



June 2018

VETERANS CHOICE PROGRAM

Improvements
Needed to Address
Access-Related
Challenges as VA
Plans Consolidation of
its Community Care
Programs

Why GAO Did This Study

Congress created the Choice Program in 2014 to address longstanding challenges with veterans' access to care at VHA medical facilities. The Joint Explanatory Statement for the Consolidated Appropriations Act, 2016 included provisions for GAO to review veterans' access to care through the Choice Program.

This report examines for Choice Program care (1) VA's appointment scheduling process, (2) the timeliness of appointments and the information VHA uses to monitor veterans' access; and (3) the factors that have adversely affected veterans' access and the steps VA and VHA have taken to address them for VA's future community care program.

GAO reviewed applicable laws and regulations, VA's TPA contracts, and relevant VHA policies and guidance. Absent reliable national data, GAO also selected 6 of 170 VAMCs (selected for variation in geographic location and the TPAs that served them) and manually reviewed a random, non-generalizable sample of 196 Choice Program authorizations. The authorizations were created for veterans who were referred to the program between January and April of 2016, the most recent period for which data were available when GAO began its review. The sample of authorizations included 55 for routine care, 53 for urgent care, and 88 that the TPAs returned without scheduling appointments. GAO also obtained the results of VHA's non-generalizable analysis of wait times for a nationwide sample of about 5,000 Choice Program authorizations that were created for selected services between July and September of 2016.

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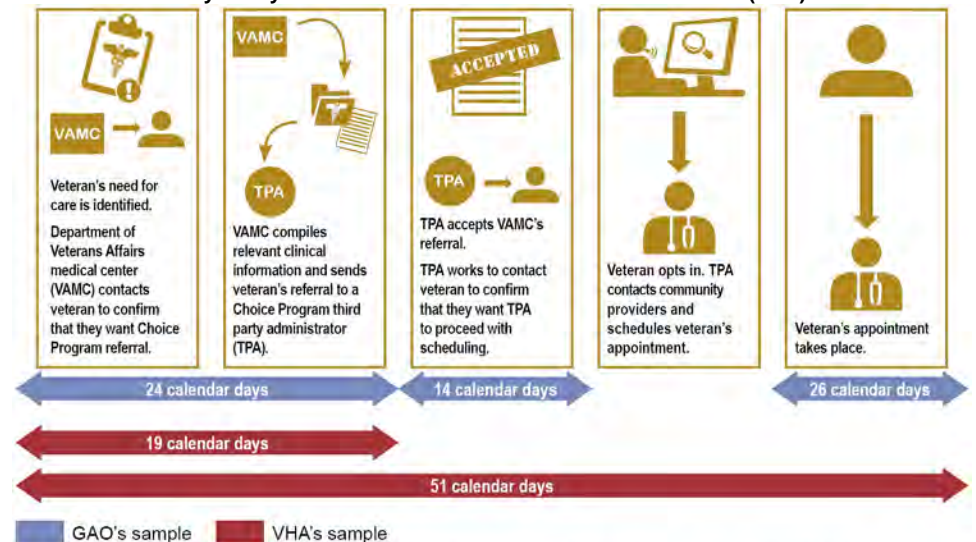
Improvements Needed to Address Access-Related Challenges as VA Plans Consolidation of its Community Care Programs

What GAO Found

Through the Veterans Choice Program (Choice Program), eligible veterans may receive care from community providers when it is not readily accessible at Veterans' Health Administration (VHA) medical facilities. The Department of Veterans Affairs (VA) uses two contractors—or third party administrators (TPA)—to schedule most veterans' Choice Program appointments after receiving referrals from VA medical centers (VAMC). GAO found that veterans who are referred to the Choice Program for routine care because services are not available at VA in a timely manner could potentially wait up to 70 calendar days for care if VAMCs and the TPAs take the maximum amount of time VA allows to complete its appointment scheduling process. This is not consistent with the statutory requirement that veterans receive Choice Program care within 30 days of their clinically indicated date (when available), which is the soonest date that it would be appropriate for the veteran to receive care, according to a VHA clinician. Without designing appointment scheduling processes that are consistent with this requirement, VA lacks assurance that veterans will receive Choice Program care in a timely manner.

GAO and VHA found that selected veterans experienced lengthy actual wait times for appointments in 2016, after manually reviewing separate samples of Choice Program authorizations. For example, when GAO analyzed 55 routine care authorizations that were created between January and April of 2016, it found that the process took at least 64 calendar days, on average. When VHA analyzed about 5,000 authorizations created between July and September of 2016, it took an average of 51 calendar days for veterans to receive care.

Average Wait Times for Choice Program Appointments in 2016, According to Separate Non-Generalizable Analyses by GAO and the Veterans Health Administration (VHA)^a



Source: GAO illustration based on GAO and VHA analyses of selected Choice Program authorizations. | GAO-18-281

^aGAO excluded from its analysis the amount of time the TPA took to schedule the appointment and the overall wait time because its sample selection methodology differed from VHA's in a way that would have skewed these two averages but not the averages for the other segments of the process.

What GAO Recommends

For VA's future consolidated community care program, GAO is making 10 recommendations, which include:

- establishing an achievable wait-time goal for the community care program that will permit VHA to monitor whether veterans are receiving care within time frames that are comparable to the amount of time they would otherwise wait for care at VHA medical facilities;
- designing an appointment scheduling process that (1) is consistent with the wait-time goal and (2) sets forth time frames within which veterans' referrals must be processed, appointments must be scheduled, and appointments must occur;
- implementing mechanisms to:
 - allow VHA to systematically monitor the amount of time taken to prepare referrals, schedule appointments, and complete appointments;
 - prevent veterans' clinically indicated dates from being modified by individuals other than VHA clinicians; and
 - separate clinically urgent referrals and authorizations from those for which the VAMC or the TPA has decided to expedite appointment scheduling for administrative reasons; and
- establishing a system that will help facilitate seamless, efficient care coordination and exchanges of information among VAMCs, VHA clinicians, TPAs, community providers, and veterans.

VA generally agreed with all but one of GAO's recommendations, which was to separate clinically urgent referrals from those that are administratively expedited. GAO maintains that implementing this recommendation will help improve future monitoring of urgent care timeliness for reasons explained in the report.

View [GAO-18-281](#). For more information, contact Sharon M. Silas at (202) 512-7114 or silass@gao.gov or A. Nicole Clowers at (202) 512-7114 or clowersa@gao.gov.

GAO also found that VHA cannot systematically monitor the timeliness of veterans' access to Choice Program care because it lacks complete, reliable data to do so. The data limitations GAO identified include:

- **A lack of data on the timeliness of referring and opting veterans in to the program.** GAO found that the data VHA uses to monitor the timeliness of Choice Program appointments do not capture the time it takes VAMCs to prepare veterans' referrals and send them to the TPAs, nor do they capture the time spent by the TPAs in accepting VAMCs' referrals and opting veterans in to the Choice Program. VHA has implemented an interim solution to monitor overall wait times that relies on VAMC staff consistently and accurately entering unique identification numbers on VHA clinicians' requests for care and on Choice Program referrals, a process that is prone to error.
- **Inaccuracy of clinically indicated dates.** GAO found that clinically indicated dates (which are used to measure the timeliness of care) are sometimes changed by VAMC staff before they send Choice Program referrals to the TPAs, which could mask veterans' true wait times. GAO found that VAMC staff entered later clinically indicated dates on referrals for about 23 percent of the 196 authorizations it reviewed. It is unclear if VAMC staff mistakenly entered incorrect dates manually, or if they inappropriately entered later dates when the VAMC was delayed in contacting the veteran, compiling relevant clinical information, and sending the referral to the TPA.
- **Unreliable data on the timeliness of urgent care.** GAO found that VAMCs and TPAs do not always categorize Choice Program referrals and authorizations in accordance with the contractual definition for urgent care. According to the contracts, a referral is to be marked as "urgent," and an appointment is to take place within 2 days of the TPA accepting it, when a VHA clinician has determined that the needed care is (1) essential to evaluate and stabilize the veteran's condition, and (2) if delayed would likely result in unacceptable morbidity or pain. GAO reviewed a sample of 53 urgent care authorizations and determined that about 28 percent of the authorizations were originally marked as routine care authorizations but were changed to urgent by VAMC or TPA staff, in an effort to administratively expedite appointment scheduling.

