



United States Government Accountability Office

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Report to the Ranking Member,  
Committee on Veterans' Affairs,  
House of Representatives

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August 2024

# VETERANS COMMUNITY CARE PROGRAM

## VA Needs to Strengthen Contract Oversight

# GAO Highlights

Highlights of [GAO-24-106390](#), a report to the Ranking Member, Committee on Veterans' Affairs, House of Representatives

## Why GAO Did This Study

VA's Veterans Community Care Program is implemented through five regional contracts with two third-party administrators. Effective contract oversight by VA is essential to providing quality health care to the increasing number of veterans served outside of VA facilities. In 2019, GAO added VA acquisition management to its High-Risk List due to VA's challenges in managing acquisitions, including contract oversight.

GAO was asked to assess VA's Veterans Community Care Program. This report (1) describes the oversight structure VA established for the Community Care contracts, (2) assesses the extent to which VA established clear and complete guidance for contract oversight, and (3) assesses the extent to which VA identified and assessed challenges to the program to inform future contracts.

To conduct this work, GAO reviewed Community Care program contract files, reviewed agency documentation, and interviewed VA officials.

## What GAO Recommends

GAO is recommending that VA (1) document a clear and comprehensive set of contract oversight procedures, (2) assess whether all aspects of the program manager role are fulfilled by its current processes, and (3) develop a formal lessons learned process. VA concurred with the three recommendations and identified planned actions to address them.

View [GAO-24-106390](#). For more information, contact Shelby S. Oakley at (202) 512-4841 or [OakleyS@gao.gov](mailto:OakleyS@gao.gov).

August 2024

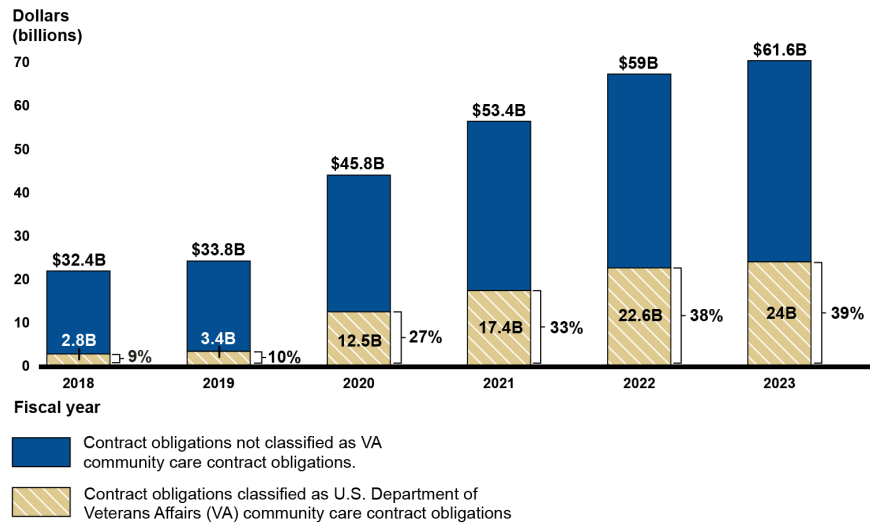
# VETERANS COMMUNITY CARE PROGRAM

## VA Needs to Strengthen Contract Oversight

### What GAO Found

The Department of Veterans Affairs' (VA) Veterans Community Care Program allows eligible veterans to receive medical care from community providers instead of VA facilities. The program has grown rapidly in recent years and accounted for nearly 40 percent of VA's total contract obligations in fiscal year 2023. Contract oversight is complex and responsibility for oversight is spread across multiple areas within the Office of Integrated Veteran Care (IVC). IVC was created in 2022, and it continues to restructure some roles, such as the Contracting Officer's Representatives (COR), who keep contracting officers informed and provide technical direction to contractors.

Community Care Obligations between Fiscal Years 2018 and 2023 (in billions)



Source: GAO analysis of Federal Procurement Data System data. | GAO-24-106390

IVC has not developed a clear and complete set of documentation to guide contract oversight. IVC has developed guidance—called desk procedures—but this guidance is limited to certain administrative processes and is incomplete. For example, it does not address how contract performance should be assessed when performance data are incomplete or unreliable, hindering CORs from conducting contract oversight.

Further, IVC has eliminated a program manager position identified in the oversight plans for the contracts. While IVC officials identified alternative processes for some program manager functions, officials have not assessed whether they fulfill all functions. Additionally, VA has not updated its plans to reflect its current processes. These gaps increase contract oversight risks.

While IVC and other officials have begun discussing how to address oversight challenges with the current contracts, VA does not have a formal process for documenting lessons learned. VA is already working to establish the next set of contracts. VA risks continued contract oversight challenges if it does not collect, analyze, and validate lessons learned from its contracting efforts.

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## Abbreviations

VA	Department of Veterans Affairs
IVC	Integrated Veteran Care
SAC	Strategic Acquisition Center
COR	contracting officer's representative
IEN	Integrated External Networks
VHA	Veterans Health Administration
CMO	Chief Management Office

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August 21, 2024

The Honorable Mark Takano  
Ranking Member  
Committee on Veterans' Affairs  
House of Representatives

Dear Mr. Takano:

Created in June 2019, the Department of Veterans Affairs' (VA) Veterans Community Care Program allows eligible veterans to receive care from community providers when they face certain challenges accessing care at VA medical facilities.<sup>1</sup> According to VA, among the approximately 9.5 million enrolled veterans and eligible family members receiving health care from VA in fiscal year 2023, about 2.8 million (30 percent) received Community Care.

The VA MISSION Act of 2018 made Community Care a more central part of how VA accomplishes its mission.<sup>2</sup> The increased role of Community Care is a major change for VA as an organization. VA has decades of experience providing medical care primarily through its own medical facilities—VA medical centers and outpatient clinics. However, the organizational structures, policies, and processes needed to effectively oversee care provided through contracts with third-party administrators are different from those required to manage care provided directly by VA staff. The Community Care Network program is implemented through five contracts—making effective contract oversight essential to ensuring VA can meet its mission.<sup>3</sup>

The Office of Integrated Veteran Care (IVC) was created to serve this role. The scope of IVC's mission has increased significantly since the first Community Care contracts were awarded in response to the VA MISSION Act. As shown in figure 1, obligations for Community Care grew

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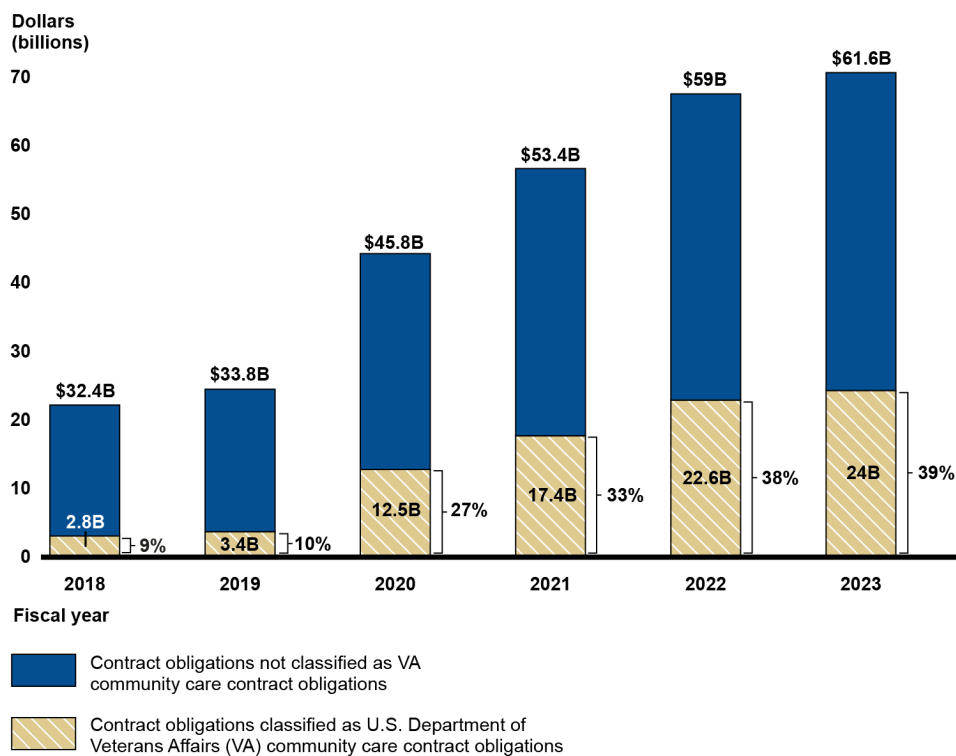
<sup>1</sup>See 38 U.S.C. § 1703. VA has allowed eligible veterans to receive community care through various programs since 1945.

<sup>2</sup>Pub. L. No. 115-182 (2018).

<sup>3</sup>The five regional Community Care Network contracts are the primary means by which VA provides Community Care. Throughout this report, we use the term Community Care to refer to the Community Care Network program.

by an order of magnitude, from about \$2.3 billion in fiscal year 2018 to \$23.9 billion in fiscal year 2023. With this growth, Community Care has accounted for a third or more of all VA contract obligations for all types of goods and services in each of the last 3 fiscal years.

**Figure 1: Community Care Obligations as a Percentage of Total VA obligations (in billions)**



Source: GAO analysis of Federal Procurement Data System data. | GAO-24-106390

Given the increased growth and importance of the Community Care program, and VA's past challenges with acquisition management, you asked us to examine the extent to which VA conducts oversight of the Community Care contracts. In this report, we (1) describe the oversight structure VA established for the Community Care contracts; (2) assess the extent to which VA has established and documented clear and complete guidance for contract oversight, including processes, roles, and responsibilities for oversight; and (3) assess the extent to which VA has identified and assessed challenges to the Community Care program.

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To describe VA's oversight structure for the Community Care contracts, we reviewed documents related to the structure of IVC. We conducted interviews with contracting officers in the Strategic Acquisition Center (SAC). We also interviewed officials and contracting officer's representatives (COR) within IVC's Office of Integrated External Networks, the office primarily responsible for overseeing the Community Care contracts in coordination with the SAC contracting officers. We assessed the organizational structure. We used information obtained in interviews with IVC officials, CORs, and SAC contracting officials to identify how the office is currently structured, and any future changes that are being planned.

