homelessness Pilot Prg				$26	$26
Real Property Operating Costs Reduction				($4)	($4)
Total Initiatives				$22	$22
2009 Initiatives		$341			
2009 Legislative Proposals		$42			
Total Obligations Request	$39,388	$41,448	$44,398	$48,237	$3,839

Includes $1 billion from the American Recovery and Reinvestment Act of 2009 for Non-Recurring Maintenance and energy projects in 2009 and 2010, and $2.057 billion for OEF/OIF Veterans in 2010.

Medical Care Programs Major Funding[1]

VA's 2010 obligations estimate is $3.839 billion more than the 2009 estimate. VA's 2010 major initiatives, designed to provide timely, high-quality health care, are highlighted below. The funding in parentheses represents the obligations in the 2010 request.

[1] Numbers may not add due to rounding.

- **Health Care Services ($40.636 billion in 2010):** VA projects the following medical services:

  - **Acute Care ($32.899 billion in 2010):**

    - **Inpatient Acute Hospital Care**: VA delivers inpatient acute hospital care in its 153 hospitals and through inpatient contract care. Services include acute care for medicine (including neurology), surgery, and maternity.

    - **Ambulatory Care:** This includes funding for ambulatory care in 986 VA hospital-based (153) and community-based (833) clinics. Contract fee care is often provided for eligible beneficiaries when VA facilities are not geographically accessible, services are not available at a particular facility, or when care cannot be provided in a timely manner.

    - **Pharmacy Services:** These services include prescriptions, over-the-counter medications and pharmacy supplies. VA expects to fill 254 million prescriptions in 2010.

  - **Rehabilitative Care ($698 million in 2010):** These services include Blind Rehabilitation and Spinal Cord Injury programs. VA is expanding the Blind Rehabilitation program to accommodate the increased workload due to additional numbers of these injuries among OEF/OIF Veterans.

  - **Mental Health ($4.564 billion in 2010):** This funding will support inpatient, residential, and outpatient mental health programs for mental health conditions, including substance abuse disorders. The funding covers specialized mental health and substance abuse programs and programs that support integrating mental health services with primary care. Within specialty care, it includes day treatment for psychosocial rehabilitation, intensive outpatient programs for substance abuse, mental health care for the homeless, mental health intensive case management, and supported employment and compensated work therapy, as well as other mental health services. VA domiciliary care is included as a residential mental health program.

    VA has established teams in approximately 100 facilities to address the mental health needs of returning Veterans. These teams work with Vet Centers to conduct outreach in the community and "in-reach" to facilitate identifying mental health conditions in primary care, educating Veterans and family members about mental health conditions, and providing

services in a environment specific to new Veterans. VA has implemented system-wide screening for returning Veterans for depression, post-traumatic stress disorder (PTSD), traumatic brain injury (TBI) and problem drinking. VA follows up positive screens to determine whether care is needed. For those who request or are referred for mental health services, VA requires an initial evaluation within 24 hours to determine whether there is an urgent need for an intervention and requires a full diagnostic and treatment planning evaluation within 14 days.

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

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

required programs in 2010 through quality and performance monitoring programs.

- **Prosthetics ($1.844 billion in 2010):** These funds provide for the purchase and repair of prosthetics and sensory aids, such as artificial limbs, hearing aids, pacemakers, artificial hip and knee joints, ocular lenses and wheelchairs.

- **Dental Care ($631 million in 2010).** The requested funding supports dental care for Veterans, including one-time Class II benefits to all newly discharged combat OEF/OIF Veterans within 180 days of discharge. Class II benefits are provided to Veterans with service-connected, non-compensable dental conditions or disabilities shown to have been in existence at the time of discharge or release from active duty. VA may authorize any treatment as reasonably necessary for the one-time correction of the service-connected, non-compensable condition under specified criteria.

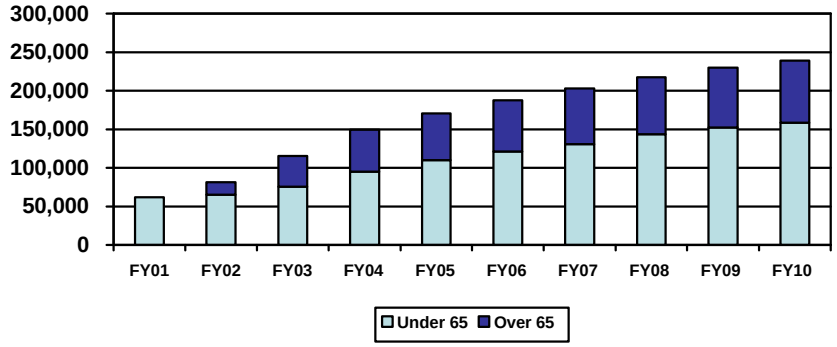
  This funding also provides dental services to Veterans with a "medical condition negatively impacted by poor dentition" who are eligible for limited dental care by VA. These patients are placed into dental Classification III and VI categories and include poorly controlled diabetic patients, patients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

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

- **Long Term Care ($5.940 billion in 2010).** VA projects the institutional care Average Daily Census (ADC) will increase slightly to 39,717 from 2009 to 2010 and require $4.735 billion, a 9.2% increase due to the ADC increase and inflation. VA will continue to focus its long-term care treatment in the least restrictive and most clinically appropriate setting by providing more non-institutional care than ever before and providing Veterans with care closer to where they live. VA is requesting over $1.2 billion, or a 28.2% increase in non-institutional care. This increase is the result of VA projecting an ADC of 90,654 for this progressive type of long-term care, an increase of 18,302 ADC.

- **Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) ($1.014 billion in 2010).** CHAMPVA was established to provide health benefits for the dependents and survivors of Veterans who are, or were at time of death, 100% permanently and totally disabled from a service-connected disability, or who died from a service-connected condition. VA provides most of the care for these dependents and survivors under this program by purchasing care from the private sector. CHAMPVA costs continue to grow as a result of several factors. First, due to changes in the benefit structure, the mix of users has changed significantly since 2002. Veterans' Survivor Benefits Improvements Act of 2001, Public Law 107-14 dated June 3, 1995 amended title 38, United States Code, to expand eligibility to those 65 and older who would have lost their CHAMPVA eligibility when they became eligible for Medicare. CHAMPVA is secondary payer to Medicare for those individuals. Veterans Benefits Act of 2002, Public Law 107-330 dated December 6, 2002, also allowed retention of CHAMPVA for surviving spouses remarrying after age 55. Additionally, the number of claims paid is expected to grow from 7.5 million to 7.9 million, a 4.8% increase from 2009 to 2010. Along with the increasing number of claims, the cost of transaction fees required to process electronic claims is increasing. The following graph demonstrates the continued growth in this program over the past 10 years.

CHAMPVA User Growth
Unique Patients



- **Readjustment Counseling ($192 million in 2010).** This funding is required to provide readjustment counseling at VA's Vet Centers to Veterans that served in a combat zone or area of armed hostilities, including those involved in Operation Enduring Freedom/Operation Iraqi Freedom. VA had 232 Vet Centers operating across the country in 2008,

expects to expand to 271 in 2009, and to 299 in 2010. Vet Centers are essential for helping Veterans access treatment for PTSD conditions, and VA expects an increase in PTSD conditions as Veterans return from OEF/OIF after multiple tours of duty. This expansion of mental health services to Veterans in rural areas enables VA to meet the Presidential priority to increase access to Veterans who need it most. Vet Centers are tasked with three major functions: direct counseling for issues related to combat service, outreach, and referral. Services are also provided to families for military related issues. In 2003 Vet Centers were authorized to provide bereavement counseling for families of service members who die while on active duty.

- **Other ($433 million in 2010).** This section is comprised of funding for various health care programs. Funds of $389 million are required to provide medical services to an increasing number of non-Veterans receiving medical care. In 2009, VA will provide medical services to over 509,000 non-Veterans, increasing to over 515,000 in 2010, nearly 6,000 or 1.2% more. Funds of $29.2 million are required for the Community-Based Domiciliary Aftercare/Outreach Program; the Residential Care Home Program; and the State Home Hospital Program. The VA/DoD Health Care Sharing Incentive Fund will require $15 million.

Presidential Initiatives ($22 million in 2010)

VA is requesting $26 million to support a pilot program partnering with non-profits and consumer co-ops, and other agencies to assist Veteran families that might otherwise become homeless. VA will also utilize the authority mandated in Veterans' Mental Health and Other Care Improvements Act of 2008, Public Law 110-387 dated October 10, 2008 and authority provided in other legislation to establish pilot programs with community based non-profit and co-op agencies to provide supportive services specifically designed to prevent homelessness. These pilots will also be coordinated with programs of other relevant agencies to encompass both rural and urban sites with the goal of preventing homelessness and maintaining housing stability for the Veteran's family. VA is also participating in a government-wide Presidential initiative to reduce real property-related operating costs required to maintaining surplus physical assets. In 2010, the disposal of surplus assets scheduled to exit VA's inventory will reduce these costs by an estimated $3.5 million.

Medical Care Collections Fund: $2.881 Billion in Collections in 2010
VA estimates collections of more than $2.881 billion, representing an increase of nearly $325 million, a 12.7% increase over the 2009 level.

Medical Care Collections Fund
(dollars in thousands)

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Medical Care Collections Fund:					
Pharmacy Co-payments	$749,685	$818,911	$709,575	$754,476	$44,901
3rd Party Insurance Collections	$1,497,449	$1,438,747	$1,621,467	$1,882,485	$261,018
1st Party Other Co-payments	$168,274	$154,765	$162,662	$181,210	$18,548
Enhanced-Use Revenue	$1,422	$700	$1,400	$1,400	$0
Long-Term Care Co-Payments	$3,751	$4,347	$3,751	$3,891	$140
Comp. Work Therapy Collections	$52,372	$44,313	$53,000	$53,000	$0
Parking Fees	$3,355	$2,985	$3,400	$3,400	$0
Comp. & Pension Living Expenses	$1,572	$2,092	$1,600	$1,600	$0
Total Collections	$2,477,880	$2,466,860	$2,556,855	$2,881,462	$324,607

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

Performance Measure	2010 Target	Strategic Target
▪ Percent of primary care appointments scheduled within 30 days of the desired date	98%	99%
▪ Percent of specialty appointments scheduled within 30 days of the desired date	95%	99%
▪ Percent of new patient appointments completed within 30 days of the desired date	93%	95%
▪ Percent of unique patients waiting more than 30 days beyond the desired appointment date	5%	5%

VA measures its provision of high-quality health care using the Clinical Practice Guidelines III and the Prevention Index IV to ensure its results meet or exceed community standards. The Clinical Practice Guidelines Index III is expected to reach 86% in 2009 and remain stable through 2010, with a strategic target of 87%. Clinical Practice Guidelines Index III assesses the progress and results associated with our treatment of patients with chronic disease. Prevention Index IV measures VA's progress in preventive medicine, such as providing

immunizations as appropriate and screening for cancer. VA expects the Prevention Index IV to reach 89% in 2009 and remain stable through 2010, with a strategic target of 90%.

North Chicago Legislative Proposal
The Administration will propose legislation that will establish a separate fund to allow VA and Department of Defense to initially fund and activate the operations of North Chicago joint facility.

Medical and Prosthetic Research
In concert with title 38, United States Code, section 7303, the Medical and Prosthetic Research Program [more commonly known as the VA Research and Development (R&D) program within the Veterans Health Administration] focuses on research about the special health care needs of Veterans and strives to encourage both the discovery of new knowledge and the application of these discoveries to Veterans health care. To accomplish this mission, VA is requesting $580 million in total budgetary resources for Medical Research, an increase of $70 million or 13.7%.

Medical and Prosthetic Research
(dollars in thousands)

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase Decrease
Total Budget Authority	$480,000	$442,000	$510,000	$580,000	$70,000
FTE	3,142	3,201	3,201	3,345	144

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

- Biomedical Laboratory - Supports pre-clinical research to understand life processes from the molecular, genomic and physiological level in regard to diseases affecting Veterans.
- Clinical Science - Administers investigations, including human subject research, to determine the feasibility or effectiveness of new treatments (e.g., drugs, therapy or devices) in small clinical trials or multi-center cooperative studies to learn more about the causes of disease and develop more effective clinical care.

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

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

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

2010 Research Initiatives

VA will continue emphasizing research that benefits Veterans who face specific challenges due to combat:

- Research Related to Operation Enduring Freedom and Operation Iraqi Freedom (OEF/OIF) $20 million in 2010 – Four main areas of OEF/OIF research will be the focus of this initiative:
  - Traumatic Brain Injury (TBI) and Polytrauma Research have a significant need for innovative models to help understand blast-force-associated brain injury and the role of neurobiology and neuropsychology. This may lead to neuroprotective drugs and therapeutic interventions.
  - Burn Injury Research, where little is known about the physiological disturbances associated with burns and how burns impact recovery, may lead to improved understanding of burn biology and the psychological consequences of burns to improve rehabilitation and Veterans' daily lives.
  - Pain Research is aimed at addressing the needs of the 25% of returning OEF/OIF Veterans who report chronic pain sufficient to interfere with daily activities. Vital research is required to: 1) study ways to change assessment, management, and treatment of chronic pain; 2) develop novel therapies for pain due to nerve and spinal cord injury; and 3) improve coping strategies.
  - Post-Deployment Mental Health Research addresses a significant number of Veterans who have developed chronic PTSD that is resistant to current psychological or drug treatments. There is a significant need to understand the genetic underpinning of Veteran-related mental

health conditions, with an objective of developing new and improved treatments.

- Personalized Medicine: $14 million in 2010 - Personalized medicine may have the potential to provide the most appropriate treatment or prevention strategy for an individual patient as genomic data may be useful in therapeutic decision-making for a variety of drugs used to treat mental disorders, hypertension and diabetes, as well as diseases such as colon and bladder cancer. New treatments for OEF/OIF Veterans with PTSD or TBI should be possible using genetic research and testing. VA's electronic medical record is a key research tool in investigating personalized medicine and R&D will create new methods to apply both structured and unstructured data from studies focused on determining the genetic basis of mental illnesses and other co-morbidities.

- Access to Care and Rural Health: $14 million in 2010 - VA recognizes the importance of examining access to VA health care for recent OEF/OIF Veterans as these issues are often new and different for them. VA's research initiative on access to care will build on current VA research examining access issues and innovations. VA expects this research to enhance Veterans' access to practices and services consistent with Presidential priorities. VA Research and Development is also supporting the efforts of the Office of Rural Health to promote rural health research, as well as other VA centers and programs, such as the South-Central Mental Illness Research, Education, and Clinical Center.

Summary of Appropriation Request
(dollars in thousands)

Account	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Medical Services:					
Appropriation	$27,167,671	$29,819,503	$30,969,903	$34,704,500	$3,734,597
2008 Emergency Designation	$1,936,549	$0	$0	$0	$0
Transfer fr MS to MSC & MF	($705,000)	$0	$0	$0	$0
Trns to VADoD HCSIF	($15,000)	$0	($15,000)	$0	$15,000
Rescission fr MS (2007 Emerg Supp) to CNS	($66,000)	$0	$0	$0	$0
Trns fr MS to IT Systems, FLITE	($6,775)	$0	$0	$0	$0
Trns fr MS to DoD/VA HCSIF	($30,000)	$0	$0	$0	$0
Trns fr MS to IT	($278,100)	$0	($253,890)	$0	$253,890
Subtotal	$28,003,345	$29,819,503	$30,701,013	$34,704,500	$4,003,487
Collections	$2,442,563	$2,466,860	$2,556,855	$2,881,462	$324,607
Budget Authority	$30,445,908	$32,286,363	$33,257,868	$37,585,962	$4,328,094
Medical Support & Compliance					
Appropriation	$3,442,000	$4,256,000	$4,450,000	$5,100,000	$650,000
2008 Emergency Designation	$75,000	$0	$0	$0	$0
Transfer fr MS to MSC & MF	$545,000	$0	$0	$0	$0
Trns fr MSC & MF to GOE, CNS & Fac. Reorg	($18,271)	$0	$0	$0	
Trns fr MSC to IT (IT Development)	($87,112)	$0	$0	$0	$0
Budget Authority	$3,956,617	$4,256,000	$4,450,000	$5,100,000	$650,000
Medical Facilities:					
Appropriation	$3,592,000	$4,661,000	$5,029,000	$4,693,000	($336,000)
2008 Emergency Designation	$508,000	$0	$0	$0	$0
Transfer fr MS to MSC & MF	$160,000	$0	$0	$0	$0
Trns fr MSC & MF to GOE, CNS & Fac. Reorg	($26,818)	$0	$0	$0	$0
Subtotal Budget Authority	$4,233,182	$4,661,000	$5,029,000	$4,693,000	($336,000)
American Recovery & Reinvest. Act of 2009	$0	$0	$1,000,000	$0	($1,000,000)
Total Budget Authority	$4,233,182	$4,661,000	$6,029,000	$4,693,000	($1,336,000)
Subtotal Medical Care Appropriations	$38,635,707	$41,203,363	$42,736,868	$47,378,962	$4,642,094
American Recovery and Reinvest. Act of 2009	$0	$0	$1,000,000	$0	($1,000,000)
Total Medical Care Appropriations	$38,635,707	$41,203,363	$43,736,868	$47,378,962	$3,642,094
Medical & Prosthetic Research					
Appropriation	$411,000	$442,000	$510,000	$580,000	$70,000
2008 Emergency Designation	$69,000	$0	$0	$0	$0
Total	$480,000	$442,000	$510,000	$580,000	$70,000

Executive Summary Charts

Employment Summary (FTE)

Account	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Medical Services	158,263	158,977	170,268	175,996	5,728
Medical Support & Compliance	35,847	35,433	39,068	39,921	853
Medical Facilities	22,291	24,181	23,348	23,759	411
Subtotal	216,401	218,591	232,684	239,676	6,992
Medical & Prosthetic Research	3,142	3,201	3,201	3,345	144
Canteen Service	3,008	2,960	3,015	3,020	5
Total FTE	222,551	224,752	238,900	246,041	7,141

FTE by Type
Medical Care

Account	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Physicians	14,588	14,901	15,693	16,420	727
Dentists	882	911	934	973	39
Registered Nurses	39,616	39,322	42,841	44,909	2,068
LPN/LVN/NA	21,134	21,125	22,547	23,114	567
Non-Physician Providers	8,940	9,759	9,545	9,935	390
Health Techs/Allied Health	46,665	46,331	50,376	51,480	1,104
Wage Board/P&H	24,362	24,394	25,373	25,698	325
All Other	60,214	61,848	65,375	67,147	1,772
Total	216,401	218,591	232,684	239,676	6,992

Unique Patients

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Priorities 1-6	3,709,060	3,861,569	3,890,188	3,994,758	104,570
Priorities 7-8	1,369,209	1,396,550	1,529,704	1,540,997	11,293
Subtotal Veterans	5,078,269	5,258,119	5,419,892	5,535,755	115,863
Non-Veterans	498,420	513,232	509,167	515,098	5,931
Total Unique Patients	5,576,689	5,771,351	5,929,059	6,050,853	121,794

Obligations by Priority Group

(dollars in thousands)

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Priorities 1-6	$33,666,763	$34,744,211	$37,010,173	$40,324,971	$3,314,798
Priorities 7-8	$4,511,025	$5,468,996	$6,079,540	$6,509,668	$430,128
Subtotal Veterans	$38,177,788	$40,213,207	$43,089,713	$46,834,639	$3,744,926
Non-Veterans	$1,210,207	$1,235,156	$1,308,607	$1,402,623	$94,016
Total Obligations	$39,387,995	$41,448,363	$44,398,320	$48,237,262	$3,838,942

Obligations Per Unique User

(dollars)

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Priorities 1-6	$9,077	$8,997	$9,514	$10,094	$580
Priorities 7-8	$3,295	$3,916	$3,974	$4,224	$250
Subtotal Veterans	$7,518	$7,648	$7,950	$8,460	$510
Non-Veterans	$2,428	$2,407	$2,570	$2,723	$153
Total Unique Patients	$7,063	$7,182	$7,488	$7,972	$484

Unique Patients [1/]

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Priorities 1-6	3,709,060	3,861,329	3,890,188	3,994,758	104,570
Priorities 7-8	1,369,209	1,396,790	1,529,704	1,540,997	11,293
Subtotal Veterans	5,078,269	5,258,119	5,419,892	5,535,755	115,863
Non-Veterans 2/	498,420	513,232	509,167	515,098	5,931
Total Unique Patients	5,576,689	5,771,351	5,929,059	6,050,853	121,794

Unique Enrollees [3/]

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Priorities 1-6	5,541,420	5,633,374	5,714,879	5,822,496	107,617
Priorities 7-8	2,293,343	2,354,105	2,602,064	2,616,346	14,282
Total Enrollees	7,834,763	7,987,479	8,316,943	8,438,842	121,899

Users as a Percent of Enrollees

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Priorities 1-6	66.9%	68.5%	68.1%	68.6%	0.5%
Priorities 7-8	59.7%	59.3%	58.8%	58.9%	0.1%
Total Enrollees	64.8%	65.8%	65.2%	65.6%	0.4%

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

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

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

Summary of Workloads for VA and Non-VA Facilities

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Outpatient Visits (000):					
Staff	58,218	62,024	60,387	62,776	2,389
Fee	8,309	7,211	9,351	10,337	986
Readjustment Counseling	1,113	1,222	1,222	1,383	161
Total	67,640	70,457	70,960	74,496	3,536
Patients Treated:					
Acute Hospital Care	585,016	573,326	603,684	623,201	19,517
Rehabilitative Care	14,486	13,748	14,425	14,393	(32)
Psychiatric Care*	133,745	151,228	137,283	137,891	608
Nursing Home Care	96,253	93,002	98,003	101,876	3,873
Subacute Care	6,809	6,294	4,903	3,230	(1,673)
State Home Domiciliary	4,550	5,840	4,383	4,250	(133)
Inpatient Facilities, Total	840,859	843,438	862,681	884,841	22,160
Average Daily Census:					
Acute Hospital Care	8,552	8,219	8,613	8,679	66
Rehabilitative Care	1,106	1,073	1,099	1,103	4
Psychiatric Care*	9,402	10,077	9,606	9,803	197
Nursing Home Care	35,350	34,970	35,593	35,837	244
Subacute Care	200	145	141	89	(52)
State Home Domiciliary	3,876	3,894	3,878	3,880	2
Inpatient Facilities, Total	58,486	58,378	58,930	59,391	461
Home & Comm. Bsd. Care	54,053	61,029	72,352	90,654	18,302
Inpatient & H&CBC, Grand Total	112,539	119,407	131,282	150,045	18,763
Length of Stay:					
Acute Hospital Care	5.4	5.2	5.2	5.1	(0.1)
Rehabilitative Care	27.9	28.5	27.8	28.0	0.2
Psychiatric Care*	25.7	24.3	25.5	25.9	0.4
Nursing Home Care	134.4	137.2	132.6	128.4	(4.2)
Subacute Care	10.7	8.4	10.5	10.1	(0.4)
State Home Domiciliary	311.8	243.4	323.8	333.2	9.4
Dental Procedures	3,463,377	3,620,884	3,650,605	3,749,427	98,822
CHAMPVA/FMP/Spina Bifida Workloads:					
Inpatient Census	928	863	860	885	25
Outpatient Workloads (000)	6,955	7,612	7,498	7,860	362

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

Obligations by Object
Medical Care Total
(dollars in thousands)

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
10 Personal Svcs & Benefits:					
Physicians	$3,489,674	$3,935,283	$3,952,482	$4,286,858	$334,376
Dentists	$182,512	$185,859	$203,561	$219,894	$16,333
Registered Nurses	$4,234,794	$4,394,315	$4,823,210	$5,241,535	$418,325
LPN/LVN/NA	$1,231,570	$1,279,790	$1,383,467	$1,470,129	$86,662
Non-Physician Providers	$1,094,239	$1,256,470	$1,230,182	$1,327,357	$97,175
Health Techs/Alllied Health	$3,837,348	$3,973,682	$4,360,999	$4,620,499	$259,500
Wage Board/P&H	$1,314,957	$1,205,156	$1,438,204	$1,511,113	$72,909
Administration	$4,103,813	$4,393,968	$4,700,644	$5,009,844	$309,200
Perm Change of Station	$24,684	$28,966	$26,300	$27,600	$1,300
Emp Comp Pay	$174,940	$180,769	$186,700	$196,100	$9,400
Subtotal	$19,688,531	$20,834,258	$22,305,749	$23,910,929	$1,605,180
21 Travel & Trans of Persons:					
Employee	$123,795	$92,529	$149,909	$157,404	$7,495
Beneficiary 1/	$372,964	$270,695	$546,700	$600,000	$53,300
Other	$35,080	$66,934	$39,081	$43,640	$4,559
Subtotal	$531,839	$430,158	$735,690	$801,044	$65,354
22 Transportation of Things	$36,275	$45,053	$39,462	$42,956	$3,494
23 Comm., Utilites & Oth. Rent:					
Rental of equip	$107,387	$102,743	$129,296	$147,748	$18,452
Communications	$204,476	$208,193	$213,933	$224,629	$10,696
Utilities	$553,248	$666,824	$653,471	$761,299	$107,828
GSA RENT	$14,594	$26,000	$15,238	$16,000	$762
Other real property rental	$180,203	$185,680	$344,592	$491,898	$147,306
Subtotal	$1,059,908	$1,189,440	$1,356,530	$1,641,574	$285,044
24 Printing & Reproduction:	$17,122	$16,849	$21,588	$25,282	$3,694
25 Other Services:					
Outpatient dental fees	$79,578	$88,846	$83,885	$88,427	$4,542
Medical & nursing fees	$1,173,551	$1,249,515	$1,323,827	$1,629,296	$305,469
Repairs to furniture/equipment	$121,718	$135,319	$128,406	$135,574	$7,168
M&R contract services	$131,378	$213,856	$133,435	$140,107	$6,672
Contract hospital	$1,022,948	$985,794	$1,138,612	$1,382,951	$244,339
Community nursing homes	$425,161	$437,493	$484,603	$552,356	$67,753
Repairs to prosthetic appliances	$120,165	$112,037	$145,757	$156,325	$10,568
Home Oxygen	$122,733	$139,491	$148,872	$159,655	$10,783
Personal services contracts	$123,552	$180,872	$125,868	$131,924	$6,056
House Staff Disbursing Agreement	$455,342	$436,048	$466,387	$489,706	$23,319
Scarce Medical Specialists	$305,635	$278,349	$328,188	$352,412	$24,224

Obligations by Object
Medical Care Total
(dollars in thousands)

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
25 Other Services (continued)					
Other Medical Contract Services	$1,666,964	$1,576,934	$1,765,245	$2,083,536	$318,291
Administrative Contract Services	$1,197,394	$806,581	$1,531,866	$1,840,084	$308,218
Training Contract Services	$62,622	$52,566	$89,968	$119,314	$29,346
CHAMPVA	$605,897	$1,014,164	$706,015	$796,676	$90,661
Subtotal	$7,614,638	$7,707,865	$8,600,934	$10,058,343	$1,457,409
26 Supplies & Materials:					
Provisions	$95,316	$96,462	$104,554	$115,001	$10,447
Drugs & medicines	$3,826,538	$5,100,409	$4,046,724	$4,279,930	$233,206
Blood & blood products	$78,298	$85,406	$78,927	$79,561	$634
Medical/Dental Supplies	$937,302	$883,903	$995,647	$1,058,585	$62,938
Operating supplies	$221,313	$279,085	$246,406	$278,050	$31,644
M&R supplies	$126,525	$165,096	$250,599	$153,286	($97,313)
Other supplies	$205,893	$229,045	$258,072	$318,122	$60,050
Prosthetic appliances	$1,156,208	$1,175,986	$1,402,452	$1,504,605	$102,153
Home Respiratory Therapy	$22,651	$27,014	$27,475	$29,415	$1,940
Subtotal	$6,670,044	$8,042,406	$7,410,856	$7,816,555	$405,699
31 Equipment	$1,479,978	$1,431,621	$1,429,994	$1,969,024	$539,030
32 Lands & Structures:					
Non-Recurring Maint. (NRM)	$1,576,980	$800,000	$1,100,000	$461,905	($638,095)
ARRA of 2009, P.L. 111-5 2/	$0	$0	$489,700	$510,300	$20,600
Capital Leases	$13,164	$15,646	$65,938	$79,125	$13,187
All Other Lands & Structures	$36,418	$232,729	$32,464	$34,087	$1,623
Subtotal	$1,626,562	$1,048,375	$1,688,102	$1,085,417	($602,685)
41 Grants, Subsidies & Contributions:					
State home	$547,626	$579,343	$678,601	$739,362	$60,761
Homeless Programs	$114,697	$122,000	$130,000	$145,921	$15,921
Subtotal	$662,323	$701,343	$808,601	$885,283	$76,682
43 Imputed Interest	$775	$995	$814	$855	$41
Total, Obligations	$39,387,995	$41,448,363	$44,398,320	$48,237,262	$3,838,942

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

2/ Includes $1 billion from the American Recovery and Reinvestment Act of 2009 for Non-Recurring Maintenance and Energy Projects.

Crosswalk: FY 2010 President's Submission

(dollars in thousands)	FY 2008 Actual			
Description	Medical Care	Services	Support & Compliance	Facilities
Appropriation	$34,201,671	$27,167,671	$3,442,000	$3,592,000
Emergency Designation	$2,519,549	$1,936,549	$75,000	$508,000
Transfer fr MS to MA & MF	$0	($705,000)	$545,000	$160,000
Trns fr MA & MF to GOE, Cons & Fac. Reorg	($45,089)	$0	($18,271)	($26,818)
Trns fr MS to VA/DoD HCSIF	($15,000)	($15,000)	$0	$0
Rescission fr MS (2007 Emerg Sup) CNS, Maj Lvl I Polytrauma Ct	($66,000)	($66,000)	$0	$0
Trns fr MS to IT Systems for FLITE, (P.L. 110-161, Sec. 221)	($6,775)	($6,775)	$0	$0
Trns fr MS to DoD/VA Health Care Sharing Incentive Fund	($30,000)	($30,000)	$0	$0
Trns fr MS to IT	($278,100)	($278,100)	$0	$0
Trns fr MA to IT (IT Development)	($87,112)	$0	($87,112)	$0
Subtotal	$36,193,144	$28,003,345	$3,956,617	$4,233,182
Collections	$2,442,563	$2,442,563	$0	$0
Budget Authority	$38,635,707	$30,445,908	$3,956,617	$4,233,182
Reimbursements:				
Sharing & Other Reimbursements	$260,469	$172,217	$58,462	$29,790
Prior Year Recoveries	$34,665	$34,665	$0	$0
Subtotal	$295,134	$206,882	$58,462	$29,790
Adjustments to Obligations:				
Unobligated Balance (SOY):				
No-Year	$222,119	$221,036	$0	$1,083
2007 Emergency Supplemental (P.L. 110-28)(No-Year)	$829,880	$368,106	$16,384	$445,390
2-Year	$276,212	$180,202	$79,652	$16,358
Subtotal	$1,328,211	$769,344	$96,036	$462,831
Unobligated Balance (EOY):				
No-Year	($321,724)	($320,702)	$0	($1,022)
2007 Emergency Supplemental (P.L. 110-28)(No-Year)	($209,131)	($170,844)	($10,572)	($27,715)
2-Year	($337,897)	($177,790)	($145,928)	($14,179)
Subtotal	($868,752)	($669,336)	($156,500)	($42,916)
Change in Unobligated Balance (Non-Add)	$459,459	$100,008	($60,464)	$419,915
Lapse	($2,305)	($592)	($1,076)	($637)
Obligations	$39,387,995	$30,752,206	$3,953,539	$4,682,250
Outlays				
Obligations	$39,387,995	$30,752,206	$3,953,539	$4,682,250
Obligated Balance (SOY)	$6,532,990	$4,425,357	$552,181	$1,555,452
Obligated Balance (EOY)	($7,528,899)	($4,813,622)	($772,501)	($1,942,776)
Adjustments in Expired Accts	($179,021)	($114,974)	($40,589)	($23,458)
Chg. Uncoll. Cust. Pay Fed. Sources (Unexp.)	($17,909)	($15,970)	($1,229)	($710)
Chg. Uncoll. Cust. Pay Fed. Sources (Exp.)	$12,360	$10,692	$1,281	$387
Outlays, Gross	$38,207,516	$30,243,689	$3,692,682	$4,271,145
Offsetting Collections	($258,461)	($170,821)	($57,684)	($29,956)
PY Recoveries	($34,665)	($34,665)	$0	$0
Net Outlays	$37,914,390	$30,038,203	$3,634,998	$4,241,189
FTE				
Total FTE	216,401	158,263	35,847	22,291
Direct FTE	213,919	156,805	35,228	21,886
Reimbursable FTE	2,482	1,458	619	405

Crosswalk: 2010 President's Submission

(dollars in thousands)	FY 2009 Budget Estimate			
Description	Medical Care	Services	Support & Compliance	Facilities
Appropriation	$38,736,503	$29,819,503	$4,256,000	$4,661,000
Collections	$2,466,860	$2,466,860	$0	$0
Budget Authority	$41,203,363	$32,286,363	$4,256,000	$4,661,000
Reimbursements:				
Sharing & Other Reimbursements	$242,000	$167,000	$46,000	$29,000
Prior Year Recoveries	$3,000	$3,000	$0	$0
Subtotal	$245,000	$170,000	$46,000	$29,000
Adjustments to Obligations:				
Unobligated Balance (SOY):				
No-Year	$0	$0	$0	$0
2007 Emergency Supplemental (P.L. 110-28)(No-Year)	$0	$0	$0	$0
2-Year	$0	$0	$0	$0
Hurricane Supplemental	$0	$0	$0	$0
Recovery & Reinvestment Act of 2009	$0	$0	$0	$0
Subtotal	$0	$0	$0	$0
Unobligated Balance (EOY):				
No-Year	$0	$0	$0	$0
2007 Emergency Supplemental (P.L. 110-28)(No-Year)	$0	$0	$0	$0
2-Year	$0	$0	$0	$0
Hurricane Supplemental	$0	$0	$0	$0
Recovery & Reinvestment Act of 2009	$0	$0	$0	$0
Subtotal	$0	$0	$0	$0
Change in Unobligated Balance (Non-Add)	$0	$0	$0	$0
Lapse	$0	$0	$0	$0
Obligations	$41,448,363	$32,456,363	$4,302,000	$4,690,000
Outlays				
Obligations	$41,448,363	$32,534,363	$4,224,000	$4,690,000
Obligated Balance (SOY)	$8,368,581	$5,858,007	$571,314	$1,939,260
Obligated Balance (EOY)	($9,049,151)	($6,430,173)	($677,319)	($1,941,659)
Outlays, Gross	$40,767,793	$31,962,197	$4,117,995	$4,687,601
Offsetting Collections	($245,000)	($170,000)	($46,000)	($29,000)
Net Outlays	$40,522,793	$31,792,197	$4,071,995	$4,658,601
FTE				
Total FTE	218,591	158,977	35,433	24,181
Direct FTE	215,873	156,654	35,179	24,040
Reimbursable FTE	2,718	2,323	254	141

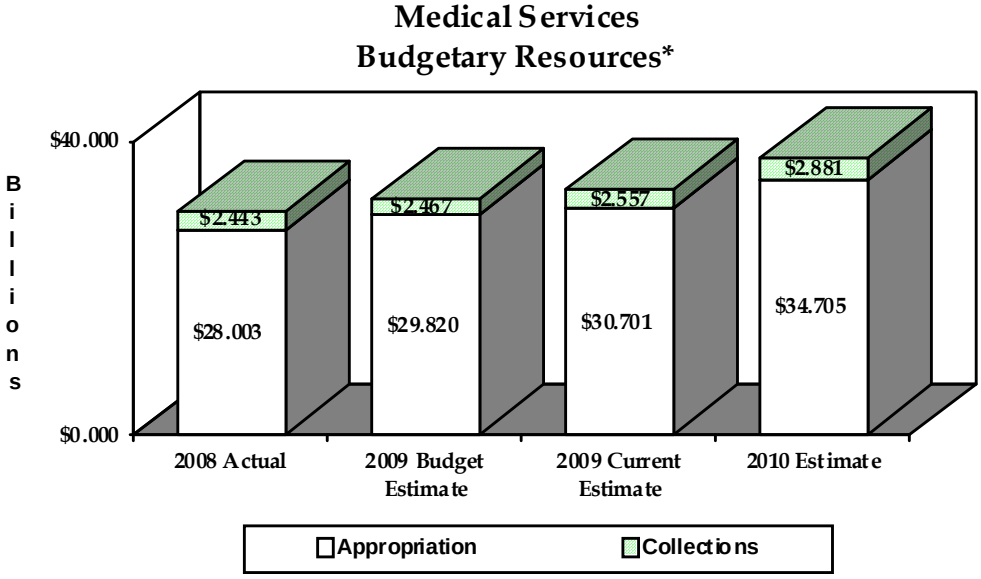
Crosswalk: 2010 President's Submission

(dollars in thousands)	FY 2009 Current Estimate			
Description	Medical Care	Services	Support & Compliance	Facilities
Appropriation	$40,448,903	$30,969,903	$4,450,000	$5,029,000
Transfer to VA/DoD HCSIF	($15,000)	($15,000)	$0	$0
Trns fr MS to IT	($253,890)	($253,890)	$0	$0
Subtotal	$40,180,013	$30,701,013	$4,450,000	$5,029,000
Collections	$2,556,855	$2,556,855	$0	$0
Subtotal Budget Authority	$42,736,868	$33,257,868	$4,450,000	$5,029,000
American Recovery & Reinvestment Act of 2009	$1,000,000	$0	$0	$1,000,000
Total Budget Authority	$43,736,868	$33,257,868	$4,450,000	$6,029,000
Reimbursements:				
Sharing & Other Reimbursements	$300,000	$192,000	$75,000	$33,000
Prior Year Recoveries	$3,000	$3,000	$0	$0
Subtotal	$303,000	$195,000	$75,000	$33,000
Adjustments to Obligations:				
Unobligated Balance (SOY):				
No-Year	$321,724	$320,702	$0	$1,022
2007 Emergency Supplemental (P.L. 110-28)(No-Year)	$209,131	$170,844	$10,572	$27,715
2-Year	$337,897	$177,790	$145,928	$14,179
Subtotal	$868,752	$669,336	$156,500	$42,916
Unobligated Balance (EOY):				
No-Year	$0	$0	$0	$0
2007 Emergency Supplemental (P.L. 110-28)(No-Year)	$0	$0	$0	$0
2-Year	$0	$0	$0	$0
Hurricane Supplemental	$0	$0	$0	$0
Recovery & Reinvestment Act of 2009	($510,300)	$0	$0	($510,300)
Subtotal	($510,300)	$0	$0	($510,300)
Change in Unobligated Balance (Non-Add)	$358,452	$669,336	$156,500	($467,384)
Obligations	$44,398,320	$34,122,204	$4,681,500	$5,594,616
Outlays				
Obligations	$44,398,320	$34,122,204	$4,681,500	$5,594,616
Obligated Balance (SOY)	$7,528,899	$4,813,622	$772,501	$1,942,776
Obligated Balance (EOY)	($9,787,584)	($6,226,553)	($1,044,366)	($2,516,665)
Outlays, Gross	$42,139,635	$32,709,273	$4,409,635	$5,020,727
Offsetting Collections	($303,000)	($195,000)	($75,000)	($33,000)
Net Outlays	$41,836,635	$32,514,273	$4,334,635	$4,987,727
FTE				
Total FTE	232,684	170,268	39,068	23,348
Direct FTE	229,983	168,685	38,382	22,916

Crosswalk: 2010 President's Submission

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

Medical Services



*Reflects appropriation transfers and rescission.

Appropriation Language

For necessary expenses for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs and veterans described in section 1705(a) of title 38, United States Code, including care and treatment in facilities not under the jurisdiction of the Department, and including medical supplies and equipment, food services, and salaries and expenses of health-care employees hired under title 38, United States Code, and aid to State homes as authorized by section 1741 of title 38, United States Code; [$30,969,903,000] *$34,704,500,000*, plus reimbursements[, of which not less than $3,800,000,000 shall be expended for specialty mental health care and of which $250,000,000 shall be for establishment and implementation of a new rural health outreach and delivery initiative]: Provided, That of the funds made available under this heading, not to exceed $1,600,000,000 shall be available until September 30, [2010] *2011*: Provided further, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs shall establish a priority for the provision of medical treatment for veterans who have service-connected disabilities, lower income, or have special needs: Provided further, That,

notwithstanding any other provision of law, the Secretary of Veterans Affairs shall give priority funding for the provision of basic medical benefits to veterans in enrollment priority groups 1 through 6: Provided further, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs may authorize the dispensing of prescription drugs from Veterans Health Administration facilities to enrolled veterans with privately written prescriptions based on requirements established by the Secretary: Provided further, That the implementation of the program described in the previous proviso shall incur no additional cost to the Department of Veterans Affairs: Provided further, That for the Department of Defense/Department of Veterans Affairs Health Care Sharing Incentive Fund, as authorized by section 8111(d) of title 38, United States Code, a minimum of $15,000,000, to remain available until expended, for any purpose authorized by section 8111 of title 38, United States Code. (Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2009.)

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

2010 Request
The 2010 submission for the Medical Services appropriation is based primarily on an actuarial analysis founded on current and projected Veteran population statistics, enrollment projections of demand, and case mix changes associated with current Veteran patients.

The 2010 budget presents a focused request based on expected demand, as well as the infrastructure and service needs to appropriately care for that demand.

The resource change is tied to actuarial estimates of demand and case mix changes for all Veteran priorities. Demand is adjusted for expected utilization changes anticipated for an aging Veteran population and for services mandated by statute. The utilization projections are based on private sector benchmarks adjusted to reflect the VA health care services package, Veteran age, gender, morbidity, reliance on VA versus other health care providers, and degree of health care management. The changing health care demands reflect Veterans' increasing reliance on pharmaceuticals; the advanced aging of many World War II and Korean Veterans in greater need of health care; and the outcome of high Veteran satisfaction with the health care delivery.

Program Activities
The Medical Services appropriation provides for medical services of enrolled eligible Veterans and certain dependent beneficiaries in VA medical centers, outpatient clinic facilities, contract hospitals, State homes, and outpatient programs on a fee basis. Hospital and outpatient care is also provided by the

private sector for certain dependents and survivors of Veterans under the Civilian Health and Medical Programs for the Department of Veterans Affairs (CHAMPVA).

Program Resources in 2010: $37,820,962,000 in Obligations and 175,996 in FTE
The programmatic needs in this section reflect VA operational changes that impact resources in 2010. The components of the program resource changes are provided below.

Health Care Services: $31,666,540,000 in Obligations in 2010
The increasing expenditures cover the utilization of services for all projected enrollees in 2010 (Priorities 1-8). Program resources for medical services are impacted by changes in Veterans' utilization, case-mix and reliance. The resource change is tied to actuarial estimates of demand and case mix changes for all Veteran priorities. Demand is adjusted for expected utilization changes anticipated for an aging Veteran population and for services mandated by statute. The utilization projections are based on private sector benchmarks adjusted to reflect the VA health care services package, Veteran age, gender, morbidity, reliance on VA versus other health care providers, and degree of health care management. The changing health care demands reflect Veterans' increasing reliance on pharmaceuticals; the aging of many World War II and Korean Veterans in greater need of health care; and the outcome of high Veteran satisfaction with the health care delivery.

VA projects increases for the following medical services:

- **Acute Care: $25,873,648,000 in Obligations in 2010**
  - **Inpatient Acute Hospital Care**: Delivered in both VA's 153 hospitals and through contract inpatient care. Services include acute care for medicine (including neurology), surgery, and maternity.
  - **Ambulatory Care:** This includes funding for ambulatory care in 986 VA hospital-based (153) and community-based (833) clinics. Contract fee care is often provided for eligible beneficiaries when VA facilities are not geographically accessible, services are not available at a particular facility, or when care cannot be provided in a timely manner.
  - **Pharmacy Services:** These services include prescriptions, over-the-counter medications and pharmacy supplies. VA expects to fill 254 million prescriptions in 2010.
- **Rehabilitative Care: $548,005,000 in Obligations in 2010**
  These services include Blind Rehabilitation and Spinal Cord Injury programs.

- **Mental Health: $3,258,427,000 in Obligations in 2010**
  This funding will support inpatient, residential, and outpatient mental health programs for mental health conditions, including substance abuse disorders. The funding covers specialized mental health and substance abuse programs and programs that support integrating mental health services with primary care. Within specialty care, it includes day treatment for psychosocial rehabilitation, intensive outpatient programs for substance abuse, mental health care for the homeless, mental health intensive case management, and supported employment and compensated work therapy, as well as other mental health services. VA domiciliary care is included as a residential mental health program.

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

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

  In 2004-2005, in recognition of the needs of returning Veterans and VA's duty to enhance mental health services for all Veterans, the Under

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

- **Prosthetics: $1,479,847,000 in Obligations in 2010**
  These funds provide for the purchase and repair of prosthetics and sensory aids such as hearing aids, pacemakers, artificial hip and knee joints, and ocular lenses.

- **Dental Care: $506,613,000 in Obligations in 2010**
  The requested funding supports dental care for Veterans, including one-time Class II benefits to all newly discharged combat OEF/OIF Veterans within 180 days of discharge. Class II benefits are provided to Veterans with service-connected, non-compensable dental conditions or disabilities shown to have been in existence at the time of discharge or release from active duty. VA may authorize any treatment as reasonably necessary for the one-time correction of the service-connected, non-compensable condition under specified criteria.

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

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

Long-Term Care: $4,677,088,000 in Obligations in 2010
VA projects the institutional care Average Daily Census (ADC) will increase slightly from 39,471 to 39,717 from 2009 to 2010. VA will continue to focus its long-term care treatment in the least restrictive and most clinically appropriate setting by providing more non-institutional care than ever before and providing Veterans with care closer to where they live. VA is projecting an ADC of 90,654 for this progressive type of long-term care, an increase of 18,302 ADC or 25.3% from the 2009 level.

Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA): $908,411,000 in Obligations in 2010
CHAMPVA was established to provide health benefits for the dependents and survivors of Veterans who are, or were at time of death, 100% permanently and totally disabled from a service-connected disability, or who died from a service-connected condition. VA provides most of the care for these dependents and survivors under this program by purchasing care from the private sector. CHAMPVA costs continue to grow as a result of several factors. First, due to changes in the benefit structure, the mix of users has changed significantly since 2002. Veterans' Survivor Benefits Improvements Act of 2001, Public Law 107-14, dated June 5, 2001 amended title 38, United States Code, to expand eligibility to those 65 and older who would have lost their CHAMPVA eligibility when they became eligible for Medicare. CHAMPVA is secondary payer to Medicare for those individuals. Veterans Benefits Act of 2002, Public Law 107-330 dated December 6, 2002, also allowed retention of CHAMPVA for surviving spouses remarrying after age 55. In 2009, CHAMPVA is predicting serving 329,000 beneficiaries of which 230,000 will actually utilize the benefit. In 2010, we anticipate a 3.34% increase in eligible beneficiaries but a 4.29% increase in unique users. Additionally, the number of claims paid is expected to grow from 7.5 million to 7.9 million, a 4.8% increase from 2009 to 2010. Along with the increasing number of claims, the cost of transaction fees required to process electronic claims is increasing.

Readjustment Counseling: $192,000,000 in Obligations in 2010
This funding is required to provide readjustment counseling at VA's Vet Centers to Veterans that served in a combat zone or area of armed hostilities, including those involved in OEF and OIF. VA had 232 Vet Centers operating across the

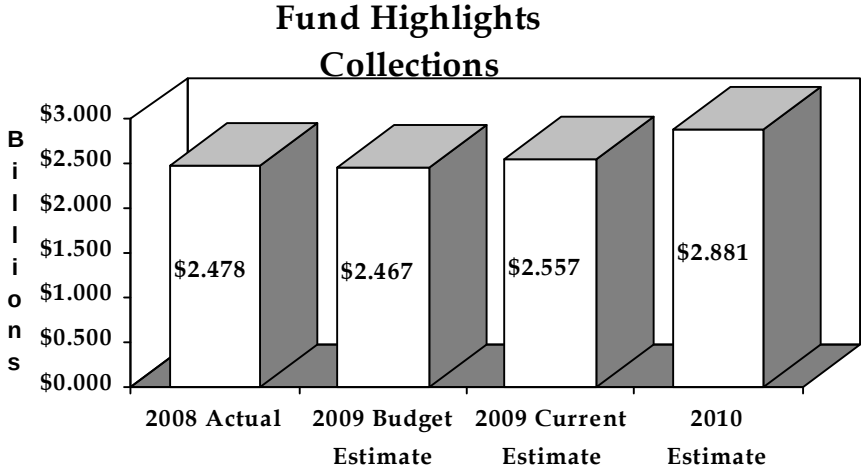
country in 2008, and expects to expand to 271 in 2009 and to 299 in 2010. Vet Centers are essential for helping Veterans access treatment for PTSD conditions, and this expansion is consistent with the Presidential priority to increase access to care for Veterans in rural areas. As they return from multiple tours of duty for OEF/OIF, VA expects an increase in the number of Veterans with PTSD conditions. Vet Centers are tasked with three major functions: direct counseling for issues related to combat service, outreach, and referral. Services are also provided to families for military related issues. In 2003 Vet Centers were authorized to provide bereavement counseling for families of service members who die while on active duty.

Other VA Health Care Programs: $350,923,000 in Obligations in 2010
This section is comprised of funding for various health care programs. Funds of $312 million are required to provide medical services to an increasing number of non-Veterans receiving medical care. In 2009, VA will provide medical services to over 509,000 non-Veterans, increasing to over 515,000 in 2010, nearly 6,000 or 1.2% more. Funds of over $24 million are required for the Community-Based Domiciliary Aftercare/Outreach Program; the Residential Care Home Program; and the State Home Hospital Program. The VA/DoD Health Care Sharing Incentive Fund will require $15 million.

Combat Homelessness Pilot Program: $26,000,000 in Obligations in 2010
VA is requesting $26 million to support a pilot program partnering with non-profits, consumer co-ops and other agencies to assist Veteran families that might otherwise become homeless. VA will also utilize the authority mandated in Veterans' Mental Health and Other Care Improvements Act of 2008, Public Law 110-387 dated October 10, 2008, as well as authority provided in other legislation to establish pilot programs with community based non-profit and co-ops to provide supportive services specifically designed to prevent homelessness. This pilot will be coordinated with the related homelessness programs of other relevant agencies, and will encompass both rural and urban sites with the goal of targeting those most at risk of becoming homeless. Through this new initiative, VA will meet the President's priority by providing stable housing, along with case management, counseling and a myriad of other supportive services to Veterans at the greatest risk of slipping into homelessness.

Medical Care Collections Fund: $2,881,462,000 in Collections in 2010

VA estimates collections of more than $2.881 billion, representing an increase of nearly $325 million, a 12.7% increase over the 2009 level.



Medical Care Collections Fund
(dollars in thousands)

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Medical Care Collections Fund:					
Pharmacy Co-payments	$749,685	$818,911	$709,575	$754,476	$44,901
3rd Party Insurance Collections	$1,497,449	$1,438,747	$1,621,467	$1,882,485	$261,018
1st Party Other Co-payments	$168,274	$154,765	$162,662	$181,210	$18,548
Enhanced-Use Revenue	$1,422	$700	$1,400	$1,400	$0
Long-Term Care Co-Payments	$3,751	$4,347	$3,751	$3,891	$140
Comp. Work Therapy Collections	$52,372	$44,313	$53,000	$53,000	$0
Parking Fees	$3,355	$2,985	$3,400	$3,400	$0
Comp. & Pension Living Expenses	$1,572	$2,092	$1,600	$1,600	$0
Total Collections	$2,477,880	$2,466,860	$2,556,855	$2,881,462	$324,607

1/ Collections of $2,477,879,601 received by VA in 2008. Due to the difference in timing from when the funds are received and transferred into the medical care account, previous charts reflect $2,442,562,994 transferred to the medical care account in 2008. The remainder of funds collected in 2008 will be transferred in 2009.

Balanced Budget Act of 1997, Public Law 105-33 dated August 5, 1997 established the Department of Veterans Affairs Medical Care Collections Fund (MCCF). The legislation required that amounts collected or recovered after June 30, 1997 be deposited into the MCCF and used for medical care and services to Veterans. In September 1999, VA implemented reasonable charges billing, which allowed movement from cost-based medical care recovery to an approach closely

resembling industry market pricing for services. After an initial adjustment period, there was a marked improvement in health care collections.

With the establishment of the Chief Business Office (CBO), an expanded revenue enhancement plan was formulated to implement a series of additional tactical and strategic objectives. This plan targets a combination of immediate, mid-term, and long-term improvements to the broad range of business processes encompassing VA revenue activities. This CBO-directed effort is a formalized validation of viable activities being pursued that have been extremely successful in addressing national issues, such as coding, payer agreements, site visits to lower performing facilities, and improved financial controls to increase collections. During 2008, MCCF collections totaled over $2.4 billion, reflecting a nearly four-fold improvement in total collections since 2000 because of these activities and an increased emphasis on improving revenue-cycle processes. VA is expecting MCCF total collections to reach $2.6 billion in 2009. Although VHA has realized a significant improvement in revenue performance, even greater opportunities are being addressed by initiatives described below.

National Revenue Contracts Office

This initiative leverages VHA's size and financial purchasing power to develop national relationships for both payer agreements and contracts for vendors who provide support for revenue-cycle activities. The National Payer Relations Office (NPRO) aggressively continues to pursue strategies to manage relationships effectively with third party payers. NPRO has completed national payer agreements with Aetna and United Health Care as well as rate verifications for 84 regional agreements.

The Revenue Contracts Program, another component of the National Revenue Contracts Office, improves the management of vendors utilized in support of VHA revenue-cycle activities by developing better rates and consistency in payment terms, expectations, and performance standards. One primary initiative under this program is VHA's establishment of national and regional Blanket Purchase Agreements (BPAs) for frequently used revenue-cycle services to include coding, insurance identification/verification, billing and third party accounts receivable follow-up products and services. To date, 14 BPAs are in place for core revenue cycle functions with additional agreements in progress.

Consolidated Patient Account Center (CPAC)

In 2006, VHA established an industry-modeled consolidated business operation tailored to VHA revenue requirements within Veterans Integrated Service Network (VISN) 6, with the objectives of increasing collections and improving operational performance. Since the establishment of the Mid-Atlantic CPAC (MACPAC), third party collections increased in this region by approximately 14%

over the national rate of growth. In addition, all key revenue performance metrics for the MACPAC consistently rank among the best of VHA facilities. MACPAC currently provides revenue operations for medical centers and clinics in both VISNs 6 and 7 and services are expanding to include VISN 5 during 2009. Due to the success of the CPAC pilot project and pursuant to Veterans Mental Health and Other Improvements Act of 2008, Public Law 110-387, VHA continues to move forward with the national implementation of the CPAC business model. VHA plans to establish six additional regionalized, consolidated processing centers that will handle revenue operations for the entire VA health care system. CPAC implementation will generate an additional $1.7 billion (estimate) in revenues for VA over 10 years.

e-Business Initiatives

In an effort to leverage the health care industry's migration to national standard electronic data exchanges under the Health Insurance Portability and Accountability Act (HIPAA), VHA has implemented a number of initiatives to add efficiencies to the billing and collections processes including Medicare-equivalent Remittance Advices; insurance verification; inpatient/outpatient/pharmacy billing; payments; and denials management. VHA has also met the May 23, 2007 compliance deadline for the National Provider Identifier (NPI) in electronic health care transactions: enumeration of VHA organizational entities was completed in June 2006; enumeration of billable health care practitioners was completed in October 2006 (new practitioners' NPIs continue to be added to VHA's database); and software necessary to bring NPIs into HIPAA-standard electronic transactions was installed as of February 2007.

Revenue Improvement and System Enhancements (RISE)

A major driver in VA's revenue optimization strategy is a congressionally mandated Revenue Improvement and Systems Enhancements (RISE) project, which seeks to remedy significant business process and technology issues in VA's revenue-related financial systems. VA chartered the RISE project team to meet the intended targets through the development of requirements to improve the revenue program, resulting in increased collections and improved operational efficiencies. In 2009, the RISE Program was approved by VA Office of Information Technology and funded as part of the Information Technology reprioritization initiative. During 2009, the program will initiate development of major subsystems required to support the future revenue system including workflow management, charge description management and the national insurance file. The first major component of RISE project procurement in 2010 will be services supporting the CPAC expansion to include a workflow automation tool for deployment in support of CPAC business processes. This helps to leverage lessons learned from the CPAC Pilot initiative and will facilitate expansion of the CPAC business model.

Medical Services
Program Resource Data

Unique Patients [1/]

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Priorities 1-6.....	3,709,060	3,861,329	3,890,188	3,994,758	104,570
Priorities 7-8.....	1,369,209	1,396,790	1,529,704	1,540,997	11,293
Subtotal Veterans.....	5,078,269	5,258,119	5,419,892	5,535,755	115,863
Non-Veterans 2/.....	498,420	513,232	509,167	515,098	5,931
Total Unique Patients...	5,576,689	5,771,351	5,929,059	6,050,853	121,794

Unique Enrollees [3/]

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Priorities 1-6.....	5,541,420	5,633,374	5,714,879	5,822,496	107,617
Priorities 7-8.....	2,293,343	2,354,105	2,602,064	2,616,346	14,282
Total Enrollees.....	7,834,763	7,987,479	8,316,943	8,438,842	121,899

Users as a Percent of Enrollees

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Priorities 1-6.....	66.9%	68.5%	68.1%	68.6%	0.5%
Priorities 7-8.....	59.7%	59.3%	58.8%	58.9%	0.1%
Total Enrollees.....	64.8%	65.8%	65.2%	65.6%	0.4%

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

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

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

Summary of Workloads for VA and Non-VA Facilities

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Outpatient Visits (000):					
Staff	58,218	62,024	60,387	62,776	2,389
Fee	8,309	7,211	9,351	10,337	986
Readjustment Counseling	1,113	1,222	1,222	1,383	161
Total	67,640	70,457	70,960	74,496	3,536
Patients Treated:					
Acute Hospital Care	585,016	573,326	603,684	623,201	19,517
Rehabilitative Care	14,486	13,748	14,425	14,393	(32)
Psychiatric Care*	133,745	151,228	137,283	137,891	608
Nursing Home Care	96,253	93,002	98,003	101,876	3,873
Subacute Care	6,809	6,294	4,903	3,230	(1,673)
State Home Domiciliary	4,550	5,840	4,383	4,250	(133)
Inpatient Facilities, Total	840,859	843,438	862,681	884,841	22,160
Average Daily Census:					
Acute Hospital Care	8,552	8,219	8,613	8,679	66
Rehabilitative Care	1,106	1,073	1,099	1,103	4
Psychiatric Care*	9,402	10,077	9,606	9,803	197
Nursing Home Care	35,350	34,970	35,593	35,837	244
Subacute Care	200	145	141	89	(52)
State Home Domiciliary	3,876	3,894	3,878	3,880	2
Inpatient Facilities, Total	58,486	58,378	58,930	59,391	461
Home & Comm. Bsd. Care	54,053	61,029	72,352	90,654	18,302
Inpatient & H&CBC, Grand Total	112,539	119,407	131,282	150,045	18,763
Length of Stay:					
Acute Hospital Care	5.4	5.2	5.2	5.1	(0.1)
Rehabilitative Care	27.9	28.5	27.8	28.0	0.2
Psychiatric Care*	25.7	24.3	25.5	25.9	0.4
Nursing Home Care	134.4	137.2	132.6	128.4	(4.2)
Subacute Care	10.7	8.4	10.5	10.1	(0.4)
State Home Domiciliary	311.8	243.4	323.8	333.2	9.4
Dental Procedures	3,463,377	3,620,884	3,650,605	3,749,427	98,822
CHAMPVA/FMP/Spina Bifida Workloads:					
Inpatient Census	928	863	860	885	25
Outpatient Workloads (000)	6,955	7,612	7,498	7,860	362

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

Summary of Total Request, Medical Services

(dollars in thousands)

Account	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Appropriation	$27,167,671	$29,819,503	$30,969,903	$34,704,500	$3,734,597
2008 Emergency Designation	$1,936,549	$0	$0	$0	$0
Transfer fr MS to MSC & MF	($705,000)	$0	$0	$0	$0
Trns to VADoD HCSIF	($15,000)	$0	($15,000)	$0	$15,000
Rescission fr MS (2007 Emerg Supp) to CNS	($66,000)	$0	$0	$0	$0
Trns fr MS to IT Systems, FLITE	($6,775)	$0	$0	$0	$0
Trns fr MS to DoD/VA HCSIF	($30,000)	$0	$0	$0	$0
Trns fr MS to IT	($278,100)	$0	($253,890)	$0	$253,890
Subtotal	$28,003,345	$29,819,503	$30,701,013	$34,704,500	$4,003,487
Collections	$2,442,563	$2,466,860	$2,556,855	$2,881,462	$324,607
Budget Authority	$30,445,908	$32,286,363	$33,257,868	$37,585,962	$4,328,094
Sharing & Other Reimbursements	$172,217	$167,000	$192,000	$232,000	$40,000
Prior Year Recoveries	$34,665	$3,000	$3,000	$3,000	$0
Subtotal	$206,882	$170,000	$195,000	$235,000	$40,000
Unobligated Balance (SOY):					
No-Year	$221,036	$0	$320,702	$0	($320,702)
2007 Emerg. Supp. (P.L. 110-28) (No-Year)	$368,106	$0	$170,844	$0	($170,844)
2-Year	$180,202	$0	$177,790	$0	($177,790)
Subtotal	$769,344	$0	$669,336	$0	($669,336)
Unobligated Balance (EOY):					
No-Year	($320,702)	$0	$0	$0	$0
2007 Emerg. Supp. (P.L. 110-28) (No-Year)	($170,844)	$0	$0	$0	$0
2-Year	($177,790)	$0	$0	$0	$0
Subtotal	($669,336)	$0	$0	$0	$0
Change in Unobligated Balance (Non-Add)	($1,438,680)	$0	($669,336)	$0	$669,336
Lapse	($592)	$0	$0	$0	$0
Total Obligations	$30,752,206	$32,456,363	$34,122,204	$37,820,962	$3,698,758

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

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Acute Hospital Care.....	$6,446,004	$6,074,323	$7,159,963	$7,636,092	$476,129
Rehabilitative Care.....	$454,916	$435,415	$508,959	$548,005	$39,046
Psychiatric Care.....	$2,764,099	$1,464,799	$3,023,790	$3,258,427	$234,637
Nursing Home Care.....	$2,947,155	$2,910,114	$3,267,663	$3,650,087	$382,424
Subacute Care.....	$71,460	$106,284	$73,835	$76,847	$3,012
State Home Domiciliary....	$48,675	$51,190	$53,637	$58,084	$4,447
Outpatient Care.....	$17,231,767	$20,400,074	$19,186,207	$21,685,009	$2,498,802
CHAMPVA.....	$788,130	$1,014,164	$848,150	$908,411	$60,261
Total Obligations.....	$30,752,206	$32,456,363	$34,122,204	$37,820,962	$3,698,758

Outlay Reconciliation
Medical Services
(dollars in thousands)

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Obligations	$30,752,206	$32,534,363	$34,122,204	$37,820,962	$3,698,758
Obligated Balance (SOY)	$4,425,357	$5,858,007	$4,813,622	$6,226,553	$1,412,931
Obligated Balance (EOY)	($4,813,622)	($6,430,173)	($6,226,553)	($7,348,658)	($1,122,105)
Adjustments in Expired Accts	($114,974)	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay. Fed. Sources (Unexp.)	($15,970)	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay. Fed. Sources (Exp.)	$10,692	$0	$0	$0	$0
Outlays, Gross	$30,243,689	$31,962,197	$32,709,273	$36,698,857	$3,989,584
Offsetting Collections	($170,821)	($170,000)	($195,000)	($235,000)	($40,000)
Prior Year Recoveries	($34,665)	$0	$0	$0	$0
Net Outlays	$30,038,203	$31,792,197	$32,514,273	$36,463,857	$3,949,584

FTE by Type
Medical Services

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Physicians	14,122	14,412	15,216	15,932	716
Dentists	873	900	923	960	37
Registered Nurses	37,665	37,444	40,652	42,635	1,983
LPN/LVN/NA	21,074	21,064	22,477	23,034	557
Non-Physician Providers	8,774	9,470	9,373	9,753	380
Health Techs/Allied Health	45,945	45,683	49,638	50,670	1,032
Wage Board/P&H	5,480	4,523	5,603	5,667	64
All Other	24,330	25,481	26,386	27,345	959
Total	158,263	158,977	170,268	175,996	5,728

FTE by Activity
Medical Services

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Acute Hospital Care	36,901	33,848	39,439	41,151	1,712
Rehabilitative Care	3,878	3,628	4,230	4,499	269
Psychiatric Care	23,341	12,588	25,975	28,338	2,363
Nursing Home Care	20,085	17,825	21,239	21,963	724
Subacute Care	594	857	551	506	(45)
Outpatient Care	73,435	89,586	78,799	79,499	700
CHAMPVA	29	645	35	40	5
Total	158,263	158,977	170,268	175,996	5,728

Obligations by Object
Medical Services
(dollars in thousands)

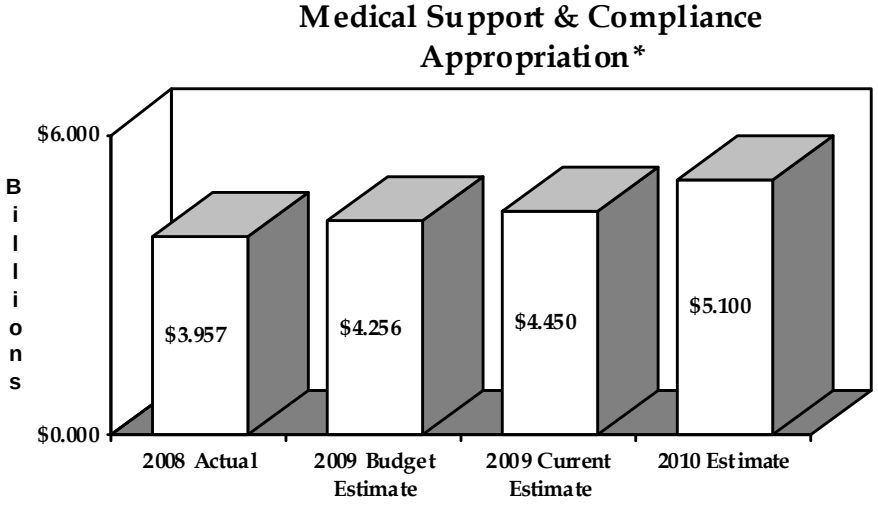
Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
10 Personal Svcs & Benefits:					
Physicians	$3,366,368	$3,808,758	$3,819,072	$4,145,005	$325,933
Dentists	$180,317	$183,038	$200,724	$216,410	$15,686
Registered Nurses	$4,015,101	$4,176,204	$4,562,847	$4,960,422	$397,575
LPN/LVN/NA	$1,228,150	$1,274,203	$1,379,250	$1,465,118	$85,868
Non-Physician Providers	$1,072,777	$1,216,961	$1,206,674	$1,301,505	$94,831
Health Techs/Alllied Health	$3,771,254	$3,904,983	$4,289,999	$4,539,336	$249,337
Wage Board/P&H	$272,213	$9,028	$293,044	$307,220	$14,176
Administration	$1,442,265	$1,554,340	$1,646,929	$1,769,211	$122,282
Perm Change of Station	$5,962	$9,353	$6,300	$6,600	$300
Emp Comp Pay	$131,299	$133,712	$139,200	$146,200	$7,000
Subtotal	$15,485,706	$16,270,580	$17,544,039	$18,857,027	$1,312,988
21 Travel & Trans of Persons:					
Employee	$56,763	$36,191	$68,116	$71,522	$3,406
Beneficiary	$372,710	$270,695	$546,700	$600,000	$53,300
Other	$13,387	$43,936	$14,056	$14,758	$702
Subtotal	$442,860	$350,822	$628,872	$686,280	$57,408
22 Transportation of Things	$12,369	$11,349	$13,705	$15,185	$1,480
23 Comm., Utilites & Oth. Rent:					
Rental of equip	$77,452	$68,107	$97,840	$114,461	$16,621
Communications	$141,657	$132,595	$148,740	$156,177	$7,437
Other real property rental	$675	$0	$0	$0	$0
Subtotal	$219,784	$200,702	$246,580	$270,638	$24,058
24 Printing & Reproduction:	$2,147	$1,873	$3,108	$4,040	$932
25 Other Services:					
Outpatient dental fees	$79,576	$88,846	$83,885	$88,427	$4,542
Medical & nursing fees	$1,169,922	$1,245,339	$1,320,017	$1,625,296	$305,279
Repairs to furniture/equipment	$26,515	$5,953	$27,841	$29,233	$1,392
M&R contract services	$3,950	$0	$0	$0	$0
Contract hospital	$1,022,948	$985,794	$1,138,612	$1,382,951	$244,339
Community nursing homes	$425,161	$437,493	$484,603	$552,356	$67,753
Repairs to prosthetic appliances	$120,162	$112,037	$145,757	$156,325	$10,568
Home Oxygen	$122,733	$139,491	$148,872	$159,655	$10,783
Personal services contracts	$102,150	$132,246	$103,627	$108,808	$5,181
House Staff Disbursing Agreement	$455,091	$436,048	$466,387	$489,706	$23,319
Scarce Medical Specialists	$305,629	$278,349	$328,188	$352,412	$24,224

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

Obligations by Object
Medical Services
(dollars in thousands)

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
25 Other Services (continued)					
Other Medical Contract Services	$1,631,462	$981,099	$1,765,245	$2,083,536	$318,291
Administrative Contract Services	$235,562	$184,999	$231,057	$327,128	$96,071
Training Contract Services	$34,453	$31,208	$43,697	$55,424	$11,727
CHAMPVA	$605,897	$1,014,164	$706,015	$796,676	$90,661
Subtotal	$6,341,211	$6,073,066	$6,993,803	$8,207,933	$1,214,130
26 Supplies & Materials:					
Provisions	$95,049	$96,462	$104,554	$115,001	$10,447
Drugs & medicines	$3,826,225	$5,100,409	$4,046,724	$4,279,930	$233,206
Blood & blood products	$78,298	$85,406	$78,927	$79,561	$634
Medical/Dental Supplies	$936,825	$883,903	$995,647	$1,058,585	$62,938
Operating supplies	$101,706	$117,603	$120,819	$146,184	$25,365
M&R supplies	$441	$0	$0	$0	$0
Other supplies	$79,634	$98,923	$99,174	$124,074	$24,900
Prosthetic appliances	$1,156,204	$1,175,986	$1,402,452	$1,504,605	$102,153
Home Respiratory Therapy	$22,651	$27,014	$27,475	$29,415	$1,940
Subtotal	$6,297,033	$7,585,706	$6,875,772	$7,337,355	$461,583
31 Equipment	$1,283,250	$1,260,922	$1,007,724	$1,557,221	$549,497
32 Lands & Structures:					
Non-Recurring Maint. (NRM)	$77	$0	$0	$0	$0
All Other Lands & Structures	$5,447	$0	$0	$0	$0
Subtotal	$5,524	$0	$0	$0	$0
41 Grants, Subsidies & Contributions:					
State home	$547,626	$579,343	$678,601	$739,362	$60,761
Homeless Programs	$114,696	$122,000	$130,000	$145,921	$15,921
Subtotal	$662,322	$701,343	$808,601	$885,283	$76,682
Total Obligations	$30,752,206	$32,456,363	$34,122,204	$37,820,962	$3,698,758

Medical Support & Compliance



*Includes appropriation transfers.

