

Remarks by Secretary of Veterans Affairs Robert McDonald at DAV National Convention

Joe Johnston, thank you for that kind introduction—and to all of you here in Las Vegas, thank you for that warm welcome.

- This is an important conference at an important moment in VA's history.
- And it is an honor and a privilege to give my first address as Secretary to Disabled American Veterans.
- I first met Joe Johnston, along with Randy Reese and Ed Hartman about four weeks ago at a benefit in Cincinnati, not far from where Judge Robert Marx founded DAV.
- Joe, Randy, Ed—and more—were there supporting the National Multiple Sclerosis Society, and me.
 - Joe, it was a real pleasure to talk with you that evening. I'm really glad to see you again here.
 - Congratulations on your tremendous work for Veterans this past year as DAV's National Commander.
 - With your great leadership—most recently through some difficult and turbulent times—DAV has kept its focus squarely on Veterans and what is best for them, just as it has since 1920.
- DAV's contributions to VA reform discussions on Capitol Hill and across the Nation have been of great help—without ever compromising the strong support and confidence you have given to VA for so long.
 - Moving forward, that sort of counsel is going to remain invaluable to me, and I look forward to hearing it. Thank you.
- Let me also recognize a few other DAV leaders:

- National Adjutant Marc Burgess;
- And Art Wilson—past National Adjutant, 47 years with DAV, and now heading DAV’s National Service Foundation. Thank you for that long and continuing example of service;
- Garry Augustine;
- Barry Jesinoski;
- Susan Miller;
- And Judy Hezlep.
- Good morning to all of you.

RECENT SITE VISIT

- Yesterday, I was in Phoenix at the VA Medical Center—my first stop on the road as the new Secretary. Over these next several months, I am going to keep traveling—extensively—to hear directly from our employees, Veterans, and other stakeholders.
- Here’s what I learned in Phoenix:
 - Bob—peer counselor: “This place saved my life—counseling when I needed it; hip replacement; now I’m an employee”;
 - Dave—combat psychologist. He chose VA over work in a civilian clinic (13 pscyh-evals daily, 3 patients). He said, “I’m proud to work at VA.”
 - Bottom line—there are good people there. They care about serving Veterans, and they are working hard to fix that system so they can provide superior service to Veterans.
 - I’ve learned over the years that it’s the technicians and specialists—those closest to the customer—who provide the most innovative solutions.
 - We are on their team, and they have our support.
- Now, VA Phoenix has an unfortunate nickname—“epicenter.” It’s a term associated with disaster.
 - That’s a bad reputation to have, and it’s going to

take time and action to change it.

- But Phoenix isn't really an epicenter. The problems we discovered in Phoenix were systemic, extending well-beyond that one location. And the Phoenix story is about more than just a crisis in Veteran access.

- To be sure, it is a story of failed leadership.

- But it is also a story about some dedicated people who have had the moral courage to stand up and help us serve Veterans better. So, my thanks to them.
- Listen—coming face-to-face with the reality some Veterans have endured isn't a disaster.

- It's opportunity.

- Testifying to Congress, our Deputy Secretary, Sloan Gibson, put it like this. He said, "We can turn these challenges into the greatest opportunity for improvement in the history of the Department."
- And the respected former president of the Institute of Medicine Dr. Harvey Fineberg took that notion a step further: Dr. Fineberg said that because of this crisis, "VA can accomplish things now it never could have accomplished."
- So that's what we're going to do. With the continued support of President Obama, Congress, great employees at VA—and especially with the always strong support of Disabled American Veterans and other Veterans Services Organizations, we're going to do what we could never have done otherwise.
- It is a great opportunity, and it is a rare opportunity.
- And it's an opportunity we cannot miss, nor underestimate.

PERSONAL INTRODUCTION

- Before my confirmation hearing, I spoke with Garry Augustine and other leaders of Veterans Service Organizations. And I visited many members of Congress. Again and again, people asked me, "Why do

you want to be Secretary of Veterans Affairs?”

- Here’s what I told them, and I believe this very strongly. To me, there is no higher calling. And this is an opportunity for me to make a difference in the lives of the Veterans who I care so deeply about.
- My wife, Diane, and I both come from military families.
 - My father served in the Army Air Corps after World War II.
 - Diane’s father was a tail gunner in a B-25 during World War II—he was shot down over Europe, and he survived harsh treatment as a prisoner of war.
 - Diane’s uncle was a 101st Airborne Division Screaming Eagle in Vietnam. He was exposed to Agent Orange, and he still receives care from VA.
 - And right now my nephew, a pilot in the Air Force, is serving and flying missions in the Middle East.
- So, Veterans are very special people to me.
- I graduated from the United States Military Academy in 1975 with our Deputy Secretary, Sloan Gibson, a great leader and a good friend of mine for many years.
- My time at West Point and, then, as an Airborne Ranger in the 82nd Airborne Division (“All the Way”) instilled in me a lifelong sense of duty to country and strong values.
 - The words of that West Point Cadet Prayer still guide me, four decades later. It encourages us “to choose the harder right instead of the easier wrong.”
- I’m proud of my 33-years’ experience at Procter & Gamble, where I learned the importance of effective management, strong leadership, and of being responsive to the needs of customers.
- At P&G, we worked hard—and successfully—to improve the lives of the world’s consumers. Many of those lessons will help us change VA to better serve Veterans.
- At VA, we are going to judge the success of our

individual and collective efforts against a single metric—customer outcomes, Veterans' outcomes.