Without complete, reliable data, VHA cannot determine whether the Choice Program has helped to achieve the goal of alleviating veterans' wait times for care.

GAO found that numerous factors adversely affected veterans' access to care through the Choice Program. These factors include: (1) administrative burden caused by complexities of referral and appointment scheduling processes, (2) poor communication between VHA and its VAMCs, and (3) inadequacies in the networks of community providers established by the TPAs, including an insufficient number, mix, or geographic distribution of community providers. VA and VHA have taken numerous actions throughout the Choice Program's operation that were intended to help address these factors, though not all access factors have been fully resolved. For example, to help address administrative burden and improve the process of coordinating veterans' Choice Program care, VA established a secure e-mail system and a mechanism for TPAs and community providers to remotely access veterans' VA electronic health records. However, these mechanisms only facilitate a one-way transfer of necessary information. They do not provide a means by which VAMCs or veterans can view the TPAs' step-by-step progress in scheduling appointments or electronically receive medical documentation associated with Choice Program appointments.

While the Choice Program will soon end, VA anticipates that veterans will continue to receive community care under a similar program that VA plans to implement, which will consolidate the Choice Program and other VA community care programs. Incorporating lessons learned from the Choice Program into the implementation and administration of the new program could help VHA avoid similar challenges.

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Abbreviations

MRI	magnetic resonance imaging
PC3	patient-centered community care
REFDOC	referral documentation
RFP	request for proposals
TPA	third-party administrator
VA	Department of Veterans Affairs
VAMC	VA medical center
VHA	Veterans Health Administration
VISN	Veterans Integrated Service Network

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June 4, 2018

Congressional Addressees

The majority of veterans utilizing health care services delivered by the Veterans Health Administration (VHA) of the Department of Veterans Affairs (VA) receive care in VHA-operated medical facilities, including 170 VA medical centers (VAMC) and more than 1,000 outpatient facilities. In recent years, we and others have expressed concerns about the ability of VHA's medical facilities to provide health care services in a timely manner.¹ Serious and long-standing problems with veterans' access to care were also highlighted in a series of congressional hearings in the spring and summer of 2014, after several well-publicized events raised additional concerns about wait times for appointments at VHA medical facilities. In some cases, delays in care or VHA's failure to provide care reportedly have resulted in harm to veterans.² Due to these and other concerns, we concluded that VA health care is a high-risk area and added it to our High Risk List in 2015.³

¹See, for example, GAO, *VA Health Care: Reliability of Reported Outpatient Medical Appointment Wait Times and Scheduling Oversight Need Improvement*, [GAO-13-130](#) (Washington, D.C.: Dec. 21, 2012); GAO, *VA Health Care: Management and Oversight of Consult Process Need Improvement to Help Ensure Veterans Receive Timely Outpatient Specialty Care*, [GAO-14-808](#) (Washington, D.C.: Sept. 30, 2014); GAO, *VA Primary Care: Improved Oversight Needed to Better Ensure Timely Access and Efficient Delivery of Care*, [GAO-16-83](#) (Washington, D.C.: Oct. 8, 2015); and GAO, *VA Mental Health: Clearer Guidance on Access Policies and Wait-Time Data Needed*, [GAO-16-24](#) (Washington, D.C.: Oct. 28, 2015). See also: Department of Veterans Affairs Office of Inspector General, *Healthcare Inspection: Gastroenterology Consult Delays, William Jennings Bryan Dorn VA Medical Center, Columbia, South Carolina*, Report No. 12-04631-313 (Washington, D.C.: Sept. 6, 2013) and Department of Veterans Affairs Office of Inspector General, *Veterans Health Administration, Review of Alleged Patient Deaths, Patient Wait Times, and Scheduling Practices at the Phoenix VA Health Care System*, Report No. 14-02603-267 (Washington, D.C.: Aug. 26, 2014).

²See Department of Veterans Affairs Office of Inspector General, *Veterans Health Administration, Review of Alleged Patient Deaths, Patient Wait Times, and Scheduling Practices at the Phoenix VA Health Care System*.

³GAO, *High-Risk Series: An Update*, [GAO-15-290](#) (Washington, D.C.: Feb. 11, 2015). GAO maintains a high-risk program to focus attention on government operations that it identifies as high risk due to their greater vulnerabilities to fraud, waste, abuse, and mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges.

In response to the problems with veterans' access to care at VHA medical facilities that were highlighted during the 2014 congressional hearings, Congress enacted the Veterans Access, Choice, and Accountability Act of 2014 (Choice Act) on August 7, 2014. Among other things, the law established a temporary program—called the Veterans Choice Program (Choice Program)—and provided up to \$10 billion in funding for veterans to obtain health care services from non-VA community providers when they faced long wait times, lengthy travel distances, or other challenges accessing care at VHA medical facilities.⁴ The temporary authority and funding for the Choice Program was separate from that of other previously existing programs through which VA has the option to purchase care from community providers. Legislation enacted in August and December of 2017 provided an additional \$4.2 billion for the Veterans Choice Fund.⁵ VA may continue to authorize Choice Program care until all amounts in the Choice Fund are exhausted.⁶ Currently, VA is in the process of planning its future community care program, which (as described in an October 2015 plan VA submitted to Congress) will consolidate the Choice Program and six other VA community care programs into one program.⁷

In accordance with the Choice Act, VA and VHA had up to 90 days to prepare for Choice Program implementation from the time the Choice Act was enacted. To cope with the compressed implementation time frame, VA modified contracts it had previously established with Health Net Federal Services (Health Net) and TriWest Healthcare Alliance (TriWest) to administer a different VA community care program and gave them

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

⁵VA Choice and Quality Employment Act of 2017, Pub. L. No. 115-46, § 101, 131 Stat. 958, 959 (Aug. 17, 2017) (providing an additional \$2.1 billion for the Veterans Choice Fund); Department of Homeland Security Blue Campaign Authorization Act of 2017, Pub. L. No. 115-96, Div. D, § 4001, 131 Stat. 2044, 2052-53 (Dec. 22, 2017) (providing an additional \$2.1 billion for the Veterans Choice Fund).

⁶Pub. L. No. 115-26, § 1, 131 Stat. 129 (2017), amending section 101(p)(2) of the Choice Act, Pub. L. No. 113-146, 128 Stat. at 1763.

⁷In this report, when we discuss VA's future community care program, we are referring to the plan for consolidating the Choice Program and VA's other community care programs that VA submitted to Congress on October 15, 2015. See Department of Veterans Affairs, *Plan to Consolidate Programs of Department of Veterans Affairs to Improve Access to Care*, (Washington, D.C.: Oct. 30, 2015). However, as of May 23, 2018, both Houses of Congress had passed S. 2371, the "VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018" (VA MISSION Act of 2018), which would establish a permanent community care program for veterans, among other purposes.

certain responsibilities related to Choice Program administration, including the scheduling of routine and urgent care appointments for veterans needing care in the community.⁸ VA and VHA refer to Health Net and TriWest as third-party administrators (TPA). The Choice Program implementation tasks included designing a framework to administer the program (which involved dividing responsibilities between VAMCs and TPAs), negotiating contract modifications to add Choice Program administration responsibilities to the TPAs' existing contracts with VA, designing referral and appointment scheduling processes for VAMCs and the TPAs, strengthening the community provider networks the TPAs had established under their existing VA contracts, creating TPA call centers, training VAMC and TPA staff, producing and distributing Veterans Choice Cards to veterans, and educating veterans and community providers about the new program.

External reviews, media reports, and congressional hearings held over the course of the Choice Program's implementation and operation have highlighted programmatic weaknesses, such as insufficient provider networks, significant delays in scheduling appointments, and a lack of timely payments to network providers.⁹ The Joint Explanatory Statement for the Consolidated Appropriations Act, 2016 included two provisions for us to review veterans' access to care and the delivery of health care

⁸Choice Program appointments that have not been categorized as "urgent" are considered to be appointments for routine care. Under VA's contracts with the TPAs, veterans' appointments are categorized as "urgent" when a clinician determines that the veteran needs care that (1) is considered essential to evaluate and stabilize conditions and (2) if not provided would likely result in unacceptable morbidity or pain when there is a significant delay in evaluation or treatment. Under VA's Choice Program contracts, urgent care is not the same as care provided for a medical emergency, which is covered through different VA community care programs. Urgent care (rather than emergent care) delivered through the Choice Program is care that is delivered when there is no threat to the veteran's life, limb, or vision but the veteran's condition needs attention to prevent it from becoming a serious risk to the veteran's health.