To determine the extent to which VA has established and documented clear and complete guidance for the Community Care contracts, we assessed Quality Assurance Surveillance Plans and contract deliverables for all Community Care contracts, regions 1-5 (TriWest and Optum), including the roles of both the program office (IVC) and the contracting office (SAC). We assessed policy, process, contract deliverables, and other information from fiscal year 2022. We also assessed quality assurance monitoring forms for two performance objectives in the contracts. The performance objectives we assessed were clinical quality issues identification, and claims submission and processing time frames.<sup>4</sup> We assessed information obtained in interviews, contract desk procedures, contract deliverables, and other relevant guidance against our *Standards for Internal Control in the Federal Government*.<sup>5</sup> We assessed the extent to which VA has documented oversight processes against principles we have identified to achieve management objectives, which the internal control standards refer to as the control environment. This component was significant to the objective, along with the related principle that management establish structure, responsibility, and authority, including the assignment of responsibility and documentation of the system.

To determine the extent to which VA has identified and assessed program challenges, we interviewed contracting officials and reviewed documents related to planning for the next set of Community Care contracts. We assessed documentation related to the future contracts, as

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<sup>4</sup>For purposes of this report, we are using the term claims submissions to refer to the claims that providers submitted to the third-party administrators for reimbursement.

<sup>5</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).



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well as information obtained in interviews with responsible officials, against leading practices related to lessons learned. We used our prior work and standards produced by the Project Management Institute, Inc. to identify leading practices.<sup>6</sup>

We conducted this performance audit from December 2022 to August 2024 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

### Establishment of the Community Care Program

VA has been providing community care in some form since 1945. VA established the current Community Care Program in 2019 in response to a requirement in the VA MISSION Act of 2018 to establish a permanent community care program.<sup>7</sup> The program consolidated and replaced VA's previous community care programs, which included the Veterans Choice Program, by establishing a permanent program to provide health care to eligible veterans when providers at VA medical facilities could not meet certain accessibility standards. For example, eligible veterans may choose to receive care under the Community Care Program when needed services are not available at their VA medical facility, or when the wait to receive service at VA medical facilities exceeds specific standards.

Prior to May 2022, VA's Office of Community Care was responsible for care from community providers, and the Office of Veterans Access to Care was responsible for direct care from VA providers. In May 2022, parts of these two offices merged to form IVC, which was assigned responsibility for management oversight of the Community Care

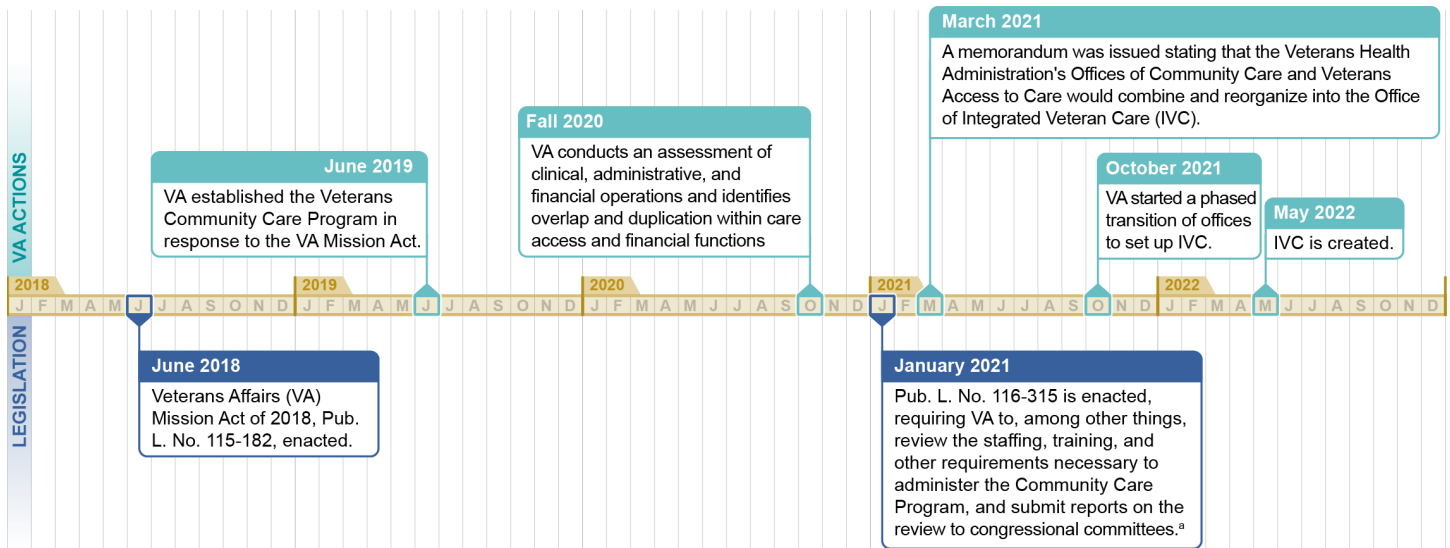
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<sup>6</sup>GAO, *Project Management: DOE and NNSA Should Improve Their Lessons-Learned Process for Capital Asset Projects*, [GAO-19-25](#) (Washington, D.C.: Dec. 21, 2018). Project Management Institute, Inc., *A Guide to the Project Management Body of Knowledge (PMBOK® Guide) - Seventh Edition* (2021); and *Implementing Organizational Project Management: A Practice Guide*. PMBOK is a trademark of Project Management Institute, Inc. The Project Management Institute is a not-for-profit association that, among other things, provides standards for managing various aspects of projects, programs, and portfolios.

<sup>7</sup>Pub. L. No. 115-182, § 101(a) (2018) (codified as amended at 38 U.S.C. § 1703).

contracts. Figure 2 illustrates the timeline for VA’s reorganization of the Community Care program office.

**Figure 2: Timeline of the Reorganization of VA Office of Integrated Veteran Care (IVC)**



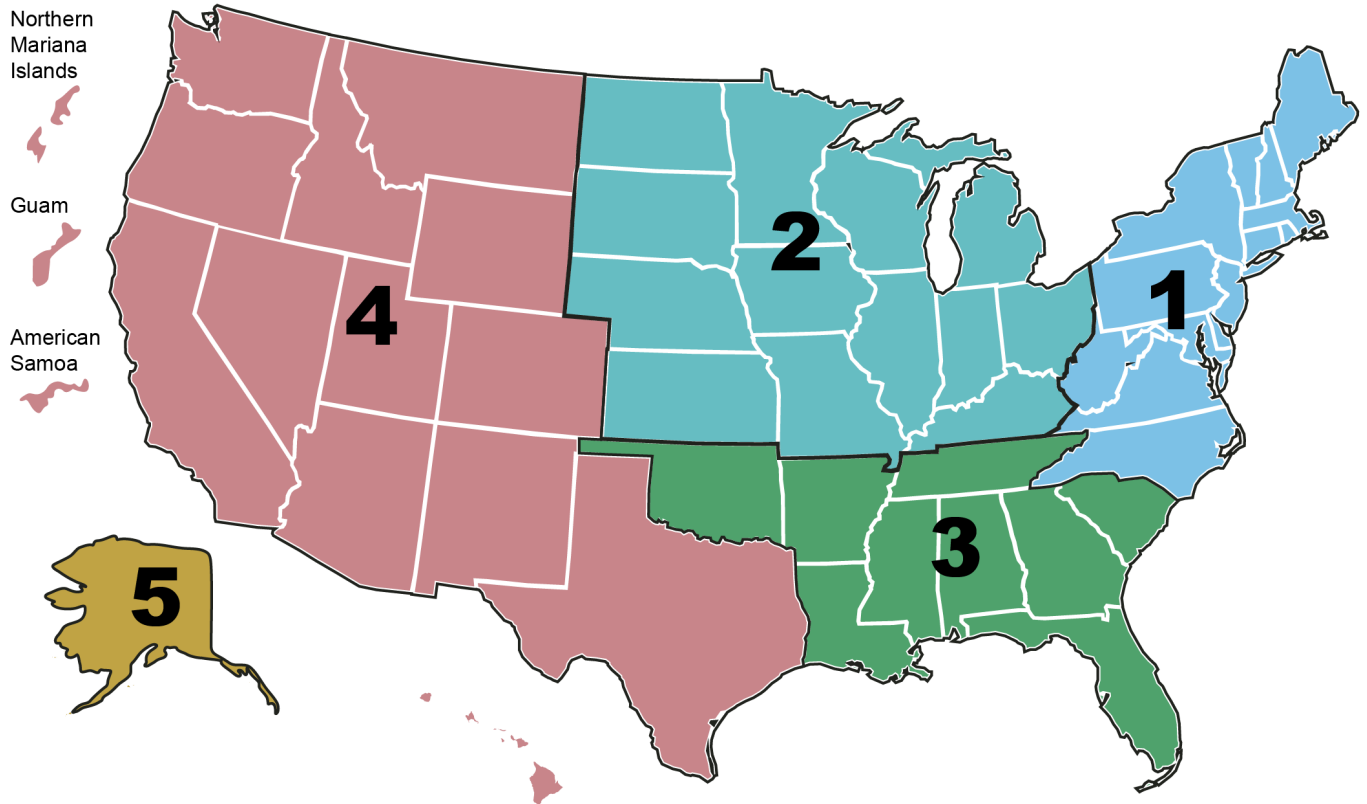
Source: GAO analysis of legislation and documentation by the U.S. Department of Veterans Affairs (VA). | GAO-24-106390

<sup>a</sup>Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020, Pub. L. No. 116-315, § 3103(a) (2021) (codified at 38 U.S.C § 1703 note).

## Community Care Network Contract Structure

VA implements the Community Care Network through five contracts with third-party administrators—with each contract covering services in one of the five Community Care regions (see fig. 3). The third-party administrators are contractors that are responsible for maintaining provider networks that are adequate in size and have the capacity to ensure veterans’ timely access to care.

**Figure 3: Map of VA's Five Community Care Network Regions**



Source: GAO analysis of U.S. Department of Veterans Affairs (VA) information (data); Map Resources (map). | GAO-24-106390

In December 2018, VA awarded Community Care contracts for regions 1, 2, and 3 to Optum Public Sector Solutions, Inc. In 2019 and 2020, VA awarded Community Care contracts for regions 4 and 5 to TriWest Healthcare Alliance Corp. Each of the contracts was awarded with an initial base period of performance and seven 12-month option periods, the last of which would conclude between 2026 and 2028, depending on the region. Though the work performed under the five contracts is generally the same, there are some variations in contract terms across the contracts, and each contract is administered separately.

