



Testimony  
Before the Committee on  
Veterans' Affairs, U.S. Senate

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# VETERANS HEALTH CARE

## VA Needs to Address Challenges as It Implements the Veterans Community Care Program

Statement of Sharon M. Silas, Acting Director  
Health Care

Accessible Version

# GAO Highlights

Highlights of [GAO-19-507T](#), a testimony before the Committee on Veterans' Affairs, U.S. Senate

## Why GAO Did This Study

In June 2018, Congress passed the VA MISSION Act of 2018, which requires VA to establish a permanent community care program. VA plans to consolidate the Choice Program and its other VA community care programs into one community care program—the VCCP. This legislation helps address some of the challenges faced by the Choice Program and VA's other community care programs. VA's implementation of the VCCP can benefit from the lessons learned under the Choice Program. Ignoring these lessons learned increases VA's risk for not being able to ensure that all veterans receive timely access to care in the community and that community providers are reimbursed in a timely manner.

This testimony focuses on lessons learned from the Choice Program, including recommendations GAO has made to VA to help ensure (1) veterans' timely access to care under the VCCP (2) effective monitoring of veterans' access to care under the VCCP, and (3) timely payments to community providers under the VCCP. This testimony is based on GAO reports on the Choice Program that were issued in June 2018 and September 2018.

## What GAO Recommends

GAO has made 12 recommendations to VA to improve its management and oversight of the Choice Program and the VCCP. VA generally agreed with all but one of GAO's recommendations. GAO continues to believe that all of the recommendations are warranted. As of April 2019, these recommendations have not been implemented.

View [GAO-19-507T](#). For more information, contact Sharon M. Silas at (202) 512-7114 or [silass@gao.gov](mailto:silass@gao.gov).

April 10, 2019

## VETERANS HEALTH CARE

### VA Needs to Address Challenges as It Implements the Veterans Community Care Program

## What GAO Found

The Department of Veterans Affairs' (VA) Veterans Choice Program (Choice Program) allows eligible veterans to obtain health care services from providers not directly employed by VA (community providers). The program is largely managed by third party administrators (TPA), who are responsible for establishing provider networks, scheduling veterans' appointments, and paying providers. GAO has identified the following challenges to the Choice Program that VA needs to address as it implements its new Veterans Community Care Program (VCCP).

**Factors that adversely affected veterans' timely access to care.** GAO found that numerous factors adversely affected veterans' timely access to care through the Choice Program. These factors included (1) administrative burden caused by complexities of referral and appointment scheduling processes; (2) poor communication between VA and its medical facilities; and (3) inadequacies in the networks of community providers established by the TPAs, including an insufficient number, mix, or geographic distribution of community providers. VA has taken steps intended to help address these factors, however, some have not been fully addressed. In June 2018, GAO made five recommendations to VA, including that VA establish a system that will facilitate care coordination and exchanges of information among VA medical facilities, VA clinicians, TPAs, community providers, and veterans. VA agreed or agreed in principle with all five recommendations, but has not yet implemented them.

**Unavailable and unreliable data.** GAO found that VA cannot systematically monitor the timeliness of veterans' access to Choice Program care because it lacks complete, reliable data to do so. The data limitations GAO identified included a lack of data on the timeliness of accepting referrals and opting veterans in to the program, inaccurate data on clinically indicated dates (which are used to measure the timeliness of care), and unreliable data on the timeliness of urgent care. In June 2018, GAO made five recommendations to VA, including that VA implement mechanisms to allow VA to systematically monitor the amount of time taken to prepare referrals, schedule appointments, and complete appointments. VA agreed with four of the five recommendations, but has not yet implemented them.

**Untimely payments to community providers.** GAO identified three key factors that affected timeliness of payments to community providers under the Choice Program. These factors included (1) VA's untimely payments to TPAs, which in turn extended the length of time TPAs took to pay providers' claims; (2) Choice Program reimbursement requirements, which led to claim denials; and (3) inadequate provider education on filing claims. GAO found that VA has taken actions to address the factors, such as amending certain reimbursement requirements. However, two of these factors have not been fully addressed. In September 2018, GAO made two recommendations to VA, including that VA collect data on and monitor compliance with its requirements pertaining to customer service for community providers. VA agreed with the recommendations, but has not yet implemented them.