Appropriation Language

For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of capital policy activities; and administrative and legal expenses of the Department for collecting and recovering amounts owed the Department as authorized under chapter 17 of title 38, United States Code, and the Federal Medical Care Recovery Act (42 U.S.C. 2651 et seq.); [$4,450,000,000] *$5,100,000,000*, plus reimbursements, of which $250,000,000 shall be available until September 30, [2010] *2011*. (Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2009.)

Appropriation Transfers and Supplementals

Part 1F, Medical Programs, Appendix, Appropriation Transfers and Supplementals discusses in detail the appropriation transfers and supplementals that affect the Medical Support and Compliance appropriation.

2010 Request
The Medical Support and Compliance (formerly Medical Administration) appropriation provides funds for the expenses of management, security, and administration of VA health care system. Included under this heading are provisions for costs associated with operation of VA medical centers, other facilities, and VHA headquarters, plus the costs of VISN offices and Facility Director offices; Chief of Staff operations; quality of care oversight; providing security; legal services; billing and coding activities; procurement; financial management; and human resource management.

The 2010 submission for the Medical Support and Compliance appropriation is based on an actuarial analysis founded on current and projected Veteran population statistics, enrollment projections of demand, and case mix changes associated with current Veteran patients.

Program Resource Changes: $5,178,000,000 in Obligations and 39,921 FTE
The programmatic needs in this section reflect VA operational changes that impact resources in 2010. The Medical Support and Compliance appropriation provides funds for the expenses of management, security, and administration of VA health care system. VA employs 39,921 FTE in this function. The $5.2 billion includes $78 million in anticipated reimbursements, including $45.8 million for user fees associated with the Human Resources Information System.

Medical Support & Compliance Program Resource Data

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

Account	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Appropriation	$3,442,000	$4,256,000	$4,450,000	$5,100,000	$650,000
2008 Emergency Designation	$75,000	$0	$0	$0	$0
Transfer fr MS to MSC & MF	$545,000	$0	$0	$0	$0
Trns fr MSC & MF to GOE, CNS & Fac. Reorg	($18,271)	$0	$0	$0	$0
Trns fr MSC to IT (IT Development)	($87,112)	$0	$0	$0	$0
Budget Authority	$3,956,617	$4,256,000	$4,450,000	$5,100,000	$650,000
Sharing & Other Reimbursements	$58,462	$46,000	$75,000	$78,000	$3,000
Prior Year Recoveries	$0	$0	$0	$0	$0
Subtotal	$58,462	$46,000	$75,000	$78,000	$3,000
Unobligated Balance (SOY):					
No-Year	$0	$0	$0	$0	$0
2007 Emerg. Supp. (P.L. 110-28) (No-Year)	$16,384	$0	$10,572	$0	($10,572)
2-Year	$79,652	$0	$145,928	$0	($145,928)
Subtotal	$96,036	$0	$156,500	$0	($156,500)
Unobligated Balance (EOY):					
No-Year	$0	$0	$0	$0	$0
2007 Emerg. Supp. (P.L. 110-28) (No-Year)	($10,572)	$0	$0	$0	$0
2-Year	($145,928)	$0	$0	$0	$0
Subtotal	($156,500)	$0	$0	$0	$0
Change in Unobligated Balance (Non-Add)	($252,536)	$0	($156,500)	$0	$156,500
Lapse	($1,076)	$0	$0	$0	$0
Total Obligations	$3,953,539	$4,302,000	$4,681,500	$5,178,000	$496,500

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

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Acute Hospital Care.....	$887,715	$848,929	$1,005,991	$1,076,910	$70,919
Rehabilitative Care.....	$78,046	$78,997	$89,922	$97,557	$7,635
Psychiatric Care.....	$491,205	$327,739	$585,194	$660,789	$75,595
Nursing Home Care.....	$401,027	$436,739	$458,797	$497,127	$38,330
Subacute Care.....	$12,836	$21,761	$12,967	$12,688	($279)
State Home Domiciliary Care....	$12	$0	$0	$0	$0
Outpatient Care.....	$2,010,650	$2,587,835	$2,441,551	$2,731,903	$290,352
CHAMPVA.....	$72,048	$0	$87,078	$101,026	$13,948
Total Obligations.....	$3,953,539	$4,302,000	$4,681,500	$5,178,000	$496,500

Outlay Reconciliation
Medical Support and Compliance
(dollars in thousands)

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Obligations	$3,953,539	$4,224,000	$4,681,500	$5,178,000	$496,500
Obligated Balance (SOY)	$552,181	$571,314	$772,501	$1,044,366	$271,865
Obligated Balance (EOY)	($772,501)	($677,319)	($1,044,366)	($1,186,706)	($142,340)
Adjustments in Expired Accts	($40,589)	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay. Fed. Sources (Unexp.)	($1,229)	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay. Fed. Sources (Exp.)	$1,281	$0	$0	$0	$0
Outlays, Gross	$3,692,682	$4,117,995	$4,409,635	$5,035,660	$626,025
Offsetting Collections	($57,684)	($46,000)	($75,000)	($78,000)	($3,000)
Prior Year Recoveries	$0	$0	$0	$0	$0
Net Outlays	$3,634,998	$4,071,995	$4,334,635	$4,957,660	$623,025

FTE by Type
Medical Support and Compliance

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Physicians	466	489	477	488	11
Dentists	9	11	11	13	2
Registered Nurses	1,951	1,878	2,189	2,274	85
LPN/LVN/NA	166	61	172	182	10
Non-Physician Providers	60	289	70	80	10
Health Techs/Allied Health	602	536	605	668	63
Wage Board/P&H	788	760	1,010	1,062	52
All Other	31,805	31,409	34,534	35,154	620
Total	35,847	35,433	39,068	39,921	853

FTE by Activity
Medical Support and Compliance

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Acute Hospital Care	7,867	8,158	8,357	8,483	126
Rehabilitative Care	664	672	724	751	27
Psychiatric Care	4,472	2,933	4,973	5,299	326
Nursing Home Care	3,573	4,151	3,789	3,838	49
Subacute Care	116	196	108	99	(9)
Outpatient Care	18,424	19,323	20,247	20,447	200
CHAMPVA	731	0	870	1,004	134
Total	35,847	35,433	39,068	39,921	853

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

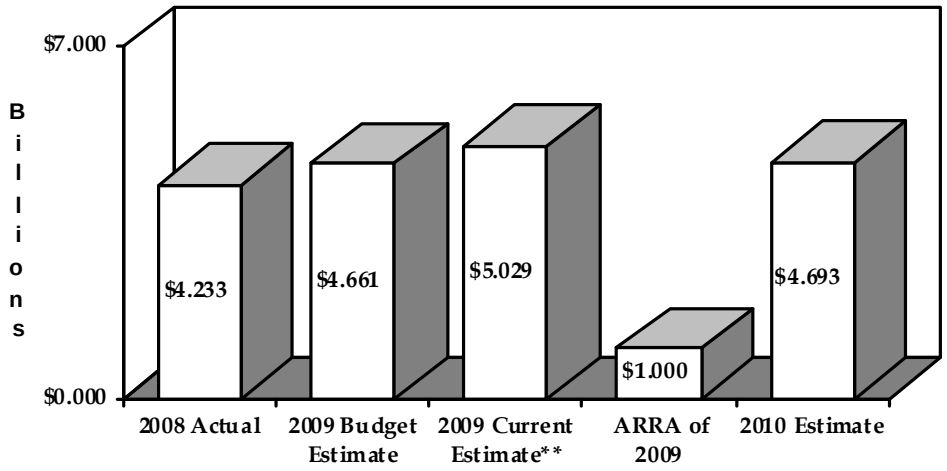
Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
10 Personal Svcs & Benefits:					
Physicians	$123,306	$126,525	$133,410	$141,853	$8,443
Dentists	$2,195	$2,821	$2,837	$3,484	$647
Registered Nurses	$219,549	$218,111	$260,363	$281,113	$20,750
LPN/LVN/NA	$3,420	$5,587	$4,217	$5,011	$794
Non-Physician Providers	$21,462	$39,509	$23,508	$25,852	$2,344
Health Techs/Alllied Health	$59,450	$55,560	$63,147	$72,464	$9,317
Wage Board/P&H	$43,074	$42,427	$58,350	$63,770	$5,420
Administration	$2,310,474	$2,441,707	$2,651,650	$2,805,421	$153,771
Perm Change of Station	$16,618	$17,421	$17,600	$18,500	$900
Emp Comp Pay	$25,858	$28,603	$27,400	$28,800	$1,400
Subtotal	$2,825,406	$2,978,271	$3,242,482	$3,446,268	$203,786
21 Travel & Trans of Persons:					
Employee	$58,918	$50,100	$69,288	$72,752	$3,464
Beneficiary	$19	$0	$0	$0	$0
Other	$3,211	$3,343	$3,511	$3,839	$328
Subtotal	$62,148	$53,443	$72,799	$76,591	$3,792
22 Transportation of Things	$11,503	$16,804	$12,734	$14,097	$1,363
23 Comm., Utilites & Oth. Rent:					
Rental of equip	$25,972	$30,492	$26,398	$26,831	$433
Communications	$62,089	$74,618	$65,193	$68,452	$3,259
Utilities	$390	$0	$0	$0	$0
GSA RENT	$82	$0	$0	$0	$0
Other real property rental	$113	$0	$0	$0	$0
Subtotal	$88,646	$105,110	$91,591	$95,283	$3,692
24 Printing & Reproduction:	$14,794	$14,779	$18,281	$21,023	$2,742
25 Other Services:					
Outpatient dental fees	$2	$0	$0	$0	$0
Medical & nursing fees	$3,421	$3,751	$3,592	$3,772	$180
Repairs to furniture/equipment	$3,134	$3,137	$3,893	$4,836	$943
M&R contract services	$347	$0	$0	$0	$0
Repairs to prosthetic appliances	$1	$0	$0	$0	$0
Personal services contracts	$11,552	$31,429	$12,130	$12,737	$607
House Staff Disbursing Agreement	$250	$0	$0	$0	$0
Scarce Medical Specialists	$6	$0	$0	$0	$0

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

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
25 Other Services (continued)					
Other Medical Contract Services	$28,039	$590,518	$0	$0	$0
Administrative Contract Services	$662,322	$291,387	$956,947	$1,131,744	$174,797
Training Contract Services	$25,920	$18,650	$44,004	$61,605	$17,601
Subtotal	$734,994	$938,872	$1,020,566	$1,214,694	$194,128
26 Supplies & Materials:					
Provisions	$235	$0	$0	$0	$0
Drugs & medicines	$250	$0	$0	$0	$0
Medical/Dental Supplies	$184	$0	$0	$0	$0
Operating supplies	$32,103	$49,020	$33,708	$35,393	$1,685
M&R supplies	$112	$0	$0	$0	$0
Other supplies	$72,967	$78,166	$89,917	$105,063	$15,146
Prosthetic appliances	$1	$0	$0	$0	$0
Subtotal	$105,852	$127,186	$123,625	$140,456	$16,831
31 Equipment	$110,143	$67,535	$99,422	$169,588	$70,166
32 Lands & Structures:					
All Other Lands & Structures	$53	$0	$0	$0	$0
Subtotal	$53	$0	$0	$0	$0
Total Obligations	$3,953,539	$4,302,000	$4,681,500	$5,178,000	$496,500

Medical Facilities

Medical Facilities
Appropriation*



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

Appropriation Language

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities and other necessary facilities of the Veterans Health Administration; for administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction, and renovation of any facility under the jurisdiction or for the use of the Department; for oversight, engineering, and architectural activities not charged to project costs; for repairing, altering, improving, or providing facilities in the several hospitals and homes under the jurisdiction of the Department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; for leases of facilities; and for laundry services, [$5,029,000,000] *$4,693,000,000*, plus reimbursements, of which $350,000,000 shall be available until September 30, [2010: Provided, That $300,000,000 for non-recurring maintenance provided under this heading shall be allocated in a manner not subject to the Veterans Equitable Resource Allocation] *2011*. (Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2009.)

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

2010 Request
VA operates the largest direct health care delivery system in America. VA meets the health care needs of America's veterans by providing a broad range of primary care, specialized care, and related medical and social support services. VHA has a wide range of land (15,691 acres), buildings (5,056), leases (1,063) and equipment to accomplish VA's mission. This entails paying for utilities; upkeep of the grounds; performing preventive and daily maintenance; sanitation needs; and providing fuel and repair for the motor vehicles required for the VA to deliver medical services to the Veterans. Construction of new or replacement facilities are paid for under the Major Construction or Minor Construction appropriations which are covered in a separate volume. VA will employ 23,759 FTE in this support activity in 2010.

The 2010 submission for the Medical Facilities appropriation is based on an actuarial analysis founded on current and projected Veteran population statistics, enrollment projections of demand, and case mix changes associated with current Veteran patients. The breakout of the Medical Facilities is based upon the recorded expenditures for 2007.

VHA will support Research-type projects by ensuring that at least 5% of the total program allocation in a given year for Non-Recurring Maintenance and Minor Construction Projects are used to fund projects at research facilities.

Program Resource Changes:$5,238,300,000 in Obligations and 23,759 FTE in 2010
The programmatic needs and proposed legislation in this section reflect VA operational changes that impact resources in 2010. The Medical Facilities appropriation provides funds for the operation and maintenance of the VA health care system's vast capital infrastructure. Included under this heading are provisions for costs associated with utilities, engineering, capital planning, leases, laundry, groundskeeping, trash removal, housekeeping, fire protection, pest management, facility repair, and property disposition and acquisition.

The $5.2 billion in obligations includes funding from the American Recovery and Reinvestment Act of 2009 for non-recurring maintenance and energy projects. The focus of these NRM projects is to correct, replace, upgrade and modernize existing infrastructure and utility systems for VA medical centers. Projects include, but are not limited to, patient privacy corrections, life safety corrections, facility condition deficiency corrections, utility system upgrades, and mental health improvements. Projects have been developed and are planned for initial

obligation in the next few months. Renewable energy and energy efficiency projects will encompass all stages of energy development from detailed feasibility studies through construction. These contracts will include utilization of technical experts, as well as the manufacturing of equipment such as building control systems, energy generation equipment, and various construction supplies. The economic impact of this facility enhancement is expected to include increases in jobs and economic activity as VA works with contractors who supply the labor and materials necessary to install and commission renewable energy and energy efficient systems.

VA is also participating in a government-wide Presidential initiative to reduce real property-related operating costs required to maintaining surplus physical assets. In 2010, the disposal of surplus assets scheduled to exit VA's inventory will reduce these costs by an estimated $3.5 million.

Medical Care Number of Installations				
Description	2008 Actual	2009 Estimate	2010 Estimate	Increase/ Decrease
Veterans Integrated Service Networks.....	21	21	21	0
VA Hospitals.....	153	153	153	0
VA Nursing Homes.....	135	135	135	0
VA Domiciliary Resid. Rehab. Trt. Prgs 1/..	48	52	54	2
Community-Based Outpatient Clinics.....	755	803	833	30
Independent Outpatient Clinics.....	6	6	6	0
Mobile Outpatient Clinics.....	5	10	10	0
Vet Centers 2/.....	232	271	299	28
Mobile Vet Centers (Pilot).....	0	50	50	0

1/ The new Domiciliary Residential Rehabilitation Treatment Programs in 2009 are located in: [**IN**] Indianapolis; [**MI**] Battle Creek; and [**TX**] Big Spring and San Antonio.

The new Domiciliary Residential Rehabilitation Treatment Programs in 2010 are located in: [**DC**] Washington, DC; and [**FL**] Gainesville.

2/ The new Vet Centers in 2009 are located in: [**AL**] Madison County; [**AZ**] Maricopa County; [**CA**] Kern, Los Angeles, Orange, Riverside, Sacramento, San Bernardino, and San Diego Counties; [**CN**] Fairfield County; [**FL**] Broward, Palm Beach, Pasco, Pinellas, Polk, and Volusia Counties; [**GA**] Marietta; [**IL**] Cook and DuPage Counties; [**MD**] Anne Arundel, Baltimore, and Prince Georges Counties; [**MI**] Macomb and Oakland Counties; [**MN**] Hennepin County; [**MO**] Greene County; [**NV**] Henderson; [**NJ**] Ocean County; [**NC**] Onslow County; [**OK**] Comanche County; [**PA**] Bucks and Montgomery Counties; [**TX**] Bexar, Dallas, Harris, and Tarrant Counties; [**VA**] Virginia Beach; [**WA**] King County; and [**WI**] Brown County.

The new Vet Centers in 2010 are located in: [**AZ**] Mohave and Yuma Counties; [**CA**] San Luis Obisbo; [**DE**] Sussex County; [**FL**] Bay, Collier, Lake, Marion, and Okaloosa Counties; [**GA**] Muscogee and Richmond Counties; [**HI**] Oahu (Western); [**IN**] St. Joseph County; [**LA**] Rapides County; [**MI**] Grand Traverse County; [**MO**] Boone County; [**MT**] Cascade and Flathead Counties; [**OH**] Stark County; [**OR**] Deschutes County; [**PA**] Lancaster County; [**SC**] Horry County; [**TX**] Jefferson and Taylor Counties; [**UT**] Washington County; [**WA**] Walla Walla County; [**WI**] LaCrosse County; and American Samoa.

Medical Facilities
Program Resource Data

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

Account	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Appropriation	$3,592,000	$4,661,000	$5,029,000	$4,693,000	($336,000)
2008 Emergency Designation	$508,000	$0	$0	$0	$0
Transfer fr MS to MSC & MF	$160,000	$0	$0	$0	$0
Trns fr MSC & MF to GOE, CNS & Fac. Reorg	($26,818)	$0	$0	$0	$0
Subtotal Budget Authority	$4,233,182	$4,661,000	$5,029,000	$4,693,000	($336,000)
American Recovery & Reinvest. Act of 2009	$0	$0	$1,000,000	$0	($1,000,000)
Total Budget Authority	$4,233,182	$4,661,000	$6,029,000	$4,693,000	($1,336,000)
Sharing & Other Reimbursements	$29,790	$29,000	$33,000	$35,000	$2,000
Prior Year Recoveries	$0	$0	$0	$0	$0
Subtotal	$29,790	$29,000	$33,000	$35,000	$2,000
Unobligated Balance (SOY):					
No-Year	$1,083	$0	$1,022	$0	($1,022)
2007 Emergency Supp. (P.L. 110-28)(No-Year)	$445,390	$0	$27,715	$0	($27,715)
2-Year	$16,358	$0	$14,179	$0	($14,179)
Recovery & Reinvestment Act of 2009	$0	$0	$0	$510,300	$510,300
Subtotal	$462,831	$0	$42,916	$510,300	$467,384
Unobligated Balance (EOY):					
No-Year	($1,022)	$0	$0	$0	$0
2007 Emergency Supp. (P.L. 110-28)(No-Year)	($27,715)	$0	$0	$0	$0
2-Year	($14,179)	$0	$0	$0	$0
Recovery & Reinvestment Act of 2009	$0	$0	($510,300)	$0	$510,300
Subtotal	($42,916)	$0	($510,300)	$0	$510,300
Change in Unobligated Balance (Non-Add)	($505,747)	$0	($553,216)	($510,300)	$42,916
Lapse	($637)	$0	$0	$0	$0
Total Obligations	$4,682,250	$4,690,000	$5,594,616	$5,238,300	($356,316)

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

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Acute Hospital Care	$1,053,539	$959,113	$1,132,931	$1,056,658	($76,273)
Rehabilitative Care	$93,795	$107,610	$100,554	$94,886	($5,668)
Psychiatric Care	$623,888	$521,105	$695,743	$674,967	($20,776)
Nursing Home Care	$507,990	$656,635	$553,953	$526,906	($27,047)
Subacute Care	$17,213	$29,646	$17,340	$14,953	($2,387)
Outpatient Care	$2,381,532	$2,415,891	$3,089,873	$2,865,338	($224,535)
CHAMPVA	$4,293	$0	$4,222	$4,592	$370
Total, Obligations	$4,682,250	$4,690,000	$5,594,616	$5,238,300	($356,316)

Outlay Reconciliation
Medical Facilities
(dollars in thousands)

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Obligations	$4,682,250	$4,690,000	$5,594,616	$5,238,300	($356,316)
Obligated Balance (SOY)	$1,555,452	$1,939,260	$1,942,776	$2,516,665	$573,889
Obligated Balance (EOY)	($1,942,776)	($1,941,659)	($2,516,665)	($2,590,664)	($73,999)
Adjustments in Expired Accts	($23,458)	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay. Fed. Sources (Unexp.)	($710)	$0	$0	$0	$0
Chg. Uncoll. Cust. Pay. Fed. Sources (Exp.)	$387	$0	$0	$0	$0
Outlays, Gross	$4,271,145	$4,687,601	$5,020,727	$5,164,301	$143,574
Offsetting Collections	($29,956)	($29,000)	($33,000)	($35,000)	($2,000)
PY Recoveries	$0	$0	$0	$0	$0
Net Outlays	$4,241,189	$4,658,601	$4,987,727	$5,129,301	$141,574

FTE by Type
Medical Facilities

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Health Techs/Allied Health	118	112	133	142	9
Wage Board/P&H	18,094	19,111	18,760	18,969	209
All Other	4,079	4,958	4,455	4,648	193
Total	22,291	24,181	23,348	23,759	411

FTE by Activity
Medical Facilities

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Acute Hospital Care	5,104	6,284	5,349	5,423	74
Rehabilitative Care	455	658	486	496	10
Psychiatric Care	2,992	3,603	3,266	3,366	100
Nursing Home Care	2,531	4,900	2,646	2,680	34
Subacute Care	79	194	73	66	(7)
Outpatient Care	11,130	8,542	11,528	11,728	200
Total	22,291	24,181	23,348	23,759	411

Obligations by Object
Medical Facilities
(dollars in thousands)

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
10 Personal Svcs & Benefits:					
Registered Nurses	$144	$0	$0	$0	$0
Health Techs/Alllied Health	$6,644	$13,139	$7,853	$8,699	$846
Wage Board/P&H	$999,670	$1,153,701	$1,086,810	$1,140,123	$53,313
Administration	$351,074	$397,921	$402,065	$435,212	$33,147
Perm Change of Station	$2,104	$2,192	$2,400	$2,500	$100
Emp Comp Pay	$17,783	$18,454	$20,100	$21,100	$1,000
Subtotal	$1,377,419	$1,585,407	$1,519,228	$1,607,634	$88,406
21 Travel & Trans of Persons:					
Employee	$8,114	$6,238	$12,505	$13,130	$625
Beneficiary	$235	$0	$0	$0	$0
Other	$18,482	$19,655	$21,514	$25,043	$3,529
Subtotal	$26,831	$25,893	$34,019	$38,173	$4,154
22 Transportation of Things	$12,403	$16,900	$13,023	$13,674	$651
23 Comm., Utilites & Oth. Rent:					
Rental of equip	$3,963	$4,144	$5,058	$6,456	$1,398
Communications	$730	$980	$0	$0	$0
Utilities	$552,858	$666,824	$653,471	$761,299	$107,828
GSA RENT	$14,512	$26,000	$15,238	$16,000	$762
Other real property rental	$179,415	$185,680	$344,592	$491,898	$147,306
Subtotal	$751,478	$883,628	$1,018,359	$1,275,653	$257,294
24 Printing & Reproduction:	$181	$197	$199	$219	$20
25 Other Services:					
Medical & nursing fees	$208	$425	$218	$228	$10
Repairs to furniture/equipment	$92,069	$126,229	$96,672	$101,505	$4,833
M&R contract services	$127,081	$213,856	$133,435	$140,107	$6,672
Repairs to prosthetic appliances	$2	$0	$0	$0	$0
Personal services contracts	$9,850	$17,197	$10,111	$10,379	$268
House Staff Disbursing Agreement	$1	$0	$0	$0	$0

Obligations by Object
Medical Facilities
(dollars in thousands)

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
25 Other Services (continued)					
Other Medical Contract Services	$7,463	$5,317	$0	$0	$0
Administrative Contract Services	$299,510	$330,195	$343,862	$381,212	$37,350
Training Contract Services	$2,249	$2,708	$2,267	$2,285	$18
Subtotal	$538,433	$695,927	$586,565	$635,716	$49,151
26 Supplies & Materials:					
Provisions	$32	$0	$0	$0	$0
Drugs & medicines	$63	$0	$0	$0	$0
Medical/Dental Supplies	$293	$0	$0	$0	$0
Operating supplies	$87,504	$112,462	$91,879	$96,473	$4,594
M&R supplies	$125,972	$165,096	$250,599	$153,286	($97,313)
Other supplies	$53,292	$51,956	$68,981	$88,985	$20,004
Prosthetic appliances	$3	$0	$0	$0	$0
Subtotal	$267,159	$329,514	$411,459	$338,744	($72,715)
31 Equipment	$86,585	$103,164	$322,848	$242,215	($80,633)
32 Lands & Structures:					
Non-Recurring Maint. (NRM)	$1,576,903	$800,000	$1,100,000	$461,905	($638,095)
ARRA of 2009, P.L. 111-5 1/	$0	$0	$489,700	$510,300	$20,600
Capital Leases	$13,164	$15,646	$65,938	$79,125	$13,187
All Other Lands & Structures	$30,918	$232,729	$32,464	$34,087	$1,623
Subtotal	$1,620,985	$1,048,375	$1,688,102	$1,085,417	($602,685)
41 Grants, Subsidies & Contributions:					
Homeless Programs	$1	$0	$0	$0	$0
Subtotal	$1	$0	$0	$0	$0
43 Imputed Interest	$775	$995	$814	$855	$41
Total Obligations	$4,682,250	$4,690,000	$5,594,616	$5,238,300	($356,316)

1/ Includes $1 billion from the American Recovery and Reinvestment Act of 2009 for Non-Recurring Maintenance and Energy Projects.

Appropriation Transfers & Supplementals

Explanation of 2008 Emergency Designation:

- **Emergency Designation.** Public Law 110-161, section 235 designated specific amounts as an emergency requirement. On January 17, 2008, the President requested and designated this funding as an emergency requirement consistent with Public Law 110-161, section 235. Section 235, (as related to VHA), is provided below:

  SEC. 235. (a) EMERGENCY DESIGNATION. – Notwithstanding any other provision of this title (except section 230), of the amounts otherwise provided by this title for the following accounts, the following amounts are designated as emergency requirements and necessary to meet emergency needs pursuant to subsections (a) and (b) of section 204 of S. Con. Res. 21 (110th Congress), the concurrent resolution on the budget for fiscal year 2008:
  Veterans Health Administration, Medical Services, $1,936,549,000.
  Veterans Health Administration, Medical Support and Compliance, $75,000,000.
  Veterans Health Administration, Medical Facilities, $508,000,000.
  Veterans Health Administration, Medical and Prosthetic Research, $69,000,000.
  (b) CONTINGENT APPROPRIATION. – Any amount appropriated in this title that is designated by the Congress as an emergency requirement pursuant to subsection (a) shall be made available only after submission to the Congress by January 18, 2008, a formal budget request by the President that includes designation of the entire amount of the request as an emergency requirement.
  (c) REQUIREMENT FOR AVAILABILITY. – None of the funds described in subsection (a) shall become available for obligation unless all such funds are made available for obligation.

Explanation of Appropriation Rescission in 2008:

- **$66,000,000 Rescission to Medical Services.** Public Law 110-161, section 230 states that of the amounts made available for "Veterans Health Administration, Medical Services" in Public Law 110-28, $66,000,000 are rescinded. Public Law 110-28, the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, signed on May 25, 2007, provided funding in Medical Services for the establishment of a new Level I comprehensive polytrauma center. Section 230 provides the $66,000,000 to Construction, Major for this purpose.

Explanation of Appropriation Transfers in 2008:

- **$87,112,000 transfer to Information Technology Systems (IT Development) from Medical Support and Compliance.** VA realigned the IT development functions of the Administrations and Staff Offices under the Office of Information Technology and the single IT leadership authority of the Assistant Secretary for Information Technology, the VA Chief Information Officer. This transfer completes the process of standardizing operating systems; enhancing IT operational effectiveness; ensuring interoperability; eliminating duplication; and integrating VA's IT development programs with all other IT activities and processes in the Department. The authority for this realignment is provided in section 510(a) of title 38.

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

- **$45,089,000 transfer to General Operating Expenses (GOE) from Medical Support and Compliance ($18,271,000) and Medical Facilities ($26,818,000).** This transfer from Medical Support and Compliance and Medical Facilities to GOE implements the Construction and Facilities Management Reorganization. Authority for this reorganization is provided in section 510(a) of title 38, United States Code. As required by section 1531 of title 31, United States Code, and Executive Order 11609, VA notified the House and Senate Committees on Appropriations and Veterans' Affairs on March 30, 2007, of the establishment of this new organization.

- **$705,000,000 transfer to Medical Support & Compliance ($545,000,000) and Medical Facilities ($160,000,000) from Medical Services.** This transfer from Medical Services to Medical Support & Compliance and Medical Facilities is consistent with section 202 of Public Law 110-161, the Consolidated Appropriations Act, 2008. For Medical Support and Compliance, a total of $93 million directly supported pay of personnel and $218 million provided for the continuation of FY 2007 on-pay programs without any degradation to these programs. The remaining $234 million supported initiatives to mitigate out material weakness and improve the collections process and fee basis operations. For Medical Facilities, $58 million was used to pay personnel that support additional facility condition assessment projects and environment of care issues. The remaining $102 million supported NRM improvements for adequate clinical space to treat patients efficiently.

- **$278,100,000 transfer to Information Technology Systems 2-Year Funding from Medical Services 2-Year Funding.** This transfer of $278,100,000 from Medical Services to Information Technology Systems is consistent with section 221 of Public Law 110-161, the Consolidated Appropriation Act, 2008. This transfer ensures VA is able to provide the vital information services and technologies that are critical to ensuring our Veterans receive timely, safe, and high-quality health care.

- **$6,775,000 transfer to Information Technology Systems 2-Year Funding for FLITE from Medical Services 2-Year Funding.** This transfer was used to award a FLITE contract for program management support services. VA used the transfer authority as provided by section 221 of Public Law 110-161, the Consolidated Appropriations Act, 2008.

- **$30,000,000 transfer to the DoD/VA Health Care Sharing Incentive Fund (JIF) to be Available Until Expended from Medical Services 2-Year Funding.** The authority for this transfer is provided in section 8111(d) of title 38, United States Code, and in Public Law 110-161, the Consolidated Appropriations Act, 2008, which states that the funding is available until expended. This transfer of $30 million from Medical Services will be matched by an equal amount of transfer from DoD into the JIF account. This additional contribution of $30 million by each Department enables us to complete the funding of all of the FY 2008 DoD/VA approved sharing initiatives to include funds to support our ongoing collaboration between VA and the Navy in North Chicago at the Captain James A. Lovell Federal Health Care Center. This contribution also enables us to support other DoD/VA Joint Market Opportunity sites similar to the Lovell Center.

Explanation of American Recovery and Reinvestment Act of 2009:

- **American Recovery and Reinvestment Act of 2009.** Public Law 111-5 designated specific amounts as a supplemental appropriation on February 17, 2009.

SEC. 3. PURPOSES AND PRINCIPLES.

(a) STATEMENT OF PURPOSES.—The purposes of this Act include the following:

(1) To preserve and create jobs and promote economic recovery.

(2) To assist those most impacted by the recession.

(3) To provide investments needed to increase economic efficiency by spurring technological advances in science and health.

(4) To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.

(5) To stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive State and local tax increases.

(b) GENERAL PRINCIPLES CONCERNING USE OF FUNDS.—The President and the heads of Federal departments and agencies shall manage and expend the funds made available in this Act so as to achieve the purposes specified in subsection (a), including commencing expenditures and activities as quickly as possible consistent with prudent management.

SEC. 5. EMERGENCY DESIGNATIONS.

(a) IN GENERAL.—Each amount in this Act is designated as an emergency requirement and necessary to meet emergency needs pursuant to section 204(a) of S. Con. Res. 21 (110th Congress) and section 301(b)(2) of S. Con. Res. 70 (110th Congress), the concurrent resolutions on the budget for fiscal years 2008 and 2009.

The following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2009, and for other purposes:

Veterans Health Administration:

For an additional amount for ''Medical Facilities'' for non-recurring maintenance, including energy projects, $1,000,000,000, to remain available until September 30, 2010.

Explanation of Appropriation Transfers in 2009:

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

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

VA/DoD Health Care Sharing Incentive Fund

Program Description

Congress created the Joint Incentive Fund (JIF) between Department of Veterans Affairs (VA) and the Department of Defense (DoD) to encourage development of sharing initiatives at the facility, intra-regional and nationwide level. The JIF program has been very successful in fostering collaboration and new approaches to problem solving that mutually benefits both VA and DoD. In 2008, the VA-DoD Health Executive Council (HEC) provided additional contributions for four specific multi-market areas identified for an enhanced level of VA/DoD collaboration, including: Denver, CO; Honolulu, HI; Biloxi, MS and Las Vegas, NV.

Section 8111(d) of U.S.C. title 38 requires each department to contribute a minimum of $15,000,000 annually for a joint incentive program to enable the Departments to carry out a program to identify and provide incentives to implement creative sharing initiatives. This is a no-year account. Public Law 109-364, the John Warner National Defense Authorization Act for Fiscal Year 2007, section 743, amended section 8111(d)(4) of title 38, U.S.C. and extended the program by 3 years to September 30, 2010.

Program Highlights
(dollars in thousands)

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate*	Increase/ Decrease
Transfer from Medical Services...	$45,000	$0	$15,000	$0	($15,000)
Transfer from DoD.....	$45,000	$0	$19,000	$0	($19,000)
Budget Authority Total.....	$90,000	$0	$34,000	$0	($34,000)
Obligations.....	$58,497	$30,000	$81,000	$67,000	($14,000)
FTE.....	126	88	117	127	10

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

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

VA Northern California Health Care System/60th Medical Group Travis, AFB (Inpatient Mental Health Unit)

This JIF proposal will create a joint Inpatient Mental Health Unit. The unit will provide state-of-the-art inpatient mental health care for DoD and VA beneficiaries. This proposal will require relocation and expansion of a DoD inpatient mental health unit from an 11-bed mental health unit to a jointly staffed DoD/VA 20 bed acute care psychiatric unit. This project also allows for an increase in patient acuity and involuntary admissions enabling both services to expand and improve care for Veterans and active duty service members.

New Mexico VA Health Care System (NMVAHCS)/377th Medical Group Kirtland, AFB (Laboratory Data Sharing Interface, LDSI)

The Laboratory Data Sharing Interface (LDSI) is a collaborative project that provides near real-time laboratory order entry and laboratory results retrieval capability between DoD and VA. The proposal seeks to implement LDSI to allow DoD beneficiaries lab results that are collected at the New Mexico VA Health Care System to be fed directly into the Composite Health Care System/Armed Forces Health Longitudinal Technology Application for inclusion into the patient's electronic health record.

Washington Veterans Affairs Medical Center/Walter Reed Army Medical Center (Kidney Transplant)

This project proposes to offer work-up and evaluation for solid organ (kidney and pancreas) transplantation by Walter Reed Army Medical Center to Washington, DC area eligible DoD and VA patients. This pilot program is expected to improve transplantation outcomes in this patient population by providing improved access and efficiency.

Pacific Island Veterans Affairs Health Care System/Tripler Army Medical Center (Enhanced Document Management and Referral Management "DR")

This project proposes to build upon the current Document and Referral (DR) management system to make it possible for bi-directional information flow.

Currently as configured, DR permits documents to flow from DoD to VA but not from VA to DoD. It will also indirectly support quality of care by creating the business tools that will ensure all clinical consults, including physician notes, are acted upon, and will directly support quality of care by enabling each provider to have access to both agencies' healthcare notes.

Phoenix Veterans Health Medical Center/Walter Reed Army Medical Center (Allergen Immunotherapy)

This initiative will build upon the successful combined Tri-service and VA mission of the United States Army Centralized Allergen Extract Laboratory within the Allergy-Immunology Department at Walter Reed Army Medical Center by enhancing the system with provider education and management tools designed to improve quality and efficiency of health care services. The project will pursue implementation of Extract Laboratory Management Systems by incorporating additional features that will further promote standardization and efficiency of allergy health care services

Gulf Coast Veterans Health Care System/81st Medical Group Keesler, Air Force Base (Center of Excellence)

The intent of this project is to provide administrative assistance for Keesler Medical Center and VA Gulf Coast Veterans Health Care System (VAGCVHCS). This proposal calls for planning and developing Joint Market Opportunities and sharing initiatives. This initiative will provide the resources to take full advantage of the inherent synergy of two large medical centers by reducing duplication of services, capitalizing on respective core competencies, and optimizing patient volume to deliver safer and more economical services.

VA/DoD National (Joint Contract Assessment)

This project proposes to address a challenge facing the Acquisition and Materiel Management Working Group with respect to appropriate execution of the requirements of the Joint Strategic Plan and Office of Management and Budget (OMB) reporting requirements. The intent is to retain an independent expert who could provide an impartial and reasoned analysis of the elements of cost savings associated with entering into these joint contracts. In this way, actual savings can be tracked and the progress toward the Joint Strategic Plan and OMB goals clearly identified. Both OMB and the Joint Executive Council have requested this method of reporting.

DoD/VA National (Data Synch eZSAVe)

This proposal would expand DoD and VA initiatives focused on using synchronized Medical Surgical catalog data and pricing. It will utilize the

eZSAVe tool to generate immediate price reduction opportunities for all sites regardless of purchasing volume. It will also create mid-term savings by adding more medical surgical items to contracts resulting in price reductions. Finally it will bring significant long term savings by working with DoD's trading partners to bring about global standardization and synchronization to medical surgical product data.

VA/DoD National (Health Risk Assessment Tool)

This proposal is a new initiative to expand the previous collaborative efforts between the VA and DoD personal health record web portals. It will assess the feasibility of implementing a Health Risk Assessment tool available for use by registered users and health care providers of both portals. The tool would be expected to use extensive branching logic and automated algorithms to determine health care needs and calculate risk, identify health promotion and chronic illness care needs, and assess readiness-to-change and chronic condition management issues.

VA/DoD (eBenefits Portal)

The scope for the eBenefits Portal initiative is to initially leverage and integrate existing portals/Web sites. The eBenefits Portal infrastructure will be the platform for integrating self-service applications and other on-line services. The interface is designed to give Veterans and service members a central access point to on-line services with improved information architecture. This proposal personalizes the existing eBenefits Portal capabilities to the needs of the wounded, ill, or injured service member or Veteran. It meets the spirit of the *Report of the President's Commission on Care for America's Returning Wounded Warriors*, July 2007, recommendation that, "DoD and VA must develop a plan for a user-friendly health and benefits portal for service members, Veterans and family members." The eBenefits Portal should be, "A one-stop information shop ... customer-friendly, interactive, evolving, fully customizable and personalized information portal."

VA/DoD Health Care Sharing Incentive Fund Crosswalk

(dollars in thousands)

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate*	Increase/ Decrease
Realignment transfer from Medical Services to VA/DoD HCSIF	$45,000	$0	$15,000	$0	($15,000)
Transfer from DoD for DoD VA HCSIF	$45,000	$0	$19,000	$0	($19,000)
Subtotal	$90,000	$0	$34,000	$0	($34,000)
Budget Authority	$90,000	$0	$34,000	$0	($34,000)
Adjustments to obligations					
Unobligated balance (SOY):					
No-year	$93,820	$66,820	$127,836	$80,836	($47,000)
Unobligated balance (EOY):					
No-year	($127,836)	($36,820)	($80,836)	($13,836)	$67,000
Change in Unobligated balance (non-add)	($34,016)	$30,000	$47,000	$67,000	$20,000
Recovery prior year obligations	$2,513	$0	$0	$0	$0
Subtotal Adjustments to obligations	($31,503)	$30,000	$47,000	$67,000	$20,000
Obligations	$58,497	$30,000	$81,000	$67,000	($14,000)
Obligated Balance (SOY)	$22,845	$39,845	$37,262	$62,262	$25,000
Obligated Balance (EOY)	($37,262)	($37,345)	($62,262)	($80,762)	($18,500)
Recovery prior year obligations	($2,513)	$0	$0	$0	$0
Outlays, Net	$41,567	$32,500	$56,000	$48,500	($7,500)
FTE	126	88	117	127	10

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

This page intentionally left blank

VHA Performance Plan

Mission

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

Vision

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

Clientele

VHA serves Veterans and their families.

National Contribution

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

Stakeholders

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

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

VHA Strategic Planning Framework

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

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

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

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

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

VA STRATEGIC GOALS	VHA STRATEGIES
1. Restore the capability of Veterans with disabilities to the greatest extent possible and improve the quality of their lives and that of their families.	• Continuously improve the quality and safety of health care for Veterans, particularly in those health issues associated with military service.
2. Ensure a smooth transition for Veterans from active military service to civilian life.	• Provide timely and appropriate access to health care by implementing best practices.
3. Honor and serve Veterans in life, and memorialize them in death for their sacrifices on behalf of the Nation.	• Continuously improve Veteran and family satisfaction with VA care by promoting patient-centered care and excellent customer service.
4. Contribute to the public health, emergency management, socioeconomic well-being and history of the Nation.	• Promote health within VA, local communities and the Nation consistent with VA's mission. • Focus research and development on clinical and system improvements designed to enhance the health and well-being of Veterans. • Promote excellence in the education of future health care professionals and enhance VHA partnerships with affiliates.
5. Deliver world-class service to Veterans and their families through effective communication and management of people, technology, business processes and financial resources.	• Promote diversity, excellence and satisfaction in the workforce, and foster a culture which encourages innovation. • Promote excellence in business practices through administrative, financial and clinical efficiencies.

Performance Measures

VHA's performance measurement system is the final component of the strategic planning framework. Twenty–three performance measures serve as indicators of how and when our objectives will be accomplished. Nine of these measures are identified as "key measures." These performance measures cover the entire range of clinical, administrative and financial actions required to support VHA's strategies cited above.

A VHA performance measure must meet three criteria:

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

The performance measures contained in the 2010 VHA Budget and Performance Plan have been screened and determined to satisfy the above criteria and are an appropriate platform for assessing VHA health care services and programs.

Table 1: Performance Summary Table ALL MEASURES							
Measure Description (Departmental Management Measures in **bold)**	**4-Year Results History**				**Annual Targets**		**Strategic Target**
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
VA STRATEGIC GOAL 2 Ensure a smooth transition for Veterans from active military service to civilian life							
VA Strategic Objective 2.1 Ease the reentry of new Veterans into civilian life by increasing awareness of, access to, and use of VA health care, benefits, and services							
1) Percent of OEF/OIF Veterans who report that their personal physician or nurse usually listened carefully to them							
a) Inpatient	N/Av	N/Av	N/Av	N/Av	Baseline	TBD	TBD
b) Outpatient	N/Av	N/Av	N/Av	N/Av	Baseline	TBD	TBD
2) Number of new enrollees waiting to be scheduled for their first appointment (*electronic waiting list*)	N/Av	3,700	127	96	<200	<125	<200
3) Number of locations where DoD military treatment facilities and VA medical centers have the capability to share and view DoD electronic images, bi-directionally.	N/Av	N/Av	N/Av	N/Av	N/Av	TBD	TBD
4) Number of outpatient visits at Joint Ventures and significant sites.[1] *(Facilities providing 500 or more outpatient visits and/or admissions per year).*	107,166	122,001	101,872	98,524	100,000	101,000	102,010
VA STRATEGIC GOAL 3 Honor and serve Veterans in life and memorialize them in death for their sacrifices on behalf of the Nation							
Strategic Objective 3.1 Provide high-quality, reliable, accessible, timely, and efficient health care that maximizes the health and functional status of enrolled Veterans, with special focus on Veterans with service-connected conditions, those unable to defray the costs, and those statutorily eligible for care							

[1] Prior year results have been restated to provide results more accurate to the measure. Targets have been adjusted accordingly.

Table 1: Performance Summary Table ALL MEASURES							
Measure Description (Departmental Management Measures in **bold**)	**4-Year Results History**				**Annual Targets**		**Strategic Target**
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
5) Clinical Practice Guidelines Index III[2]	87%	83%	83%	84%	86%	86%	87%
6) Prevention Index IV[3]	90%	88%	88%	88%	89%	89%	90%
7) Percentage of patients rating VA health care service as very good or excellent							
a) Inpatient	77%	78%	78%	79%	Baseline[4]	TBD	TBD
b) Outpatient	77%	78%	78%	78%	Baseline[4]	TBD	TBD
8) Percent of primary care appointments scheduled within 30 days of the desired date	96%	96%	97%	99%	97%	98%	99%
9) Percent of specialty care appointments scheduled within 30 days of the desired date	93%	94%	95%	98%	95%	95%	99%
10) Percent of new patient appointments completed within 30 days of desired date	N/Av	N/Av	N/Av	89%	92%	93%	95%
11) Percent of unique patients waiting more than 30 days beyond the desired appointment date	N/Av	N/Av	N/Av	8%	6%	5%	5%
12) Non-institutional, long-term care average daily census (ADC)[5]	N/Av	43,325	41,022	54,053	72,352	90,654	109,184
13) Percent of clinic "no shows" and "after appointment cancellations" for OEF/OIF Veterans	N/Av	N/Av	N/Av	N/Av	N/Av	17%	15%
14) Percent of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities	73%	74%	74%	76%	80%	82%	91%

[2] The 2005 result is CPGI I. The 2006, 2007 and 2008 results are CPGI II. The 2009 and 2010 targets are CPGI III.

[3] The 2005 result is PI II. The 2006, 2007 and 2008 results are PI III. The 2009 and 2010 targets are PI IV.

[4] The survey instrument used in the past has been discontinued. VHA has moved to a nationally standardized tool, a family of surveys known as Consumer Assessment of Healthcare Plans and Systems (CAHPS). FY 2009 will be a re-baseline year to determine both annual and strategic targets.

[5] This measure changed in FY 2009 from "Annual percent increase of non-institutional, long term care average daily census using 2006 as the baseline. (Baseline = 43,325)" to the strategic target ADC in the Long Term Care Strategic Plan.

Table 1: Performance Summary Table ALL MEASURES							
Measure Description (Departmental Management Measures in **bold)**	**4-Year Results History**				**Annual Targets**		**Strategic Target**
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
VA STRATEGIC GOAL 4 Contribute to the public health, emergency management, socioeconomic well-being, and history of the Nation							
Strategic Objective 4.2 Advance VA medical research and develop programs that address Veterans' needs with an emphasis on service-connected injuries and illnesses and contribute to the Nation's knowledge of disease and disability							
15) Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) (*Two milestones to be achieved over two years.)*	40%	47%	67%	80%	87%	94%	100%
16) Progress toward development of robot-assisted treatment/interventions for patients who have suffered neurological injury due to conditions such as spinal cord injury, stroke, multiple sclerosis, and traumatic brain injury (*Four milestones to be achieved over three years)*	21%	43%	54%	64%	86%	93%	100%
17) Percentage of study sites that reach 100% of the recruitment target for each year of each clinical study	29%	40%	35%	38%	41%	44%	50%
18) Progress towards the use of genomic testing to inform the course of care (*prevention, diagnosis or treatment*) of patients with mental illness *(including PTSD, schizophrenia and mood disorders*)	N/Av	N/Av	N/Av	N/Av	N/Av	15%	100%
Strategic Objective 4.3 Enhance the quality of care to Veterans and provide high-quality educational experience for health profession trainees, created internally in VA and via partnership with the academic community							
19) Percent of VHA clinical health care professionals who have had VA training prior to employment	N/Av	N/Av	N/Av	N/Av	N/Av	15%	30%
VA ENABLING GOAL Deliver world-class service to Veterans and their families through effective communication and management of people, technology, business processes, and financial resources							

Table 1: Performance Summary Table ALL MEASURES							
Measure Description (Departmental Management Measures in **bold**)	**4-Year Results History**				**Annual Targets**		**Strategic Target**
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
Objective E.4 Improve the overall governance and performance of VA by applying sound business principles; ensuring accountability; employing resources effectively through enhanced capital asset management, acquisition practices, and competitive sourcing; and linking strategic planning to budgeting, and performance.							
20) Gross Days Revenue Outstanding (GDRO) for 3rd party collections	58	54	59	57	55	54	53
21) Dollar value of 1st party and 3rd party collections							
1st Party ($ in millions)	$772	$863	$915	$922	$876	$940	$1,172
3rd Party ($ in millions)	$1,056	$1,096	$1,261	$1,497	$1,621	$1,882	$1,893
22) Total annual value of joint VA/DoD procurement contracts for high-cost medical equipment and supplies	Baseline	$236M	$328M	$188M	$210M	$210M	$240M
23) Obligations per unique patient user (*FY 2005-2007 results are expressed in constant 2005 dollars based on the Bureau of Labor Statistics Consumer Price Index (CPI). The OMB CPI-U (CPI for all Urban Consumers) was used for the FY2008 results and to project the FY 2009-2010 targets.)*	$5,597	$5,455	$5,740	$5,891	$5,995	$6,146	TBD

Table 2: Performance Measure Supporting Information
KEY MEASURES ONLY

5) Clinical Practice Guidelines Index III

a) Means and Strategies:

- The index is a composite measure comprised of over 80 evidence- and outcome-based indicators of high prevalence and high-risk diseases that impact overall health status. To achieve the 2010 target, VA will strive to provide excellent evidence-based clinical interventions to veterans seeking care in VA.

b) Data Source(s):

- Data sampling and electronic databases; sampling methodology relies upon "established patients," defined as being seen within the past 13-24 months and who have been seen at least once in one of either a main medical or mental health clinic during the current study year.

c) Data Verification:

- External Peer Review, electronic and on-site review; contractor evaluates the validity and the reliability of the data using accepted statistical methods**.**

d) Measure Validation:

- Elements of care are reviewed annually to ensure the quality efforts are focused on clinical areas identified as critical to improving care.

e) Cross-Cutting Activities:

- Ongoing work with DoD to implement and refine Clinical Practice Guidelines which serves as a basis and reference for many of the Clinical Practice Guidelines Index (CPGI) measures.

f) External Factors: None

g) Other Supporting Information:

- CPGI is an index that assesses progress and results associated with treatment of patients with chronic diseases. This measure changes over time and new versions of the measure are added when the previous target level is reached. These changes continuously improve the measure: The 2005 results are CPGI I; 2006, 2007 and 2008 results are CPGI II; and 2009 and 2010 targets are CPGI III.

6) Prevention Index IV

a) Means and Strategies:

- The index is a composite measure comprised of evidence and outcome based indicators of preventative care to promote health including programs for obesity and diabetes prevention/treatment, awareness of healthy lifestyle choices, and advancement of genomic research and medicine. To achieve the 2010 target, VA will strive to provide excellent evidence-based clinical interventions to veterans seeking preventive care in VA.

b) Data Source(s):

- Same as Measure 5

c) Data Verification:

- Same as Measure 5

d) Measure Validation:

- Same as Measure 5

e) Cross-Cutting Activities: None

f) External Factors: None

g) Other Supporting Information:

- The Prevention Index (PI) demonstrates the degree to which VHA provides evidence based clinical interventions to Veterans seeking preventive care in VA. This measure changes over time and new versions of the measure are added when the previous target level is reached. These changes continuously improve the measure: The 2005 results are PI II; 2006, 2007 and 2008 results are PI III; and 2009 and 2010 targets are PI IV.

Table 2: Performance Measure Supporting Information
KEY MEASURES ONLY

7) Percentage of patients rating VA health care service as very good or excellent (Inpatient & Outpatient)

a) Means and Strategies:
- To improve patient satisfaction levels in both the inpatient and outpatient categories, VHA will implement methods for advancing patient self-management that enables patients and caregivers to share in decision-making and improve health outcomes.

b) Data Source(s):
- Consumer Assessment of Health Care Plans and Systems (CAHPS) surveys are used. The surveys are administered to samples of inpatients and outpatients.

c) Data Verification:
- VHA's Office of Quality and Performance, Performance Analysis Center for Excellence (OQP/PACE) conducts national satisfaction surveys that are validated using recognized statistical sampling and analysis techniques.

d) Measure Validation:
- VHA's strategic objective to address the strategic goal, and the Secretary's priority, are to improve patients' satisfaction with their VA health care. The measure allows VHA to better understand and meet patient expectations. Results are based on surveys that target the dimensions of care that concern Veterans the most.

e) Cross-Cutting Activities: None

f) External Factors: None

g) Other Supporting Information:
- The survey instrument used in previous years has been discontinued and VHA has moved to a nationally standardized tool, which includes a family of surveys known as CAHPS. FY 2009 will be a re-baseline year to determine new annual and strategic targets.

8) Percent of primary care appointments scheduled within 30 days of the desired date

a) Means and Strategies:
- VHA will strive to achieve the 2010 target by actively spreading the practices of Advanced Clinic Access (ACA), an initiative that promotes the smooth flow of patients through the clinic process and increases availability of open clinic appointments.

b) Data Source(s):
- This measure is calculated using the VistA scheduling software. A patient is defined in the primary care Decision Support System (DSS) stop series as a patient not seen in the previous 24 months at the facility the appointment is being scheduled.

c) Data Verification:
- This data is available on a monthly basis. Databases are reviewed for accuracy on an ongoing basis by the data validation committee at each facility and by reviews of Veteran satisfaction surveys. In addition, VA requires staff entering data to be trained to ensure accurate entry.

d) Measure Validation:
- This measure was designed to capture the timeliness of primary care appointment scheduling from the perspective of the Veteran. It takes into account the timeline that the patient has identified as meeting his or her need.

e) Cross-Cutting Activities: None

f) External Factors: None

Table 2: Performance Measure Supporting Information
KEY MEASURES ONLY

9) Percent of specialty care appointments scheduled within 30 days of the desired date

a) Means and Strategies:

- VHA fully implemented Advanced Clinic Access (ACA), an initiative that promotes the smooth flow of patients through the clinic process by predicting and anticipating patient needs at the time of their appointment and taking steps to:
  - assure specific equipment is available
  - arrange for tests that should be completed either prior to or at the time of the visit
  - synchronize the patient, the provider and all necessary health information

b) Data Source(s):

- This measure is calculated using the VistA scheduling software. A patient is defined in the specialty care Decision Support System (DSS) stop series as a patient not seen in the previous 24 months at the facility the appointment is being scheduled

c) Data Verification:

- Same as Measure 8

d) Measure Validation:

- This measure was designed to capture the timeliness of specialty care appointment scheduling from the perspective of the Veteran. It takes into account the timeline that the patient has identified as meeting his or her need.

e) Cross-Cutting Activities: None

f) External Factors: None

10) Percent of new patient appointments completed within 30 days of desired date

a) Means and Strategies:

- VHA fully implemented Advanced Clinic Access (ACA), an initiative that promotes the smooth flow of patients through the clinic process by predicting and anticipating patient needs at the time of their appointment and taking steps to:
  - assure specific equipment is available
  - arrange for tests that should be completed either prior to or at the time of the visit
  - synchronize the patient, the provider and all necessary health information

b) Data Source(s):

- The source for the results data is the Decision Support System's (DSS) stop series. A new patient is defined as a patient not seen in the prior 24 months at the facility the appointment is being scheduled for primary care.

c) Data Verification: Same as Measure 8

d) Measure Validation:

- This measure was designed to capture the timeliness of new appointment scheduling from the perspective of the Veteran. It takes into account the timeline that the patient has identified as meeting his or her need.

e) Cross-Cutting Activities: None

f) External Factors: None

Table 2: Performance Measure Supporting Information
KEY MEASURES ONLY

11) Percent of unique patients waiting more than 30 days beyond the desired appointment date

a) Means and Strategies:

- VHA fully implemented Advanced Clinic Access (ACA), an initiative that promotes the smooth flow of patients through the clinic process by predicting and anticipating patient needs at the time of their appointment and taking steps to:
  - assure specific equipment is available
  - arrange for tests that should be completed either prior to or at the time of the visit
  - synchronize the patient, the provider and all necessary health information

b) Data Source(s):

- This measure is calculated using the VistA scheduling software. Although outliers can skew the average, it accurately reflects actual individual patient experience.

c) Data Verification: Same as Measure 8

d) Measure Validation: Same as Measure 9

e) Cross-Cutting Activities: None

f) External Factors: None

12) Non-institutional, long-term care average daily census (ADC)

a) Means and Strategies:

- To meet the 2010 target while at the same time reducing the need for long-term care following hospitalization, particularly as new technologies and therapies are developed, VA will increasingly emphasize rehabilitation and longitudinal home care as alternatives to institutionalization. In 2009, VHA is scheduled to begin expanding existing capabilities in long-term care, including care coordination and telehealth technologies. VHA will also continue to improve services for traumatic-brain-injured Veterans through targeted day health and respite care centers.

b) Data Source(s):

- The source for the results is the census of home and community home-based non-institutional care available for eligible Veterans. The data are collected and tracked by VHA's Office of Geriatrics and Extended Care (G&EC) Strategic Health Care Group. Data are generated through the Austin Information Technology Center workload capture, DSS reporting, and Fee Basis reporting.

c) Data Verification:

- The census data have verification and validation methodologies built into their programming and G&EC staff routinely check verification of workload through monitoring of the stop codes used by the participating programs.

d) Measure Validation:

- This measure was designed to promote and capture the expansion of access to non-institutional care within VHA programs and contracted services. These underlying data serve to identify expansion opportunities both in terms of the type of services that may be offered and the specific geographic areas that can be better served.

e) Cross-Cutting Activities: None

f) External Factors:

- The success of achieving this performance goal will partially depend on the capacity of community agencies that can provide long term care.

g) Other Supporting Information:

- This measure changed in FY 2009 from "Annual percent increase of non-institutional, long-term care average daily census using 2006 as the baseline. (Baseline = 43,325)" to the strategic target ADC in the Long-Term Care Strategic Plan.