### Contract Oversight Structure

Within IVC, the Office of Integrated External Networks leads, develops, and oversees contracts and networks for community care for veterans and their beneficiaries. The office measures the third-party administrators' network adequacy. It also manages the reporting of quality issues, the credentialing of providers, and the resolution of disputes, complaints, and

grievances to ensure high quality and timely health care services for veterans. VA identified contract administration as a technical risk to the Community Care program, in part due to the large volume of deliverables provided under the contracts and the lack of a sufficient number of CORs to evaluate them.

Table 1 identifies some examples of offices within IVC that have roles in contract oversight and their oversight responsibilities on the community care contracts. For a complete list of offices, see appendix II.

**Table 1: Examples of Offices within the Office of Integrated Veteran Care That Have a Role in Contract Planning and Oversight**

Office	Role in contract oversight
Integrated External Networks (IEN) Acquisitions	IEN Acquisitions is responsible for leading the strategic planning for contracts and preparing and processing contract modifications. It assists with identifying and documenting changes in programmatic requirements and coordinating with business owners on contract modifications needed to address the changes in requirements. IEN Acquisitions is also responsible for coordinating with Strategic Acquisition Center on program requirements for contracts and contract modifications. It is the primary office within the Office of Integrated Veteran Care (IVC) responsible for planning the next set of Community Care contracts.
IEN Contracts Management and Performance	IEN Contracts Management and Performance has a lead administrative role in the oversight of the Community Care contracts. This involves monitoring performance, processing invoices, and reviewing deliverables. The office includes the contracting officer's representatives (COR) who assist in conducting those administrative contract oversight tasks. IEN Contracts Management and Performance also works with various stakeholders. For example, CORs receive all deliverables from the third-party administrators and send them to business owners for review and approval.
Internal Review and Oversight	Internal Review and Oversight is responsible for identifying fraud, waste, and abuse, and screening for potential improper payments that might occur under the Community Care contracts. It reviews claims auditing deliverables such as cost avoidance reports for reasonableness. This office works directly with the Veterans Health Administration's Office of Program Integrity if a potential issue is identified.
IEN Network Adequacy Oversight	IEN Network Adequacy Oversight ensures that the availability of community providers is in alignment with VA's access standards. The office assists CORs and other business owners with measuring and assessing contract performance objectives related to network adequacy.

Source: GAO analysis of the Department of Veterans Affairs' information. | GAO-24-106390

Note: The business owners are subject matter experts that are responsible for reviewing and assessing various contract deliverables.

Three offices outside of IVC also have key roles in Community Care contract oversight:

- SAC provides the contracting officers responsible for awarding and administering contracts, with the latter function including modifying contracts as needed. SAC provides these services through formal

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service-level agreements with IVC.<sup>8</sup> The contracting officers also designate CORs, who are in IVC's Contracts Management and Performance office, to assist in contract oversight.

- Veterans Health Administration (VHA) conducts an analysis that includes payment claims by Community Care network providers and reviews third-party claims auditing reports. Agency officials stated that the office plays a role in collecting and monitoring payment data and mitigating improper payment risks.
- VHA Program Integrity is a higher-level office outside of the program office. Agency officials stated that the office coordinates with Internal Review and Oversight to identify and mitigate fraud, waste, and abuse under the Community Care program.

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## Prior GAO Work on VA Community Care and Acquisition Management

We previously reported on challenges in overseeing and implementing the Community Care Program.<sup>9</sup> For example, in December 2021, we found that VA may have mistakenly allowed some ineligible community providers to participate in the Community Care Program.<sup>10</sup> For instance, we found 1,600 potentially ineligible providers in VA's system—including some who had revoked or suspended medical licenses. We made 10 recommendations to VA, including recommending that VA examine the suitability of existing controls, consistently implement controls as described in standard operating procedures, and assess the fraud risk of provider address controls. VA generally agreed with these 10 recommendations and has implemented eight as of June 2024.

Since 2012, we have added VA health care, VA acquisition management, and VA disability compensation to our High-Risk List.<sup>11</sup> This list identifies

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<sup>8</sup>SAC and IVC's current service-level agreement was implemented at the beginning of fiscal year 2023. The first service-level agreement was formalized in 2019.

<sup>9</sup>See GAO, *Veterans Community Care Program: VA Needs to Strengthen Its Oversight and Improve Data on Its Community Care Network Providers*, [GAO-23-105290](#) (Washington, D.C.: Nov. 10, 2022); *Veterans Community Care Program: Improvements Needed to Help Ensure Timely Access to Care*, [GAO-20-643](#) (Washington, D.C.: Sept. 28, 2020); *Veterans Community Care Program: Immediate Actions Needed to Ensure Health Providers Associated with Poor Quality Care Are Excluded*, [GAO-21-71](#) (Washington, D.C.: Feb. 1, 2021); *Veterans Community Care Program: VA Took Action on Veterans' Access to Care, but COVID-19 Highlighted Continued Scheduling Challenges*, [GAO-21-476](#) (Washington, D.C.: June 28, 2021); and *Veterans Community Care Program: VA Should Strengthen Its Ability to Identify Ineligible Health Care Providers*, [GAO-22-103850](#) (Washington, D.C.: Dec. 17, 2021).

<sup>10</sup>[GAO-22-103850](#).

<sup>11</sup>VA disability benefits are part of a wider federal disability program High Risk area.

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areas across the federal government that are most vulnerable to fraud, waste, abuse, or mismanagement, or need transformation. We added VA acquisition management to our High-Risk List in 2019 due to numerous challenges to efficiently purchasing goods and services, including medical supplies. VA has made progress recently in addressing these high-risk issues, such as by identifying root causes of the deficiencies and establishing action plans to address them.<sup>12</sup>

Our work continues to identify VA challenges such as inadequate strategies and policies, supply chain management, and inconsistent leadership, among others. For example, in 2021, we found that procurement leaders at six of the federal government's largest agencies, including VA, did not consistently use key practices that leading companies use to improve the performance of their procurement organizations.<sup>13</sup> Subsequently, we reported in August 2022 that VA was not consistently using its acquisition framework for managing how it purchases goods and services in major acquisitions, including the Community Care Program.<sup>14</sup> We made seven recommendations to VA, including establishing a mechanism to collect and monitor program costs, assessing workforce gaps, aligning the proposed framework with other agency processes, identifying a mechanism to ensure compliance, and ensuring these steps are taken before implementation of the new framework. VA agreed with our recommendations and is working to implement them.

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<sup>12</sup>GAO, *High-Risk Series: Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas*, [GAO-23-106203](#) (Washington, D.C.: Apr. 20, 2023).

<sup>13</sup>GAO, *Federal Contracting: Senior Leaders Should Use Leading Companies' Key Practices to Improve Performance*, [GAO-21-491](#) (Washington, D.C.: July 27, 2021).

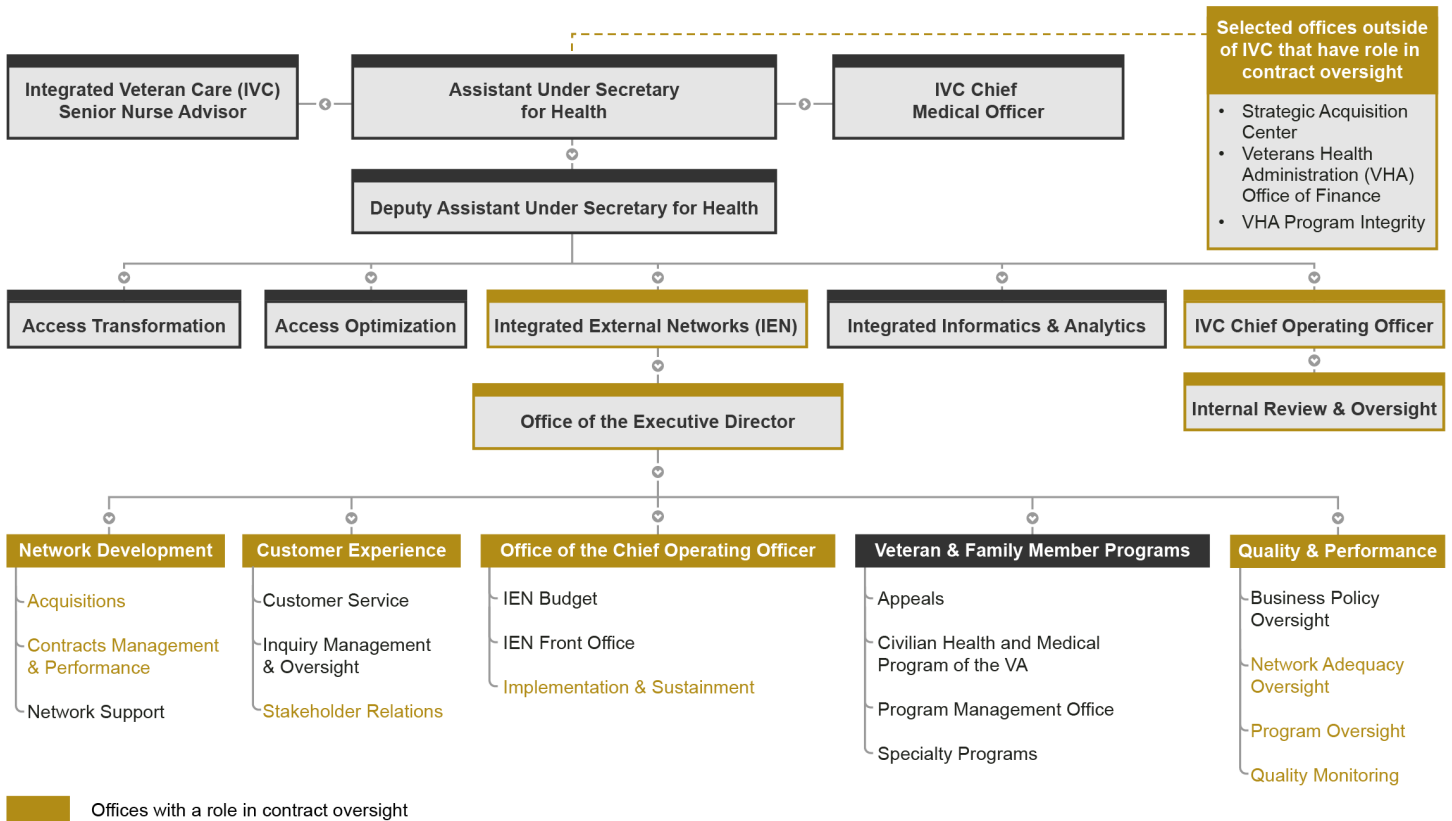
<sup>14</sup>GAO, *VA Acquisition Management: Actions Needed to Ensure Success of New Oversight Framework*, [GAO-22-105195](#) (Washington, D.C.: Aug. 11, 2022).

