The AAC supports enhanced continuity of operations for mission-critical applications utilizing electronic vaulting of data. Responding to the increasing need for more rapid restoration times following emergency situations, electronic data vaulting provides an automated, off-site backup archive and retrieval of customer data. Mission-critical applications run at the AAC can be recovered at an alternate VA site within 12 hours of a declared disaster.

Information Technology Segment

By working closely with its customers, the AAC develops, supports and/or hosts a variety of VA applications that provide mission-critical data. The AAC also provides the Veterans Health Administration (VHA), Veterans Benefits Administration (VBA), and National Cemetery Administration (NCA) with IT services that support many of the key systems that directly support veterans.

- **MyHealtheVet** is an online environment whereby Web technology combines essential health record information with online health resources that enable and encourage patient/clinician collaboration.

- **HomeTelehealth** is an innovative program that enables veterans to self report recurring health monitors, such as blood pressure, to VA medical centers and receive health assessments without having to physically go to clinics.

- The **Health Data Repository (HDR)** project will establish a clinical data repository that will be used by clinicians and other personnel to facilitate longitudinal patient-centric care. The data in this repository will be retrieved from existing files and organized in a format that supports the delivery of care, regardless of the patient's location or where treatment has been provided in the past. The HDR project is being implemented in phases. The HDR-Interim Messaging Solution was made available in the fourth quarter of FY 2005.

- The **Scheduling Replacement Project (SRP)** will provide a re-engineered and redesigned outpatient appointment scheduling system to better meet the needs of staff and patients. The scheduling application is one component of the HealthePeople initiative. The SRP is designed for a phased nationwide rollout.

- **VETSNET** is an integrated information system that enhances claims processing and provides VBA capacity planning to ensure that adequate processing is available to support the needs of the regional offices. The AAC monitors the performance of the system to ensure that response times meet expectations.

- NCA initiates requests on a family's behalf and the AAC prints **Presidential Memorial certificates** that express, from the President, the Nation's gratitude for a veteran's honorable service to next-of-kin and other family members of a deceased veteran.

The AAC also hosts several important data sharing projects between VA and the Department of Defense (DoD).

- The **Consolidated Mail Outpatient Pharmacy (CMOP)** project allows DoD patients to receive prescription refills using VA CMOP facilities, which has resulted in substantial cost savings to DoD and enhanced revenue for VA.

- The **Laboratory project** is similar to CMOP and allows DoD hospitals to order lab results from VA medical centers and have results transferred back to them securely using a virtual private network hosted at the AAC. DoD is also investigating the benefits of using the DoD-VA gateway at the AAC to transmit images, such as x-rays, CAT scans, and other digitized medical data to VA medical centers for analysis. Such telemedicine projects have been effective within VA.

- The **DoD-VA Bidirectional Health Information Exchange (BHIE) program**, formerly known as the Federal Health Information Exchange, is a federal health care initiative that facilitates the secure electronic two-way exchange of patient medical information between VA and DoD health organizations. The primary mission of BHIE is to provide an electronic communication system whereby government health care providers can access and provide pertinent medical information about an individual across the continuum of care in a way that protects his/her privacy.

Prime contributors to the Records Center and Vault's (RCV) success are staff members who are responsible for customer liaison and coordination, business planning and development, staffing, and execution of day-to-day business activities, as well as the AAC's development and implementation of a sophisticated Web-enabled application (Records Retrieval System) to request accession numbers and record recalls.

The Records Retrieval System application allows our customers the capability to electronically request accession numbers and request record recalls. In FY 2005, improvements were made to provide our customers better service and save them time and valuable resources. A package tracking enhancement was added that allows users to click on the package tracking number and be automatically directed to the FedEx tracking Web site. Another enhancement was added that allows users to print suspense copies of forms during login by executing only one command. At the end of FY 2005, there were over 700 registered users.

Our OGA customers have unique requirements; therefore, they need higher levels of service. These requirements are taken seriously, and customized services are used to meet their security and access needs. The RC&V's experienced archive technicians possess top secret DoD and Department of Energy security clearances to better serve our OGA customers.

The RC&V indirectly supports the veteran population by providing a climate-controlled, highly secure facility for storage of their vital records.