Table 2: Performance Measure Supporting Information
KEY MEASURES ONLY

15) Progress towards development of one new treatment for post-traumatic stress disorder (PTSD) (*Two Milestones to be achieved over two years***)**

a) Means and Strategies:

- Four different clinical trials will be executed and evaluated: 1) cognitive-behavioral therapy; 2) the drug divalproex sodium; 3) the drug prazosin; and 4) the drug risperidone.

b) Data Source(s):

- Data is obtained from the written annual research progress reports submitted to the Office of Research and Development.

c) Data Verification:

- Personal communications with the investigator in relation to this performance goal will be noted and filed.

d) Measure Validation:

- The results from the clinical trials will be published in peer-reviewed scientific journals, providing an evidence base for clinical practice generally and for Clinical Practice Guidelines specifically.

e) Cross-Cutting Activities:

- Collaboration with other federal agencies—such as the Department of Defense, the National Institutes for Health, and the Department of Homeland Security—is ongoing with respect to advancing treatments for PTSD.

f) External Factors:

- There is a high interest on the national level for a strong PTSD research program, which will have a positive impact.
- External factors that could have a negative impact on reaching the goal are
    - competing studies in the same local area
    - changing accepted medical standards of practice
- The number of potential subjects in the immediate geographical area with the medical condition under investigation could have a positive or negative effect.

Selected Program Highlights

Introduction

This section of the 2010 submission provides narrative descriptions of the various programs supported by the Veterans Health Administration (VHA) appropriations and funds.

Selected Program Highlights

	2008	2009	2010	Increase/ Decrease
Obligations ($000)				
AIDS	$634,426	$724,649	$828,578	$103,929
Blind Rehabilitation Service	$92,907	$98,713	$104,379	$5,666
CHAMPVA/FMP/Spina Bifida/CWVV	$882,966	$1,005,650	$1,079,889	$74,239
Education and Training	$1,283,693	$1,360,706	$1,433,551	$72,845
Emergency Care	$203,073	$283,556	$306,576	$23,020
Energy, Environment and Transp. Mgmt	$25,975	$27,600	$53,476	$25,876
Enh. of Comp Emerg Mgmt. Prog (CEMP)	$85,830	$93,140	$110,940	$17,800
Gulf War Programs	$966,622	$1,107,252	$1,258,086	$150,834
Health Care Sharing:				
Services Purchased by VA	$625,360	$546,723	$468,086	($78,637)
Services Provided by VA	$30,224	$27,205	$24,186	($3,019)
VA/DoD Sharing:				
Services Purchased by DoD	$42,894	$45,038	$47,289	$2,251
Services Provided by VA	$95,061	$99,814	$104,804	$4,990
Health Professional Educ. Asst. Prog	$32,457	$43,194	$44,694	$1,500
Homeless Veterans Programs:				
Homeless Veterans Treatment Costs	$2,091,124	$2,389,288	$2,721,934	$332,646
Programs to Assist Homeless Veterans	$331,839	$412,105	$500,283	$88,178
Long-Term Care	$4,608,616	$5,276,450	$5,939,634	$663,184
Mental Health	$3,879,192	$4,275,617	$4,563,535	$287,918
Non-Recurring Maint. & Energy Projects	$1,576,980	$1,589,700	$972,205	($617,495)
OEF/OIF	$1,029,183	$1,594,414	$2,057,289	$462,875
Pharmacy	$3,826,538	$4,046,724	$4,279,930	$233,206
Prosthetics	$1,421,757	$1,724,556	$1,850,000	$125,444
Readjustment Counseling	$125,178	$185,380	$192,000	$6,620
Rural Health	$23,000	$60,000	$440,000	$380,000
Spinal Cord Injury	$416,988	$455,702	$496,946	$41,244
Traumatic Brain Injury (TBI)-All Vets	$219,180	$256,505	$297,641	$41,136
Traumatic Brain Injury (TBI)-OEF/OIF	$39,209	$53,937	$63,337	$9,400
Women Veterans Health Care	$153,315	$167,330	$182,768	$15,438

AIDS

	2008	2009	2010	Increase/ Decrease
Obligations ($000).....	$634,426	$724,649	$828,578	$103,929

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

Blind Rehabilitation Service

	2008	2009	2010	Increase/ Decrease
Obligations ($000).....	$92,907	$98,713	$104,379	$5,666

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

Blind Rehabilitation Centers (BRCs) provide a comprehensive inpatient rehabilitation program. Using individualized and interdisciplinary treatment planning, the professional staff focuses on one or more of the following specialized areas: orientation and mobility, living skills, manual skills, visual skills and computer access training. Veterans also receive specialized health care, wellness education, benefits assistance and adjustment counseling support. Outpatient services include: Visual Impairment Services Teams (VISTs), which have been established at Veterans Affairs Medical Centers (VAMCs) and outpatient clinics nationwide. VIST Coordinators are case managers who have primary responsibility for coordinating blind rehabilitation services for visually impaired Veterans and ensure that blinded Veterans are identified, evaluated and provided health and rehabilitation services to maximize adjustment to sight loss. VA established 11 new VIST positions in 2008. Blind Rehabilitation Outpatient Specialists (BROS) are geographically located throughout the VA health care system and provide outpatient blind rehabilitation training to Veterans whose rehabilitation needs are best met in their local areas. BROS also serve as members of interdisciplinary teams at VHA Polytrauma Rehabilitation Centers and Polytrauma Network Sites. VA will establish 35 new BROS positions by 2010. Visual Impairment Services Outpatient Rehabilitation (VISOR) programs are medical center based residential programs that provide abbreviated blind

rehabilitation and they are designed to meet the needs of high functioning, partially sighted Veterans with limited rehabilitation needs. Participating Veterans are capable of self-care as the program uses HOPTEL beds without nursing support. A HOPTEL is temporary lodging located at a VA health care facility or a temporary, non-VA lodging facility.

Blind Rehabilitation Service also contributes to the multi-disciplinary provision of vision rehabilitation and blind rehabilitation services in the Continuum of Care for Visually Impaired Veterans. These 55 outpatient Continuum of Care clinics include Intermediate Low Vision Clinics, Advanced Ambulatory Low Vision Clinics, and Advanced Blind Rehabilitation Clinics.

Civilian Health and Medical Program of the VA (CHAMPVA)

	2008	2009	2010	Increase/ Decrease
Obligations ($000)				
CHAMPVA	$794,009	$900,100	$972,600	$72,500
Foreign Medical Program (FMP)	$14,801	$17,197	$17,949	$752
Spina Bifida Program	$17,800	$21,953	$23,280	$1,327
Children of Women Vietnam Veterans (CWVV)	$0	$200	$200	$0
Subtotal	$826,610	$939,450	$1,014,029	$74,579
Operating Expense:				
Administrative	$52,698	$62,387	$62,290	($97)
Facilities	$3,658	$3,813	$3,570	($243)
Subtotal	$56,356	$66,200	$65,860	($340)
Total	$882,966	$1,005,650	$1,079,889	$74,239

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

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

- The Veteran sponsor is not a retired military member (these family members are normally eligible for TRICARE for Life);
- A beneficiary who has turned 65 before June 5, 2001, and only has Medicare Part A, will be eligible for CHAMPVA without having to have Medicare Part B coverage; or

- A beneficiary who has turned 65 before June 5, 2001, and has Medicare Parts A and B must keep both Parts to be eligible. Beneficiaries who turn age 65 on or after June 5, 2001, must be enrolled in Medicare Parts A and B to be eligible.

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

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

Children of Women Vietnam Veterans Health Care Program (CWVV) - Under the Veterans Benefits and Health Care Improvement Act of 2000, Public Law 106-419, Section 401, VA administers the CWVV program for children with certain birth defects born to women Vietnam Veterans. The CWVV Program provides 100% reimbursement for conditions associated with certain birth defects except spina bifida, which is covered under the Spina Bifida Health Care Program.

Education and Training - Health Care Professionals

VHA Health Professions Education
(dollars in thousands)

	2008	2009	2010	Increase/ Decrease
Obligations ($000)				
Education & Training Support	$686,836	$707,441	$735,739	$28,298
Trainees	$596,857	$653,265	$697,812	$44,547
Total	$1,283,693	$1,360,706	$1,433,551	$72,845
Health Professions Individuals Rotating thru VA				
Physician Residents & Fellows	34,077	35,099	36,503	1,404
Medical Students	19,968	20,567	21,390	823
Nursing Students	30,466	31,380	32,635	1,255
Associated Health Residents & Students	22,249	22,916	23,833	917
Total	106,760	109,962	114,361	4,399

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

Each year, over 100,000 trainees, representing more than 40 health care disciplines, receive all or part of their clinical training in VA health care facilities. VA maintains affiliations with 107 of 125 U.S. medical schools and over 1,200 other educational institutions. VA is the second largest federal supporter (after Medicare) of education for health care professionals. Health professional trainees contribute substantially to VA's ability to deliver high-quality, cost-effective patient care and to recruit highly trained health care providers. As the Nations' health care system evolves, VA is positioning itself on the leading edge with innovative education and clinical training programs that benefit Veterans and all Americans.

Emergency Care

	2008	2009	2010	Increase/ Decrease
Obligations ($000)	$203,073	$283,556	$306,576	$23,020

Under the Veteran's Millennium Health Care Act, Public Law 106-117, Veterans who are eligible for reimbursement of emergency services at non-VA facilities are defined as individuals who are enrolled in the VA health care system; have

received VA care within the 24-month period preceding the furnishing of such emergency treatment; and are financially liable to the provider of the emergency treatment for that treatment. Veterans who have health insurance coverage for emergency care, entitlement to care from any other Department or Agency of the United States (Medicare, Medicaid, TRICARE, Workers Compensation, etc.) or have other contractual or legal recourse are not eligible for reimbursement. VA is the payer of last resort. The Secretary has the authority to establish maximum amounts and circumstances under which payment is made.

Energy, Environmental and Transportation Management Program

	2008	2009	2010	Increase/ Decrease
Obligations ($000)*	$25,975	$27,600	$53,476	$25,876

*Includes costs from Medical Care and other accounts.

VA's Energy Management Program, established by VHA in 1975 and now residing in VA's Office of Management, expanded in 2007 to include environmental and transportation (vehicle fleet) management in an integrated, Department-wide energy, environment and transportation (EE&T) management program. The Energy Policy Act of 2005 (EPAct 2005), Executive Order 13423 (January 2007), and the Energy Independence and Security Act of 2007 (EISA, December 2007) require Federal agencies to achieve a number of EE&T performance benchmarks, such as annual energy and water consumption intensity reductions, increases in renewable energy and alternative fuel use, deployment of environmental management systems, and creation of sustainable buildings. To meet these requirements, VA created four Department-level task forces that have developed and are coordinating implementation of multi-year action plans for energy management, environmental stewardship, vehicle fleet management and sustainable buildings.

In 2010, VA is continuing the implementation of EPAct of 2005, Executive Order 13423, and EISA, along with related mandates. Federal agencies must achieve a number of energy, environment and transportation management performance benchmarks, such as annual energy and water consumption intensity reductions, increases in renewable energy and alternative fuel use, deployment of environmental management systems and creation of sustainable buildings. VA took a number of key actions in 2008, including: hiring additional energy engineers; installing solar photovoltaic systems at two facilities; completing energy assessments of 111 facilities in 23 states; installing alternative fueling capacity at four sites; initiating sustainable buildings certification processes at 21 facilities and; awarding a project to install building-level metering at 13 facilities in two states; and to implement utility bill auditing nationwide. In 2009, VA is maintaining energy engineer positions, expanding building-level metering,

completing sustainable building certification processes and implementing wind and solar energy projects. Internally, VA is devoting funding to a renewable energy initiative that will implement wind, solar and geothermal projects and renewably fueled generation feasibility studies.

Enhancement of Comprehensive Emergency Management Program (CEMP)

	2008	2009	2010	Increase/ Decrease
Obligations ($000).....	$85,830	$93,140	$110,940	$17,800

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

Gulf War Programs

	2008	2009	2010	Increase/ Decrease
Obligations ($000).....	$966,622	$1,107,252	$1,258,086	$150,834

VA's Gulf War Veteran programs provide a range of services, including: ready entry for Gulf War Veterans to access VA clinical care; timely access to disability compensation benefits for 1991 Gulf War Veterans; a tracking system of VA health care utilization and outreach to Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) Veterans; special clinical care to all combat Veterans with serious, difficult to diagnose illnesses; world-class research on Gulf War Veteran health issues; meeting the special medical needs of Gulf War and OEF/OIF Veterans serving in Southwest Asia who are wounded or concerned about depleted uranium munitions or other forms of embedded-fragments wounds during previous or current wars; and developing effective outreach and

educational tools for Veterans with environmental and deployment health concerns and their VA health care providers, including Veterans from the Vietnam War, 1991 Gulf War, Korean War, Atomic Veterans, and combat Veterans returning today from conflicts in Iraq and Afghanistan.

Health Care Sharing

	2008	2009	2010	Increase/ Decrease
Services Purchased by VA Obligations ($000)	$625,360	$546,723	$468,086	($78,637)
Services Provided by VA Reimbursements ($000)	$30,224	$27,205	$24,186	($3,019)

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

VA/DoD Sharing.

	2008	2009	2010	Increase/ Decrease
VA Services Purchased from DoD Obligations ($000)	$42,894	$45,038	$47,289	$2,251
VA/DoD Sharing Services, VA Provided Reimbursements ($000)	$95,061	$99,814	$104,804	$4,990

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

Health Professional Educational Assistance Program (HPEAP)

	2008	2009	2010	Increase/ Decrease
Obligations ($000)				
Education Debt Reduction Program (EDRP)	$10,430	$15,663	$16,000	$337
Employee Incentive Scholarship Program (EISP)	$1,800	$2,400	$2,500	$100
VA Nursing Education for Employees Prog. (VANEEP)	$9,071	$13,503	$14,074	$571
National Nursing Education Initiative (NNEI)	$11,156	$11,628	$12,120	$492
Total	$32,457	$43,194	$44,694	$1,500

The Employee Incentive Scholarship Program (EISP) authorizes VA to award scholarships to employees pursuing degrees or training in health care disciplines for which recruitment and retention of qualified personnel is difficult. The National Nursing Education Initiative (NNEI) and the VA Nursing Education for Employees Program (VANEEP) are policy-derived programs that stem from the legislative authority of EISP. EISP awards cover tuition and related expenses such as registration, fees and books. The academic curricula covered under this program includes education and training programs in fields leading to appointments or retention in title 38 or hybrid title 38 health care positions listed in 38 U.S.C. Section 7401. The maximum amount of a scholarship that may be awarded to an employee enrolled in a full-time curriculum during 2008 is $35,899 for the equivalent of three years of full-time coursework.

As of the end of 2008, VA has awarded 8,107 scholarships to EISP, NNEI, and VANEEP participants since the program began in 2000. Outcome studies have demonstrated the cost-effectiveness of these programs for recruitment and retention of hybrid title 38 and title 38 personnel; and field facilities report this as a critical tool for recruitment and retention.

The Education Debt Reduction Program (EDRP) is an education and student loan reimbursement program for hard-to-recruit health care professionals. In 2008, VA was authorized to make education debt reduction payments totaling up to $50,824 to each full-time EDRP participant. Award payments are made annually for one to five years and are further limited to a maximum amount each year. VHA currently caps total awards at $48,000 for budgetary purposes. As of the end of 2008, 6,965 employees have received authorization for educational debt reimbursement through EDRP since 2002.

Homeless Veterans Programs

	2008	2009	2010	Increase/ Decrease
Obligations ($000)				
Homeless Veterans Treatment Costs	$2,091,124	$2,389,288	$2,721,934	$332,646
Programs to Assist Homeless Veterans				
Health Care for Homeless Vets (HCHV)	$77,656	$80,219	$83,026	$2,807
Homeless Grants & Per Diem Program	$114,696	$130,000	$143,921	$13,921
Homeless Grants & Per Diem Program/Liaisons	$13,610	$23,294	$27,711	$4,417
Supportive Svcs. Low Income Veterans & Families.	$0	$218	$16,000	$15,782
Domiciliary Care for Homeless Veterans	$96,098	$98,789	$101,960	$3,171
Homeless Ther. Empl., CWT & CWT/TR	$21,497	$22,206	$22,984	$778
HUD-VASH & Joint HUD/HHS/VA *	$4,854	$54,128	$75,332	$21,204
Combat Homelessness Pilot Program	$0	$0	$26,000	$26,000
Other	$3,428	$3,251	$3,349	$98
Total	$331,839	$412,105	$500,283	$88,178

*Includes funding for the HUD-VASH program expansion.

Currently, VA estimates there are 131,000 homeless Veterans on any given night. Returning homeless Veterans to self-sufficiency and independent, stable living is the primary goal of VA's Homeless Veterans Programs. Our central goal is to end chronic homelessness within the decade by working collaboratively with other federal agencies.

VA is requesting $26 million in 2010 to support a pilot program partnering with non-profits and consumer co-ops to assist Veterans that might otherwise become homeless. VA will also utilize the authority mandated in Public Law 110-387 and authority provided in other legislation to establish pilot programs with community based non-profit and co-op agencies to provide supportive services specifically designed to prevent homelessness. These pilots will be coordinated with relevant partner agencies, and encompass both rural and urban sites with the goal of preventing homelessness and maintaining housing stability for the Veteran's family.

In 2008, VA continued working toward these goals by forming partnerships with other Federal agencies, community coalitions and faith-based organizations to participate in a coordinated approach in delivering services to homeless Veterans. VA is also developing relationships with these partners to respond with services for Veterans at the greatest risk for homelessness, such as providing re-integration and support services for previously incarcerated Veterans.

The Consolidated Appropriations Act of 2008 provided funding for the Department of Housing and Urban Development (HUD) and VA to expand the HUD-VA Supportive Housing (HUD-VASH) Program by adding 10,105 new Section 8 "Housing Choice" vouchers. HUD-VASH is a collaborative effort supported through HUD Section 8 "Housing Choice" rental assistance vouchers and VA's provision of intensive case management services. The primary goal of HUD-VASH is to move Veterans and their families out of homelessness and into permanent housing. An essential component of the program is VA case management services that improve the Veteran's physical and mental health, and enhance their ability to remain stable and safe, residing in permanent housing in a community of his or her choosing.

VA, in partnership with HUD, plans further expansion of HUD-VASH in 2010 by adding an additional 10,000 vouchers and the appropriate complement of case management services to sustain the program. Expansion will include urban and rural municipalities.

Under authority of Public Law 109-461, through the Homeless Providers Grant and Per Diem (GPD) program, VA assists community-based organizations with the provision of services for homeless Veterans. GPD provides operational costs,

as well as partial capital costs, to create and sustain transitional housing and service programs for homeless Veterans. In 2010, VA will continue the development of these services and offer both grants and per diem funding. VA will also continue to fund community-based organizations that offer services for special needs populations including the chronic mentally ill, elderly, terminally ill, and homeless women Veterans, including women Veterans with children. Technical Assistance funding will be continued in 2010 to help community-based entities with establishing new programs for homeless Veterans or improving upon their existing programs' abilities and capacities.

VA will continue with the activation of the remaining new Homeless Domiciliary Residential Rehabilitation and Treatment Programs (DRRTPs). These 11 new DRRTPs added over 400 new rehabilitative care beds for homeless Veterans. In 2008, over 1,100 additional Veterans' utilized DRRTP services than in 2007 and VA expects this number will increase through 2009 and 2010. VA funded staff enhancements to ensure necessary staffing levels are met and a high quality of care is maintained in VA's residential rehabilitation and treatment programs. Funding for additional clinical staffing will continue to be provided to DRRTPs. VA has also provided funding for safety and security enhancements, with special emphasis placed on installing keyless entry on perimeter doors and closed circuit monitoring systems at entrances and exits.

VA will continue its extensive outreach efforts to homeless Veterans in the community. Health Care for Homeless Veterans (HCHV) outreach teams work closely with community agencies and homeless Veterans throughout the country. With over 300 staff based at 101 locations, HCHV representatives met with 65,802 Veterans in 2007, providing 272,566 episodes of care.

Outreach efforts receive significant support from locally held Stand Down programs. Stand Downs bring community agencies together to work with VA, identifying and aiding homeless Veterans. VA organized 143 Stand Downs in 2007 and 152 in 2008. These community-based collaborations have served hundreds of thousands of Veterans and their family members since they began in 1988. As part of the Stand Down initiative, VA will continue to support Operation New Hope, which is a nationally recognized effort that has shipped over $173 million worth of DoD surplus items to 1,968 outreach events since 1994. VA is planning to expand outreach efforts to provide "inreach" services within local VA medical centers and community-based outpatient clinics to assist Veterans and their families who are either homeless or at risk of homelessness.

In 2007, VA's Community Homeless Assessment, Local Education and Networking Groups (CHALLENG) program surveyed more than 9,000 people – over 5,000 were homeless or formerly homeless Veterans. CHALLENG brings

together consumers, providers, advocates, local officials and other concerned citizens to identify the needs of homeless Veterans and works to meet those needs through planning and cooperative action.

VA plans to begin implementation of supportive services for low-income Veterans living in permanent housing as authorized in the Veterans' Mental Health and Other Care Improvement Act of 2008, Public Law 110-387. VA will provide grants to community and faith-based agencies to assist low-income Veterans and their families by providing case management and other supportive services to help prevent the onset of homelessness. VA will develop program regulations and guidance in 2009 and award grants for the program in 2010.

VA implemented an incarcerated Veteran prison re-entry initiative designed to prevent homelessness, substance abuse, mental illness, and criminal recidivism in 2007. VA initially hired 21 VISN Healthcare for Re-Entry Veterans (HCRV) Specialists whose mission is to help re-entry Veterans make a successful transition from prison to the community by engaging all correctional, VA and community resources to provide housing, employment, mental health and other social services. In 2008, VA hired an additional 18 HCRV Specialists to further expand services to those Veterans. During 2008, over 5,000 re-entry Veterans were served in over 450 State and Federal prisons. Also in 2008, VA began developing prevention efforts to serve Veterans in the early stages of involvement with police and courts. This work culminated with the planning and completion of a National Veterans Justice Outreach Conference in December 2008, and a year-long collaboration with U.S. Department of Health and Human Services Substance Abuse Mental Health Services Administration (SAMHSA) on a six-state Veteran-focused trauma intervention initiative. The initiative will continue through 2009.

Long Term Care

	2008	2009	2010	Increase/ Decrease
Dollars in Thousands				
Institutional:				
VA Community Living Centers	$2,902,417	$3,140,166	$3,405,226	$265,060
Community Nursing Home	$455,362	$518,608	$591,025	$72,417
State Home Nursing	$498,393	$621,639	$677,869	$56,230
Subtotal	$3,856,172	$4,280,413	$4,674,120	$393,707
State Home Domiciliary	$48,687	$53,637	$58,084	$4,447
Geriatric Evaluation & Management (GEM)	$2,367	$2,485	$2,609	$124
Total	$3,907,226	$4,336,535	$4,734,813	$398,278
Non-Institutional Care:				
VA Adult Day Health Care	$12,335	$13,478	$14,718	$1,240
State Adult Day Health Care	$324	$345	$414	$69
Contract Adult Day Health Care	$39,215	$56,820	$78,493	$21,673
Home-Based Primary Care	$226,834	$286,857	$352,984	$66,127
Other Home Based Prgs	$165,388	$220,745	$281,710	$60,965
Homemaker/Hm Hlth Aide Prgs	$193,338	$255,550	$324,108	$68,558
Spinal Cord Injury Home Care	$9,259	$10,415	$11,715	$1,300
Care Coordination/Home Telehealth	$54,697	$95,705	$140,679	$44,974
Total	$701,390	$939,915	$1,204,821	$264,906
Total Long-Term Care	$4,608,616	$5,276,450	$5,939,634	$663,184
Average Daily Census				
Institutional:				
VA Community Living Centers	10,954	10,734	10,514	(220)
Community Nursing Home	5,817	6,097	6,377	280
State Home Nursing	18,579	18,762	18,946	184
Subtotal	35,350	35,593	35,837	244
State Home Domiciliary	3,876	3,878	3,880	2
Total	39,226	39,471	39,717	246
Non-Institutional Care:				
VA Adult Day Health Care	335	350	364	14
State Adult Day Health Care	21	21	24	3
Contract Adult Day Health Care	2,019	2,605	3,192	587
Home-Based Primary Care	16,523	19,952	23,382	3,430
Other Home Based Prgs	4,596	5,858	7,120	1,262
Homemaker/Hm Hlth Aide Prgs	9,321	11,767	14,212	2,445
Spinal Cord Injury Home Care	598	604	610	6
Care Coordination/Home Telehealth	16,392	27,316	38,240	10,924
Community Residential Care	4,248	3,879	3,510	(369)
Total	54,053	72,352	90,654	18,302
Total Long-Term Care	93,279	111,823	130,371	18,548

	2008	2009	2010	Increase/ Decrease
Per Diem				
Institutional:				
VA Community Living Centers	$723.95	$801.49	$887.33	$85.84
Community Nursing Home	$213.88	$233.04	$253.92	$20.88
State Home Nursing *	$71.42	$74.42	$77.53	$3.11
State Home Domiciliary *	$33.01	$34.40	$35.84	$1.44
Non-Institutional Care:				
VA Adult Day Health Care	$146.12	$153.43	$161.10	$7.67
State Adult Day Health Care *	$64.13	$66.82	$69.63	$2.81
Contract Adult Day Health Care	$77.08	$86.90	$97.97	$11.07
Home-Based Primary Care	$37.51	$39.39	$41.36	$1.97
Other Home Based Prgs	$98.32	$103.24	$108.40	$5.16
Homemaker/Hm Hlth Aide Prgs	$56.67	$59.50	$62.48	$2.98
Spinal Cord Injury Home Care	$1,290.31	$1,436.89	$1,600.12	$163.23
Care Coordination/Home Telehealth	$278.07	$291.97	$306.57	$14.60

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

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

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

VA Community Living Center Care - VA 's nursing home programs include VA operated Nursing Home Care Units (renamed Community Living Centers), Community Nursing Home, and State Home programs. While all three programs provide nursing home care, each program has its own particular features. VA re-structured its own program to reflect the Department's commitment to the culture change movement in nursing homes and to enhance Veteran choice. VA Community Living Centers are hospital-based and provide an extensive level of nursing home care supported by an array of clinical specialties at the host hospital. VA purchases care through the Community Nursing Home program. These homes provide a broad range of nursing home care and have the advantage

of being offered in many local communities throughout the nation, enabling a veteran to receive care near his/her home and family. VA's Community Living Centers and selected Community Nursing Homes specialize in treating Veterans with post-acute needs, thus reducing hospital days. The State Veterans Home program provides a broad range of nursing home care, and is characterized by a joint cost sharing agreement between the VA, the Veteran and the state.

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

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

Non-Institutional Care - Non-institutional long-term care programs have grown out of the philosophy that: 1) home or community setting is the desired location to deliver long term care; and 2) placement in a VA Community Living Center should be reserved for situations in which a Veteran can no longer safely be cared for at home. Veterans prefer non-institutional care because it enables them to live at home with a higher quality of life than is normally possible in an institution. Within VA, non-institutional long term care programs include home-based primary care, purchased skilled home health care, adult day health care, homemaker and home health aide services, home respite care, home hospice care, community residential care, and care coordination/home telehealth.

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

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

Mental Health

Mental Health Summary
(dollars in thousands)

	2008	2009	2010	Increase/ Decrease
Treatment Modality:				
Inpatient Hospital	$1,228,044	$1,341,321	$1,410,448	$69,127
Psychiatric Residential Rehab. Trmt	$245,883	$275,807	$302,017	$26,210
VA Domiciliary Residential Rehab. Trmt	$352,837	$374,571	$387,050	$12,479
Outpatient	$2,052,428	$2,283,918	$2,464,020	$180,102
Total	$3,879,192	$4,275,617	$4,563,535	$287,918
Major Characteristics of Program:				
SMI - Post-Traumatic Stress Disorder (PTSD) *	$271,863	$322,867	$365,881	$43,014
SMI - Substance Abuse	$461,893	$487,726	$495,629	$7,903
SMI - Other Than PTSD & SA	$2,563,695	$2,832,037	$2,930,088	$98,051
Subtotal, SMI	$3,297,451	$3,642,630	$3,791,598	$148,968
Suicide Prevention	$4,456	$51,858	$63,950	$12,092
Other Mental Health (Non-SMI)	$577,285	$581,129	$707,987	$126,858
Total Mental Health	$3,879,192	$4,275,617	$4,563,535	$287,918

* Includes PTSD (OEF/OIF).
SMI = Seriously Mentally Ill.

Mental Health Services**:** The responsibilities of the Office of Mental Health Services in VA Central Office include providing oversight and guidance for developing and maintaining programs, as well as analyzing and evaluating information on the effectiveness of services for seriously mentally ill Veterans, substance abuse services, psychosocial rehabilitation services, PTSD services, homeless Veterans services, and residential rehabilitation and treatment services. Since 2005, the Office of Mental Health Services has been focused on implementing the recommendations of the VHA Comprehensive Mental Health

Strategic Plan (MHSP) which has guided extensive efforts in VHA to expand, develop, and transform mental health services for Veterans.

MHSP recommendations can be grouped into several areas: 1) enhancing the overall capacity of mental health services in VA medical centers and clinics with improvements in both access to services and the continuity of care; 2) eliminating disparities in the delivery of mental health care by enhancing services for Veterans at community-based outpatient clinics and those living in rural areas; 3) integrating mental health with primary care and other general medical care services; 4) focusing specialty mental health care on rehabilitation- and recovery-oriented services; 5) implementing evidence-based treatments with a focus on specific, evidence-based psychotherapies; 6) expanding treatment and housing opportunities for homeless Veterans; 7) addressing the mental health needs of returning OEF/OIF Veterans; and 8) preventing suicide. Based on these recommendations, VA is increasingly recognizing, diagnosing and treating the most common mental health conditions through mental health services incorporated into primary care settings. This allows specialty mental health care settings to focus on rehabilitation- and recovery-oriented services to help Veterans with severe and persistent mental illnesses lead fulfilling lives, in spite of any residual symptoms and impairments.

As one measure of its actions addressing the MHSP, VA has hired over 4,000 additional mental health staff members since the start of 2005**.** In June 2008, to facilitate completing the implementation of the MHSP, VA published a handbook, "Uniform Mental Health Services in VA Medical Centers and Clinics," that defines requirements for those mental health services that must be available to all Veterans, and those that must be required in VA facilities: medical centers, very large, large, mid-sized, and small community-based outpatient clinics. VA facilities are implementing the handbook, with ongoing technical assistance from the Office of Mental Health Services.

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

Slightly more than half of returning OEF/OIF Veterans with a mental health condition have PTSD, either by itself or in association with another problem. PTSD represents the most common, but by no means the only, mental health condition among returning OEF/OIF Veterans. To address the needs of returning Veterans, VA established post-deployment services in most medical centers that provide mental health assessment and treatment services as well as other components of care. However, it is important to recognize that the majority of those treated for PTSD in VA are Veterans of prior eras, primarily from Vietnam.

To provide a continuum of care to match the needs of Veterans with PTSD, VA maintains an array of treatment sites and services to help Veterans gain mastery over their PTSD symptoms and to improve their social and occupational functioning. VA operates more than 200 specialized programs for the treatment of PTSD through its medical centers and clinics. These programs provide a continuum of care from outpatient PTSD Clinical Teams and specialists through specialized inpatient units, brief-treatment units and residential rehabilitation programs around the country. Every VA medical center possesses outpatient PTSD specialty capability, and, increasingly, PTSD services are being provided community-based outpatient clinics. VA's programs are designed to deliver evidence-based treatments including specific forms of behavioral and cognitive-behavioral psychotherapy and pharmacotherapy. For those who experience recurring or persistent symptoms, in spite of evidence-based therapies, VA offers rehabilitative services that focus on improving day-to-day functioning. To support the delivery of effective treatments, VA has been conducting large-scale training programs in two evidence-based psychotherapies for PTSD – cognitive processing therapy and prolonged exposure. VA is also supporting research on novel treatments and strategies for delivering care.

The ten-year cost estimate (2010-2019) for OEF/OIF veterans suffering from Post Traumatic-Stress Disorder is $4.5 billion (cumulative total).

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

Within VA, problem drinking and other forms of substance misuse occur in forms that vary in frequency and severity. The most common and mild cases are best identified and treated in primary care and other general medical settings through

programs that include screening and brief interventions. When these problems occur in the presence of other mental health conditions, they can be treated in general mental health services or dual diagnosis programs. In recognition of this principle, VA is adding substance use treatment specialists to the PTSD treatment teams or specialists in each medical center. Although specialty substance abuse services remain important, they represent only a component of the care that is provided.

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

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

The suicide prevention program includes specific outreach activities and clinical programs for addressing high-risk patients, including: VA Suicide Prevention Hotline; Suicide Prevention Coordinators and their teams in each medical center; Center of Excellence in Canandaigua, NY; Mental Illness Research Education and Clinical Center in Denver, CO; specific demonstration projects, database and statistical analysis activities at the Serious Mental Illness Treatment Research and Evaluation Center in Ann Arbor, MI; and a public information campaign.

Non-Recurring Maintenance and Energy Projects

	2008	2009	2010	Increase/ Decrease
Obligations ($000)	$1,576,980	$1,100,000	$461,905	($638,095)
American Recovery & Reinvest. Act of 2009		$489,700	$510,300	$20,600
Total	$1,576,980	$1,589,700	$972,205	($617,495)

VHA uses its Non-Recurring Maintenance (NRM) program to make additions, alterations, and modifications of land, interest in land, buildings, other structures (including lease build-outs), nonstructural improvements of land, and fixed equipment (when the equipment is acquired under contract and becomes permanently attached to or part of the building or structure). NRM projects are renovations within the existing square footage of a facility with a maximum of

$500,000 for associated cost for expansion of new space, up to $10 million. Minor improvement includes the costs associated with projects that involve renovation or expansion of space to cause a change in space function.

VHA uses its NRM program as its primary means of addressing its most pressing infrastructure needs as identified by Facility Condition Assessments (FCA). These assessments are performed at each facility every three years and highlight a building's most pressing and mission critical repair and maintenance needs. VHA will support Research-type projects by ensuring that at least 5% of the total program allocation in a given year for NRM and Minor Construction Projects are used to fund projects at research facilities.

The American Recovery and Reinvestment Act of 2009 (ARRA 2009) provides $1 billion for VHA's NRM projects and energy initiatives. Two hundred million ($200 million) of the total $1 billion in recovery funds will be used for direct energy projects, and the remaining $800 million (which also includes $200 million of projects with an energy savings component) will be used for NRM priorities. The focus of these NRM projects is to correct, replace, upgrade and modernize existing infrastructure and utility systems for VA medical centers. Projects include, but are not limited to, patient privacy corrections, life safety corrections, facility condition deficiency corrections, utility system upgrades, and mental health improvements. Projects have been developed and are planned for initial obligation in the next few months. Renewable energy and energy efficiency projects will encompass all stages of energy development from detailed feasibility studies through construction. These contracts will include utilization of technical experts, as well as the manufacturing of equipment such as building control systems, energy generation equipment, and various construction supplies. The economic impacts are expected to be increases in jobs and activity as contractors supply the labor and materials to install and commission renewable energy and energy efficient systems. Dollar savings from these energy initiatives are expected to be put towards the enhancement of services provided to Veterans and their families.

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

	2008	2009	2010	Increase/ Decrease
Obligations ($000)	$1,029,183	$1,594,414	$2,057,289	$462,875
Unique Patients	261,019	363,275	419,256	55,981
Cost Per Patient	$3,943	$4,389	$4,907	$518

VA is providing medical care to military personnel who served in OEF/OIF. Veterans deployed to combat zones are entitled to five years of eligibility for VA health care services following their separation from active duty, even if they are not immediately otherwise eligible to enroll in VA. VA is committed to ensuring

a continuum of care for our injured service men and women and continues to support ongoing efforts to continuously improve this process while providing the necessary care to these returning service members. The Department's outreach network ensures that returning service members receive full information about VA benefits and services. Each medical center and benefits office now has a point of contact assigned to work with returning OEF/OIF Veterans. OEF/OIF patients represent nearly 7% of the overall VA patients served.

Pharmacy

	2008	2009	2010	Increase/ Decrease
Obligations ($000) *.....	$3,826,538	$4,046,724	$4,279,930	$233,206
Number of 30-Day Prescriptions (millions)..	245	246	254	8

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

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

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

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

- Medication Copayment – The Omnibus Budget Reconciliation Act of 1990, Public Law 101-508, requires VA to assess a medication copayment. Currently this copayment is $8 for each 30-day or less supply of medication dispensed on an outpatient basis for the treatment of non-service connected conditions. Collections from the medication copayment are deposited into the Medical Care Collections Fund (MCCF). The medication copayment is not charged to Veterans rated 50% or more service connected, when provided for the treatment of a service connected condition, to Veterans who are former Prisoners of War, to Veterans whose annual income does not exceed the maximum annual rate of VA pension (which would be payable if such Veteran was eligible for a VA pension

under title 38, U.S.C., 1521) or are exempt by other special authority. The Veterans Millennium Health Care and Benefits Act, Public Law 106-117, authorized VA to increase the amount of the medication copayment and to establish a maximum monthly and annual cap for certain Veterans who are in receipt of multiple medications.

- Consolidated Mail Outpatient Pharmacies (CMOP) - VA has automated and consolidated mail prescription service. CMOPs significantly improve customer service, reduce potential for errors and improve efficiency by filling large volumes of prescriptions faster with continually improving technologies that require less staff than would be needed at individual VA medical centers. VA currently operates seven of these facilities across the nation and is planning to add an additional one to meet anticipated workload growth.

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

Prosthetics

	2008	2009	2010	Increase/ Decrease
Obligations ($000)	$1,421,757	$1,724,556	$1,850,000	$125,444
Unique Patients	1,978,197	2,235,960	2,525,960	290,000

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

Readjustment Counseling

	2008	2009	2010	Increase/ Decrease
Obligations ($000) *	$125,178	$185,380	$192,000	$6,620
Visits (000)	1,113	1,222	1,383	161
Unique Patients (RCS Only)	67,334	104,000	109,000	5,000
Total Patients **	167,034	183,231	207,050	23,819
Number of Vet Centers	232	271	299	28

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

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

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

Rural Health

	2008	2009	2010	Increase/ Decrease
Obligations ($000)	$23,000	$60,000	$440,000	$380,000

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

ORH conducts its work around six core areas of focus: 1) access; 2) quality; 3) workforce; 4) education and training; 5) technology; and 6) collaborations. In 2008, ORH began addressing the core areas of focus. Congress provided $250 million to expand VA's efforts in this area. In 2009 and 2010, ORH will continue identifying and implementing new initiatives that include, but are not limited to, increasing mobile clinics, establishing new outreach clinics, expanding fee-based care, exploring collaborations with federal and non-federal community partners, operating the Rural Health Resource Centers, accelerating telemedicine deployment, developing workforce recruitment initiatives, developing web-based information delivery methods and funding innovative pilot programs.

Spinal Cord Injury

	2008	2009	2010	Increase/ Decrease
Obligations ($000)	$416,988	$455,702	$496,946	$41,244
Unique Patients	13,099	13,242	13,383	141

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

Traumatic Brain Injury (TBI)

	2008	2009	2010	Increase/ Decrease
Obligations ($000)				
TBI - All Veterans	$219,180	$256,505	$297,641	$41,136
TBI - OEF/OIF (Included in TBI - All Vets).....	$39,209	$53,937	$63,337	$9,400

VA estimates the ten-year costs (2010-2019) for TBI-All Veterans will be over $4.7 billion, and TBI-OEF/OIF will be $866 million.

VA is committed to providing the highest quality medical, psychological, rehabilitation, and prosthetic care for Veterans with traumatic brain injury (TBI) and polytrauma. VA developed the TBI/Polytrauma System of Care (PSC) in April 2005, and has dedicated significant resources to its continued development. Currently, PSC encompasses over 100 VA facilities with programs dedicated to serving the needs of Veterans and service members with TBI and polytrauma. PSC facilities are distributed across the Nation and include four components of care: 1) four TBI/Polytrauma Rehabilitation Centers, which serve as hubs for acute medical and rehabilitation care, research, and education; 2) twenty-two TBI/Polytrauma Network Sites (one in each VISN and Puerto Rico), which manage the post-acute sequelae of TBI/Polytrauma and coordinate life-long rehabilitation services within their VISN; 3) eighty-one TBI/Polytrauma Support Clinic Teams which provide rehabilitation services for patients with stable TBI/polytrauma sequelae and respond to new problems that might emerge; and 4) fifty remaining VA facilities, which have identified TBI/Polytrauma Points of Contact responsible for managing consultations and referrals of Veterans and active duty service members with TBI and polytrauma.

In April 2007, VA began screening for possible TBI in all OEF/OIF Veterans who receive VA medical care. VA policy requires that Veterans who screen positive for TBI be offered a follow-up comprehensive evaluation with a specialty provider to determine whether the Veteran has a TBI. Based on the evaluation results, an interdisciplinary treatment plan is developed and implemented. From April 2007 through September 2008, VA screened 224,453 OEF/OIF Veterans and referred 44,377 for comprehensive evaluation and treatment services as needed.

TBI treatment or rehabilitation can encompass services from onset of injury throughout a person's life, and the goal is to help regain the most independent level of functioning possible. VHA Rehabilitation Programs for TBI include:

- Acute rehabilitation – high intensity rehabilitative care typically provided at VA TBI/Polytrauma Rehabilitation Centers;
- Subacute rehabilitation – less intensive level of rehabilitation services over a longer period of time, typically provided at VA TBI/Polytrauma Network Sites;
- Outpatient therapies – for patients who do not require hospitalization;

- Day treatment – structured group therapy programs;
- Home-based rehabilitation – therapy services available through VA Home Care and Home Health programs; and
- Transitional rehabilitation – prepare the person with TBI to return to independent living and to work.

The hallmark of TBI rehabilitation is interdisciplinary team management by different specialists who collaboratively contribute their skills and competencies to identify Veterans' needs, and develop appropriate ways to meet those needs.

Women Veterans Health Care

	2008	2009	2010	Increase/ Decrease
Obligations ($000)	$153,315	$167,330	$182,768	$15,438
Unique Patients	141,698	145,647	148,331	2,684

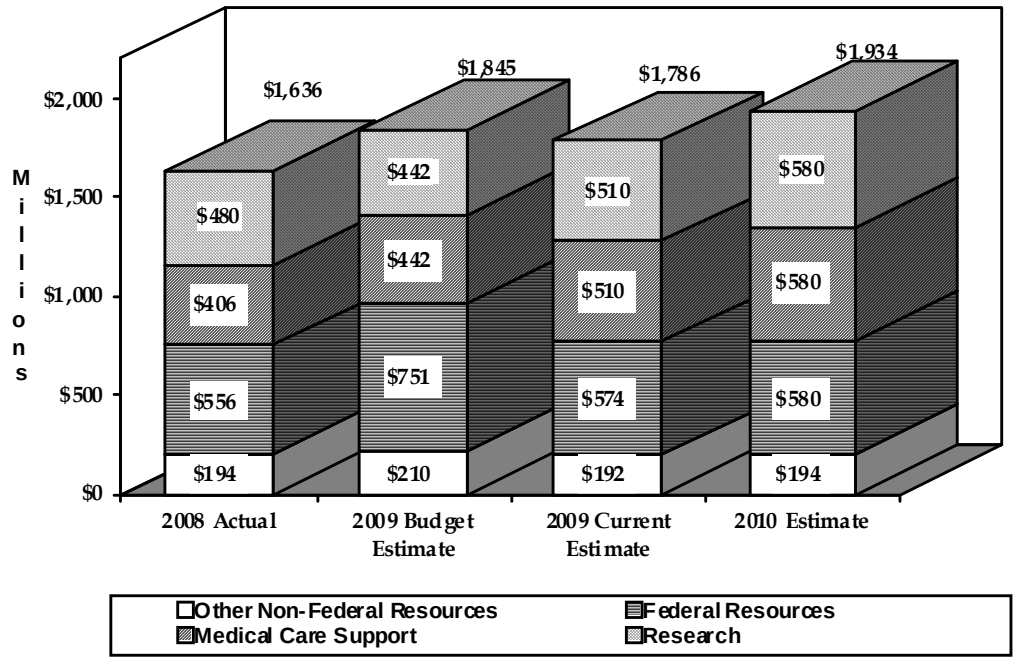
VA specifically addresses the health care needs of eligible women Veterans by providing appropriate, timely, compassionate and comprehensive health care at the facility level. In addition to the primary health care provided to every Veteran, a key focus is ensuring every woman Veteran receives high-quality comprehensive gender-specific care as indicated. Included in gender-specific care are mammography and breast care, reproductive health care (including maternity services), and treatment for all female-specific diagnostic conditions and disorders. The numbers of Active-duty military women are at an all-time high and the corresponding numbers of women Veterans utilizing VA health care are also increasing. Therefore, VA expects costs associated with this care to rise accordingly over the next several years.

Medical and Prosthetic Research

Executive Summary

The Medical and Prosthetic Research Program [more commonly known as the Department of Veterans Affairs' (VA's) Research and Development (R&D) program within the Veterans Health Administration (VHA)] focuses on research on the special health care needs of Veterans and strives to balance the discovery of new knowledge and the application of these discoveries to Veterans' health care. VA R&D's mission is to, "discover knowledge and create innovations that advance the health and care of Veterans and the nation."

Summary of Budgetary Resources
(dollars in millions)



VA is requesting $580 million in direct appropriation in 2010, an increase of $70 million, or 13.7%, over the 2009 enacted level. Research Initiatives will account for $48 million of the growth. VA will also receive other research program resources estimated to be $1.3 billion, consisting of private and other federal grants from the National Institutes of Health (NIH), Department of Defense (DoD) and Centers for Disease Control and Prevention (CDC). VA estimates total

resources will reach $1.9 billion in 2010. The estimated direct research program employment level is 3,345 FTE, with all VA researchers being employees. VA R&D will support 2,350 projects during 2010.

Summary of Budget Request

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

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Appropriation	$411,000	$442,000	$510,000	$580,000	$70,000
2008 Emergency Designation	$69,000	$0	$0	$0	$0
Revised Budget Authority	$480,000	$442,000	$510,000	$580,000	$70,000
Obligations	$531,946	$517,000	$571,638	$630,000	$58,362
Average Employment	3,142	3,201	3,201	3,345	144
Employment Distribution					
Direct FTE	2,703	2,720	2,720	2,864	144
Reimbursable FTE	439	481	481	481	0
Total	3,142	3,201	3,201	3,345	144

VA R&D has had significant success and is uniquely positioned to develop research projects that lead to clinical achievements improving both the health and quality of life for Veterans and the Nation. VA R&D is fully integrated within the Nation's biomedical community through academic affiliations, non-profit and commercial entities, and other federal agencies. Historically, VA R&D has been very successful competing for federal grants, including those offered by NIH.

VA R&D successes with direct application for improved clinical care for patients include neuromotor prosthesis for paralyzed patients, development of an artificial retina for Veterans who have lost vision due to retinal damage, and the use of a generic drug (prazosin) for Veterans with PTSD. These successes demonstrate VA's unique intramural capacity where scientific discovery at the patient's bed can be evaluated and tested in the laboratory before returning to the bedside for effective patient care. More than 70% of VA researchers are active clinicians, and VA's national laboratory enables VA to translate scientific discovery into improved care and rehabilitation.

New Research Initiatives

In 2010, VA R&D has identified funding increases for several initiatives totaling $48 million for research activity and other programs that address the critical needs of Operation Enduring Freedom and Operation Iraqi Freedom (OEF/OIF)

Veterans. Specifically, VA is dedicating additional resources in three research focus areas: 1) prevention, treatment and rehabilitation research related to OEF/OIF Veterans, including traumatic brain injury and polytrauma research, burn injury research, pain research, and post-deployment mental health research; 2) personalized medicine; and 3) access to care and rural health. The table below lists the funding levels for each of these areas and includes information on needed additional full-time equivalents (FTE).

New Initiatives for Medical and Prosthetic Research
(dollars in thousands)

	2009 Base	2010 Budget Estimate	2010 FTE Estimate
- Prevention, Treatment and Rehabilitation Research which is related to OEF/OIF Veterans including Traumatic Brain Injury and Polytrauma Research, Burn Injury Research, Pain Research, and Post-Deployment Mental Health Research	$278,974	$20,000	65
- Personalized Medicine	$40,000	$14,000	45
- Access to Care and Rural Health	$24,000	$14,000	34
Total Research Initiatives	$342,974	$48,000	144

There are several areas in the OEF/OIF-related research portfolio that VA R&D plans to expand to continue to meet the needs and improve the care of OEF/OIF Veterans, including: traumatic brain injury (TBI) and polytrauma research, where understanding blast-force-associated brain injury, developing improved diagnostic criteria, achieving improved prosthetics, and eventually re-growing functional limbs will significantly advance OEF/OIF health care and rehabilitation. Additional efforts in pain research and Post-Deployment mental health research are also critical to OEF/OIF Veterans.

The goal of personalized medicine is to treat individual patients based on the differences in their genetic makeup. Patients do not respond uniformly to a given treatment, and this variability may be in part due to differences in genetic makeup. Through the use of appropriate clinical laboratory testing, decisions about which treatment works best for each patient can be based on therapeutic decision-making for a variety of drugs used to treat chronic conditions, including mental disorders, hypertension and diabetes. PTSD and TBI are prime targets for this approach as they are likely to have a genetic basis.

Access to VA health care research will enhance Veterans' access to practices that improve well-being and function after physical injury sustained in war and mitigate suffering from chronic medical conditions. VA researchers already have responded to the access initiative with studies concerning factors that impact VA enrollees' use of non-VA medical care, rehabilitation services, and telemedicine initiatives focused on mental health and PTSD. Improved access for Veterans in

underserved rural locations is a Presidential priority and key aspect of this initiative, especially regarding mental health care.

Research Funding Priorities

- **Research Related to Operation Enduring Freedom and Operation Iraqi Freedom (OEF/OIF) Veterans and Deployment Health**

VA R&D has implemented a comprehensive agenda to develop new treatments and tools for clinicians to ease physical and psychological pain, improve access to VA health care services, and address the full range of health issues of OEF/OIF Veterans. This research also has direct relevance for Veterans of other conflicts and for civilians with disabilities due to injury or disease. OEF/OIF Veterans research includes TBI and Other Neurotrauma, Post-Deployment Mental Health, Prosthetics and Amputation Health Care, Pain, Polytrauma and Gulf War Veterans' Illnesses.

- **Other Research Priorities include: Aging, Mental Health, Personalized Medicine, Access to Care and Rural Health, and Women's Health**

Summary of Budget Request

The following table summarizes the budget of VA R&D.

Summary of Budgetary Resources
(dollars in thousands)

	2008	2009		2010	Increase/
	Actual	Budget Estimate	Current Estimate	Estimate	Decrease
Medical & Prosthetic Research Appr..	$480,000	$442,000	$510,000	$580,000	$70,000
Medical Care Support.....	$406,171	$442,000	$510,000	$580,000	$70,000
Federal Resources.....	$556,173	$751,003	$574,556	$580,244	$5,688
Other Non-Federal Resources.....	$193,533	$210,120	$191,931	$193,832	$1,901
Total Budgetary Resources.....	$1,635,877	$1,845,123	$1,786,487	$1,934,076	$147,589

The following table summarizes VA R&D funding for OEF/OIF, Prosthetics and Gulf War Veterans Illness.

Research and Development Program Funding FY 2008 - FY 2010
(dollars in thousands)

Description	2008 Actual	2009 Estimate	2010 Estimate	Increase/ Decrease
OEF/OIF				
Pain	$8,684	$10,725	$11,538	$813
Post-Deployment Mental Health	$28,797	$31,659	$39,672	$8,013
Sensory Loss	$18,280	$20,742	$21,742	$1,000
Spinal Cord Injury	$27,348	$28,135	$28,532	$397
Traumatic Brain Injury and Other Neurotrauma	$11,065	$13,462	$15,411	$1,949
All Other OEF/OIF	$156,017	$174,251	$182,079	$7,828
Total OEF/OIF	$250,191	$278,974	$298,974	$20,000
Prosthetics	$13,566	$14,516	$15,895	$1,379
Gulf War Veterans Illness	$19,800	$19,500	$21,000	$1,500

The following table identifies the key changes in obligations from 2009 to 2010. Initiatives in 2010 total $48 million and include an additional 144 FTE.

Analysis of Obligations
(dollars in thousands)

Description	2009 Current Estimate	2010 Estimate
PY Obligations	$531,946	$571,638
Research Programs (Investigator Initiated)	$37,661	$10,128
Career Development	$1,240	$0
Centers of Excellence	$561	$0
Research Compliance (PRIDE)	$230	$234
FY 2010 Initiatives:		
OEF/OIF Research	$0	$20,000
Personalized Medicine	$0	$14,000
Access to Care & Rural Health	$0	$14,000
Total Obligations	$571,638	$630,000

Medical and Prosthetic Research Program Description

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

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

VA scientists who partner with colleagues from other federal agencies, academic medical centers, nonprofit organizations and commercial entities nationwide further expand the reach and scope of VA research. Although VA R&D is an intramural program, it is fully integrated with the larger biomedical research community through VA's academic affiliations and other collaborations.

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

VA R&D consists of four main divisions:

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

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

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

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

In addition, VA R&D supports the Program for Research Integrity Development and Education (PRIDE), which ensures VA research is conducted to the highest ethical standards. VA R&D also supports a Technology Transfer Program, which

facilitates the translation of research innovations into commercially available products that benefit Veterans.

Research Funding Priorities and Examples of Recent Impacts

- **Research Related to Operation Enduring Freedom and Operation Iraqi Freedom (OEF/OIF) Veterans and Deployment Health**

  VA R&D has implemented a comprehensive agenda to develop new treatments and tools for clinicians to ease physical and psychological pain, improve access to VA health care services and address the full range of health issues of OEF/OIF Veterans. This research also has direct relevance for Veterans of other conflicts, as well as for civilians suffering from disability.

  - **TBI and Other Neurotrauma**

    Although Kevlar helmets and improved body armor save lives, they do not protect against high pressure waves and impacts to the head, face, and cervical region of the spinal cord. VA researchers are working to advance treatment and rehabilitation following TBI, spinal cord injury (SCI), sensory loss and other neurotrauma.

    - ***Traumatic Brain Injury***

      VA scientists have initiated many exciting projects to help Veterans with TBI. VA researchers are studying neural repair after brain injury to better understand cognitive rehabilitation and to find potential targets for practical treatments that enhance quality of life. VA investigators are developing a project exploring community reintegration for service members with TBI to promote seamless transition for those currently being treated, or who will one day be treated, in both the Department of Defense (DoD) and VA medical facilities. VA researchers are generating TBI profiles of OEF/OIF Veterans to advance empirical understanding of TBI and better interventions. VA investigators are also improving TBI measurement tests and assessing what available resources reduce caregiver strains. In addition, studies are underway assessing the relationship between TBI and post-traumatic stress disorder (PTSD).

      Several VA scientists with expertise in neuroimaging and neuropsychology are turning their efforts to further understanding the brain changes that occur because of TBI. This is important because TBI may induce subtle or distinct brain damage that changes memory, attention, thinking or personality that are currently difficult to diagnose and treat. One ongoing study combines state-of-the-art imaging

techniques with comprehensive neuropsychological assessments to fully characterize patients with TBI compared to other types of brain damage, such as stroke. Knowledge from this study will help inform rehabilitation and diagnostic strategies. VA scientists are also examining the underlying changes that occur in the brain following stroke by using transcranial magnetic stimulation. This work will help researchers understand language problems associated with TBI.

Recent Advances
Neuroscience of Brain Injury

A VA investigator is continuing an intensive program of cognitive neuroscience research with the overall objective of illuminating the structure and organization of memory by studying patients with circumscribed memory impairment due to brain injury or disease. The investigator is also conducting related studies of memory in healthy volunteers using functional magnetic resonance imaging. This research addresses fundamental questions about how the human brain learns and remembers. In a recent publication, the researcher reports that the methods traditionally used to separate recollection from familiarity instead separate strong memories from weak memories. Reviewing the science, the investigator found evidence for familiarity signals (as well as recollection signals) in one structure of the brain, the hippocampus, and recollection signals (as well as familiarity signals) in another structure, the perirhinal cortex. This research continues to delineate the critical brain structures involved in components of learning and memory and presents a new basis for mnemonic understanding, all of which is important for Veterans with brain injury and memory disorders.

- ***Spinal Cord Injury***

  VA researchers are exploring many ways to improve the lives of Veterans with spinal cord injuries (SCI). Investigators are developing practical functional electrical stimulation systems that may allow individuals with incomplete SCI to once again walk. VA scientists continue to work on a neuromotor prosthesis, a type of brain–computer interface to replace or restore motor function in paralyzed humans by routing movement-related signals from the brain around damaged parts of the nervous system. VA researchers are also initiating clinical studies of a neuroprosthetic system for restoration of hand–arm function in persons who have sustained a cervical level SCI. Further, VA researchers continue improving the mobility and function of Veterans with SCI and other disabilities through innovative engineering for wheelchairs and other assistive technologies.

- ***Sensory Loss***

  One of the most common conditions in returning OEF/OIF Veterans due to blast exposure is tinnitus (ringing noise in the ear). VA scientists have developed a model of tinnitus clinical management designed for efficient implementation in VA audiology clinics. Researchers are currently evaluating its effectiveness and acceptability to patients and audiologists. If shown to be effective, the program could establish the standard for tinnitus management across VA. In addition, VA researchers are developing a diagnostic test to identify tinnitus, which is currently done by self-report.

  In collaboration with DoD, VA investigators are studying which auditory processing disorders are associated with exposure to high-explosive blasts and the recovery of auditory function after blast exposure. In addition, VA researchers are developing new methods for the early detection of changes in the ear before permanent noise-induced hearing loss has occurred. Early detection can potentially protect military personnel.

  VA investigators are also developing behavioral strategies to cope with conditions of low vision and blindness and they continue to make progress on the development of an artificial retina for those who have lost vision due to retinal damage. Analogous approaches may prove useful in combat-related vision loss.

  Some blast-related changes that take place immediately are very noticeable, such as corneal tears or eardrum bleeds, but there can be more subtle but equally important changes. VA researchers are increasing their investigations of the latter category of significant but elusive changes to better preserve sensory systems such as vision, hearing and balance.

- **Post-Deployment Mental Health**

  VA research suggests that nearly one-third of OEF/OIF Veterans seen in VA facilities have one or more mental health or psychosocial diagnoses, with more than half of those with mental health diagnoses having PTSD (*Archives of Internal Medicine*. 2007; 167 (5): 476-82). VA R&D continues to lead in supporting research related to the mental health consequences of military service, including PTSD, depression, substance abuse and suicide prevention.

  In a landmark study, VA researchers, collaborating with DoD, are collecting risk factor and health information from soldiers prior to their

deployments to Iraq. These soldiers will be reassessed upon their return and several times afterwards to identify possible changes that occurred in emotions or thinking and to identify predisposing factors to mental and physical health conditions. The researchers have already reported that troops who served in Iraq showed mild deficits in some tasks of learning, memory and attention, but scored better on a test of reaction time, compared with non-deployed troops (*Journal of the American Medical Association*. 2006; 296 (5): 519–529). The researchers have proposed follow-up studies to determine if these effects might fade over time or be a precursor to PTSD. An additional goal of this research is to examine the associations of TBI with the development of PTSD.

Veterans with PTSD commonly experience nightmares and sleep disturbances, which can seriously impair their mood, daytime functioning, relationships and overall quality of life. In an exciting new treatment development, VA investigators have found that prazosin, an inexpensive generic drug already used for high blood pressure and prostate problems, improved sleep and reduced trauma nightmares in a small number of Veterans with PTSD (*Biological Psychiatry.* 2007; 61 (8): 928–934). A large, multi-site trial is underway to confirm the drug's effectiveness for PTSD.

Recent research suggests that traumatic memories may be "extinguished" or weakened with medication administered as the memory is "replayed" under controlled circumstances. A small clinical trial is ongoing to determine whether propranolol, a beta-blocker, is effective at reducing PTSD symptoms when a distressing memory is reactivated. VA scientists are also combining the drug D-cycloserine with psychotherapy to determine whether it is an effective PTSD treatment.

In addition, VA investigators are currently conducting the first ever clinical trial of a medication to treat military service-related chronic PTSD. It is the largest placebo controlled, double-blind study of its kind ever conducted. The main objective of the study is to determine if risperidone is effective in Veterans with chronic PTSD who continue to have symptoms despite receiving standard medications used for this disorder.

VA R&D has also launched a new 20-year follow up study of PTSD in Vietnam-era Veterans. This study will determine the long-term course of PTSD, the long-term medical consequences of PTSD, whether particular subgroups of Veterans are at greater risk of chronic or more severe problems, the services used by Veterans who have PTSD and the effect of those services on the course of the disorder. This study represents a significant investment in further understanding the mental and physical health of Vietnam Veterans.

Recent Advances
PTSD Biomarkers

Stress-related hormones, such as corticotropin-releasing hormone (CRH) and norepinephrine are present in elevated levels in the cerebrospinal fluid (CSF) of people suffering from PTSD. VA researchers studied patients with war-related PTSD during and after they viewed a one-hour film containing combat footage (traumatic film) or a one-hour film on how to oil paint (neutral film). CSF levels of these hormones differentially changed during the traumatic film compared with the neutral film. These separable hormonal reactions may serve as potential biomarkers (biological indicators) or targets for intervention.

VA R&D's efforts in depression, substance abuse, and suicide prevention are discussed in more detail in the Mental Health section.

- **Prosthetics and Amputation Health Care**

  While nearly two-thirds of adult amputations may arise due to peripheral vascular disease of the lower extremity, the remaining one-third are necessitated by trauma; in VA's population, the trauma is usually related to high explosive blasts or through other combat scenarios. High-impact explosive trauma from improvised explosive devices has become the signature injury of OEF/OIF.

  VA R&D has begun a collaborative effort with the Defense Advanced Research Projects Agency (DARPA) to conduct advanced new upper limb prosthetic research. Under its "Revolutionizing Prosthetics" program, DARPA contracted with the DEKA Research and Development Corporation to produce prototypes of advanced multi-articulated upper limb prosthetic arms. These arms have had some limited testing with human subjects, but DEKA is not equipped to conduct larger optimization studies, and DARPA does not fund such studies. VA is ideally positioned to partner with DARPA on an optimization study of these advanced new upper limb prostheses. Another project that is underway involves building a new flexible externally powered two-degree-of-freedom prosthetic wrist for use in upper-extremity prostheses. This will provide prosthetic users with electric–powered prosthetic components that interact with objects in a more lifelike fashion and devices that will be more robust and less prone to mechanical failure.

  Currently available prostheses for trans-tibial (below the knee) amputees do not help promote normal walking; in fact, their "passive" design can result in balance difficulties and slow walking speed. VA researchers are

seeking to addresses this problem by developing a powered ankle–foot prosthesis that promises to help restore amputees' ability to walk normally. A preliminary study confirmed the benefits of the new prototype: patients expended less energy during walking, had fewer balance problems and walked 15% faster.

Tendon losses are common in military trauma and in degenerative diseases such as rheumatoid arthritis and osteoarthritis. In mutilating injuries, a tendon grafted from another part of the body may improve function; however, only a limited supply of these tendon grafts exist in a person. VA investigators are working to create biocompatible tissue-engineered tendon grafts that will have wide applicability in improved reconstruction of extremities for Veterans.

Joint cartilage may be lost or degenerated as a result of trauma, disease or aging, leading to reduced mobility and quality of life. VA scientists are using tissue engineering methods to develop an implant that can help regenerate cartilage.

Care for wounds after amputations has been the subject of extensive research. This type of wound care is particularly challenging, owing more to the conditions surrounding the original injury than those of the surgery. VA researchers are investigating three management strategies in current standard of care for residual limbs after surgery: 1) soft dressings; 2) rigid plaster dressing; and 3) commercial prefabricated rigid prostheses. These studies are critical to a better understanding of wound care in a variety of settings extending from the "dirty" wound characteristic of a roadside bombing all the way to the healing capacities in an elderly diabetic Veteran. They can also potentially improve outcomes of amputations and burns. Most importantly, improved wound healing methodologies actually have the potential to minimize the need for amputation itself.

- **Pain**

  Veterans from all eras may experience chronic pain related to traumatic injuries. VA has issued a solicitation for research proposals that seek to develop novel approaches for the treatment and management of chronic pain associated with TBI, SCI, amputation, and burn injury that may result from OEF/OIF deployment as well as multiple sclerosis and other disorders.

  Excruciating pain is experienced by more than 50% of patients after SCI. VA investigators have identified a particular form of sodium channel (of which there are more than ten) responsible for conveying pain signals to the brain (*Nature*. 2006; 444 (7121): 831-832). VA researchers are now using

this finding to develop a new pain treatment. VA and DoD are jointly funding a study to examine the short- and long-term benefits of implementing early advanced regional anesthesia techniques for pain control following major traumatic injuries to extremities encountered during OEF/OIF combat. VA hopes these techniques will result in a significant reduction in pain disability and the incidence and severity of mental health disorders due to early pain intervention on the battlefield.

