

GAO Highlights

Highlights of [GAO-20-669](#), a report to congressional requesters

Why GAO Did This Study

In fiscal year 2019, VA obligations for veterans' community care accounted for over 17 percent of all obligations for VA health care. In implementing the VA MISSION Act of 2018, VA continues to focus on community care as a way to improve veterans' access to health care. When informing Congress of the resources needed for community care, VA must ensure its budget estimates, which are based mostly on actuarial projections, are reliable. The process to develop these estimates is inherently complex, as it requires making assumptions based on imperfect information.

GAO was asked to review VA's efforts to develop projections for community care. This report (1) describes VA's actual community care obligations for fiscal years 2018 and 2019 and estimated obligations for fiscal years 2020 through 2022 and (2) examines VA's processes related to its use of actuarial modeling for developing budget estimates for community care, among other objectives. GAO reviewed VA data and documents used to develop estimates for the budget requests for fiscal years 2020 through 2022, the most recent years for which data and documents were available. GAO also interviewed officials from VA and its actuarial consultant responsible for developing estimates.

What GAO Recommends

GAO recommends that VA (1) communicate information on data quality to its actuarial consultant and (2) assess and communicate overall uncertainty associated with actuarial projections to stakeholders. VA concurred with GAO's recommendations.

View [GAO-20-669](#). For more information, contact Sharon M. Silas at (202) 512-7114 or silass@gao.gov or Frank Todisco at (202) 512-2700 or todiscof@gao.gov.

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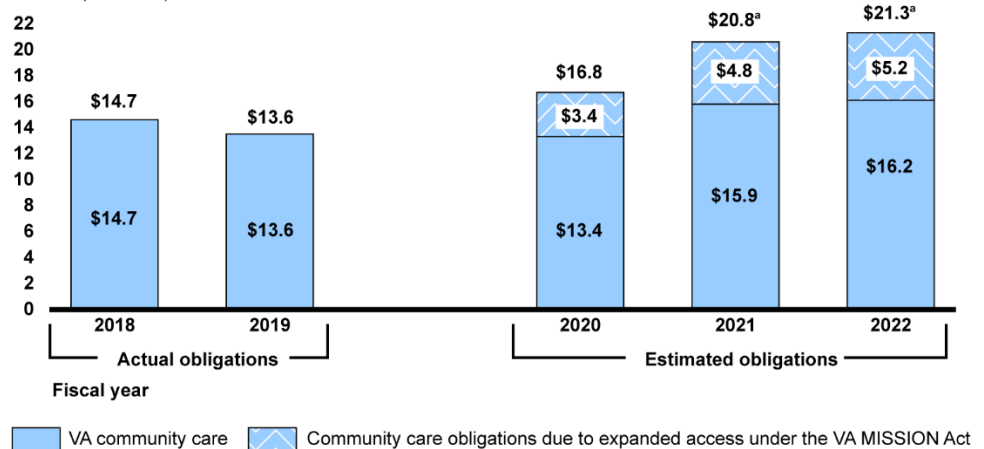
VA HEALTH CARE

Additional Steps Could Help Improve Community Care Budget Estimates

What GAO Found

To help ensure veterans' access to timely health care services, the Department of Veterans Affairs (VA) purchases care from non-VA providers, known as community care. VA estimates that by fiscal year 2022, its obligations for veterans' community care will total \$21.3 billion, an increase of \$6.6 billion (45 percent) from fiscal year 2018. This estimated increase reflects implementation of the VA MISSION Act of 2018, which, among other things, expanded veterans' access to community care starting in June 2019.

VA Actual and Estimated Community Care Obligations, Fiscal Years 2018 through 2022
Dollars (in billions)



Source: GAO analysis of Department of Veterans Affairs (VA) data. | GAO-20-669

^aTotals may not sum due to rounding.

Each year, VA develops an estimate of the budgetary resources needed to provide VA health care services, including community care, by following established processes. However, when providing data to its consultant responsible for the actuarial modeling, VA does not communicate all relevant information on the quality of its community care utilization and cost data, including any limitations affecting these data. VA officials responsible for providing the data told GAO that they rely on the offices that compile and validate the data for use throughout the department, without collecting information on the data quality from those offices. Such information could improve the actuarial modeling. In addition, VA does not fully assess and communicate to stakeholders the degree of uncertainty inherent in actuarial projections for community care that directly inform the community care budget estimates. VA officials told GAO that stakeholders have an awareness that actual community care experience may differ from projections. By fully assessing and communicating the degree of overall uncertainty associated with its projections, however, VA stakeholders would have more comprehensive information for responding to uncertainty affecting model projections when making decisions regarding VA's community care budget estimates.