⁹See, for example, Department of Veterans Affairs Office of Inspector General, *Veterans Health Administration: Audit of the Timeliness and Accuracy of Choice Payments Processed Through the Fee Basis Claims System*, Report No. 15-03036-47 (Washington, D.C.: Dec. 21, 2017); Quil Lawrence, Eric Whitney, and Michael Tomsic, "Despite \$10B 'Fix,' Veterans Are Waiting Even Longer To See Doctors." *Morning Edition* (radio program), May 16, 2016. Accessed January 27, 2017. <http://www.npr.org/sections/health-shots/2016/05/16/477814218/attempted-fix-for-va-health-delays-creates-new-bureaucracy>; and Lee Romney, "Veterans Choice is flawed, but Congress is stymied on a solution," *The Center for Investigative Reporting*, September 28, 2016. Accessed January 27, 2017. <https://www.revealnews.org/article/veterans-choice-is-flawed-but-congress-is-stymied-on-a-solution>.

services through the Choice Program, with a focus on rural areas.¹⁰ In addition, you asked us to conduct a comprehensive review of the Choice Program, focusing on (among other things) the effect the Choice Program has had on reducing veterans' wait times for care. In March 2017, we presented preliminary observations from this work at a hearing of the House Committee on Veterans' Affairs.¹¹ This report updates our preliminary findings and examines:

1. the potential wait times for veterans to receive routine care through the Choice Program, according to VA's appointment scheduling process;
2. selected veterans' actual wait times to receive routine care and urgent care through the Choice Program and the information VHA uses to monitor access to care under the program; and
3. the factors, if any, that have adversely affected veterans' access to care under the Choice Program and the actions, if any, that VA and VHA have taken to address them for VA's future community care program.

To examine the potential wait times for veterans to receive routine care through the Choice Program according to VA's appointment scheduling process, we reviewed applicable laws and regulations; VA's contracts with the TPAs; and relevant VA and VHA policy directives, guidance, and training materials for VAMCs. In addition, we exchanged written correspondence with VA's Office of General Counsel about the application of VHA's wait time goals to the Choice Program. We also interviewed a VA contracting official and officials from VHA's Office of Community Care (the office responsible for implementing and overseeing the Choice Program), as well as officials from the two Choice Program TPAs, Health Net and TriWest.¹² We analyzed this evidence in the

¹⁰164 Cong. Rec. H10378, H10394 (daily ed. Dec. 17, 2015) (Explanatory Statement for Division J of the Consolidated Appropriations Act, 2016, Pub. L. No. 114-113 (2015)).

¹¹See GAO, *Veterans' Health Care: Preliminary Observations on Veterans' Access to Choice Program Care*, [GAO-17-397T](#) (Washington, D.C.: March 7, 2017).

¹²Officials from VA's Denver Acquisition and Logistics Center are responsible for developing and managing Choice Program contracts with the TPAs. Contracting officer's representatives in VHA's Office of Community Care are responsible for monitoring the TPAs' performance. VHA's Office of Community Care is also responsible for developing policies and standard operating procedures, communicating contract modifications and other programmatic changes to VAMCs, and providing training for VAMC managers and staff on their roles in coordinating veterans' Choice Program care.

context of the federal internal control standard for control activities, which includes the design of policies and procedures that will help an entity achieve its objectives and respond to risks.¹³

To examine selected veterans' actual wait times to receive routine care and urgent care through the Choice Program and the information VHA uses to monitor access to care under the program, we took five key steps. We (1) analyzed Choice Program appointment wait times for selected veterans using a sample of 196 Choice Program authorizations for routine and urgent care; (2) reviewed VHA's analysis of appointment wait times for a sample of about 5,000 Choice Program authorizations; (3) reviewed data VHA uses to monitor the timeliness of Choice Program care and reasons that the TPAs have returned Choice Program referrals without making appointments; (4) interviewed VA, VHA, and TPA officials; and (5) reviewed federal internal control standards.¹⁴ See Appendix I for more information on these methodological steps.

To examine the factors, if any, that have adversely affected veterans' access to care under the Choice Program and the actions, if any, that VA and VHA have taken to address them for VA's future community care program, we reviewed documentation and interviewed officials from VA, VHA, and the TPAs; as well as leadership officials and community care managers and staff from six selected VAMCs.¹⁵ (See Appendix I for information about how we selected the six VAMCs.) In cases where we identified actions VA and VHA had taken to address factors that adversely affected veterans' access, we interviewed VA and VHA officials

¹³See GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 2014). Internal control is a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

¹⁴For the Choice Program, the TPA generates an authorization after an eligible veteran has opted in to the program. Among other things, the authorization informs the community provider of the veteran's medical needs and the specific services that will be covered, as well as the period of validity (i.e., beginning and ending dates) for the episode of care. Each authorization may result in multiple appointments, and a single veteran may have multiple Choice Program authorizations.

¹⁵S. 2372, VA MISSION Act of 2018, was passed by both Houses of Congress after the completion of our audit fieldwork, and therefore, we did not incorporate it in our review of VA's future community care program. We evaluated the future community care program in light of the law current at the time of our audit and considering VA's 2015 plan for consolidating the Choice Program and VA's other community care programs, and tracked various legislative proposals for VA community care.

and reviewed documentation they provided to gain a better understanding of their rationale for taking those actions and the extent to which they had evaluated the outcomes or effectiveness of selected actions. Between May and September of 2016, we interviewed community care managers and staff at the six selected VAMCs, and we followed up with the managers in June and July of 2017. During these interviews, we discussed certain actions VA and VHA had taken and obtained their perspectives on implementation of the actions and the extent to which these actions improved veterans' access to Choice Program care. We examined the actions VA and VHA took in the context of federal standards for internal control.¹⁶

We conducted this performance audit from April 2016 through May 2018 in accordance with generally accepted government accounting 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.