In addition, VA scientists are conducting a clinical trial to assess the efficacy of an anticonvulsant, gabapentin, in reducing pain and improving function and life quality in Veterans with chronic low back pain. Patients will be assessed for pain, function, psychiatric status, side effects and orthopedic disease to determine whether this medication is effective.

VA scientists are also analyzing data from a recent clinical trial evaluating a promising collaborative care approach to chronic pain. More than two-thirds of Veterans in the study experienced neck or back pain, lasting on average 15 years, and moderate disability in functional activities. Over 15% of Veterans showed signs of major depression, while almost 20% exhibited PTSD. The treatment strategy includes broad-based patient assessment and treatment, enhanced education and symptom monitoring and improved coordination with specialty and multidisciplinary care.

- **Polytrauma**

  As a result of new modes of injury (improvised explosive devices), improved body armor, and surgical stabilization at the front-line of combat, more soldiers are returning with complex, multiple injuries (polytrauma), including amputations, brain and spinal cord injuries, eye injuries, musculoskeletal injuries, vision and hearing loss, burns, nerve damage, infections and emotional adjustment problems.

  In response, VA has established a Polytrauma and Blast-Related Injury Quality Enhancement Research Initiative (PT/BRI QUERI) coordinating center to promote the successful rehabilitation, psychological adjustment and community reintegration of these Veterans. Two priorities have been identified: 1) TBI with polytrauma; and 2) traumatic amputation with polytrauma. The primary target is OEF/OIF VA patients, many of whom remain on active duty during their initial course of treatment in VA. However, the center's activities will benefit all VA patients with complex injuries.

  The PT/BRI QUERI is working closely with VA Polytrauma Rehabilitation Centers (PRCs) to identify needs and gaps in care, as well as best practices. One needs assessment study found that PRC patients are demographically and clinically different from inpatient rehabilitation patients treated before

the Global War on Terror. The systems of care, facilities and individual health care teams are rapidly changing to meet the needs of these unique patients.

VA scientists are also examining the long-term care and management of Veterans with polytrauma, blast-related injuries or TBI.

- **Gulf War Veterans' Illnesses**

  During and after their return from the Kuwaiti Theater of Operations, a proportion of Gulf War Veterans reported a range of chronic symptoms and health problems at rates that exceeded non-deployed Veterans. These symptoms include fatigue, weakness, gastrointestinal difficulties, cognitive dysfunction, sleep disturbances, headaches, skin rashes, respiratory problems and mood changes that often occur together in a constellation and have been termed Gulf War Veterans' illnesses (GWVI). Although the precise causes for these symptoms remain elusive, the fact that these Veterans are ill and suffer adverse effects on their daily lives remains unquestioned. There is also persistent concern that Gulf War Veterans may be at increased risk for amyotrophic lateral sclerosis (ALS, also known as Lou Gehrig's disease), multiple sclerosis and brain cancer as a result of their Gulf War service.

  Accordingly, VA R&D funds a range of GWVI research projects aimed at understanding chronic multisymptom illnesses; long-term health effects of potentially hazardous substances to which Gulf War Veterans may have been exposed to during deployment; and conditions or symptoms that may be occurring with higher prevalence in Gulf War Veterans.

- ***Agent Orange***

  Some Veterans who served in Vietnam were exposed to the Agent Orange defoliant - an agent that has since been linked with a variety of diseases including lymphoma, soft tissue sarcoma, multiple myeloma, cancers of the lung, larynx, trachea, bronchus and prostate, chronic lymphocytic leukemia, peripheral neuropathy and diabetes. In 2008, VA funded 279 projects related to these conditions, which are service-connected for these Vietnam Veterans, for a total of $48.5 million. VA is committed to expanding its research portfolio, which is directed to improving treatment for these Veterans and others suffering from these similar conditions and is projected to spend $49.4 million in 2009 and $50.3 million in 2010.

- **Aging**

  VA has a strong strategic interest in research related to older Americans because the Veteran-patient population is aging and the needs of these patients present additional health issues to the VA health care system. Due to

the multi-faceted nature of aging, VA R&D covers a broad spectrum that ranges from understanding cellular mechanisms that change with age to exploring complex diseases prevalent in older adults. The VA research portfolio on aging includes studies examining: normal age-related changes in the body's structure and function; aging syndromes, such as frailty, immobility, falls, and cognitive impairment; co-occurring diagnoses, such as dementia and hip fractures or congestive heart failure and diabetes; care of elderly Veterans, and; end-of-life issues such as hospice care, "quality of dying," and similar areas.

Recent Advances
Understanding the Development of Osteoporosis

Although loss of estrogens at menopause is thought to be the major mechanism of osteoporosis, it cannot explain the fact that substantial bone loss occurs in young adult women and men with sufficient sex hormone levels. After the first few years of accelerated bone loss in postmenopausal women, bone mass and strength decline in both sexes at the same rate. VA researchers have undertaken studies in mice that found that aging, and specifically increased oxidative stress, rather than age-associated failure of other organs, is a fundamental mechanism of age-related bone loss and strength (*Journal of Biological Chemistry*. 2007; 282: 27285-27297). They also showed that loss of estrogens or androgens accelerates the effects of aging on bone by decreasing defense against oxidative stress. Wnt/β-catenin signaling has emerged during the last few years as key regulator of bone health and disease. Activation of the pathway favors bone formation, whereas inactivation of Wnt/β-catenin signaling decreases bone formation and leads to osteoporosis. As a result of additional studies, researchers have hypothesized that interference of Wnt/β-catenin signaling by oxidative stress with increasing age may be a common molecular mechanism contributing to the development not only of osteoporosis, but also atherosclerosis, insulin resistance and hyperlipidemia - all of which become more prevalent with advancing age (*Journal of Biological Chemistry*. 2007; 282: 27298–27305; *Molecular Endocrinology*. 2007; 21: 2605-2614).

VA R&D has launched a new multi-site study to determine the incidence and risk factors for cognitive impairment after Veterans have survived delirium during stays in intensive care units. Once we know whether delirium, sedative, or analgesic medications are risk factors for cognitive impairment, we can potentially develop new recovery and prevention strategies.

VA has begun a new study to investigate whether a natural monosaccharide found in many foods (like legumes and soybeans) could safely treat Alzheimer's disease. The product, D-pinotol, sensitizes the body to insulin and could be effective due to the relationship between diabetes and Alzheimer's disease. In addition, VA investigators are conducting a multi-site clinical trial to determine if alpha-tocopherol (vitamin E) or memantine (Namenda) can significantly delay clinical progression in Alzheimer's patients with mild to moderate dementia.

Assisted living, broadly defined as group housing with additional services, is receiving increased attention from individuals in need of long-term care, their families and providers. VA was authorized to provide this level of care for the first time in 1999 in the Assisted Living Pilot Program (ALPP). VA researchers assessed ALPP residents and their providers, comparing them across three facility types and with other populations, to determine the characteristics and feasibility of this new approach. They found the ALPP was successfully implemented and Veterans, caregivers, ALPP providers and VA staff were very satisfied with ALPP services (*The Gerontologist*. 47 (3), 365-377). Findings should be useful both in VA and nationwide in guiding the growth and development of assisted living programs and in designing an optimal system of residential care services for Veterans.

VA researchers have developed a new VA palliative care quality measure that currently is being tested nationwide. Using telephone interviews of family members of Veterans who had received care from a VA facility in the last month of life, the FATE (Family Assessment of Treatment at End of Life) survey identifies aspects of end-of-life care in the VA system not otherwise assessed and also identifies issues unique to Veterans. Such a system-wide strategy to assess the quality of end-of-life care for Veterans will allow VA to define and compare the quality of end-of-life care at each facility and to identify opportunities for improvement at the facility and regional levels. This will help VA identify and disseminate successful processes and structures of care throughout VA.

- **Mental Health**

VA investigators are conducting research into understanding and treating psychiatric illnesses, behavioral disorders and cognitive impairments across the research spectrum - including laboratory based investigations, clinical studies and implementation in general practice. Investigations are directed toward addictive disorders, PTSD and adjustment disorders, psychotic disorders, dementias and memory disorders, neural mechanisms of brain disorders, mood and anxiety disorders, mental disorders following brain damage, mental health care and sleep disorders.

Research Impacts on Clinical Care
Improving Mental Health

The chronic care model for depression, known as collaborative care, has been shown to improve depression treatment outcomes in primary care settings. A Telemedicine Enhanced Antidepressant Management (TEAM) study evaluated a collaborative care model adapted for smaller clinics without on-site psychiatrists. It included the use of telemedicine technology (such as telephone and interactive video) to facilitate communication between primary care and an off-site depression care team. The models were adapted successfully and Veterans who received the telemedicine intervention reported larger gains in mental health status and health-related quality of life, as well as higher satisfaction with care (*Journal of General Internal Medicine.* 2007; 22 (8): 1086-93).

- **Mood and Anxiety Disorders**

  A large, multi-site trial is underway to determine the benefits and effectiveness of repetitive transcranial magnetic stimulation for treatment-resistant major depression among Veterans that may be suffering from concurrent problems such as alcohol abuse or PTSD. This is important because in many trials if a patient has more than one mental disorder, they are excluded from participating in a trial. This study is specifically designed to test the new treatment for depression in Veterans who may have additional "real world" complications.

  Mental stress may trigger cardiac changes, and patients with implantable cardioverter defibrillators (ICD) may be at increased risk from physiological response to stress. Investigators are determining if group therapy for stress management will effectively reduce changes, such as increased heart rate and blood pressure, in patients who have ICDs. This might be a powerful adjunctive therapy in a population specifically at risk for arrhythmic events.

Recent Advances
Hepatitis C and Depression

Approximately 5.4% of Veterans who obtain health care through VA are infected with the hepatitis C virus (HCV). The only FDA-approved treatments for chronic HCV are interferon-alpha (IFN-alpha), pegylated IFN-alpha, or either form of IFN-alpha plus ribavirin. However, a frequent side effect of IFN-alpha is depression, which can prevent completion of the therapy. VA researchers studied Veterans with HCV and found that many patients who come to their first appointment at the liver clinic have symptoms of depression that are untreated. In addition, patients who have already been diagnosed with HCV and are taking antidepressants may not be taking an adequate dose or may be refractory to treatment. This work suggests ways to optimize treatment results with IFN by assessing depressive symptoms (*Journal of Clinical Psychiatry.* March 11, 2008 published online ahead of print).

- **Substance Abuse**

  According to the 2007 National Survey on Drug Use and Health, 1.8 million Veterans suffer from a diagnosable substance use disorder in any given year. VA R&D continues to support a broad research portfolio examining substance abuse.

  One study underway seeks to determine whether motivational enhancement therapy reduces alcohol use in Veterans infected with HCV who have alcohol use disorder. In this population, alcohol use is a major

risk factor for progression to liver disease. If the intervention is effective, a new standard of care could be developed.

Recently, VA researchers studied more than 1,200 new patients randomly selected from VA inpatient and outpatient substance abuse treatment programs to determine whether inpatient and residential treatment settings provide any advantage over outpatient treatment for Veterans with more severe substance use disorders. Results showed that for Veterans with higher levels of substance use severity at intake, treatment in inpatient or residential settings was associated with better alcohol and drug use outcomes at six-month follow-up than for those who received outpatient treatment (*Addiction*. 2007;102(3):432-440).

- **Suicide Prevention**

  VA R&D supports an infrastructure of centers to conduct research on best practices for suicide prevention as well as numerous studies addressing the needs of these Veterans. VA has also been sponsoring epidemiological studies to determine suicide rates among Veterans.

  VA research designed to inform suicide prevention includes identifying risk factors related to schizophrenia, depression, societal factors and appropriate protocol for handling suicide threats or attempts. One large study indicated that, unlike the general population, older and younger Veterans are more prone to suicide than middle-aged Veterans. Increased suicide risks were observed among male, younger, and non-Hispanic white Veteran patients. Younger depressed Veterans with PTSD had a higher suicide rate than did older depressed Veterans with PTSD (*American Journal of Public Health*. 2007; 97:12). Another study indicated that several individual factors predict suicide mortality - including race, disability, diagnosis, length of stay, readmission and continuity of care - and there is substantial variation in suicide rates across VA facilities. But the study could not explain these findings by patient characteristics or by facility-level quality of care. Additional research showed that both psychiatric symptoms and substance use were associated with a suicide attempt, and more involvement in substance use disorder treatment reduced the likelihood of a future suicide attempt in high-risk patients. Such studies, and future research examining the relationship between depression, PTSD, health service use and suicide risks among Veterans, may help identify those most in need of interventions.

- **Personalized Medicine**

  Personalized medicine refers to tailoring care to the individual Veteran - whether it involves the fitting of a prosthesis or selecting the safest drug or the most effective treatment.

  One example of personalized medicine in prosthetics is the neuromotor prosthesis, which is a type of brain-computer interface being tested by VA researchers and colleagues. Its goal is to replace or restore motor function in paralyzed humans by routing movement-related signals from the brain around damaged parts of the nervous system. A second example is the powered ankle-foot prosthesis, also being tested by VA scientists and others.

  Another avenue of personalized medicine is genomic medicine, which refers to the tailoring of medical care for an individual patient based on their genetic makeup. Almost all chronic diseases have a genetic component. This opens up the possibility of taking preventive measures before a disease manifests clinically. It also increases the effectiveness of treatments by prescribing medications that work for patients with a specific genetic profile or withholding prescriptions to patients that may have an adverse side effect due to a specific genetic profile.

  VA R&D currently funds over 140 research projects related to genomics. These include genome wide scans, genetic linkage studies, and projects on the role of specific genes, as well as genetic determinants of variable responses to drugs (pharmacogenomics). These studies are investigating the role of genetics in several important diseases for Veterans - including psychiatric disorders (e.g., schizophrenia, depression, PTSD and anxiety); cancers of the prostate, breast, colon, lung and bladder; heart disease; diabetes; Alzheimer's disease; stroke; Parkinson's disease; autoimmune disorders, including rheumatoid arthritis and lupus; Gulf War Veterans' Illnesses; and chronic viral infections, such as HIV.

Recent Advances

Genetic Analysis of Obesity

Neuropeptide Y (NPY) is a widely distributed neuropeptide (a peptide that functions as a neuromodulator in the nervous system and as a hormone in the endocrine system) that elicits a large number of physiological effects via interaction with six different receptors (Y1–Y6). NPY stimulates food intake, inhibits energy expenditure and increases body weight and anabolic hormone levels by activating the NPY Y1 and Y5 receptors in the hypothalamus of the brain. VA researchers have examined the association of the mutations or single nucleotide polymorphisms (SNPs) in the gene that encodes NPY receptor Y5 (NPY5R) and measures obesity. They genotyped 10 SNPs in 439 Mexican American individuals and performed the association analysis. They found that five of the SNPs were significantly associated with elevated plasma triglyceride levels and decreased high-density lipoprotein (HDL) concentrations (*Obesity.* 2007; 15 (4): 809-15). These preliminary findings provide evidence for association of SNPs in the NPY5R gene with dyslipidemia in the Mexican American population and may have a bearing in other populations as well.

- **Chronic Diseases and Health Promotion**

  Promoting good health and managing chronic conditions such as diabetes, obesity, cancer, and HIV/AIDS remain high priorities for VA health care and VA R&D.

  - **Diabetes**

    Nearly a quarter of Veterans receiving care from VA have diabetes, and a far greater number (73%) are at risk due to overweight or obesity. VA researchers are studying innovative strategies and technologies - including group visits, telemedicine, peer counseling and Internet-based education and case management - to improve access to effective diabetes care and outcomes. VA investigators have also initiated studies to identify and define the impact of traditional rehabilitation treatment for Veterans who have diabetes, and to develop treatments to prevent and improve diabetes outcomes in special populations such as the elderly, amputees, minorities and Veterans with SCI.

    In addition, VA R&D supports major clinical trials on treating kidney disease and coronary artery disease in diabetic patients. In one trial, VA investigators are seeking to determine whether glycemic control, achieved through intensification of treatment, is effective in preventing clinical macrovascular complications in diabetic patients who are no longer responsive to oral agents alone. VA scientists are also examining whether diabetic patients scheduled for vascular surgery benefit from working

prior to surgery with a care manager or endocrinologist for optimizing glucose, blood pressure and lipid lowering.

Research Impacts on Clinical Care
Improving Eye Exam Scheduling for Diabetic Patients

Dilated eye exams can significantly reduce the risk of moderate to severe vision loss in patients with diabetes, but treatment must be given before patients actually experience visual changes to get the best results. Annual eye screening has previously been widely recommended for all patients with diabetes, but research conducted by VA scientists suggests not everyone with diabetes needs the annual exam. This finding is important because requiring or recommending this exam for all diabetes patients causes delays for those who really do need and could benefit from this screening. These findings led to changes in VA practice nationwide and to changes in recommendations for diabetes care by HEDIS (Health Plan Employer Data and Information Set – a national set of standardized performance measures used as benchmarks by public and private health insurance plans).

- **Obesity**

  VA research confirms that Veteran patients, like the U.S. population, are experiencing an epidemic of being overweight or obese, and, in fact, Veterans who use VA health care are more overweight than Veterans who do not and more overweight than non-Veterans *(Journal of General Internal Medicine*. 2006; 21 (9): 915-919; *American Journal of Physical Medicine & Rehabilitation*. 2007 Jan; 86 (1): 22-9*)*.

  VA researchers continue to explore telehealth as a means to provide access for all Veterans to weight management services including VA's *MOVE!* program. In addition, VA scientists are investigating the influence of obesity on the quality of care Veteran patients receive. The potential for disparities in the quality of care and preventive services provided to obese Veterans is critically important, especially given the substantial burden of weight-status disease and disability in the VA population. VA investigators are also examining the long-term outcomes of bariatric surgery, including the impact of bariatric surgery and morbid obesity on survival, health services use and costs of care.

  Additional ongoing studies are seeking to identify and define the impact of traditional rehabilitation treatment for overweight and obese Veterans, and to develop unique treatment measures to prevent and improve obesity outcomes.

- **HIV/AIDS**

  VA is the single largest provider of health care to patients with HIV/AIDS. VA R&D funds a full range of HIV/AIDS studies from bench research aimed at elucidating the underlying mechanisms of HIV to implementation projects that improve VA's effectiveness in caring for this population.

Recent Advances
Genetics of HIV Infection and Designing HIV Vaccines

VA investigators have discovered that the two genetic factors they previously identified as contributing to the susceptibility to HIV infection and the rate of progression and severity of disease (CCL3L1 copy number and CCR5 mutation) also influenced the response of HIV-infected patients to treatment with highly active antiretroviral therapy (HAART). The discovery has implications for when HAART treatment should be initiated for optimal immune reconstitution and benefit to the patient (*Nature Medicine.* 2008 Apr; 14 (4): 413-20. Epub 2008 Mar 30).

****

VA researchers are working on novel approaches to design vaccines for HIV. The goal is to develop a vaccine that can protect against various types of HIV viruses, referred to as clades. They initially identified a specific region on the HIV viral envelope called the V3 loop that can stimulate a neutralizing antibody response in cell culture. Later, using a combination of DNA and peptides representing regions of the V3 loop from clades A and B in an animal model, they showed that immune sera from the animals could neutralize HIV from a broad range of HIV clades (*Virology.* 2008; 372 (2): 233-246). These results demonstrate the potential of using the V3 loop region of the HIV virus to develop a vaccine that could be effective against a range of HIV clades.

It is estimated that 45 million people are infected with HIV worldwide, yet upwards of 95% are unaware they are HIV-positive. Testing for HIV is cost-effective but testing rates remain low. VA research showed administering a rapid HIV test with streamlined counseling to Veterans greatly increased not only HIV testing but also receipt of test results by the Veteran (83%). This rapid testing intervention increases early treatment and improves outcomes for Veterans with HIV infection, which lessens the spread of the virus and is known to decrease risk behaviors in both HIV positive and HIV negative Veterans.

- **Access to Care and Rural Health**

  The VA health care system continues to strengthen its efforts to improve care by identifying barriers to care and assessing and implementing system improvements to improve access to quality care. VA researchers are identifying system-wide gaps in care; assessing specific access issues; and assessing the impact of new programs, practice structures and organizations of care.

  Over the past decade, VA has increased the number of community-based outpatient clinics (CBOCs) to increase access to primary care for Veterans. CBOCs have been an integral part of VA's transition from an inpatient-oriented system to an outpatient-oriented system. A VA study compared inpatient and outpatient utilization and expenditures of Veterans seeking primary care in 108 CBOCs and 72 affiliated VA medical centers (VAMCs) in fiscal years 2000 and 2001. Findings showed that CBOCs provided Veterans with improved access to primary care and other services, but costs were contained because they had fewer health care visits and hospital stays than Veterans receiving care at VAMCs. These results held even after adjusting for demographics, patient risk and distance from care. CBOC patients had significantly lower odds of having specialty, mental health or ancillary (e.g., radiology, laboratory or other outpatient) visits than VAMC patients. CBOC patients also were less likely to be hospitalized (*BioMed Central Health Services Research*; 7 (1): 56).

  Another VA study examining geographical access to VA health care rehabilitation services for OEF/OIF Veterans followed almost 8,000 OEF/OIF Veterans with traumatic injury served by VA during fiscal years 2003 and 2004. The most common impairment was hearing (63.5%), followed by vision (27.9%), orthopedic (5.2%), traumatic brain dysfunction (4.2%), burns (2.1%), spinal cord injury (1.6%), and amputation (1.3%); 5.4% of Veterans suffered polytraumatic injuries. Overall, the VA Polytrauma System of Care was found to provide reasonable rehabilitation access to approximately 88% of inpatient and outpatient users of VA services. Impairment groups where 20% or more of patients were outside of reasonable drive time were inpatient burns (21%), inpatient traumatic amputation (20%), and outpatient traumatic amputation (25%). Plans are in process to update this information with analyses of data for the subsequent two years.

  VA R&D is also conducting projects to assess the effectiveness of telemedicine technologies for rehabilitation of Veterans who are older, disabled or in difficult to reach rural areas as compared to home visits by health care personnel and usual care. Tele-rehabilitation may be particularly useful for older and disabled Veterans with long-term care needs because it empowers them to take responsibility for their own health by providing ongoing

communication with the VA health care system. In this way, tele-rehabilitation may assist older or disabled Veterans to remain independent in their homes as long as possible.

- **Women's Health**

  VA research continues to focus on better understanding the health care needs and service utilization of women Veterans, as well as the structures and organizations for the delivery of quality care. Current research examines the complex interaction of physical and mental health; the unique risks and outcomes of military service, particularly related to sexual and combat trauma and PTSD; and the impact of VA's organization and structures of health care delivery for women Veterans on access, barriers to care, service availability, utilization, satisfaction and quality of care. Research is also directed at analyzing the needs and experiences of the new generation of OEF/OIF women Veterans.

  In the largest randomized clinical trial to date involving women Veterans with PTSD, VA investigators and colleagues found that women who received prolonged-exposure therapy - in which therapists helped them recall their trauma memories under safe, controlled conditions - had greater reductions of PTSD symptoms than women who received only emotional support and counseling focused on current problems. Together with a strong mental health research program, VA R&D is well positioned to continue to enhance health care for women Veterans.

- **Infrastructure**

  As part of the Research Infrastructure Evaluation and Improvement Program, 75 sites with the largest research programs will be surveyed over three years. As of April 1, 2009, surveys of 40 sites in 16 VISNs have been conducted. The most costly deficiencies identified are related to architecture or laboratory design, and heating, ventilation and air conditioning (HVAC).

R&D Investment Criteria: Relevance, Quality, and Performance

Research for the Veteran

VA-funded research must meet three imperatives: relevance, quality, and productivity. These elements make up the VA R&D Investment Criteria.

- **Relevance**

  VA's research program directly relates to VA's strategic goals by addressing Veterans' needs with an emphasis on service-connected injuries and illnesses. While the research must be Veteran-centric, VA's findings also have a broader application because they contribute to the nation's knowledge of disease and disability.

  Each and every research project that is considered for funding is evaluated to determine its relevance to VA's mission. Research priorities currently relevant to Veterans include: research related to OEF/OIF Veterans and deployment health, aging, mental health research, personalized medicine, chronic diseases and health promotion, rural health and access to care and women's health.

  Recent VA R&D solicitations illustrate the relevance of the program to diseases and other health care needs of Veterans and include the following:

  - Clinical Trial Development Awards for Evaluating Effectiveness of Treatment-Diagnostic Combinations;
  - Combat Casualty Neurotrauma;
  - Deployment Health Research: OEF/OIF Veteran Research Issues;
  - Deployment Health Services Research;
  - Health Services Priorities Announcement;
  - Network(s) for Developing PTSD Risk Assessment Tools;
  - Parkinson's Disease and Related Neurodegenerative Disorders;
  - Quality Enhancement Research Initiative Solicitation for Projects Implementing Research into Practice to Improve Care Delivery;
  - Research for Advancements in Technology for the Treatment of Obesity;
  - Special Solicitation for Projects Implementing Research into Practice to Improve Care Delivery; and
  - Technology Assessment of Major Limb Prosthetics.

- **Quality**

  VA R&D research proposals undergo rigorous external peer review to ensure the work meets the highest standards of scientific excellence. Standing peer-review committees chartered under the Federal Advisory Committee Act review the proposals submitted under major ongoing initiatives, such as the

Merit Review Program, to evaluate scientific merit, clinical relevance, ethics and other administrative issues such as budget and investigator productivity. Members of these independent peer-review committees are appointed because their scientific expertise and experience are closely related to the research aim of the proposals being reviewed.

A committee assigns a priority score to each proposal and prepares feedback to the investigator. A priority score is based on several factors, including significance of the proposed research, validity of the approach and feasibility of the investigation, as well as determinations about ethical, human rights, animal use and biohazard issues. Peer-review committees also consider the past productivity of the investigative team (e.g., peer-reviewed scientific publications) when assigning final priority scores. The range of scores assigned by the committee is from 10 (excellent) to 50 (poor). Proposals must score within the "excellent" range (10–15) or at the low end of the "very good" range (16–22) to be funded.

Funds are distributed only after evidence of acceptable review and approval by the facility or local R&D Committee for risk management issues and, if applicable, local review by the Institutional Animal Care and Use Committee for animal studies, the Institutional Review Board for studies involving human subjects, and the Subcommittee on Research Safety for biosafety issues.

Further assurance of quality is provided by regular external reviews of the R&D program. The VA National Research Advisory Council meets twice yearly to evaluate the quality and relevance of the VA research program. Specific programs are regularly evaluated by other outside groups. These include women's and mental health committees, the Research Advisory Committee on Gulf War Illnesses, which regularly advises the Secretary on progress made by VA researchers, and various committees of the National Academy of Sciences that evaluate specific program efforts as required.

In addition, VA R&D's Program for Research Integrity Development and Education (PRIDE) office provides policy development, guidance, training and education throughout VA to protect participants in VA human research studies. PRIDE is responsible for ensuring all VA facilities with active human research programs have their programs accredited and remain accredited.

- **Performance**

VA R&D program has adopted five performance measures to assess its effectiveness. All of the measures support Strategic Goal 4 and Strategic Objective 4.2.

Table 1: Performance Summary Table
MEDICAL RESEARCH

Measure Description (Departmental Management Measures in **bold**)	4-Year Results History				Annual Targets		Strategic Target
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
VA STRATEGIC GOAL 4 Contribute to the public health, emergency management, socioeconomic well-being, and history of the Nation							
Strategic Objective 4.2 Advance VA medical research and develop programs that address Veterans' needs, with an emphasis on service-connected injuries and illnesses, and contribute to the nation's knowledge of disease and disability							
1) Progress towards development of one new treatment for PTSD. (*Two Milestones to be achieved over two years.***)**	40%	47%	67%	80%	87%	94%	100%
2) Progress towards development of a standard clinical practice for pressure ulcers (Six milestones to be achieved over four years)	52%	61%	65%	68%	76%	84%	100%
3) Progress toward development of robot-assisted treatment/interventions for patients who have suffered neurological injury due to conditions such as spinal cord injury, stroke, multiple sclerosis, and traumatic brain injury (Four milestones to be achieved over three years)	21%	43%	54%	64%	86%	93%	100%
4) Percentage of study sites that reach 100% of the recruitment target for each year of each clinical study	29%	40%	35%	38.1%	41%	44%	50%
5) Progress towards the use of genomic testing to inform the course of care (prevention, diagnosis, or treatment) of patient with mental illness (including PTSD, schizophrenia, and mood disorders).	N/A	N/A	N/A	N/A	N/A	15%	100%

- **Performance-Based Management**

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

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

  - Research programs and centers are established only on a competitive basis and their performance is regularly reevaluated through explicit review. The Health Services R&D Service (HSR&D) is competitively reviewing all existing Targeted Research Enhancement Program (TREP) sites, following which the program will be discontinued. All TREPs are being reviewed competitively for potential advancement to Research Enhancement Award Programs (REAPs) or termination. This review is part of a performance-based evaluation to ensure research programs continue to bring added value, productivity, and improved services to VA. Similarly, HSR&D intends to announce a Center of Excellence review in 2009 that will include eligible REAPs, new center applicants and three current centers.

Designated Research Areas

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

Appropriations by Designated Research Areas
(dollars in thousands)

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Acute & Traumatic Injury	$32,374	$26,421	$38,735	$45,735	$7,000
Aging	$44,517	$45,172	$49,172	$51,172	$2,000
Autoimmune, Allergic & Hematopoietic Disorders	$15,136	$15,359	$15,136	$17,136	$2,000
Cancer	$36,915	$37,333	$38,833	$40,833	$2,000
CNS Injury & Associated Disorders	$25,932	$20,808	$31,793	$38,793	$7,000
Degenerative Diseases of Bones & Joints	$6,261	$6,353	$6,261	$8,261	$2,000
Dementia & Neuronal Degeneration	$8,926	$9,058	$9,926	$11,926	$2,000
Diabetes & Major Complications	$26,932	$21,148	$27,293	$34,293	$7,000
Digestive Diseases	$13,060	$13,252	$13,060	$14,060	$1,000
Emerging Pathogens/Bio-Terrorism	$344	$350	$344	$844	$500
Health Systems	$38,398	$38,963	$35,943	$37,943	$2,000
Heart Disease	$32,156	$32,629	$32,156	$34,156	$2,000
Infectious Diseases	$23,518	$23,864	$22,018	$24,018	$2,000
Kidney Disorders	$14,827	$15,045	$14,827	$15,827	$1,000
Lung Disorders	$7,984	$8,102	$7,984	$8,984	$1,000
Mental Illness	$61,890	$52,590	$66,754	$73,754	$7,000
Military Occupations & Environ. Exposures	$33,408	$27,489	$35,615	$42,615	$7,000
Other Chronic Diseases	$212	$218	$218	$718	$500
Sensory Loss	$17,242	$16,775	$20,742	$21,742	$1,000
Special Populations	$17,377	$12,492	$18,238	$25,238	$7,000
Substance Abuse	$22,591	$18,579	$24,952	$31,952	$7,000
Total	$480,000	$442,000	$510,000	$580,000	$70,000

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

Projects by Designated Research Areas

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Acute & Traumatic Injury	187	148	224	264	40
Aging	215	212	250	260	10
Autoimmune, Allergic & Hemaptopoietic Disorders	94	93	97	110	13
Cancer	267	262	288	302	14
CNS Injury & Associated Disorders	268	209	274	334	60
Degenerative Diseases of Bones & Joints	46	45	47	62	15
Dementia & Neuronal Degeneration	73	72	83	100	17
Diabetes & Major Complications	153	117	129	163	34
Digestive Diseases	100	99	103	111	8
Emerging Pathogens/Bio-Terrorism	10	10	10	26	16
Health Systems	205	202	196	207	11
Heart Disease	198	195	202	215	13
Infectious Diseases	110	108	105	115	10
Kidney Disorders	74	73	76	81	5
Lung Disorders	78	77	80	90	10
Mental Illness	238	196	240	265	25
Military Occupations & Environ. Exposures	203	162	186	223	37
Other Chronic Diseases	8	8	8	28	20
Sensory Loss	119	112	147	154	7
Special Populations	75	52	58	80	22
Substance Abuse	129	103	114	147	33

Obligations by Sub-Activity
(dollars in thousands)

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Research Programs (Investigator Initiated)	$364,919	$348,014	$398,794	$452,979	$54,185
Career Development	$56,356	$57,596	$58,219	$58,669	$450
Centers of Excellence	$47,613	$48,174	$49,024	$49,874	$850
Special Research Initiatives	$5,631	$5,631	$5,744	$5,995	$251
Service Directed Research	$1,965	$1,965	$2,104	$2,354	$250
Research Compliance (PRIDE)	$2,995	$3,153	$3,225	$3,459	$234
R&D Specific Costs	$51,209	$51,209	$53,257	$55,387	$2,130
Franchise Fund	$1,258	$1,258	$1,271	$1,283	$12
Total Obligations	$531,946	$517,000	$571,638	$630,000	$58,362
Appropriation	$480,000	$442,000	$510,000	$580,000	$70,000

Projects by Sub-Activity

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Research Programs (Investigator Initiated)	1,668	1,468	1,691	1,790	99
Career Development	448	393	456	460	4
Centers of Excellence	96	80	93	93	0
Service Directed Research	7	15	7	7	0
Total Projects	2,219	1,956	2,247	2,350	103

Obligations by Object

(dollars in thousands)

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Personal Services	$269,986	$277,449	$286,301	$311,147	$24,846
Travel & Transportation of Persons:					
Employee Travel	$4,804	$4,116	$5,772	$6,926	$1,154
All Other	$871	$62	$975	$1,092	$117
Subtotal	$5,675	$4,178	$6,747	$8,018	$1,271
Transportation of Things	$219	$173	$253	$344	$91
Communication, Utilities & Misc	$2,538	$3,562	$2,726	$3,080	$354
Printing & Reproduction	$693	$448	$747	$807	$60
Other Services:					
Medical Care Contracts & Agree. w/Insts. & Orgs	$49,306	$62,186	$53,851	$61,390	$7,539
Fee Basis - Medical & Nursing Services, On-Station	$749	$1,144	$819	$982	$163
Consultants & Attendance	$14,883	$16,331	$16,255	$18,442	$2,187
Scarce Medical Specialist	$1,738	$1,384	$1,898	$2,069	$171
Repair of Furniture & Equipment	$1,759	$2,516	$1,921	$1,984	$63
Maintenance & Repair Services	$521	$778	$569	$660	$91
Contract Hospital Cost	$0	$10	$0	$0	$0
Administrative Contractual Services	$93,476	$100,474	$102,094	$111,282	$9,188
Training Contractual Services	$886	$894	$968	$1,055	$87
Subtotal	$163,318	$185,717	$178,375	$197,864	$19,489
Supplies & Materials	$39,140	$24,472	$42,476	$50,922	$8,446
Equipment	$50,156	$20,827	$53,750	$57,513	$3,763
Lands & Structures	$221	$174	$263	$305	$42
Total Obligations	$531,946	$517,000	$571,638	$630,000	$58,362

Obligations - Outlays Reconciliation

(Dollars in Thousands)

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Obligations	$531,946	$517,000	$571,638	$630,000	$58,362
Reimbursements	($45,769)	($55,000)	($50,000)	($50,000)	$0
Unobligated balances:					
Start of year	($58,802)	($40,000)	($51,638)	($40,000)	$11,638
End of year	$51,638	$20,000	$40,000	$40,000	$0
Unobligated balance expiring	$987	$0	$0	$0	$0
Budget Authority	$480,000	$442,000	$510,000	$580,000	$70,000
Outlays:					
Obligations, net	$486,177	$462,000	$521,638	$580,000	$58,362
Obligated balance, start of year	$160,897	$197,599	$208,711	$237,708	$28,997
Obligated balance, end of year	($208,711)	($215,245)	($237,708)	($266,992)	($29,284)
Adjustments in expired accounts	($1,981)	$0	$0	$0	$0
Adjustments in uncoll pay fed sources	$239	$0	$0	$0	$0
Adjustments in unexpired accounts	$5	$0	$0	$0	$0
Total outlays (net)	$436,626	$444,354	$492,641	$550,716	$58,075

Medical and Prosthetic Research
(dollars in thousands)

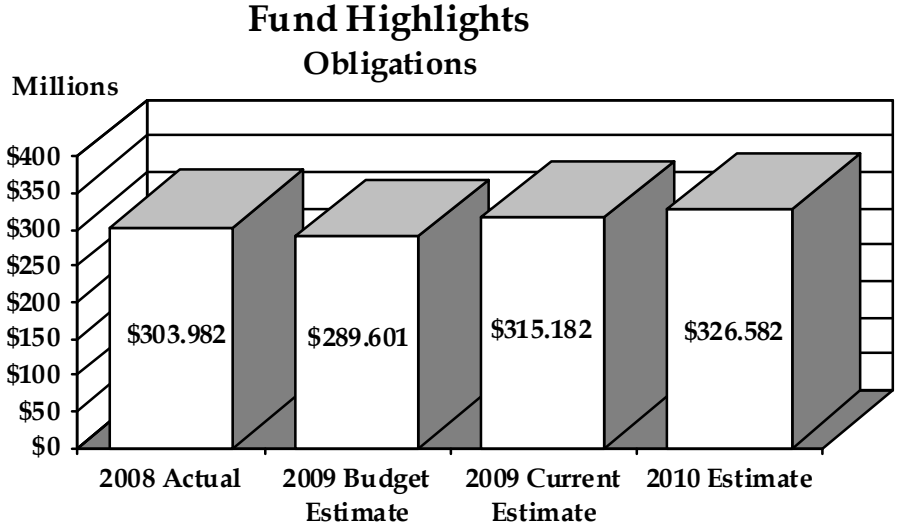
Appropriation	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Medical research and support, current leg.	$411,000	$442,000	$510,000	$580,000	$70,000
2008 Emergency Designation	$69,000	$0	$0	$0	$0
Subtotal budget authority	$480,000	$442,000	$510,000	$580,000	$70,000
Budget Authority	$480,000	$442,000	$510,000	$580,000	$70,000
Sharing & other reimbursements	$45,493	$55,000	$50,000	$50,000	$0
Budget Authority (Gross)	$525,493	$497,000	$560,000	$630,000	$70,000
Adjustments to obligations:					
Unobligated balance (SOY):					
No-year	$1,573	$0	$990	$500	($490)
2-year	$43,151	$40,000	$40,028	$39,500	($528)
Supplemental	$14,078	$0	$1,396	$0	($1,396)
Emergency Designation	$0	$0	$9,224	$0	($9,224)
Subtotal unobligated balance (SOY)	$58,802	$40,000	$51,638	$40,000	($11,638)
Unobligated balance (EOY):					
No-year	($990)	$0	($500)	$0	$500
2-year	($40,028)	($20,000)	($39,500)	($40,000)	($500)
Supplemental	($1,396)	$0	$0	$0	$0
Emergency Designation	($9,224)	$0	$0	$0	$0
Subtotal unobligated balance (EOY)	($51,638)	($20,000)	($40,000)	($40,000)	$0
Change in Unobligated balance (non-add)	$7,164	$20,000	$11,638	$0	($11,638)
					$0
Unobligated balance expiring (lapse)	($711)	$0	$0	$0	$0
Recover prior year obligations	$0	$0	$0	$0	$0
Subtotal Adjustments to obligations	($711)	$0	$0	$0	$0
Obligations	$531,946	$517,000	$571,638	$630,000	$58,362
Obligations	$531,946	$517,000	$571,638	$630,000	$58,362
Obligated Balance (SOY)	$160,897	$197,599	$208,711	$237,708	$28,997
Obligated Balance (EOY)	($208,711)	($215,245)	($237,708)	($266,992)	($29,284)
Adjustments in Expired Accounts	($1,981)	$0	$0	$0	$0
Chg. Uncol. Cust. Pay Fed. Sources (Unexp.)	$239	$0	$0	$0	$0
Chg. Uncol. Cust. Pay Fed. Sources (Exp.)	$5	$0	$0	$0	$0
Outlays, Gross	$482,395	$499,354	$542,641	$600,716	$58,075
Reimbursements	($45,769)	($55,000)	($50,000)	($50,000)	$0
Outlays, Net	$436,626	$444,354	$492,641	$550,716	$58,075
Full-Time Equivalents (FTE):					
Direct FTE	2,703	2,720	2,720	2,864	144
Reimbursable FTE	439	481	481	481	0
Total FTE	3,142	3,201	3,201	3,345	144

This page intentionally left blank.

Veterans Canteen Service Revolving Fund

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

Congress originally appropriated a total of $4,965,000 for the operation of the VCS and no additional appropriations have been required. Funds in excess of the needs of the Service totaling $12,068,000 have been paid to the U.S. Treasury. However, provisions of the Veterans' Benefits Act of 1988 (Public Law 100-322) eliminated the requirement that excess funds be paid to the Treasury and authorized such funds to be invested in interest bearing accounts.



Fund Highlights
(dollars in thousands)

	2008 Actual	2009 Estimate	2010 Estimate	Increase/ Decrease
Total revenue	$304,791	$317,800	$329,900	$12,100
Obligations	$303,982	$315,182	$326,582	$11,400
Outlays (net)	$3,762	$2,500	$3,000	$500
Average employment	3,008	3,015	3,020	5

Summary of Budget Request

No appropriation by Congress will be required for the operation of the VCS during 2010. The VCS is a self-sustaining, appropriated revolving fund activity which obtains its revenues from non-Federal sources. Therefore, no Congressional action is required. The VCS functions independently within VA and has primary control over its major activities including sales, procurement, supply, finance, and personnel management.

Changes From 2009 President's Budget Request
(dollars in thousands)

	2009		
	Budget Estimate	Current Estimate	Increase/ Decrease
Total Sales Revenue	$288,375	$317,800	$29,425
Obligations	$289,601	$315,182	$25,581
Outlays (net)	$1,250	$2,500	$1,250
Average Employment	2,960	3,015	55

The current budget estimate reflects changes based upon re-evaluation of revenue sources and future operations.

Analysis of Increases and Decreases - Obligations (dollars in thousands)		
	2009 Current Estimate	2010 Estimate
Prior year obligations	$303,982	$315,182
Increases and Decreases:		
Cost of merchandise sold	$3,500	$4,000
Personnel Cost	$4,000	$4,000
Other operating expenses	$1,000	$900
Indirect expenses	$700	$500
Equiment, inventory, open orders	$2,000	$2,000
Net change	$11,200	$11,400
Estimated obligations	$315,182	$326,582

Summary of Employment

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

The following chart reflects the full-time equivalent employment (FTE) for 2008 through 2010:

Summary of Employment

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Average Employment.....	3,008	2,960	3,015	3,020	5

Revenues and Expenses
(dollars in thousands)

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Sales Program:					
Revenue.....	$304,791	$288,375	$317,800	$329,900	$12,100
Less operating expenses.....	$303,982	$287,125	$315,182	$326,582	$11,400
Net operating income-sales.....	$809	$1,250	$2,618	$3,318	$700
Nonoperating income or loss (-):					
Proceeds from sale of equipment.....	$32	$100	$25	$25	$0
Less net book value of assets sold.....	$70	$200	$500	$675	$175
Net Gain or (Loss)	($38)	($100)	($475)	($650)	($175)
Interest income.....	$860	$1,750	$650	$800	$150
Miscellaneous income/(loss).....	$1,038	($100)	($100)	($50)	$50
Net non-operating income.....	$1,860	$1,550	$75	$100	$25
Net income for the year.....	$2,669	$2,800	$2,693	$3,418	$725

Creating an environment where patrons can truly enjoy their shopping or dining experience has become a necessity for modern businesses. Providing VA customers the same high quality service found outside the work environment has been and will continue to be necessary for VCS. This philosophy will take VCS into the budgeted fiscal year 2010 and beyond.

Financial Condition

The schedule below reflects the anticipated financial condition of the VCS through 2010. Changes from year to year are the result of anticipated changes in revenues, obligations and outlays previously portrayed.

Financial Condition
(dollars in thousands)

	2008	2009		2010	Increase/
	Actual	Budget Estimate	Current Estimate	Estimate	Decrease
Assets:					
Cash with Treasury, in banks, in transit	$41,768	$43,500	$42,800	$43,975	$1,175
Accounts receivable (net)	$21,144	$14,000	$22,238	$23,606	$1,368
Inventories	$38,927	$32,686	$39,000	$40,500	$1,500
Real property and equipment (net)	$21,701	$22,900	$20,500	$22,250	$1,750
Other assets	($382)	$100	$125	$250	$125
Total assets	$123,158	$113,186	$124,663	$130,581	$5,918
Liabilities:					
Accounts payable incl. funded accrued liabilities	$36,315	$25,000	$35,000	$37,500	$2,500
Unfunded annual leave and coupons books	$5,873	$5,100	$6,000	$6,000	$0
Total liabilities	$42,188	$30,100	$41,000	$43,500	$2,500
Government equity:					
Unexpended balance:					
Unobligated balance	$36,872	$29,530	$36,800	$37,875	$1,075
Undelivered orders	$3,808	$6,900	$5,000	$5,900	$900
Invested capital	$40,290	$46,656	$41,863	$43,306	$1,443
Total Government equity (end-of-year)	$80,970	$83,086	$83,663	$87,081	$3,418

Government Equity
(dollars in thousands)

	2008	2009		2010	Increase/
	Actual	Budget Estimate	Current Estimate	Estimate	Decrease
Retained income:					
Opening balance	$78,301	$80,206	$80,970	$83,663	$2,693
Transactions:					
Net operating income	$809	$1,250	$2,618	$3,318	$700
Net nonoperating gain	$1,860	$1,630	$75	$100	$25
Returned from Treasury	$0	$0	$0	$0	$0
Closing balance	$80,970	$83,086	$83,663	$87,081	$3,418
Total Government equity (end-of-year)	$80,970	$83,086	$83,663	$87,081	$3,418

This page intentionally left blank.

Medical Center Research Organizations

Program Description

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

Prior to June 1, 2004, 93 VA medical centers had received approval for the formation of nonprofit research corporations. Presently, 82 are active. However, additional closures are expected during the next two years.

All 82 active NPOs have received approval from the Internal Revenue Service Code of 1986, under Article 501(c)3. The fiscal year for these organizations was from July to June. The table below reflects actual and forecasted revenue from 2008 to 2010.

Contribution Highlights
(dollars in thousands)

	2008	2009		2010	Increase/
	Actual	Budget Estimate	Current Estimate	Estimate	Decrease
Contributions.....	$216,023	$226,010	$253,000	$257,000	$4,000
Obligations (Expenses).....	$198,742	$233,730	$250,000	$253,000	$3,000

The following table is a list of research corporations that have received approval for formation along with their 2007 revenues reported as actual for 2008 due to timing differences in reporting structures. In addition, NPOs that show no contributions have been approved but to date have not received contributions:

Corporation Name	City	State	Contributions
Albany Research Institute	Albany	NY	$444,771
Amarillo Research Fnd Inc	Amarillo	TX	$9,568
Asheville Med Res & Ed Corp	Asheville	NC	$34,099
Atlanta Res & Edu Fnd Inc	Decatur	GA	$10,212,094
Augusta Biomed Res Corp	Augusta	GA	$395,474
Baltimore Res & Edu Fnd	Baltimore	MD	$5,528,189
Bay Pines Fnd Inc (The)	Bay Pines	FL	$1,462,437
Bedford VA Res Corp Inc	Bedford	MA	$1,002,347
Biomed Res Fnd of S Texas	San Antonio	TX	$1,457,269
Biomed Res & Edu S Arizona	Tucson	AZ	$2,091,284
Biomed Res Inst of New Mexico	Alburquerque	NM	$9,213,281
Biomedical Res Found	Little Rock	AR	$1,048,225
Boston VA Res Inst Inc	Boston	MA	$7,029,742
Brentwood Biomed Res Inst	Los Angeles	CA	$10,476,899
Bronx Vet Med Res Fnd	Bronx	NY	$964,326
Buffalo Inst, for Med Res Inc	Buffalo	NY	$571,986
Carl T Hayden Med Res Fnd	Phoenix	AZ	$2,263,478
Central NY Research Corp	Syracuse	NY	$1,208,259
Central Texas Vet Reaserch Foundation	Temple	TX	$297,180
Charleston Research Inst Inc	Charleston	SC	$453,102
Chicago Assoc for Res & Edu	Hines	IL	$6,932,949
Cincinnati Fnd for Biom Res & Edu	Cincinnati	OH	$672,528
Clinical Research Fnd Inc	Louisville	KY	$379,145
Collaborative Med Res Corp	White River Junction	VT	$514,881
Dallas VA Research Corp	Lancaster	TX	$1,787,893
Dayton VA Res & Edu Fnd	Dayton	OH	$14,387
Denver Research Institute	Denver	CO	$801,494
Dorn Research Institute	Columbia	SC	$405,214
East Bay Inst for Res & Devel	Martinez	CA	$1,720,667
Great Plains Med Res Fnd	Sioux Falls	SD	$104,096
Highland Drive Reasearch & Edu Fnd	Pittsburgh	PA	$0
Houston VA Res & Edu Fnd	Houston	TX	$44,342
Huntington Inst For Res & Edu	Huntington	WV	$12,647
Indiana Inst for Med Res Inc	Indianapolis	IN	$853,656
Inst for Clinical Res Inc	Washington	DC	$9,193,669
Inst for Med Res Inc (Durham)	Durham	NC	$1,193,924
Iowa City VA Med Res Fnd	Solon	IA	$359,992
James A Haley Res & Edu Fnd	Tampa	FL	$1,294,995
JH Quillen VAMC Biomed	Johnson City	TN	$70,649
Kecoughtan Research Inst	Hampton	VA	$0

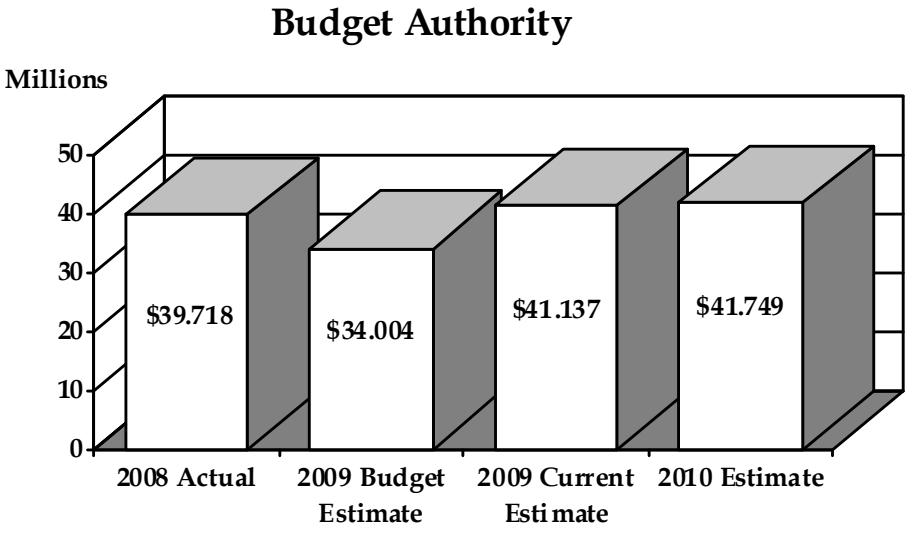
Corporation Name	City	State	Contributions
Lexington Biomed Research Inst, Inc	Lexington	KY	$0
Loma Linda Vet Assn for R & E	San Bernardino	CA	$6,011,134
Louisiana Veterans Research Corp	New Orleans	LA	$3,117
McGuire Education Institute Inc	Richmond	VA	$0
McGuire Research Inst Inc	Richmond	VA	$4,992,113
Metro Detroit Res & Ed Fnd	Detroit	MI	$103,998
Middle Tenn Res Inst Inc	Nashville	TN	$152,199
Midwest Biomed Res Fnd	Kansas City	MO	$2,231,203
Minnesota Vet Res Inst	Minneapolis	MN	$5,977,916
Missouri Fnd for Med Res	Columbia	MO	$464,904
Montrose Research Corp	Montrose	NY	$2,567
Mountainer Edu & Res Corp	Clarksburg	WV	$22,114
Narrows Inst For Biomed Res	Brooklyn	NY	$1,320,544
Nebraska Edu Biomed Res As	Omaha	NE	$753,010
New England Healthcare E & R	Leeds	MA	$0
N Florida Fnd for Res & Educ	Gainsville	FL	$456,184
N Cal Inst for Res & Edu Inc	San Francisco	CA	$37,589,621
Ocean State Res Inst Inc	Providence	RI	$488,956
Overton Brooks Res Corp	Shreveport	LA	$6,131
Palo Alto Inst for Res & Ed Inc	Palo Alto	CA	$7,221,623
Philadelphia Res & Edu Fnd	Philadelphia	PA	$847,937
Portland VA Res Fnd Inc	Portland	OR	$4,891,166
Reasearch & Educ Assoc at Lakeside	Chicago	IL	$0
Research! Mississippi Inc	Jackson	MS	$765,499
Research Incorporated	Memphis	TN	$1,237,653
S Fla Vet Affairs Fndt for Reach & Edu	Miami	FL	$2,597,721
Salem Research Institute	Salem	VA	$905,073
Seattle Inst for Biomed & Clinical Reasch	Seattle	WA	$8,689,705
Sepulveda Research Corp	Sepulveda	CA	$2,926,590
Sierra Biomed Res Corp	Reno	NV	$1,087,755
Sociedad de Inv Cient Inc	San Juan	PR	$1,637,522
Southern California Inst for R & E	Long Beach	CA	$4,539,963
TEMPVA Res Group Inc	Temple	TX	$0
The Bay Pines Research Fndt, Inc	Bay Pines	FL	$0
The Cleveland VA Med Res & Edu Fndt	Cleveland	OH	$788,903
The Research Corp of Long Island, Inc	Kings Park	NY	$308,665
The VA Education Fndt Of West Palm Beaches Corp	West Palm Beach	FL	$0
Tuscaloosa Res & Edu Advance Corp	Tuscaloosa	AL	$381,788
VA Black Hills Hlth care Syst Res & Edu Fnd	Fort Meade	SD	$62,167
VA Central California HCS	Fresno	CA	$0
VA Connecticut Res & Edu Fndt	West Haven	CT	$4,965,580

Corporation Name	City	State	Contributions
VA Res Fndt of the West Palm Beaches, Inc	West Palm Beach	FL	$0
VA Res & Edu Corp of Pacific	Honolulu	HI	$263,717
Vandeventer Place Res Fnd	St. Louis	MO	$282,411
Vet Bio-Med Res Inst (E Orange)	East Orange	NJ	$1,622,709
Vet Edu & Res Assn of Mich	Ann Arbor	MI	$1,222,699
Vet Med Res Fnd of San Diego	San Diego	CA	$17,478,067
Veterans Res Fnd of Pittsburgh	Pittsburgh	PA	$3,058,543
Veterans Res & Ed Fnd	Oklahoma City	OK	$560,739
VISTAR Inc	Birmingham	AL	$229,351
West Side Inst for Scie & Edu	Chicago	IL	$813,834
Western Inst for Biomed Res	Salt Lake	UT	$2,062,029
Wisconsin Corp for Biomed Res	Milwaukee	WI	$1,476,742
Total			$216,023,000

General Post Fund

Program Description

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



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

Summary of Budget Request

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

Fund Highlights
(dollars in thousands)

	2008 Actual	2009 Estimate	2010 Estimate	Increase/ Decrease
Budget Authority (permanent, indefinte)	$39,718	$41,137	$41,749	$612
Obligations:				
Trust Fund and Donation	$26,529	$27,855	$29,248	$1,393
Therapeutic Residences	$1,119	$1,465	$1,495	$30
Total Obligations	$27,648	$29,320	$30,743	$1,423
Outlays	$27,082	$27,894	$28,200	$306

Changes From Original 2009 Budget Estimate
(dollars in thousands)

	2009		
	Budget Estimate	Current Estimate	Increase/ Decrease
Budget Authority (permanent, indefinte)	$34,004	$41,137	$7,133
Obligations:			
Trust Fund and Donation	$29,500	$27,855	($1,645)
Therapeutic Residences	$1,501	$1,465	($36)
Total Obligations	$31,001	$29,320	($1,681)
Outlays	$30,992	$27,894	($3,098)

The budget authority for 2009 Current Estimate will increase from the previous Budget Estimate. However, contrarily to previous estimates, trust fund and donations which were expected to moderately increase, are anticipated to decrease by approximately 6%.

Program Activity

Trust Fund and Donations
Estimates of trust fund obligations revised for 2009 and 2010 are $29,320,000 and $30,743,000, respectively. The obligations are consistent with the purposes for which proceeds from this fund may legally be expended, (Comptroller General's Decision B-125715, November 10, 1955), and the intent of the donors. Donors usually specify that their donations be used for designated recreational or religious purposes, research projects or equipment purchases.

The invested reserve for 2009 and 2010 is estimated to be approximately $72,757,000 and $73,212,000 respectively. This level of investment exceeds the requirement to retain at least five times the total amount paid to heirs during the preceding five year period.

Cash receipts from donations and estates for both fiscal years 2009 and 2010 are revised, and expected to be reduced to $29,554,000 and $27,962,000 respectively.

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

Purchases & Renovations
Purchases and renovations projects amounting to approximately $500,000 which were cancelled in 2004 and 2005, are still on hold, due to a continuous decrease in donations. However, if an increase over forecasted 2009 occurs, management may reconsider these projects in late 2009 or 2010.

Financial Actions and Conditions
(dollars in thousands)

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase/ Decrease
Balance beginning of period:					
Equipment and facilities	$148,927	$150,871	$150,890	$152,894	$2,004
Investments	$69,410	$70,102	$71,331	$72,757	$1,426
Cash	$3,205	$2,637	$2,165	$2,437	$272
Total	$221,542	$223,610	$224,386	$228,088	$3,702
Increase during period:					
Equipment and facilities	$1,963	$2,044	$2,004	$2,106	$102
Interest on investment	$1,772	$3,120	$1,809	$1,920	$111
Cash receipts from rents on CWT-TR	$1,119	$1,501	$1,465	$1,495	$30
Cash receipts from donations, estates, etc	$29,190	$27,334	$29,554	$27,962	($1,592)
Total	$34,044	$33,999	$34,832	$33,483	($1,349)
Decrease during period:					
Supplies	$25,324	$24,748	$25,114	$25,062	($52)
Management and maintenance - CWT-TR	$1,175	$1,284	$1,253	$1,279	$26
Purchase & Renovation	$500	$500	$500	$500	$0
Cash invested	$4,198	$4,130	$4,260	$4,130	($130)
Settlement of estates and claims	$3	$3	$3	$3	$0
Total	$31,200	$30,665	$31,130	$30,974	($156)
Balance at end of period:					
Equipment and facilities	$150,890	$152,915	$152,894	$155,000	$2,106
Investments	$71,331	$71,644	$72,757	$73,212	$455
Cash	$2,165	$2,385	$2,437	$2,385	($52)
Total	$224,386	$226,944	$228,088	$230,597	$2,509

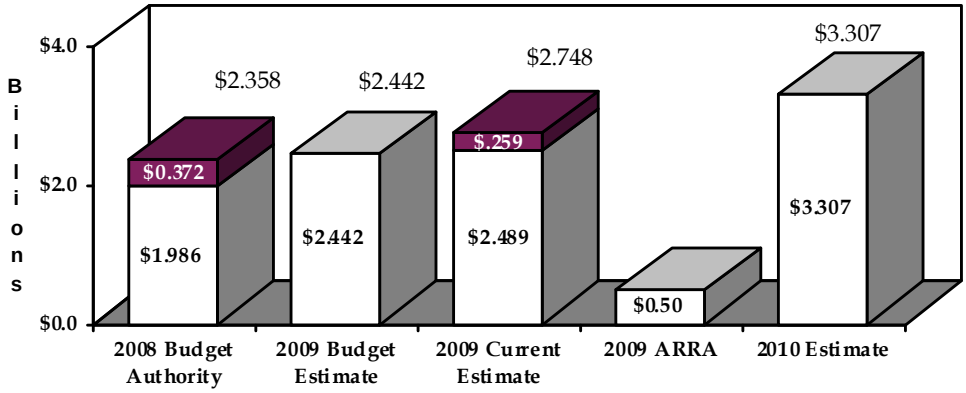
Table of Contents

2010 Information Technology Programs

This page intentionally left blank

Information and Technology

Information and Technology
Budget Authority



*The 2008 BA includes the transfer of $284.9 million from Medical Services Appropriation for the support of IT initiatives, $86.78 million for the support of IT personnel, $20 million from the Veterans Educational Assistance Act (P.L. 110-252), and the two-year enacted funding of $1,966.5 million (P. L. 110-161). The FY 2009 current estimate includes the transfer of $258.69 million from the Medical Services and General Operating Expenses for the support of IT initiatives, and the FY 2009 enacted funding of $2,489.4 million (P. L. 110-329) and excludes $50.1 million from the American Recovery and Reinvestment Act (P.L. 111-5), (ARRA) which is shown separately.

Appropriation Language

For necessary expenses for information technology systems and telecommunications support, including developmental information systems and operational information systems; for pay and associated costs; and for the capital asset acquisition of information technology systems, including management and related contractual cost of said acquisitions, including contractual costs associated with operations authorized by section 3109 of title 5, United States Code, $3,307,000,000, plus reimbursements, to be available until September 30, 2011.

Summary of Budget Request

For FY 2010, VA is requesting $3.307 billion (excluding the American Recovery and Reinvestment Act $50.1 million stimulus funding), an increase of $559 million or 20 percent above 2009 to support Information and Technology (IT) development, operations, and maintenance expenses, of which $938.8 million to

support a staffing level of 7,580, including 242 reimbursable FTE. In addition, VA anticipates $61.4 million in collected reimbursements from credit reform programs and non-appropriated insurance benefits programs, both of which must be resourced outside the new appropriation due to credit reform funding rules, and medical accounts. In FY 2010, the majority of increases represent program priorities to strengthen our IT infrastructure with improvements in enhancements and standardization, as well as developing future and legacy systems for the delivery of services and benefits to our Veterans. In addition, we are proposing an additional 800 FTE to strengthen our workforce to meet the demands of VA's overall staffing growth, the IT initiatives and developmental projects.

Executive Overview

FY 2008 Funding

FY 2008 was the first year OI&T functioned as a fully centralized IT account for staffing, operations and maintenance, and the development of projects. With a base appropriation of $1.966 billion, an additional funding of $391.66 million, a 16.6% increase, was either transferred or supplemented with the approval of Congress. Of the $391.66 million, $284.87 million was transferred from Medical Care so that VA may support the critical infrastructure and software development investments that have been delayed in previous years. $62.5 million of this transfer helped VA evolve from its 1990s-based healthcare IT system, VistA, towards the next generation electronic health care system, Health*e*Vet. Health*e*Vet will enhance the functional capabilities of the current system by enabling increased flexibility, improved security, more sophisticated analytical tools, and the infrastructure to support seamless data sharing among providers both within and outside VA.

In support of the IT infrastructure components across the enterprise $215.6 million in transferred funds was reprogrammed to address critical upgrade and refresh requirements. For example, VA has over 270,000 desktop computers that have exceeded their life cycle that were without a centralized or recurring plan for refresh. In some VA medical centers, telephone systems were becoming obsolete. At 8 years or older, they were causing interruptions in communication services to our Veterans. VA's current wireless infrastructure was not technologically meeting the security and biomedical equipment standards for pharmacy prescription verifications, preventing VA from providing the highest quality service possible for our Nation's deserving Veterans. Further upgrades to VA's network's hubs, routers, and wide area network/local area network (WAN/LAN) will improve the speed of data transmission of security and software patches for medical and benefit information. These improvements to

our infrastructure were needed to improve the quality of healthcare and services VA provides to Veterans.

When OI&T staffing became centralized from the various organizations within VA, shortfalls were readily apparent. The centralized system enabled OI&T to assess its workforce and to realize the shortages in personnel were deficient to support day to day operations. Needed throughout the system were engineers to implement and carry out the initiatives, project managers in developing applications, and security to enforce cyber security protective measures. Studies have shown that the industrial standard in public and private sector for IT personnel support should be 1 IT representative for every 40 personnel.

Other funding transferred from Medical Services of $7 million restored the original budget request for the Financial and Logistics Integrated Technology Enterprise (FLITE), VA's future integrated financial and asset management system. FLITE will enable improved efficiencies in financial management, asset management, logistics, accounting, purchasing, funds control, real property and inventory management.

FY 2009 Funding

In FY 2009, Congress enacted $2.489 billion for IT appropriation funding and approved additional funding resources of $258.69 million in transfer dollars and $50.1 million from the American Recovery and Reinvestment Act (P.L. 111-5). These funds supported important efforts including the pharmacy reengineering project and identity management, improved quality of development products, project planning, and cost management. To stand up the first joint VA/DoD healthcare facility in the Nation, the James Lovell Federal Health Care Center, $14 million was utilized to support IT activation requirements and upgrade the IT system to further develop the interfaces between DoD's and VA's legacy systems. This development will make it possible for the direct exchange of patient information between two different healthcare system platforms, ultimately providing a seamless transition for Veterans from active duty to civilian life.