Chairman Isakson, Ranking Member Tester, and Members of the Committee:

I am pleased to be here today to discuss the challenges the Department of Veterans Affairs (VA) has faced in implementing the Veterans Choice Program (Choice Program) that VA needs to address as it plans and implements its new community care program.<sup>1</sup>

In June 2018, the VA MISSION Act of 2018 was enacted and required VA to establish a permanent community care program. VA plans to consolidate the Choice Program and its other VA community care programs into one community care program—the Veterans Community Care Program (VCCP).<sup>2</sup> This legislation helps address some of the challenges faced by VA in ensuring timely access to care through the Choice Program and VA's other community care programs.

My testimony today focuses on lessons learned from the Choice Program, including recommendations we have made to VA to help ensure

1. veterans' timely access to care under the VCCP,
2. effective monitoring of veterans' access to care under the VCCP, and
3. timely payments to community providers under the VCCP.

My remarks are based on our work examining the Choice Program; specifically, our reports issued in June 2018 and September 2018 and recommendations therein.<sup>3</sup> These reports provide details on our scope and methodology. We conducted all of the work on which this statement

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<sup>1</sup>The Veterans Access, Choice, and Accountability Act of 2014 created the Choice Program as a temporary program to address problems with veterans' timely access to care at VA medical facilities. Under the Choice Program, when eligible veterans face long wait times, lengthy travel distances, or other challenges accessing care at VA medical facilities, they may obtain health care services from community providers—that is, providers who are not directly employed by VA. Pub. L. No. 113-146, 128 Stat. 1754 (2014). The Choice Program's authority sunsets on June 6, 2019.

<sup>2</sup>Pub. L. No. 115-182, tit. I, 132 Stat. 1393 (2018).

<sup>3</sup>See GAO, *Veterans Choice Program: Improvements Needed to Address Access-Related Challenges as VA Plans Consolidation of Its Community Care Programs*, [GAO-18-281](#) (Washington, D.C.: June 4, 2018) and GAO, *Veterans Choice Program: Further Improvements Needed to Help Ensure Timely Payments to Community Providers*, [GAO-18-671](#) (Washington, D.C.: Sept. 28, 2018).

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is based in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

The Veterans Access, Choice, and Accountability Act of 2014 provided up to \$10 billion in funding for veterans to obtain health care services from community providers through the Choice Program when veterans faced long wait times, lengthy travel distances, or other challenges accessing care at VA medical facilities.<sup>4</sup> The temporary authority and funding for the Choice Program was separate from other previously existing programs through which VA has the option to purchase care from community providers. Legislation enacted in April, August, and December of 2017 and June 2018 extended the Choice Program and provided an additional \$9.4 billion for the Veterans Choice Fund.<sup>5</sup> Authority for the Choice Program will sunset on June 6, 2019.<sup>6</sup>

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## Responsibilities of the Choice Program's Third Party Administrators

In October 2014, VA modified its existing contracts with two contractors—referred to as third party administrators (TPA)—that were administering

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<sup>4</sup>Pub. L. No. 113-146, §§ 101, 802, 128 Stat. 1754, 1755-1765, 1802-1803 (2014).

<sup>5</sup>An Act to amend the Veterans Access, Choice, and Accountability Act of 2014 to modify the termination date for the Veterans Choice Program, and for other purposes, Pub. L. No. 115-26, § 1, 131 Stat. 129 (2017). VA Choice and Quality Employment Act of 2017, Pub. L. No. 115-46, § 101, 131 Stat. 958, 959 (2017) (providing an additional \$2.1 billion for the Veterans Choice Fund); An Act to amend the Homeland Security Act of 2002 to require the Secretary of Homeland Security to issue Department of Homeland Security-wide guidance and develop training programs as part of the Department of Homeland Security Blue Campaign, and for other purposes, Pub. L. No. 115-96, Div. D, § 4001, 131 Stat. 2044, 2052-53 (2017) (providing an additional \$2.1 billion for the Veterans Choice Fund) and Pub. L. No. 115-182, tit. V, § 510, 132 Stat. 1393, \_\_\_ (2018) (providing an additional \$5.2 billion for the Veterans Choice Fund).

<sup>6</sup>Pub. L. No. 115-182, tit. I, § 143, 132 Stat. 1393, \_\_\_ (2018), amending section 101(p) of the Veterans Access, Choice, and Accountability Act of 2014, Pub. L. No. 113-146, 128 Stat. at 1763.

another VA community care program to add certain administrative responsibilities associated with the Choice Program. For the Choice Program, each of the two TPAs—Health Net and TriWest—was responsible for managing networks of community providers who deliver care in a specific multi-state region. Specifically, the TPAs were responsible for establishing networks of community providers, scheduling appointments with community providers for eligible veterans, and paying community providers for their services. Health Net’s contract for administering the Choice Program ended on September 30, 2018, with TriWest continuing to administer the Choice Program in its region and the region previously administered by HealthNet until the program ends.

