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Health, Education and Human Services Division

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April 17, 1998

The Honorable Lane Evans
Ranking Minority Member
Committee on Veterans' Affairs
House of Representatives

Subject: The Veterans Benefits Administration: Clarifying Information on
Implementing the Results Act Performance Requirements

Dear Mr. Evans:

The enclosed information responds to your follow-up questions concerning the Subcommittee on Benefits' March 26, 1998, hearing on the Veterans Benefits Administration's (VBA) implementation of the Government Performance and Results Act of 1993 (commonly referred to as GPRA or the Results Act). This information supplements our testimony before the Subcommittee. Because of widespread congressional and executive agency interest in the Results Act, we will make copies of this correspondence available to others who are interested on request.

If you have any questions or would like to discuss this information further, please contact me on (202) 512-7101.

Sincerely yours,

Stephen P. Backhus
Director, Veterans' Affairs and
Military Health Care Issues

Enclosure

GAO/HEHS-98-149R VBA Results Act Implementation

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SUPPLEMENTAL INFORMATION ON
THE VETERANS BENEFITS ADMINISTRATION'S
IMPLEMENTATION OF THE RESULTS ACT

This enclosure details your questions and our responses, which supplement information in our testimony before the Subcommittee on Benefits, Veterans Benefits Administration: Progress and Challenges in Implementing the Results Act (GAO/T-HEHS-98-125, Mar. 26, 1998).

1. **Are you aware of any models for implementing GPRA or similar management programs which have successfully developed outcome goals for programs involving human services? Please describe these models.**

Federal agencies' planning efforts in implementing the Results Act are still very much a work in progress. We are continuing to assess federal agencies' implementation of the Results Act and are currently reviewing their performance plans. While we have found many strategic goals that did not focus on results, we identified some that were outcome-oriented. Specifically for programs involving human services, we reported in January 1998 that the Department of Health and Human Services (HHS) had identified goals that are largely focused on outcomes, such as reducing the use of illicit drugs and increasing the percentage of the nation's children and adults who have health insurance coverage.¹ Also, HHS has identified key measures of progress. For example, the two measures to determine the reduction of tobacco use are the rate of tobacco use among the young and the rate of smoking among adults.

2. **Should Congress have different standards for evaluating the performance of agencies whose results depend to a significant degree on human behavioral response in contrast to agencies which are dealing with technological or other results less dependent upon human behavior? Please explain your response.**

Moving agencies toward results-oriented management and associated performance measurements is a significant challenge regardless of whether the agencies are dealing with technological-based results or those dependent upon human behavior. As we reported in January 1998, many agencies that deal with diverse types of programs face difficult challenges in implementing the Results Act. We noted that officials at the Department of Energy stated that the development of performance measures is difficult—especially in the science area—and that they recognize the need to continually

¹Managing for Results: Agencies' Annual Performance Plans Can Help Address Strategic Planning Challenges (GAO/GGD-98-44, Jan. 30, 1998).

work to improve these measures. We believe that judging the success or failure of the Results Act should turn on the extent to which the information produced through the act's goal-setting and performance measurement practices—once those practices are successfully implemented—helps inform policy decisions and improve program management.

3. Describe all recommendations GAO has made concerning implementation of GPRA by the Veterans Benefits Administration which have not been accepted or fully implemented.

Since the Department of Veterans Affairs (VA) began its efforts to develop a departmentwide strategic plan last year, we have assessed VBA's progress in implementing the Results Act at the request of the Congress. While we have made no recommendations, we have examined VBA's progress and identified the challenges it is facing in its implementation efforts. We noted, for example, that the initial goals and measures for VBA programs, as stated in VA's June 1997 draft strategic plan, were process-oriented and did not reflect program results. We also pointed out that VBA needs to coordinate with other agencies that are critical to veterans' benefits programs, such as the Departments of Defense and Labor, to ensure high-quality service to veterans. We also noted that VBA needs to effectively measure and assess its performance in meeting its program goals.

As we noted in our testimony, VBA has made progress in setting goals, coordinating with agencies that support veterans' benefits programs, and measuring its programs' performance. For example, VBA is developing results-oriented goals and measures for each of its programs in response to concerns we and others have raised. We also stated, however, that VBA needs to continue the efforts it has under way to help ensure that it successfully implements the Results Act. While we thus believe that VBA has accepted the need to focus on the challenges we have identified, we also have stressed that the challenges VBA faces are significant and warrant its continued attention.

4. Are there any financial or other incentives which would encourage VA personnel to manipulate the end code data used in the VA computer system? How effective are current safeguards to prevent manipulation? Assess VA plans to make safeguards more effective and provide VA's effectiveness goal.

In February 1997, VA's Office of Inspector General (OIG) reported that VBA's data on claims-processing times were inaccurate and that it questioned the data reliability in the claims-processing reporting system. More recently, an ongoing OIG audit has found evidence of the manipulation of data by regional office staffs to give the

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appearance that claims were being processed more quickly than they really were. According to VBA's Chief Financial Officer, no financial or bonus programs are specifically tied to meeting timeliness goals; however, incentives to make timeliness performance appear to be better than it is may have been created indirectly because of the emphasis on timeliness. VBA is developing safeguards to prevent data manipulation, and its plans for addressing this issue are expected to be available in several months.

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