# VA's Oversight Structure for the Community Care Contracts Is Complex

## Oversight Structure for Community Care Contracts Is Complex and Spread Across Multiple Offices

Effective implementation of the Community Care program relies on the execution and oversight of the five Community Care contracts. Overseeing contractor performance of the five Community Care contracts is complex and responsibility for oversight is spread across offices within and outside of IVC. Figure 4 illustrates the structure of IVC, along with three offices outside of IVC, including SAC, that have key roles in contract oversight.

**Figure 4: VA Office of Integrated Veteran Care and Selected Offices Outside of IVC with a Role in Contract Oversight**



Source: GAO analysis of U.S. Department of Veterans Affairs (VA) information. | GAO-24-106390

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Roles and responsibilities for contract oversight are divided among at least 30 offices, mostly within IVC, as well as several offices outside IVC.<sup>15</sup>

- At least 15 offices within IVC are responsible for various contract oversight duties, including the office that houses the CORs, who play a central role in contract oversight.<sup>16</sup> As of May 2024, a Contracts Management and Performance official stated that IVC currently includes 11 CORs to oversee the five Community Care contracts.
- Three offices outside of IVC have contract oversight duties. For example, the contracting officers—responsible for awarding and administering the contracts—are in a separate office from the program office they support. As of May 2024, contracting officials stated that 10 contracting officers in SAC support the Community Care contracts.
- There are at least 17 different offices that are referred to as business owners—subject matter experts that are responsible for reviewing and assessing various contract deliverables. This is often because they have responsibility for management and oversight of a specific aspect of the Community Care program related to those deliverables.

Table 2 shows examples of some of the 17 IVC business owners that help support at least one of the five contracts, as well as examples of deliverables they review. Some are within the Office of Integrated External Networks, but others are located within other parts of IVC. For a complete list of business owners, see appendix II.

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<sup>15</sup>There are 3 offices that are both offices within IVC that have contract oversight duties and business owners, and those offices are counted in both groups.

<sup>16</sup>CORs assist in the technical monitoring or administration of a contract. Federal Acquisition Regulation (FAR) 1.604, 2.101. CORs are delegated responsibility to perform contract administration functions by contracting officers and act as their representatives. See FAR 1.602-2(d).



**Table 2: Examples of Integrated Veteran Care Business Owners and Community Care Contract Deliverables They Review**

<b>Business owner</b>	<b>Location of business owner</b>	<b>Examples of a deliverable the business owner reviews</b>
Contract Deliverable Management	Integrated Veteran Care (IVC)	Quarterly Cost Avoidance and Recovery/Recoupments Report
Contracts Management and Performance	IVC Integrated External Networks (IEN)	Annual Invoice Reconciliation Report
Financial Management	Veterans Health Administration Finance	Corrective Action Plan
Integrated Field Operations	IVC	Appointment Scheduling and Comprehensive Care Coordination Implementation Plan
IVC Chief Management Office (CMO)	IVC CMO	Summary of Opioid Prescriptions
Network Adequacy Oversight	IVC IEN	Network Adequacy Performance Report
Post-Award Transition Team	IVC	Project Management Plan
Quality and Performance	IVC IEN	Weekly Claims Processing Reports
Training	IVC	Annual Training Program Curriculum

Source: GAO analysis of business owner and deliverable information from the Department of Veterans Affairs and discussions with agency officials. | GAO-24-106390

Note: The business owners in this table help support at least one of the Community Care contracts, and in some cases review other deliverables in addition to the examples listed here. Many of the deliverables required under the five Community Care contracts are the same, but variations in the deliverable requirements exist.

The CORs within IVC and the contracting officers within SAC coordinate to assess contractor performance. Each contract includes a Quality Assurance Surveillance Plan that is used to assess contractor performance.<sup>17</sup> Each plan also includes several performance objectives and outlines VA activities for monitoring the contractor’s adherence to the contract’s performance work statement. These performance objectives specify expected quality levels for the contractor. CORs use some of the contract deliverables to measure the third-party administrators’ achievement of the performance objectives.<sup>18</sup> For instance, for the region 1, 2, and 3 contracts, one performance objective—Community Care Healthcare Services Contractor Network Adequacy—is to be monitored through a government official’s review of the Network Adequacy

<sup>17</sup>Each of the five contracts incorporated a performance work statement, which, as defined in the FAR, is a statement of work for performance-based acquisitions that describes the required results in clear, specific, and objective terms with measurable outcomes. FAR 2.101. As described in the FAR, performance-based acquisitions are structured around the results to be achieved, as opposed to the manner by which the work is to be performed. Id.; FAR subpart 37.6.

<sup>18</sup>Contract deliverables are items required to be submitted by the third-party administrators such as documents, plans, and reports.

Performance Report. These reports are a deliverable that is regularly submitted by the contractor and may be reviewed by a COR. A COR routes deliverables to the business owner for recommendation for acceptance or rejection of the deliverable's content based on their expertise.

The five Community Care contracts each require the third-party administrators to submit between 86 and 97 contract deliverables, depending on the region. CORs use the information from these deliverables to monitor contract performance, though not every deliverable directly supports a stated performance objective. These deliverables are due from the contractor on an ad-hoc, daily, monthly, quarterly, or annual basis as outlined in the performance work statement. Table 3 lists examples of deliverables.<sup>19</sup>

**Table 3: Examples of Contract Deliverables for the Department of Veterans Affairs' Community Care Contracts**

<b>Contract deliverable</b>	<b>Description</b>	<b>Contract performance objective this deliverable supports</b>
Quarterly Clinical Quality Issues Report	Contractor identification of quality issues in medical, dental, and ancillary care services.	Clinical quality issues identification
Network Adequacy Performance Report	Contractor monitoring of network performance, including any performance deficiencies.	Network adequacy
Weekly Claims Processing Reports	Report that summarizes all claims activity; includes claims status.	Does not directly support a specific performance objective
Network Provider Daily Change File	Reports changes to the Network Provider File.	Does not directly support a specific performance objective

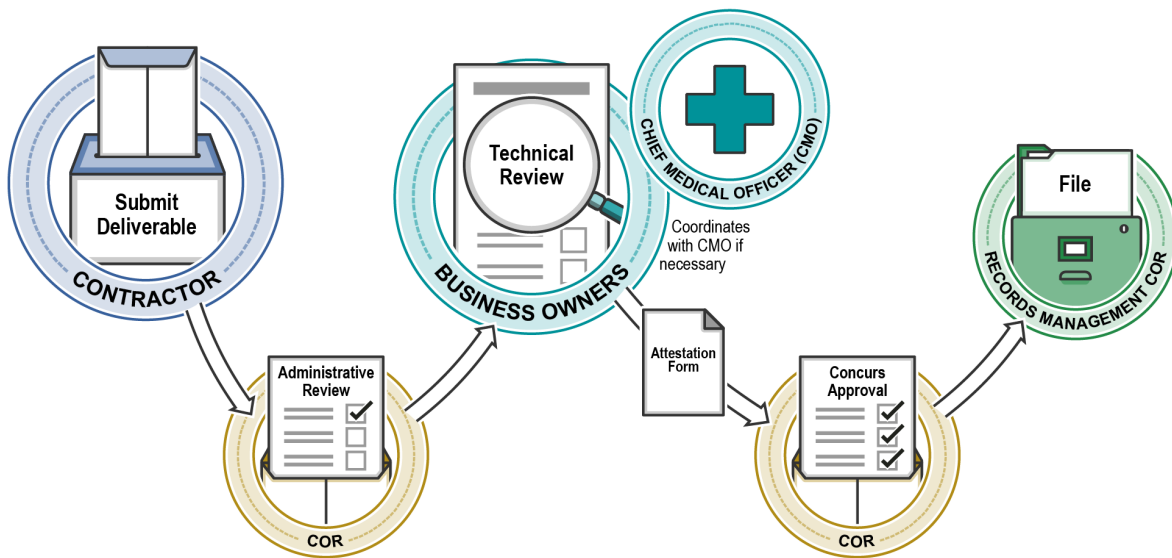
Source: GAO analysis of Community Care Network contract documents. | GAO-24-106390

In most cases, business owners evaluate whether a deliverable is acceptable. When deliverables are submitted to VA, a COR performs an initial administrative review to ensure the deliverable has been received on time and meets basic contractual requirements. The COR will forward the deliverable to a business owner who will make a more thorough, technical review of the deliverable, based on their subject matter expertise, to determine acceptance. The business owner will annotate acceptance or rejection of the deliverable on an attestation form and return the documents to the COR. If the deliverable is rejected or requires any follow-up or rework, the COR communicates this to the contractor, and the process begins again when the revised version is submitted. If

<sup>19</sup>Some deliverables were related to the start-up of performance and were due only once following contract award.

the deliverable is accepted, the COR forwards the attestation form and deliverable to a separate records management COR for filing. Figure 5 illustrates the general process for receipt and approval of contract deliverables for the Community Care Program.

**Figure 5: Contractor Deliverable Submission and Approval Process for the VA Community Care Contracts**



COR = Contracting Officer's Representative

Source: GAO analysis of U.S. Department of Veterans Affairs (VA) information. | GAO-24-106390

VA conducts quarterly performance reviews with each third-party administrator, which include business owners from across VHA, the third-party administrator leadership, as well as SAC contracting officers and IEN leadership. The data from certain deliverables are used to support the review of the performance objectives. Issues that need to be addressed by either VA or the third-party administrator are also presented during these reviews.

## IVC Is Implementing Some Organizational Changes

IVC's Office of Integrated External Networks continues to change aspects of its internal organizational structure. For example, Contracts Management and Performance was established within Integrated External Networks in May 2022 and has a central role in contract oversight and includes the CORs. A Contracts Management and Performance official stated that they started revising the internal structure of their office in February 2023 to divide contract oversight roles and

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responsibilities of the office among three teams including oversight, operations, and performance. That official also stated that the intent of the new structure is to allow Contracts Management and Performance and its CORs to provide more comprehensive contract oversight. Under the new structure, an individual COR will no longer focus solely on a specific administrative area like processing invoices but will instead have a role in a broader set of contract oversight functions, to include all aspects of the COR role. According to Contracts Management and Performance officials, these structural and role changes are intended to better utilize CORs and achieve efficiencies.