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### Process for Choice Program Appointment Scheduling

Through policies and standard operating procedures for VA medical facilities and contracts with the TPAs, VA established processes for referring and scheduling appointments through the Choice Program: one process for time-eligible veterans and another for distance-eligible veterans.<sup>7</sup> Table 1 provides an overview of the appointment scheduling process that applies when a veteran is referred to the Choice Program because the veteran is time-eligible—that is, the next available medical appointment with a VA clinician is more than 30 days from the veteran’s preferred date or, in the absence of such a date, the date the veteran’s physician determines he or she should be seen.

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<sup>7</sup>For the purposes of this statement, the terms “time-eligible” and “distance-eligible” refer to the Choice Program processes used to schedule veterans’ appointments. VA uses the time-eligible appointment scheduling process when the services needed are not available at a VA medical facility or are not available within allowable wait times. We did not evaluate VA’s determination that veterans for whom services were unavailable were eligible for the Choice Program. VA uses the distance-eligible appointment scheduling process when veterans reside more than 40 miles from a VA medical facility or meet other travel-related criteria. Data we obtained from the TPAs indicate that VA and the TPAs used the time-eligible appointment scheduling process about 90 percent of the time from fiscal year 2015 through fiscal year 2016 (the first 2 years of the Choice Program’s implementation).

**Table 1: Process for Veterans to Obtain Department of Veterans Affairs (VA) Choice Program Care if They Are Time-Eligible**

Steps of the Choice Program scheduling process	Completed by VA medical facility staff	Completed by Choice Program third party administrator (TPA) staff	Completed by the veteran
A VA clinician determines the veteran needs care.	Responsible		
VA medical facility staff confirm the veteran's eligibility for Choice Program care and begin contacting the veteran to offer a referral to the Choice Program.	Responsible		
The veteran agrees to be referred to the Choice Program.			Responsible
VA medical facility staff compile relevant clinical information (including a description of the specific services and type of medical specialist the veteran needs) and submit the veteran's referral to the TPA.	Responsible		
TPA staff review the veteran's Choice Program referral to ensure it contains information needed to proceed with appointment scheduling and accept the referral if the information is sufficient.		Responsible	
TPA staff contact the veteran by telephone to confirm that he or she wants to opt in to the Choice Program. If the veteran is not reached by telephone, the TPA sends a letter requesting that the veteran contact the TPA to opt in to the program.		Responsible	
If the veteran opts in to the Choice Program, TPA staff create an authorization and begin efforts to schedule an appointment with a community provider.		Responsible	
TPA staff schedule an appointment with a community provider. The authorization (which contains relevant clinical information, a description of authorized services, and a period of validity) is sent to the community provider. The veteran is informed of the date and time of the appointment.		Responsible	
The veteran attends the initial appointment with the Choice Program community provider.			Responsible

Legend:

✓ = responsibility for process step.

Source: GAO analysis of VA documents. | GAO-19-507T

Note: VA uses the time-eligible appointment scheduling process when the services needed are not available at a VA medical facility or are not available within allowable wait times.

When veterans reside more than 40 miles from a VA medical facility or meet other travel-related criteria, VA uses the appointment scheduling process it developed for distance-eligible veterans. The process for distance-eligible veterans differs from that for time-eligible veterans in that VA medical facilities do not prepare a referral and send it to the TPA.