Within this transfer of funds, $3.5 million for the Benefits portfolio will meet the application testing standards to ensure all applications will operate correctly prior to deployment and meet customer requirements and needs. For VA's primary compensation benefits payment system, VETSNET, $1.3 million funded a comprehensive review of the code base to assure optimal performance and continued stability of the software suite's financial component.

The transfer of funds further builds IT infrastructure improvements to meet increasing demands for additional services. For instance, VistA Legacy required

an additional $13.6 million for the expansion of its major contracts to maintain software licenses, hardware maintenance support, and software protection for virus attacks and security breaches. A high standard of IT support for Medical Services meant investing approximately $73 million in maintaining, monitoring and standardizing the IT equipment for quality assurance and uninterrupted services to Veterans. Such refresh and replacements took place with the continuing replacement of obsolete phone systems in the medical facilities and desktop computers, as well as printers and scanners, laptop standardization, video conferencing and network infrastructure equipment of routers, switches and specialty equipment. Enterprise Management Framework was introduced with $5 million in funding for the implementation of tools and processes for a standard, coordinated IT service management structure to handle asset inventory, systems management, measurement and modeling/simulation of the systems.

Additional funds were provided for specific purposes, $55 million carried forward from FY 2008 for the Post 9/11 New GI Bill's (P.L. 110-252) implementation of an expanded education benefits assistance system. An additional $48.5 million from the American Recovery and Reinvestment Act (ARRA) (P.L. 111-5) was used for this same purpose. Network enhancements necessary to support the Paperless Delivery of Veterans Benefits Initiative (Paperless Initiative) will also be funded with $1.5 million from the ARRA.

FY 2010 Budget Request

For FY 2010, VA is requesting an additional $559 million above FY 2009 current estimate, a 20% increase (excluding the American Recovery and Reinvestment Act supplemental funding of $50.1 million). This significant increase above inflation will support a full budget requirement to right-size the IT budget request and will avoid the transferring of funds outside of the IT appropriation as was the case over the last two years. Congress approved the reprogramming of funds for FY 2008 and 2009 from the Medical Care and General Operating Expenses accounts. These transfers to the IT budget were needed to meet the demands of an aging IT infrastructure, the investment in 21st century legacy systems, and the assurance in staffing a full workforce which will support those current and future systems.

This budget increase request recognizes that IT touches all aspects of VA operations. IT provides standard equipment of desktop computers, laptops, printers, phone systems, network connections through regional servers which hold the vital information of our Veterans. OI&T supports a workforce of 286,000 employees VA-wide who directly or indirectly serve 23 million Veterans and their families. Our nationwide healthcare system is comprised of 153 medical facilities, 755 community-based outpatient clinics, and 232 Vet Centers. Our

benefits delivery system for compensation, pension, housing loan guaranty, education and insurance benefits support 55 regional offices nationwide. Our burial service automates all necessary processes for internments efficiently and effectively throughout 128 national cemeteries. Our backbone corporate financial management provides steady and reliable data and performs financial processing needed to monitor funds, and financially report of our operations throughout VA.

VA's goal is to build modern IT systems that will move us into the 21st century, enabling the delivery of the highest quality healthcare and services to our Nation's deserving Veterans. This can only be done with a modern IT infrastructure, a high performing IT workforce, and a state-of-the-art information system in healthcare and benefits that will be flexible enough to meet both existing and emerging service delivery requirements. With the resources requested for FY 2010, VA will strive in achieving an interagency interoperability plan with DoD with the goal of improving patient safety and care, and expediting benefit claims processing; automating the educational benefits assistance system to handle the expanded benefits passed in the Post 9-11 Veterans Educational Assistance Act of 2008; continue to develop Financial and Logistics Integrated Technology (FLITE) as the next generation core financial management system; and strengthen our IT workforce as well as our aging and fragile IT infrastructure.

In an effort to revolutionize IT systems as an interactive system, a virtual forum is underway to enhance communications and relationships with Veterans, Congressional, Veteran Service Organizations (VSOs) and other governmental agencies. This web portal will establish an integrated client service response unit with the ability to coordinate problem resolution and response in a timely matter. The web portal will be Veteran-centric; virtually walking a Veteran through all VA related inquiries, current information and subject matter at the click of a button. The system will be closely monitored for quality assurance.

Additionally, to continually invest in our workforce abilities, the VA IT Strategic Training Plan defines a gradual and cumulative approach for closing critical gaps in the workforce's skill-sets and sustaining workforce readiness at all levels, to include leadership, in the long run. It comprises tactics for certifying the entire workforce's capabilities, in accordance with strategic needs and consistent with VA-, vendor-, and industry-specific standards, such as those required for VISTA, Microsoft, and CISSP (Certified Information Security Specialist Professional), respectively; for developing and refining leadership capabilities via implementation of supervisory, managerial, and executive training, education, and development programs, such as IT Career LEAP (Leadership Elements and Attributes Program); as well as positioning VA IT to become the Federal model and source for IT workforce development. The

intended outcomes are to develop a highly skilled, productive, and thoroughly competent workforce capable of implementing 21st century-oriented solutions that support the Administrations and Staff Officers in delivering programs and services that ultimately meet or exceed the expectations of VA's stakeholders: our Veterans, policymakers, and the taxpaying public.

VA Major Projects

Chapter 33, Post 9/11 GI Bill

		2009			
	2008 Actual	Budget Estimate	Current Estimate*	2010 Estimate	Increase / Decrease
Veterans Educational Assistance Act, P.L. 110-252	0	0	55,000	0	-55,000
American Recovery and Reinvestment Act, P.L. 111-5	$0	$0	$48,500	$0	-$48,500
Total Obligations	$0	$0	$103,500	$0	-$103,500

*For FY 2009 Total Obligations: $55 million originated from the FY 2008 Post 9-11 GI Bill's Educational Assistance Act (P.L. 110-252) and $48.5 million from the American Recovery and Reinvestment Act (P.L. 111-5).

On June 30, 2008 Congress amended title 38 by appending Chapter 33, (Veterans Educational Assistance Act, P.L. 110-252), which provides educational assistance to Veterans, service members and members of the National Guard and Selected Reserve. The legislation further mandated VA must process the first new benefit payments no later than August 1, 2009. The Office of Information and Technology was authorized $55 million for developing an automated educational assistance system to handle the expanded benefits. OI&T received the $55 million in two parts. First, in FY 2008, the Education Assistance Act appropriated $20 million directly to OI&T to implement the provisions of title V of this Act, including the support for any personnel increases within the Veterans Benefits Administration. Secondly, in FY 2009, Congress approved the $35 million transfer of VBA-GOE funds from this same Act to OI&T for the development of the improved education assistance system. Congress also provided VA with an additional $48.5 million in FY 2009 as part of the American Recovery and Reinvestment Act (P.L. 111-5).

As VA has testified to Congress, in order to meet the August 1, 2009 mandate, an interim solution is under development. This solution is considered temporary, is labor intensive and requires many manual processes by the claims processors. The interim solution includes two parts. The Front End Tool (FET) will be developed to augment the claims and decision making processes. Additionally Benefits Delivery Network (BDN) will be changed to address payment processing for Chapter 33. This solution will be in place until the more robust long term solution is developed.

VA's Long Term Solution will provide an end-to-end, seamless integrated claims processing. To reduce human intervention in processing Chapter 33 claims, the Long Term Solution will use a rules engine, tight data integration strategies and implementation of a well-defined Service Oriented Architecture (SOA). Once the Long Term Solution is deployed, the other Education service benefits (Chapters 30, 1606, and 1607) and systems will be modernized and migrated to the Chapter 33 SOA and infrastructure.

VA has minimized risk to this project by establishing a cross-functional Integrated Project Team (IPT). The team includes OI&T, and Veteran Benefits Administration's Education Service, Office of Resource Management (ORM) and Office of Field Operations (OFO). The team meets on a regular basis to address change control, requirements and testing.

VA has employed the following acquisition strategy. The short term solution will be developed "in house" using existing development resources and leverage existing agreements with non-profit organizations. For the long term solution VA is will use an Inter-Agency Agreement with Space and Naval Warfare (SPAWAR) Systems Command to develop and host the solution in their data center in New Orleans. Once the solution is deployed, VA intends to transition the infrastructure to VA environment. VA has not finalized its approach to migrate the TEES requirements to this solution.

Key Upcoming milestones to Meet the August 1 2009 Mandate for Chapter 33	**Dates**
Weekly meetings with Deputy CIO for Enterprise Development on Program Status	Ongoing
Update integrated master schedule	Ongoing
Front End Tool Phase 1 – Eligibility and Entitlement Data Capture and initial system modifications	March 8, 2009
Front End Tool Phase 2 – Award calculations and additional system modifications deployed.	July 6, 2009
Back End Fiscal Payment Tool – Allow payment, finance and accounting processing	July 6, 2009
Front End Tool Phase 3 – Supplemental claims and deploy as a web-based tool	September 17, 2009

VA/DoD Information Interoperability Plan

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)*	$24,242	$32,300	$49,326	$70,521	$21,195

*VA/DoD Information Interoperability Plan's funding is not specific to one budget line but allocated to projects pertinent to this initiative such as VistA Application Development, OneVA Eligibility and Registration, and OneVA Contact Management.

On April 9, 2009, President Obama, along with Secretary Shinseki and Defense Secretary Gates, announced that VA and DOD have taken the first step in creating a Joint Virtual Lifetime Electronic Record, a comprehensive system that allows the streamlined transition of health care records between DOD and the VA. Both Departments will work together to define and build a system that will ultimately contain administrative and medical information from the day an individual enters military service throughout their military career, and after they leave the military. Creation of this Joint Virtual Lifetime Record will take the next step to delivering seamless, high-quality care, and serve as a model for the nation.

DoD and VA are committed to achieving interoperable electronic health records or capabilities to support healthcare and benefits delivery and management for our nation's Veterans, Service members and their families. Whether in separate, co-located or fully integrated DoD and VA healthcare facilities, such as the future North Chicago Federal Health Care Center (FHCC), the goal is to make the necessary information available to those who need it, when they need it and in a form that is suited to meet stakeholders' needs. To realize the shared vision of information interoperability, the two Departments will leverage current, robust information sharing programs and infrastructure; expand upon existing initiatives; and incrementally implement greater capabilities as determined by the health, benefits, and personnel communities and as technology advances.

Under the leadership of VA/DoD Joint Executive Council (JEC) and VA/DoD Health Executive Council (HEC), the Departments are implementing enhancements to existing data exchanges while identifying attainable opportunities to support our most seriously wounded, ill and injured Service members and Veterans. DoD and VA are committed to achieving clinical interoperable Electronic Health Record (EHR) systems by September 30, 2009 to support healthcare and benefits delivery and management for our nation's Veterans, Service members, and their families.

Our goal is to ensure that appropriate medical information is accessible and understandable through secure and interoperable information management systems—making the necessary information available to those who need it, when

they need it, and in a form that is suited to meet stakeholders' needs. The Departments also understand that there is a compelling need to promote the sharing of health information, not only with other government agencies, but also with private sector health care entities to provide for the continuity and quality care to all wounded warriors.

The Departments recognize that information does not always need to be computable to be of value; in many cases, making information viewable by users may be the most cost effective way to meet the need. For example, unstructured text or scanned documents may be the best current form for some information. The Departments adopted the Center for Information Technology Leadership's (CITL) Standardization Levels as an analytical framework for defining interoperability and have initially focused on interoperability needed for provision of clinical care. This framework recognizes the value of different levels of interoperability.

During 2008, the DoD/VA Interagency Clinical Informatics Board (ICIB), formerly known as the Joint Clinical Information Board (JCIB), was established to ensure clinicians have a direct voice in the prioritization of recommendations for electronic health data sharing. The Board defined the essential data needed in 2008 and the data required to achieve full EHR interoperability for the provision of clinical care in 2009. The Board's determination of "full interoperability" is driven by clinical priorities and recognizes constraints such as resources and availability of data standards to support interoperability enhancements. Consistent with the priorities determined by the ICIB, the two Departments released the initial version of the DoD/VA Information Interoperability Plan (IIP), and an updated version, that serves as a roadmap for guiding future investment portfolio decisions.

On April 17, 2008, the Departments established the Integrated Program Office (IPO) to provide direct operational oversight and management of EHR interoperability initiatives. The Program Office's initial focus is on sharing health care information with expansion into personnel and benefits information in FY 2009. Additionally the IPO will manage the updates with anticipated annual September releases.

Today, DoD and VA are leading the nation in exchanging information between health care organizations to provide continuity of care for our wounded, ill and injured warriors, and timely administration of Veterans' benefits. DoD and VA continue to collaborate in numerous interagency data sharing activities and are delivering information technology (IT) solutions that significantly improve the secure sharing of appropriate electronic health information. The Departments are leveraging existing bidirectional exchange initiatives to expand the types of data

shared and deliver essential health data elements, as defined by the ICIB. As of October 2008, essential health data is viewable between the Departments. As guided by the ICIB and in accord with the CITL framework, efforts are underway to deliver full interoperability for the provision of clinical care by September 2009 and expanded interoperability capabilities beyond September 2009.

Specific requirements to be addressed in FY10 include: the eBenefits Portal; the Federal Individual Recovery Plan; system modifications to enable better coordination and care for Veterans with Traumatic Brain Injury and Post Traumatic Stress Disorder; modifications to the Admission Discharge and Transfer System to accommodate the needs of Veterans returning from the Global War on Terror; and systems development for the new Federal Health Care Center in North Chicago; and startup of VA/DoD Identity Management effort. Additional planning and architectural design efforts will accelerate joint development and implementation of interoperable electronic health and benefits record systems as directed by the HEC and BEC (Benefits Executive Council) IM/IT Working Groups; and support work being done with the Office of the National Coordinator on the National Health Information Network initiative.

Chronology of Shared Data FY 2007-2008

Project:	September 30, 2007	September 30, 2008
Federal Health Information Exchange (FHIE): Supports the monthly, one time transfer of historical health information from DoD to VA at the point of a Service member's separation.	• 4.0 million unique patients • 2.5 million correlated patients • 55.2 million laboratory results • 9.1 million radiology reports • 55.7 million pharmacy records • 62.0 million standard ambulatory data records • 1.7 million consultation reports *Cumulative Total: Over 194 million HL7, PDTS, and SADR messages*	• 4.5 million unique patients • 3.1 million correlated patients • 67.1 million laboratory results • 11.0 million radiology reports • 69.1 million pharmacy records • 68.2 million standard ambulatory records • 2.8 million consultation rpts. *Cumulative Total: Over 230 million HL7, PDTS, and SADR messages*
Deployment Health Assessments:	• Over 1.9M Pre– and Post–Deployment Health Assessments (PPDHA) and Post–Deployment Health Reassessments (PDHRA) forms on over 793,000 separated Service members and demobilized Reserve and National Guard members	• Over 2.4M Pre– and Post–Deployment Health Assessments (PPDHA) and Post–Deployment Health Reassessments (PDHRA) forms on over 971,000 separated Service members and demobilized Reserve and National Guard members

Bidirectional Health Information Exchange (BHIE): Enables two-way real-time sharing of readable electronic health information between DoD and VA for shared patients.	• 35 DoD host sites which include 15 medical centers, 27 hospitals, and more than 240 outlying clinics • Over 2.5 million correlated patients • Over 1.1 million unique new patients (not in FHIE data repository) • Over 1.3 million cumulative DoD/VA FHIE/BHIE queries • Over 112,000 combined DoD/VA FHIE/BHIE monthly queries	• All DoD/VA sites • Over 3.1 million correlated patients - Includes over 90,200 Theater patients • Over 1.5 million unique new patients (not in FHIE data repository) - Includes over 26,800 Theater patients • Over 3.3 million cumulative DoD/VA FHIE/BHIE queries • Over 328,000 combined DoD/VA FHIE/BHIE monthly queries
BHIE-DoD Essentris Interface: Supports sharing of inpatient electronic health information from DoD medical treatment facilities using Essentris for inpatient care documentation	• 13 DoD Sites • Inpatient Discharge Summaries	• 18 DoD sites (accounts for over 50% of all DoD Inpatient beds) • Inpatient Discharge Summaries available to all DoD and VA providers • Inpatient Consultations, Operative reports, History and Physical Reports, Transfer Summary notes, Initial Evaluation notes, Procedure notes, Evaluation and Management notes, Pre-operative Evaluation notes, and Post-operative Evaluation and Management notes from 15 DoD facilities, available to all DoD providers and VA providers in the Puget Sound area
Clinical Data Repository/Health Data Repository (CHDR) Sites: Provides two-way exchange of enterprise computable data providing real-time drug-drug and drug allergy checks using data from both DoD and VA	• 7 DoD/VA Sites • Over 9,075 Active Shared patients • Over 201,000 cumulative outpatient medications and over 5,000 cumulative medication allergies have been exchanged	• Available to all DoD sites • 7 DoD/VA Sites • Over 19,950 Active Shared Patients • Began automated identification of shared patients • Over 3.8 million cumulative outpatient medications and over 119,000 cumulative medication allergies have been exchanged

Paperless Delivery of Veterans Benefits Initiative

	2008 Actual	2009 Budget Estimate	2009 Current Estimate*	2010 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$1,500	$143,680	$142,180
OEF/OIF Supplemental fund for Paperless Delivery (P.L. 110-28)	0	0	21,039	0	-21,039
Total Obligations	$0	$0	$22,539	$143,680	$121,141

*For FY 2009 Total Obligations: $22.539 million includes $21.039 million from the OEF/OIF Supplemental fund for Paperless Delivery (P.L. 110-28) and $1.5 million from the American Recovery and Reinvestment Act Supplemental fund (P.L. 111-5).

VA recognizes the difficult economic choices our Veterans must make every day and seeks continued improvement in providing quality service and secure access to our Veterans. As such, the Paperless Initiative will not only support the Department's Strategic Goals in restoring and improving quality of life for disabled Veterans, a smoother transition to civilian life, and honoring, serving, and memorializing Veterans, but also strives to improve Veteran access to services. The Paperless Initiative will achieve this through improved and secure web-based information processing, improve the timeliness and consistency of delivery of Veterans' services, provide file redundancy, improved workflow management and workforce flexibility, and greater control over the acquisition and movement of Veterans' data throughout by implementing paperless technologies.

Moving towards paperless benefits delivery and improving the integration of all areas of business will improve Veterans' experience by allowing them to interact with VA using multiple communication channels, whether in person, on the phone, or using a secure website. This will reduce the need to submit paper documents which must be associated with a hard-copy claims file only accessed by one person or entity at a time and will effectively allow internal workloads to be more easily distributed ensuring the most timely, high quality services are provided. Our Veterans will have a secure, accessible means to ensure VA has all the documents needed to render a correct and timely benefit decision.

Today, if a disaster were to occur at a Veterans Affairs Regional Office, information stored in a paper claims folder may become unrecoverable and Veterans Affairs' ability to effectively continue business operations in the face of such a disaster remains high. By keeping a central repository of electronic documents, fewer re-submissions of documents will occur, and it can't be misplaced or destroyed like paper documents, saving our Veterans considerable time, effort, and expense while following the claim's process and allowing them to positively interact with us using multiple communication channels and will

further improve the Veterans' experience, and facilitate high quality, timely benefits delivery.

Health*e*Vet, the Next Generation Healthcare System

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)*	$218,096	$260,991	$313,143	$360,439	$47,296

Health*e* Vet	FY 2008 Actual	FY 2009 Current Estimate	FY 2010 Estimate
Medical			
Development	**$218,096**	**$313,143**	**$360,439**
VistA Application Development	17,611	23,424	38,598
VistA Foundations Modernization	80,749	128,718	125,202
Enrollment Enhancements	10,314	16,637	13,287
Scheduling Replacement	26,231	30,909	46,476
Health Data Repository	37,035	24,830	41,495
MyHealth*e* Vet	13,106	18,427	20,840
Pharmacy Reengineering	10,021	32,234	20,561
VistA Laboratory IS Reengineering	8,200	29,057	32,389
Revenue Improvements and System Enhancements (RISE)	496	1,000	12,000
CAPRI Maintenance & Tactical Enhancement	0	0	2,030
VHIT Program Support	11,653	5,638	5,638
Blood Bank	2,680	2,269	1,923

Health*e*Vet is not simply an IT initiative; it is a program to improve the health of Veterans by building a better, safer, more reliable, and more cost-effective health system for our Veterans, and ultimately, our country. It will provide the necessary clinical decision support tools for a clinician to access and compute health care information, regardless of where the Veteran receives their care. VistA Legacy is structured according to the location the Veteran received care. A clinician must view the care a Veteran has received on a location by location basis. Health*e*Vet is structured by Veteran, rather than location, and will provide information and tools in one view. Health*e*Vet will give all health care providers the ability to access the entire longitudinal electronic health record (regardless of where care was provided – internal or external to VA health care system), improving both the quality and continuity of care.

The spirit of innovation that inspired the development of VistA Legacy has led VA to the next step in the evolution of health care information technology. Health*e*Vet will enhance and supplement the current functional capabilities of the

VistA Legacy system with increased flexibility, improved security, more sophisticated analytical tools, and the infrastructure to support seamless data sharing among providers both within and outside VA. Health*e*Vet is designed to overcome the barriers perpetuated by VistA Legacy and address the demands of today's health care business drivers. It will retain all of the capabilities of VistA Legacy, provide enhanced flexibility for future health care requirements and compliance, and allow seamless data sharing between all parts of VA to benefit Veterans and their families.

Today, approximately 40% of Veteran's receive some of their care from a non-VA health care provider. The care Veterans receive from such providers does not become part of their electronic health record. On-going development and integration of nationally adopted standards into Health*e*Vet will ensure that a Veteran's comprehensive record, both from VA and non-VA care providers, is included. Taking advantage of new developments in technology to address weaknesses in the current system, and most importantly, improving the safety and quality of health care for Veterans is at the core of Health*e*Vet.

The largest components of the Health*e*Vet program include VistA Foundations Modernization and VistA Application Development. VistA Foundations Modernization provides the architecture and foundational elements for the system such as Identity Management, Security, Messaging & Interface Services, etc. – all requirements for a modern Veterans' electronic health care system. VistA Application Development encompasses the development activities for transitioning the current VistA Legacy applications to Health*e*Vet such as the Primary Care Management Module, and Surgery application. It also includes critical enhancements to VistA Legacy to ensure a safe and compliant system performance until their transition to Health*e*Vet.

Blood Bank, Enrollment Enhancements, Health Data Repository, My Health*e*Vet, Pharmacy Reengineering, Revenue Improvements and System Enhancements, Scheduling Replacement, VHIT Program Support, and VistA Laboratory Information System (IS) Reengineering are also part of the Health*e*Vet program. Health Data Repository will serve as the national database to house Veterans' clinical data, enhancing care for patients by providing patient data to physicians regardless of where the information was collected. My Health*e*Vet provides Veterans with a secure internet portal where they can view and manage their personal health record, as well as access health information, health assessments, and electronic services. Pharmacy Reengineering will improve pharmacy operations, customer service, and patient safety. Scheduling Replacement will improve staff and medical resource management thereby reducing clinic wait times and better coordinating care. VistA Laboratory IS Reengineering will enrich service to Veterans by enhancing pathology and laboratory medicine service

business processes. As these selected snapshots of development investments indicate, Health*e*Vet is driven by VA's mission to serve the needs of Veterans and provide a comprehensive, integrated electronic health care system that supports excellence in health care value.

Substantial work toward the development of Health*e*Vet was accomplished throughout FY 2008, including the deployment of the first phase of the new Enrollment System version 3.0, CPRS version 27, and Person Service Identity Management. VA also completed the initial design of the Clinical Information Support System, an example of cutting-edge agile development methods, and completed development on the Health Data Repository II and the associated Clinical Data Service.

The modernization of VistA into the Health*e*Vet environment is structured into blocks, with completion targeted for 2018. Development on the first of the blocks initiated in FY 2008, and throughout FY 2008 and the beginning of FY 2009 VA commenced a dedicated effort to refining the requirements needed for the Health*e*Vet environment. Block One spans FY 2008 through FY 2011, during which time development activities will take place to bring the following programs into the Health*e*Vet environment: Enrollment Application System, Scheduling, Barcode Expansion Project, Business Rules Engine, Laboratory, Pharmacy, Standardization and Terminology Services, Workflow Engine, Compensation and Pension Records Interchange (CAPRI), Clinical Decision Support, Emergency Room, Enhanced VA/DoD Seamless Care, Fee Basis, Healthcare Acquired Infection & Influenza Surveillance, Implant Management, Joint Inpatient Electronic Health Record and Mental Health. In addition, VA stakeholders for the development of Health*e*Vet will continue to meet regularly and work intensively throughout FY 2010 to refine and finalize requirements for upcoming development blocks as well as the Health*e*Vet Integrated Program Plan.

Financial and Logistics Integrated Technology (FLITE)

		2009			
	2008 Actual*	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$21,931	$42,481	$48,000	$85,623	$37,623

*FY 2008 Actual is the first year of obligations of a two-year fund.

VA's Financial and Logistics Integrated Technology Enterprise (FLITE) program is critical to VA's technological transformation not only to meet the challenges of the 21st century, but also to position IT as a seamless partnership between

business stakeholders and IT development. The FLITE program automates nearly all business practices and utilizes the look and feel of modern, web-based programs. In addition, data entry is now required in only a single instance to ensure data quality. These enhancements not only improve the efficiency of business processes themselves, they facilitate the work of the many VA personnel who work within the business areas of financial management, asset management, logistics, accounting, purchasing, budget, funds control, real property and inventory. Data entry and validation burden lessen as the data quality improves correspondingly in order to provide VA leadership and Veterans with world-class service through access to more timely information and effective communication.

FLITE is comprised of two components, the Strategic Asset Management (SAM) project and the Integrated Financial Accounting System (IFAS). In FY 2008, both SAM and IFAS successfully achieved Milestone 1 of their program schedules. Throughout FY 2009 and FY 2010, the pilot and beta implementations of SAM will take place simultaneously with the development of the replacements for both VA's Financial Management System and the Integrated Funds Distribution, Control Point Activity, Accounting, and Procurement (IFCAP). SAM is expected to reach Milestone 2 in mid-FY 2010. IFAS will meet Milestone 3 objectives in late FY 2010. Full FLITE capability will be achieved in 2014, and integrated with all development activities are concerted efforts to address the organizational change issues and requirements needed with such a broad revision of both process and technology. FLITE is poised to provide substantial benefit to both VA and the Veteran, who will receive improved delivery of healthcare services as VA medical center operations are streamlined. FLITE will provide the foundation for improved efficiencies in the business areas of financial management, asset management, logistics, accounting, purchasing, funds control, real property and inventory management.

Infrastructure Workforce Strengthening

Office of Information and Technology FY 2009 - 2010 FTE Distribution							
	FY 2009 BA FTE	FY 2009 FTE Reimb.	FY 2009 Total	FY 2010 BA FTE	FY 2010 FTE Reimb.	FY 2010 Total	Total Increase/ Decrease
Enterprise Operations and Field Development (EOFD)	4,747	178	4,925	5,347	178	5,525	600
Enterprise Development	801	64	865	912	64	976	111
Information Protection & Risk Management	620	0	620	684	0	684	64
OI&T Corporate Administration	370	0	370	395	0	395	25
Total OI&T FTE	**6,538**	**242**	**6,780**	**7,338**	**242**	**7,580**	**800**

Workforce strengthening represents the effort to staff OI&T Enterprise Operations and Field Development (EOFD) commensurate with the size and complexity of VA Administrations and Staff Offices. In the past three years, VA Administrations have grown by more than 27,000 new staff. Using an industry benchmark of 1 EOFD staff member to 40 users of VA IT systems, this level of growth supports an increase of 675 EOFD FTEE on its own. This figure accounts for new growth. When EOFD was formed as part of the VA IT Realignment in 2006, EOFD understaffed using the same 1:40 benchmark. At the beginning of FY 2008, field operations had an on-board FTEE of 4,361 to support Medical services, while the Medical staffing was at 219,669.

A statistically valid analysis of EOFD staffing levels confirms that the greatest influences on EOFD staffing levels are directly tied to growth variables, specifically 1) the number of veterans served at VA Medical Centers, 2) the number of workstations deployed, 3) the number of users of VA IT systems and 4) the amount of square footage supported. In addition to these findings, VA has greatly enhanced its information protection posture since the data breach of 2006, requiring VA to direct existing resources to addressing security vulnerabilities. As VA grows, then so also grows the absolute dependency on EOFD staff to operate and maintain the VA's IT infrastructure.

EOFD staffing requirements cover a broad base of help desk, desktop support and system and network management roles. Overall, EOFD continues to lag in staffing against other large organizations with a significant IT infrastructure and user base.

Information and Technology
Summary of Appropriation Highlights
(Dollars in Thousands)

	2008 Actual*	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
IT Activities					
Veteran Facing IT Systems					
Medical Care	1,005,353	1,152,000	1,404,190	1,559,243	155,053
Compensation and Pension	84,083	119,805	136,464	292,182	155,718
Education	10,028	7,429	50,670	4,557	-46,113
Vocational Rehabilitation	7,538	4,600	4,600	5,809	1,209
Insurance	66	66	66	80	14
Burial	5,373	6,343	6,343	6,533	190
Subtotal	**$1,112,441**	**$1,290,243**	**$1,602,333**	**$1,868,405**	**$266,072**
Corporate IT Systems					
Corporate Management	5,051	751	751	774	23
Financial Resources Management	60,199	107,003	84,328	118,055	33,727
Asset Management	2,132	3,072	3,072	3,164	92
Human Capital Management	32,170	56,800	53,333	33,434	-19,899
Corporate IT Infrastructure	123,988	136,079	145,012	184,806	39,794
Cyber Security	76,040	92,575	92,575	122,604	30,029
Privacy	1,954	4,231	4,231	4,358	127
Other and adjustments	13,867	22,075	55,311	32,576	-22,735
Subtotal	**$315,401**	**$422,586**	**$438,613**	**$499,770**	**$61,157**
Total IT Activities	**$1,427,843**	**$1,712,829**	**$2,040,946**	**$2,368,175**	**$327,229**
Staffing & Administrative Expenses	**$685,765**	**$729,237**	**$757,237**	**$938,825**	**$181,588**
Total Budget Authority	**$2,113,608**	**$2,442,066**	**$2,798,183**	**$3,307,000**	**$508,817**
Non-Pay Reimbursements	32,397	62,719	35,242	32,229	-3,013
Payroll Reimburements	19,913	29,084	29,084	29,177	93
Subtotal	**$52,310**	**$91,803**	**$64,326**	**$61,406**	**-$2,920**
Other Funding Sources					
2008/2009 available resources	$6,508	$0	$224,517	$0	-$224,517
OEF/OIF Supplemental no-yr fund for Paperless Delivery (P.L. 110-28)	-$1,039	$0	$0	$0	$0
Total Obligation	**$2,171,387**	**$2,533,869**	**$3,087,026**	**$3,368,406**	**$281,380**
FTE	6,169	6,538	6,538	7,338	800
Reimbursable FTE	179	242	242	242	-
Total FTE	**6,348**	**6,780**	**6,780**	**7,580**	**800**

*

FY 2008 Actual is the first year of obligations of a two-year fund.

Information and Technology Systems Appropriation/Obligations
(Dollars in Thousands)

Description	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
IT Systems Appropriation: FY 2008 (P.L. 110-161); FY 2009 (P.L. 110-329)	1,966,465	2,442,066	2,489,391	3,307,000	817,609
Subtotal IT Appropriations	**$1,966,465**	**$2,442,066**	**$2,489,391**	**$3,307,000**	**$817,609**
Transfer Authority					
Transfer from VHA to support IT initiatives	284,875	0	0	0	0
Transfer from VHA to support IT initiatives	86,782	0	0	0	0
Transfer from VHA/VBA-GOE to support staffing	0	0	258,690	0	-258,690
	371,657	**0**	**258,690**	**0**	**-258,690**
Supplemental Funding					
Chapter 33 Supplemental Funding (P.L. 110-252)	20,000	0	0	0	0
American Recovery and Reinvestment Act of 2009 (P.L. 111-5)	0	0	50,100	0	-50,100
	20,000	**0**	**50,100**	**0**	**-50,100**
Total IT Appropriations	**$2,358,122**	**$2,442,066**	**$2,798,181**	**$3,307,000**	**$508,819**
Reimbursements					
IT Systems Appropriation	32,397	62,719	35,242	32,229	-3,013
IT Pay Reimbursements	19,913	29,084	29,084	29,177	93
Subtotal Reimbursements	**$52,310**	**$91,803**	**$64,326**	**$61,406**	**-$2,920**
Total Budgetary Resources	**$2,410,432**	**$2,533,869**	**$2,862,507**	**$3,368,406**	**$505,899**
Adjustments to Obligations					
Unobligated Balance (SOY):	-28,384	0	-265,558	0	265,558
Unobligated balance transferred from Chapter 33 Supplemental Funding (P.L. 110-252)	0	0	-35,000	0	35,000
Unobligated Balance (EOY):	265,558	0	0	0	0
Change in Unobligated Balance (non-add)	**$237,174**	**$0**	**-$300,558**	**$0**	**$300,558**
Unobligated Balance Expiring (Lapse)	1,876	0	0	0	**0**
Change in uncollected orders	5	0	0	0	**0**
Obligations	**$2,171,387**	**$2,533,869**	**$3,163,065**	**$3,368,406**	**$205,341**
Obligated Balance (SOY)	709,676	892,474	829,138	1,360,113	530,975
Obligated Balance (EOY)	-829,138	-1,069,382	-1,360,113	-1,526,155	-166,042
Adjustments in Expired Accounts and Other	-10,641	0	0	0	0
Outlays, Gross	**$2,041,284**	**$2,356,961**	**$2,632,090**	**$3,202,364**	**$570,274**
Less Collections	-52,310	-91,803	-64,326	-61,406	2,920
Outlays, Net	**$1,988,974**	**$2,265,158**	**$2,567,764**	**$3,140,958**	**$573,194** *

FY 2008 Actual is the first year of obligations of a two-year fund.

Office of Information and Technology
Obligations by Object Class and Funding Sources
(Dollars in Thousands)

	2008 Actual*	2009 Budget Estimate	2009 Current Estimate**	2010 Estimate	Increase / Decrease
Personal Services	652,574	758,321	760,702	862,432	101,730
Travel	18,820	17,000	18,131	18,428	297
Rent, Communications and Utilities	221,710	236,000	324,847	354,369	29,522
Printing and Reproduction	103	59	331	338	7
Other Services	887,156	1,079,489	1,487,261	1,522,077	34,816
Supplies and Materials	22,626	15,000	33,152	35,352	2,200
Equipment	354,428	422,000	519,306	553,772	34,466
Lands and Structures	13,735	6,000	15,630	18,211	2,581
Other	235	0	3,705	3,427	-278
Total Obligations	**$2,171,387**	**$2,533,869**	**$3,163,065**	**$3,368,406**	**$205,341**
Funding Sources					
Appropriation	**$2,358,122**	**$2,442,066**	**$2,798,181**	**$3,307,000**	**$508,819**
Reimbursements	**$52,310**	**$91,803**	**$64,326**	**$61,406**	**-$2,920**
Non-Pay Reimbursements	32,397	62,719	35,242	32,229	-3,013
Pay Reimbursements	19,913	29,084	29,084	29,177	93
Unobligated expiring	-1,871	0	0	0	0
Unobligated EOY	28,384	0	265,558	0	-265,558
Unobligated SOY	-265,558	0	35,000	0	-35,000
Total	**$2,171,387**	**$2,533,869**	**$3,163,065**	**$3,368,406**	**$205,341**

*FY 2008 Actual is the first year of obligations of a two-year fund.
**In comparison to FY 2009 Budget Estimate, the FY 2009 Current Estimate provides a more accurate assessment of the budget object classification funding for each category.

Information and Technology Supply and Franchise Fund FTE Support	FY 2009 Current Estimate	FY 2010 Estimate
	420	**420**
Information Protection & Risk Management	**2**	**2**
Supply Fund	2	2
IT Resource Management	**21**	**21**
Supply Fund	4	4
Franchise Fund	17	17
Enterprise Development	**397**	**397**
Supply Fund	15	15
AITC/Vault Franchise Fund	336	336
Record Center & Vault Franchise Fund	12	12
DMC Franchise Fund	4	4
HR Franchise Fund	30	30

These are OI&T employees who are under the programmatic and management direction of OI&T but are funded from either the SF or FF, not the IT Systems Appropriation.

Mission

The mission of the Office of Information and Technology (OI&T) is to enable and sustain the delivery of services and benefits to the Veterans.

Governance

VA IT Governance Plan, dated March 12, 2007, requires VA executive leadership support and participation in building and enforcing more structure, discipline, and behavioral change within IT and the business areas. No longer is each organization in a position to plan IT investments without consideration of the overall impact upon VA as well as Veterans, service members, employees, and other stakeholders. The key has been aligning business and IT processes across VA in meeting the primary objective – exceptional services for Veterans their

dependents and their survivors. In addition to the CIO's priorities, some of the improvements will include:

- Realization of business goals (e.g., responsiveness to Veteran needs)
- Optimized resource and asset utilization
- More effective use of IT for:
    - Increased return on investment
    - Increased business flexibility
    - Improved service levels
- Measurement through the use of meaningful performance metrics

To establish governance over IT, VA created three IT governance boards that provide Departmental IT direction, oversight, prioritization, enforcement, and issue resolution. Each board meets monthly and sometimes more frequently during program/project/budget development phases. All VA administrations and staff offices are represented to ensure their inputs are understood for critical business requirements. Based upon IT governance best practices, the CIO uses the existing VA governance model to the maximum extent possible. That model is the Department's Strategic Management Council (SMC), which is chaired by VA Deputy Secretary and serves as the conduit for directly linking to the three IT governance boards. SMC serves as the senior board making decisions related to IT strategy and technology, decides the overall level of IT spending, aligns and approves Enterprise Architecture, accepts IT risks, and provides final approval.

In November 2008, VA did an assessment of the current state of the Governance process and through a working group made further improvement to meet the needs of our stakeholders. Effective coordination and information flow between the Boards are critical to a synchronized IT governance effort. Specific focus areas have been assigned to each to effectively address and manage both near term and long term IT requirements and resources. The Programming and Long Term Issues (PLTI) Board focuses on long term multi-year program planning which leads into the budget formulation and execution year activities that the Business and Near Term Investment (BNTI) Board is responsible to oversee. Transparency, collaboration, and continuity play a vital role in effective governance of IT programs. Toward this end, vertical and horizontal coordination, reporting, and critical information flow between PLTIB and BNTIB will be implemented and maintained for ensuring situational awareness of actions and decisions. The Information Technology Leadership Board (ITLB) will adjudicate inter- and intra-board issues of significance that cannot be resolved between or within the respective boards.

IT Oversight

VA's CIO review and approval process for all IT capital investments performs a critical function. Prior to inclusion in VA IT portfolio, proposals undergo scrutiny by the PLTI , BNTI, ITL Boards, and SMC. During these reviews, investments are evaluated for their conformance to the Administration's policy (including the E-Gov initiatives), the Secretary's goals, the Department's Strategic Plan, and the Department's Enterprise Architecture. Proposals must also conform to the Department's performance goals to reduce costs associated with performing existing functions; protect the confidentiality, integrity, and availability of Veteran data; and provide new functionality to VA.

VA uses OMB Exhibit 300 (Capital Asset Plan and business case) to evaluate IT investments. This process complements the Deputy Secretary's monthly performance review for tracking cost, schedule, and performance goals. VA conducts independent verification and validation of selected IT projects and programs so that problems may be anticipated and rectified before significant cost or schedule variances occur. Projects are managed by certified project managers, trained in standardized project management guidelines and procedures.

Program Goals, Objectives, and Performance Measures

Performance measures and associated targets are an important component of the delivery of IT services to VA programs that serve Veterans. The performance summary table below highlights the major performance measures and strategic targets used to monitor the effectiveness and efficiency of IT operations.

Table 1: Performance Summary Table
ALL MEASURES

Measure Description (Departmental Management Measures in **bold**)	4-Year Results History				Annual Targets		Strategic Target
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
Enabling Goal Deliver world class service to Veterans and their families through effective communication and management of people, technology, business processes, and financial resources.							
Objective E.3 Implement a One VA information technology framework that enables the consolidation of IT solutions and the creation of cross-cutting common services to support the integration of information across business lines and provides secure, consistent, reliable, and accurate information to all interested parties.							
1) Grade on Federal Information Security Management Act Report	N/A	N/A	N/A	N/A	C	B	A
2) Number of automated information systems that require a Veteran to provide information already entered and available via other VA automated systems, other than essential identifying information such as name, SSN, birth date, etc.	N/A	N/A	N/A	N/A	N/A	TBD	0
Objective E.4 Improve the overall governance and performance of VA by applying sound business principles; ensuring accountability; employing resources effectively through enhanced capital asset management, acquisition practices, and competitive sourcing; and linking strategic planning to budgeting and performance.							
3) Overall EVM portfolio performance as measured by Cost and Schedule Performance variances							
Cost Performance	N/A	N/A	N/A	N/A	90-110%	90-110%	90-110%
Schedule Performance	N/A	N/A	N/A	N/A	90-110%	90-110%	90-110%

Table 1: Performance Summary Table ALL MEASURES							
Measure Description (Departmental Management Measures in **bold**)	**4-Year Results History**				**Annual Targets**		**Strategic Target**
	2005	2006	2007	2008	Current Year (Final) 2009	Budget Year (Request) 2010	
4) The cumulative percentage decrease in cost to maintain and operate VA IT infrastructure (expressed in constant 2008 dollars and using 2008 as a baseline year), based on a weighted average of the cost per Veteran user and cost per FTE.	N/A	N/A	N/A	N/A	-5%	-10%	-25%
5) Percentage of VA IT systems Certified and Accredited (C&A) per year	N/A	N/A	N/A	N/A	33%	33%	33% per year
6) Percent of Total IT Inventory that is accounted for during annual IT inventories	N/A	N/A	N/A	N/A	N/A	93%	98%
7) Number of facility assessments conducted per year in the areas of: cyber security, records management, information physical and privacy.	N/A	N/A	N/A	N/A	N/A	300	300

Table 2: Performance Measure Supporting Information

DEPARTMENTAL MANAGEMENT MEASURES ONLY

1) Grade on Federal Information Security Management Act Report

a) Means and Strategies:

- VA will ensure the implementation of standards in compliance with Federal Information Processing Standards (FIPS) Publications through remediation of information security weaknesses identified through the continuous monitoring of the security status of its information systems and assessments by oversight organizations.
- Certification and accreditation, and continuous monitoring of VA information and information systems.
- Implementation of standard configurations (e.g., Federal Desktop Core Configuration-FDCC).
- Implementation of recommendations resulting from assessments by oversight organizations such as the Office of Inspector General (OIG) and the VA Information Technology Office of Compliance (ITOC).
- Remediation of information security weaknesses.

b) Data Source(s):

- Grade is given by the Office of Management and Budget (OMB) on VA's annual FISMA report.

c) Data Verification:

- Oversights conducted by external and internal organizations validate the status of VA's information security program.
- Assessments of VA's information security program conducted by organizations such as the General Accountability Office (GAO), VA OIG and VA ITOC validate performance data related to the effectiveness of VA's information security program.

d) Measure Validation:

- The grade assigned by OMB provides a baseline for year-to-year comparisons of progress.
- The grade was chosen as a measure of progress as it is used to measure the effectiveness of key components of an organization's information security program, e.g., configuration management, testing of system contingency plans, etc.

e) Cross-Cutting Activities:

- Participation in federal Social Security Number (SSN) Reduction and Personal Identity Verification (PIV) initiatives to improve privacy and access controls to VA facilities and information systems
- To protect employee privacy, VA has participated in the Multi Agency Executive Strategy Committee to provide feedback to the Office of Personnel Management on how to replace the SSN with a unique employee identification number for all federal employees.
- To better control access to federal facilities and information systems, VA participates in the PIV program which calls for the use of a standard encoded card to grant access to VA facilities and information systems.

f) External Factors:

- Implementation of standard configurations by OMB (e.g. FDCC) may severely adversely affect the performance of some VA information systems.

Table 2: Performance Measure Supporting Information

DEPARTMENTAL MANAGEMENT MEASURES ONLY

3) Overall EVM portfolio performance as measured by Cost and Schedule Performance variances

a) Means and Strategies:

- Ensure changes to project plans go through a thorough evaluation for sufficiency and synchronicity with the Department's Earned Value Management System (EVMS).

b) Data Source(s):

- VA IT project managers use the Primavera EVM tool as the EVMS to track cost and schedule performance data.

c) Data Verification:

- Monthly EVM findings submitted by IT development project managers are compared against a stored EVM database.

d) Measure Validation:

- Measures the degree to which projects in the VA IT development portfolio are performing effectively in terms of cost and schedule.

e) Cross-Cutting Activities: Not applicable

f) External Factors:

- Changes/amendments to Federal Acquisition Streamlining Act (FASA).

This page intentionally left blank.

Veteran Facing IT Systems

The Veteran Facing IT Systems

These IT systems enable support of VA programs for Veterans, such as, providing medical care, delivering compensation benefits, providing pension benefits, enhancing education opportunities, delivering vocational rehabilitation and employment services, promoting homeownership, providing insurance service, and delivering burial service. The ***Veteran Facing IT Systems*** described in this chapter represent those which actively support VA program areas and the millions of unique patients, survivors, children, and reservists.

Information and Technology
(Dollars in Thousands)

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Veteran Facing IT Systems	**$1,112,441**	**$1,290,243**	**$1,602,333**	**$1,868,405**	**266,072**
Medical Care	1,005,353	1,152,000	1,404,190	1,559,243	155,053
Compensation and Pension	84,083	119,805	136,464	292,182	155,718
Education	10,028	7,429	50,670	4,557	-46,113
Vocational Rehabilitation	7,538	4,600	4,600	5,809	1,209
Insurance	66	66	66	80	14
Burial	5,373	6,343	6,343	6,533	190

Medical Care - Development

VA operates the largest direct health care delivery system in America. In this context, VA meets the health care needs of America's Veterans by providing a broad range of primary care, specialized care and related medical and social support services, many uniquely related to Veterans' health and special needs. IT investments over the past several years and those planned for the future will enable new technologies to be used in highly visible areas and support advances and medical technology. Investments described in this chapter provide improved functionality and support to those interfacing directly with VA customers, Veterans and their dependents.

Information and Technology FY 2010 Budget Request (Dollars in Thousands)		FY 2009			
	FY 2008 Actuals	Budget Estimate	Current Estimate	FY 2010 Estimate	Increase / Decrease
VETERAN FACING IT SYSTEMS					
Medical Development	**$277,766**	**$354,228**	**$426,190**	**$446,570**	**$20,380**
VistA Application Development	72,796	104,721	124,471	107,859	-16,612
VistA Foundations Modernization	80,749	94,966	128,718	125,202	-3,516
Enrollment Enhancements	13,321	15,637	16,637	17,287	650
Scheduling Replacement	27,702	29,909	30,909	46,476	15,567
Health Data Repository	37,035	24,830	24,830	41,495	16,665
MyHealth*e* Vet	13,106	18,427	18,427	20,840	2,413
Pharmacy Reengineering	10,021	17,234	32,234	20,561	-11,673
Blood Bank	2,573	809	2,269	1,923	-346
VistA Laboratory IS Reengineering	8,200	29,057	29,057	32,389	3,332
VHIT Program Support	11,767	5,638	5,638	5,638	0
Revenue Improvements and System Enhancements (RISE)	496	1,000	1,000	12,000	11,000
Medical Center Innovations	0	12,000	12,000	10,000	-2,000
Compensation and Pension Record Interchange (CAPRI) Maintenance, Tactical Enhancement and Strategic Engineering	0	0	0	4,900	4,900

Health*e*Vet, Next Generation Healthcare System

Health*e*Vet is not simply an IT initiative; it is a program to improve the health of Veterans by building a better, safer, more reliable, and more cost-effective health system for our Veterans, and ultimately, our country. It will provide the necessary clinical decision support tools for a clinician to access and compute health care information, regardless of where the Veteran receives their care. VistA Legacy is structured according to the location the Veteran received care. A clinician must view the care a Veteran has received on a location by location basis. Health*e*Vet is structured by Veteran, rather than location, and will provide information and tools in one view. Health*e*Vet will give all health care providers the ability to access the entire longitudinal electronic health record (regardless of where care was provided – internal or external to VA health care system), improving both the quality and continuity of care.

The spirit of innovation that inspired the development of VistA Legacy has led VA to the next step in the evolution of health care information technology (IT).

Health*e*Vet will enhance and supplement the current functional capabilities of the VistA Legacy system with increased flexibility, improved security, more sophisticated analytical tools, and the infrastructure to support seamless data sharing among providers both within and outside VA. Health*e*Vet is designed to overcome the barriers perpetuated by VistA Legacy and address the demands of today's health care business drivers. It will retain all of the capabilities of VistA Legacy, provide enhanced flexibility for future health care requirements and compliance, and will allow seamless data sharing between all parts of VA to benefit Veterans and their families.

Today, approximately 40% of Veteran's receive some of their care from a non-VA health care provider. The care Veterans receive from such providers does not become part of their electronic health record. On-going development and integration of nationally adopted standards into Health*e*Vet will ensure that a Veteran's comprehensive record, both from VA and non-VA care providers, is included. Taking advantage of new developments in technology to address weaknesses in the current system, and most importantly, improving the safety and quality of health care for Veterans is at the core of Health*e*Vet.

The largest components of the Health*e*Vet program include VistA Foundations Modernization and VistA Application Development. VistA Foundations Modernization provides the architecture and foundational elements for the system such as Identity Management, Security, Messaging & Interface Services, etc. – all requirements for a modern Veterans' electronic health care system. VistA Application Development encompasses the development activities for transitioning the current VistA Legacy applications to Health*e*Vet such as the Primary Care Management Module, and Surgery application. It also includes critical enhancements to VistA Legacy to ensure safe and compliant system performance until their transition to Health*e*Vet.

Blood Bank, Enrollment Enhancements, Health Data Repository, My Health*e*Vet, Pharmacy Reengineering, Revenue Improvements and System Enhancements, Scheduling Replacement, Veterans Health Information Technology (VHIT) Program Support, and VistA Laboratory Information System (IS) Reengineering are also part of the Health*e*Vet program. Health Data Repository will serve as the national database to house Veterans' clinical data, enhancing care for patients by providing patient data to physicians regardless of where the information was collected. My Health*e*Vet provides Veterans with a secure internet portal where they can view and manage their personal health record, as well as access health information, health assessments, and electronic services. Pharmacy Reengineering will improve pharmacy operations, customer service, and patient safety. Scheduling Replacement will improve staff and medical resource management thereby reducing clinic wait times and better coordinating care.

VistA Laboratory IS Reengineering will enrich service to Veterans by enhancing pathology and laboratory medicine service business processes. As these selected snapshots of development investments indicate, Health*e*Vet is driven by VA's mission to serve the needs of Veterans and provide a comprehensive, integrated electronic health care system that supports excellence in health care value.

VistA Application Development (VistA AD)

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$72,796	$104,721	$124,471	$107,859	-$16,612

VistA-Application Development (VistA-AD) provides the software applications required for a modern Veterans Health Care IT System. The existing VistA Legacy applications will be re-hosted, re-engineered, or retired over the course of this project's lifecycle resulting in IT solutions which provide secure, high-quality, reliable, accessible, timely and efficient health care to Veterans. This effort is focused on clinical/administrative areas such as Radiology, Clinical Care Delivery Support System (CCDSS) and the effort to expand bar code technology into laboratory and other clinical areas to enhance patient safety. Administrative applications such as Decision Support and Electronic Wait List will also be addressed. Efforts include support & coordination to extend local medical center innovations from field offices out to the entire organization. Telemedicine capabilities to extend services to rural areas & understaffed VA Medical Centers are included. Efforts also encompass Prioritized Healthcare IT Requirements evaluated by the VHA's Informatics & Data Management Committee (IDMC) from emerging service requests such as user requests, legislation, FDA requirements and safety alerts.

Benefit to the Veteran:

VistA AD improves data sharing by enabling exchange of standardized data between VA, DoD, and future partners via the increased usage of administrative and clinical terminologies implemented within VistA Foundation Modernization. These applications improve access to benefits which enables seamless care in multiple settings through continued implementation of patient centric model in additional reengineered applications. It supports usability of data/information for decision making. The enterprise-level applications provide for single authoritative database for transactions and reporting at any level. VistA AD standardizes the software applications for the modern Veterans Health Care IT system and continues to deliver enhancements necessary to support VistA Legacy to address patient safety and quality issues. This effort assists patients in becoming more active participants in their own care, by providing the ability for them to

contribute their own clinical data (e.g. blood glucose test results). VHA clinical data systems continue to work towards interoperability, giving clinicians the ability to quickly access all of the relevant data on a patient without having to actively search for records in multiple systems or across different facilities. Clinical data will become more uniform and will be based on common data and communication standards. The planned migration from the current VistA Legacy applications will support sharing and reuse of medical record information among government agencies and their private healthcare providers and insurers. Clinicians will have access to the patient's visit history, previous test results, procedure outcomes, clinical documentation, etc., regardless of where the care was provided. VistA AD is critical for VHA if it is to sustain and improve the current level of patient care.

Benefit to the VA Organization:

VistA AD is the cornerstone of the effort to move the Computerized Patient Records System (CPRS), the flagship tool for VA Clinician care, into a true decision support capability which builds in quality and safety to the processes for clinicians and takes the VHA to the next level of healthcare. It standardizes health data and communications within VA and with other health organizations and patient data can be standardized across facilities through standardizing clinically relevant information. Functional capabilities of the transformed system are closely aligned with needs articulated by the clinical and business communities, and the entire transformation is managed using improved processes and practices. VistA AD enables exchange of standardized data between VA, DoD and future partners. The applications support health record access, self-entered information, services (e.g., appointments, refills, co-pays, registration and enrollment), trusted information, and care that are provided in the clinical and community settings. It supports established VA standards for seamless technology integration, interoperability and information accessibility and usability. VistA AD reduces administrative costs such as costs associated with redundant testing, and improve quality outcomes.

VistA Foundation Modernization

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$80,749	$94,966	$128,718	$125,202	-$3,516

VistA Foundation (VistA FM) provides the architecture and foundational elements required to operate and maintain a modern health care IT system. VistA FM is comprised of the following components architecture, computing infrastructure, core common services software, enterprise messaging infrastructure, enterprise terminologies, data standards, and an administrative data repository. Each component aligns with VA's future enterprise architecture. These

components will provide immediate benefit and also afford a significant amount of flexibility to the HealtheVet (H*e*V) system, thus enabling it to adapt to future needs. The new architecture associated with VistA FM will greatly improve H*e*V performance, scalability, and interoperability, while at the same time, it will decrease operating costs. The components of VistA FM are designed to establish a common architecture that eliminates redundancies in coding which supports common terminology sources between applications and promotes software and data reuse. Additionally, VistA FM supports the "Expanded E-Government" and "Coordination of VA and DoD Programs and Systems". These initiatives are being accomplished, in part, by standardizing data in conjunction with several federal agencies. Standardization improves the sharing of data among federal agencies and contributes to the ability to meet the President's goal of a portable electronic health record within 10 years.

Benefit to the Veteran:

VistA Foundations Modernization supports VA medical research and development programs that address Veterans' needs by making available standardized, computable data which utilize national standards in the identified domains. Patient data can be standardized across facilities through the standardization of terms and clinically relevant information from a centralized terminology database. Clinical data will become more uniform and will be based on common data and communication standards, supporting VA's participation in the creation of a National Health Information Network (NHIN) to exchange health data privately and securely. The implemented terminologies will be reusable in H*e*V; they will also serve to support a high-performance, patient-centric, longitudinal electronic health record (EHR) accessible in real-time to all personnel with a legitimate need to know, especially those who support individual and population-based health care.

Transfer of data between VA and DoD will be increasingly automated and electronic thus reducing costs and patient delays. It will also support component-based design to allow VA to take advantage of standards-based hardware and software components and thereby keep pace with the technology landscape to meet evolving requirements. VistA FM will define and standardize the future architecture for all health care IT. Ultimately, better health care will be enable through the ability of clinicians to access the patient's visit history, previous test results, procedure outcomes, and clinical documentation, among other features, regardless of where the care was provided.

VistA FM's initiatives are being accomplished, in part, by standardizing data in conjunction with several federal agencies and bureaus (i.e., DoD, HHS, NIH, IHS, CDC, and FDA) via the HHS Office of National Coordinator for Health Information

(ONCHIT) e-Gov initiative. The standardization efforts enables data sharing for improved nationwide healthcare. This commonality will enable all federal agencies to use a common language and share information without the high cost of translation or data re-entry. In addition to improving data sharing among federal agencies and contributing to the President's portable electronic health record goal, standardized data supports bio-surveillance activities and population health reporting to federal, state, and local health partners.

Benefit to the VA Organization:

The improvements in clinical dataflow and availability of information as a result of VistA FM will generate a projected cost avoidance of $233 million over the period from FY 2009 through FY 2018. Future costs will be incurred via modernization efforts as opposed to legacy application support. The savings from consolidation (reduction in redundant applications and support infrastructure) and centralized common services can be applied to other previously unsupported organizational imperatives. System uptime is expected to increase from 99.795% to 99.9%, which reduces the costs associated with downtime. Common software services and data standards will enhance the ability to access information in a standard way by all applications, as well as ensure it has a standard meaning based on universal terminologies. Standardization of data will also enhance the ability to share data with partners such as DoD and ensure consistency of data throughout the patient-centric medical record. Additionally, staff efficiencies will be further maximized through agency coordination (VA/DoD), upgraded system capabilities, and configuration management. The new infrastructure, common services and data standards will support the development of a standardized Electronic Health Record—ensuring a smooth transition for Veterans from active duty. The consolidation of IT assets and operations will also reduce staff and redundancy. Additionally, through this investment in VA and better patient care, underlying foundational services that support standardization of business practices will emerge, via common software services, security, standards and terminologies.

Enrollment Enhancements

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	13,321	15,637	16,637	17,287	650
Reimbursement	1,008	2,098	3,136	2,886	-250
Total	$14,329	$17,735	$19,773	$20,173	$400

In October 1996, Congress enacted the Veterans' Health Care Eligibility Reform Act of 1996, Public Law 104-262, which required VHA to implement a priority-based enrollment system. The Health Eligibility Center (HEC) Legacy system

handles this functionality. In FY 2009, the Enrollment System Redesign (ESR) v3.0 project will be completed and will replace the legacy system with the new Health Eligibility Center Management System. This new system will provide greater flexibility to meet critical requirements on a timely basis, better safeguards to meet security requirements, and improved reliability. This will be accomplished by using the service-oriented architecture of the HealtheVet platform, which promotes effective development by stripping software products down to discrete business capabilities.

This project also encompasses Income Verification Matching (IVM) functionality, which verifies applicable Veterans' self-reported income with the Internal Revenue Service (IRS) and Social Security Administration (SSA) federal tax information to identify Veterans' responsibilities for making medical care co-payments and to enhance revenue from first party collections. The Enrollment Database (EDB) was created to house this updated functionality. The ESR v4.0 product, which will replace the EDB system in July 2010, includes a workflow component to create, assign, view, track, and complete work items.

Benefit to the Veteran:

Further enhancements planned for deployment through FY 2012 will provide many improvements to Enrollment Enhancements. The Veteran Financial Assessment initiative will reduce the burden on Veterans, who are required to submit income data to update their financial assessments annually, by pulling this information directly from the IRS and SSA. Veterans will have the opportunity to apply for health care benefits and manage existing accounts from the comfort and convenience of their own homes with the advent of a secure on-line Enrollment portal via the world-wide web with the implementation of Veterans On-line Application in early 2009.

Data sharing will reduce the risk of Veterans of receiving inaccurate and significantly slower determination of enrollment status and priority, which would slow determination of enrollment status. It is easy to use and makes available empowering capabilities so Veterans will no longer be placed in a dependent, burdensome relationship with VA to seek access to care.

Benefit to the VA Organization:

Expanded electronic data sharing with other government agencies will mean a more rapid and accurate enrollment and eligibility determination based on a more comprehensive and authoritative data suite. All of these improvements equate to timely and seamless access to healthcare for our Veterans.

Additionally, this project also includes HEC costs for typical IT office support such as network connections, desktop support, and personal computer maintenance and software in FY 2009 onward.

Scheduling Replacement

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$27,702	$29,909	$30,909	$46,476	$15,567

Scheduling Replacement's goal is to create an Enterprise-level outpatient scheduling application that supports re-engineered appointment processes and patient-centric view of appointments regardless of location of care. The project addresses deficiencies in the current VistA legacy system including wait times, resource management, and user satisfaction in order to improve coordination of patient care. The project will leverage the HealtheVet Service Oriented Architecture (H*e*V SOA) components therefore promoting efficient use and/or re-use of development assets.

An Integrated Project Team (IPT) has been established to provide a structured results-driven approach to development and implementation of the Scheduling Replacement Application. The objectives of this IPT are to:

- Achieve maximum efficiency and effectiveness in the program management and development of the Replacement Scheduling Application
- Achieve successful scheduling capabilities and systems interoperability for all VA scheduling business customers
- Maintain the organizational integrity of the OED and OI&T directorates while participants of the IPT are engaged in the integrated objective stated in the IPT Charter

While the stated goals and project benefits to the Veteran and VA organization remain unchanged, the Scheduling Replacement Project has been placed in a paused status while a comprehensive programmatic and technical assessment is accomplished to determine a viable course forward. The assessment includes an extensive code review, a full analysis of alternatives (AOA) that will include a review of commercially available scheduling products as well as a blended team development approach. An integrated, collaborative team of representatives from technical, business and industry is being formed to oversee the development effort going forward. Establishment of a HealtheVet governance board is also underway and will further enhance the oversight of RSA. New software development methodologies will be adopted and new software development lifecycle management practices employed.

Benefit to the Veteran:

Enterprise level scheduling provides a single view of all patient appointments regardless of location of care. The application increases availability of same day care for patients, reduces patient wait times, and improves coordination of care. Excessive wait times will be reduced by moving to a resource-based management system that improves clinic efficiency. Flexibility to add time for special needs will be provided. The enhancement phase will include an interface to the MyHealth*e*Vet web portal that will allow patients to view and request appointments via the Web, selecting the times that suit them best. The Scheduling Replacement project will also allow for inter-facility scheduling for coordination of care among facilities. Enterprise-level Scheduling provides for a single view of all patient appointments regardless of location of care.

Performance Outcomes:

- Increased from baseline of 5% to 20% availability for same-day care (Open Access initiatives).
- Increased from baseline of 75% to 90% of time that provider is available for direct patient care.
- Increased availability of service-connected appointments: Increased from baseline of 3% to 20% the availability for Service-Connected care, Compensation and Pension, and special needs.

Benefit to the VA Organization:

Scheduling Replacement will support easy access to all VA Medical Centers for appointment scheduling between facilities. This will provide an enterprise-level appointment management system, and allows a single view of patient appointment history from any VA Medical Center in a single consolidated record. It will also reengineer business processes for resource management to standardize and provide individual calendars for providers, rooms, and equipment thus reducing multiple clinics and allows increased provider availability.

With standardized wait time reporting, scheduling replacement will eliminate user input at key prompts affecting agency Wait Time metrics. This means standardized Decision Support System (DSS) identifiers will insure VA Medical Centers reporting for workload and reimbursement will be not disparate. In addition, RSA creates an organization entity/administrative tree that is scalable across other applications where patient care functions and agency reporting may occur at any level of the VHA health care system. The enhancement phase will include interoperability with the DoD Enterprise Scheduling initiative for shared patients. As a result, this project may produce the following improvements: 1) Decreased time to make appointments by 30 seconds 2) Reduced by 1.5 minutes to reschedule appointments; 3) Increased

coordination in delivery of care across VHA ; 4) Reduced in legacy maintenance costs.

Health Data Repository

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$37,035	$24,830	$24,830	$41,495	$16,665

The Health Data Repository (HDR) program is an effort to gather patient health information from a variety of sources into a centralized repository system. The HDR stores data from 128 Department of Veterans Affairs (VA) VistA systems, Department of Defense's (DoD) Clinical Data Repository (CDR), and VA's Home Telehealth program. In the future, the repository will also hold clinical data from Health*e*Vet applications and additional non-VA health care sources. The Health Data Repository (HDR) stores at the national level, the clinical data generated and used by VA healthcare providers while treating Veterans. It serves as the data storage backbone of the Veterans' longitudinal health record and ensures that clinical decisions are made based on all clinical information available for each patient rather than data from just one source. HDR provides a national, longitudinal database for use by clinical, administrative, and analytical applications. The Veteran centric data are comprised of demographics, clinical data (e.g., problem list, allergies and adverse reactions, and vital signs), ancillary data (e.g., medications, laboratory test results, and radiological results), encounters (e.g., purpose of visit, procedures, and diagnoses), and discharge summaries. The HDR manages a perpetual store representing the Veteran's medical history. The repository at completion will represent the clinical portion of the legal medical record and its archives will retain data in compliance with legal requirements.