A Contracts Management and Performance official stated that IVC currently has nine CORs and 2 lead CORs who are now rotating through the four functional areas (deliverables, invoices, performance, and records management) under the Community Care contracts. In April 2024, a Contracts Management and Performance official said that their goal is to recruit one additional COR, for a total of 12 CORs.

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## IVC's Contract Oversight Guidance Is Incomplete and Not Being Fully Implemented

IVC has not developed a clear and complete set of documentation to guide the oversight of the Community Care contracts. As noted earlier, each contract has a Quality Assurance Surveillance Plan, which is used to monitor performance. IVC has developed guidance—called desk procedures—for Community Care contract oversight, to document procedures for some aspects of the performance monitoring approach outlined in the surveillance plan. However, the desk procedures are limited to certain administrative processes and are incomplete. Furthermore, the Quality Assurance Surveillance Plans define the role of a program manager for each contract, but this position is not assigned to or being performed by anyone in IVC since May 2022, and is not mentioned in the contract desk procedures.

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## Contract Desk Procedure Documents Are Limited to Specific Administrative Tasks

IVC's desk procedures—the primary guidance for its oversight of the Community Care contracts that CORs use to conduct day-to-day oversight activities—are focused on administrative topics. For example, they describe how CORs should review and accept contract deliverables and how to name and file documents for recordkeeping. They also provide some guidance for CORs on how contractor performance should be assessed, including documenting the steps for collecting and summarizing performance data. By contrast, they provide limited information on the overall roles and responsibilities of VA officials who are involved in specific processes, reviewing the content of deliverables, coordinating with SAC, or implementing contract modifications (see table 4).

**Table 4: Processes the Office of Integrated Veteran Care (IVC) Uses for the Community Care Contracts and the Corresponding Contract Desk Procedure**

Oversight process	Desk procedure name	Scope of desk procedure
Reviewing and Accepting Deliverables	Deliverable Team Operations	Documents the steps for receiving, reviewing, accepting, and monitoring contract deliverables.
Measuring Contractor Performance Measures	Quality Assurance Monitoring Form	Documents the steps for collecting and processing performance data and recording them in the Quality Assurance Monitoring Forms prepared by contracting officer's representatives (CORs). (The Quality Assurance Monitoring Form is used to document COR measure of contractor's achievement of minimum contract performance standards)
Processing Invoices	Community Care Contract Administration COR Invoice Team Operations	Provides guidance for reviewing and validating invoices.
Contract Records Management	Records Management Team	Gives an overview of the filing structure within the shared drive.
Processing Contractor Network Adequacy Deviation Requests	Community Care Network COR Network Adequacy Deviation Requests	Documents the steps for addressing requests to deviate from network adequacy performance requirements.
Tracking congressional issues and inquiries Regions 1-5	COR Region 1-5 Congressional Inquiry, Complaint, Appeal Intake & Processing	High level guidance to CORs who are responsible for entering congressional complaints into the Enterprise Reporting System

Source: GAO analysis of VA's Contract Desk Procedures. | GAO-24-106390

CORs conduct contract oversight through processes that include reviewing and accepting deliverables, coordinating with contracting officers and business owners, and monitoring contractor performance. CORs lack clear and complete guidance of the steps they should take to assess performance when data are incomplete or unreliable and face coordination challenges. Table 5 summarizes examples of contract oversight activities where our analysis shows that the guidance is incomplete.

**Table 5: Examples of Contract Oversight Processes that Are Not Fully Documented in VA’s Contract Desk Procedures**

Oversight activity	Gap identified	Risk to effective contract oversight
<b>Standards for Internal Control in the Federal Government, Principle 3.10—Effective documentation communicates the who, what, when, where, and why. Documentation also provides a means to retain organizational knowledge and mitigate the risk of having that knowledge limited to a few personnel, as well to communicate that knowledge as needed to external parties, such as external auditors.</b>		
Defining and documenting roles and responsibilities	VA’s Office of Integrated Veteran Care (IVC) does not have centralized documentation of program-wide roles and responsibilities. For example, the role of the program manager specified in the Quality Assurance Surveillance Plan is not reflected in contract desk procedures.	GAO found that there was confusion around roles and responsibilities among IVC offices. Without a clear definition of roles and responsibilities, confusion may remain and certain key roles may not be effectively carried out.
Reviewing and accepting contract deliverables	The desk procedures are narrow and task-specific instructions. They minimally address the substance of how deliverables should be reviewed by business owners. For example, the desk procedures do not specify how business owners should assess the deliverables.	Without clear and complete documentation of oversight processes, CORs may find it more challenging to provide comprehensive oversight of the contract and focus instead on narrow processes.
Coordination between contracting officer’s representatives (COR) and contracting officers	Desk procedures do not specify an overarching coordination mechanism for communication with outside offices (contracting officers and others), leading to issue trackers not being consistently used.	Multiple mechanisms are being used to track contract oversight issues, and the absence of clear and complete guidance may result in issues not being fully resolved or duplication of efforts.
Monitoring contractor performance	Contract desk procedures do not fully address how contract performance should be assessed when performance data are incomplete or unreliable.	GAO and the VA Inspector General highlighted instances where IVC was using incomplete or unreliable data to assess performance of the third-party administrators, resulting in an incomplete picture of the adequacy of the Community Care provider network. The absence of clear and specific guidance may result in continued challenges measuring network adequacy.

Source: GAO analysis of the Department of Veterans Affairs’ (VA) Contract Desk Procedures. | GAO-24-106390

**Defining and documenting roles and responsibilities and reviewing and accepting contract deliverables.** The desk procedures do not fully document the roles of business owners and the program manager in oversight processes or how they work with CORs to improve program effectiveness. The desk procedures instruct the COR to submit an attestation form to a business owner to document acceptance of deliverables, and specify that the business owner should return the signed form to the COR. The deliverables desk procedures do not address the substance of how deliverables should be reviewed by business owners, or how their broader observations on contractor performance—beyond acceptance or rejection of a given deliverable—should be incorporated into contract oversight. The Director of Contracts

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Management and Performance acknowledged that there is confusion regarding oversight roles and responsibilities.

**Coordination between CORs and contracting officers.** VA's current desk procedures also do not clearly define roles and responsibilities for communication and coordination with SAC for day-to-day contract oversight issues. SAC developed a Community Care Issues Tracker for CORs to use to raise oversight issues to SAC. The tracker was intended to be a coordination mechanism between SAC and IVC. However, the contract desk procedures do not specify how CORs should use this tracker. CORs told us they do not consistently use it and stated there are other trackers internal to IVC that serve a similar purpose, which may cause confusion about which tracker to use and when. Our review identified 13 trackers, including workflow tools, for various content to be updated by CORs, depending on which functional team they are assigned to. For example, the deliverables tracker is used to track deliverable issues; however, that issue might not get reported on the broader Community Care Issues Tracker. One COR we spoke with said there is insufficient guidance regarding what to do with the information once it is entered in the tracker or who is responsible for following up on the items.

**Monitoring contractor performance.** IVC's desk procedures do not fully address how to account for data and system challenges when monitoring contractor performance. A consistent approach to assessing performance amid data challenges is particularly important in light of the extent of data challenges that we and the VA Inspector General previously reported on:

- In November 2022, we reported that VA monitors contractor compliance with network adequacy requirements by reviewing the third-party administrators' analysis of claims data against the standards.<sup>20</sup> VA officials determined that the third-party administrators generally met the standards for the period from April 2020 to May 2022. However, we found that VA's assessment was based on incomplete data, as the third-party administrators did not include all claims. Further, VA was unaware of this, as it lacked a mechanism to ensure the third-party administrators submitted complete data. This limited VA's performance assessment for Regions 1-4. We recommended that VA ensure third-party administrators report complete performance data and implement strategies to increase the

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<sup>20</sup>[GAO-22-103850](#).

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accuracy of community provider information. VA is still working to implement recommendations from this report.

- In April 2024, the VA Inspector General reported that IVC did not provide effective oversight over the network adequacy performance objectives because of incomplete performance data, among other reasons.<sup>21</sup> The third-party administrators developed monthly and quarterly network adequacy performance reports in accordance with the contract. However, the reports were not an effective means for IVC and VA facilities to ensure network adequacy for all specialty services and to identify potential gaps in coverage because they did not provide sufficient detail. The Inspector General recommended, among other things, that IVC develop its own network adequacy performance reports and evaluate the effectiveness of the third-party administrators' reports for network adequacy. VA agreed with the Inspector General's recommendations.

The desk procedures do not fully address how to assess performance measures when data or system challenges occur. The desk procedures outline some administrative processes used to evaluate the performance measures in the contracts. The performance measures are evaluated based on VA's data, as well as data VA collects from the third-party administrators. VA uses Quality Assurance Monitoring Forms to record and validate the performance of the third-party administrators, and provide guidance to CORs on measuring contractor-reported performance data gathered from monthly progress reports against VA's own data. When VA data is not available, desk procedures instruct CORs to note on the Quality Assurance forms that VA cannot validate the score. The forms further direct the COR to record performance by checking one of two boxes indicating that the contractor either did or did not meet the standard.

The absence of instructions on how to account for data issues when recording performance on the Quality Assurance forms has led to inconsistency in performance assessments. For example, we reviewed 80 Quality Assurance forms submitted in fiscal year 2022 for all five contracts for the clinical quality issues identification and claims processing performance objectives. In 30 of the 80 forms—or more than a third of those reviewed—CORs reported that there were no VA data available and therefore the score was not able to be validated. CORs

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<sup>21</sup>U.S. Department of Veterans Affairs Office of the Inspector General, *Veterans Health Administration: Improved Oversight Needed to Evaluate Network Adequacy and Contractor Performance*, 23-00876-74 (Washington, D.C.: Apr. 9, 2024).



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relied on contractor data to measure performance in these cases. In 24 of these 30 instances, CORs checked the box indicating the contractor met the standard, yet still noted that VA did not have data to verify the standard was met. In the other six instances, CORs did not check any box indicating whether the contractor's performance met the standard. In May 2024, the Acting Director of Integrated External Networks noted that IVC has started applying data analytics technology to the review of data received in Community Care deliverables to help address data challenges.

In February 2024, IVC's Acting Assistant Under Secretary for Health acknowledged that IVC does not have a fully developed operational model for integrated veterans care, including a model for oversight of Community Care. As of February 2024, 30 percent of IVC's total staff was supporting network access and oversight functions. The Acting Assistant Under Secretary for Health also noted that the staff that support oversight serve as business owners for over 50 different information technology systems. She and others within IVC acknowledged that continued growth and development of the oversight function within IVC is important, including improving documentation for processes.