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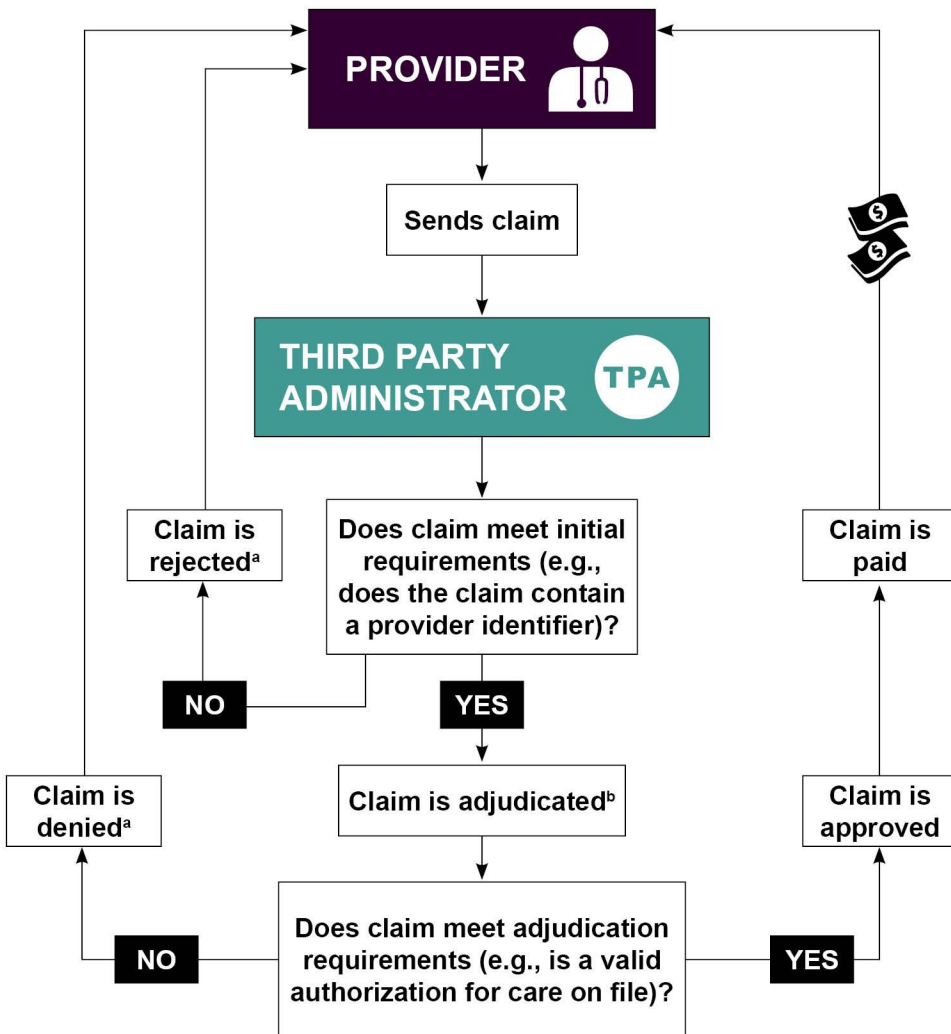
Instead, distance-eligible veterans contact the TPA directly to request Choice Program care.

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## Choice Program Claim Processing and Payment

VA's Choice Program TPA processes claims it receives from community providers for the care they deliver to veterans and pays providers for approved claims. Figure 1 provides an overview of the steps the TPA follows for processing claims and paying community providers.

**Figure 1: Steps the TPA Follows to Process and Pay Claims from Community Providers for Care Delivered Under the Veterans Choice Program**



Source: GAO analysis of third party administrator (TPA) information | GAO-19-507T

<sup>a</sup>According to TPA officials, rejected claims are claims returned up front to providers due to, for example, the use of invalid claim forms and missing provider identification numbers. Denied claims are claims that contain the necessary data elements but do not pass required claim processing steps, which, for example, verify the veteran’s eligibility for the Veterans Choice Program, that a valid authorization for care is on file, and that the claim is not a duplicate.

<sup>b</sup>Claim adjudication refers to the process of reviewing a claim and making the decision to approve or deny it. Claims being adjudicated are either classified as clean or non-clean claims. Clean claims are claims that contain all required data elements, while non-clean claims are those claims that are missing required data elements that the TPA must obtain before the claim is paid.



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To be reimbursed for its payments to providers, the TPA in turn submits electronic invoices—or requests for payment—to VA. The TPA generates an invoice for every claim it receives from community providers and pays. VA reviews the TPA's invoices and either approves or rejects them. Invoices may be rejected, for example, if care provided was not authorized. Approved invoices are paid, whereas rejected invoices are returned to the TPA. Under the Prompt Payment Act, VA is required to pay its TPAs within 30 days of receipt of a clean Choice Program invoice.<sup>8</sup>

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### VA's Planned Veterans Community Care Program

The VA MISSION Act of 2018, among other things, requires VA to establish a permanent community care program no later than 1 year after passage of the Act (June 6, 2019) and authorizes VA to utilize a TPA for claims processing. VA refers to the consolidated program as the VCCP. In December 2016, prior to enactment of the VA MISSION Act of 2018, VA issued a request for proposals for contractors to help administer the VCCP. The VCCP will be similar to the current Choice Program in certain respects. For example, under the VCCP, TPAs will be responsible for establishing regional networks of community providers and processing and paying those providers' claims. However, unlike the Choice Program, under the VCCP, VA is planning to have medical facilities—not the TPAs—generally be responsible for scheduling veterans' appointments with community providers. VA awarded contracts for administering the VCCP in three of six regions on December 28, 2018. As of April 3, 2019, VA had not yet awarded contracts for the remaining three regions.