With the completion of the monumental project of relocating over a million cubic feet of VHA records from 14 facilities of the National Archives and Records Administration in a 2 ½ year period, the RC&V is now the home of over 1.2 million cubic feet of records.

Customer service has remained our top priority. The value of a records storage facility is defined by its ability to quickly retrieve and return records to customers when requested. The RC&V excels in this area, attaining 99.7 percent success rate for retrieving records within established timeframes.

INFORMATION TECHNOLOGY SEGMENT
PLANS FOR 2006 AND BEYOND

- Through a partnership with VA's Office of Acquisition and Materiel Management, the AAC will become a VA Center of Excellence in FY 2006 for solicitation, award and administration for all VA-wide IT contracts. AAC contracting officers are experienced in conducting IT acquisitions specific to all hardware, software, and telecommunications products in conjunction with services needed to integrate a system, network, or other service delivery platform.

- With the completion of the major VHA Relocation Project, the RC&V's build-out for 50,912 square feet is underway and is expected to be completed in the third quarter of FY 2006. This expansion will accommodate new records storage growth through the third quarter of FY 2009.

FINANCIAL MANAGEMENT SEGMENT

The Debt Management Center (DMC) is a leader in the federal debt management community and a complete accounts receivable resource, with responsibility for overseeing the entire collection process for the Veterans Benefits Administration (VBA). The DMC collects debts resulting from an individual's participation in VA programs (foreclosed home loans; compensation and pension debts; education allowances).

Collections/Administrative Offsets
(Includes benefit offsets for medical debts)
Dollars in Millions

Year	Amount
FY 2005	$439
FY 2004	$421
FY 2003	$382
FY 2002	$358
FY 2001	$316
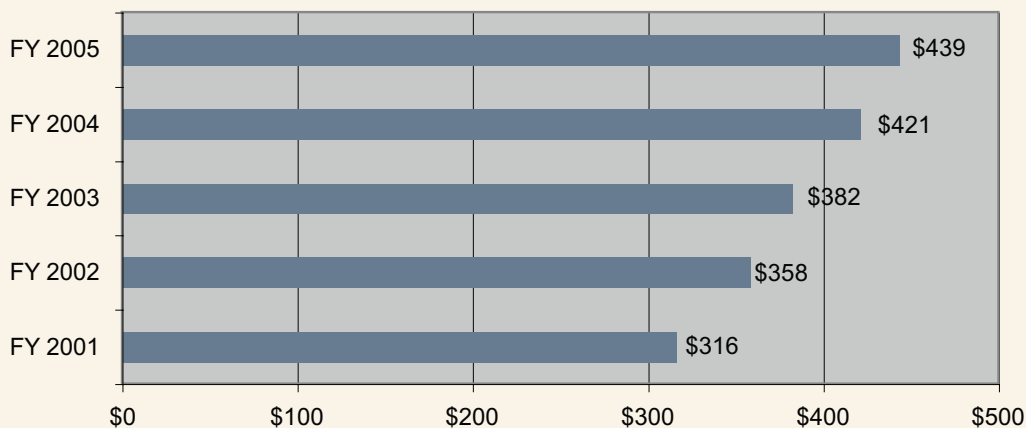
The DMC also conducts administrative offsets for delinquent medical debts for the Veterans Health Administration (VHA). The collection rate has consistently grown each year, showing a 40 percent increase from FY 2001 to FY 2005. The DMC is taking full advantage of all available collection tools including Treasury's Offset Program (TOP) and Treasury's cross-servicing programs in an effort to reduce the Department's delinquent benefit debt portfolio.

The goal of debt management continues to be the reduction of the delinquent debt portfolio using an integrated approach of prevention and collection. Through continual enhancements to our automated data processing capability, we are reducing costs and increasing the efficiency of our collection operations. We will continue to automate our

debt collection operations and refine methods that assist debtors in making payments and submitting information that will help liquidate their debt.

The DMC worked with Treasury's "Pay.gov" and VA Web Solutions to develop a Web-based application (pay.va.gov) that offers a simple, convenient payment option for veterans to use credit cards, debit cards and electronic fund transfers to pay debts online. As a result of the implementation of this new virtual payment mechanism in FY 2005, the DMC collected $4.7 million, 42 percent over FY 2004 levels ($3.3 million) before its implementation. The DMC will continue to refine its online collection application.