Officials within IVC's Contracts Management and Performance office said that certain aspects of contract oversight are not completely documented because contract oversight is continuing to change in response to issues they have identified as part of their management of the Community Care program. *Standards for Internal Control in the Federal Government* state that an agency should (1) establish organizational structure, assign responsibility, and delegate authority; and (2) develop and maintain documentation of its internal control system.<sup>22</sup> IVC's existing contract oversight documentation does not fully address all the key aspects that would enable effective contract oversight. This could ultimately reduce the effectiveness of the Community Care contracts. Without a clear and complete set of contract oversight guidance, VA may not be able to provide comprehensive oversight of the Community Care program and may not be able to ensure that the program meets its goals for the availability and quality of care it provides to veterans.

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<sup>22</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

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## IVC Has Eliminated the Program Manager Position for Community Care Contracts without Reassigning Its Responsibilities

VA officials said that the program manager position was removed as part of the May 2022 reorganization, when the Office of Community Care became IVC. However, the Quality Assurance Surveillance Plans we reviewed still defined specific contract monitoring activities to be performed by the Community Care contracts' program manager. Specifically, the Quality Assurance Surveillance Plans for the five contracts state that a program manager will be assigned with the responsibility and discretionary authority to make decisions on behalf of the program. Such decisions are then to be relayed through the CORs for action on the contract.

The Quality Assurance Surveillance Plans also state that the program manager, contracting officer, and CORs must coordinate and communicate with the contractor to resolve issues and concerns regarding marginal or unacceptable performance. Additionally, the plans state that the program manager is to prepare a quarterly report for the program office that summarizes the overall results of the quality assurance surveillance. This report would enable the government to demonstrate whether the contractor is meeting the stated objectives and performance standards, including cost, technical, and scheduling objectives. According to the plans, this program manager would be responsible for managing all the business and technical risks of the program to ensure that effective systems and services are delivered to the stakeholders on schedule, within budget, and at the required levels of performance.

IVC officials acknowledged that the Quality Assurance Surveillance Plans had not been updated to reflect the elimination of the program manager position. They also told us that the quarterly reporting required in the Quality Assurance Surveillance Plan was not being completed as outlined in the plan. Instead, in May 2024 IVC officials said the quarterly Program Management Reviews they conduct with each third-party administrator meet this requirement. Officials stated that some of that information was being included in presentations made at these reviews, including performance data specified in the Quality Assurance Surveillance Plans. These reviews are specific to each third-party administrator.

We found, however, that the Program Management Reviews did not fulfill all aspects of the program manager position outlined in the Quality Assurance Surveillance Plans. Specifically, the Quality Assurance Surveillance Plans state that the program manager is supposed to manage the business and technical risk to the contract. However, the Program Management Reviews for each third-party administrator do not

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provide an overall assessment of the business and technical risks of the program or individual contracts. Instead, each third-party administrator is assessed separately. In some instances, this information is being assessed across the program. For instance, according to a business owner responsible for assessing the clinical quality issues identification performance objective, deliverable data are compiled to create a report that is shared with IVC leadership. However, we analyzed Program Management Reviews from the fourth quarter of fiscal year 2021 through the first quarter of fiscal year 2023 and found that these reviews summarize performance information contained in the deliverables at the third-party administrator level, but there was no assessment of data across both third-party administrators.

VA has not updated its Quality Assurance Surveillance Plans to reflect the removal of the program manager position, or that some of the quarterly reporting was occurring at the Program Management Reviews. VA has not identified who is managing the technical risk to the program in the absence of this position. Until VA assesses whether the Program Management Reviews fulfill all aspects of the program manager role outlined in the Quality Assurance Surveillance Plans, it risks incomplete management of technical risks associated with contract oversight.

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## IVC Has Yet to Fully Identify or Assess Program Challenges Affecting Its Contract Oversight

IVC is starting to plan for the next set of Community Care contracts but has not fully adopted a lessons learned approach to help identify or assess challenges to the program that affect its ability to effectively oversee the contracts. IVC has experienced multiple contract oversight challenges during the period of performance for the current set of contracts, such as insufficient data, staffing and leadership vacancies, and the adequacy of the provider network.<sup>23</sup> IVC has either fully or partially addressed four of the five leading practices to implement a lessons learned program and has not addressed the fifth leading practice.

We and others have identified collecting and assessing lessons learned as a way to address challenges.<sup>24</sup> The leading practices for lessons learned processes that we and others have identified include collecting, analyzing, validating, archiving, and sharing information and knowledge

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<sup>23</sup>[GAO-20-643](#); [GAO-21-71](#); [GAO-21-476](#); and [GAO-22-103850](#).

<sup>24</sup>See for example, GAO, *COVID-19 Contracting: Opportunities to Improve Practices to Assess Prospective Vendors and Capture Lessons Learned*, [GAO-21-528](#) (Washington, D.C.: July 29, 2021).

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on positive and negative experiences.<sup>25</sup> Further, *The Standard for Program Management*, produced by the Program Management Institute, Inc., states that program managers should actively engage key stakeholders throughout the life cycle of the program.<sup>26</sup> In the Community Care program, stakeholders include contracting officials and CORs responsible for oversight of contracts that VA has reported as being valued at billions of dollars for critical healthcare services. IVC has started implementing some of the leading practices related to a lessons learned process but has yet to finalize all of the steps in this process. Specifically, IVC has partially or fully addressed four out of the five leading practices associated with a formal lessons learned process, as table 6 illustrates.

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<sup>25</sup>Implementing Organizational Project Management: A Practice Guide. Center for Army Lessons Learned, Establishing a Lessons Learned Program; Project Management Institute, Inc., A Guide to the Project Management Body of Knowledge (PMBOK® Guide) - Seventh Edition, 2021. PMBOK is a trademark of Project Management Institute, Inc..

<sup>26</sup>Project Management Institute, Inc., *The Standard for Program Management* – Fourth Edition (2017).

**Table 6: Extent to which the Office of Integrated Veteran Care Has Adopted Leading Practices of a Formal Lessons Learned Process**

Leading practice	Extent to which it was addressed	Example
Collect information through activities like project reviews, interviews, reports, or surveys	Addressed	The Office of Integrated Veterans Care (IVC) collects data through contract deliverables and program management reviews. IVC has started compiling those data in a single report.
Analyze the information collected to determine root causes and identify appropriate actions	Partially addressed	IVC is starting to assess the challenges related to the current set of Community Care contracts but has not completed identification of root causes and needed actions.
Validate that the right lessons have been identified and determine the breadth of their applicability	Not addressed	IVC has collected some potential lessons learned; however, officials have not started validating the items and determined their applicability.
Archive lessons identified, such as in an electronic database, for use by existing and future activities	Partially addressed	IVC officials have stated that they have started compiling contracting items, such as contracting pain points and items requiring additional research, on a single intranet site. However, IVC has not established how this will be used for future activities.
Share lessons to pass on knowledge gained, such as through briefings, reports, emails, websites, database entries, revision of work processes or procedures, and training	Partially addressed	IVC Acquisition officials stated that they have started working with officials within Contracts Management and Performance and Strategic Acquisition Center to share this knowledge, but business owners were not initially involved in this process. In August 2024, officials stated that business owners are currently part of this process.

Source: GAO analysis of Department of Veterans Affairs program management reviews for Optum and TriWest. | GAO-24-106390

IVC has collected information from several sources that it can use to assess contract oversight challenges. For example, Optum reports project risks through one of the contractually required deliverables. Examples of issues identified in this deliverable include overpayment of claims and mismatched referrals in claims and services that resulted in inaccurate payments. IVC also collects data about contract issues and challenges as part of its quarterly Program Management Review process. Examples of other challenges identified through the quarterly performance management review process include addressing systems challenges that resulted in mismatched referrals and delayed claims processes, and timing of submitting invoices and paying providers. The Program Management Reviews also identify action items for each third-party administrator. These action items are issues that either need to be addressed by IVC or the third-party administrators. Table 7 provides some examples of individual action items.

**Table 7: Examples of Community Care Program Action Items Identified during Quarterly Program Management Reviews that Could Inform the Lessons Learned Process**

Action item	Date identified	Office responsible for item
Create standard operating procedures for improper payment rebuttals and tools to align the process moving forward	September 2022	Integrated Veteran Care (IVC), Contracts Management and Performance
Look at the internal process for identifying claims reprocessing and determine how these come through the Strategic Acquisition Center	September 2022	IVC, Continuous Process Improvement
Share updated Integrated External Networks Org Chart with TriWest once completed by IVC Leadership	November 2022	IVC, Contracts Management and Performance Leadership
Review invoicing discrepancy from March 2022	November 2022	IVC, contracting officer's representatives

Source: VA program management reviews for Optum and TriWest. | GAO-24-106390

Likewise, according to Contracts Management and Performance officials, some contract modifications have represented oversight challenges IVC needed to address.

IVC officials have also identified staffing and leadership vacancies as a challenge that they are working to address. As of February 2024, IVC officials stated that they are not fully staffed, and the extent of vacancies is more acute in Integrated External Networks.

- IVC is staffed at approximately 70 percent of its authorized level.
- Integrated External Networks is currently staffed at 57 percent of its authorized level.
- Contracts Management and Performance, within Integrated External Networks, is staffed at 50 percent of its authorized level.

According to Integrated External Networks officials, the vacancies within Contracts Management and Performance are primarily for supervisory program and management analysts and program analysts, including some COR positions. Further, according to Integrated External Networks officials, these vacancies are due primarily to ongoing challenges in Veterans Health Administration hiring processes, such as changing policies governing whether the positions would be remote and in what region the positions would be located.

In addition, IVC has had to fill key leadership vacancies. For example, the Executive Director of Integrated External Networks position has been vacant since February 2023; two different individuals have served as

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Acting Executive Director during that time. In addition, as of February 2024, the Deputy Assistant Under Secretary for Health for IVC is now the Acting Assistant Under Secretary for Health for IVC and another individual will be the Acting Deputy Assistant Under Secretary for Health for IVC.<sup>27</sup>

IVC Acquisitions officials said they have started to explore how to use the information they have gathered on contract oversight challenges to inform the future set of Community Care contracts. According to IVC officials, IVC Acquisitions developed an intranet site to start collecting contract oversight issues for Acquisitions officials to consider as they plan the next set of contracts. As of February 2024, IVC has identified 162 items that it will be addressing in the future contracts and divided these items into eight categories:

- analysis of alternatives;
- brainstorming items;
- pain points;
- program management items;
- requirements;
- research;
- tasks; and
- other.