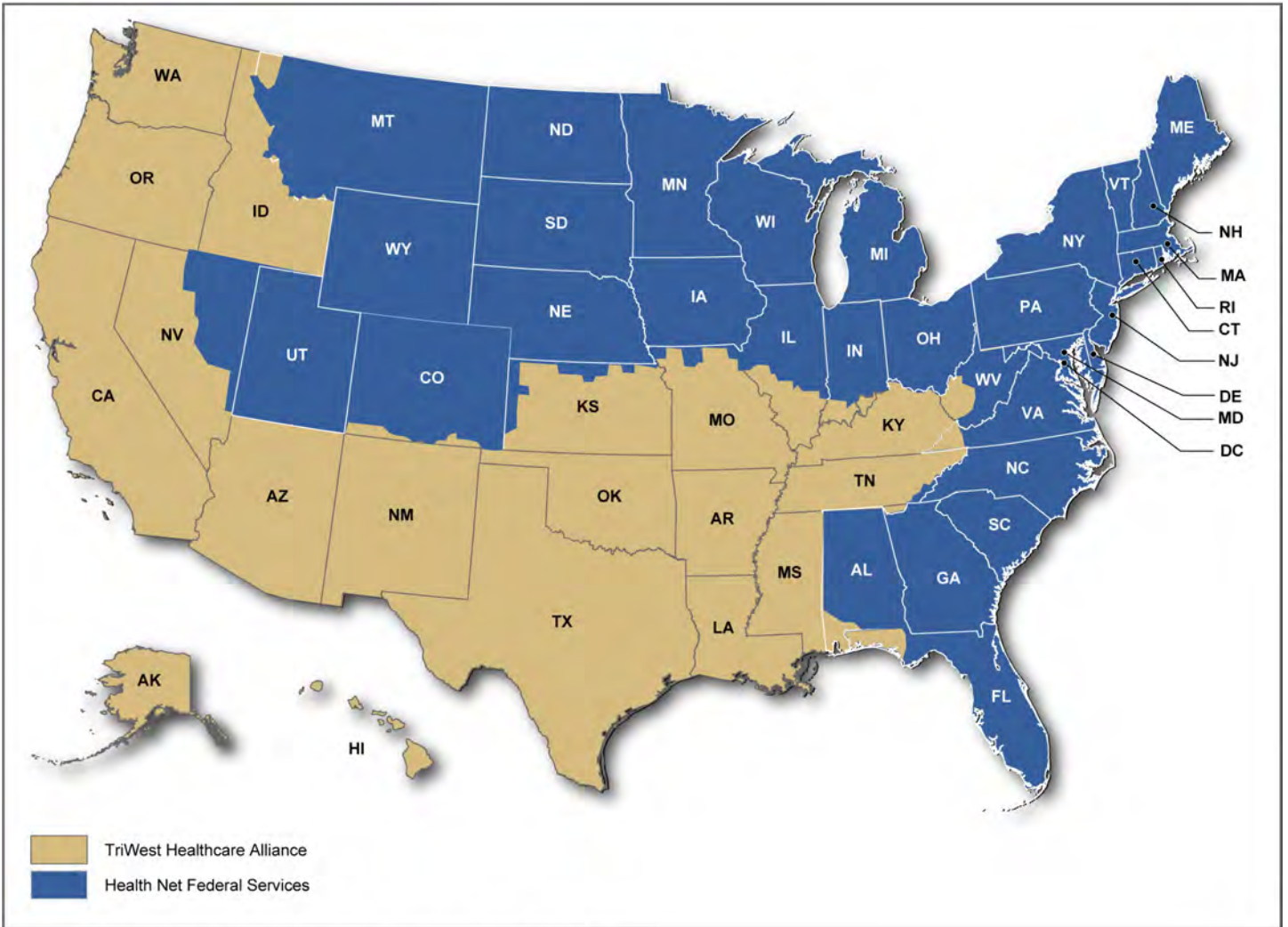
Background

Responsibilities of the Choice Program TPAs

In October 2014, VA modified its existing contracts with two TPAs that were administering another VA community care program to add certain administrative responsibilities associated with the Choice Program. For the Choice Program, each of the two TPAs—Health Net and TriWest—is responsible for delivering care in a specific multi-state region (See figure 1.). Specifically, the TPAs are responsible for establishing networks of community providers, scheduling appointments with community providers for eligible veterans, and paying community providers for their services.

¹⁶[GAO-14-704G](#).

Figure 1: Multi-state Regions Covered by the Veterans Choice Program's Third Party Administrators (TPA)



Sources: GAO illustration based on VHA information (data); Map Resources (map). | GAO-18-281

Note: TriWest Healthcare Alliance is the TPA for American Samoa, Guam, and the Northern Mariana Islands. Health Net Federal Services is the TPA for Puerto Rico and the U.S. Virgin Islands.

Choice Program Eligibility Criteria

As stated in VA's December 2015 guidance, the Choice Program allows eligible veterans to opt to obtain health care services from the TPAs' network providers rather than from VHA medical facilities when the veterans are enrolled in the VA health care system and meet any of the following criteria:¹⁷

- the next available medical appointment with a VHA clinician is more than 30 days from the veteran's preferred date or the date the veteran's physician determines he or she should be seen;
- the veteran lives more than 40 miles driving distance from the nearest VHA facility with a full-time primary care physician;
- the veteran needs to travel by air, boat, or ferry to the VHA facility that is closest to his or her home;
- the veteran faces an unusual or excessive burden in traveling to a VHA facility based on geographic challenges, environmental factors, or a medical condition;¹⁸
- the veteran's specific health care needs, including the nature and frequency of care needed, warrants participation in the program;¹⁹ or
- the veteran lives in a state or territory without a full-service VHA medical facility.²⁰

Over the life of the Choice Program, VA has taken various approaches to care for veterans for whom services are not available at a particular VHA medical facility. In May and October of 2015, VHA issued policy memoranda to its VAMCs that required them to offer veterans referrals to the Choice Program before they authorized care through one of VA's other community care programs, which existed prior to the creation of the

¹⁷Department of Veterans Affairs, Veterans Health Administration, *Veterans Choice Program Eligibility Details* (Washington, D.C.: Dec. 1, 2015).

¹⁸A determination about whether the veteran meets this criterion will be made in conjunction with staff at the veteran's local VHA medical facility.

¹⁹A determination about whether the veteran meets this criterion will be made in conjunction with staff at the veteran's local VHA medical facility.

²⁰Specifically, veterans who reside in Alaska, Hawaii, New Hampshire, or a U.S. territory would be eligible for the program under this criterion. Veterans residing in New Hampshire are only eligible if they reside more than 20 miles away from the White River Junction VAMC, which is located in Vermont.

Choice Program.²¹ Before May 2015, VA provided VAMCs the flexibility to decide on a case-by-case basis whether to refer veterans to the Choice Program or one of VA's other community care programs when services were not available. In June 2017, VHA issued another policy memorandum that rescinded the referral hierarchy that required VAMCs to refer to the Choice Program first. It directed VAMCs to refer veterans to the Choice Program only if they met the Choice Act's wait-time, distance, and geographic eligibility criteria, and to instead use other VHA medical facilities, facilities with which VA has sharing agreements, and other VA community care programs to deliver care to veterans when services were not available at a VHA medical facility and veterans did not qualify under the Choice Act's eligibility criteria. In August 2017, after Congress provided an additional \$2.1 billion for the Choice Program, VHA again changed its guidance on referral patterns for the Choice Program and VA's other community care programs.²² Specifically, VA issued a fact sheet saying that the new funding will allow VAMCs to refer veterans to the Choice Program to the maximum extent possible.²³ This allowed VAMCs to again offer veterans Choice Program referrals when services are unavailable at VHA medical facilities (until available funds have been exhausted), and also permitted VAMCs to refer veterans to other VA community care programs when services are unavailable.

Process for Choice Program Appointment Scheduling

Through policies and standard operating procedures for VAMCs and contracts with the TPAs, VA and VHA have established two separate processes for Choice Program routine and urgent appointment

²¹See Veterans Health Administration, *VA Care in the Community (Non-VA Purchased Care) and Use of the Veterans Choice Program*, VHA Memoranda (May 12, 2015 and Oct. 1, 2015). Specifically, when services were unavailable or the veteran could not receive an appointment within 30 days, these memoranda required VAMCs to determine whether needed services are available in a timely manner from another VHA medical facility or from a facility with which the VAMC has a sharing agreement, such as a Department of Defense, Indian Health Service, or Tribal Health facility. If care could not be arranged in this manner, VAMCs had to offer eligible veterans the opportunity to receive care through the Choice Program before attempting to arrange care through any other VA community care program.

²²VA Choice and Quality Employment Act of 2017, Pub. L. No. 115-46, § 101, 131 Stat. 958, 959 (2017).

²³See Department of Veterans Affairs, *Extension of Veterans Choice Program Funding*, VA Fact Sheet (August 2017).

scheduling: one process for time-eligible veterans and another for distance-eligible veterans.²⁴

Table 1 provides an overview of the appointment scheduling process that applies when a veteran is referred to the Choice Program because the veteran is time-eligible. (Appendix II contains additional detail about the Choice Program appointment scheduling process for time-eligible veterans—including differences between the routine and urgent care appointment scheduling process.)

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

Steps of the Choice Program scheduling process	Completed by VA medical center (VAMC) staff	Completed by Choice Program third party administrator (TPA) staff	Completed by the veteran
A Veterans Health Administration (VHA) clinician determines the veteran needs care.	✓		
VAMC staff confirm the veteran's eligibility for Choice Program care and begin contacting the veteran to offer a referral to the Choice Program.	✓		
The veteran agrees to be referred to the Choice Program.			✓
VAMC staff compile relevant clinical information (including a description of the specific services and type of medical specialist the veteran needs) and submit the veteran's referral to the TPA.	✓		
TPA staff review the veteran's Choice Program referral to ensure it contains information needed to proceed with appointment scheduling and accept the referral if the information is sufficient.		✓	
TPA staff contact the veteran by telephone to confirm that they want to opt in to the Choice Program. If the veteran is not reached by telephone, the TPA sends a letter requesting that the veteran contact the TPA to opt in to the program.		✓	

²⁴For the purposes of this report, the terms “time-eligible” and “distance-eligible” refer to the Choice Program processes used to schedule veterans’ appointments. VHA uses the time-eligible appointment scheduling process when the services needed are not available at a VHA medical facility or are not available within allowable wait times. During this review, we did not evaluate VA’s determination that veterans for whom services were unavailable were eligible for the Choice Program. VHA uses the distance-eligible appointment scheduling process when veterans reside more than 40 miles from a VHA medical facility or meet other travel-related criteria.