As a central repository, HDR serves as the authoritative data source for Health*e*Vet applications as well as interoperable data exchange with other health care providers. The HDR program consists of a series of databases that store transactional and historical health records and support data warehousing activities. The program includes full operational support for high availability systems operations to include robust system shadowing, continuity of operations (COOP), and disaster recovery (DR) solutions.

The HDR program includes full support for the Clinical Health Data Repository (CHDR) effort which exchanges computable and interoperable health care data between VA and DoD systems. This computable and interoperable data is used by software applications within both Departments to provide clinicians with electronic decision support based on data from all treatment facilities. Currently,

drug-drug and drug-allergy order checks are supported. As more data are exchanged via CHDR, additional electronic decision support capabilities will utilize the expanded data set.

Benefit to the Veteran:

Many of the Veterans that VA serves receive care from more than one VA or DoD facility. The HDR provides complete patient health information regardless of the location at which the patient is receiving care or has received care in the past. All data is available to the clinician currently providing care. The Veteran then benefits from comprehensive health care based on a complete, longitudinal electronic health record. Availability of computable data for order checks, clinical reminders, and other electronic decision support greatly enhances patient safety and assures care based on complete information and best practice guidelines. Providers are warned of potential drug-drug or drug-allergy interactions based on data collected from over 1,300 VA and DoD treatment facilities. It will eliminate the fragmentation of the patient records over numerous systems that increases patient safety risks if the entire medical record is not available at the point of care. Fragmentation also makes it difficult to control and retrieve the patient's complete medical record. Veterans would benefit from the improvements in healthcare that could be provided if clinicians had access to decision support tools and alerts and a complete real-time patient medical record.

Benefit to the VA Organization:

The Health Data Repository provides substantial benefit to VA by being a single, authoritative data source for a wide variety of software applications and analytic purposes. HDR provides access to clinical patient information regardless of VA location where care was rendered as well as facilitates interoperable data exchange with other health care providers such as DoD. When fully populated, it will become the source of the legal medical record for patient care. HDR supports utilization of patient data from multiple sites of care in electronic decision support and provides an environment for population-based analysis and reporting. The program supports analysis and research through its data warehousing service. Confidentiality and information security to protect Veteran privacy improves through HDR. It enables enhanced patient safety, convenience, high quality care and measurable improvements in health care delivery and maintains data quality, availability, and integrity.

In summary, the single database of patient health record information provides substantial opportunities to VA. HDR serves as a source for the exchange of interoperable health record data between the Departments of Defense and VA via the CHDR initiative and will serve as a source for similar data exchange with other health care providers in the future. The availability of the comprehensive

HDR database supports the ability to base patient treatment decisions on patient health information from a broad range of treatment locations, ultimately increasing patient safety and improving the effectiveness of the care delivered to VA's patients. The availability of the HDR data also enhances VA's ability to effectively and efficiently perform Department-wide research and analytical activities.

My Health*e*Vet

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$13,106	$18,427	$18,427	$20,840	$2,413

MyHealth*e*Vet (MHV) is a nationwide initiative intended to improve the overall health of all Veterans. It provides an *e*Health portal, a secure environment where Veterans can view and manage their Personal Health Record (PHR), as well as access their health information, health assessments, and electronic services. On-line health resources will enable and encourage patient/provider collaboration, as clinicians will be able to communicate with Veterans more easily. The on-line environment will complement existing VHA clinical business practices, and transform the way healthcare is delivered and managed. Veterans will be able to view key portions of their VA electronic health record and store it in a secure, personalized *e*Vault. They will be able to delegate viewing and managing all or part of the information in their accounts to healthcare providers, both inside and outside VHA, as well as to family members or others of their choosing. This has the potential to dramatically improve the quality and outcome of care available to our nation's Veterans through increased access, information, education, co-management and advocacy.

Benefit to the Veteran:

Provides an *e*Health portal, a secure environment where Veterans can view and manage their PHRs, as well as access their health information, health assessments, and electronic services. MHV provides access to care in multiple settings, minimizes administrative burden, and improves Veteran's timely access to services. The program anticipates 2 million registrants with MHV accounts by FY 2012 and more than 20 million prescriptions filled on-line by FY 2012. It ensures a secure web portal for Veteran transactions and data storage in addition to delegation capability for viewing and managing all or part of the information in their accounts. MyHealth*e*Vet provides ability to access healthcare that can be provided across multiple settings and better tailored to specific individual needs. Lifelong health records support increasing improvement in quality and value of care available to Veterans. It enables key strategic business initiatives such as mental health and advanced clinic access. This initiative creates the ability for

Veterans to refill VA prescriptions on-line. Combined health record information, enhanced by on-line health resources enables patient/clinician collaboration. Veteran self-management of their care increases through MHV. Veterans have ability to keep track of contact information, emergency contacts, health care providers, treatment locations, health insurance information, military health history, medications (e.g., prescription and over-the-counter), allergies, tests, medical events and immunizations, etc. MHV enhances coordination of VA and DoD programs and systems as well as expedites the modernization of the electronic health record with full consideration of VA/DoD cooperation efforts.

Benefits to the VA Organization:

From an organizational standpoint, MHV provides internal and external exchange of information, and accessibility to relevant health information. As of November 2008, almost 100,000 Veterans successfully authenticated and have ability to access key portions of their PHRs on-line. It is a vehicle for VHA to continue to play a role in healthcare delivery nationwide through the provision of a robust information exchange system that effectively and securely enables health information sharing and interoperability. This initiative reduces the demand for paper copies of medical records, which has a cost avoidance estimate to the agency of $45.1 million through FY 2016. MHV reduces the demand for in-person visits because of provider-patient on-line visits (provider-patient messaging), which has an estimated cost savings to the agency of $97.7 million through FY 2016. It reduces no-show rates resulting from on-line appointment reminders, which has a cost savings to the agency of $129.9 million through FY 2016*. Over the past 18 months MyHealth*e*Vet has moved to a product based/firm-fixed based model for development. The program is being implemented through the use of Integrated Project Teams (IPT) for specific problem domains e.g. development, security, test, program control, and stakeholder management. VA and contractor personnel function together as part of these IPT's. The majority of the development team continues to be centrally located at VA Silver Spring OIFO, eliminating dispersed, distributed teams.

Pharmacy Reengineering

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$10,021	$17,234	$32,234	$20,561	-$11,673

The Pharmacy Reengineering (PRE) project will replace all pharmacy applications with a system that better meets the current and expected business needs of VA. This product will deliver enhanced order checking functionality, utilizing Health*e*Vet compatible architecture to the field with our first iteration addressing

known patient safety issues. Other enhancements will include Dispense and Administration, Activate, Inventory, Clinical Monitoring, and functions with final migration to the Health*e*Vet environment.

Current pharmacy functionality is not patient centric and does not include adequate decision support capabilities required for a modern healthcare system. Approximately 124 requests for system improvement have been referred to Pharmacy Reengineering and are deemed not feasible to be implemented in VistA Legacy. The Pharmacy Reengineering project will provide the ability to respond to the ever-changing patient safety issues, medication treatment cost reduction and containment, beneficiary service requests, and will provide the clinician with an improved work flow and process utilizing a scalable HDR/HealtheVet platform and realization of One VA.

Benefit to the Veteran:

Pharmacy Reengineering reduces the cost of adverse drug events by 50% and reduces denials to 50% of all third party collection claims. The project provides a source of consistent, reliable, accurate and secure pharmaceutical information to Veterans their families and VA employees. Formulary management improvements supports e-prescribing to non-VA pharmacies thereby reducing ePharmacy claims rejections by 4.4%. This project provides the ability to capture and access a better patient profile regarding medications, including over-the-counter, herbals and non-formulary medications. It improves technology which allows a greater number of prescriptions to be filled within the same time frame and supports interoperability and e-Pharmacy claims processing. Veterans are able to rapidly access required pharmacy care. Pharmacy Reengineering reduces the waiting time to receive prescriptions, thereby providing more efficient access to meet the health care needs of Veterans. It reduces risks associated with medication errors and patient safety increases by incorporating enhanced decision support capability. Critical function health care delivery improves by providing more efficient pharmacy operations (processing of orders and invoices), racking, reporting and utilization.

Benefit to the VA Organization:

The Pharmacy Reengineering project provides the ability to respond to the ever-changing patient safety issues, medication treatment cost reduction and containment, and beneficiary service requests. This application provides a more comprehensive set of data gathered from internal and external sources. Pharmacy Reengineering improves Decision support capabilities utilizing a commercial product. It provides the clinician with an improved work flow and process by utilizing a scalable HDR/HealtheVet platform. Patient safety features are enhanced which reduces the risk of medication errors and adverse events and

improves efficiency. Pharmacy Reengineering enhances decision support tools for medication management and product will be scalable. This project improves job satisfaction, productivity and staff retention is achieved though. This effort will also result in a 5% reduction in inventory and the use of commercial data sources to improve data content will reduce formulary research by 30%. This project will also result in savings of $21 million a year by reducing adverse drug events.

Blood Bank

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$2,573	$809	$2,269	$1,923	-$346

Blood Bank software is used by laboratory technologists to receive orders from patient care providers and deliver safe and effective patient blood transfusions. In addition, the system must meet the blood industry's regulatory requirements. By FY 2010, the legacy VistA v5.2 Blood Bank software will have been replaced by VistA Blood Establishment Computer Software (VBECS). The replacement Blood Bank system is encapsulated from VistA with dedicated hardware and communication via interfaces with Computerized Patient Record System (CPRS), Surgery, Laboratory, and Decision Support (DSS). An additional interface with a vendor barcode system is expected to provide additional safety with bedside patient and blood component identification and eliminate the use of a blood transfusion form.

FY 2010 and out year budgets include project team system maintenance work per FDA requirements for medical device software manufacturers (21 CFR 820) with patch development and pre-release testing including virus definitions, firmware updates, Microsoft security and defects, internal truth table updates for changing industry standards, communication interface updates, and application defect repairs. Field operations system hardware maintenance funding is also included in the budget requests.

Benefit to the Veteran:

The software provides the ordering physician with pertinent patient information when requesting blood bank tests and blood component preparation to assist in determining the appropriateness of the request. This effort improves the safety of blood transfusions by decreasing the number and severity of human errors. Additional VBECS features are designed to improve speed and safety in providing Veterans' blood transfusions by automating processes and records. This includes extensive record comparison with historical information including data from legacy system conversion and validation with current testing. The increased use of barcode scanning throughout VBECS reduces clerical entry

errors. Standardized tables are used to validate test result entries and interpretations to reduce clerical errors and verify the readiness and appropriateness for blood component release for transfusion. Electronic cross match can be enabled allowing faster blood availability for transfusion. In addition to coordination between VA and DoD, Blood Bank fosters interagency interoperability by promoting NIH standardized nomenclature as well as FDA taxonomies and regulations.

Benefit to the VA Organization:

VBECS has improved use of barcode technology for patient specimen and blood component identification for clerical speed and accuracy throughout the system. Ordering and reporting capabilities improves for communicating VistA applications. Blood Bank records are now standardized for future record consolidation or health data communication efforts. All testing details and transfusion look back information is available indefinitely within the VBECS application. Data entry validation against embedded truth tables or parameters is found throughout the system. Reporting features and reviews have improved for hospital reporting and mandatory laboratory reviews. System administrators receive alerts and review system logs for support issues. System users are defined and maintained with VistA system security rules. Pertinent VistA patient identification or record updates are accepted by VBECS. This upgraded system platform will also allow for future enhancements that the customer has requested, such as instrument interfaces and blood label printing.

VistA Laboratory Information Systems Reengineering

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$8,200	$29,057	$29,057	$32,389	$3,332

The Laboratory System Reengineering Project (LSRP) will replace the current VHA Laboratory Information Management System (LIMS) which was created more than 20 years ago and has exceeded its useful life. VHA is dependent on the reengineered system to provide effective and efficient medical care to its beneficiaries as well as to fulfill the mission critical role of the Pathology and Laboratory Medicine Service (P&LMS). The P&LMS facilitates the provision of timely, cost effective, and highest quality anatomic and clinical pathology services for Veterans. The P&LMS requires a laboratory information management system to support reengineered business processes, improve workflow and results dissemination, auto-verification of results, bar code technology, and emerging laboratory testing such as Molecular/Cytogenetic testing. The current VistA LIMS does not meet current regulatory requirements, limits revenue collections, and is unable to support planned quality improvements to patient care. As of

March 2008, there were 410 enhancement requests and 439 defects outstanding for the current VistA LIMS and many cannot be addressed due to current application design and architecture. The LSRP prototype will deliver a new LIMS that meets VHA P&LMS needs. An integrated project team, that includes VHA Laboratory subject matter experts, is participating in the configuration designs, integration development and user acceptance testing of the Prototype. The LSRP Prototype will be completed in FY 2009 and field testing will begin in FY 2010.

Benefit to the Veteran:

The Veteran will directly benefit from the new Laboratory Information Management System (LIMS) that is Veteran-centric and improves the delivery and access to healthcare and benefits. The LIMS will support the VHA Pathology and Laboratory Medicine Service (P&LMS) in the delivery of high quality anatomic and clinical pathology services for the Veteran. The new LIMS provides functionality that will improve the availability and quality of laboratory test results. Result turn-around times will be reduced, enabling quicker delivery of test results for Veterans and clinicians. Patient safety will be improved with a LIMS that meets security, regulatory and accreditation requirements. The LIMS will improve interoperability and promotes usability and external exchange of data, where appropriate, to internal and external organizations such as DoD and reference laboratories. The news LIMS will support emerging laboratory testing technologies such as Molecular/Cytogenetic testing.

Benefit to the VA Organization:

Accessibility of laboratory information will be improved by utilizing a Veteran-centric and industry-leading LIMS that supports the needs of the P&LMS. The new LIMS supports the P&LMS reengineered business processes, improves operational efficiencies and increases productivity while delivering high quality healthcare. The P&LMS includes approximately 6,500 workers who perform approximately 170 million tests annually. Laboratory workloads are steadily increasing and the availability of laboratory specialists is decreasing. Improved specimen collections, tracking and analysis workflows will achieve a gain of 3.5% while labor efficiencies and improved test resulting will achieve a 7% productivity gain. The laboratory data will comply with Health Information Technology Standards Panel (HITSP) standards resulting in greater usability and interoperability of data across VA lines of business. The new LIMS will integrate with VistA and HealtheVet and comply with VA Enterprise Architecture.

VHIT Program Support

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$11,767	$5,638	$5,638	$5,638	$0

Veterans Health IT (VHIT) Program Support provides the overall strategy, leadership, management, and guidance for transitioning to the new VistA Health*e*Vet environment and implements enhancements to the VistA Legacy environment.

Benefit to the Veteran:

VHIT Program Support manages all VHA development IT programs, leading the delivery of and transition to a modernized health care information system. These development efforts not only modernize the existing system, but also address patient safety and quality issues that impact the care provided to Veterans.

Revenue Improvements and Systems Enhancements (RISE)

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$496	$1,000	$1,000	$12,000	$11,000

The Revenue Improvements and Systems Enhancements (RISE) project is currently moving towards completion of the planning phase. This system will result in improved efficiencies and revenue collections through the implementation of improved business practices, state-of-the-art software and enhanced VHA applications. The project team is leveraging an Integrated Project Team (IPT) approach which ensures close and constant involvement from a diverse group of resources including business, technical, and legal disciplines throughout the life-cycle of the initiative. The RISE IPT meets every other week. We have created a Statement of Objectives (SOO) along with a host of other procurement documentation which will be used Consolidated Patient Account Centers (CPAC) to purchase and implement a workflow engine to support Patient CPAC revenue process re-engineering this fall, and set the table for our eventual purchase and implementation of a full commercial off-the-shelf (COTS) revenue product. RISE will provide VA with a system that integrates revenue lifecycle management capabilities, through implementation of industry best practices in hospital billing and accounts receivable management while re-hosting the software in the Service Oriented Architecture (SOA) of the new HealtheVet platform. The goal of the re-hosting is to ensure delineation of discrete lines of business capability rendering a more product based application which is easier to

maintain, enhance, and ultimately support overall. The system will reduce inaccuracies, improve customer service, optimize human and other resource utilization in revenue cycle activities, increase revenue and collections, resolve material weaknesses in VHA's patient financial system and improve compliance and internal controls. By increasing the use of electronic billing and related activities and introducing integrated workflow management to handle exceptions, the system will allow for more efficient distribution of workload to staff resources, thereby reducing overall operational costs associated with revenue collection. Ultimately, the comprehensive revenue system will improve overall effectiveness of VHA revenue cycle, improve billing performance, improve collections, and increase efficiencies in billing activities. These measures will reduce operating costs, retain skilled employees, and translate into increased revenue and improved services to Veterans.

Benefit to the Veteran:

RISE will increase collections of healthcare revenues to provide care to more Veterans as well as provide flexibility to adapt to changes in the business environment in a timely manner through the adaptation of technical improvements. Accuracy and effectiveness of revenue cycle support systems will increase to ensure care is focused on Veterans' special needs. The RISE project will help improve timeliness and communication of first party statements to Veterans, thereby simplifying and improving payment processing for Veterans, including enterprise patient statement for Veterans.

Benefit to the VA Organization:

The RISE project will expand proactive denial management and payer compliance for Veteran's third party health insurance claims, therefore reducing significant delays in revenue collections. Core functions will improve that support the performance and management of the revenue cycle and business processes. This revenue system will address material weaknesses in VHA patient financial processes and will respond to a Congressional mandate to implement an industry standard patient financial system. Future VHA initiatives with DoD, Centers for Medicare and Medicaid Services (CMS) and insurance carriers will be supported through this project. RISE will replace an inefficient, costly-to-maintain legacy system and implement an enterprise-level system to enhance VHA's ability to operate more effectively/efficiently. This revenue system will effectively integrate revenue processes with Business Programs, including VHA Enrollment, Fee Basis and Purchased Care, Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) and other programs. Revenue processes with Clinical Programs will effectively integrate, including enhanced integration with HIM coding processes, and with clinical systems.

Utilization of staff resources to correct errors and to perform duplicate efforts will decrease through this project. RISE promotes the reuse of shareable data and more comprehensively adopts electronic transaction processing with external stakeholders such as insurance companies. This revenue system will provide a comprehensive enterprise wide end-to-end revenue solution that will result in revenue improvement in an effort to standardize VA IT business processes through the implementation of improved business practices, state-of-the-art software and enhanced VHA applications. This effort will reduce current reliance on inefficient, manual billing (and related) activities that result in inaccurate claims, as well as significant delays in revenue collections and diminished reimbursements.

Medical Center Innovations

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$0	$12,000	$12,000	$10,000	-$2,000

The Innovation Advancement Program is established as the OI&T point of coordination for Innovative Information Technology efforts within the agency. It is partnered with the VA Innovation Program and expects to partner with the VHA administrations soon. Innovations that address cross-administration goals are accepted into both programs, but efforts are currently focused on VA until the VHA administrations establish partnerships.

The VA Innovation Program will allow mission critical healthcare innovations reliant on information technology to emerge from the field (all VA medical care facilities outside of Headquarters), evolve based on collaborative constructive review by communities of interest, and be piloted in a safe harbor for innovation. Innovations that are proven and vetted from business and technical perspectives will have a pathway for organizational acceptance and diffusion.

If VA does not maintain a prudent investment in innovation, our healthcare services are at risk to lag behind the standard of care provided by other healthcare providers, and VA will lose the opportunities of improving services and saving costs through technology innovations. This program will be successful when VA has the core competency of Innovation supported by a technical and organizational environment that spans from incubation to bedside – a pipeline of innovation for our Veterans.

IT appropriations will be used to obtain hardware, software and contract development resources. Medical Care appropriations will be used for program

management, stakeholder interaction, encouraging innovators, and evaluation of the program.

Low Bar for Entry:

- Allow innovative ideas to emerge from the field and other sources such as vendors, open source and academic organizations
- Promote and encourage innovation and related activities
- Provide equal resources and opportunity uniformly to the field
- Provide a standard Innovative environment with powerful tools and utilities
- Identify/develop innovations with high end-user acceptance
- Produce IT products relevant to strategic needs
- Support a flexible approach responsive to changing requirements
- Establish an agile software development cycle and accelerated "time to market"
- Exploit the reduced cost and small technical risk inherent in small software initiatives

Business Driven Innovation:

- Enable the creation of communities of interest to identify and promote Health IT innovations
- Administer IT funding to acquire hardware, software and contract development resources for innovative software development

High Bar for Exit:

- Promote standardization and conformance with standards, etc. to improve quality and reduce risk to healthcare services
- Ensure VA systems are secure and operating at peak levels by protecting production environments from unmanaged variation and disruptions, as well as assuring conformance with capacity and performance requirements
- Formalize field based software innovation as a VA asset
- Leverage the value inherent in field development by validating, distributing and supporting designated products nationally
- Mitigate risk to mission critical systems by providing an appropriate barrier between the Innovation Environment and production systems.

Full Transparency:

- All work, lessons learned, and any other documentation completed in or for the Innovation Program will be readily accessible to any member of the organization
- Assess customer requirements, business needs and potential software innovation solutions.

Medical Center Innovations produce a broad based approach in addressing VA business needs. Many of the most urgent of requirements in this respect derive from presidential, legislative and judicial mandates and priorities as well as the standards set by hospital accreditation organizations such as Joint Commission on the Accreditation of Healthcare Organizations (JCAHO).

Innovations support the VHA Strategic Guidance FY 2008-2012's organizational structure requirement: "Provide facilitation and coordination of innovation from the field to accelerate development of future health information technology (IT) and information management (IM) capabilities." While particular business priorities and business lines supported depend upon the innovation being pursued, the priorities of the innovation portfolio are: putting patient care first; progressive leadership; promoting improved business practices; and producing and maintaining meaningful performance measures.

Compensation and Pension Record Interchange (CAPRI)

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$0	$4,900	$4,900

The Compensation and Pension Record Interchange (CAPRI) program is an initiative to improve services to the nation's Veterans by providing automated tools to assist in the process of performing quality examinations and enhancing the disability evaluation process. The goals of this program are directly in line with the Secretary's priority to provide timely and accurate decisions on disability compensation claims to improve the economic status and quality of life of service-connected Veterans. Efforts within this program also extend to external data sharing with other federal departments which will improve coordination of health care and eliminate potentially duplicative budgeting costs by sharing data between VA and DoD. (VA/DoD Information Interoperability)

The current CAPRI system continues to provide significant improvements over manual processes, but as the technologies and demands change the system must evolve to meet requirements of new Health*e*Vet systems, as well as VA's paperless environment initiative. The CAPRI Reengineering initiative will offer a set of integrated services to automate the overall Compensation and Pension (C&P) exam process and provide a set of local VistA common services for "single sign-on" and common medical records access. The reengineered CAPRI system will establish a framework for facilitating collaboration between VBA and VHA that resides comfortably within VBA's business context, that facilitates quality

and timely exam reviews, and that generates reliable, timely and high-quality exam results.

Benefit to the Veteran:

By making fundamental improvements to the tools used to research claims, order and track C&P exams and also providing real time status reports to VA administrators as well as Veterans and Veteran Service Officers, the quality of service to Veterans will improve significantly while the costs to VA will decrease. The Veterans will benefit from faster processing and completion of compensation and pension examinations which means quicker access to VA services. The integration with DoD health records will provide a more accurate representation of the Veteran's medical history thus improving the quality of benefits provided to the Veteran. Additionally, interfaces with external DoD systems will allow for more timely determination of benefits upon discharge. In addition, it will help foster an image of VA continuing to reach out to Veterans instead of appearing as a large institution with sometimes complicated access to information.

Benefit to the VA Organization:

Improving the efficiency of C&P examinations and meeting or exceeding performance objectives is a congressional mandate. A reengineered CAPRI will provide the security, quality, and efficiency needed for this fundamental enterprise system. It will also enable VA to respond to the expected increase in demand for claims processing. Benefits to VA include an increase in C&P examination quality and timeliness. This program reduces the necessity of sending hard copy medical records to VA in support of Veterans' claims and also supports access to medical information across organization boundaries such as VA/DoD information interoperability.

Medical Operations and Maintenance

Information and Technology FY 2010 Budget Request (Dollars in Thousands)		FY 2009			
	FY 2008 Actuals	Budget Estimate	Current Estimate	FY 2010 Estimate	Increase / Decrease
Medical Operations and Maintenance	**727,587**	**797,772**	**978,000**	**1,112,673**	**134,673**
Allocation Resource Center (ARC)	935	980	980	3,209	2,229
Consolidated Patient Account Center	0	0	0	3,430	3,430
Decision Support System (Legacy)	16,540	18,600	18,600	19,238	638
Enrollment Operations and Maintenance	626	0	0	270	270
Federal Health Information Exchange	3,153	6,030	6,030	6,211	181
E-Gov: Federal Health Architecture LoB	2,861	1,936	1,936	1,994	58
Health Administration Center (HAC) IT Operations	5,862	16,266	16,266	12,020	-4,246
Health Revenue Center	0	0	0	5,000	5,000
Medical and Prosthetic Research	9,564	14,500	14,500	16,605	2,105
VistA Imaging	15,184	14,000	14,000	14,880	880
VistA Legacy	98,046	99,000	112,596	115,950	3,354
Small/Other - Financial Systems	12,768	23,390	23,390	40,000	16,610
VA Learning Management System (FY 09: Moved to Human Capital)	4,146	0	0	0	0
Regional Data Processing Center	16,229	30,000	30,000	33,000	3,000
Medical Program IT Support	541,673	573,070	739,702	840,866	101,164

Allocation Resource Center

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$935	$980	$980	$3,209	$2,229

The IT investment at the Allocation Resource Center (ARC) is used primarily by VHA Office of Finance Staff to directly support Financial Performance through financial analyses and the development of financial modeling structures. The ARC's ability to provide complete and timely information is important to VA management so that meaningful and appropriate decision making can occur. The ARC allows VA to be in a position to provide complete and timely information externally to organizations such as OMB and Congress. Examples include information related to Veteran patient enrollment priorities or the age of Veterans receiving care is requested.

Benefit to the Veteran:

ARC directly contributes to the ability of VA to serve returning soldiers as they transition to civilian life by ensuring fair and adequate funding is available at local medical centers. ARC is the authoritative source for patient costing, classification and pricing within VHA. It provides funding allocation methodologies that are used to distribute funding that will recognize the needs of the Veteran population. The patient class structure, used in the development of patient workload tracking and funding is continuously refined in reaction to changes in health care delivery such as new drug therapies. In 2007, the allocation model distributed 99.5% of designated funding to support VA efforts to ensure a smooth transition of returning soldiers.

Benefit to the VA Organization:

It would not be possible for the Program Office to assemble information (e.g., Veterans Equitable Resource Allocation (VERA), Enrollment, regular Congressional Reporting, regular reporting to Veterans Service Organizations (VSOs), patient classification, patient costing, cost reporting management, budget and workload forecasting, electronic information display, education, advice, and analysis) without ARC IT. ARC IT allows development of business models built upon historical cost and patient workload trends. Medical Centers rely on information that the ARC makes available monthly in the areas of patient cost and workload accomplishment, and how that workload is recorded. Assists VHA management in the decision making process that deals with allocating resources (funding, personnel, and equipment) to best serve our returning troops.

Consolidated Patient Account Centers

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$6,000	$3,430	-$2,570

IT is procuring/acquiring equipment in FY 2009 to prepare for two Consolidated Patient Account Centers (CPAC) activations in early FY 2010. This effort will consolidate all billing and collection activities across the VHA enterprise through the standardization of business processes, stringent internal controls and accountability for results. The CPAC model standardizes both the front end revenue cycle processes, which remain at individual VAMCs, and the back end processes that are transitioned to the consolidated operation. The underlying business functions are also supplemented with process and technological enhancements to reflect predominant industry practices. The CPAC service delivery model emphasizes integration of all revenue cycle functions. The implementation of CPAC is a major tactical initiative that will dramatically change the manner in which revenue cycle operations are conducted within VHA. More specifically, revenue-related business office operations will shift from a facility based function under medical center or VISN management to a regional function under the direction of the Chief Business Office (CBO) partnering with involved VISN and VAMC leadership. Legislation mandating national implementation was signed into Public Law P.L. 389 on October 10, 2008. The Non-Pay IT resources will fund the activation of computer rooms, network infrastructure, IP telephony and client devices at the new CPAC sites.

Traditionally decentralized management of the revenue operations within VHA has resulted in variability of understanding and interpreting business rules and different business practices across the system which has resulted in less than optimal revenue cycle performance. As a result, Medical Care Collection Fund (MCCF) collections have been impacted. Given rapidly escalating healthcare costs, the CBO led the development of numerous studies aimed at enhancing MCCF collections. One of these strategies involved the consolidation of all traditional business office functions into a centrally managed Center of Excellence (COE), Consolidated Patient Account Center (CPAC).

The first CPAC began as a pilot in November 2005. During the pilot, the Mid Atlantic Consolidated Patient Accounts Center (MACPAC) significantly enhanced cash collections and achieved many of the original goals for consolidation including effective revenue cycle management and process standardization. During FY 2007 alone, MACPAC collected over $15.1 million, which represents an 18% increase compared to the previous fiscal year. Due to these initial successes, the CBO decided to expand MACPAC operations across a second VISN creating the first multi-VISN consolidated revenue program

within VHA. During FY 2009, the CPAC initiative is being expanded with inclusion of VISN 7 into the MACPAC and a new physical plant was activated during fall 2008.

The CPAC initiative is a being implemented in three phases:

- Phase I - Converted a VISN Centralized Revenue Unit into the CPAC operating model
- Phase II - Underway this fiscal year - Expansion of MACPAC with additional workload from facilities outside of VISN 6.
- Phase III - National roll-out - CBO is currently working on a national implementation strategy with current plans to add six additional CPACs

Benefit to the Veteran:

Benefits to the Veteran include improved consistency in facility based functions including insurance identification, verification and authorization in addition to improved consistency in claims processing for revenue. Consolidated Patient Accounts expanded proactive denial management and payer compliance for Veteran's third party health insurance carriers which increased collections of healthcare revenues to provide care to more Veterans. The CPAC model standardized both the front end revenue cycle processes, which remain at individual VAMCs, and the back end processes that are transitioned to the consolidated operation. The underlying business functions are also supplemented with process and technological enhancements to reflect predominant industry practices. The CPAC service delivery model emphasizes integration of all revenue cycle functions.

Benefits realized at the MACPAC include:

- Achieved 110% of total expected collection results in FY 2008
- Achieved 110% of total expected collection results in FY 2007
- $20.3 million increase in total third party collections in FY 2007 over FY 2006

The CPAC integrates a comprehensive denial management program into traditional VHA revenue cycle activities. The purpose of a denials management system is to provide timely identification and reporting of insurance company payment denials and develop continuous process improvements that minimize the root cause of underpayments and denials. Two of the key components of the CPAC denials management approach are 1) more clearly defining assignment of responsibility for appealing and overturning each type of denial, and 2) Utilizing business tools which manages denial work flow and provides feedback reports seamlessly integrated within the denials management process to provide for regular reporting and review of key trends.

Benefit to the VA Organization:

The CPAC initiative is addressing all operational areas contributing to the establishment and management of patient accounts and related billing and collection processes. The CPAC is also the demonstration site for the Revenue Improvement Demonstration Project (RIDP). Under P.L. 109-114, Congressional conferees noted concern with VHA collections and recommended "a revenue improvement demonstration project that will provide a comprehensive restructuring of the complete revenue cycle including cash flow management and accounts receivable in certain VA hospital."

Based on this, on February 28, 2006, a performance based contract was awarded to implement this recommendation. The RIDP results exceeded the first year target and continue to generate additional benefits to VISN 6 facilities. At the conclusion of Year 1 (coincided with FY 2007 end), approximately $12 million of additional Third Party cash was generated as a result of the RIDP, in addition to gains from other VA initiatives.

One of the main benefits in the establishment of CPAC is the expected increase in cash flow. These benefits are achieved in consolidated systems by allowing staff to specialize in specific revenue cycle functions and to become experts in narrowly defined functional domains through targeting skill development and leveraging lessons learned across the Center of Excellence. The combination of improved productivity, empowered employees and increased accountability achieved through specialization results in dramatic advances in revenue cycle performance. A detailed review of VISN 6 performance data post-implementation reveals an almost 14% increase in third party collections when compared to the rest of the VHA.

Decision Support System

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$16,540	$18,600	$18,600	$19,238	$638

The Decision Support System (DSS) is the designated Managerial Cost Accounting (MCA) System of VA. This system is VA's only means of complying with Public Laws (The Chief Financial Officers Act of 1990- e.g., PL 101-576) that mandates that all Cabinet-level Departments use a MCA system that can assign costs to the product level. This system is considered to be in an operational (steady state) status and successfully passed its Milestone IV Review during FY 2001.

Prior to FY 2008, DSS served as the MCA system of the Veterans Health Administration exclusively. In October 2006, VA Assistant Secretary for Management mandated that DSS be adapted for use as the Department's single MCA system. MCA operations at the Department's level began on October 1, 2007. There were no software or hardware modifications required to adapt DSS for use as the Department's single MCA system and no IT funding was expended. DSS cost data is used at all levels of VA for important functions, such as cost recovery (billing), budgeting and resource allocation. Additionally, the system contains a rich repository of clinical information which is used to promote a more proactive approach to the care of high risk (i.e., diabetes and acute coronary patients) and high cost patients. The data in DSS is also used to calculate and measure the productivity of physicians and other care providers.

Enrollment Operations and Maintenance

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	626	0	0	270	270
Reimbursement	1,435	487	537	0	-537
Total	$2,061	$487	$537	$270	-$267

The Health Eligibility Center (HEC) Legacy system includes functionality to process Veterans' applications for enrollment, share Veterans' eligibility and enrollment data with all VA health care facilities involved in the Veterans' care, manage Veterans' enrollment correspondence and telephone inquiries, and support national reporting and analysis of enrollment data. Enrollment Operations and Maintenance supports the maintenance of the HEC Legacy system until it is replaced by Enrollment System Redesign (ESR) 3.0 in the second quarter of FY 2009. There may be a several month overlap of the legacy and replacement systems until it is verified that ESR 3.0 is completely operational.

The Enrollment Database encompasses Income Verification Matching (IVM) functionality, which verifies applicable Veterans' self-reported income with the Internal Revenue Service (IRS) and Social Security Administration (SSA) federal tax information in order to identify Veterans' responsibilities for making medical care co-payments and to enhance revenue from first party collections. Enrollment Operations and Maintenance supports the maintenance of the Enrollment Database until it is replaced by ESR 4.0 in July 2010. There may also be a several month overlap of the legacy and replacement systems until it is verified that ESR 4.0 is completely operational.

Non-pay funding in FY 2009 includes $487,000 in reimbursements which will be used to maintain the HEC Legacy and Enrollment Database systems. Once the

Enrollment Database is retired, the Enrollment Operations and Maintenance project will end.

Federal Health Information Exchange

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$3,153	$6,030	$6,030	$6,211	$181

Federal Health Information Exchange (FHIE) is the coordination of VA and DoD programs and systems; recordkeeping requirements outlined in Presidential Review Directive #5; recommendations from the 2003 Presidential Task Force report entitled "President's Task Force To Improve Health Care Delivery For Our Nation's Veterans, Final Report, May 2003"; the Secretary's priorities of improving care to Veterans and strengthening the working relationship with DoD; and objectives of the Under Secretary for Health to be a leader in using health information technology. As of September 2008, DoD is storing EHRs in the joint VA/DoD framework for over 4.5 million discharged or retired service members. VA averages over 116,000 queries a month for DoD clinical information.

Additional improvements were implemented during FY2007 and FY2008 software development to interoperate with the Defense Medical Surveillance System (DMSS). The interagency team created three domains, which were added to the original project scope: (1) DoD Pre-Deployment Health Assessment (DD Form 2795), (2) DoD Post-Deployment Health Assessment (DD Form 2796), and (3) DoD Post Deployment Health Reassessment (DD Form 2900). Over 2.3 million of these service member assessments are currently available real-time.

Non-government prescription data from the DoD Pharmacy Data Transaction Service is available for authorized queries, and outpatient encounter data extracted from the DoD Standard Ambulatory Data Record is retrievable by clinicians. With VA receiving the DoD Standard Ambulatory (AHLTA) Data Record data, this is the initial access by VA to DoD's Armed Forces Health Longitudinal Technology Application, formerly known as Composite Health Care System II (CHCS-2) clinical data. Through 2010, VA and DoD will continue to mutually fund the operation and maintenance of this joint capability.

Since 2006, further enhancements have been made with the Bidirectional Health Information Exchange (BHIE). BHIE leveraged all existing FHIE assets. Interoperability has been achieved with the DoD Clinical Information System (CIS), which stores a substantial amount of DoD inpatient data. Both VA and

DoD hospital discharge summaries can now be exchanged and displayed in each others health information system(s). In addition, the FHIE/BHIE system has been installed at all U.S. Navy medical sites as well as numerous other DoD health care facilities. As a result, VA has access to 39 additional host sites consisting of 15 DoD medical facilities, 29 DoD hospitals, and over 240 DoD clinics.

Two-way functionality shares outpatient pharmacy records, allergy information, surgical pathology reports, cytology results, microbiology results, chemistry and hematology results, laboratory order data, radiology text reports and hospital discharge summaries. Recent software development in FY 2008 now shares patient vitals, and patient history data. This sharing is accomplished bi-directionally, in real time between VA and DoD. VA performance metric averages less than twenty seconds for the duration of time from the start of a clinical query to when the data are displayed for an authorized VA user. BHIE is a significant milestone in the interagency progression toward an interoperable EHR. VA received the prestigious Excellence.Gov award by the American Council for Technology for BHIE in February 2006.

The foundational FHIE system has been operational since 2004, and is currently functioning in a sustainment status with aging and end-of-life hardware that represents critical system components. Costs related to the maintenance and repair of the hardware, much of which has been identified as obsolete and single-point-of-failure will require significant funds to reengineer, acquire, install, and implement a replacement system. DoD supports and matches the necessary funding for the hardware refresh project represented in the FY 2009 estimate increase over the FY 2008 funding and sustained in the follow-on FY 2010 budget request.

E-Gov: Federal Health Architecture LoB

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$2,861	$1,936	$1,936	$1,994	$58

The Federal Health Architecture (FHA) Program addresses standards, architecture and planning. It also establishes the means for Federal agencies to securely exchange interoperable health information with other agencies as well as the healthcare industry. HHS is leading the effort in developing the Nationwide Health Information Exchange Network (NHIN) that will facilitate these interactions. Establishing such a network is critical in allowing VA to best provide a continuum of quality healthcare to wounded and injured service members personnel and those released from active duty. FHA has worked in concert with

DoD and VA to ensure that the services provided to both agencies align to best serve our Veterans. These services include standards implementation, planning, education (90 VA member participants), reporting, and participation in the Federal Consortium for the Nationwide Health Information Exchange. This standardization group is critical to the establishment of a national electronic health record.

Health Administration Center IT Operations

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$5,862	$16,266	$16,266	$12,020	-$4,246

The Health Administration Center (HAC) establishes benefits policy, determines eligibility, processes claims, and checks for fraud, waste, and abuse. HAC expanded from its original mission of supporting the Civilian Health and Medical Program of VA (CHAMPVA) to also include administration of the Department's Foreign Medical Program, Spina Bifida Healthcare Program, Children of Women Vietnam Veterans Health Care Program, and the VHA Mail Management Office.
The staff for the Office of Information Technology located at HAC also supports VA Diagnostic Related Grouping Recovery Audit and provides support for some Chief Business Office initiatives. Operations are required to support the HAC automated claims processing system, eligibility and authorization systems, document imaging, call center, interactive Intranet and Internet Web pages for beneficiaries and providers, and various other HAC activities. To date, HAC has completed technology enhancements to support key program requirements: (1) implemented the use of a Pharmacy Benefits Manager (PBM) for the HAC's retail pharmacy program (2), implemented data sharing / matching exchanges with the Veteran Benefits Administration (VBA) and Center for Medicare and Medicaid Services (CMS) and (3) improved accuracy of claim payments through the use of fee schedules and other system enhancements. Future technology initiatives will continue to support necessary automation in claims processing and benefit determinations.

FY 2010 budget request will cover the cost of large projects required to keep claims processing up-to-date and competitive with industry. For example, $8 million is needed to begin implementing the new version of electronic claims transaction sets required under HIPAA regulation. Implementation is anticipated to be January 1, 2012. The implementation of a new
coding system, ICD-10, will also take place industry wide in FY 2013. Implementation of this coding system is needed to remain HIPAA compliant in

electronic claims from the payer prospective. Next, funds are needed for enhanced tools for improving customer access and relationship management.

Health Revenue Center (HRC)

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$0	$5,000	$5,000

The Health Revenue Center (HRC) seeks an additional site for expansion to meet contact center demands as well as provide additional technology to support a mirrored, load-balanced, hot site environment for employee and Veteran disaster contact center responsibility.

Benefit to the Veteran:

Additional capacity is needed to meet expanded demand as well as to ensure technology is available for employees and Veterans to meet our disaster contact center responsibilities. With this technology in place, Veterans will be able to continue to contact the Health Revenue Center in the event the HRC experiences a disaster event. Additionally, the HRC will be able to provide expanded call center capabilities, thereby improving the Veterans' ability to contact VA for answers to their inquiries.

Benefit to the VA Organization:

The HRC will be able to expand and will be able to ensure continuity of operations in the event of disaster. The HRC currently answers 4 million calls. This project will ensure we can continue this function during an emergency.

Medical and Prosthetic Research

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	9,564	14,500	14,500	16,605	2,105
Reimbursement	147	1,000	1,000	1,017	17
Total	$9,711	$15,500	$15,500	$17,622	$2,122

This investment represents the purchase and support of the IT equipment necessary for the research project investigations. There is also an automated system that provides for the collection and management of research proposals and projects. The Department of Veterans Affairs (VA) Office of Research and Development (ORD) provides oversight for the approximately 1,500 research projects performed at 153 VA Medical Centers (VAMCs) every year. While the

spending on research programs and projects exceeds $1 billion annually, by comparison the cost of IT support ($23 million in FY 2006) is only roughly 2%. Most research projects require some IT investment ranging from computer-operated automatic timers to dedicated, non-networked PCs handling sensitive medical data in a secure environment. Investment funds allocated by ORD enable field research sites to acquire and operate the IT equipment approved for their project. When IT equipment becomes available as a research project ends, the equipment is evaluated for possible use in another project. Within ORD, the research project administration process covers the entire life cycle for projects, starting with the issuance of request for proposals (RFP) by ORD, followed by proposal submission and review, notification of funding decisions and the subsequent management of funded projects. This process also includes committee management, financial management, compliance management and performance tracking. VA relies on several automated programs and tools to perform these tasks for the four ORD services.

VistA Imaging

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$15,184	$14,000	$14,000	$14,880	$880

VistA Imaging integrates state-of-the-art hardware and software to furnish providers at all VA health care facilities with on-line clinical images of patients and scanned documents regardless of where they are stored, increase clinician productivity, facilitate medical decision making, and improve the quality of care for Veterans. VistA Imaging captures clinical images, scanned documents, EKG waveforms, and other non-textual data files and workflow. Clinical images and scanned documents linked to on-line medical chart information are essential in providing health care in VA's distributed environment and in complying with hospital accreditation regulations. With the advent of VistA Imaging, VA now leads the Nation in integrating diagnostic images into the Electronic Health Record (EHR).

The goal of this project's maintenance phase is to maintain all hardware and software components of the VistA Imaging system at all VA health care facilities in the field throughout the lifecycle of the project. Equipment is upgraded, refreshed with new technology, or replaced in this phase.

VistA Legacy

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$98,046	$99,000	$112,596	$115,950	$3,354

The Veterans Health Information Systems and Technology Architecture (VistA) is the primary information system that supports operations at all VA Medical Centers to include over 100 medical and administrative software applications. VistA houses information provided by healthcare professionals, Veterans, applicants for employment, employees, volunteers, trainees, contractors and subcontractors, consultants, maintenance personnel, and students. VistA is used not just for the conduct of normal VAMC business, but also supports a rich data warehouse that is utilized to enhance the delivery of healthcare operations.

Unprecedented growth at VA Medical Centers has resulted in increases in the number of software licenses required to support the VistA Legacy platform. Major contracts in place to maintain VistA Legacy include the following: Oracle Software Maintenance; Exchange Maintenance (IBM); Host Integration (Attachmate Reflection); Rational Licenses; McAfee Virus Scanner; Port Security (Sanctuary); J2EE Maintenance.

Benefit to the Veteran:

VistA contains the software and logic that supports VA's award-winning Computerized Patient Record System (CPRS). CPRS, and the dozens of other healthcare applications contained within the VistA architecture, are used every day to ensure the highest standard of care for Veterans that make use of VHA services at over 1,000 points of access. The use of VistA fosters a culture of patient safety, where clinical documentation is timely, legible and available on demand for the thousands of physicians, nurses and allied health professionals that depend on that data to make informed decisions about Veterans' health.

Small/Other –Financial Systems

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$12,768	$23,390	$23,390	$40,000	$16,610

The items included under Small/Other Financial Management represents a number of production applications, run at the Austin Information Technology Center (AITC) that support tracking and reporting of financial data, financial management, debt collection, cost recovery, claims, and payments. In addition,

some of these applications facilitate generation of letters and mailings in support of VA financial programs.

Funding of these Small/Other Financial Management applications will allow VA to support necessary reporting of financial data, financial management, debt collection, claims and payment processing. These are significant initiatives which support VA's efforts to improve financial tracking, reporting and management.

Benefit to the Veteran:

Production applications are critical for the delivery of Veterans' services from the delivery of health care using the electronic patient record through implementation and ongoing management of a wide array of technical, administrative and production IT support.

Benefit to the VA Organization:
Applications managed at the AITC serves an entire range of business functions, including the primary mission of serving the Veterans.

(Regional Data Processing Centers and Medical IT Support can be found in the Infrastructure chapter.)

Benefits Development, and Operations and Maintenance

Information and Technology FY 2010 Budget Request (Dollars in Thousands)		FY 2009			
	FY 2008 Actuals	Budget Estimate	Current Estimate	FY 2010 Estimate	Increase / Decrease
Compensation and Pension	**84,083**	**119,805**	**136,464**	**292,182**	**155,718**
Development	**30,029**	**41,240**	**47,399**	**186,157**	**138,758**
VETSNET (FY 2009 Current Estimate includes supplemental funding of $100,000 from FY 2009 The American Recovery and Reinvestment Act (P.L. 111-5)	24,293	23,840	28,499	24,555	-3,944
Virtual VA	5,736	17,400	17,400	17,922	522
Paperless Delivery fo Veterans Benefits Initiative (FY 2009 Current Estimate: $1.5 million from the FY 2009 American Recovery and Reinvestment Act (P.L. 111-5)).	0	0	1,500	143,680	142,180
Operations and Maintenance	**54,054**	**78,565**	**89,065**	**106,025**	**16,960**
BDN Maintenance and Operations	5,917	7,200	7,200	7,416	216
Program Integrity/Data Management	9,863	12,306	12,306	14,861	2,555
Beneficiary Identification Records Locator Subsystem/Veterans Assistance Discharge System (BIRLS/VADS)	3,188	3,310	3,310	3,997	687
Corporate Database and Engineering Support	0	3,531	7,031	4,264	-2,767
VBA/C&P Application Maintenance	2,500	993	2,993	1,023	-1,970
Benefits IT Support	32,586	51,225	56,225	74,464	18,239
Education	**10,028**	**7,429**	**50,670**	**4,557**	**-46,113**
Development	**3,678**	**5,259**	**48,500**	**1,937**	**-46,563**
Chapter 33 (FY 2009 Current Estimate: $48.5M FY 2009 American Recovery and Reinvestment Act, P.L. 111-5)	0	0	48,500	0	-48,500
The Education Expert System (TEES)	3,678	5,259	0	1,937	1,937
Operations and Maintenance	**6,350**	**2,170**	**2,170**	**2,620**	**450**
BDN Maintenance and Operations	493	0	0	0	0
Education Application Maintenance	2,169	2,170	2,170	2,620	450
Education Program IT Support	3,688	0	0	0	0

Information and Technology FY 2010 Budget Request (Dollars in Thousands)					
		FY 2009			
	FY 2008 Actuals	Budget Estimate	Current Estimate	FY 2010 Estimate	Increase / Decrease
Vocational Rehabilitation	**7,538**	**4,600**	**4,600**	**5,809**	**1,209**
Development	**0**	**1,860**	**1,860**	**2,500**	**640**
VR&E Quality Assurance Information Technology Initiative	0	0	0	500	500
CWINRS Upgrade	0	1,860	1,860	2,000	140
Operations and Maintenance	**7,538**	**2,740**	**2,740**	**3,309**	**569**
BDN Maintenance and Operations	70	0	0	0	0
VR&E Application Maintenance	2,271	2,740	2,740	3,309	569
Vocational Rehabilitation Program IT Support	5,197	0	0	0	0
Insurance	**66**	**66**	**66**	**80**	**14**
Operations and Maintenance	**66**	**66**	**66**	**80**	**14**
Insurance Application Maintenance	66	66	66	80	14

The majority of development in new technology in FY 2010 is related to the Paperless Delivery of Veterans Benefits Initiative, which incorporates previous investments in the Virtual VA imaging solution for compensation and pension. Other significant investments include the enhancement of the compensation and pension components of VETSNET, and operation of the program integrity and data management program. BDN will continue to be sustained until all programs utilizing its shared components are replaced.

VETSNET (and applied to Pension Performance and Accountability Report category)

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$24,293	$23,840	$28,499	$24,555	-$3,944

*In FY 2009 Current Estimate, an additional supplemental funding of $100,000 was appropriated from the American Recovery and Reinvestment Act (P.L. 111-5).

VETSNET is a custom built compensation and pension replacement system for the BDN legacy award, payment, and accounting system. The primary benefit of VETSNET is the migration of compensation and pension benefits payments to a modernized, stable platform. Prior to the implementation of the payment and accounting components of VETSNET, over 42 million compensation and pension payments were made annually from BDN, which was designed and built in the late 1960s. Other significant benefits of VETSNET relate to enhanced customer

service and data sharing opportunities. Information related to Veterans' claims are available electronically, allowing VA to respond to Veterans' questions when Veterans call or visit a VA regional office. This electronic information platform also allows claims processing and customer service workload to be shifted between VA regional offices, to ensure timely and effective service delivery. In many cases, data must only be entered one time and becomes available throughout the lifecycle of a Veteran's claims. As redundant data entry is reduced, quality of information improves. Data can more easily be shared with DoD, enhancing opportunities for collaboration on the seamless transition of service member to Veteran status.

The scope of the investment is a suite of applications to support compensation and pension claims processing from claims establishment through the payment of benefits. This suite includes the following 5 major applications:

1. Share/Search and Participant Profile - records and updates basic information about Veterans and their dependents in the corporate and legacy databases.

2. Modern Award Processing - Development (MAP-D)- supports claims establishment, development of claims, and workflow tracking.

3. Rating Board Automation 2000 (RBA2000) - supports the rating and evaluation of disability claims.

4. Awards - prepares and calculates benefit awards

5. Finance & Accounting System (FAS) – supports generation and audit of benefit payments.

All five applications are in use today by all Veterans service representatives and rating Veterans service representatives in each VA regional office. Substantially all active payment records for Compensation were converted from BDN, in FY 2008 and FY 2009. Income based Pension and Dependency and Indemnity Compensation (DIC) records have major conversions scheduled in FY 2009 and FY 2010. Continued investment is required to update and enhance the VETSNET suite of applications to support changes in legislation related to claims processing. In addition, integration of the VETSNET suite of applications with other technologies such as those being developed through the Paperless Delivery of Veterans Benefits Initiative will support improved claims processing and Veteran self-service capabilities.

In FY 2009, the American Recovery and Reinvestment Act (P.L. 111-5) provides a supplemental funding of $100,000 for the purpose of modifications to the existing C&P payment application which will result in generating Recovery Act payments to deserving Veterans and their families.

Virtual VA

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$5,736	$17,400	$17,400	$17,922	$522

For FY 2010, Virtual VA remains as a defined line item within the portfolio. However, the focus of investment is for sustainment and maintenance of the Virtual VA suite of applications, pending the full integration of its capabilities into the common platform under development through the Paperless Delivery of Veterans Benefits Initiative (Paperless Initiative). Since 2003, the existing Virtual VA "eFolder" has supported the income-based pension program administered through the three Pension Management Centers. Since that time, all pension related claims documents, received via paper, are processed and then scanned into Virtual VA. This allows Veterans Service Representatives to process each subsequent claim without need of a paper claims file. All pension related documents are available to the National Call Centers via Virtual VA to respond to Veteran concerns. In addition, the Virtual VA eFolder is used to support the Benefits Delivery at Discharge (BDD) program. Beginning as a pilot in 2007, the BDD Rating Activity Sites, Winston-Salem, North Carolina and Salt Lake City, Utah, have used the eFolder rather than the paper claims file to support completion of the rating decision. Since August 2008, all new BDD claims and supporting documents are imaged upon receipt and used in the adjudication process. Finally, Virtual VA serves as an information repository used by all Regional Offices and authorized Veterans Service Organizations.

Paperless Delivery of Veterans Benefits Initiative

		2009			
	2008 Actual	Budget Estimate	Current Estimate*	2010 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$1,500	$143,680	$142,180
OEF/OIF Supplemental fund for Paperless Delivery (P.L. 110-28)	0	0	21,039	0	-21,039
Total Obligations	$0	$0	$22,539	$143,680	$121,141

*For FY 2009 Total Obligations: $22.539 million includes $21.039 million from the OEF/OIF Supplemental fund for Paperless Delivery (P.L. 110-28) and $1.5 million from the American Recovery and Reinvestment Act Supplemental fund (P.L. 111-5).

The Paperless Delivery of Veterans Benefits Initiative (or Paperless Initiative) will move the Veterans Business Administration to a business model less reliant on the acquisition, management, and storage of paper to support processing and management of claims for Veterans' benefits. The initiative will build a common platform of shared services and scalable architecture, approved by OI&T, that can be tailored to meet the claims processing and benefits delivery needs of all VBA business lines.

The initiative will integrate with VBA's core business applications and modernized payment system, VETSNET, as well as existing and planned infrastructure. The system design effort will coordinate across VBA lines of business, incorporating capabilities or linking systems as appropriate to ensure effective investment with no decrease in existing capabilities. The initiative will expand on current paperless claims processing activities previously included in the Virtual VA investment, as well as build on the successes of paperless processing already achieved in the Loan Guaranty, Insurance and Education business lines.

Core capabilities of the initiative will be "back office" claims processing support such as imaging and workflow management, as well as multi-channel communication opportunities, including portal technology to support Veteran self-service. Other technology components expected to be incorporated are electronic forms with transferable and computable data, data integration across VA and interfaces with authorized benefits delivery partners, and rules based technology to support improved workflow as well as decision support. The outcome of the investment will be a world-class, Veteran centric benefits delivery model support all VBA business lines.

Initial capabilities from this investment are expected to be available for pilot use in FY 2010. These initial capabilities will be targeted at replacement of the existing Virtual VA platform, and will support the transition of incoming paper documents to images to enable electronic workflow capabilities.

Benefit to the Veteran:

The first benefit is improved Veteran access to VBA services through improved web-based information processing. The second benefit is to improve the timeliness and consistency of delivery of Veterans' services. The third benefit relates to improved claims adjudication processes, including file redundancy, improved workflow management and workforce flexibility, and greater control over the acquisition and movement of Veterans' data throughout VBA and among stakeholders by implementing "paperless" IT technologies.

Benefit to the VA Organization:

The Paperless Initiative will result in a world-class paperless environment for Veterans' claims processing and benefits delivery across the five VBA business lines: Compensation and Pension (C&P), Education, Vocational Rehabilitation and Employment, Insurance, and Loan Guaranty. The Paperless Initiative supports VA Strategic Goals 1 (restoration and improved quality of life for disabled Veterans), 2 (smooth transition to civilian life), and 3 (honoring, serving, and memorializing Veterans). The Paperless Initiative also supports VA Enabling Objective E-3 (reliable and secure IT).

Benefits Operations and Maintenance

Benefits Delivery Network Maintenance and Operations

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$5,917	$7,200	$7,200	$7,416	$216

The Benefits Delivery Network (BDN) is the legacy system employed by VA to process entitlements for three business lines: compensation and pension, education, and vocational rehabilitation and employment. BDN's primary services entail the receipt, processing, tracking, and disposition of Veterans' applications for benefits and requests for assistance, and the general administration of legislated benefit programs. VA has implemented a fully compliant disaster recovery platform at an alternative location. Annual disaster recovery testing for all benefit entitlement programs is scheduled to ensure uninterrupted service for Veterans' payments. The compensation program is to provide monthly payments to Veterans in recognition of the effects of disabilities, diseases, or injuries incurred during active military service. The pension program provides monthly payments to needy wartime Veterans who are permanently and totally disabled as a result of a disability not related to military service. Since April 2008, the primary online payment system for compensation is VETSNET. Pension and ancillary benefit processing as well as remaining conversions of payment records are targeted for completion by FY 2011.

The compensation and pension batch processing splits/merge still resides on the BDN and program initiatives are being planned to rehost to VBA Corporate Platform in FY 2011. Educational assistance provides opportunities for higher education, restoration of lost educational opportunities, and vocational readjustment. The vocational rehabilitation and employment program helps service-disabled Veterans achieve independent life skills and obtain employment.

It provides services to enable Veterans with service-connected disabilities to achieve independence in daily living, become employable, and obtain and maintain suitable employment. BDN provides interface with other VA benefits delivery systems; as such, VA Hines IT Center maintains and administers all benefits databases for compensation, pension, education, and vocational rehabilitation and employment claims processing, supports the external interfaces (such as SSA and IRS) and provides payment data to the U.S. Treasury, which issues benefit payments.

In FY 2008 the BDN Payment System provided approximately $36 billion dollars in compensation, disability and vocational rehabilitation benefits to the nations Veterans, windows and children. The system had operational performance of 99.8% availability with no unscheduled service disruptions. The BDN is a steady state system and only maintenance operational support contracts are funded from this appropriation.

In FY 2008 all IT contractual procurement awards directly support the mainframes and peripheral equipment for the on-line production platform, the batch-processing platform and the disaster recovery platform. These support services contracts include hardware maintenance, mainframe and third party software licenses, large scale printing systems, network gateways into the BDN. In addition, support services contract have limited contractor resources supporting the Bull GCOS 8 operating systems software and TP8 transaction processor software. All support services contracts for FY 2009 are identical in scope and nature.

Program Integrity/Data Management

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$9,863	$12,306	$12,306	$14,861	$2,555

The Program Integrity/Data Management investment has improved strategic and daily decision-making capabilities and organizational information management by using an enterprise data warehouse as the central information repository. This program provides business intelligence reporting capabilities to manage all six benefits programs: compensation, pension, education, housing, insurance, and vocational rehabilitation and employment.

Enterprise data warehouse is a business intelligence program that facilitates business decision-making throughout the organization at all levels – business lines, VA regional offices, and management staff. As a steady state investment, this program was initiated and developed several years ago in response to

strategic information requirements identified by VA leadership. The information reporting capabilities of the enterprise data warehouse allow VA to monitor case workload, check the status of cases, prioritize workload, and allocate appropriate resources to VA regional offices. Additionally, this business intelligence program enables VA to provide timely and accurate reports to internal and external Veteran stakeholders, including VA executive leadership, Veterans service organizations, DoD, and Congress.

This program has been fully implemented for several years. Information emanating from this central information repository will continue to contribute to improved service delivery to Veterans and their families by providing end users and their leadership with time sensitive information. VA management and organizational program reviews confirm the need for this strategic investment to support VA strategic goals. VA users and stakeholders continually place demands that additional information be made available through the data warehouse. As users become aware of the potential of reports produced through the data warehouse, requests to have different types of data and longer time spans included in the warehouse has grown and will continue to grow. A recent review of the physical data storage equipment shows the data warehouse has nearly doubled in size over the past three years. Normal growth projections call for the storage requirements to more than double in the next three years. New initiatives may further impact these projections.

Beneficiary Identification Records Locator Subsystem/Veterans Assistance Discharge System (BIRLS/VADS)

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$3,188	$3,310	$3,310	$3,997	$687

Beneficiary Identification Records Locator Subsystem/Veterans Assistance Discharge System (BIRLS/VADS) databases serve as the system of record for information on Veterans and their respective families and beneficiaries. These systems of record support all VA lines of business by providing information necessary to process all types of Veterans' benefit claims.

BIRLS is a VA application and database that contains records of all Veterans and, as applicable, their family members and beneficiaries. This information is used to determine eligibility for benefits and initiate appropriate claims processes. The BIRLS system is a legacy stand-alone application that also integrates with many VA and government agency applications.

VADS is a joint program between VA and DoD. Military services provide a copy of the DD 214 Military Discharge Certificate for each service member separated or retired from active duty. This information is used to issue outreach letters to recently separated Veterans, update the BIRLS database, and provide address information to the Defense Manpower Data Center. Veteran record information in VADS is used to contact prior and current service members regarding their benefits, aid counselors who assist Veterans, and answer queries from Congressional representatives responding to questions from constituents.

Investment in FY 2010 will support transition of some BIRLS/VADS functions to VA/DoD Information Repository (VADIR).

Corporate Database and Engineering Support

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$0	$3,531	$7,031	$4,264	-$2,767

Funding for Corporate Database and Engineering Support was included in the Computing Infrastructure investment in past submissions. In FY 2009, VA decided to associate this requirement with the Benefits Support Services investment. This change better aligns the requirement with the Veterans benefits IT portfolio, ensuring visibility for the support function.

The corporate database serves as a data repository containing records of Veterans, family members, and beneficiaries. This information is used to maintain, enhance, and validate the corporate database architecture. The support activities also include managing the promotion of business requirements to corporate data model and physical database, enabling nonmedical benefit lines of business to deploy mission critical claims processing applications. This project includes support for the Web architecture enterprise application and is critical for support of VA Enterprise Architecture environments and system oriented architecture standards.

Compensation and Pension Application Maintenance (also supports Pension Performance and Accountability Report category)

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$2,500	$993	$2,993	$1,023	-$1,970

More than 3.2 million Veterans receive benefits from compensation and pension services. Both programs focus on restoring Veterans' capabilities to the extent possible, thus improving their quality of life. Included under this budget line item are administrative costs such as the C&P central processor system operations franchise fees and certification and accreditation of C&P systems. Also included are important sub-systems which support compensation and pension claims processing. This includes the tracking application for contract compensation examinations (VERIS), the interface with Department of Defense for requesting and retrieving military service records (PIES/DPRIS), and the legacy on-line forms package (VONAPP).

Education Development

Chapter 33, Post 9/11 GI Bill

		2009			
	2008 Actual	Budget Estimate	Current Estimate*	2010 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$48,500	$0	-$48,500
Veterans Educational Assistance Act P.L. 110-252	0	0	55,000	0	-55,000
Total Obligations	$0	$0	$103,500	$0	-$103,500

*For FY 2009 Total Obligations: $55 million was provided in FY 2008 Post 9-11 GI Bill's Educational Assistance Act (P.L. 110-252) and $48.5 million from the American Recovery and Reinvestment Act (P.L. 111-5).

On June 30, 2008, Congress amended title 38 by appending Chapter 33, Post 9/11 Veteran Education Assistance Program, which provides education assistance to Veterans, service members and members of the National Guard and Selected Reserve. The legislation further mandated that VA must process the first new benefit payments no later than August 1, 2009. In order to assist VA to implement Chapter 33 Congress provided supplemental funds totaling $120 million. VA Office of Information and Technology was granted authority to utilize $55 million to enhance existing VA systems as a short term solution while designing and building a long term solution. OI&T received the $55 million in two parts. First, in FY 2008, the Education Assistance Act appropriated $20 million directly to OI&T to implement the provisions of title V of this Act,

including the support for any personnel increases within the Veterans Benefits Administration. Secondly, in FY 2009, Congress approved the $35 million transfer of VBA-GOE funds from this same Act to OI&T for the development of the improved Education Assistance system.

To meet the legislative mandate to make payment by August 1, 2009, a two-pronged information technology approach was developed. The first two components are deemed short term: The Front End Tool (FET), developed to augment claims processing and decision, and enhancing the Benefits Delivery Network (BDN) to address payment processing. Both parts of the initial response are considered short term and will be labor intensive for Education Service claims processors.

VA's Long Term solution will be much more robust including more data integration and automation. It is anticipated that through the use of a rules engine, and tight data integration strategies that once the solution is fully implemented human intervention in Chapter 33 claims processing will be minimal.