Generally, all veterans enrolled in the VA health care system would be able to qualify for care through the VCCP when (1) VA does not offer the care or service required by the veteran; (2) the veteran resides in a state without a full-service VA medical facility; (3) the veteran would have been eligible under the 40-mile criterion of the Choice Program before June 6, 2018; (4) VA cannot provide the veteran with care and services that comply with its designated access standards; or (5) the veteran and the veteran's referring clinician agree that it is in the best interest of the veteran to receive care in the community. In January 2019, VA proposed new access standards for the VCCP based on average drive times and wait times:

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<sup>8</sup>31 U.S.C. § 3903(a)(1); 5 C.F.R. part 1315.

- For primary care, mental health, and non-institutional extended care services, VA is proposing a 30-minute average drive time standard.
- For specialty care, VA is proposing a 60-minute average drive time standard.
- VA is proposing appointment wait-time standards of 20 days for primary care, mental health care, and non-institutional extended care services, and 28 days for specialty care from the date of request with certain exceptions.<sup>9</sup>

Eligible veterans who cannot access care within those standards would be able to choose between eligible community providers and care at a VA medical facility. VA expects to issue the final regulation establishing access standards for the VCCP by June 2019.

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## VA Needs to Address Various Factors That Adversely Affected Veterans' Access to Care through the Choice Program to Help Ensure Timely Care under the VCCP

In June 2018, we reported that numerous factors adversely affected veterans' timely access to care through the Choice Program and could affect implementation of the VCCP.<sup>10</sup> These factors included the following: (1) administrative burden caused by complexities of VA's referral and appointment scheduling processes; (2) poor communication between VA and its medical facilities; and (3) inadequacies in the networks of community providers established by the TPAs, including an insufficient number, mix, or geographic distribution of community providers. VA has taken steps to help address these factors; however, not all access factors have been fully addressed. For example, to help address administrative burden and improve the process of coordinating veterans' Choice Program care, VA established a secure e-mail system and a mechanism for TPAs and community providers to remotely access veterans' VA electronic health records. However, these mechanisms only facilitate a one-way transfer of necessary information. They do not provide a means by which VA medical facilities or veterans can view the

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<sup>9</sup>84 Fed. Reg. 5629 (Feb. 22, 2019).

<sup>10</sup>See [GAO-18-281](#).

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TPAs' step-by-step progress in scheduling appointments or electronically receive medical documentation associated with Choice Program appointments.

We made five recommendations to VA to address the factors that adversely affected veterans' access to Choice Program care. VA agreed or agreed in principle with all five recommendations. Our recommendations and the steps, if any, VA has taken in response to these recommendations are described in table 2.

**Table 2: GAO Recommendations for Addressing Factors Adversely Affecting Veterans' Access to Care and the Implementation Status of These Recommendations**

GAO recommendation	Implementation status
<p>The Under Secretary for Health should (1) establish oversight mechanisms to ensure that VA is collecting reliable data on the reasons that VA medical facility or third party administrator (TPA) staff are unsuccessful in scheduling veterans' appointments through the Veterans Community Care Program (VCCP), and (2) demonstrate that it has corrected any identified deficiencies.<sup>a</sup></p>	<p>VA agreed with our recommendation and stated that it has developed a mechanism for capturing unsuccessful scheduling attempts. According to VA, this mechanism will be incorporated into its new Health Share Referral Manager system, which VA expects will be fully implemented across all VA medical facilities by September 2019. The exact oversight mechanism and ability to identify and correct deficiencies are still being established.</p>
<p>The Secretary of Veterans Affairs should ensure that the contracts for the VCCP include performance metrics that will allow VA to monitor average driving times between veterans' homes and the practice locations of community providers that participate in the TPAs' networks.</p>	<p>VA agreed with our recommendation and stated that its Veterans Community Care Network contract request for proposals includes performance metrics that will allow VA to monitor average driving times between veterans' homes and the practice locations of community providers that participate in the TPAs' networks.</p>
<p>The Secretary of Veterans Affairs should establish a system for the VCCP to help facilitate seamless, efficient information sharing among VA medical facilities, VA clinicians, TPAs, community providers, and veterans. Specifically, this system should allow all of these entities to electronically exchange information for the purposes of care coordination.</p>	<p>VA agreed with our recommendation and stated that its new Health Share Referral Manager system, which VA expects will be fully implemented across all medical facilities by September 2019, will be a key component of an overall system that will facilitate information sharing among medical facilities, VA clinicians, TPAs, community providers, and veterans. VA expects to implement this recommendation by September 2019.</p>
<p>The Under Secretary for Health should conduct a comprehensive evaluation of the outcomes of the two appointment scheduling pilots it established at the Alaska and Fargo VA Health Care Systems (where VA medical facility staff, rather than TPA staff, are responsible for scheduling veterans' Choice Program appointments), which should include a comparison of the timeliness with which VA medical facility staff and TPA staff completed each step of the Choice Program appointment scheduling process, as well as the overall timeliness with which veterans received appointments.</p>	<p>VA agreed with our recommendation. VA's new Health Share Referral Manager system, which VA expects will be fully implemented across all medical facilities by September 2019, will enable VA to assess the timeliness of appointment scheduling. VA expects to implement this recommendation by October 2019.</p>
<p>The Under Secretary for Health should issue a comprehensive policy directive and operations manual for the VCCP and ensure that these documents are reviewed and updated in a timely manner after any significant changes to the program occur.</p>	<p>VA agreed in principle with this recommendation and stated that the VA Office of Community Care will consider whether new policy directives are needed after the VCCP has been implemented and interim challenges to implementation have been resolved.</p>