Steps of the Choice Program scheduling process	Completed by VA medical center (VAMC) staff	Completed by Choice Program third party administrator (TPA) staff	Completed by the veteran
If the veteran opts in to the Choice Program, TPA staff create an authorization and begin efforts to schedule an appointment with a community provider.		✓	
TPA staff schedule an appointment with a community provider. The authorization (which contains relevant clinical information, a description of authorized services, and a period of validity) is sent to the community provider. The veteran is informed of the date and time of the appointment.		✓	
The veteran attends the initial appointment with the Choice Program community provider.			✓

Source: GAO analysis of VA and VHA documents. | GAO-18-281

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

When veterans reside more than 40 miles from a VHA medical facility or meet other travel-related criteria, VHA uses the appointment scheduling process it developed for distance-eligible veterans. The process for distance-eligible veterans differs from that for time-eligible veterans in that VAMCs do not prepare a referral and send it to the TPA. Instead, distance-eligible veterans contact the TPA directly to request Choice Program care. See table 2 for an overview of the Choice Program appointment scheduling process that applies for distance-eligible veterans. (See appendix III for additional detail about the Choice Program appointment scheduling process for distance-eligible veterans—including differences between the routine and urgent care appointment scheduling process.)

Table 2: Process for Veterans to Obtain Department of Veterans Affairs (VA) Choice Program Care if They Are Distance-eligible^a

Steps of the Choice Program scheduling process	Completed by VA medical center (VAMC) staff	Completed by Choice Program third party administrator (TPA) staff	Completed by the veteran
The veteran contacts the TPA to request Choice Program care.			✓
TPA staff verify that the veteran is eligible for Choice Program care and that the requested care is medically appropriate.		✓	
TPA staff create an authorization and begin efforts to schedule an appointment with a community provider.		✓	
TPA staff schedule an appointment with a community provider. The authorization (which contains relevant clinical information, a description of authorized services, and a period of validity) is sent to the community provider. The veteran is informed of the date and time of the appointment.		✓	
The veteran attends the initial appointment with the Choice Program community provider.			✓

Source: GAO analysis of VA and VHA documents. | GAO-18-281

^aVHA uses the distance-eligible appointment scheduling process when veterans reside more than 40 miles from a VHA medical facility or meet other travel-related eligibility criteria.

Choice Program Utilization from Fiscal Year 2015 through Fiscal Year 2016

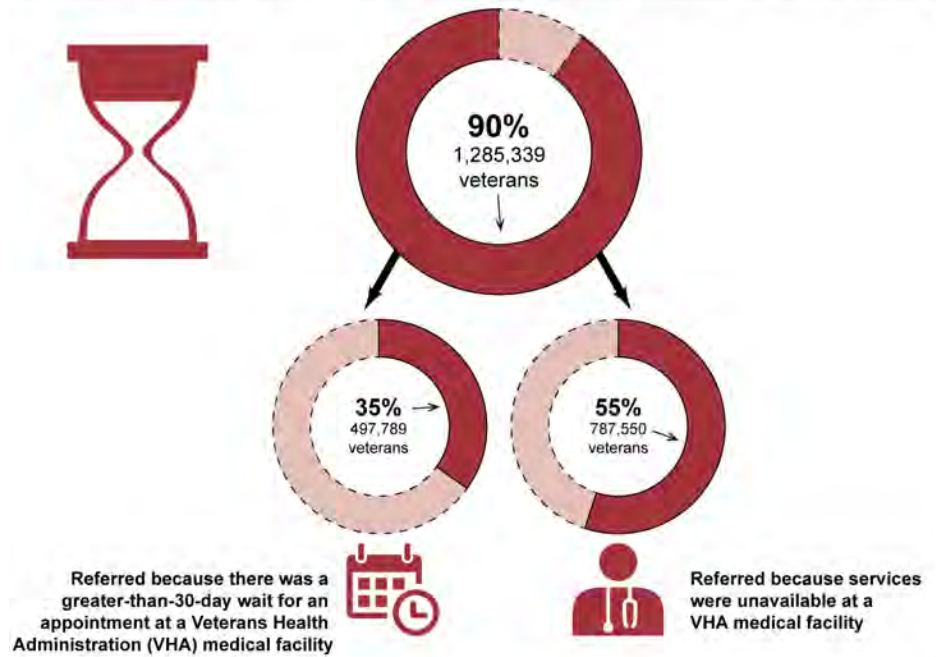
Data we obtained from the TPAs indicate that VHA and the TPAs used the time-eligible appointment scheduling process about 90 percent of the time from fiscal year 2015 through fiscal year 2016 (the first 2 years of the Choice Program’s implementation). More than half of the veterans who were referred to the Choice Program and for whom the TPAs scheduled appointments were referred because the services they needed were not available at a VHA medical facility.²⁵ The second-most-common reason for referral was that the wait time for an appointment at a VHA medical facility exceeded 30 days. (See figure 2.) The distance-eligible appointment scheduling process was used for about 10 percent of the

²⁵Prior to obtaining these data from the TPAs, we requested data from VHA on the number of veterans who were referred to the Choice Program because (1) services were unavailable, (2) there was a greater than 30-day wait, or (3) the veteran resided more than 40 miles from a VHA facility or faced other travel burdens. However, VHA officials stated that VHA’s data grouped veterans who were referred to the Choice Program because services were unavailable together with the veterans who were referred because of not meeting 30-day wait times. Only the TPAs could break these groups of veterans out separately, so we are instead reporting the TPAs’ data.

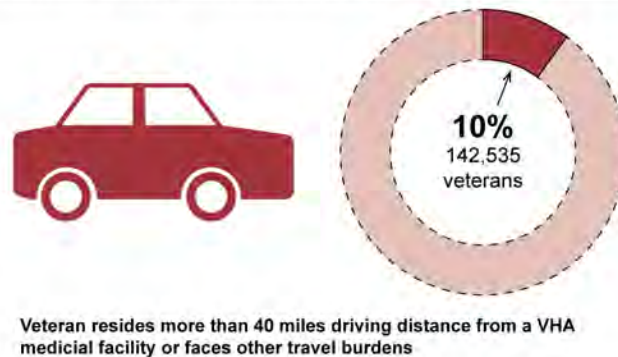
veterans who used the Choice Program between fiscal year 2015 through fiscal year 2016.

Figure 2: Most Common Reasons Veterans with Scheduled Choice Program Appointments Were Referred to the Program, Fiscal Years 2015 through 2016

Veterans whose appointments were scheduled under the time-eligible process



Veterans whose appointments were scheduled under the distance-eligible process



Source: GAO analysis of data from Health Net Federal Services and TriWest Healthcare Alliance. | GAO-18-281

Note: This excludes 7,198 veterans with scheduled appointments who were referred to the Choice Program in fiscal year 2015 and fiscal year 2016 because they faced an unusual or excessive travel burden to access care at a VHA medical facility. Only one of the two third party administrators (TPA) could separately report veterans who were referred under this Choice Program eligibility criterion. The other TPA does not distinguish veterans who were referred for unusual or excessive travel burden from the other three Choice Program referral reasons listed here.

Choice Act Wait-Time Requirements for Care Furnished Under the Program

In coordinating the furnishing of care to eligible veterans under the Choice Program, VA is required to ensure that veterans receive appointments for Choice Program care within the wait-time goals of VHA for the furnishing of hospital care and medical services.²⁶ Although the Choice Act defined VHA's wait-time goals as not more than 30 days from the date a veteran requests an appointment from the Department, the Choice Act gave VA the authority to change this definition if it did not reflect VHA's actual wait-time goals. If VA wanted to exercise this authority, it was required to notify Congress of VHA's actual wait-time goals within 60 days of the law's enactment (i.e., by October 6, 2014).²⁷ VA did so in an October 3, 2014, report to Congress.²⁸ To "ensure that care provided through the Veterans Choice Program is delivered within clinically appropriate timeframes," VA notified Congress that VHA's wait-time goals were "not more than 30 days from either the date that an appointment is deemed clinically appropriate by a VA health care provider, or if no such clinical determination has been made, the date a Veteran prefers to be seen for hospital care or medical services." By incorporating VHA's reported wait-time goal, the Choice Act required VA to ensure the furnishing of care to eligible veterans within 30 days of the clinically indicated date or, if none existed, within 30 days of the veteran's preferred date.²⁹

²⁶Pub. L. No. 113-146, § 101(a)(3), 128 Stat. at 1756.