In order to meet these aggressive timetables VA has employed a unique acquisition strategy. The short term solution will be developed "in house" using existing development resources where possible and leverages our existing Federally Funded Research and Development Corporation (FFRDC) agreement for program management. For the long term solution VA has leveraged an Inter Agency Agreement with SPAWAR to develop and host the solution in their data center in New Orleans. Once the solution is implemented VA intends to transition that solution back to VA environment. Additionally when possible, Chapter 33 will leverage requirements from TEES. Based on lessons learned from Chapter 33 effort, the TEES program will be evaluated.

Benefit to the Veteran:

Based on this new benefit Veterans will be able to ascertain tuition and fees, a housing allowance and stipends to use for books and supplies for education and vocational training.

Benefit to the VA Organization:

Chapter 33 provides VA the opportunity to build a more modernized IT infrastructure, which may be able to be leveraged by other education systems.

The Education Expert System

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$3,678	$5,259	$0	$1,937	$1,937

Continued development of TEES will be predicated on the development of the long-term information technology solution for the Post 9/11 GI Bill (Chapter 33). As the rules-based system to support the newest education benefits package is developed, capabilities will be leveraged to support payment of Chapters 30, 32, 35, 1606 and 1607. Full migration of education benefits processing from BDN to the modernized, rules-based platform, including all existing education programs, is expected to be completed by the end 2013.

Education Application Maintenance

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$2,169	$2,170	$2,170	$2,620	$450

Education program processing is supported by IT systems, including The Image Management System (TIMS), Electronic Certification Automatic Processing, and various Intranet/Internet applications. These systems will continue to be supported as education processing is transitioned into VA's corporate IT environment through development of TEES. Systems will continue to be modified in order to comply with legislative and court decision changes and to provide optimal service to Veterans and other beneficiaries.

Vocational Rehabilitation Development

VR&E Quality Assurance Information Technology Initiative

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$0	$500	$500

The VR&E Quality Assurance initiative leverages VR&E Service's Business Process Reengineering in FY09 to combine and enhance the functionality of various standalone legacy systems into a single Web-enabled nationwide QA system. This will provide more uniformity of VR&E processing nationwide with real-time access for all authorized managers.

Corporate WINRS (C-WINRS) Upgrade

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$0	$1,860	$1,860	$2,000	$140

Corporate, or C-WINRS is VR&E's customized IT application utilized to maintain Veterans' records, as well as gathering data for workflow management, control, and reporting. The upgrade will incorporate General Eligibility Determination (GED) and the award process (Ch. 31 Subsistence Allowance) functionality in CWINRS. Subsistence Allowance Payments will interface with the VETSNET Finance and Accounting Systems (FAS). With this upgrade, VR&E will be positioned to move completely off the legacy BDN payment system. Web-enabling CWINRS increases user accessibility of the application and reduces maintenance, as CWINRS will not have to reside on each Regional Office's server. Web enablement will also simplify VR&E's transition and interfacing with VA's paperless initiative.

Modernization of CWINRS

To be consistent with the VR&E Business Process Reengineering, CWINRS will need substantial redesign. Various CWINRS functions may require complete redesign to more effectively realign with business practices.

Vocational Rehabilitation and Employment Application Maintenance

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$2,271	$2,740	$2,740	$3,309	$569

The vocational rehabilitation and employment (VR&E) program provides services and assistance as necessary to Veterans with service-connected disabilities. The VR&E program assists Veterans in becoming employable and obtaining and maintaining suitable employment. When employment is not feasible, services are provided to achieve maximum independence in daily living. The VR&E program is supported by Corporate WINRS (CWINRS), BDN, and a number of legacy systems operating in the client/server and Internet/Intranet environments. CWINRS will continue to be enhanced with improvements to support the VR&E program, and updated as program needs and regulations change. Legacy systems are maintained and updated as needed as long as the VR&E program requires the functions of these programs.

Housing Operations and Maintenance

Loan Guaranty Application Maintenance - Information Architecture and Legacy Document Project for Housing Program

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	0	0	0	0	0
Reimbursement	0	6,935	6,935	7,178	243
Total	$0	$6,935	$6,935	$7,178	$243

This project (funded through credit reform reimbursement from the Housing program) will enhance and expand functionality of the web and portal based information architecture used by Loan Guaranty. The component tasks resulting in products and deliverables of this initiative will be integrated into the Veteran information portal to provide enhanced functionality and improved performance. The project will convert critical microfiche and hard-copy documents into an electronic format with indexing capabilities, thus promoting greater efficiency for data retrieval and sharing of information. These documents would then be made available to authorized VA staff via current loan guaranty systems. This component of the project will continue the expansion of the paperless Loan Guaranty work environment.

Insurance Program

Insurance Application Maintenance

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	66	66	66	80	14
Reimbursement	1,105	1,370	1,370	1,208	-162
Total	$1,171	$1,436	$1,436	$1,288	-$148

VA provides life insurance benefits to Veterans and service members that may not be available from the commercial insurance industry due to lost or impaired insurability resulting from military service. Two major performance goals of the Insurance program are to receive high Veterans' satisfaction ratings on at least 95 percent of services delivered, and to maintain average processing time for disbursements at 2.7 work days or less. In FY 2008, the actual performance was 1.4 work days with Veterans' satisfaction reaching 95 percent. One significant contributor to this performance is the Veterans Insurance Claims Tracking and

Response System (VICTARS) imaging and workflow application. Incoming claims documents are scanned, indexed, stored, routed, and retrieved online as electronic images. When a document has been imaged, VICTARS routes it electronically for appropriate action based on pre-established work-item profiles. This system provides employees with comprehensive electronic access to policyholder information, allowing them, for example, to handle phone inquires and requests for service immediately with no need for reference to paper files. Electronic Workflow also allows other service requests, such as policy loans and address changes, to be completed quickly and efficiently, as evidenced by our average processing times.

Burial

Burial Development

VA honors Veterans with final resting places in national shrines and lasting tributes that commemorate their service to the nation. IT systems enable application processing for government-furnished monuments, automated scheduling and expedited headstone and marker ordering. This ensures support of a smoothly functioning business processes as VA honors the Nation's heroes.

Information and Technology
FY 2010 Budget Request
(Dollars in Thousands)

		FY 2009			
	FY 2008 Actuals	Budget Estimate	Current Estimate	FY 2010 Estimate	Increase / Decrease
Burial	**5,373**	**6,343**	**6,343**	**6,533**	**190**
Development	**439**	**300**	**800**	**809**	**9**
NCA Memorial Development Support	439	300	800	809	9
Operations and Maintenance	**4,934**	**6,043**	**5,543**	**5,724**	**181**
NCA Small/Other	411	1,003	503	533	30
Burial Operations Support System (BOSS)	200	200	200	206	6
Automated Monument Application System (AMAS)	90	90	90	93	3
Burial Program IT Support	4,233	4,750	4,750	4,893	143

NCA Memorial Development Support

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$439	$300	$800	$809	$9

The NCA Memorial Support Systems portfolio consists of the Automated Monument Applications System (AMAS), the Burial Operations Support System (BOSS), and assorted office applications that support NCA business lines. The Quantico Regional Processing Center (QRPC) is responsible for managing the operations and maintenance requirements of the NCA Memorial Support Systems. The Office of Enterprise Development's Quantico Development Center (QDC) staff manages the application development requirements of this portfolio. AMAS and BOSS are closely aligned benefit delivery systems that continue to meet scheduled target dates and performance goals and require ongoing technical and project management support. Both systems automate all manual, paper-intensive record keeping information and forms processing associated with monument applications and interments, respectively, for the graves of Veterans buried in national, State Veterans' post/military, Department of Army, and Department of Interior cemeteries. VA also processes monument applications for Veterans' graves in private cemeteries. Support for both programs includes new functionality and enhancements to satisfy changing business requirements and legislative mandates.

The NCA Memorial Support System also consists of a collection of COTS products and applications in development or maintenance that facilitates administrative tasks and business operations. Each is maintained by in-house IT staff. The systems provide employees at national cemeteries, five Memorial Service Networks, Training Center, Call Center, COOP, QRPC, and VA Central Office with tools that make it possible to fulfill NCA's mission, support new functionality, operations and maintenance, and satisfy legislative mandates. These systems include applications and systems, such as, Presidential Memorial Certificates, Computer Aided Design, Nation-wide Grave Locator (NGL), Historian Program, Management Application Decision Support System, Centralized Administrative Accounting Transaction System Services (CAATSS), business and performance measurement and tracking support, cemetery shop/maintenance area programs, kiosk information centers, Intranet/Internet support, forms automation, and help desk.

The development allocation of the requested funding is $809,000. This funding is in support of new and the continuance of ongoing development initiatives associated with AMAS, BOSS, NGL, Kiosk, and Call Center Standup. Also

included in the development funding is the procurement of additional COTS products and contractor services as required to assist in accomplishing the NCA mission as provided in VA Strategic Plan (Objectives 3.4 and 3.5).

Burial Operations Support System

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$200	$200	$200	$206	$6

BOSS:

- Processes over 100,000 annual interments
- Increases the level of service provided to Veterans and beneficiaries through faster eligibility determinations, automated interment scheduling, and expedited headstone and marker ordering
- Provides the capability to measure confirmation of burial eligibility
- Provides nationwide burial location capability via a Nation-wide grave locator on the Web and at national cemeteries via touch screen kiosks
- Provides a benefit crosscheck to facilitate a timely first notice of death to other VA organizations

Automated Monument Application System

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$90	$90	$90	$93	$3

AMAS:

- Annually processes over 330,000 applications for government-furnished monuments, i.e., headstones, markers, and niche covers
- Supports legislated benefits so its life cycle is indefinite
- Increases the level of service provided to Veterans and beneficiaries by providing timely processing of monument applications
- Serves to facilitate monument condition and accuracy by improving the percent of headstones and markers correctly inscribed

Corporate IT Systems

Information and Technology (Dollars in Thousands)					
		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
IT Activities					
Corporate IT Systems	**$315,993**	**$422,586**	**$438,613**	**$499,770**	**$61,157**
Corporate Management	5,051	751	751	774	23
Financial Resources Management	60,199	107,003	84,328	118,055	33,727
Asset Management	2,132	3,072	3,072	3,164	92
Human Capital Management	32,170	56,800	53,333	33,434	-19,899
Corporate IT Infrastructure	123,988	136,079	145,012	184,806	39,794
Cyber Security	76,040	92,575	92,575	122,604	30,029
Privacy	1,954	4,231	4,231	4,358	127
Other	14,459	22,075	55,311	32,576	-22,735

Corporate IT systems are those that push VA to work smarter in managing its resources. As VA continues to meet challenges to enhance the delivery of timely, high quality services to Veterans and their beneficiaries, internal system development requirements continue to grow. Operation and maintenance consists of those functions that ensure the IT infrastructure and business-critical applications have the availability, performance, adaptability, and scalability required to support business needs. The systems are not necessarily always visible to the public yet they have a significant impact on the benefits and services delivered. Through the efficient technological augmentation of these core functions, VA's leadership and administrative staff can more effectively and successfully handle the challenges of managing an enterprise of such a monumental scale and critical value to the nation. The operations and efforts encompassed by the Corporate IT Systems are closely tied to the needs of the staff they support, developed in conjunction with VA's human resources, financial, security, and asset management leadership and employees. Each of these systems will therefore be poised to address the unique issues faced by VA health, benefits, and management staff. System automation alleviates some of the burden of

manual processes, which are excessively time-consuming and divert future resources that can be utilized for direct Veteran care and benefits. The anticipated influx of Veterans from Iraq and Afghanistan can only be accommodated by an exceptionally equipped VA team, and functions such as timely hiring and retention of a qualified workforce is invaluable.

Corporate Management Development

Document and Correspondence Management System

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$338	$751	$751	$774	$23

The Document and Correspondence Management System (DCMS) project will replace the Electronic Document Management System (EDMS). VA implemented WebCIMS, the Web-based version of EDMS, as an interim solution. DCMS includes the nation-wide implementation of the Web-based version, and is a fully scalable and secure solution that permits all VA support staff access and capability to more effectively manage timely and accurate information of particular interest to Veterans, Congress, and the Executive Branch.

Currently, equipment updates and requirement issues are being resolved. A validation review of the current requirements is in process, and scheduled for completion in FY 2009. DCMS planning includes the field rollout of a Web-based and scalable solution projected for fiscal years 2009 through 2010. Users will be offered new online DCMS training and a closed, secure system with respect to personal and private information.

Initial system implementation to VACO is projected for completion in FY 2009. In FY 2010, the integration will continue with deployment to the field, resolution of desired updates identified during the initial deployment, training to the field and annual license maintenance costs. Upon final implementation, VA will be responsible for maintaining approximately 3,000 licenses.

DCMS will enable VA to:

- Manage informed, timely, accurate, and consistent correspondence responses to Veterans, their families, Congress, and the White House
- Improve efficient processing of correspondence responses and document management through automated workflow within VA Central Office and between VA Central Office and VA field offices.

- Provide efficient online access to all appropriate employees in VA Central Office, VA facilities, and telecommuters by implementing a security structure in the correspondence management system that allows for storage of pertinent data while restricting access on a need-to-know basis

Benefit to the Veteran:

The system provides for tracking and assignment of tasking that enable responsiveness to Veteran concerns, congressional and investigative inquiries, and measurement of processes. All of these result in reduced cost of effort and increased service to the Veteran.

Benefit to VA Organization:

Capacity requirements for VA continue to grow. Approximately 25,000 new folders (records) are created, and approximately 110,000 images are scanned into the system annually. Of the over 1,500 licensed users, approximately 200 use the system daily. Use of an updated system would improve customer service, cost savings, and capability for collaboration with outside entities.

Financial Resources Management Development

Financial and Logistics Integrated Technology Enterprise

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$21,931	$42,481	$48,000	$85,623	$37,623

The Financial and Logistics Integrated Technology Enterprise (FLITE) program is VA's multi-year initiative to replace existing financial and asset management systems with integrated, enterprise-level systems. It has two primary components: the Integrated Financial Accounting System (IFAS), a financial management system; and Strategic Asset Management (SAM), an asset management system. FLITE effectively integrates and standardizes financial/asset management data and processes across all VA offices. It also provides management with access to timely and accurate financial, logistics, budget, real property and related information on VA-wide operations as well as on specific programs and projects.

FLITE is comprised of two components, the Strategic Asset Management (SAM) project and the Integrated Financial Accounting System (IFAS). In FY 2008, both SAM and IFAS successfully achieved Milestone 1 of their program schedules. Throughout FY 2009 and FY 2010, the pilot and beta implementations of SAM

will take place simultaneously with the development of the replacements for both VA's Financial Management System and the Integrated Funds Distribution, Control Point Activity, Accounting, and Procurement (IFCAP). SAM is expected to reach Milestone 2 in mid-FY 2010. IFAS will meet Milestone 3 objectives in late FY 2010. Full FLITE capability will be achieved in 2014, and integrated with all development activities are concerted efforts to address the organizational change issues and requirements needed with such a broad revision of both process and technology. FLITE is poised to provide substantial benefit to both VA and the Veteran, who will receive improved delivery of healthcare services as VA medical center operations are streamlined. FLITE will provide the foundation for improved efficiencies in the business areas of financial management, asset management, logistics, accounting, purchasing, funds control, real property and inventory management.

Support to VA's Mission:

- Structured and standardized business processes based on accepted business requirements
- Standardization of processes and processing eliminates the need for re-training when relocating to a different site
- Creation of a secure, standardized data environment
- Elimination of VA's financial management system functionality material weakness
- Simplified user interface that increases system utility; elimination of duplication data entry
- Improved reporting capabilities and access to aggregated, enterprise data will provide visibility of data at all levels within VA
- Modernized, robust handheld functionality reduces data entry
- Standardization of reporting using consistent data from a single source
- Auditing capabilities enhanced by preparing reports from a single enterprise database
- Integration of IFAS and SAM; elimination of multiple versions of historical data and legacy systems
- Enhanced buying leverage via VA-wide knowledge of enterprise needs and contracting/purchasing improvements
- Visibility to excess enterprise assets for transfer and re-utilization within VA, as well as availability for emergency planning

Benefit to the Veteran

FLITE will directly benefit the delivery of healthcare services to Veterans by streamlining the operations of VA's medical facilities. FLITE will provide the foundation for improved efficiencies in the business areas of financial

management, asset management, logistics, accounting, purchasing, funds control, real property and inventory management.

E-Payroll

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$10,319	$7,319	$7,319	$0	-$7,319

The Federal E-Gov initiative mandated that the Defense Finance and Accounting Service (DFAS) becomes the sole payroll provider for VA. VA's migration to DFAS will be the single largest payroll migration effort to a Shared Service Provider within the Federal Government. Using a phased migration approach, VA will continue to process payroll using the current PAID legacy system at a declining rate until all VA employees have been migrated to the Defense Finance and Accounting Service for payroll services. To date VA has successfully migrated 102,136 payroll records to DFAS. All migrations have been seamless with minimal to no impact on employees. Past migrations have demonstrated that DFAS' payroll system has stronger internal controls compared to VA's legacy system PAID. VA has three more sites to migrate to DFAS. Once completed, a total of 268,065 VA employees will be paid by DFAS. Migration will be completed in September 2009.

Also in FY 2009 VA will begin procurement efforts to replace the current aged time and attendance system with a Web-based application, bringing VA's payroll processing up to the 21st century. The current system is over 40 years old and modifying this system presents significant problems because technical expertise is almost non-existent.

Financial Resource Management Operations and Maintenance

Financial Management System

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$11,319	$13,860	$12,076	$14,276	$2,200

The Financial Management System (FMS) is the VA's core financial system, which contains VA's single standard general ledger for financial reporting. It is the single financial system for all administrative (non-benefit) payments and

accounting. FMS is based on a Joint Financial Management Improvement Program certified commercial off-the-shelf American Management Systems (AMS) product Federal Financial System (FFS). VA's FLITE program is scheduled to replace FMS in FY 2014. Prior to replacement, VA's existing FMS must be maintained to provide the critical payment and accounting services required by all VA activities. FMS is the primary source of financial data for VA and is critical to assessing financial performance of VA programs and overall financial management performance. FMS and its related applications support VA, commercial payments, medical provider payments, and to some small degree, benefits payments. All VA facilities rely on FMS for accounting and financial reporting. This investment sustains reduced costs and improved efficiencies resulting from FMS's full implementation in 1995 based on commercial-off-the-shelf products. FMS has supported and continues to support all electronic funds transfer initiatives, including such specialized methods as "credit card" and "prime vendor."

During FY 2008, VA continued operation and maintenance of FMS, achieving high levels of availability and accuracy. Process improvements related to monitoring and system security were fielded. Additionally, hardware to improve FMS financial statement generation was successfully upgraded. This improvement aided statement generation, making the quarterly and annual statement process less time consuming. VA made security related improvements in FMS as well, establishing new procedures for user access monitoring, activity monitoring, and data integrity.

During fiscal years 2009 thru 2014 VA will continue to operate FMS, while FLITE is being phased in. Major initiatives include implementation of Clinical Case Registry (CCR) vendor verification, and continued implementation of minor enhancements to meet regulatory guidelines.

E-Gov: Financial Management LoB

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$143	$143	$143	$147	$4

This initiative benefits VA by providing the reference tools and templates needed to assist in planning and managing migration to a selected center of excellence. It will allow VA to influence the future direction of financial management across the government, from both an information technology and business process perspective.

Benefit to the VA Organization:

E-Gov Financial Management LoB provides timely and accurate data available for decision making. This initiative facilitates stronger internal control that ensure integrity in accounting and other stewardship activities. The numbers of agency financial management operations without material weaknesses increase and as well as clean audit positions in compliance with FFMIA. Cost will be reduced by providing a competitive alternative for agencies to acquire, develop, implement, and operate financial management systems through shared service solutions. It standardizes systems, business processes and data elements and provide for seamless data exchange from feeder systems and between Federal agencies by implementing a common language and structure for financial information and system interfaces.

This initiative benefits VA by providing the reference tools and templates needed to assist in planning and managing migration to a selected center of excellence. It will allow VA to influence the future direction of financial management across the government, from both an information technology and business process perspective.

E-Gov: Budget Formulation and Execution LoB

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$85	$95	$95	$98	$3

Budget Formulation and Execution LoB (BFE LoB) provides significant benefits to partner agencies by encouraging best practices across all aspects of federal budgeting from budget formulation and execution to performance to human capital and staffing needs. To benefit all agencies, including VA, BFE LoB, in conjunction with Department of the Treasury as the system owner, made available the first shared fee-for-service budget formulation system, the Budget Formulation and Execution Manager (BFEM).

Benefit to the VA Organization:

More and more agencies are moving toward automated tools and their underlying data structure will drive OMB's systems direction. In the short–term, productivity enhancements to VA's Office of Budget are anticipated from BFEM, which will improve responsiveness to VA's management, to Congress, and to OMB.

BFEM will create a better process for tracking decisions made during budget formulation, and will allow faster, less corruptible access to these historical points

in time for reporting and presenting. It broadens the staff's access to these data points, which will greatly improve the office's responsiveness. It also links these decisions at any point in time to the actual production of the Congressional Justification documents, greatly reducing the time it takes to go from final decisions to full-fledged budget documents. The time-savings and error reduction capacity of BFEM will allow analysts to delve deeper into the content, which will result in a more in-depth review. Engaging in this across-government arrangement also allows for cost-sharing, and greatly reduces the overall development cost of the tool versus with one of the other vendor-own packages on the market.

Payroll/HR Systems

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$13,835	$40,400	$40,230	$15,125	-$25,105

The Department of Veterans Affairs (VA) legacy Payroll/HR System, known as PAID, is a 40-year-old system comprised of two integrated components, one for payroll and another for human resources. VA also subscribes to Employee Express, which is a government off-the-shelf product used for self-service changes to personal and benefits information.

In 2003, VA began migrating the payroll portion of PAID to the Defense Finance and Accounting Service (DFAS).

Beginning in September 2006 PAID began providing maintenance of interfaces to and from the DFAS provider in addition to ongoing support to the human resources systems. In 2010, PAID will continue as the VA's ongoing human resources system. It is the only system VA has for Human Resource Management and will remain a critical system until another solution is available. A time and attendance system will be the major focus during 2011.

VA-Wide e-Travel Solution

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$2,567	$1,365	$2,705	$2,786	$81

This migration eliminated three legacy systems for VA. In FY 2009, the ETS vendor continues quarterly releases, including updates to the new online booking engine, changes to the VA Member ID to eliminate the use of part of the Social Security Number, and development work to transition VA to the new SmartPay2

travel cards. VA will also migrate to the new VA contracted Travel Management Center.

In FY 2009 and FY 2010, the ETS will continue with quarterly releases, and will deploy to several other Federal Agencies. Quarterly releases are expected throughout the contract life (FY 2013). For continued success of this program and to ensure use by other agencies does not impact VA users, it is necessary for the program office to perform the following ongoing maintenance tasks: training of new release items; global system administration; support to the local system administrators at each facility; moderate a Super User Call; conduct user acceptance testing of new software releases; serve as Contracting Officer's Technical Representative; and participate in meetings hosted by GSA such as EDS User Group meetings, program control change board meetings, and executive change control meetings.

Asset Management –Operations and Maintenance:

Capital Asset Management System

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$1,656	$2,596	$2,596	$2,674	$78

The VA Capital Asset Management System (CAMS) is a state-of-the-art capital asset management system that captures data at the individual site level. The data is structured in a relational database to provide a full range of views of asset data, such as, alpha and numeric sorts, roll-ups, by life-cycle stage, and across portfolios. One of the more successful features of CAMS is its ability to extract and use key capital asset-related data from several Departmental data source systems. CAMS allows for Web-based planning, and acquisition business case applications. Data is organized, analyzed, and presented to track and monitor VA's assets for capital asset management decision making and performance reporting. CAMS is supported by five asset-specific databases (information technology, buildings and land, leases, agreement, and equipment and one inter-portfolio database that rolls up the data from all systems).
The Capital Asset Management System is used to support IT portfolio management processes and to assist decision-makers by providing various scenarios that facilitate strategic reasoning to support individual investments. Project/Portfolio Managers use CAMS to prepare and submit OMB Exhibit 300/53 in support of annual budget process. CAMS also provides vital information and reports to support VA participation in the Federal Real Property Council and with Federal energy initiatives.

During FY 2008:

- System controls assessment was conducted by an independent contractor.
- Risk management plan was updated.
- Contingency plan received a desk check and was updated based on this testing.
- CAMS reporting was enhanced through ProSight and Oracle version upgrades.

During FY 2009 and FY 2010:

- CAMS will rely on additional business intelligence capabilities to provide better and more accurate reporting.
- CAMS users and senior management will have access to data that cannot be accessed in the current CAMS environment. They will also be able to produce reports in a shorter time period. Variations of reports can be accomplished by CAMS users themselves rather than by ProSight/Crystal programmers. These new capabilities should reduce the number of servers now supporting CAMS, thus increasing system reliability.

E-Gov: Disaster Assistance Improvement Plan

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$476	$476	$476	$490	$14

The Disaster Assistance Improvement Program (DAIP) is a government-wide initiative to improve the delivery of assistance to disaster victims. Through modification of an existing E-Gov initiative, GovBenefits.gov, DAIP provides a one-stop portal for those affected by disasters by providing information on programs offering disaster assistance and screening of benefits for which they may be eligible. After determining their eligibility, users may apply for disaster assistance benefits using a single application through FEMA, leading to a more simplified, streamlined process. All benefit applications are adjudicated by the appropriate agency. DAIP will also allow returning users to check the status of the request for benefits available through the single application.

Benefits to the VA Organization:

The central value proposition of the Disaster Management program is to save lives and reduce property damage through more effective information sharing. This sharing takes place both within the responder community in the form of

information sharing and improved availability of digital tools, and across the nation's citizens, businesses, and other organizations through the continued development of a "one-stop shopping" source of disaster information. The current cost benefit analysis of the program indicates that there will be $690 million in risk-adjusted benefits to the public and the government through cost avoidance and cost savings. Benefits include reduced costs to the government, improved productivity; more efficient use of emergency management resources, reduced redundancies, decrease in property damage, saved lives, and reductions to insurance costs.

Human Capital Management –Development:

Human Resource LoB-Human Resources Information System Services Component (HRIS)

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$4,425	$32,580	$32,580	$8,487	-$24,093

The HRIS project supports Human Resources Line of Business (HR LoB) initiative to migrate common HR services to a Center of Excellence Shared Service Center (SSC). The HR activities of the SSC will replace the current VA PAID System. HRIS significantly upgrades VA's ability to capture and maintain employee data and improves reporting capability throughout the Agency; eliminates need to maintain PAID system at $24 million annually and allows HR office to focus available staff resources on consultative work rather than routine transactional work. The savings is to the Government as the number of individual HR systems is reduced. HRIS improves HR Office efficiency by eliminating routine transactional and administrative responsibilities and allows HR staff to focus on more strategic and consultative level work. Shifting to a SSC will require Business Process Reengineering activities in many areas.

In FY 2010 HRIS will transition from a development project to a steady state operation run on a contractual service outside of OI&T's responsibility. The HRIS Operation will have a non-OI&T provider process transactions for the VA and charge according to the number of VA employees. HRIS will not be purchasing software licenses. OI&T will not have the responsibility of operating or maintaining the system thus reducing our funding requirement significantly.

Human Capital Management –Operations and Maintenance:

VA Learning Management System

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$4,146	$4,633	$4,633	$4,772	$139

Under the umbrella of the VA Learning University (VALU), the VA-LMS initiative is being developed through an Inter Agency Agreement (IAA) between the Department of Veterans Affairs and the Office of Personnel Management (OPM). As an enterprise-level E-Training initiative, the VA-LMS is part of the Government-wide E-Government initiatives supporting the Administration.

VA-LMS is a web-based application that provides a single point of access for managing learning activities and sharing learning resources across the entire Department. An enterprise system approach eliminates the need to search through multiple places and systems to check availability of learning offerings, and provides access through a single logon. The LMS provides a seamless learning environment, eliminates duplicative training management efforts, and maintains one record of training. The requested funding for FY 2010 will be provided directly to OPM for annual hosting, maintenance and Phase II implementation.

Benefits to Veterans:

Delivery of Health Care & Benefits: The VA LMS has a direct impact on the access, quality, and timeliness of health care and benefits provided to Veterans through the training it manages for medical staff. Over 2,000,000 courses were completed by VA employees in FY'08 using the VA LMS as the portal to a limited number of courses. Eventually, most, if not all online training in the VA will be accessed using the VA LMS as the portal and tracking mechanism. Additionally, Continuing Medical Education (CME) credits will eventually be tracked by the LMS.

Automated Position Management System **(FY 2010: moved from Development to Operations and Maintenance)**

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$1,500	$1,639	$1,639	$1,688	$49

VA is purchasing from the Department of Health and Human Services an Automated Position Information System, informally referred to as e-Classification

- a position classification system. The funding requested for FY 2010 is for annual license and maintenance fees for a fully implemented program. To address specific VA position sensitivity issues related to ensuring that employees have adequate security level background investigations, program modifications were developed in FY 2007 and implementation was in FY 2008.

Benefit to the VA Organization:

The use of this system will assist HR offices in adhering to position sensitivity and security requirements. It will facilitate the creation of position descriptions, as well as the classification of positions. The implementation of this system will improve VA's ability to assure that employees handling sensitive information have the appropriate background checks completed in a timely manner.

Enterprise HR Initiative/Electronic Official Personnel Folder (EHRI-eOPF component; FY 2010: moved from Development to Operations and Maintenance)

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$21,073	$5,451	$5,451	$5,615	$164

The requested funding for FY 2010 is for the annual license renewal and program maintenance fees that will be provided directly to OPM for a fully operational program.

VA completed the Official Personnel Folder (OPF) conversion to the Electronic Official Personnel Folder (eOPF) in FY 2008 and project status change to maintenance (Operations and Maintenance) activities in FY 2009 and beyond.

Benefits to the VA Organization:

The cost related to OPF storage, retrieval, copy, fax, and mailing are reduced and the potential for OPF loss from flood, fire, and other accidental or natural disaster are also reduced. This program provides employee benefit through self-services access. This initiative allows agency ad-hoc HR data reporting as well as automated reporting to meet oversight requirements. EHRI ensures secure access to Federal workforce data by employees, managers, HR personnel lists, and oversight agencies via the EHRI Portal based on user role and assigned authority. This initiative assists in VA transition to paperless environment. EHRI provides VA with additional Business Intelligence and Workforce Analysis reporting tools to support all management activities.

USA Staffing (FY 2010: moved from Development to Operations and Maintenance)

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$2,866	$4,893	$4,893	$5,040	$147

USA Staffing is Internet accessible software that automates the recruitment, assessment, referral, and notification process, making the hiring process faster and more effective. Increased use of USA Staffing will enhance productivity of HR management staff, improve efficiency of antiquated, manual processes, and provide better workload management. USA Staffing fully addresses Veterans' preference requirements and increases VA's ability to hire Veterans' preference eligible and other well-qualified candidates more efficiently. Midway through the fourth quarter in FY 2007, VA finalized the new interagency agreement with OPM for the purchase of 206 additional user licenses. In FY 2009 basic USA Staffing training will be provided for new VA users. By the beginning of FY 2010, VA will have 800 users trained on the system.

Benefit to VA Organization:

VA currently has 14 HR offices using this software. USA staffing encompasses the technological solutions to meet the Department's immediate and long-term staffing needs, improve the effectiveness of its HR professionals, and provide better customer service through streamlined mechanisms.

E-Gov: E-Training

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$2,693	$2,693	$2,693	$2,774	$81

The VA-LMS/e-Training initiative is being developed though an Inter Agency Agreement (IAA) between VA and the Office of Personnel Management (OPM). As an enterprise level e-Training initiative, it is part of the Government-wide e-Gov initiatives supporting the Presidents Management Agenda (PMA). The VA-LMS is a web-based application that will serve as the single point of access for all VA staff to view national and local learning catalogs, register for available offerings, launch on-line courseware; record completed learning activities, and accesses their learning transcript. An enterprise system approach eliminates the need for learners to search through multiple places and systems to check availability of learning offerings. The LMS provides a seamless learning environment, eliminates duplicative training management efforts and maintains

one record of training for VA employees. The benefits of e-Learning include lowering training costs, increasing competency, reducing turn-over, and Improving productivity.

E-Gov: Recruitment One-Stop

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$858	$893	$893	$920	$27

The focus of Recruitment One Stop is to improve the process of applying for government jobs, making it easier, faster, and more understandable to applicants. Additionally, it will improve the recruitment process so that government agencies remain competitive with private sector recruitment processes.

Benefits to the VA Organization:

USAJOBS' objective are to simplify the process of locating and applying for Federal jobs, help Federal agencies meet their Human Capital recruitment challenges, increase public satisfaction with the Federal hiring process, and expedite agencies' identification of qualified candidates.

E-Gov: Enterprise Human Resources Integration (EHRI)

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$279	$290	$290	$299	$9

VA benefits through its use of "best-in-class" HR services and systems provided by one of the approved service providers. Through its adoption of an approved service provider, VA can achieve the benefits of "best-in-class" HR solutions without the costs of developing and maintaining its own HR systems. Employees across the agency will benefit from improved HR services. The HR common solution is a market driven approach, where service providers competing for government business are driven to provide the best services and most innovative solutions at the lowest cost.

E-Gov: Enterprise Human Resources Management LoB

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$261	$261	$261	$269	$8

VA's involvement in the HR LoB allows them to help shape the government-wide solution as well as best practices and lessons learned as developed by task force and other agencies. Federal agencies are able to use this information and guidance to formulate their specific agency requirements for HR functions and manage the transition to a shared service center.

Other- Development:

Enterprise Resource Management

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$0	$9,688	$15,153	$15,608	$455

In FY 2008, all recurring and unanticipated obligations were funded under the Small/Other Part III budget line. Beginning in FY 2009, the Small/Other Part III was deactivated and Enterprise Resource Management was utilized as an operational fund for OI&T's recurring costs which do not fit under the existing specified budget lines. The expenditures are mainly corporate costs which normally apply across-the-board through IT's organizations. The fund also serves the purpose of covering the unanticipated requirements for VA's Secretary and CIO's ad hoc studies and mandates in response to policy issues and decisions.

IT Enterprise Strategy, Policy, Plans, and Programs

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$4,686	$10,377	$10,377	$10,688	$311

IT Enterprise Strategy, Policy, Plans & Programs (ESPPP) advises and assists the CIO in enterprise-wide planning and management control of IT activity. ESPPP develops IT strategies, plans and programs to ensure alignment of IT activities with the Secretary's strategic objectives and business requirements. ESPPP also is integral to ensuring the efficient use of IT resources through leading the conduct of IT Program Management Reviews. Key functions include IT strategic planning, enterprise architecture, business relationship management, IT programming, IT program management standards, and IT program management governance. ESPPP is integral to "developing and managing the plan" on behalf

of the CIO through the noted activities and its functions maximize both the effectiveness and efficiency of the IT appropriation.

OneVA Contact Management (CM)

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$0	$7,349	$7,349	$15,759	$8,410

The OneVA Contact Management (CM) program addresses VA's strategic goal of improving customer service. Its objective is to improve the efficiency and accuracy of the various touch points across a service member's or Veteran's benefit life-cycle. It is an integral part of VA's Veterans self-service strategy and key to VA's participation in the DoD/VA Interoperability Plan, supporting non-clinical case management, and streamlining service member and Veterans efforts. It provides a standard portal architecture and federated portal capabilities, aligned with the e-Benefit solution, that incorporate VA priorities, joint DoD/VA priorities, and an approved VA standard information architecture, resulting in a single virtual "touch point" for Veterans self-service. CM also includes VA call center telephony and applications.

Benefit to the Veteran:

One CM benefit is to improve Veterans access to VA services through enhanced web based information processing capabilities. Another benefit is to improve the timeliness and consistency of delivery of Veterans service. The CM initiative helps ensure seamless access to DoD and VA self-service capabilities for service members and Veterans as they transition from military to civilian life. It supports the consolidation of "touch points" between VA and the Veterans; improving Veterans self-service across the entire Veterans benefit life-cycle. Once the service member or Veterans has contacted VA, he or she will be "known" to VA from that point forward, which is an improvement over the current situation where the VA "touch point" is unaware of previous Veterans contacts with other "touch points." It allows VA to provide Veterans and their beneficiaries with complete, accurate and consistent answers to their questions and allows self-service access via the web portal.

Benefit to the VA Organization:

The CM initiative will result in a world-class self-service environment. It will create a single portal framework to enable the consolidation of the various portal environments that exist today. It will replace multiple VA information sources

and become the sole knowledge base reference point for VA staff and Veterans inquiries across all lines of business. VA will be able to provide consistent and accurate answers to both internal inquiries and to those made by Veterans and their beneficiaries.

The initiative will leverage enterprise data resources, services, and architecture, significantly improving reuse of existing components and architectures, and eliminate the need to "reinvent the wheel" for each new portal-based application. Over time, this will provide VA significant cost savings.

OneVA Registration and Eligibility

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$3,504	$6,987	$6,987	$14,476	$7,489

The OneVA Registration and Eligibility (RE) program will provide accurate, reliable, and consistent information to the Department of Veterans Affairs (VA) business lines for health and benefits for millions of Veterans and their beneficiaries. This project addresses four major deficiencies: VA's lack of ability to identify its customer base; lack of trusted source of eligibility information; inadequate sharing of benefit information within VA; and adequate benefit application services. It also addresses the lack of a clearly defined and efficient enterprise environment for sharing this data.

Benefit to the Veteran:

Improved data sharing (inter-agency and intra-agency) will support seamless transition efforts and expedite benefit processing such as eligibility determinations and outreach efforts. It helps ensure continuity of care for service members and then Veterans as they transition from military to civilian life. The initiative will consolidate the numerous Veterans registration processes currently in place across VA with a single automated process that permits Veterans to register once at any location and provides a single self service touch point for benefit application. It will improve Veterans self-service and the delivery of VA benefits through increased efficiencies across the Veterans benefit life-cycle.

Benefit to the VA Organization:

Resolves lack of a comprehensive, consistent method for identifying/registering an individual within VA, preventing administrations from sharing information

with each other and for VA to share data with DoD – expediting reliable and consistent outreach, registration, eligibility and tracking/reporting processes across all VA lines of business. Removes the need for manual data sharing practices (e.g. telephone, mail, fax). Enables VA to accept persons identity information from DoD based on service member/Veterans life events, removing the burden of proving eligibility on the Veterans or the VA staff members, thus reducing the backlog of VA claims process. This investment support is the implementation of a One-VA information technology framework that enables the consolidation of IT solutions and the creation of cross-cutting common services to support the integration of information across business lines and provides secure, consistent, reliable, and accurate information to all interested parties. It will reduce duplicate data feeds, disparate application use, integrate databases and establish a common Veterans information standard to share information between VA business lines and between VA and the Department of Defense (DoD). Data will be shared across VA business lines and the DoD through the use of common services. In FY 2009, the RE program will primarily focus on enhancements to the VA Department of Defense Information Repository (VADIR) database in order to provide Business Intelligence extracts for VHA and VBA, as well as improved support for GWOT initiatives, to include the OIF/OEF roster. In addition, RE will provide Phase 2 for the Common Population initiative as well as continued support for Veteran Outreach.

VA Operation Center, COOP Site B (CRRC) and COOP Site C

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$0	$3,800	$3,800

Homeland Security Presidential Directive (HSPD) 20 and National Communications Directive 3-10 requires all Tier II Department and agencies to have a redundant emergency communications system to ensure the continuation of the Department's primary mission essential functions and mission essential functions (PMEF/MEF). This system must be able to transmit both non-secure/secure voice/data up to the Top Secret/SCI levels.

Benefit to the Veteran:

This program would support each of the four strategic goals of the Department by ensuring that we can continue mission essential functions during a disaster.

This program would also support the CIO's Strategic Goals:

- To improve IT systems and service outputs while improving the infrastructure and architecture to enhance standardization, compatibility, interoperability, and fiscal discipline
- To embed information protection into VA culture, processes, systems and IT architecture in order to ultimately achieve the Gold Standard for data security.

Benefit to the VA Organization:

The Office of Information and Technology, and The Office of Operations, Security, and Preparedness will be occupying a new data center building. In accordance with Homeland Security Presidential Directive 20 and Federal Continuity Directives 1 and 2; the Department of Veterans Affairs is required to maintain a primary COOP Site. Additionally, as a Tier II Department, VA is required by the National Communication System Directive 3-10 to provide communications in support of the Continuity of Government Program. Currently, the Department lacks at its alternate COOP Sites an emergency communications architecture that is redundant and capable of interoperability either internally within the Department or with other emergency preparedness and continuity stakeholders.

Other- Operations and Maintenance:

E-Gov: Integrated Acquisitions Environment

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$1,561	$1,501	$1,501	$1,530	$29

Through adoption of the tools and services provided by the Integrated Acquisition Environment (IAE), VA improves its ability to make informed and efficient purchasing decisions.

Benefit to the VA Organization:

IAE improves processing of contract actions by allowing entry of contract data, reusing it and reducing time for processing contract actions. This initiative enables procurement activities to conform to federal law and agency policy guidelines when undertaking any acquisition. IAE promotes standardization and uniformity of contracting instruments and serves as a secure electronic archiving system and creating management reporting. Improves capability for converting proposed single-source orders to large competitive purchases, resulting in additional savings. IAE collects necessary data, and ensures the flow of this

information with other agency systems, e.g. Central Contractor Registration (CCR), Federal Procurement Data System-Next Generation (FPDS-NG) and Federal Business Opportunities (FedBizOpps).

In addition, the technical quality of contracting is expected to improve when contracts are easily located, maintained on-line, reviewed for technical and legal correctness on line, and when supervisory staff have automated tools for analyzing changes from prescribed formats and/or contract templates. Success with this initiative will positively impact many other aspects of VA contracting. Also, it will support virtual work, positively affecting the recruitment and retention of VA's hard-to-fill contracting positions and improving employee morale; it will create greater efficiencies in contract administration, improve ease of locating materials for contract review boards, and by automating and documenting contract milestones and other reports, will help staff and supervisors to keep abreast of the many contract actions for which they are responsible.

E-Gov: Gov Benefits

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$314	$324	$324	$332	$8

GovBenefits.gov supports VA's mission and strategic goal of increased awareness of benefits for new Veterans, providing timely education assistance, and enhancing the socio-economic well-being of Veterans.

Benefits to the VA Organization:

GovBeneftis.gov is a partnership of Federal agencies with a shared vision to provide improved, personalized access to government assistance programs. GovBenefits.gov provides access to benefits programs in the format of an online screening tool.

E-Gov: E-Rulemaking

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$135	$82	$82	$46	-$36

The Federal Docket Management System (FDMS)E-Gov E-Rulemaking assists the VA in meeting its extensive mission and goals to U.S. Veterans by consolidating their rule and notice activities, giving Veterans a single source to find these and

the supporting materials that affect their benefits. VA benefits in several ways through its participation and reliance on FDMS and Regulations.gov. VA reaps substantial benefits by improving the transparency of its rulemaking actions, as well as increasing public participation in the regulatory process.

Benefits to the VA Organization:

The E-Rulemaking initiative is designed to make it easier for the public to comment on Federal agency rulemaking activities. VA's participation in this multi-agency supports VA's outreach efforts to improve the flow of information to America's Veterans.

E-Gov: Grants.gov

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$134	$130	$130	$41	-$89

The Grants.gov benefits VA and its grants programs, including those from the National Cemetery Administration, by providing a single location to publish grant (funding) opportunities and application packages. This allows the grants community a single site for accessing common forms, processes, and systems.

Benefits to the VA Organization:

VA benefits include improved delivery of services to grant recipients, improved decision-making, and decreased costs associated with building and maintaining Grants Management IT systems. VA will work with the consortium lead agency and other members to define requirements, streamline processes, improve reporting, and host a grants management system. By sharing services, VA's costs to build and maintain grants management systems decrease.

E-Gov: IAE-Loans and Grants

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$122	$122	$122	$126	$4

Through adoption of the tools and services provided by the Integrated Acquisition Environment (IAE), VA improves its ability to make informed and efficient purchasing decisions.

Benefits to the VA Organization:

Based on the recommendations of the Transparency Act Taskforce, the website will leverage functionally provided by the Integrated Acquisition Environment (IAE) to provide Data Universal Numbering System (DUNS) numbers as the unique identifier. While this capacity exists for contracts, work remains to fully support the determination of unique identifiers for Grants and Loans. This funding is to assist the IAE initiative to enhancing functionality to provide necessary capabilities to support this requirement.

E-Gov: Business Gateway

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$120	$72	$72	$60	-$12

By creating a single portal for business information, such as regulatory compliance information, Business Gateway directly benefits VA's "customers" (e.g., Veterans business owners), as all Veterans-owned businesses are subject to complex regulatory requirements across multiple agencies.

Benefits to the VA Organization:

Business Gateway, an E-Government Initiative, provides businesses with a single access point, www.business.gov, for easily finding government information, including forms and compliance resources and tools. Business Gateway also reduces the regulatory paperwork burden on businesses through easier data submission.

E-Gov: Grants Management LoB

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$28	$28	$28	$32	$4

This initiative will benefit VA by improving the delivery of services to grant recipients, improving decision-making and decreasing costs associated with building and maintaining Grants Management IT systems. Under the GM LoB, VA will continue to make award decisions and perform all administrative and programmatic grants management functions.

Benefits to the VA Organization:

VA benefits include improved delivery of services to grant recipients, improved decision-making, and decreased costs associated with building and maintaining Grants Management IT systems. VA will work with the consortium lead agency and other members to define requirements, streamline processes, improve reporting, and host a grants management system. By sharing services, VA's costs to build and maintain grants management systems decrease.

E-Gov: Geospatial One-Stop

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$15	$15	$15	$15	$0

Geospatial LoB partners will benefit by more efficiently delivering services for mission needs, and provide benefits to citizens through easy to find, high-quality, and timely geospatial data and services. Geospatial capacity and capability in the VA ensures that program managers have the business intelligence to identify where their decisions have affects, why there are variations in those effects, and how programs can better respond to all Veterans effectively.

Benefits to the VA Organization:

Geography is rapidly changing the thinking of those who develop public policy, and this change will affect VA. Because VA is a major contributor to the healthcare marketplace, compensation, insurance, housing, education, property management, emergency preparedness, and rehabilitation, it has an incentive to increase its knowledge of how its business practices affect Veterans in different places, given labor markets, healthcare funding, housing, intergovernmental

affairs, and other critical contextual factors. The benefits to Veterans for continuing development of the VA geospatial capacity are: ensuring comprehensive knowledge, improving accuracy of information, increasing timelines of policies, enhancing communications, increasing the confidence in information, and locating customer needs and industry change.

E-Gov: IT Infrastructure

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$0	$160	$160

The IT Infrastructure (ITILoB) focuses on establishing government wide metrics and capturing agency specific performance data in major IT areas to realize four long-term outcome goals:

- Interoperability of functions across agencies and programs
- Collaboration within and across agencies, sectors, and government levels
- Reductions in total cost of commodity IT infrastructure and return of savings to agency missions
- Improved governance of IT infrastructure investment in support of agency mission and government-wide goals
- Benchmark areas include Desktop; Servers and Telecommunications. VA will benefit from this data. .

This page intentionally left blank.

Information and Technology Infrastructure

Information and Technology (Dollars in Thousands)					
		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
IT Support - *Veteran Facing IT Systems*	**$603,606**	**$659,045**	**$830,677**	**$953,223**	**$122,546**
Medical Care Program IT Support	541,673	573,070	739,702	840,866	101,164
Regional Data Processing Center	16,229	30,000	30,000	33,000	3,000
Benefits IT Support*	41,471	51,225	56,225	74,464	18,239
Burial Program IT Support	4,233	4,750	4,750	4,893	143
IT Infrastructure - *Corporate IT Systems*	**$83,047**	**$116,014**	**$119,482**	**$154,710**	**$35,228**
Corporate IT Support	14,747	38,014	41,482	54,370	12,888
Enterprise License Expenses	68,300	78,000	78,000	100,340	22,340
IT Support and Infrastructure Total	**$686,653**	**$775,059**	**$950,159**	**$1,107,933**	**$157,774**

*Benefit IT Support includes the BA funding for infrastructure support of Compensation and Pension, Education, and Vocational Rehabilitation.

Information and Technology Infrastructure Support

Information and Technology touches all points of VA, the second largest cabinet-level department with 286,000 employees serving over 23 million Veterans and their families. Proper operation and maintenance of the IT infrastructure (including planning and budgeting), refreshment of existing equipment, and the delivery of essential services and business operations are dependent on a viable and reliable information technology infrastructure. Veterans obtain benefits through business processes that are encoded and operated in electronic applications that reside on and communicate through the IT infrastructure. Basic administrative activities, including the use of telephones and email, function as the foundation of the IT infrastructure. Further, VA is a primary designated health care provider in the case of natural or national emergencies, requiring a responsive, flexible, and reliable IT infrastructure.

Infrastructure base foundation is best explained through the investments of VA Computing Infrastructure and Operations, VA Network Infrastructure and

Operations, VA Voice Infrastructure and Operations, VA Recurring Voice, Data and Video Operations, Regional Data Processing, Enterprise License Expenses, and Other Infrastructure Support. Significant projects include continuous life cycle refresh of printers, scanner, network equipment, laptops, servers and file storages, and videoconferencing equipment, etc.

VA Computing Infrastructure and Operations consists of the implementation and sustainment of operating IT assets, including systems, hardware, software, and applications. It also includes critical local processing centers that operate the great variety of software applications across VA enterprise providing healthcare, benefit, and burial information. Acquisitions for computing infrastructure include computers, monitors, printers, servers, switches, applications, storage, hardware environmental controls, maintenance and technology refresh. Technology refresh is the planned action of replacing outdated equipment that will allow VA to operate more effectively. VA's goal is to replace equipment in 4 to 8 years depending upon its life-cycle. These acquisitions also are needed for facility activations, like new community based outpatient clinics, and space renovations. Since VA converted to electronic records processing for both medical records, maintenance of the computing infrastructure has become paramount to the operations of VA.

Network Infrastructure and Operations consist of the activities involved in operating and expanding the network infrastructure required to provide reliable and secure system and data access across VA and to Veterans and business partners in support of all VA missions and internal administrative functions. Acquisitions in this program include network switches, routers, voice and video conferencing equipment, maintenance, support services, and technology refreshes. It also includes Internet gateway equipment, network performance and capacity management tools, radio frequency equipment, and all maintenance, management, operations, and support items. VA Network Infrastructure and Operations enable consistent, current, and timely availability of Veteran information as well as supports clinical, benefits, memorial, appeals, and administrative communication in service to Veterans.

Voice Infrastructure and Operations provides non-recurring investment in voice systems. It includes all hardware, software, and services specifically associated with the acquisition, upgrade, maintenance, management, and support of traditional analog as well as digital Private Branch eXchange (PBX) and Voice over IP (VoIP) telephone systems that operate in VA hospitals, regional offices, and other facilities. In the modern business environment this includes complex functions, such as call waiting, call directing, call queuing, voice messaging, and a variety of service access capacities like prescription refills, appointment reminders, and call center services. Voice systems are critical to patient care and

life safety in the medical arena and increased investment is essential to replace outdated systems and to take advantage of current business-enhancing and cost-effective technologies.

During FY 2009, VA began the transition to GSA's new Networx telecommunications services acquisition vehicle. Vendor selection has been completed through the fair opportunity process. Networx will improve telecommunications services and management, minimize future cost increases, and provide trusted internet connections for VA.

Medical IT Support

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$541,673	$573,070	$739,702	$840,866	$101,164

The Medical IT Support investment provides ongoing IT maintenance and infrastructure support for the Veterans Health Administration (VHA) IT environment of 153 medical centers, over 755 community based outpatient clinics, 5 mobile outpatient clinics, 232 readjustment counseling vet centers, 135 nursing homes, 47 domiciliaries, the Consolidated Mail-Out Pharmacy, Health Resource Center, and National Center for Patient Safety. To support health care, IT infrastructure provides VA facilities with voice services and data capture, processing, transmission, and analysis. Health care professionals maintain and transmit patient data and x-ray, MRI, CAT Scan, and other images to serve Veterans promptly, accurately, and wherever service is required. Veterans can maintain their own personal health care records.

VA Medical Centers (VAMCs) range in both size and complexity, necessitating a specific focus on IT needs that cannot be served easily with national contracts. These local needs to support daily operations can be met with the flexibility to make modest investments in information systems and technology. These investments, while continuing to adhere to OI&T standards, can make the difference between success and failure in unique agreements VAMCs maintain with academic affiliates, DoD installations and other critical business partners.

IT funds are commonly obligated at the VAMC level in support of the following:

- **Daily Operations** – Growth at VA Medical Centers has been unprecedented. Facility CIOs are dealing with thousands of new employees, all who require a standard set of technology. This equates to establishing an appropriate work environment for each person, including all of the background supplies to support a workstation, telephone and

printer. Spending committed to supporting new employees also affects the VAMCs capability to refresh older technology, resulting in higher costs in equipment repair for aging technology.

- **Affiliations and Medical Research –** The majority of VAMCs maintain one or multiple affiliations with medical schools, nursing schools and other allied health professional training programs. The medical school affiliations in particular often require specialized IT support due to the unique business partner agreements for services provided at either/both the VAMC and affiliated hospital and the significant medical research programs that are typically supported at both the medical school and VA campuses. Special interconnection agreements, or business partner gateways, and their subsequent recurring telecommunications costs are borne by the VAMC to maintain the critical linkages to both medical school faculty and trainees that migrate between offices, research labs and clinical space at both the VAMC and the affiliate campus.

- **VA Special Programs and VA/DoD Sharing –** Much in the same way that VAMCs maintain affiliation agreements with medical schools, many VAMCs also house centers of excellence and special programs that are not found at every VAMC. VA/DoD partnerships also exist similarly. Support of these special programs, such as the Polytrauma Program or the Blind Rehabilitation Program, often require the VAMC to invest in adjunct IT applications and services to support the specific mission of these special programs. In the case of VA/DoD sharing initiatives, this often includes the stand up of both additional software and hardware to maintain the capability to develop and share information between the two organizations. Even though there are national investments in VA/DoD sharing, the local costs to implement these programs are typically left for the Facility CIO at the VAMC to fund.

- **Reasonable Accommodations –** An unexpected complication of moving to a virtually paperless environment at VHA facilities over the past decade is the increased incidence of workplace borne stress and injury claims as a result of using IT equipment such as a desktop computer or telephone. These claims are often mitigated by providing a reasonable accommodation, such as a larger computer monitor, and telephone headset or an ergonomic keyboard. Although the unit cost of such items is modest, when one considers that some VAMCs employ upwards of 4,000 employees, the local cost to manage reasonable accommodations is not trivial.

Benefit to the Veteran - The Veteran's experience is molded by how the VAMC and its numerous points of access provide an efficient and meaningful experience. The VAMC Director and Facility CIO can make local decisions to enhance existing technological solutions to enhance the level of service provided at each encounter the Veteran has with the VAMC.

FY 2009 Medical IT Support Initiatives supporting 21st Century Transformation

Rural Health Outreach

VSAT Mobile Communications Systems for Outreach Program

The Readjustment Counseling Service (RCS), also known as Vet Centers, perform vital services for our Veteran population. In order to broaden the Vet Centers availability, 50 mobile units are being deployed. This program is to equip the mobile units with Very Small Aperture Terminal (VSAT) technology. VSATS are small fixed satellite antennas that provide highly reliable communication means for data, voice and fax between sites that are distant from one another.

VSAT technology represents a cost effective solution for users seeking an independent communications network connecting a number of remote sites. VSAT networks offer satellite-based services capable of supporting the Internet, data; rural telecommunications access, remote video monitoring and telemedicine, local area networks, voice/fax communications, and dependable network communications.

Vet Centers, operated by VA's Readjustment Counseling Service, provide non-medical readjustment counseling in easily accessible facilities, addressing the social and economic aspects of post-war needs. This includes psychological counseling for traumatic military-related experiences and family counseling when needed for the Veteran's readjustment. These vehicles will be used to provide outreach and direct readjustment counseling at active-duty, reserve and National Guard activities, including post-deployment health reassessments for returning combat service members. They will also be used to visit homeless settings, Veteran community events, county fairs, and unit reunions at sites ranging from Native American reservations to colleges. Finally, the normal counseling layout can be converted to support emergency medical missions, such as hurricanes and other natural disasters.

Very Small Aperture Terminal (VSAT) uses a small bidirectional satellite unit that provides connectivity to terrestrial communications networks. Because of the unit's size, it's well suited for mobile applications such as being mounted to a vehicle or transported in a "suitcase" container for quick deployment (approximately one hour) essentially anywhere. The unit communicates with a satellite which then relays the signal to a ground station connected to a traditional terrestrial network operated by the satellite provider. In turn, a connection is made through traditional telecommunications carrier infrastructure into VA network. The technology has been employed in VA on a small scale for several years, particularly in disaster response scenarios. For several years VISNs 8 and 16 with many facilities in the hurricane belts have successfully used VSAT units to establish contingency communications during outages of the terrestrial network. The VSAT units are ported to the disaster areas (most frequently on a proactive basis- in advance of the event, such as in the event of an impending hurricane) and deployed with a "kit" consisting of several laptops, telephones and a small video unit. This provides basic communications capabilities for voice, video and data- including connectivity to VA applications such as VistA and those used to furnish benefits.

Benefit to the Veteran:

The VSAT units have been proven to provide effective emergency communication in disaster scenarios in order to facilitate continuity of operations at VA facilities and other critical response efforts. In addition, in conjunction with the Vet Center program, the extended outreach that is enabled by the use of VSAT- mounted on specially outfitted vehicles, for instance- not only offers a convenience to the Veteran but also engages some who may not otherwise have sought out or received assistance. VA's commitment to the Veteran must include all possible means of making the services available. This is yet another instance where technology can not only facilitate but enhance VA's ability to serve. Particularly in the cases where there are mental health needs, reaching these additional Veterans can make a profound difference.

VA/DoD Information Interoperability Plan

Strengthening CAPRI

CAPRI (Compensation & Pension Records Interchange), funded in FY 2009 for $3.75 million, is a Graphical User Interface (GUI) that was developed for use by VBA C&P staff to easily access VHA healthcare information and to request and receive compensation and pension examinations. Because CAPRI provides the capability to do Veteran Lookups on a National level, several subsequent VHA programs, most notably the Veterans Suicide Prevention Hotline, also use this

interface for referencing Veteran data. As VA and DoD move towards more seamless interoperability, program requirements must include the ability to access VA and DoD healthcare information. Hardware infrastructure that provides secure, read only access to VA and DoD health information is significantly beyond end-of-life and must be replaced to ensure the availability and stability of this critical component. In addition these platforms currently are not engineered to provide Continuity of Operations or Disaster Recovery which introduces the potential for significant interruptions in service and the inability of VHA providers and VBA claims processors to access data for clinical care and claims processing.

Benefit to the Veteran:

This significant investment is needed to modernize and augment VA Computing Infrastructure that provides effective and timely delivery of health care services to the Nation's Veterans and their dependents. To keep up with growing data, network capacity, information sharing (e.g., DoD and business partners), security and privacy, and technical requirements created by innovative IT solutions, VA IT infrastructure must be refreshed and modernized. Systems availability and response time for the VHA programs that utilize these systems can not be overstated. The Veteran's Suicide Prevention Hotline is operational 24 hours, 365 days a year. When a Veteran makes the decision to seek help from this program often time is of the essence. If the Clinicians servicing this call does not have the capability to quickly access and review the clinical information of the Veteran the consequences could be dire. As VA and DoD work to provide a more seamless transition from active duty for our newest Veterans, the timely completion of Compensation and Pension Benefits examinations is key. Without the necessary infrastructure systems in place and redundantly architected, no gain in Veteran experience will be realized by these important changes in our business processes.

This program will enable VA to develop a prototype of the "clinic of the future". This prototype will provide a means for experimentation with the insertion of advanced biomedical technology and health information technology innovation into the ambulatory delivery of healthcare. This initiative will incorporate industry best practices for architecture, work flow, clinical environment type, current technology, and anticipates future technology in the design that will accelerate ambulatory care safety, quality and efficiency. This initiative seeks to create patient-centered care by accelerating the optimization of ambulatory care exam, treatment, education, counseling, records, and appointments areas within the clinic fabric.

Disability Evaluation System (DES)

The Commission on Care for America's Returning Wounded Warriors was launched to evaluate the Military and VA healthcare systems and the continuum of care they provide from the point of injury through rehabilitation to community reintegration. Part of the focus was on enabling service members to more effectively transition to Veteran status and provide them with their VA benefits and compensation. The Commission made a recommendation that there be just one disability evaluation system to cut down on time as well as eliminate the redundancy of having two separate ones. In response, in November of 2007 VA and DoD entered into collaboration on a pilot towards that end. The pilot focused on disability cases originating at the three major military treatment facilities and VA hospital in the national capital region and was slated to run for one year.

The pilot was to be a service member-centric initiative designed to eliminate the duplicative and often confusing elements of the two current disability processes of the departments. The objectives were to improve the timeliness, effectiveness, and transparency by integrating DoD and VA processes, eliminating duplication, and improving information provided to service members and their families. Key features of the pilot program include one medical examination and a single-sourced disability rating.

With the pilot having shown promise, FY 2009 additional funding of $5 millions allows VA to move towards an expansion of scope. Specifically, with more sites are being added at an accelerated rate over the next nine months, unfunded requirements exist for network connectivity, servers, software licenses, end user equipment (such as desktop PCs, dual monitors, barcode scanners and barcode printers) and end user support. These will not only provide for the expansion of the scope but will lend to further reductions in check-in time and keying errors.

Benefit to the Veteran:

The seamless transition of our wounded, ill, and injured from the care, benefits, and services of DoD to VA system has been a challenge historically. To most effectively and expeditiously serve Veterans at the time of separation, VA must be already poised with all necessary data to provide benefits and compensation to these Veterans. DES endeavors to permanently establish means by which VA and DoD would enhance case management methods and improve the flow of information and identification of additional resources to the service member and family. This pilot is an essential part of a larger effort to improve the overall care and services to our wounded, injured and ill.

Activations

Activations represent the outfitting of new and refurbished VA space with IT equipment and telecommunications. Funding activations is critical to support the growing and changing landscape of service delivery to Veterans in the 21st Century. In particular, Veterans Health Administration is undergoing significant transformation with initiatives such as the rural healthcare which provide Rural Resource Centers, Mobile Healthcare, Mental Health programs, Polytrauma support, Annex Buildings and the expansion of Vet Centers and Outpatient Clinics. These initiatives map to the President priorities for VA and require significant investment in IT infrastructure in order to maintain basic support. As VHA increases the number of points of delivery, the demand for IT services and support will increase. In FY 2008, approximately $42 million was spent on IT expenses directly correlated with new activations. In FY 2009, VHA has approved over 100 new community based outpatient clinics and Vet Centers and OI&T budgets for $40 million. In FY 2010, activations outside of major facilities will be again requested at $40 million.

Major Medical Center Construction Projects (Southern Nevada, Biloxi, Orlando)

These major medical center construction initiatives support the establishment of complex Medical Centers that are critical to support the healthcare to the changing demographics of our Veteran populations. The new medical centers established in Orlando, Las Vegas, and Biloxi require a substantial investment of $9.22 million in IT Systems and Infrastructure in order to provide effective healthcare service delivery to Veterans. The IT multi-year investment in hardware must be made as these facilities progress to completion. Each of these facilities will provide direct benefit to Veterans requiring inpatient, outpatient, and long-term healthcare services. Key IT requirements include PCs, printers, storage systems and the network Infrastructure required to meet twenty-first century healthcare standards.

Regional Data Processing

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$16,229	$30,000	$30,000	$33,000	$3,000

VA's ability to deliver services to veterans is highly dependent upon its information systems and data processing infrastructure. The Department's data

processing architecture has historically been fragmented and distributed across numerous facility-level locations, with more than 120 sites processing data in local computer rooms. The decentralized model was limiting VA's ability to leverage more effective technologies and data management strategies; to consistently meet business requirements for service availability and system performance; to provide disaster recovery and continuity of operations (COOP) capabilities across the enterprise; and to assure proper data security controls. Further, rising costs associated with maintaining a distributed model were not sustainable, and the existing computer rooms would have required significant investment to maintain viability and meet security mandates. A regional data processing infrastructure was designed to enable the transformation of a facility-centric architecture into a patient-centric model to support the future-state vision for health information technology (IT).