Source: GAO-18-281 and GAO analysis of Department of Veterans Affairs (VA) information. | GAO-19-507T

<sup>a</sup>The report in which we made these recommendations, refers to the VCCP as the consolidated community care program VA plans to implement, because the name of the program had not yet been

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announced. See GAO, *Veterans Choice Program: Improvements Needed to Address Access-Related Challenges as VA Plans Consolidation of Its Community Care Programs*, [GAO-18-281](#) (Washington, D.C.: June 4, 2018).

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## VA Needs Complete and Reliable Data to Effectively Monitor Veterans' Access to Care under the VCCP

In June 2018, we reported that VA cannot systematically monitor the timeliness of veterans' access to Choice Program care because it lacks complete, reliable data to do so.<sup>11</sup> VA will need to address these data limitations in order to effectively monitor the care delivered to veterans through the VCCP. The data limitations we identified included the following:

- **A lack of data on the timeliness of accepting referrals and opting veterans in to the program.** We found that the data VA uses to monitor the timeliness of Choice Program appointments do not capture the time it takes VA medical facilities to prepare veterans' referrals and send them to the TPAs, nor do they capture the time spent by the TPAs in accepting VA medical facilities' referrals and opting veterans in to the Choice Program. VA had implemented an interim solution to monitor overall wait times that relies on VA medical facility staff consistently and accurately entering unique identification numbers on VA clinicians' requests for care and on Choice Program referrals, a process that is prone to error.

- **Inaccuracy of clinically indicated dates.** We found that clinically indicated dates (used to measure the timeliness of care) are sometimes changed by VA medical facility staff before they send Choice Program referrals to the TPAs, which could mask veterans' true wait times. We found that VA medical facility staff entered later clinically indicated dates on referrals for about 23 percent of the 196 authorizations we reviewed.<sup>12</sup> It is unclear if VA medical facility staff mistakenly entered incorrect dates

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<sup>11</sup>See [GAO-18-281](#).

<sup>12</sup>We manually reviewed a random, non-generalizable sample of 196 Choice Program authorizations. The authorizations were created for veterans at 6 selected VA medical facilities who were referred to the program between January and April of 2016, the most recent period for which data were available when we began our review. The sample of authorizations included 55 for routine care, 53 for urgent care, and 88 that the TPAs returned without scheduling appointments.

manually, or if they inappropriately entered later dates when the VA medical facility was delayed in contacting the veteran, compiling relevant clinical information, and sending the referral to the TPA.

• **Unreliable data on the timeliness of urgent care.** We found that VA medical facilities and TPAs do not always categorize Choice Program referrals and authorizations in accordance with the contractual definition for urgent care. According to the contracts, a referral is to be marked as “urgent,” and an appointment is to take place within 2 business days of the TPA accepting it, when a VA clinician has determined that the needed care is (1) essential to evaluate and stabilize the veteran’s condition, and (2) if delayed would likely result in unacceptable morbidity or pain. We reviewed a sample of 53 urgent care authorizations and determined that about 28 percent of the authorizations were originally marked as routine care authorizations but were changed to urgent by VA medical facility or TPA staff, in an effort to administratively expedite appointment scheduling.