²⁷Pub. L. No. 113-146, § 101(s), 128 Stat. at 1764.

²⁸Department of Veterans Affairs, "Report to Congress on the Veterans Choice Program Authorized by Section 101 of the Veterans Access, Choice, and Accountability Act of 2014 (Pub. L. No. 113-146)," (Oct. 3, 2014). VA subsequently published the definition submitted to Congress in this report in the Federal Register, as required by section 101(s)(2)(B) of the Choice Act. See Department of Veterans Affairs: Wait-Time Goals of the Department for the Veterans Choice Program, 79 Fed. Reg. 62519-20 (October 17, 2014).

²⁹The Choice Act's wait-time requirements apply to the furnishing of care to veterans who are eligible for the program under any of the Act's eligibility categories. Pub. L. No. 113-146, § 101(a)(3), (b), (s)(2)(A), 128 Stat. at 1756-57, 1764. According to VHA policy, the clinically indicated date is the date that it would be clinically appropriate for the appointment to occur, as determined by the VHA clinician who identified the veteran's need for care. The clinically indicated date determination is based upon the needs of the patient and should be the soonest date that it would be clinically appropriate for the veteran to receive care. See Veterans Health Administration, *Consult Processes and Procedures*, VHA Directive 1232(1) (Aug. 24, 2016, as amended on Sept. 23, 2016).

VA's Other Community Care Programs and Planned Consolidation

VA has purchased health care services from community providers through various programs since as early as 1945. Currently, there are six community care programs other than the Choice Program through which VA purchases hospital care and medical services for veterans. These six community care programs offer different types of services and have varying eligibility criteria for veterans and community providers.³⁰ VA's six non-Choice community care programs include:

- **Individually authorized VA community care.** The primary means by which VHA has traditionally purchased community care is through individual authorizations, where local VAMC staff determine veteran eligibility, create authorizations, and assist veterans in arranging care with community providers that are willing to accept VA payment. Traditionally, VAMCs have approved the use of individually authorized community care when a veteran cannot access a particular specialty care service from a VHA medical facility because the service is not offered or the veteran would have to travel a long distance to obtain it from a VHA medical facility. (See appendix IV for an illustration of how appointment scheduling and care coordination processes for the Choice Program compare to those for individually authorized VA community care.)
- **Two emergency care programs.** When VA community care is not preauthorized, VA may reimburse community providers for emergency care under two different community care programs: 1) emergency care for a condition related to a veteran's service-connected disability and 2) emergency care for a condition not related to a veteran's service-connected disability, commonly referred to as Millennium Act emergency care.³¹ For emergency care to be covered through these two programs, a number of criteria must be met, including (1) community providers must file claims in a timely manner (within 2

³⁰These six community care programs are the ones that VA proposed consolidating in the 2015 plan it submitted to Congress. See Department of Veterans Affairs, *Plan to Consolidate Programs of Department of Veterans Affairs to Improve Access to Care*. For more information about some of these VA community care programs, including differences in eligibility requirements and payment rates, see GAO, *Veterans' Health Care: Proper Plan Needed to Modernize System for Paying Community Providers*, [GAO-16-353](#) (Washington, D.C.: May 11, 2016). There are other VA community care programs not described here—such as those that provide long-term care—that VA has not proposed including in its consolidation.

³¹The Veterans Millennium Health Care and Benefits Act, Pub. L. No. 106-117, § 111, 113 Stat. 1545, 1553-1556 (1999), codified, as amended, at 38 U.S.C. § 1725.

years of the date services were rendered for service-connected emergency care and within 90 days for Millennium Act emergency care); (2) the veteran's condition must meet the prudent layperson standard of an emergency; and (3) a VA or other federal medical facility must not have been feasibly available to provide the needed care, and an attempt to use either would not have been considered reasonable by a prudent layperson.³²

- **Patient-Centered Community Care (PC3).** In September 2013, VA awarded contracts to Health Net and TriWest to develop regional networks of community providers to deliver specialty care, mental health care, limited emergency care, and maternity and limited newborn care when such care is not feasibly available from a VHA medical facility. VA and the TPAs began implementing the PC3 program in October 2013, and it was fully implemented nationwide as of April 2014—prior to the creation of the Choice Program. In August 2014, VA expanded the PC3 program to allow community providers of primary care to join the PC3 networks. PC3 is a program VA created under existing statutory authorities, not a program specifically designed by law. To be eligible to obtain care from PC3 providers, veterans must meet the same criteria that are required for individually authorized VA care in the community services.
- **Agreements with federal partners and academic affiliates.** When services are not available at VHA medical facilities, VA may also obtain specialty, inpatient, and outpatient health care services for veterans through two types of sharing agreements—those with other federal facilities (such as those operated by the Department of Defense and the Indian Health Service), and those with university-

³²For both of VA's emergency care programs, a medical emergency exists when the condition is of such a nature that a prudent layperson would reasonably expect that delay in seeking immediate medical attention would be hazardous to life or health. The standard would be met if there was an emergency medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) that a prudent layperson who possesses an average knowledge of health and medicine could reasonably expect the absence of immediate medical attention to result in placing the health of the individual in serious jeopardy, serious impairment to bodily functions, or serious dysfunction of any bodily organ or part. See 38 C.F.R. § 17.1002(b) (2015). The prudent layperson standard emphasizes the patient's presenting symptoms, rather than the final diagnosis, when determining whether to pay emergency medical claims. The Millennium Act emergency care program has criteria in addition to those listed here that must be met in order for VA to pay claims from community providers. For more information about these criteria, see GAO, *VA Health Care: Actions Needed to Improve Administration and Oversight of VA's Millennium Act Emergency Care Benefit*, [GAO-14-175](#) (Washington, D.C.: March 6, 2014).

affiliated hospitals, medical schools, and practice groups (known as academic affiliates).

- **Dialysis contracts.** In June 2013, VA awarded contracts to numerous community providers nationwide to deliver dialysis—a life-saving medical procedure for patients with end-stage renal disease (permanent kidney failure). When dialysis services are not feasibly available at VHA medical facilities, veterans may be referred to one of VA’s contracted dialysis providers, and veterans may receive dialysis at local clinics on an outpatient basis, or at home (if the contractors offer home-based dialysis services).

The VA Budget and Choice Improvement Act, which was enacted on July 31, 2015, required VA to develop a plan for consolidating all of its community care programs into a new, single program to be known as the “Veterans Choice Program.”³³ VHA submitted this plan, including proposed legislative changes, to Congress on October 30, 2015. VA has moved forward with some aspects of the planned community care program consolidation that it believes can be accomplished without statutory changes. In December 2016, VA issued a request for proposals (RFP) for contractors to help administer the consolidated community care program, through “community care network” contracts. The consolidated community care program VA described in the October 2015 plan it submitted to Congress and the December 2016 RFP, as amended, would be similar to the current Choice Program in certain respects. For example, VA is planning to award community care network contracts to TPAs, which would establish regional networks of community providers and process payments to those providers. In contrast, other aspects of the consolidated community care program VA has planned may differ from the existing Choice Program. For example, VA’s RFP for the community care network contracts, as amended, requires VAMCs—rather than TPAs—to carry out appointment scheduling, unless they exercise a contract option for the TPAs to provide such services.³⁴

³³Pub. L. No. 114-41, § 4002, 129 Stat. 443, 461 (2015).

³⁴A May 26, 2017 amendment to VA’s December 2016 RFP gave VA the option of contracting with the TPAs to carry out the appointment scheduling process for VAMCs that request these services.

Annual Obligations for the Choice Program and Other VA Community Care Programs

In fiscal year 2015, the first year of the Choice Program’s implementation, total obligations for Choice Program health care services accounted for about 4.7 percent of the \$8.7 billion VA obligated for all community care services that year.³⁵ However, as more care was provided through the Choice Program in fiscal years 2016 and 2017, obligations for Choice Program care grew steadily, while obligations for care delivered through other VA community care programs decreased. In fiscal year 2017, total obligations for Choice Program health care services accounted for about 39 percent of the \$11.16 billion VA obligated for all community care services that year. See table 3.

Table 3: History of Annual Obligations for Health Care Services Provided Through the Veterans Choice Program (Choice Program) and Other Department of Veterans Affairs (VA) Community Care Programs

Obligations by fiscal year (in billions)

Program	2015	2016	2017
Choice Program	\$0.41	\$1.50	\$4.37
Other VA community care programs ^a	8.29 ^b	7.49	6.79
Total	8.70	8.98	11.16

Source: GAO analysis of VHA data. | GAO-18-281

Note: The dollar figures in this table have been rounded to the nearest \$10 million.