IVC Acquisition officials also said that they intend to develop lessons learned based on the items they are identifying and categorizing on the internal website into lessons learned. Some of the items they identified are action items, and approximately 41 percent of the items have been categorized as pain points. In February 2024, IVC Acquisition officials acknowledged they are still in the early stages of collecting this information. According to IVC officials, IVC Acquisitions has not yet documented how it will analyze, validate, and share lessons—key aspects of a lessons learned process. IVC Acquisition officials said that they have started to share this information in meetings with SAC and officials from Contracts Management and Performance; however, they have not expanded these meetings to include business owners.

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<sup>27</sup>GAO began a separate review of IVC's organizational structure in December 2023.

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Our prior work shows that the use of a robust lessons learned process is a principal component of an organizational culture committed to continuous improvement and can increase communication and coordination.<sup>28</sup> These leading practices are intended to be applied in a systematic order and generally build upon each other. For example, an organization with a consistent, coordinated archiving mechanism, such as an electronic database, is better able to demonstrate the leading practice for sharing lessons learned through access to such an archive. The Community Care contracts account for a significant portion of VA's procurement spending and are the main tool through which IVC accomplishes its mission. As described previously, oversight of these contracts is complex and spread across multiple offices in VA. Expansion of IVC's and SAC's current efforts to develop a formal lessons learned process for the Community Care contracts could help them fully leverage their experience to date to improve the effectiveness of the next set of Community Care contracts.

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## Conclusions

As VA's Veterans Community Care Program has grown rapidly in recent years, VA's oversight of the program's five contracts has grown more complex. IVC's continued restructuring of roles and processes has added to this complexity, highlighting some of the challenges facing the program. Effective oversight of the Community Care contracts is essential to ensure VA can provide consistent, high-quality health care to the increasing number of veterans it serves outside of VA facilities.

Opportunities exist for VA to strengthen its management and oversight activities and accomplish its mission of providing quality care to veterans as it plans for the next round of Community Care contracts. First, VA's contract desk procedures do not clearly define certain roles and responsibilities, nor has it updated its Quality Assurance Surveillance Plans to document how program management responsibilities are being fulfilled following the elimination of the program manager position in 2022. This creates the potential for aspects of these responsibilities to fall through the cracks and makes it more difficult for IVC to monitor crosscutting risks and get an overall view of the Community Care program's performance. Second, IVC and other officials have begun discussing how to capture oversight challenges for the current contracts. However, VA does not have a formal process for documenting lessons

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<sup>28</sup>See for example GAO, *Army Modernization: Army Should Improve Alternative Use of Agreements and Approaches by Enhancing Oversight and Communication of Lessons Learned*, [GAO-21-8](#) (Washington, D.C.: Oct. 1, 2020).



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learned consistent with leading practices. Without a formal process, VA risks continuing challenges with the next set of contracts.

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## Recommendations for Executive Action

We are making the following three recommendations to VA:

The Secretary of VA should ensure that the Assistant Under Secretary for Health for IVC establishes a complete set of documentation for oversight of the Community Care contracts, including documentation of clear and complete procedures and the identification of roles and responsibilities. (Recommendation 1)

The Secretary of VA should ensure that the Assistant Under Secretary for Health for IVC assesses whether the oversight and reporting responsibilities of the program manager position outlined in the Quality Assurance Surveillance Plans are being effectively fulfilled by current processes and, if not, updates the plans as appropriate. (Recommendation 2)

The Secretary of VA should ensure that the Assistant Under Secretary for Health for IVC develops a formal lessons learned process, consistent with leading practices, for the Community Care contracts to inform VA's plans for the next set of contracts and its continuing oversight efforts. (Recommendation 3)

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## Agency Comments

We provided a draft of this report to VA for review and comment. In its comments, reproduced in appendix III, VA concurred with our three recommendations. VA also provided technical comments, which we incorporated as appropriate.

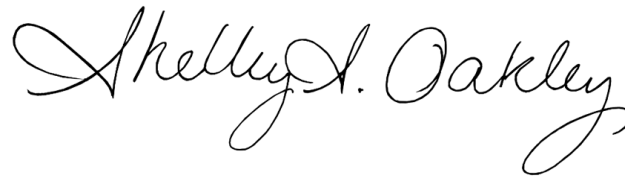
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We are sending copies of this report to the appropriate congressional committees, the Secretary of Veterans Affairs, and other interested parties. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

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If you or your staff have any questions about this report, please contact me at (202) 512-4841 or [OakleyS@gao.gov](mailto:OakleyS@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs are on the last page of this report. GAO staff who made contributions to this report are listed in appendix IV.

Sincerely,

A handwritten signature in black ink that reads "Shelby S. Oakley". The signature is written in a cursive style with a large, looping initial 'S'.

Shelby S. Oakley  
Director, Contracting and National Security Acquisitions

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# Appendix I: Objectives, Scope, and Methodology

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This report (1) describes the oversight structure that the Department of Veterans Affairs (VA) established for the Community Care contracts, (2) assesses the extent to which VA has established and documented clear and complete guidance for contract oversight, including processes, roles, and responsibilities for oversight, and (3) assesses the extent to which VA has identified and assessed challenges to the Community Care program.

To describe the oversight structure that VA has established for the Community Care contracts, we reviewed documents related to the structure of the Office of Integrated Veteran Care (IVC). Those documents included:

- organizational charts for IVC from the last quarter of fiscal year 2021 through fiscal year 2023;
- the Veterans Community Care Program Vision and Implementation 2021;
- Department of Veterans Affairs Memorandum, Notification of Program Reorganization from Acting Under Secretary for Health, Veterans Health Administration (September 23, 2021); and
- VA Office of Community Care, Office of Network Management Workforce Development Assessment (July 2021).

The scope of this objective includes VA program and contracting organizations that are responsible for oversight of Community Care contracts for regions 1 through 5. We also conducted interviews with officials and 9 of the 11 CORs within IVC's Office of Integrated External Networks, the office primarily responsible for overseeing the Community Care contracts. We met with 9 contracting officers within VA's Strategic Acquisition Center (SAC) to determine their role in contract oversight. We also met with officials from Integrated External Networks.

We reviewed delegation letters for all the CORs that work on IVC contracts to determine specific COR roles and responsibilities. We also met with officials in the Veterans Health Administration Office of Program Integrity to determine what role that office had in contract oversight with respect to the reporting of fraud, waste, and abuse.

To assess the extent to which VA has established and documented clear and complete guidance for contract oversight, including processes, roles, and responsibilities for oversight, we assessed Quality Assurance Surveillance Plans and contract deliverables for all Community Care contracts, regions 1-5 (TriWest and Optum), including the roles of both

the program office (IVC) and the contracting office (SAC). We reviewed policy, process, contract deliverables, and other information from fiscal year 2022 for two performance objectives in the contracts. The performance objectives we assessed in detail were clinical quality issues identification and claims submission processing time frames. We selected these two performance objectives because our prior and ongoing work addresses network adequacy standards, which several of the remaining performance objectives measure. Our prior and ongoing work assesses network adequacy issues; however, it does not specifically assess how VA provides contract oversight. We assessed quality assurance monitoring forms—forms used to document CORs’ measurement of contractors’ achievement of minimum contract performance standards—from fiscal year 2022 and determined how they support CORs’ oversight of the Community Care contracts.

We also reviewed contract documents including the Quality Assurance Surveillance Plan to determine how the oversight process is outlined in the contracts. Specifically, we reviewed contracts’ schedule of services, performance work statement, and schedule of deliverables. We assessed VA’s contract desk procedures, to determine how VA has implemented oversight procedures, such as methods of monitoring and the extent to which the desk procedures provide detail on oversight processes and procedures, including roles and responsibilities. We assessed Program Management Review documentation for Optum and TriWest from the third quarter of fiscal year 2021 through the second quarter of fiscal year 2023 to determine which contract oversight challenges were identified. We also used this information to assess the extent to which VA was monitoring corrective actions.

We reviewed deliverables related to the selected performance objectives to understand the content of the deliverables. The deliverables we assessed related to those performance objectives were claims processing submissions and clinical quality issues identified. We reviewed these deliverables for fiscal year 2022.

We assessed information obtained in interviews, contract desk procedures, contract deliverables, and other relevant guidance against our Standards for Internal Control in the Federal Government.<sup>1</sup> We assessed the extent to which VA has documented oversight processes

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<sup>1</sup>GAO, *Standards for Internal Control in the Federal Government*. [GAO-14-704G](#) (Washington, D.C.: September 2014).

against principles we have identified to achieve management objectives, which internal controls refer to as the control environment. This component was significant to the objective, along with the related principle that management establish structure, responsibility, and authority, including the assignment of responsibility and documentation of the system.

To determine the extent to which VA has identified and assessed contract oversight challenges, we assessed VA's lessons learned process from the current Community Care contracts against our leading practices for conducting a lessons learned process.<sup>2</sup> We interviewed IVC officials in the Office of Acquisitions and Contracts Management and Performance to determine the extent to which they were collecting, analyzing, and sharing lessons learned from the previous contracts. We also reviewed a document that summarized information VA has been collecting about the current contracts. We assessed program risks that each third-party administrator identifies in quarterly deliverables. We also reviewed our prior work and VA Office of Inspector General reports about VA's Community Care Program.

We conducted this performance audit from December 2022 to August 2024 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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<sup>2</sup>See GAO, *Army Modernization: Army Should Improve Use of Alternative Agreements and Approaches by Enhancing Oversight and Communication of Lessons Learned*, [GAO-21-8](#) (Washington, D.C.: Oct. 1, 2020); *DOD Utilities Privatization: Improved Data Collection and Lessons Learned Archive Could Help Reduce Time to Award Contracts*, [GAO-20-104](#) (Washington, D.C.: Apr. 2, 2020); *Project Management: DOE and NNSA Should Improve Their Lessons-Learned Process for Capital Asset Projects*, [GAO-19-25](#) (Washington, D.C.: Dec. 21, 2018); and *Federal Real Property Security: Interagency Security Committee Should Implement A Lessons-Learned Process*, [GAO-12-901](#) (Washington, D.C.: Sept. 10, 2012). Center for Army Lessons Learned, *Establishing a Lessons Learned Program*.

# Appendix II: Contract Oversight Supplemental Background Information

The table below contains a full list of offices that have a role in contract oversight for the Community Care contracts within the Office of Integrated Veteran Care.