The Regional Data Processing (RDP) investment provides funding for the co-location and consolidation of Veterans Health Information Systems and Technology Architecture (VistA) data processing to regional-level data centers in order to achieve greater efficiency and reliability in heath information data processing. This initiative develops and provisions the centralized data processing infrastructure required for many critical development initiatives such as the Health*e*Vet VistA, and the Health Data Repository (HDR) programs, improves service availability across the enterprise, provides required disaster recovery and COOP capabilities, and significantly enhances data security controls. The regionally centralized model produces economies of scale for staffing, hardware, software, and data center costs, and enables consistent adherence to a best practices based process framework that assures rigorous IT systems management practices, including change management and configuration management processes. Data processing services provided from tightly managed Regional Data Centers will support over 1,500 points of care, including 153 medical centers (at least one in each state, D.C., and Puerto Rico), 755 ambulatory care and community-based outpatient clinics, 135 nursing homes, 45 residential rehabilitation treatment programs, 232 Veterans Centers and 108 comprehensive home-care programs. Regional data processing combined with a consistently-applied IT management framework enables higher IT service levels at lower costs

FY 2010 Medical IT Support Initiatives:

VistA High Availability

Veterans Health Information Systems and Technology Architecture (VistA) is the application that provides the full range of clinical and administrative functions to run VA's health care facilities. Amongst the VistA suite of applications are various modules that are used for direct patient care. There continues to be an

increased reliance on the VistA systems by clinicians, health care executives and the range of other health care workers and the need for greater performance and availability likewise increase. With a funding request of $15.8 million, the High Availability initiative graduates the Regional Data Center (RDC) architecture to optimize the availability of VistA databases to the business. This implementation will also facilitate the highest level of data protection and rapid recovery from system failures that has been requested by VHA. The funding would be used for additions and expansions of the wide area network links at both the RDCs and medical centers connecting to the RDCs as well as hardware to increase needed redundancies and capacity.

Wireless Infrastructure Project, Phase III

The business relies upon several applications that rely upon wireless networking such as Bar Code Medication Administration (BCMA), Bar Code Expansion (BCE) and its Blood Bank module as well as the electronic medical consent system (iMed Consent). This same wireless infrastructure is also suited to accommodate the growth and new introduction of wireless business applications, the use of wireless voice (such as with Nurse Call systems) and even some radio frequency identification (RFID) applications. The project with a funding request of $38 million includes physical site surveys at every location, hardware, management software, horizontal cabling, deployment services, training, and long term technical support. Approximately 250 sites are included in the current contract records online through Internet access.

Enterprise Management Framework (EMF)

VA is dependent on computer services which require the ability to manage the environment efficiently in an effort to maintain service levels to Veterans. The challenges will not go away; the continued "decentralized" approach to management will only exasperate the challenge. The Enterprise Management Framework (EMF), with a request of $40 million, is a necessary tool to assist VA in providing continued IT services to our Veterans. Adherence and measurement of compliance with Service Level Agreements with VA Administrations are not feasible without the necessary aggregation of monitoring tools into an enterprise view. Response time to service disruptions will continue to lag as OI&T is incapable of proactive service and trend analysis. An example of this was manifested in recent weekend when the application that facilitates VA/DoD data interoperability was down for over 2.5 hours before the customers were finally successful of notifying OI&T of the outage. Total time to resolution was over 5 hours, which with appropriate tools would have been completely avoidable.

The objective of an EMF is to establish centralized management of the complex VA IT infrastructure. To provide optimal service, availability and security of VA and Veteran information, end-user and Veteran support, efficient and proactive configuration management processes, increased efficiencies with deliverable services, identification and access to resources, and financially responsible IT to business correlation. Currently VA employees use a manual method which is inefficient and cumbersome to accomplish these mission critical responsibilities. Manual tasks executed towards compliance will require thousands of man-hours which far outstrip the costs of these tools and reporting infrastructure.

Life Cycle Management

Lifecycle management emphasizes decision processes that incorporate system cost and usefulness efficiencies. These decisions must be based on full consideration of business functional requirements and economic and technical feasibility in order to produce an effective system. "Lifecycle management means best practices. It doesn't cost to do it, it costs not to do it." It's a framework for business planning and management. Historically, VA systems have been placed into production without assurance of funding to refresh those systems before end of usable life due to lack of a proper lifecycle management strategy. Operations have typically purchased extended warranties (after the first year) as part of the risk mitigation. However, as VA's infrastructure equipment ages, the costs of maintenance/repair as well as extended warranty will go up. As a result, many systems supporting critical or essential business functions have exceeded or are nearing end of life and both performance part availability and availability of services to the business are jeopardized. The centralization of IT resources has provided the opportunity to institute a Capital Assessment Process (CAP) to design, acquire, deploy and refresh IT systems exceeding usable life in accordance with industry best practices. The CAP has, for the first time in VA history, enabled visibility into the disparate health of VA's IT infrastructure. By providing a clear picture of the current IT infrastructure, OI&T can create a basis for a more complete financial assessment of investment options. The implications of capital investments, operating expenses, and future liabilities can be assessed together, leading to more strategic and coherent decision making across the business. Only through the programmatic refresh of critical infrastructure through lifecycle management with a funding request of $75 million can OI&T ensure the stable and available delivery of IT services required to meet the requirements of VA.

Corporate Data Warehouse

The Corporate Data Warehouse (CDW), with a funding request of $2 million, is strategic initiative to centralize and integrate key enterprise wide clinical,

administrative, and financial data to provide standardized information to all levels of VA management. The case for the CDW includes VA's continuing need to improve health care quality, efficiency, and safety, strategic goal attainment, partner benchmarking, medical research, resource alignment, performance measurement, DoD population health data sharing, and homeland security.

Key objectives of the CDW initiative is to support data driven decision making across the enterprise, facilitate the practice of evidenced based medicine, provide data for process reengineering initiatives, support patient safety activities, provide analytical data for chronic disease management activities, support waste reduction and cost effectiveness analyses, provide data to support national contract compliance analyses, provide data in support of fraud detection studies, supports health care service utilization analyses, support point of care clinical informatics initiatives, chronic care modeling and analysis, and support early detection and warning of healthcare system issues.

Workforce Strengthening

Workforce strengthening represents the effort to staff OI&T Enterprise Operations and Field Development (EOFD) commensurate with the size and complexity of VA Administrations and Staff Offices. In the past three years, VA Administrations have grown by more than 27,000 new staff. Using an industry benchmark of 1 EOFD staff member to 40 users of VA IT systems, this level of growth supports an increase of 675 EOFD FTEE on its own. This figure only accounts for new growth and does not even begin to address the staffing deficiency that existed prior to the expansion. When EOFD was formed as part of the VA IT Realignment in 2006, EOFD was more than 1,000 FTEE under-resourced using the same 1:40 benchmark by comparing the EOFD staffing level to the VHA staffing level in FY 2008 when full operations and maintenance staffing alignment was authorized. At the beginning of FY 2008, field operations had an on-board FTEE of 4,361 to support Medical services, while the Medical staffing was at 219,669. In effect, the ratio to support Medical services was 1:50, a 1,000 FTEE deficiency for field operations. For FY 2009 current estimate, this 1,000 FTEE field operations shortfall still holds true because although field operations to support Medical services increased by 360 FTEE to 4,747 FTEE, VHA growth outpaced them substantially with a 16,333 increase in one year for a ratio again of 1:50.

A statistical valid analysis of EOFD staffing levels confirms that the greatest influences on EOFD staffing levels are directly tied to growth variables, specifically 1) the number of Veterans served at VA Medical Centers, 2) the number of workstations deployed, 3) the number of users of VA IT systems and 4) the amount of square footage supported. In addition to these findings, VA has

greatly enhanced its information protection posture since the data breach of 2006, requiring VA to direct existing resources to addressing security vulnerabilities. As VA grows, then so also grows the dependency on EOFD staff to operate and maintain VA's IT infrastructure.

EOFD staffing requirements cover a broad base of help desk, desktop support and system and network management roles. A total of $50.25 million in funds and approximately 600 new EOFD FTEE and is executable in the FY 2010 cycle.

Benefits IT Support

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$41,471	$51,225	$56,225	$74,464	$18,239

The Benefits IT Support investment provides ongoing IT maintenance and infrastructure support for the Veterans Benefits Administration (VBA) IT environment, specifically in the areas of hardware, software, telecomm, audio, video and application installations at the 57 VBA regional field offices and associated out-based satellite stations. This investment provides the resources required to continue the electronic processing of Veterans claims. It ensures that each VBA employee is resourced with the appropriate hardware, software and IT service support necessary to provide the optimal means of processing claims of Veterans and their dependents. In addition, the investment provides IT infrastructure support for the headquarters of the Under Secretary for Benefits and their subordinate staff and business offices. This investment ensures a stable IT environment for the VBA workforce. It provides for the maintenance and technical refreshes of the VBA inventory of hardware, software and services. The investment also provides for the appropriate level of technical staff and expertise to ensure the highest level of support to the VBA business community.

As VBA requirements grow with increased staff and reliance on modern technologies, this investment provides the additional infrastructure necessary to maintain or improve the service delivery to Veterans. Without this investment, the VBA IT infrastructure will degrade and eventually fail; resulting in a breakdown of VBA's ability to provide service to Veterans.

Funding in this arena enables operations to remain on the leading edge of new technologies that can be integrated into innovative programs designed to provide new and better services to our nation's Veterans. Network architecture reengineering and integration with accelerator technologies will support

paperless processing of claims information for BDD, DES and other claims processing initiatives. New technical models will enable for the first time off site processing of education benefits afforded Veterans through the Chapter 33 initiative.

Finally, this investment provides for technical FTE resources supporting VBA at the Regional Offices, VBA Headquarters, Hines Information Technology Center, Philadelphia Information Technology Center, St. Petersburg Network Support Center, St. Paul Network Support Center and the San Diego Network Support Center. This investment supports a 16% increase in the number of employees (3,130 employees) in VBA business staffing in FY 2009 to support Compensation and Pension, as well as Chapter 33 claims processing**.**

Burial IT Support

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$4,233	$4,750	$4,750	$4,893	$143

Operations and maintenance allocation of the requested funding is $4,893,000 to support operations of the National Cemetery Administration. This supports routine, information technology refresh acquisitions of advanced versions of hardware and software for the applications and systems listed above, contractor payments to support CAATSS, and Austin Franchise Fund charge-back payments. Acquisitions will consist of processor, memory, disk drive, and storage upgrades; and software and hardware upgrades as vendor releases are made. This will allow for sustainment of the production environment, improved operational efficiencies, and reduced redundancies. The refresh acquisitions are scheduled so as to mitigate risk and costs associated with technological obsolescence, down time, and maintenance-related activities. Operations and maintenance funding over the life cycle matches performance to expected changes in demand (addition of new national and state Veterans' cemeteries that use AMAS and BOSS). This continuous, proactive approach reinforces compliancy with security requirements as well as VA, One VA and Federal initiatives and enables transition to new, improved technologies.

Corporate IT Support

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$14,747	$38,014	$41,482	$54,370	$12,888

Corporate IT Support is supporting VA Central Office (VACO) in the Washington, DC area. This consists of providing service to VA Secretary, three Under Secretaries, the seven Assistant Secretaries and their staff as well as remote users. This support covers software needs and maintenance contracts for IT programs performed within their organization for over 5,500 users on VACO campus and several hundred remote VACO employees. The support provided assists with congressional mandates/initiatives required to be completed by VA Administrations and Staff Offices.

The network division of VACO Corporate IT Support provides network connectivity and server operational support for the entire VACO campus as well as seventeen various buildings maintained in the local area. Some of the support includes the following; providing logistical and physical network connectivity for each building in the local area network (LAN) on VACO campus and for the Metropolitan Area Network (MAN) and it components that connect the buildings of VACO camps to each other as well as to the National Capital Region Data Center in Falling Waters, WV.

Enterprise License Expenses

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$68,300	$78,000	$78,000	$100,340	$22,340

Economies of scale have been achieved through enterprise license acquisitions that are consolidated at the national level, which continue to result in cost savings and a standardized level of service for all VA facilities. Acquisitions that are being centrally managed include annual license and support fees for Microsoft, Rational, and Adobe LiveCycle Reader applications used across the enterprise. In FY 2010, $100.34 million is requested to support Microsoft, IBM Rational, and Adobe LiveCycle Reader licenses. The number of required licenses has increased due to a significant number of new hires across the agency and further implementation of office automation systems supporting critical business functions such as claims processing, document imaging, computerized cemetery records, electronic health records, etc. Annual licensing costs cover maintenance support, rights to upgrades and patches, training, and true-up licenses for newly acquired systems, including software licenses and client access licenses (CALs) for fundamental enterprise resources such as Microsoft Exchange, SQL, etc. The Microsoft Office suite of applications is installed on 300,000+ desktop and laptop machines in VA. These licenses are essential to the daily operation of the entire agency, enabling corporate functions such as email, office automation, database administration, and operating systems. Adobe LiveCycle Reader is widely used

for document management and communication. The IBM Rational suite of products is relied upon in the software development environment to improve the consistency and efficiency of application development efforts, and effectively align IT with business goals. The objectives of this enterprise licensing initiative are to achieve cost savings, employ fiscal discipline, improve standardization, conduct efficient contract management, and enhance lifecycle management practices across VA.

FY 2009 Standardization, Refresh and Replacements

In FY 2009, through the transfer of funds from Medical Services and the General Operation Expenses accounts, OI&T is implementing standardization, refresh and replacement of equipment to ensure IT equipments meets the day-to-day operation demands of our medical centers, regional offices, memorial services, and corporate offices to ensure the delivery of services to our Veterans.

PC Lease

VA supports over 260,000 desktop computers (PCs) across multiple points of service, from executive offices to hospital operating rooms. A standardized PC system provides life cycle management to ensuring the currency of systems used meet the growing demands of electronic healthcare and a configuration that meets the VA's goal of achieving the Gold Standard in Information Protection to guarantee the security of the Veteran's Personal Information. These requirements must be addressed as a predictable and calculable recurring cost to minimize the fluctuation of the equipment expenditure on year to year basis. VA must be able to fully equip VA staff with the necessary desktop computers that can be economically and securely maintained and supported. The PC Lease, a phased replacement of PCs across VA, enables VA to meet service demand projections for enhancing patient care services, additional care for returning war Veterans, tele-radiology and remote medical services, and to keep sensitive Veteran and employee data safe, secure, and confidential. This equipment is also needed for facility activations, like new community based outpatient clinics, and space renovations. Since VA converted to electronic records processing for medical records, the growth of the computing infrastructure has become a paramount concern for the IT operations of VA. The PC lease will provide site parity of computer equipment used to serve Veterans and their families. The Veteran will have standard up to date technology at all VA sites to be used by VA employees in meeting the Veteran's requirements. It provides computer resources required to support VA in provision of new and improved services to Veterans and their families.

Laptop Standardization

As the use of technology becomes more pervasive in the administration of health care clinicians are looking for alternatives to traditional desktop platforms. The adoption for Laptop computers used by healthcare professionals is growing at a quickening pace. Currently in VA there are dozens of different laptop brands and configurations in use. Having many different hardware platforms for laptops makes it hard to standardize on a standard configuration that includes Federal Desktop Core Configuration (FDCC) settings, patching and other enterprise standards. This level of standardization will increase our security posture, facilitate configuration management, and provide a more reliable solution on which clinicians depend to provide accurate and timely care. Standardization of this computing environment in VA is critical to the successful implementation of initiatives such as an electronic medical record, medical imaging and electronic data interchange. The portability of a computer device in producing Mobile Electronic Documentation (MED) is essential in our efforts to outreach healthcare to rural areas. A standard laptop creates a predictable platform that facilitates securing and managing these devices, which will provide VA employees directly servicing the Veteran more stability and reliability.

Videoconferencing Equipment

Since the mid-1990's, videoconferencing has been a staple communications product in most VAMCs. Initially introduced as a cost savings initiative to reduce employee travel, videoconferencing is now widely used for clinical consultation, mental health and numerous administrative functions. Even though a webcam can be purchased for less than $50 at the discount superstore of one's choosing, VA uses professional grade videoconferencing services that provide clinical quality sessions and medical provider collaboration tools. Since most of the effort over the past two years has been on provisioning new videoconferencing systems for telemental health programs, the maintenance and refreshment of the core fleet of greater than 3,500 videoconferencing endpoints has been neglected. An infusion of resources will facilitate the modernization of videoconferencing services in many settings across VHA. VHA has made a commitment to bringing healthcare services to the Veteran versus asking the Veteran to make long trips to receive his/her care. In many clinical settings, from subspecialty consultations, such as ophthalmology and dermatology, to mental health sessions, VAMCs make use of videoconferencing services to provide a personal visit while making best uses of scarce clinical resources. It is imperative that the videoconferencing equipment be of a high enough quality to closely simulate the environment that would be customarily shared by a Veteran and healthcare provider interacting with one another in the same room.

Printers and Scanners

Printers and scanners are output and input devices that expedite the production and sharing of documents. Due to the fact that the technology life cycle of these devices is longer than a desktop or laptop computer, many VAMCs have pushed the replacement of these tools to well beyond their economic life. Printers are especially vulnerable, seeing as that even though a printer may continue to work beyond five years, the toner cartridges and replacement parts kits become scarcer, which can become more expensive to replace than more current model supplies. There are greater than 110,000 printers and scanners in use across VA, and a targeted refreshment of these devices in high demand areas is beyond past due.

Even though the VHA operates a virtually paperless environment, not all Veterans have access to computers and the Internet. As such, Veterans depend on printed material for reminders about appointments, instructions to prepare for medical procedures and pharmaceutical instructions. Scanners are also used in the background to ensure the accurate capture of Veterans' health information from non-VA healthcare settings and for the mass capture and recording of healthcare claims for programs such as Civilian Health and Medical Program Veterans Affairs (CHAMPVA).

PBX Replacement

Private Branch Exchange (PBX), also referred to as a "telephone switch", is the system that provides voice services within a facility as well as inbound/outbound service. A significant number of these telephony systems are beyond their life expectancy and are at risk of failure— with some preventable failures having already occurred. The optimum system life cycle for a PBX is eight to ten years. Of the three hundred major systems in VA, there are 28 that are 13 years old or more, 79 that are between 10 and 12 years old and 96 that are between 5 and 9 years old. A "ground up" inventory has been undertaken to chart the current state of the infrastructure, identify existing risks and prioritize replacement. In order to remediate existing emergent situations and avoid others, VA plans to invest more in this area over the next few years.

The facility telephone systems are obviously essential to the operations at that location. Interruptions in voice service not only profoundly disrupt the business of providing services to the Veteran. Amongst the service impacts can be degraded ability of health care providers to contact each other or Veteran patients, disrupting communication related to claims processing. Facility call center and telephony application functions are also disrupted including services like the scheduling of or reminder about appointments, patients trying to refill prescriptions and the routing of general Veteran questions communications. Public address and nurse call systems are normally tied to the voice switch (PBX).

This page intentionally left blank

Information Protection

Information and Technology (Dollars in Thousands)					
		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Information Protection					
Cyber Security	**76,040**	**92,575**	**92,575**	**122,604**	**30,029**
Development	**19,651**	**17,372**	**17,372**	**37,393**	**20,021**
Personal Identification Verification (PIV)	19,651	17,372	17,372	17,893	521
Identity Access Management	0	0	0	19,500	19,500
Operations and Maintenance	**56,389**	**75,203**	**75,203**	**85,211**	**10,008**
Enterprise Cyber Security Program	56,384	75,035	75,035	85,038	10,003
E-Gov: E-Authentication	5	168	168	173	5
Privacy	**1,954**	**4,231**	**4,231**	**4,358**	**127**
Operations and Maintenance	**1,954**	**4,231**	**4,231**	**4,358**	**127**
E-FOIA	0	386	386	398	12
Enterprise Privacy Program	1,954	3,845	3,845	3,960	115

Due to the growing cyber security threats specifically targeting federal agencies including the VA, security measures must be enhanced to mitigate risk and protect sensitive information. A comprehensive Information Protection Program is essential to strengthen information security and protecting the personally identifiable information (PII) of Veterans, beneficiaries and VA employees.

The VA Information Protection and Risk Management (IPRM) Office has dedicated its resources and staff to addressing the increasing cyber threats by establishing an Information Protection Program aimed at achieving the 'Gold Standard', a risk-based approach for exceeding federal requirements. The program's mission promises to 'Serve our Veterans, their beneficiaries, employees, and all VA stakeholders by ensuring the confidentiality, integrity, and availability of VA sensitive information and information systems. To strengthen and ensure the program's mission, the IPRM Strategic Plan for FY 2009 – 2011 incorporates a set of five goals: (1) build a high performing organization, (2) be a part of VA business processes, (3) strengthen training and awareness, (4) ensure

governance and compliance, and (5) optimize tools and techniques to realize the mission.

Through this program, IPRM developed a detailed plan and is now implementing various initiatives to improve information security and privacy at VA. Some of those initiatives include: internship and awards programs for expanding the base of skilled professionals; role-based training to increase all VA employee education regarding responsibilities; an incident response team for identifying, reporting, and mitigating security breaches; contingency planning to ensure continued operations during a crisis situation; enhanced policies and procedures to close the gap on governance; increased communication and collaboration across teams for streamlined processes; and new tools and technology for improved protection. This program is the key to maintaining the confidence of the Veteran and beneficiary community, avoiding and preventing future breaches of personal information, and most importantly enabling the delivery of health care and benefits to our nation's Veterans and their beneficiaries.

VA's Information Protection Program supports VA in the following areas; Personal Identification Verification (PIV), Identity Access Management, Enterprise Cyber Security Program, E-Gov: E-Authentication, E-FOIA, and the Enterprise Privacy Program.

Benefit to the Veteran:

VA's Information Protection Program ensures the confidentiality, integrity and availability of all Veteran and beneficiary sensitive and personally identifiable information, networks, and systems. VA's ability to provide quality services improves by ensuring secure and consistent information and transactions. It reduces the use of Veteran Social Security Number use through the OneVA identifier that can be utilized for correlation of all other known electronic identities both within the VA and with external partners, such as DoD.

Benefit to the VA Organization:

The program decreases the risks to physical infrastructure, health care operations, and benefits processing as a result of a security breach. VA's Information Protection increases Veteran/public confidence in the quality of VA services. The likelihood of legal action as a result of a security breach against employees and the VA is reduced. The program enables strong information protection and risk management processes and procedures and anticipates new and changing information protection challenges. Information protection deficiencies are remediated through the

Data Security and Strengthening of Controls (DS-ASC) Program. It enables secure flexible work arrangements and consistent communications through the Remote Enterprise Security Compliance Update Environment (RESCUE). VA's Information Protection Program offers the ability to conduct virtual operations in crisis. Through training and awareness initiatives the program ensures that VA employees and all partners act responsibly to protect sensitive information. It ensures compliance with legislation and regulations: The Veterans Benefits, Healthcare, and Information Technology Act of 2006 (PL 109-461), the E-Government Act of 2002, which includes the Federal Information Security Management Act (FISMA); the Clinger Cohen Act, the Freedom of Information Act (FOIA), the Privacy Act, the Health Insurance Portability and Accountability Act (HIPAA), and National Archives Records Administration (NARA) regulations. Security and access to VA facilities and IT systems improves through the PIV Project. Business processes are improved, streamlined and modified due to the new electronic capabilities such as electronic signature and access provisioning.

Cyber Security Development:

Personal Identification Verification

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$19,651	$17,372	$17,372	$17,893	$521

The VA PIV Project establishes a comprehensive framework to enable the development, institutionalization, assessment, implementation, and ultimate compliance with Homeland Security Presidential Directive-12 (HSPD-12), Federal Information Processing Standards 201 (FIPS 201), the Federal Common Policy, and related standards which address the federal government's need for a standardized identity credential to be issued to all federal employees and contractors. The intent of this project is to enhance security, increase government efficiency, reduce identity fraud, and protect personal privacy by establishing a mandatory, government-wide standard for secure and reliable forms of identification issued by the federal government to its employees and contractors. The VA PIV System will implement PIV Card, PKI, and Identity and Access Management (IAM) services to meet the requirements of FIPS 201. The VA PIV System automates the enrollment and issuance processes for the PIV credential, manages the identities of cardholders, manages the lifecycle of the credential, provides data management and provisioning services for interfacing systems, and provides audit and reporting data on PIV System transactions and events. The system is also designed to deliver "security as a service," by integrating with the VA Enterprise Architecture service-oriented systems model. It provides an integrated standardized approach to the broad, diverse VA network and forwards the concepts embodied in the One-VA strategic goal. In doing so, the program intends to reduce the cost of ownership for identity services. Further, the initiative offers improved security of critical VA assets and extends broad protection for privacy and identity information maintained by VA.

Plans for FY 2009 and FY 2010:

- Fully implement VA's PIV System, to include PIV card use for logical access

Identity Access Management (Includes 10 Separate, but Inter-related Projects):

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$0	$0	$0	$19,500	$19,500

The Identity and Access Management (IAM) Portfolio is being improved to provide comprehensive and cohesive enterprise level IAM services that include a single VA enterprise level identifier for Veterans, employees and all persons of interest to the VA. It will also provide the ability for each individual's enterprise level identity to be correlated to the multiple VA identifiers currently in use as well as the Department of Defense identifier. It will also provide a standardized proofing process, and a provisioning solution to automate the process of granting electronic access to VA resources. The security mechanisms for these items will also be enhanced by an enterprise level security framework and an auditing and compliance component. Building upon this foundation the VA will be able to provide services such as single sign on, federated sign on, PKI enablement, and electronic signature. These features will allow for the automation of many business processes and the potential for many to become truly paperless. Overall, the IAM portfolio will improve the accuracy and security of electronic transactions, while increasing the number and type of electronic services offered, the simplicity of utilizing these electronic services, and the satisfaction of our Veteran customers.

Plans for FY 2009 and FY 2010:

- Stand up an enterprise-wide IAM program

Cyber Security Operations and Maintenance:

Enterprise Cyber Security Program

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$56,384	$75,035	$75,035	$85,038	$10,003

The Enterprise Cyber Security Program (ECSP) enables the timely and trusted operation of IT services, while providing assurance that cyber security controls are in place to protect automated information systems from fraud, waste, and abuse. The Program incorporates governance and compliance, risk management, incident response, business continuity, critical infrastructure protection, and training initiatives. The Enterprise Cyber Security Program

integrates a continuous cycle of performance measurement, risk assessment and threat mitigation to ensure that information protection complements VA business operations and is integrated throughout the lifecycle of VA operating systems and software.

The Data Security Assessment and Strengthening of Controls (DS-ASC) Program, a component of the Enterprise Cyber Security Program, is the comprehensive, enterprise-wide approach to closing VA Office of Inspector General (OIG information security deficiencies and achieving the Gold Standard for Information Protection. The DS-ASC program delivers structured planning assistance, project management tools and templates, and a master schedule for tracking and reporting progress. This includes remediation related to FISMA, Consolidated Financial Statement Audit (CFSA), and Government Accountability Office (GAO) information security findings. This effort already has led to the successful closure of over 27 noted deficiencies.

VA takes swift and immediate action to remediate the cause of any data breach and to alleviate any further loss of data. VA proactively develops and maintains tools, policies and procedures to improve how the VA responds to potential data breach incidents and system outages that could adversely affect operations. Data breach analyses are conducted to ascertain what corrective action must be taken to safeguard compromised information. VA developed and executed a new incident response program, reporting over 4,000 incidents to the United States Computer Emergency Readiness Team (US CERT) in FY 2008 alone. In addition, VA is developing the VA Incident Response Tracking System (VIRTS) to integrate VA's multiple response systems into one incident and response communication stream appropriate for executive management decision making. VA also released Version 2 of the Formal Event Review Evaluation Tool (FERET) tool to triage the incidents, as well as measure the risk of security incidents.

The Network and Security Operations Center (NSOC) provides a centralized incident response and recovery capability as well as other enterprise network and security services, such as, firewall management; intrusion detection and prevention monitoring; domain naming system management; content filtering; patch management; anti-virus program; and the full time monitoring of the core VA infrastructure. Through the NSOC, VA recently launched the Remote Enterprise Security Compliance Update Environment (RESCUE), a remote access capability, to allow constant communications for staff with flexible work arrangements, as well as fast connectivity for VA's geographically dispersed organization. RESCUE's implementation has also been responsible for remediating non-compliant equipment.

The ECSP implemented several technologies to secure and encrypt hard drives, encrypt passwords, secure emails, and secure ports. ECSP will continue to identify new technologies to proactively secure VA information and information systems.

The ECSP ensures IT contingency planning, emergency management, continuity of operations, disaster assistance and recovery by the identification of all essential IT functions and critical systems. The program maintains the alternate continuity of operations site for use in the event of a disaster and participates in VA related continuity of operations program activities. The program also works with VA offices and administrations to ensure VA has reliable emergency communications architecture to meet all IT/communication requirements during any type of emergency/disaster. It also is the lead organization for VA in its participation in Federal memorandums of understanding (MOUs) and interagency agreements on the Federal Government-wide Disaster Assistance Improvement Program (DAIP) designed to improve Federal government disaster assistance programs. The ECSP launched an IT Contingency Planning Assessment (ITCPA) process and toolkit to ensure that VA prioritizes its resources and responses in the event of a disaster. The ITCPA is a four-step process that defines requirements for specific IT contingency planning documents, including IT Contingency Plans (ITCPs) and Disaster Recovery Plans (DRPs).

VA ensures that the information security workforce achieves and maintains the necessary knowledge, skills, and abilities to effectively minimize and mitigate risks. This is done through the development and execution of information security role based training and professionalization programs for staff with information security responsibilities. Additionally, the program develops and manages VA's annual information security awareness training, a requirement of FISMA. In 2008, VA developed and executed information security and privacy training courses for more than 250,000 VA employees, contractors, residents and volunteers. This includes implementing 23 new information security web-based training courses via the VA Learning Management System (LMS).

Additional FY 2008 accomplishments include:

- Partnered with the VA Office of Congressional and Legislative Affairs and the Office of General Counsel to write and publish VA's final regulation for Public Law 109-461
- Improved the VA FISMA score by at least 24 points through the completion of authority to operate (ATOs) for all systems, and

improvements to the certification and accreditation (C&A) and Plans of Action and Milestones (POA&Ms) processes
- Certified and accredited 100 percent VA operational systems(604 IT systems) in the requisite timeframe
- Ensured over 6,000 documents such as System Security Plans and IT Contingency Plans were loaded into a repository for the continuous monitoring
- Tested 95 percent of VA contingency plans
- Documented and managed more than 19,000 Plans of Actions and Milestones (POA&Ms). Many were closed and the rest are being categorized as national and local POA&Ms
- Improved the governance of the VA information security program by developing the Data Security – Assessment and Strengthening of Controls (DS-ASC) governance structure to ensure remediation of information security material weaknesses across the VA
- Initiated the intern program for the Information Security Officer (ISO) position by hiring over 50 interns to enhance information protection at the facility level
- Certified more than 1,249 Cyber Security Professionals (CSP) through CSP 100 training; more than 182 VA workers received their Certified Information Systems Security Professional (CISSP) designations

Plans for FY 2009 and FY 2010:

- Develop and implement a plan to address remaining FISMA compliance gaps especially in configuration management
- Identify and implement solutions to address POA&M deficiencies
- Leverage standard process to recertify and accredit systems every three years
- Continue developing Configuration Management Standards
- Develop professionalization programs for information protection professionals; including a VA IT Competency Model Project for the 2210 InfoSec Series, which includes developing role based training for the 2210 parenthetical
- Develop a cost-effective Information Risk Management framework to provide a disciplined approach to managing and mitigating information technology risks across VA starting with the Incident Response Governance Board
- Create an Automated Risk Management Tool for service disruptions reported through VA help desks
- Fully implement the VIRTS tool to facilitate incident tracking and provide enterprise view to executives
- Continue IT contingency planning efforts and yearly testing efforts

E-Gov: E-Authentication

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$5	$168	$168	$173	$5

The E-Authentication Federation allows VA to use identity credentials issued and managed by organizations within and outside the Federal government; thereby, relieving VA of much of the cost of providing its own identity management solutions. This initiative provides expertise, guidance, and documentation, including project planning and reporting templates.

Privacy Operations and Maintenance:

E-FOIA

	2008 Actual	2009 Budget Estimate	2009 Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$0	$386	$386	$398	$12

At the end of the 2007 calendar year, the President signed into law the OPEN Government Act which mandated agencies to improve their customer service in responding to Freedom of Information Act (FOIA) requests. During FY 2008, VA issued a contract for a web-based system to allow internal tracking of FOIA requests and provide the additional service of permitting the requestor to track the status of his/her request. This system will provide enhanced capability to allow ad hoc reporting of FOIA backlogs and timelines as provided in the law. This FOIA tracking system also includes capabilities to furnish boiler plate letters to respond to similar FOIA requests and can store documents to ensure that requests for the same type of information can be accessed more quickly. Training on the use of this system will also provide a repeatable process that both assists in training and in responding to FOIA requests as turnover occurs. As one of the largest agencies responsible for FOIA responses, the adoption of this new technology will permit VA to start a "best practice" government-wide in responding both to its Veterans and to its citizens.

FY 2008 Accomplishments:

- Reduced the agency's Freedom of Information Act (FOIA) request backlog by 68 percent
- Began implementing automated FOIA tracking system to improve responsiveness

- Enhanced FOIA website which, in its report in March, 2008, the NSA rated VA's improved website among the top five in the Federal Government

Plans for FY 2009 and FY 2010:

- Continue to reduce the agency's (FOIA) request backlog
- Implement automated FOIA tracking system to improve responsiveness and transparency

The Enterprise Privacy Program

		2009			
	2008 Actual	Budget Estimate	Current Estimate	2010 Estimate	Increase / Decrease
Appropriations ($000)	$1,954	$3,845	$3,845	$3,960	$115

The Enterprise Privacy Program (EPP) provides and implements policies for the protection of confidential information for Veterans, beneficiaries and VA employees, to improve VA's data management, and ensure compliance to federal and VA-specific privacy requirements and legislation, such as the Health Insurance Portability and Accountability Act (HIPAA), Privacy Act of 1974, FOIA and E-Government Act of 2002, Personally Identifiable Information (PII) and Protected Health Information (PHI) requirements.

The EPP plans and incorporates privacy management and controls into the business of VA. The Enterprise Privacy Program facilitates Departmental objectives through the following efforts:

- Integrates EPP within VA Enterprise Architecture (EA) and new VA systems, processes, and products throughout the investment life cycle;
- Provides internal education and outreach to instill a culture of privacy and respect for fair information principles across the VA;
- Conducts E-government Act of 2002, FISMA Privacy Impact Assessments (PIA) review processes, risk assessments, and mitigation strategies;
- Manages a tracking tool to assess privacy violations and provide trend analyses;
- Creates business agreements with other agencies for privacy sharing arrangements;
- Maintains a privacy web portal within the Office of Information Protection and Risk Management (OIPRM) information assurance portal;
- Chairs the Privacy Steering Committee to encourage Department-wide collaboration of VA privacy initiatives and practices; and
- Defines a career path to establish a common body of knowledge for Privacy Officers.

VA continues to support the professionalization of the privacy officer role in the organization and now has over 75 Certified Information Privacy Professionals (CIPP) within the VA. The Privacy Service continues to reach out to staff across VA through surveys, a web presence, conferences, and awareness campaigns achieving unprecedented levels of measurable privacy awareness. Acting on an OMB mandate, the EPP has led the Department in identifying, analyzing and reducing the unnecessary collection and use of Social Security Numbers. Under intensified requirements, the EPP successfully planned, designed, and ramped up its PIA program to move from 41 PIA's processed in FY 2007 to over 640 PIAs in FY 2008 – a massive, unplanned effort. Additional accomplishments include:

- Published VA Handbook Section 6502.1, a component of the VA Privacy Program;
- Began the creation of a data type inventory related to SORN and systems with the intention of using this to validate privacy impact assessments;
- Updated guidance on the Privacy Violation Tracking System (PVTS), a VA-wide, centralized, auditable database that documents all potential privacy complaints and violations received or observed by Privacy Officers;
- Increased privacy awareness through conferences, communication events, training, and the creation and distribution of communication materials;
- Conducted bi-annual Privacy Awareness Surveys to assess employees' awareness levels of Privacy Service tools and resources and their effectiveness;
- Supported the movement of online privacy awareness training to two platforms to allow for better and easier tracking of privacy training compliance; and presented privacy awareness training at VACO new hire orientation;
- Promoted the important role of the Privacy Officer to employees through events such as Information Protection Week and Privacy Day, which resulted in a 13.4 percent increase in the percent of employees who were aware of the role; and
- Initiated the recommendation for Full-Time Privacy Officers to 55 and created and distributed supporting Privacy Officer resource materials.

Plans for FY 2009 and FY 2010:

- Finalize the Privacy Officer Certification program
- Continue work on the Data Classification and Inventory project to increase VA's ability to protect sensitive data
- Improve privacy compliance
- Conduct PIAs on minor applications to determine data sensitivity issues
- Improve privacy risk management
- Update privacy training modules and pursue 100% training compliance.

Discovery/E-Discovery

The Federal Rules of Civil Procedure were amended to include the search and furnishing of documents and electronic information maintained by an agency that is related to pending litigation. Guidance on implementing these amendments as interpreted by Federal Courts needs to be published and disseminated to ensure that all agency personnel are familiar with the latest Statutory and legal requirements. The Office of General Counsel (OGC) and the FOIA Service are coordinating activities to release new guidance documents including a Handbook on procedures to be followed both by the legal teams involved and the Information Technology (IT) teams charged with determining what information can be furnished and approximate costs of complying with specific Discovery production requests.

FY 2008 Accomplishments:

- Coordinated with the General Counsel's office and the Administrations to respond to discovery motions from Veterans for Common Sense
- Drafted guidance on e-Discovery to comply with Federal Rules of Civil Procedure and initiated review of draft

Plans for FY 2009 and FY 2010:

- Publish directive and handbook under the overall coordination of the Office of General Counsel. Privacy and FOIA Services and OI&T operations will be working to provide step by step instructions on handling a Litigation Hold
- Develop appropriate internal coordination to ensure that operations and the OGC cooperate in the production of documents subject to Discovery
- Conduct reviews to evaluate performance and compliance with the mandates under the Federal Rules of Civil Procedure

Records Management/Electronic Records

The VA Records Management program oversees requirements for agencies to inventory, record, and schedule their records systems (including electronic records). The Federal Records Act (FRA) also provides penalties in the event of misuse or violations. In light of concerns over the protection and retention of federal records, VA is complying with the latest direction from the Office of Management and Budget and the National Archives and Records Administration (NARA). The goal is to create an Electronic Records System that will allow all types of federal records to be kept and recorded

electronically and allow those records to be scheduled in accordance with published Records Schedules. The VA will focus on developing an Electronic Records Management System to capture, index, and reference its records and their disposition throughout their life cycle.

The Records Management program ensures that the Directives issued by the VA are current (less than five years old) and are disseminated throughout the VA in accordance with the Records Acts and the Administrative Procedures Act. The Program reviews and assists offices to ensure that Directives are in accordance with VA policies, as well as identifies and notifies offices of Directives that are out of date to ensure that they are amended accordingly. Out of date Directives was cited by the Inspector General as a deficiency in VA's ability to comply with the FISMA. The Records Management program has reviewed and approved 68 directives and handbooks.

In addition, the Records Management program:

- Ensures that System of Records Notices (SORNs) are reviewed and updated
- Reviews Information Collection Requests (ICRs) to ensure that they are in compliance with the Paperwork Reduction Act and that PII is collected in accordance with mission requirements. Reviews of ICRs are required every three years and new collections need to be approved by OMB
- Reviews and approves Requests for Names and Addresses (RONAs) to ensure that they are in compliance with Federal Statutes

FY 2008 Accomplishments:

- Began developing guidelines on the creation, maintenance, indexing, storage, and retention/disposal of records maintained by the VA, including electronic mail, electronic databases, video, and other media. A records inventory was completed and a Records Schedule established for (005) to ensure that requirements for electronic records were included in the retention schedules
- Established a coordinating team comprised of offices and Administration within headquarters to inform them of amendments to the laws and to monitor progress to achieving NARA's goals
- Developed guidance requiring all guidance to be updated by May 2009
- Reviewed 100% of VA's SORNs and updated and published 20% of them in the Federal Register

Plans for FY 2009 and FY 2010:

- Update the guidance to ensure that electronic records and other media are provided schedules that can be approved by NARA.

Office of Information and Technology Oversight and Compliance (ITOC)

ITOC provides a Strategic Tool for the Secretary of VA to "measure how well VA's facilities comply with legislative, federal government oversight, and VA policies, procedures, and practices as they relate to data management and control" in the areas of records management, privacy, research, physical IT security, and IT security programs; and provides a tactical tool for the Assistant Secretary for Information and Technology (Chief Information Officer) to proactively enforce compliance and correct VA's deficiencies identified by both the United States' Inspector General (IG) and the General Accountability Office (GAO). It is also responsible for providing an impartial and unbiased perspective in the areas of vulnerability scanning, External Threat Assessments (ETA), and computer forensics without prejudice.

Oversight and Compliance Development Operations and Maintenance:

ITOC Assessments

Assessments are vital in the effort to strengthen VA records management, privacy and security programs and practices. Due to the large volume of sensitive information received, processed, and disseminated throughout the VA, it is critical that VA has effective information management policies and that these policies are strictly adhered to. The assessments completed by this office will facilitate VA's reporting response to requirements by legislation such as the Federal Information Security Management Act of 2002; Privacy Act of 1974; and the Health Insurance Portability and Accountability Act of 1996.

Benefit to the Veteran:

ITOC Assessments enhance security capabilities that reaffirm VA's commitment to the security and safeguarding of Veterans' personal information and prevent future data losses. These assessments increase awareness and fosters a culture that is informed about the importance of complying with polices in place to protect Veterans.

Benefit to VA Organization:

These assessments ensure all Administrations are properly maintaining security safeguards and are adhering to effective information management policies and procedures that are in compliance with legislative and regulatory requirements. The assessments proactively address issues before they become problems and provide facilities nationwide with observations found, remediation steps, and an action plan to prevent recurrent deficiencies. VA Administrations are able to share INFOSEC best practices. Assessments assist VA in achieving effective information management, thereby improving FISMA scores which will ultimately prevent large data loss incidents; and ensure that internal controls are sufficient. Security Controls are indentified that require a national solution for remediation to the CIO for resolution. ITOC collaborates with IPRM to actively participate in the Certification and Accreditation (C&A) of VA systems as well as collaborate with OI&T to develop recommendations to the appropriate VA entities addressing critical issues [i.e. System boundary identification and control (Universities, Research); identification and categorization of VA data contained within data centers; etc.] Assessments support the identification of VA systems in the VA official database (SMART).

FY 2008 Accomplishments:

- Performed independent assessments of all VA Administrations in 2008 - 453 first time visits, 78 reassessments, together totaling 531 visits. The purpose of these assessments was to evaluate each facility's compliance with all security, privacy, research, information security, and records management requirements. Particular focus was on compliance with the National Institute for Standards and Technology (NIST) standards, specifically Special Publication (SP) 800-53a, Recommended Security Controls for Federal Information Systems.
- Performed a comprehensive IT Inventory Assessment at VACO in response to a General Accounting Office recommendation, providing substantive proof that the VA is complying with its recommendation to work to improve its Inventory Management.
- Executed Hines VBA Payment History Data assessment: Deployed teams, consisting of 20+ personnel, without notice to three locations (Hines, Austin, and Philadelphia) simultaneously to assess the distribution of CDs from VBA Information Technology Centers (ITCs). Information acquired and documented by ITOC utilized by OI&T management to conduct risk analysis. Performed a comprehensive fact-finding assessment to evaluate the process used to distribute the Payment History File data on CDs, and to determine a way to obtain the most accurate inventory of these CDs at all Regional Offices. As a

result, VBA sites have destroyed all CDs, moved to the online system, and properly secured remaining microfiche-based information.

- Successfully pursued a partnership with the National Archives and Records Administration in an effort to help increase VA's knowledge-base in the area of Records Management. ITOC was successful in negotiating a special agreement with NARA to develop and implement a pilot training program to approximately 70 ITOC employees, allowing for all participants to receive NARA's Certificate Program in Federal Records Management.
- Provided overall support to VA's 2008 Certification and Accreditation endeavor, resulting in the effective and timely completion of the effort by providing appropriate government oversight during the process.

Plans for FY 2009 and FY 2010:

- Conduct first time assessments, required reassessments, and special assessments across all VA Administrations.
- Update ITOC assessment tool to reflect constantly changing federal mandates and VA policies and directives.
- In coordination with the OI&T and facilities, develop an approach for addressing remediation requirements through additional specialized teams within the ITOC.
- Provide overall support to VA's Certification and Accreditation endeavor in accordance with The Office of Management and Budget (OMB) Circular A-130, Appendix III, Security of Federal Information Resources. This requires agencies to perform a review of security controls within each information system and formally approve the system's operation.
- Continue to reduce the risk and liability to VA Administrations and Veterans by improving overall VA security

Office of Oversight and Compliance

Emergency Response Team (ERT)

The ERT deepens the understanding of options available to adaptive adversaries and both complements and informs IT staff of evolving threats. The ERT challenges emerging operational concepts in order to discover weaknesses before real adversaries do. In addition it reduces the complacency exacerbated by the over-reliance on technology to secure IT assets and provides a means to improve the enterprise security posture and to provide assistance in the event of a compromise.

The ERT is the CIO's independent and objective organization/tool to support vulnerability scanning, External Threat Assessments (ETA), and computer forensics as a national asset. The capability is available as a service to the VA as a whole, providing External Threat Assessments (ETA), vulnerability assessments, and computer forensics on a formal, management approved tasking by the Secretary, Deputy Secretary, VA CIO or Executive Director ITOC.

Benefit to the Veteran:

The Emergency Response Teams increase, enhance, and improve the security posture of the VA. Business processes can be improved and modified due to the evolving threats exposing internal and external vulnerabilities. Security capabilities are increased across all services affording the Veteran more confidence in the security and safeguarding of their personal or health related information

Benefit to the VA Organization:

The ERT remediates multiple IT weaknesses and increases flexibility and adaptability, integrating both internal and external partners. The team increases security, auditing and compliance capabilities as well as management level reporting capabilities. The ERT ensures compliance with Federal mandates - Federal Information Security Management Act of 2002; National Institute of Standards and Technology (NIST) Federal Information Processing Standards (FIPS) Publication 200; the associated NIST Special Publication (SP) 800-53a; Privacy Act of 1974; the Health Insurance Portability and Accountability Act of 1996; National Archives and Records Administration regulations; and VA directives, policies and procedures. Flexibility and adaptability increase, integrating both internal and external government partners. ERT improves multiple business processes, providing reduced costs and as well as improves security and access to VA facilities and IT systems.

Computer Forensics

Digital forensics consisting of preserving, identifying, extracting, downloading, copying, translating analyzing, and documenting digital evidence in the form of magnetically, optically, or electronically stored media. The concept is a technological, systematic inspection of the computer system and its contents for evidence or supportive evidence of a crime or other computer misuse.

FY 2008 Accomplishments:

- Chicago, IL; CD analysis, three week endeavor
- Boston, MA; PII analysis on Mac and Dell computers
- Bath, NY; PII analysis on laptop

- Washington, DC; wireless scan of VACO and surrounding campus
- Washington, DC; forensic analysis of Mac laptop
- Falling Waters, WV; Mac Server analysis
- Falling Waters, WV; forensic validation of media sanitization
- Baltimore, MD; ORD forensic analysis of rogue web server
- Sacramento, CA; RDPC analysis/assessment

FY 2009 Accomplishments:

- Malware Analysis – conducted specific investigations with regard to the placement of damaging malicious software designed to infiltrate or damage a computer system without the owner's informed consent by unauthorized parties. Malware includes computer viruses, worms, trojan horses, most rootkits, spyware, dishonest adware, and other malicious and unwanted software.
  - Miami, FL; Multi agency task force
  - Long Beach, CA
  - West Haven, CT

Plans for FY 2009 and FY 2010:

- Continue to provide an impartial and unbiased perspective in the area of computer forensics to internal VA stakeholders.
- Continue Malware Analysis

External Threat Assessments

Cumulated threats pose significant risk to IT systems by exposing known and unknown vulnerabilities that possess the potential to disrupt healthcare operations and could impact patient care, financial integrity, legal protections, human safety, personal privacy, and erode public trust in VA. Furthermore, these threats may undermine the VA's practice of maintaining the confidentiality, integrity, availability, and privacy of Veterans' data. Using both active and passive capabilities to perform vulnerability assessments and External Threat Assessments (ETA) of VA information technology (IT) assets provided by this team will help create a more secure healthcare environment.

FY 2008 Accomplishments:

- Dayton, Ohio
- Washington, DC
- Biloxi MS
- Charleston, SC
- Miami, FL
- Lebanon, PA
- Hines, IL

FY 2009 Accomplishments:

- Malware Analysis
  - Miami, FL; Multi agency task force
  - Long Beach, CA
  - West Haven, CT

Plans for FY 2009 and FY 2010:

- Continue to provide an impartial and unbiased perspective in the areas of vulnerability scanning and External Threat Assessments (ETA to internal VA stakeholders.
- Continue Malware Analysis at various VA Medical Centers, Regional Offices, Data Centers and Administrative offices

This page intentionally left blank.

Appendix A
Project Listing

Information and Technology
FY 2010 Budget Request
(Dollars in Thousands)

		FY 2009			
	FY 2008 Actuals	Budget Estimate	Current Estimate	FY 2010 Estimate	Increase / Decrease
VETERAN IT SYSTEMS					
Medical	**$1,005,353**	**$1,152,000**	**$1,404,190**	**$1,559,243**	**$155,053**
Development	**$277,766**	**$354,228**	**$426,190**	**$446,570**	**$20,380**
VistA Application Development	72,796	104,721	124,471	107,859	-16,612
VistA Foundations Modernization	80,749	94,966	128,718	125,202	-3,516
Enrollment Enhancements	13,321	15,637	16,637	17,287	650
Scheduling Replacement	27,702	29,909	30,909	46,476	15,567
Health Data Repository	37,035	24,830	24,830	41,495	16,665
MyHealth*e*Vet	13,106	18,427	18,427	20,840	2,413
Pharmacy Reengineering	10,021	17,234	32,234	20,561	-11,673
Blood Bank	2,573	809	2,269	1,923	-346
VistA Laboratory IS Reengineering	8,200	29,057	29,057	32,389	3,332
VHIT Program Support	11,767	5,638	5,638	5,638	0
Revenue Improvements and System Enhancements (RISE)	496	1,000	1,000	12,000	11,000
Medical Center Innovations	0	12,000	12,000	10,000	-2,000
Compensation and Pension Record Interchange (CAPRI) Maintenance, Tactical Enhancement and Strategic Engineering	0	0	0	4,900	4,900
Operations and Maintenance	**727,587**	**797,772**	**978,000**	**1,112,673**	**134,673**
Allocation Resource Center (ARC)	935	980	980	3,209	2,229
Consolidated Patient Account Center	0	0	0	3,430	3,430
Decision Support System (Legacy)	16,540	18,600	18,600	19,238	638
Enrollment Operations and Maintenance	626	0	0	270	270
Federal Health Information Exchange	3,153	6,030	6,030	6,211	181
E-Gov: Federal Health Architecture LoB	2,861	1,936	1,936	1,994	58
Health Administration Center (HAC) IT Operations	5,862	16,266	16,266	12,020	-4,246
Health Revenue Center	0	0	0	5,000	5,000
Medical and Prosthetic Research	9,564	14,500	14,500	16,605	2,105
VistA Imaging	15,184	14,000	14,000	14,880	880
VistA Legacy	98,046	99,000	112,596	115,950	3,354
Small/Other - Financial Systems	12,768	23,390	23,390	40,000	16,610
VA Learning Management System (FY 09: Moved to Human Capital)	4,146	0	0	0	0
Regional Data Processing Center	16,229	30,000	30,000	33,000	3,000
Medical Program IT Support	541,673	573,070	739,702	840,866	101,164

Information and Technology
FY 2010 Budget Request
(Dollars in Thousands)

		FY 2009			
	FY 2008 Actuals	Budget Estimate	Current Estimate	FY 2010 Estimate	Increase / Decrease
Compensation and Pension	**84,083**	**119,805**	**136,464**	**292,182**	**155,718**
Development	**30,029**	**41,240**	**47,399**	**186,157**	**138,758**
VETSNET (FY 2009 Current Estimate includes addtl. supplemental funding of $100,000 from The American Recovery and Reinvestment Act Supplemental fund, P.L. 111-5)	24,293	23,840	28,499	24,555	-3,944
Virtual VA	5,736	17,400	17,400	17,922	522
Paperless Delivery of Veterans Benefits Initiative (FY 2009 Current Estimate $1.5 million from the American Recovery and Reinvestment Act, P.L. 111-5)	0	0	1,500	143,680	142,180
Operations and Maintenance	**54,054**	**78,565**	**89,065**	**106,025**	**16,960**
BDN Maintenance and Operations	5,917	7,200	7,200	7,416	216
Program Integrity/Data Management	9,863	12,306	12,306	14,861	2,555
Beneficiary Identification Records Locator Subsystem/Veterans Assistance Discharge System (BIRLS/VADS)	3,188	3,310	3,310	3,997	687
Corporate Database and Engineering Support	0	3,531	7,031	4,264	-2,767
VBA/C&P Application Maintenance	2,500	993	2,993	1,023	-1,970
Benefits IT Support	32,586	51,225	56,225	74,464	18,239
Education	**10,028**	**7,429**	**50,670**	**4,557**	**-46,113**
Development	**3,678**	**5,259**	**48,500**	**1,937**	**-46,563**
Chapter 33 (FY 2009 Current Estimate: $48.5M American Recovery and Reinvestment Act, P.L. 111-5)	0	0	48,500	0	-48,500
The Education Expert System (TEES)	3,678	5,259	0	1,937	1,937
Operations and Maintenance	**6,350**	**2,170**	**2,170**	**2,620**	**450**
BDN Maintenance and Operations	493	0	0	0	0
Education Application Maintenance	2,169	2,170	2,170	2,620	450
Education Program IT Support	3,688	0	0	0	0
Vocational Rehabilitation	**7,538**	**4,600**	**4,600**	**5,809**	**1,209**
Development	**0**	**1,860**	**1,860**	**2,500**	**640**
VR&E Quality Assurance Information Technology Initiative	0	0	0	500	500
CWINRS Upgrade	0	1,860	1,860	2,000	140
Operations and Maintenance	**7,538**	**2,740**	**2,740**	**3,309**	**569**
BDN Maintenance and Operations	70	0	0	0	0
VR&E Application Maintenance	2,271	2,740	2,740	3,309	569
Vocational Rehabilitation Program IT Support	5,197	0	0	0	0

Information and Technology
FY 2010 Budget Request
(Dollars in Thousands)

	FY 2008 Actuals	FY 2009 Budget Estimate	FY 2009 Current Estimate	FY 2010 Estimate	Increase / Decrease
Insurance	**66**	**66**	**66**	**80**	**14**
Operations and Maintenance	**66**	**66**	**66**	**80**	**14**
Insurance Application Maintenance	66	66	66	80	14
Burial	**5,373**	**6,343**	**6,343**	**6,533**	**190**
Development	**439**	**300**	**800**	**809**	**9**
NCA Memorial Development Support	439	300	800	809	9
Operations and Maintenance	**4,934**	**6,043**	**5,543**	**5,724**	**181**
NCA Small/Other	411	1,003	503	533	30
Burial Operations Support System (BOSS)	200	200	200	206	6
Automated Monument Application System (AMAS)	90	90	90	93	3
Burial Program IT Support	4,233	4,750	4,750	4,893	143
***Veteran IT Systems* Subtotal**	**$1,112,441**	**$1,290,243**	**$1,602,333**	**$1,868,405**	**$266,072**
CORPORATE IT SYSTEMS					
Corporate Management	**5,051**	**751**	**751**	**774**	**23**
Development	**5,051**	**751**	**751**	**774**	**23**
Document and Correspondence Management System (DCMS)	338	751	751	774	23
Logistics Systems	4,713	0	0	0	0
Financial Resources Management	**60,199**	**107,003**	**84,328**	**118,055**	**33,727**
Development	**32,250**	**49,800**	**55,319**	**85,623**	**30,304**
Financial and Logistics Integrated Technology Enterprise (FLITE)	21,931	42,481	48,000	85,623	37,623
E-Payroll	10,319	7,319	7,319	0	-7,319
Operations and Maintenance	**27,949**	**57,203**	**29,009**	**32,432**	**3,423**
Financial Management System (FMS)	11,319	13,860	12,076	14,276	2,200
Miscellaneous Obligations Improvements			1,500	0	-1,500
E-Gov: Financial Management LoB	143	143	143	147	4
E-Gov: Budget Formulation and Execution LoB	85	95	95	98	3
Budget Formulation & Execution System (BFEM)			90	0	-90
Payroll/HR Systems	13,835	40,400	12,230	15,125	2,895
E-Gov: E-Payroll	0	0	170	0	-170
VA-Wide e-Travel Solution	2,567	1,365	2,705	2,786	81
E-Gov: E-Travel	0	1,340	0	0	0

Information and Technology
FY 2010 Budget Request
(Dollars in Thousands)

	FY 2008 Actuals	FY 2009 Budget Estimate	FY 2009 Current Estimate	FY 2010 Estimate	Increase / Decrease
Asset Management	**2,132**	**3,072**	**3,072**	**3,164**	**92**
Operations and Maintenance	**2,132**	**3,072**	**3,072**	**3,164**	**92**
Capital Asset Management System (CAMS)	1,656	2,596	2,596	2,674	78
E-Gov: Disaster Assistance Improvement Plan	476	476	476	490	14
Human Capital Management	**32,170**	**56,800**	**53,333**	**33,434**	**-19,899**
Development	**29,884**	**44,563**	**44,563**	**8,487**	**-36,076**
Human Resource Management LoB - Human Resources Information System (HRIS) Services Component	4,425	32,580	32,580	8,487	-24,093
Electronic Human Resources Initiative (EHRI) *(moved to O&M in 2010)*	21,073	5,451	5,451	0	-5,451
USA Staffing *(moved to O&M in 2010)*	2,886	4,893	4,893	0	-4,893
Automated Position Management System (APMS) *(moved to O&M in 2010)*	1,500	1,639	1,639	0	-1,639
Operations and Maintenance	**2,286**	**12,237**	**8,770**	**24,947**	**16,177**
IT Support of HR&A	-1,805	3,467	0	3,571	3,571
VA Learning Management System	0	4,633	4,633	4,772	139
Automated Position Management System (APMS) *(moved from Development to O&M in 2010)*	0	0	0	1,688	1,688
Electronic Human Resources Initiative (EHRI - eOPF component) *(moved from Development to O&M in 2010)*	0	0	0	5,615	5,615
USA Staffing *(moved from Development to O&M in 2010)*	0	0	0	5,040	5,040
E-Gov: E-Training	2,693	2,693	2,693	2,774	81
E-Gov: Recruitment One-Stop	858	893	893	920	27
E-Gov: Enterprise Human Resources Integration (EHRI) (Initiative Analytical Reports Component)	279	290	290	299	9
E-Gov: Human Resource Management LoB (PM Support Fee to OPM Component)	261	261	261	269	8

Information and Technology
FY 2010 Budget Request
(Dollars in Thousands)

	FY 2008 Actuals	FY 2009 Budget Estimate	FY 2009 Current Estimate	FY 2010 Estimate	Increase / Decrease
Corporate IT Systems	**123,988**	**136,079**	**145,012**	**184,806**	**39,794**
Operations and Maintenance	**123,988**	**136,079**	**145,012**	**184,806**	**39,794**
Corporate IT Support	14,747	38,014	41,482	54,370	12,888
VA Operation Center, COOP Site B and Site C			0	3,800	3,800
IT Enterprise Strategy, Policy, Plans and Programs	4,686	10,377	10,377	10,688	311
Enterprise License Expenses	68,300	78,000	78,000	100,340	22,340
Enterprise Resource Management	0	9,688	15,153	15,608	455
E-Gov: IT Infrastructure	80	0	0	0	0
New/Expansion Services (Facility and Workload)	29,311	0	0	0	0
VA Enterprise Architecture	6,864	0	0	0	0
Cyber Security	**76,040**	**92,575**	**92,575**	**122,604**	**30,029**
Development	**19,651**	**17,372**	**17,372**	**37,393**	**20,021**
Personal Identification Verification (PIV)	19,651	17,372	17,372	17,893	521
Identity Access Management	0	0	0	19,500	19,500
Operations and Maintenance	**56,389**	**75,203**	**75,203**	**85,211**	**10,008**
Enterprise Cyber Security Program	56,384	75,035	75,035	85,038	10,003
E-Gov: E-Authentication	5	168	168	173	5
Privacy	**1,954**	**4,231**	**4,231**	**4,358**	**127**
Operations and Maintenance	**1,954**	**4,231**	**4,231**	**4,358**	**127**
E-FOIA	0	386	386	398	12
Enterprise Privacy Program	1,954	3,845	3,845	3,960	115
Electronic Records Management System					
Other	**14,459**	**22,075**	**55,311**	**32,576**	**-22,734**
Development	**3,504**	**19,801**	**53,036**	**30,235**	**-22,801**
Enterprise Development	0	5,465	38,700	0	-38,700
One VA Contact Management	0	7,349	7,349	15,759	8,410
One VA Eligibility and Registration	3,504	6,987	6,987	14,476	7,489
Operations and Maintenance	**10,955**	**2,274**	**2,275**	**2,341**	**67**
E-Gov: Integrated Acquisitions Environment	1,561	1,501	1,501	1,530	29
E-Gov: Gov Benefits	314	324	324	332	8
E-Gov: E-Rulemaking	135	82	82	46	-36
E-Gov: Grants.gov	134	130	130	41	-89
E-Gov: IAE - Loans and Grants	122	122	122	126	4
E-Gov: Business Gateway	120	72	72	60	-12
E-Gov: Grants Management LoB	28	28	28	32	4
E-Gov: Geospatial One-Stop	15	15	15	15	0
E-Gov: IT Infrastructure	0	0	0	160	160
OI&T Small/Other	8,525	0	0	0	0
Adjustment	-262	0	1	0	-1

Information and Technology
FY 2010 Budget Request
(Dollars in Thousands)

	FY 2008 Actuals	FY 2009 Budget Estimate	FY 2009 Current Estimate	FY 2010 Estimate	Increase / Decrease
Construction (FY 08)	-330	0	0	0	0
Corporate IT Systems Subtotal	**$315,401**	**$422,586**	**$438,613**	**$499,770**	**$61,158**
Total IT Activities	**$1,427,843**	**$1,712,829**	**$2,040,946**	**$2,368,175**	**$327,230**
Staffing & Administrative Payroll	**$685,765**	**$729,237**	**$757,237**	**$938,825**	**$181,588**
Total Budget Authority	**$2,113,608**	**$2,442,066**	**$2,798,183**	**$3,307,000**	**$508,818**
IT Activities Reimbursements	32,397	62,719	35,242	32,229	-3,013
Staffing Reimbursements	19,913	29,084	29,084	29,177	93
Total BA and Reimbursements	**$2,165,918**	**$2,533,869**	**$2,862,509**	**$3,368,406**	**$505,898**
Unobligated Balance Brought Forward of 2008/2009 available resources	6,508	0	224,517	0	-224,517
Chapter 33 Post 9/11 GI Bill (P.L. 110-252)	0	0	55,000	0	-55,000
OEF/OIF Supplemental no-yr fund for Paperless Delivery (P.L. 110-28)	-1,039	0	21,039	0	-21,039
TOTAL BUDGETARY RESOURCES	**$2,171,387**	**$2,533,869**	**$3,163,065**	**$3,368,406**	**$205,342**
BA FTE	6,169	6,538	6,538	7,338	800
Reimbursable FTE	179	242	242	242	**0**
Total FTE	**6,348**	**6,780**	**6,780**	**7,580**	**800**
Non-Pay Reimbursements	**$32,397**	**$62,719**	**$35,242**	**$32,229**	**-$3,013**
Enrollment Enhancements	1,008	2,098	3,136	2,886	-250
Medical Care Small/Other	0	125	0	0	0
Enrollment Operations and Maintenance	1,435	487	537	0	-537
Medical and Prosthetic Research	147	1,000	1,000	1,017	17
Benefits Support Service (Education Maintenance)	364	0	0	0	0
Benefits Processing and Workflow (Knowledge Mgmt - Housing Development)	0	1,860	1,860	1,892	32
Loan Guaranty Application Maintenance	0	6,935	6,935	7,178	243
Benefits Support Service (Loan Guaranty Maintenance)	7,792	14,128	14,128	14,100	-28
Benefits Support Service (Insurance Maintenance)	1,105	1,370	1,370	1,208	-162
IT Support for HR&A	3,753	3,882	3,882	3,948	66
IT Support (Housing and Insurance)	16,793	0	0	0	0
IT Support for Insurance		2,394	2,394	0	-2,394
IT Support for Franchise Fund	0	11,429	0	0	0
IT Support for Supply Fund	0	9,765	0	0	0
Corporate Management: Franchise Fund Systems	0	3,810	0	0	0
Corporate Management: Supply Fund Systems	0	3,436	0	0	0