^aAmounts in this row do not include obligations for VA-administered community care programs that serve veterans’ dependents or family members, rather than veterans themselves. Such programs include the Civilian Health and Medical Program of the Department of Veterans Affairs, which is for family members of veterans who either (1) are rated by VA as permanently and totally or disabled, or (2) died from VA-rated service-connected disabilities. Also excluded from these amounts are obligations for VA’s Primary Family Caregivers program and the Camp Lejeune Family Member Program because they also serve veterans’ family members, rather than veterans.

^bThis amount includes \$1.93 billion in Choice Program funds used by VA between May 1, 2015 and September 30, 2015 for other VA community care programs. Congress granted VA authority to use Choice Program funds for this purpose in July 2015. See Pub. L. No. 114-41, § 4004(a), 129 Stat. 443, 463 (2015). We have included these amounts as obligations of other VA community care programs because they were used for care through the other programs.

As shown in Table 4, below, of the \$10.37 billion in Choice Program funds that were obligated between fiscal year 2015 and fiscal year 2017, \$6.28 billion (or about 61 percent) of the funds were obligated for Choice

³⁵An obligation is defined as a “definite commitment that creates a legal liability of the government for the payment of goods and services ordered or received, or a legal duty on the part of the United States that could mature into a legal liability by virtue of actions on the part of the other party beyond the control of the United States.” GAO, *A Glossary of Terms Used in the Federal Budget Process*, GAO-05-734SP (Washington, D.C.: September 2005), p. 70.

Program health care services. About \$1.76 billion (or 17 percent) of total Choice Program funds obligated between fiscal year 2015 and fiscal year 2017 were obligated for administrative costs. The remaining \$2.33 billion (about 22 percent) were obligated for medical services other than those authorized under the Choice Program. As we previously reported, VHA experienced a projected funding gap in its medical services appropriation account in fiscal year 2015, largely due to lower-than-expected obligations for the Choice Program, higher-than-expected obligations for other VA community care programs, and unanticipated obligations for hepatitis C drugs.³⁶ To address the projected funding gap, on July 31, 2015, VA obtained temporary authority to use Choice Program funds between July 31, 2015 and September 30, 2015 for amounts obligated on or after May 1, 2015 to furnish medical services other than those that it authorized under the Choice Program. Later, in fiscal year 2016 and fiscal year 2017, VA de-obligated about \$420 million of the Choice Program funds it had obligated for other VA community care programs and hepatitis C drugs in fiscal year 2015 because they were never expended.

³⁶See GAO, *VA's Health Care Budget: In Response to a Projected Funding Gap in Fiscal Year 2015, VA Has Made Efforts to Better Manage Future Budgets*, [GAO-16-584](#) (Washington, D.C.: Jun. 3, 2016). Prior to fiscal year 2017, VA's medical services appropriation funded VA health care services other than those authorized under the Choice Program—including services provided through VA's other community care programs. In fiscal year 2017, VA began funding non-Choice health care services through its annual medical services and medical community care appropriations, while services provided through the Choice Program were still funded through the Veterans Choice Fund.

Table 4: History of Veterans Health Administration (VHA) Annual Obligations of Veterans Choice Program (Choice Program) Funds, Fiscal Year 2015 through Fiscal Year 2017

Obligation purpose	Amount of annual obligations, by fiscal year (in billions)			Total obligations, fiscal year 2015 through fiscal year 2017 (in billions)
	2015	2016	2017	
Choice Program health care services	\$0.41	\$1.50	\$4.37	\$6.28
Choice Program administration ^a	0.34	0.68	0.74	1.76
Other VA community care programs ^b	2.34	(.17)	(.23)	1.93
Hepatitis C drugs ^b	0.41	(.01)	—	.40
Total	3.50	2.0	4.87	10.37

Source: GAO analysis of VHA data. | GAO-18-281

Note: The dollar figures in this table have been rounded to the nearest \$10 million.

^aThese amounts include obligations for the implementation and administration of the Choice Program contracts as well as information technology support for the program.

^bIn fiscal year 2015, Congress authorized VHA to use Choice Program funds to address a projected funding gap of \$2.75 billion, attributed to \$2.34 billion in higher-than-expected obligations for VA's other community care programs and \$0.41 billion in unanticipated obligations for hepatitis C drugs. Later, in fiscal year 2016 and fiscal year 2017, VA de-obligated about \$0.42 billion of the Choice Program funds it had obligated for other VA community care programs and hepatitis C drugs in fiscal year 2015.

Time Allowed to Complete VA's Choice Program Appointment Scheduling Process Significantly Exceeds the Choice Act's Required 30-Day Time Frame for Routine Care

Our analysis of VA's scheduling process indicates that veterans who are referred to the Choice Program for routine care because they are time-eligible could potentially wait up to 70 calendar days to obtain care, if VAMCs and TPAs take the maximum amount of time allowed by VA's process.³⁷ About 90 percent of Choice Program referrals in fiscal years 2015 and 2016 were scheduled under the time-eligibility process, which means that the majority of veterans referred to the program would have been subject to this potential wait time for an appointment for routine care.³⁸ This 70-day potential wait time is in contrast to the Choice Act's required time frame, which is that eligible veterans receive Choice Program care no more than 30 days from the date an appointment is deemed clinically appropriate by a VHA clinician (referred to as the clinically indicated date), or if no such determination has been made, 30 days from the date the veteran prefers to receive care. According to VHA policy, a VHA clinician's clinically indicated date determination must be based upon the needs of the patient, and it should be the earliest date that it would be clinically appropriate for the veteran to receive care.³⁹ Therefore, if there is no clinical reason that care should be delayed, a

³⁷We updated our previous preliminary analysis of veterans' potential wait times, as reported in [GAO-17-397T](#), because VA issued a relevant contract modification, guidance to the TPAs, and a VAMC policy memorandum after we testified before the Committee on Veterans' Affairs of the House of Representatives in March 2017. Previously, the overall potential wait time was 81 calendar days, but this contract modification, guidance, and policy memorandum reduced the overall potential wait time to 70 calendar days.

³⁸In contrast, only about 10 percent of Choice Program authorizations created by the TPAs in fiscal years 2015 and 2016 were for distance-eligible veterans, which is why we did not separately examine potential wait times for these veterans. Under the TPA contracts, distance-eligible veterans are required to receive care within 30 days of their preferred dates, and they do not need to obtain referrals from VAMCs before contacting the TPAs to request appointments, which means that their overall wait times could potentially be less than 70 calendar days.

³⁹See Veterans Health Administration, *Consult Processes and Procedures*, VHA Directive 1232(1) (Aug. 24, 2016, as amended on Sept. 23, 2016).

veteran's clinically indicated date could be the same date that the VHA clinician determined the veteran needed care.⁴⁰

The potential wait time of about 70 calendar days for time-eligible veterans to receive routine care through the Choice Program encompasses 18 or more calendar days for VAMCs to prepare veterans' Choice Program referrals and potentially another 52 calendar days for appointments to occur through the TPAs' scheduling process, as follows:

- **VAMCs' process for preparing routine Choice Program referrals.** According to VHA policies and guidance, VAMC staff have at least 18 calendar days to confirm that veterans want to be referred to the Choice Program and to send veterans' referrals to the TPAs:⁴¹
 - They have 2 business days (or up to 4 calendar days) after a VHA clinician has determined the veteran needs care to begin contacting an eligible veteran by telephone to offer them a referral to the Choice Program.
 - They have up to 14 calendar days after initiating contact to reach the veteran by telephone or letter and confirm that the veteran wants to be referred to the Choice Program.
 - After confirming that a veteran wants to be referred to the Choice Program, however, VA has not set a limit on the number of days

⁴⁰Among the sample of 196 Choice Program authorizations we reviewed, the clinically indicated date was the same date that the VHA clinician determined the veteran needed care about 60 percent of the time—in 82 out of the 134 authorizations for which we were able to identify clinically indicated dates. We could not identify VA's clinically indicated dates for a total of 62 of the authorizations in our sample. There were no clinically indicated dates for these 62 authorizations because (for example) they were for distance-eligible veterans who self-referred to the Choice Program or the authorizations were related to requests for additional services after veterans had already initiated an episode of Choice Program care.