- VA's own Strategic Plan makes clear, "VA is a customer-service organization. We serve Veterans."
- If we fail at serving Veterans, we fail.
- We have a lot of work to do.
- So those values and leadership experiences are what inform my actions and decisions as Secretary of VA—just as I promised the President. Just as I promised Congress.
- And just as I am promising all of you this morning.

BUSINESS BACKGROUND

- Lessons from the Army and P&G translate—whether you're an entry-level employee or head of an organization. Here are a few of them.
- Have a clear purpose. I have to live by a clear purpose. At VA, our purpose is clear—serve Veterans.
 - President Lincoln charged us 150 years ago to care for those "who shall have borne the battle" and for their families.
 - To me, that means providing Veterans—effectively and efficiently—the high-quality care and benefits that they have earned.
- People want to succeed. There are over 340,000 employees at VA, many Veterans themselves. I'm confident that the vast, vast majority of our employees understand our non-negotiable commitment is to put outcomes for Veterans at the center of everything we do.
 - And they want to succeed in that commitment.
 - It's my job to make sure they have that opportunity to succeed.
- Ineffective strategies, ineffective systems and an ineffective culture are the biggest barriers to success,

in any organization.

- VA has a good strategic plan. I believe in it. We just have to make sure that every day we are working together to execute that strategic plan and accomplish those goals.
- VA has strong institutional values—Integrity, Commitment, Advocacy, Respect, and Excellence—I CARE. If we live by those values, we cannot go wrong.
- My first day as Secretary, I asked all VA employees to join me in reaffirming our commitment to these core values.
- Most recently, I directed all of my undersecretaries to take the same step and reaffirm our mission and values with their people.
- So the framework for success is there—inspiring mission; right values; effective strategy.
- But there have been systematic failures—somewhere along the way, some in the organization lost track of the mission and those core values.

THE PROBLEMS

- Here's how those systematic failures manifested themselves—you're pretty familiar with these.
 - Veterans are waiting too long for care.
 - Our scheduling system is antiquated and cumbersome.
 - Our performance metrics were an end in themselves—they weren't measuring outcomes for Veterans.
 - There were widespread attempts to “game the system”—this, of course, only hid the problem, making Veterans wait even longer for care.
 - Employees who were looking out for Veterans and identified systemic problems or poor leadership were sometimes punished for doing so.

- We didn't hold managers accountable who hid their poor performance or retaliated against whistleblowers.
 - We failed to adequately assess and quantify the resources needed to provide care we are obligated to provide.
- Now, you can put your arms around the failures by describing them in three ways: Business Problems, Leadership Problems, and Resourcing Problems:
- Leadership problems, like our misuse of metrics and failure to hold people accountable for negligence and misconduct;
 - Business process problems, like improper scheduling practices and our antiquated scheduling system;
 - And Resource problems—our persistent lack of sufficient clinicians, patient-support staff, space, information technology resources, and purchased-care funding to meet current demand for timely, high-quality healthcare.

THE WAY AHEAD

- We know that we cannot tackle all these issues long-term without critical cultural change and accountability.
- I think there are already seeds of that happening, perhaps in some unprecedented ways. Just consider this for a moment—from President Obama's nomination of a new Secretary of VA to confirmation and swearing-in, it took only 30 days [30 Jun – 30 Jul]. And the floor vote in the Senate was 97-0. That's not a commentary on me. It's a clear sign of a nation's extraordinary commitment to Veterans.
- Thursday, President Obama signed the Veterans Access, Choice, and Accountability Act of 2014 into law.

Another significant showing of strong support for Veterans.

- That law allocates \$15 billion to VA over the next 3 years—that's \$5 billion to hire physicians and other medical staff and improve VA's infrastructure and \$10 billion to fund additional purchased care while we build the internal capability to meet current demand.
- The legislation also authorizes VA to enter into 27 major medical facility leases in 18 states and Puerto Rico to give VA more space for clinicians to treat patients.
- And it grants VA new authority to remove or transfer senior executives based on poor performance or misconduct—accountability.
- As I said earlier, the vast majority of VA employees are deeply dedicated to the mission and VA's core values. But where that is not the case—where there has been a violation of the trust of the Nation and of Veterans—there will be accountability.
- This is about restoring the trust of Veterans, of our elected representatives, and all Americans.
- I appreciate the work of Chairman Sanders, Chairman Miller, and the many other Members of Congress who came together to pass this legislation.
- And I appreciate, as well, the role DAV played in candidly informing Congress of how it saw things as Congress started determining what was needed in legislation to help VA.
- As Acting Secretary, Sloan Gibson was doing some great, great work. He's grabbed hold of these problems like a pit bull, and he's not letting go.
- Sloan has us heading in the right direction, and I fully support all the efforts he has in place right now.