During FY 2005, the DMC began an initiative to reduce operating expenses by converting the online interface to its collection system from a proprietary software package, operating on a mainframe system, to a Windows Web-based program operating on a stand-alone server to enhance the user interface. The application was installed in August 2005. The DMC will save roughly $425,000 a year in licensing and maintenance fees on the proprietary software.
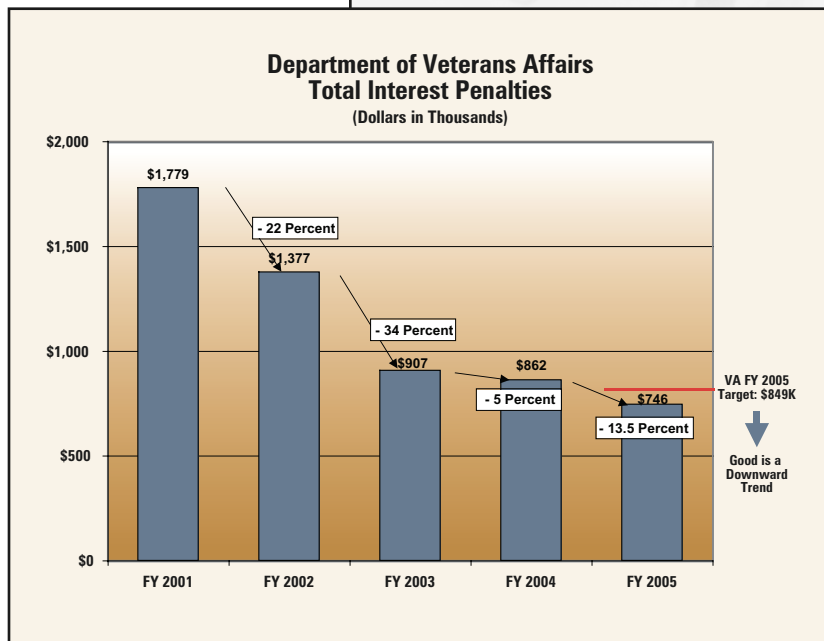
In addition, the DMC plans to Web-enable forms used in the debt collection process so veterans can transmit their information electronically. Currently, some forms can be downloaded at www.va.gov/debtman.

The Financial Services Center (FSC) provides a full range of financial and accounting services:
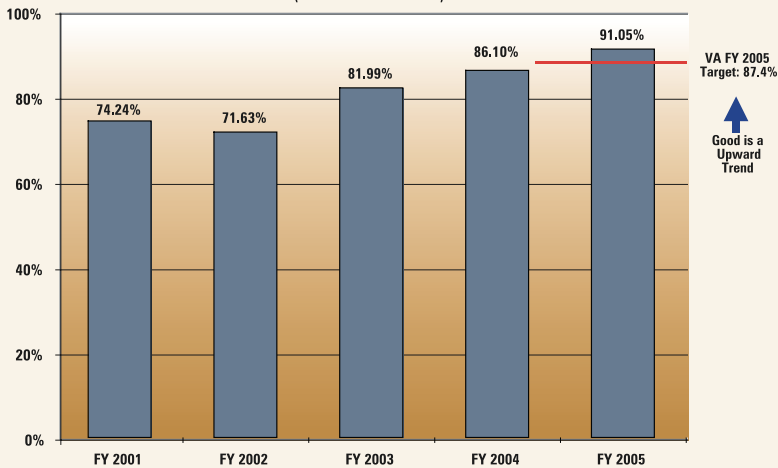
- The **Prompt Pay** initiative continues to enhance the Department's vendor payment processes. The Department processed over 5.5 million Prompt Payment Act eligible invoices worth over $8.7 billion, with over 99 percent paid on time. In FY 2005, interest payments VA-wide declined by $116,000 (from $862,000 to $746,000)—a 13.5 percent improvement over FY 2004 levels. At the same time, discounts earned surged by $3.4 million to over $6.2 million, a 124 percent improvement over FY 2004 levels.

Pay.va.gov offers a simple, convenient payment option for veterans to use credit cards, debit cards and electronic fund transfers to pay debts online.