We made five recommendations to VA on improving the completeness and accuracy of data on veterans’ wait times for care. VA agreed with four of the five recommendations. Our recommendations and the steps VA has taken in response to these recommendations are described in table 3.

**Table 3: GAO Recommendations for Improving the Timeliness and Accuracy of Data on Veterans' Wait Times for Care and the Implementation Status of These Recommendations**

GAO recommendation	Implementation status
<p>The Under Secretary for Health should establish an achievable wait-time goal for the Veterans Consolidated Community Care Program (VCCP) that will permit VA to monitor whether veterans are receiving VA community care within time frames that are comparable to the amount of time they would otherwise wait to receive care at VA medical facilities.<sup>a</sup></p>	<p>VA agreed with our recommendation and has proposed wait-time standards for the VCCP. VA stated that, as its new standards are implemented, there will be transparency on the wait times for obtaining an appointment in the community, which will allow providers and veterans to make a more informed decision on where to obtain care based on medical need and timeliness of the appointment. According to VA, VA staff are meeting weekly to review current processes and determine if further updates are needed. VA expects to implement this recommendation by June 2019.</p>
<p>The Under Secretary for Health should design an appointment scheduling process for the VCCP that sets forth time frames within which (1) veterans' referrals must be processed, (2) veterans' appointments must be scheduled, and (3) veterans' appointments must occur, which are consistent with the wait-time goal VA has established for the program.</p>	<p>VA agreed with our recommendation and stated that it is developing a decision support tool to help determine how to deliver care in a timely and convenient manner. Among other features, the tool will display both VA clinic availability and the veteran's eligibility for community care, so administrative and clinical staff can work with the veteran to make an informed decision on when and where the requested care could be best delivered. According to VA, VA staff are meeting weekly to review current processes and determine if further updates are needed. VA expects to implement this recommendation by June 2019.</p>
<p>The Under Secretary for Health should establish a mechanism that will allow VA to systematically monitor the average number of days it takes for medical facilities to prepare referrals, for medical facilities or third-party administrators (TPA) to schedule veterans' appointments, and for veterans' appointments to occur, under the VCCP.</p>	<p>VA agreed with our recommendation and stated that it is developing a mechanism to systematically monitor the average number of days it takes for medical facilities to prepare referrals, for medical facilities or TPAs to schedule veterans' appointments, and for veterans' appointments to occur, under the VCCP. According to VA, this mechanism will be incorporated into its new Health Share Referral Manager system, which VA expects will be fully implemented across all VA medical facilities by September 2019.</p>
<p>The Under Secretary for Health should implement a mechanism to prevent veterans' clinically indicated dates from being modified by individuals other than VA clinicians when veterans are referred to the VCCP.</p>	<p>VA agreed with our recommendation and stated that its new Health Share Referral Manager system, which VA expects will be fully implemented across all VA medical facilities by September 2019, will interface with the existing consult package that has been modified to allow a VA clinician to enter the clinically indicated date while restricting schedulers from making alterations to it.</p>
<p>The Under Secretary for Health should implement a mechanism to separate clinically urgent referrals and authorizations from those for which the VA medical facility or the TPA has decided to expedite appointment scheduling for administrative reasons.</p>	<p>VA did not agree with this recommendation and stated there will no longer be a need to separate clinically urgent referrals for care from those that need expediting under the VCCP. However, we maintain that our recommendation is warranted. In particular, we found that VA's data did not always accurately reflect the timeliness of urgent care because both VA medical center and TPA staff inappropriately re-categorized some routine care referrals and authorizations as urgent ones for reasons unrelated to the veterans' health conditions.</p>

Source: GAO-18-281 and GAO analysis of Department of Veterans Affairs (VA) information. | GAO-19-507T

<sup>a</sup>The report in which we made these recommendations, refers to the VCCP as the consolidated community care program VA plans to implement, because the name of the program had not yet been announced. See GAO, *Veterans Choice Program: Improvements Needed to Address Access-Related Challenges as VA Plans Consolidation of Its Community Care Programs*, GAO-18-281 (Washington, D.C.: June 4, 2018).