**Table 8: Offices within the Office of Integrated Veteran Care (IVC) that Have a Role in Contract Planning and Oversight**

Office	Location in IVC	Role in contract oversight
Acquisitions	Integrated External Networks (IEN), Network Development	Acquisitions is responsible for leading the strategic planning for contracts and preparing and processing contract modifications. It assists with identifying and documenting changes in programmatic requirements and coordinating with business owners on contract modifications needed to address the changes in requirements. Acquisitions is also responsible for coordinating with Strategic Acquisition Center on program requirements for contracts and contract modifications. It is the primary office within IVC responsible for planning the next set of Community Care contracts.
Contracts Management and Performance	IEN, Network Development	Contracts Management and Performance has a lead administrative role in the oversight of the Community Care contracts. This involves monitoring performance, processing invoices, and reviewing deliverables. The office includes the contracting officer's representatives (COR) who assist in conducting those administrative contract oversight tasks. Contracts Management and Performance also works with various stakeholders. For example, CORs receive all deliverables from the third-party administrators and send them to business owners for review and approval.
Internal Review and Oversight	Chief Operating Officer (COO)	Internal Review and Oversight is responsible for identifying fraud, waste, and abuse, and screening for potential improper payments that might occur under the Community Care contracts. It reviews claims auditing deliverables such as cost avoidance reports for reasonableness. This office works directly with Veterans Health Administration's Office of Program Integrity if a potential issue is identified.
Implementation and Sustainment	IEN, COO	The Implementation and Sustainment office has a role in preparing and processing contract modifications that affect programmatic operations. It assists medical centers in the field in making process changes and monitoring process change implementation through the claims process.
Network Adequacy Oversight	IEN, Quality and Performance	Network Adequacy Oversight ensures that the availability of community providers is in alignment with VA's access standards. The office assists CORs and other business owners with measuring and assessing contract performance objectives related to network adequacy.
Program Oversight	IEN, Quality and Performance	Program Oversight is responsible for monitoring the accuracy and timeliness of the third-party administrators' claims and invoices submitted for all programs and remediates deficiencies. Program Oversight is also the subject matter expert on claims, invoices, or proper payment issues that may need a contract modification and will work with IEN Acquisitions if a modification is needed.
Quality Monitoring	IEN, Quality and Performance	Quality Monitoring is responsible for quality oversight, which includes risk management and developing and implementing corrective action plans and strategies that address deficiencies identified by stakeholders.
Quality and Performance	IEN	The Quality and Performance office is responsible for the oversight of the reimbursement system and reviewing potentially improper payments by the third-party administrators to Community Care network providers.

**Appendix II: Contract Oversight Supplemental  
Background Information**

<b>Office</b>	<b>Location in IVC</b>	<b>Role in contract oversight</b>
Stakeholder Relations	IEN, Customer Experience	Stakeholder Relations works with Community Care Network providers to identify issues, and will notify other offices of any issues identified that might require a contract modification.

Source: GAO analysis of Department of Veterans Affairs' information. | GAO-24-106390

Note: The business owners are subject matter experts that are responsible for reviewing and assessing various contract deliverables.

Table 9 contains a list of the 17 business owners that have a role in contract oversight.

**Table 9: Integrated Veteran Care (IVC) Business Owners and Examples of Community Care Contract Deliverables They Review**

<b>Number</b>	<b>Business owner</b>	<b>Location of business owner</b>	<b>Examples of a deliverable the business owner reviews</b>
1	Call Center	IVC Integrated External Networks (IEN)	Contractor Call Center Operations and Customer Service Technology Performance Report
2	Communications	IVC	Community Care Network Communications Plan
3	Contract Deliverable Management	IVC	Quarterly Cost Avoidance and Recovery/Recoupments Report
4	Contracts Management and Performance	IVC IEN	Annual Invoice Reconciliation Report
5	Financial Management	Veterans Health Administration (VHA) Finance	Corrective Action Plan
6	Integrated Field Operations	IVC	Appointment Scheduling and Comprehensive Care Coordination Implementation Plan
7	Integrated Care Management	IVC	Single Case Agreement Management Plan
8	Integrated Informatics and Analytics	IVC	Monthly Data Integrity Report
9	IVC Chief Management Office (CMO)	IVC CMO	Summary of Opioid Prescriptions
10	National Pharmacy Benefits Management	VHA Pharmacy Benefit Management	Monthly Electronic Urgent/Emergent Prescription Report
11	Network Adequacy Oversight	IVC IEN	Network Adequacy Performance Report
12	Organizational Change Management Training team	IVC	Review of Training Materials Report
13	Post-Award Transition Team	IVC	Project Management Plan
14	Quality	IVC CMO	Quarterly Clinical Quality Issues Report
15	Quality and Performance	IVC IEN	Weekly Claims Processing Reports
16	Revenue	VHA Finance	Office of Health Informatics Report
17	Training	IVC	Annual Training Program Curriculum

Source: GAO analysis of business owner and deliverable information from the Department of Veterans Affairs (VA) and discussions with agency officials. | GAO-24-106390

Note: The business owners in this table help support at least one of the Community Care contracts, and in some cases review other deliverables in addition to the examples listed here. Many of the deliverables required under the five Community Care contracts are the same, but variations in the deliverable requirements exist.

**Appendix II: Contract Oversight Supplemental  
Background Information**

Table 10 contains a full list of the contract desk procedures that VA developed and identifies the scope of the desk procedure.

**Table 10: Oversight Processes Used by Office of Integrated Veteran Care for Community Care Contracts**

<b>Oversight process</b>	<b>Desk procedure name</b>	<b>Scope of desk procedure</b>
Reviewing and Accepting Deliverables	Deliverable Team Operations	High-level overview of the steps for receiving, reviewing, accepting, and monitoring contract deliverables.
Measuring Contractor Performance Measures	Quality Assurance Monitoring Form (form used to document contracting officer's representatives (COR) measure of contractor's achievement of minimum contract performance standards)	High-level overview of collecting and processing performance data and recording it in the Quality Assurance Monitoring forms prepared by CORs.
Processing Invoices	Community Care Contract Acquisition Invoice Team Operations	Provides guidance for reviewing, verifying, and validating invoices.
Contract Records Management	Records Management Team	Gives an overview of the filing structure within the shared drive.
Processing Contractor Network Adequacy Deviation Requests	Community Care Network COR Network Adequacy Deviation Requests	Outlines the steps for addressing requests to deviate from network adequacy performance requirements.
Tracking Congressional issues and inquiries Regions 1-5	COR Region 1-5 Congressional Inquiry, Complaint, Appeal Intake & Processing	High-level guidance to CORs who are responsible for entering congressional complaints into the Enterprise Reporting System

Source: GAO analysis of the Department of Veterans Affairs contract desk procedures. | GAO-24-106390



# Appendix III: Comments from the Department of Veterans Affairs



DEPARTMENT OF VETERANS AFFAIRS  
WASHINGTON

August 2, 2024

Ms. Shelby S. Oakley  
Director  
Contracting and National Security Acquisitions  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Ms. Oakley:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office (GAO) draft report: **VETERANS COMMUNITY CARE PROGRAM: VA Needs to Strengthen Contract Oversight** (GAO-24-106390).

The enclosure contains technical comments and the actions to be taken to address the draft report recommendations. VA appreciates the opportunity to comment on your draft report.

Sincerely,

A handwritten signature in black ink that reads "Meg Kabat".

Meg Kabat, LCSW-C, CCM  
Chief of Staff

Enclosure

Enclosure

Department of Veterans Affairs (VA) Response to the  
Government Accountability Office (GAO) Draft Report  
***Veterans Community Care Program: VA Needs to Strengthen Contract Oversight***  
(GAO-24-106390)

**Recommendation 1:** The Secretary of VA should ensure that the Assistant Under Secretary for Health for IVC establishes a complete set of documentation for oversight of the Community Care contracts, including documentation of clear and complete procedures and the identification of roles and responsibilities.

**VA Response:** Concur. The Office of Integrated Veterans Care (IVC) agrees that establishing documentation for oversight of the Community Care contracts is essential. As noted in the GAO report, the Community Care Network contract is complex and extends to offices outside of IVC. IVC has a set of desk procedures and Standard Operation Procedures (SOP) outlining roles and responsibilities. IVC agrees it is important to further define the roles and responsibilities relating to contract oversight. IVC will review existing contract oversight SOPs and desk procedures for gaps concerning contract oversight and update the documentation accordingly.

Target Completion Date: December 2024

**Recommendation 2:** The Secretary of VA should ensure that the Assistant Under Secretary for Health for IVC assesses whether the oversight and reporting responsibilities of the program manager position outlined in the Quality Assurance Surveillance Plans are being effectively fulfilled by current processes and, if not updates the plans as appropriate.

**VA Response:** Concur in Principle. IVC agrees that the oversight and reporting responsibilities of the Program Manager role should be effectively fulfilled. While the Program Manager position outlined in the Quality Assurance Surveillance Plan (QASP) no longer exists, the requirements of that role outlined in the QASP are now being met through the Program Management Reviews. The Office of IVC will review the responsibilities outlined in the QASP to assess whether the oversight and reporting responsibilities are fulfilled by alternative processes and, based on that assessment, IVC will mitigate any identified gaps.

Target Completion Date: December 2024

**Recommendation 3:** The Secretary of VA should ensure that the Assistant Under Secretary or Health for IVC develops a formal lessons learned process, consistent with leading practices for the Community Care contracts to inform VA's plans for the next set of contracts and its continuing oversight efforts.

**VA Response:** Concur. As stated in the GAO draft report, IVC has fully or partially addressed four of the five leading practices for a formal lessons learned process. IVC

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**Appendix III: Comments from the Department  
of Veterans Affairs**

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Enclosure

Department of Veterans Affairs (VA) Response to the  
Government Accountability Office (GAO) Draft Report  
***Veterans Community Care Program: VA Needs to Strengthen Contract Oversight***  
(GAO-24-106390)

will leverage and augment the existing lessons learned process and identify areas for improvement.

Target Completion Date: December 2024

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# Appendix IV: GAO Contact and Staff Acknowledgments

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## GAO Contact

Shelby S. Oakley, (202) 512-4841 or [OakleyS@gao.gov](mailto:OakleyS@gao.gov).

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## Staff Acknowledgements

In addition to the individual named above, Teague Lyons, Assistant Director; Gina Flacco, Analyst-in-Charge; Rose Brister; Lisa Brown; Matthew T. Crosby; Andrea Evans; Julie Kirby; Serena Lo; and Adam Wolfe made key contributions to this report. Seto Bagdoyan, Suellen Foth; and Sharon Silas also contributed to this report.

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