**Department of Veterans Affairs
Total Interest Penalties**
(Dollars in Thousands)

$1,779				
	- 22 Percent			
	$1,377			
		- 34 Percent		
		$907	$862	
			- 5 Percent	$746
				- 13.5 Percent
FY 2001	FY 2002	FY 2003	FY 2004	FY 2005

VA FY 2005 Target: $849K

Good is a Downward Trend

Department of Veterans Affairs
Percentage of Total Discounts
(Earned vs. Available)

FY 2001: 74.24%
FY 2002: 71.63%
FY 2003: 81.99%
FY 2004: 86.10%
FY 2005: 91.05%

VA FY 2005 Target: 87.4%

Good is a Upward Trend

Department of Veterans Affairs
Total Audit Recovery Collections
(Dollars in Thousands)

FY 2001: $1,576
FY 2002: $2,265
FY 2003: $3,036
FY 2004: $3,704
FY 2005: $2,656

VA FY 2005 Target: $2,168K

Good is a Upward Trend

Department of Veterans Affairs
Purchase Card Rebates
(Dollars in Millions)

FY 2001: $15.8
FY 2002: $16.1
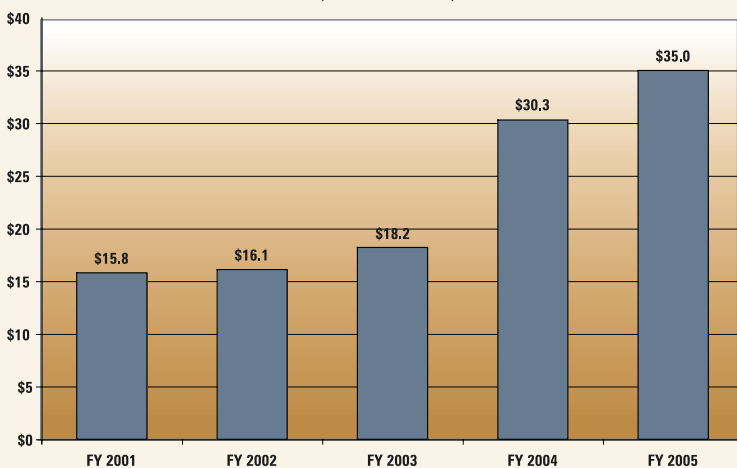**FY 2003:** $18.2
FY 2004: $30.3
FY 2005: $35.0

VA's percentage of discounts earned also improved from 86.10 percent in FY 2004 to 91.05 percent in FY 2005. Combined, these payment processing improvements saved VA $3.5 million in FY 2005, which can be used to improve veterans' care.

VA also continued to gain efficiencies and better results through an initiative completed in FY 2004 to centralize vendor payment activities at the FSC. By centralizing vendor payment activities, VA strengthened its focus on identifying and preventing vendor payment errors. The FSC also enhanced audit recovery efforts of improper/duplicate vendor payments. The FSC routinely reviews VA vendor payments daily to systematically identify, prevent, and recover improper payments made to commercial vendors. Current payment files are matched to identify and, where possible, prevent duplicates prior to payment. Also, payments from prior fiscal years are matched to identify potential duplicate payments for further analysis, assessment and, as appropriate, collection. The FSC staff also reviews vendor payments to identify and collect improper payments such as erroneous interest penalties, service charges, and sales taxes that resulted from payment processing. This initiative recovered over $124,000 during FY 2005 for reuse by VA entities.

Overall, during FY 2005, collections of improper payments and the recovery of unapplied vendor statement credits totaled over $2.7 million. Improved payment oversight also enabled VA to identify and cancel nearly $3.5 million in potential improper payments prior to disbursement. Since the FSC audit recovery effort's inception in FY 2001, VA has recovered over $13.2 million in improper payments and prevented the improper payment of another $13.2 million.

■ The **Commercial Purchase Card Program** (e.g., micro purchase card, fee basis, and travel) is aggressively used in the Department.

    ■ Over 3.7 million purchase card transactions were processed, representing over $2 billion in purchases. The electronic billing and payment process for centrally billed card accounts earned VA $35 million in credit card refunds—compared

to $30.3 million during the same period in FY 2004. These refunds are returned to VA entities for use in veterans programs.