Here are a few of those first steps—

- We have suspended all VHA senior executive performance awards for fiscal year 2014.
- The 14-day access measure has been removed from all individual employee performance plans to eliminate any motive for inappropriate scheduling practices or behaviors.
- We have frozen VHA Central Office and VISN Office headquarters hiring.
- We are making good progress in getting Veterans off wait lists and fixing scheduling problems:
 - We have reached out to over 240,000 Veterans to get them off wait lists and into clinics sooner.
 - In just the last two months, we have made over 791,000 referrals for Veterans to receive their care in the private sector—that's up more than 164,000 over the same time last year. Each one of these referrals, on average, results in 7 visits or appointments. So, we're talking about 1.1 million additional appointments in the private sector just from increased referrals over the last two months.
- Facilities are adding more clinic hours.
- We are aggressively recruiting to fill physician vacancies.
- We are deploying mobile medical units and using temporary staffing resources to provide care to more Veterans as quickly as possible in all our healthcare facilities.
- And we are posting regular data updates showing the progress on efforts to accelerate access to quality healthcare for Veterans who have been waiting for appointments.
- We are updating the antiquated appointment scheduling system beginning with near-term enhancements to the existing system, leading to acquisition of a comprehensive, state-of-the-art, "commercial, off-the-

shelf" scheduling system.

- I believe the Department will need to continue to expand the use of digital technology to free human resources that can be applied to the care of veterans.
- We are contracting with an outside organization to conduct a comprehensive independent audit of scheduling practices across the entire VHA system beginning early next fiscal year.
- We have directed every Medical Center and VISN Director to conduct regular monthly, in-person inspections of all their clinics—to include interacting with scheduling staff—to assess scheduling practices and identify any related obstacles to timely care for Veterans. To date, over 2,200 of these visits have been conducted.
- We are building a more robust, continuous system for measuring patient satisfaction, to provide real-time, site-specific information on patient satisfaction.
- We will augment our existing survey with expanded capabilities in the coming year, to capture more Veteran experience data using telephone, social media, and on-line means.
 - We will also learn what other leading healthcare systems are doing to track patient access experiences.
- VHA has dispatched teams to provide direct assistance to facilities requiring the most improvement, including a large multi-disciplinary team on the ground, right now, in Phoenix.
 - In addition, we've taken action on all of the recommendations made in the IG's May Interim Report on Phoenix.
- VA is expanding our use of private-sector or non-VA healthcare to improve access for Veterans who are experiencing excessive wait times.
- VHA is also improving its monitoring of the effectiveness of non-VA care to ensure Veterans are

receiving the best they deserve.

- We're determining which processes need to be reorganized or streamlined and where we need to reorganize to more efficiently and more effectively use resources to best serve Veterans in accessing high quality care and benefits.
 - To help with that process, I'm establishing a board of physicians that's going to advise me on best practices for delivering timely and quality healthcare.
- We are going to improve our forecasting for resources. Then, we can develop an effective strategy for meeting increased demand.
- Finally, we are improving communication between the field and the central office, between employees and leadership, and with DAV and other Veterans Service Organizations and stakeholders.
 - Collaborating closely with VSOs is a top priority if we are going to make the right changes in the days ahead.
 - And it is not enough to listen to your concerns, thoughts, and ideas.
 - We have to strengthen our collaboration in changing the Department.
 - So VA leadership at Central Office and in the field is going to work with DAV at all levels and improve communications.
- Right now, Veterans are in need, and we have much work to do to transform VA into the provider of choice for Veterans' healthcare.
- But we cannot do it without you.

CONCLUSION

- Let me close by saying how grateful I am to President Obama and Congress for entrusting me with this

opportunity to lead the Department of Veterans Affairs.

- I have a lot to learn about VA, and I want to learn as much about the organization as possible, as quickly as possible.
- But I know this already—the fastest, most up-to-date technology and systems are no substitute for looking at ourselves through the eyes of Veterans.
 - When we do that, our direction and requirements will be crystal clear.
- DAV has been doing that going on 94 years—promoting the Veterans' perspective.
- Thank you for being a friend of the Department of Veterans Affairs.
- Thank you for your work, your commitment, and your enduring devotion to Veterans.
- And thank you for sharing your time with me this morning.