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## Further Improvements Are Needed to Help Ensure Timely Payments to Community Providers

In September 2018, we reported that three key factors affected timeliness of payments to community providers under the Choice Program and that if unaddressed could affect provider payment timeliness for the VCCP.<sup>13</sup> These factors included the following: (1) VA's untimely payments to TPAs, which in turn extended the length of time TPAs took to pay community providers' claims; (2) Choice Program reimbursement requirements, which led to claim denials; and (3) inadequate provider education on filing claims. We reported that VA has taken some actions to address these factors. For example, VA updated its payment system and related processes to pay TPAs more quickly. According to VA data, as of July 2018, VA was paying at least 90 percent of the TPAs' invoices within 7 days, a significant increase from the 50 percent timely payments VA made to TPAs between November 2014 and September 2016. In addition, VA and the TPAs had taken steps to amend certain reimbursement requirements and improve provider education to help providers resolve claims processing issues.

However, we found that VA has not fully addressed two of these factors. First, with respect to reimbursement requirements, VA does not have complete data allowing it to effectively monitor adherence with its policy for VA medical facilities to perform timely reviews and approvals of secondary authorization requests. Community providers request secondary authorization requests when veterans need health care services that exceed the period or scope of the original authorization. Incomplete data impacted VA's ability to meet the requirement. When VA medical facilities delay these reviews and approvals, community providers may have to delay care or deliver care that is not authorized, which in turn increases the likelihood that the providers' claims will be denied and the providers will not be paid. Second, with respect to provider education on filing claims, VA requires the TPAs to establish a customer call center to respond to calls from veterans and non-VA providers. However, VA does not enforce the contractual requirement for responding to calls from community providers and allows the TPAs to prioritize calls from veterans

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<sup>13</sup>See [GAO-18-671](#).



over calls from community providers. Consequently, VA is not collecting data, monitoring, or enforcing compliance with its contractual requirements for the TPAs to provide timely customer service to providers. As a result, VA does not have information on the extent to which community providers face challenges when contacting the TPAs about claims payment issues, which could contribute to the amount of time it takes to receive reimbursement for services.

To address remaining factors that affect provider payment timeliness, we made two recommendations to VA. VA agreed with both recommendations. Our recommendations and the steps VA has taken in response to these recommendations are described in table 4.

**Table 4: GAO Recommendations on Improving the Timeliness of Payments to Community Providers and the Implementation Status of These Recommendations**

GAO recommendation	Implementation status
Once VA's new software for managing authorizations has been fully implemented, the Undersecretary for Health should monitor data on secondary authorization request approval decision time frames to ensure VA medical facilities are in adherence with VA policy, assess the reasons for nonadherence with the policy, and take corrective actions as necessary.	VA agreed with our recommendation and stated that it has already taken steps to improve compliance with secondary authorization request approval timeframes by identifying challenges, agreeing on improvement actions, and providing training. According to VA, its new Health Share Referral Manager system, which VA expects will be fully implemented across all medical facilities by September 2019, will automate secondary authorization request reporting and tracking. According to VA, it will utilize this new system to ensure compliance with secondary authorization request approval time frames.
The Undersecretary for Health should collect data and monitor compliance with the Choice Program contractual requirements pertaining to customer service for community providers, and take corrective actions as necessary.	VA agreed with our recommendation and stated that it currently does not have the ability to monitor and assess the performance of customer service operations under the Choice Program contracts. VA has included additional requirements for customer service in the Veterans Community Care Network request for proposals and plans to monitor compliance with these requirements under the Veterans Community Care Program. VA expects to implement this recommendation by December 2019.

Source: GAO-18-671 and GAO analysis of Department of Veterans Affairs (VA) information. | GAO-19-507T

In summary, consolidating its existing community care programs into the VCCP and launching this new program in June 2019 is a large and complex undertaking, which comes with many risks and challenges for VA. Heeding the lessons learned from its implementation and management of the Choice Program will better position VA to ensure veterans receive timely access to care under the VCCP and avoid past challenges such as delays in scheduling appointments and untimely payments to community providers. Continued oversight of VA's implementation of the VCCP will be critical given the scale of change and the associated risks. We stand ready to assist this Committee with this continued oversight.

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Chairman Isakson, Ranking Member Tester, and Members of the Committee, this concludes my prepared statement. I would be pleased to respond to any questions you may have.

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## GAO Contacts and Staff Acknowledgments

If you or your staff members have any questions concerning this testimony, please contact me at (202) 512-7114 or [silass@gao.gov](mailto:silass@gao.gov). Contact points for our Office of Congressional Relations and Public Affairs may be found on the last page of this statement. Other individuals who made key contributions to this testimony include Marcia Mann (Assistant Director), Michael Zose (Analyst-in-Charge), Jacquelyn Hamilton, Christina Ritchie, Kate Tussey, and Emilie Weisser.

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