- The **Fee Basis Program** automates Health Care Fee Basis payments, eliminates processing of paper checks, and earns VA additional credit card refunds. In FY 2005, VA's Fee Basis credit card program processed over 96,000 transactions representing $25 million in payments, generating over $414,000 in refunds. During the same period in FY 2004, the number of transactions exceeded 21,000 valued at $5 million in payments, earning VA over $82,000 in refunds. The growth of this program was attributed to additional Fee Basis medical providers agreeing to receive payment via the Fee Basis Purchase Card and more VA medical centers joining the program.

- **VA's Travel Management Centers (TMCs)** serve veterans and employees who travel frequently. The billings are transmitted electronically from each TMC, and payment is sent daily through the Department of the Treasury's Electronic Certification System. In FY 2005, the travel management program processed over 100,000 transactions, disbursed payments of over $19 million, and earned over $274,000 in refunds compared to over $221,000 during FY 2004.

- **VA's Prime Vendor Payment System** automates payments under a nationwide prime vendor centralized purchasing contract. In FY 2005, 126 VA medical centers used the Prime Vendor System to electronically process over 468,000 transactions worth over $3.7 billion compared to over $3.5 billion during FY 2004. The FSC ensures vendors who participate in VA's multi-billion dollar Prime Vendor procurement program are paid on time. These vendors provide VA medical centers with an efficient way to order supplies at low, negotiated contract prices and guarantee delivery within 24 hours, eliminating the need for warehousing large volumes of supplies.

- The **OnLine Certification System (OLCS)** allows invoices to be certified electronically by VA facilities and scheduled for payment. The OLCS allows the FSC to notify certifying officials via e-mail of any invoice requiring payment certification. Through the Intranet, the certifying official can view, certify, and forward the invoice to the FSC for payment processing, reducing the processing time to hours rather than days. The FSC expanded the certified invoice capability throughout VHA in 2004, bringing the number of OLCS users to more than 10,000 VA employees.

The FSC's certified payment process represents a full life cycle of services performed from the time the FSC receives an invoice until the Department of the Treasury (Treasury) renders proper payment. These services include processing cancelled checks, check tracers, vendor recertifications, rejects and adjustments, inquiries, vendor reclaims, bills of collection, Treasury offsets, and tax levies. The FSC provides these services in compliance with applicable VA regulations and directives and the Prompt Payment Act.

The FSC provides EDI services to process VHA Medical Care Cost Recovery (MCCR) health care billings. The FSC also supports VHA initiatives such as electronic Insurance Identification and Verification (e-IIV), electronic Pharmacy (e-Pharmacy), electronic Medicare Remittance Advice (e-MRA), and the MCCR lockbox initiative for recording receipt of payments for third party medical claims.

To further assist VHA with e-claims reports, the FSC created a portal for management reports. This portal allows the managers to access up-to-date data when they need it. The portal will continue to be updated to include new reports as requested.

■ The **Electronic Commerce (EC)/Electronic Data Interchange (EDI) System** uses commercially available, off-the-shelf software and national standards to move mission-critical information between VA and each of its trading partners—which includes vendors, mortgage service providers, and health care entities. EC/EDI also provides for internal exchange of information among VA application systems. Electronic data transfers enable program offices to restructure their work processes, take advantage of the accuracy and timeliness of electronic data, and concentrate on service objectives.

The FSC will continue to support VA's efforts to increase cost savings and program efficiencies through the expansion of electronic data transfers in VA applications. The FSC will also continue to support VHA's efforts to comply with EC/EDI mandates identified in the Health Insurance Portability and Accountability Act of 1996.

In addition to VHA, the FSC provides EC services to VA's Denver Distribution Center for invoices and payment vouchers. Commercial invoices, FMS payments, and the subsistence prime vendor program services are also provided to VA nationwide. Furthermore, VBA benefits from EC services in the FSC's handling of loan processing, identifying the status of loan defaults, and processing loan guaranty certificates. The FSC also provides EDI services to assist the Veterans Canteen Service in receiving and processing invoices.

■ The **Document Management System (DMS)** allows the FSC to provide a paperless work environment, reduce physical storage needs, and process high volumes of documents. Documents are stored both magnetically and on optical platters and can be retrieved in seconds. Backups are stored offsite. Initially, the DMS was used to process commercial payments and inquiries. Subsequently, the FSC's use of DMS has been expanded to include other functions such as vendorizing requests, federal accounts, storing grant and scheduling documents for an OGA customer, and OnLine Certification System. Additionally, the DMS has shown potential for storing and retrieving finance records, payroll folder data, contract files, and legal documents.

The FSC provides the Department of Health and Human Services' Division of Immigration Health Services with an integrated, end-to-end medical claims payment-processing application in conjunction with document processing through an optical character reader. State-of-the-art technology is being applied to automate and Web-enable this application. This application truly represents a full life cycle—automated service from the time an

invoice reaches the FSC through generation of payment—and is in full compliance with the Prompt Payment Act and Health Insurance Portability and Accountability Act.

The FSC deployed the Division of Immigration Health Services Plexis money management system, an enhancement to the Healthcare Claims Processing System. The system is designed to review all claims prior to release to Treasury. Claims less than 23 days old are automatically pushed into the following day's batch, requiring no additional handling by the FSC staff. Additionally, the system calculates interest for claims over 30 days old. Benefits include saving money by having the system manage claims and fully comply with interest requirements.

- The **Customer Support Help Desk (CSHD)** offers a comprehensive one-stop response team to support inquiries from VA stations and vendors. The CSHD is organized to provide timely and accurate responses to questions ranging from how to navigate in FMS, to assisting a veteran with benefits information.

- The **e-Travel Help Desk** assists travelers and stations in processing travel requirements in the new eTS system. Because of the large volume of calls and inquiries, additional telephone lines and staff were added to handle the influx.

- The **Vendor Inquiry System (VIS)** stores over 3 years of information on invoices. Once vendors complete an authentication process, they can access a secure Web site to view payment information for their company. Currently there are 16,101 registered vendors who have made over 408,000 requests in FY 2005 and a total of over 1.1 million requests since VIS' inception in April 2003. The VIS provides FSC vendors an easy-to-use tool for immediate access to their payment information 24 hours a day without having to call and wait for a person to provide payment information. The VIS has also improved customer service efficiency of FSC staff by handling many routine inquiries and freeing staff to work the more difficult issues for customers.

Registered users of the VIS now have the ability to submit electronic invoices directly to the FSC. Vendors complete easy-to-use forms to create their invoices and can manage and track them. The online system provides the vendor with a list of its valid purchase orders, virtually eliminating the number one error that causes payment delays. Errors identified by the online system are immediately returned to the VIS user, who can instantly correct them prior to submission. This prevents payment delays and results in quicker and more accurate vendor payments.

The FSC offers a one-stop response team to support VA staff navigating FMS to provide information to vendors about their payments and to assist veterans with benefits information. In order to provide better customer service to all VA facilities for FMS inquiries, the CSHD created a toll-free number specifically for VA facilities. This new toll-free number enables our customers to receive priority handling on customer service inquiries from our Help Desk staff. By using the new toll-free number, VA facilities do not have to compete with vendors in the CSHD phone inquiry queue.

In addition, the e-Travel Help Desk provides timely and accurate responses to questions ranging from how to navigate in the e-Travel System, to assisting with reservation information and system administration or data integrity issues.

FINANCIAL MANAGEMENT SEGMENT
PLANS FOR 2006 AND BEYOND

■ In November 2005, the FSC will begin its final phase of Centralization of VHA Certified Payments by transferring the remaining field stations' certified payments to the FSC for payment processing. The objective is to transition all VHA stations' certified and matched payments to the FSC by the end of March 2006. Additional payments will be centralized late in FY 2006 and in FY 2007.

■ E-Travel is an e-Gov initiative in which the FSC is integrally involved. In January 2005, VA awarded a task order to Electronic Data Systems, Inc., from the General Services Administration's master contract to provide eTS services, which involves migrating VA to the FedTraveler.com eTS solution. The FSC will provide VA-wide support during the implementation phase to FedTraveler.com including pre- and post-implementation support. The FSC will continue to provide e-Travel Help Desk services for travelers who are currently using Zegato and Gelco travel solutions until they are migrated to FedTraveler.com. At that time, Electronic Data Systems, Inc. will begin to provide help desk support to VA travelers.

■ E-Payroll is part of the President's e-Gov strategy to simplify and standardize federal payroll processes. The Office of Personnel Management (OPM) has aligned VA with DoD's Defense Finance and Accounting Service (DFAS) and has mandated that VA migrate to this new payroll service provider. The VA e-Payroll project will ensure that VA's entire payroll needs continue to be met post-conversion. The VA e-Payroll project will impact all fiscal and payroll operations. The FSC will serve as VA's first e-Payroll pilot site, scheduled to begin in August 2006. Departmentwide migration to DFAS is currently scheduled to be completed by late FY 2008.

In FY 2005 alone, the LETC trained 1,127 law enforcement officers.

SECURITY AND LAW ENFORCEMENT SEGMENT

The Law Enforcement Training Center (LETC) is the only federal provider that offers specialized training dealing with assaultive patients and policing in a healthcare environment (mandated by Title 38 U.S.C.).

Federal law enforcement communities at healthcare facilities, parks, museums, military installations, and other special missions and limited jurisdiction settings nationwide that possess a similar customer-oriented vision as VA are provided with practical and classroom instruction on the importance of ensuring the safety of all patients, customers, and staff while maintaining order. Our residential training center provides an opportunity for police officers to train in an environment similiar to one in which they work. During FY 2004 and FY 2005 additional space for classrooms was acquired in order to enhance our practical exercises and hands-on approach to training. At the request of customers, the LETC developed a tactical firearms instructor

course to address the growing concern of encounters with armed patients and visitors. In addition, several specialty courses (such as Advanced Crime Scene Processing and Technical Surveillance Installation) geared toward detective and investigator disciplines were added to the curriculum to enhance abilities to adequately conduct criminal and administrative investigations. The LETC has been very responsive in addressing the concerns of its customers by customizing courses to meet specific law enforcement needs.

Today, with the heightened security awareness in the federal workplace, the ability to properly screen personnel prior to employment and entry into federal agencies has become paramount. The Security and Investigations Center (SIC) ensures that employees who provide patient protection, process claims, have access to veterans' information, or provide medical care receive the appropriate level of background investigations by working closely with OPM, VA Central Office staff, or VA regional offices. In addition, identification badges/access cards processed by the SIC contribute to a safe and secure environment.

While the firearms course is both physically and mentally challenging, it provides training in the proper deployment of firearms tactics and officer safety and it is well attended.

SECURITY AND LAW ENFORCEMENT SEGMENT
PLANS FOR 2006 AND BEYOND

- With the growing focus on homeland security, the need for a highly trained law enforcement community is greater than ever. The LETC is working to develop its classroom curricula into dynamic courses that will provide students with an optimal online learning experience. In addition, plans are underway to expand our residential training program to include the construction of a 30-room dormitory that will be built adjacent to the existing training and housing facilities.

- The LETC will continue to play a vital role in helping VA's law enforcement community meet its training needs. As a result, an 80-hour refresher training course was implemented in FY 2004. To date 313 VA police officers completed the training program and 350 are expected to complete it over the next 2 years. The goal of this initiative is to bring all VA police officers up to the same level of training. After all VA police officers have completed the initial refresher training course, they will be required to take a refresher training course every 4 to 5 years.

- In an effort to better serve VA, the LETC is working with the AAC to develop a national records management system for all VA police records. The system will greatly enhance the overall administration of operational and training data and records for the agency. It is expected to be fully operational in FY 2006.

- The SIC will continue to participate in a pilot program with OPM for implementation of E-Qip, a secure Internet-based program for the completion of all required background investigation forms. The implementation will take approximately one year to complete for the entire VA. When fully implemented, the system will further eliminate manual processes such as the mailing of documents for personnel in the field and to OPM after review by the SIC staff.

- In FY 2005, the SIC conducted a complete review of the processes involved in initiating, adjudicating, and managing its background investigation products. As a result of this review, a new national database was developed to manage and track background investigations. In the near future, VA human resource specialists will be able to pull reports from a secure Web site, retrieve the status of pending investigations and current investigations, and obtain a listing of persons who are due for their 5 year updates.