⁴¹According to officials from VHA's Office of Community Care, VAMC staff are to follow VHA's policy directive for consult management when they are preparing veterans' Choice Program referrals. See Veterans Health Administration, *Consult Processes and Procedures*, VHA Directive 1232(1) (Aug. 24, 2016, as amended on Sept. 23, 2016) and a June 5, 2017 memorandum communicating new process timeliness scheduling requirements. VHA's Office of Community Care has provided further guidance related to the responsibilities of VAMC staff in preparing Choice Program referrals through standard operating procedures and training materials. The 18-calendar-day time period begins with the date the veteran's VHA clinician signaled the veteran's need for care by entering a consult into the veteran's VA electronic health record. A consult is a request entered by a VHA clinician on behalf of a patient seeking an opinion, advice, or expertise regarding evaluation or management of a specific problem.

VAMCs should take to compile relevant clinical information and send referrals to the TPAs.

- **TPAs' process for scheduling routine Choice Program appointments.** Through its contracts with the TPAs, VA has established a process under which a veteran could potentially wait another 52 calendar days from the date the TPA receives the VAMC's Choice Program referral for a routine care appointment to take place. This includes up to 16 business days (or 22 calendar days) after receiving a referral to confirm the veteran's decision to opt in to the Choice Program and create an authorization. The contracts further state that, for time-eligible veterans, an appointment shall take place within 30 calendar days of the clinically indicated date, the authorization creation date, or the veteran's preferred date, whichever occurs later:
 - The TPA has 2 business days to review the VAMC's referral and accept it if it contains sufficient information to proceed with appointment scheduling.
 - The TPA has 4 business days to contact the veteran by telephone and confirm they want to opt in to the Choice Program (which means that the veteran wants to receive care through the Choice Program and have the TPA proceed with appointment scheduling).
 - If the veteran is not reached by telephone, the TPA has 10 business days for the veteran to respond to a letter confirming that they want to opt in, at which point the TPA creates the Choice Program authorization.
 - If the authorization is created after the veteran's preferred date or after the clinically indicated date on the VAMC's referral has already passed, the TPA has 30 calendar days from the authorization creation date for an appointment for routine care to

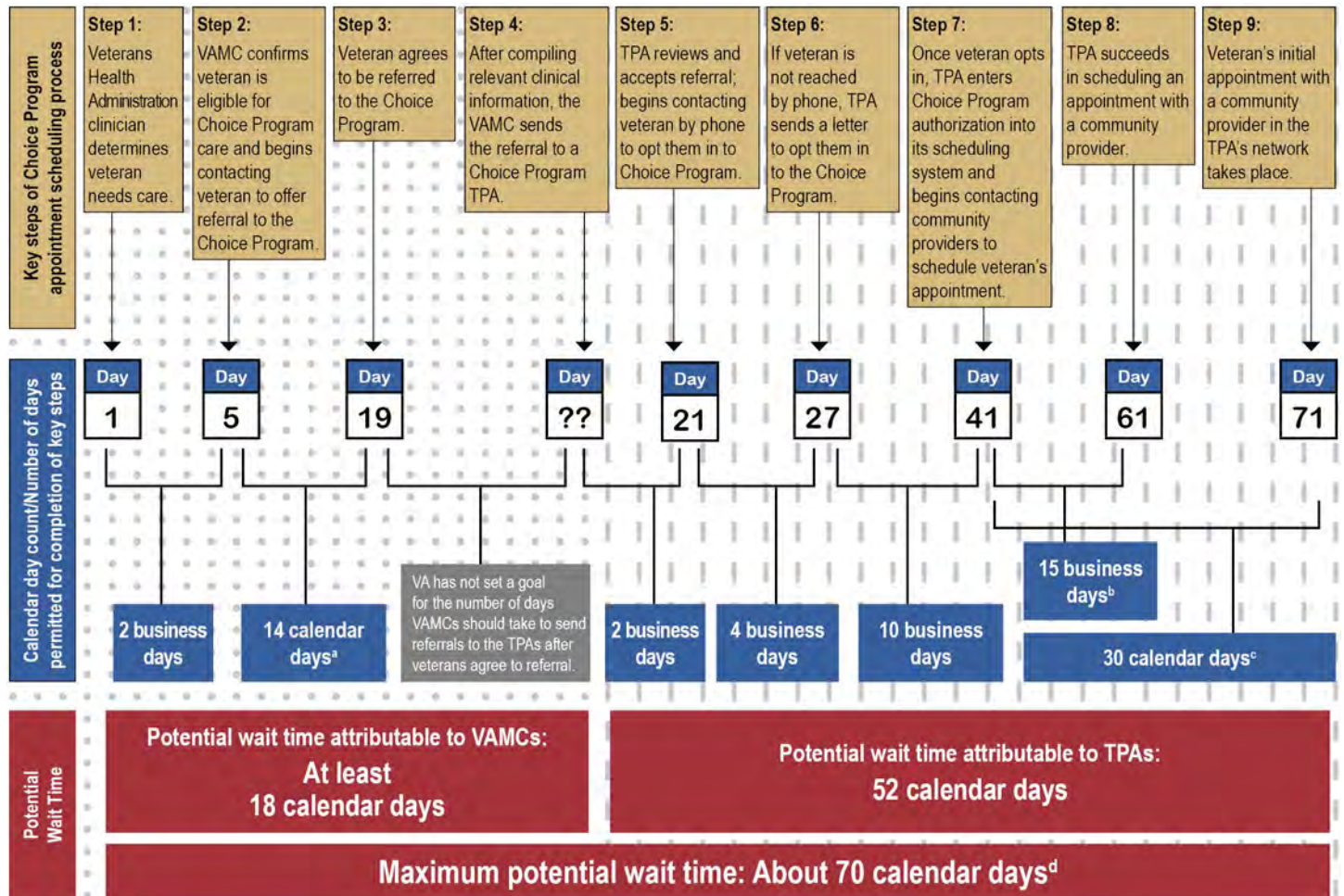
take place.⁴² The TPA can use up to 15 business days of this 30-calendar-day time frame to contact providers and successfully schedule the veteran's Choice Program appointment.⁴³

See figure 3 for an illustration of the potential wait time of approximately 70 calendar days for time-eligible veterans to receive routine care through the Choice Program.

⁴²Among the sample of Choice Program authorizations we reviewed, the clinically indicated date had already passed before the TPA received the referral (and therefore before the authorization was created) in about 76 percent of the authorizations. This percentage is not surprising, given that VHA's consult policy directive instructs VHA clinicians to enter the earliest date an appointment is deemed clinically appropriate, which could be the same date that the veteran was first seen by the VHA clinician. Our 76 percent calculation is based on 134 of the 196 Choice Program authorizations in our sample. We could not identify either VA's clinically indicated date or the date the TPA received the referral for a total of 62 of the authorizations in our sample because (for example) the authorizations were for distance-eligible veterans who self-referred to the Choice Program or they were related to requests for additional services after veterans had already initiated an episode of Choice Program care. At the time the authorizations in our sample were created, time-eligible veterans' preferred dates were not taken into consideration by VA for the purposes of determining whether veterans' appointments for routine care occurred in a timely manner. Therefore, we could not determine what percentage of authorizations in our sample had preferred dates that had already passed before the TPA received the referral.

⁴³Although the TPAs' contracts state that they must schedule veterans' appointments for routine care within 5 business days after the veterans opt in to the Choice Program or return the referrals to VAMCs if appointments have not been scheduled by the 10th business day, VA contracting officials sent a letter to the TPAs on June 15, 2017, to advise them of a temporary relaxation of that standard. Specifically, VA notified the TPAs that—until further notice—the TPAs will be allowed up to 15 business days to schedule appointments after veterans have opted in to the Choice Program and the TPAs have created authorizations. If appointments are not scheduled within 15 business days, the TPAs must return Choice Program referrals to the VAMCs so that they can attempt to arrange veterans' care through other means. According to VA contracting officials, they decided to relax the 5-day scheduling standard after the TPAs began returning a substantial volume of un-appointed referrals after the 10th business day, due to a variety of reasons that were outside the TPAs' control (such as community providers requesting additional medical documentation before agreeing to schedule appointments).

Figure 3: Potential Wait Time for Time-Eligible Veterans to Obtain Routine Care through the Choice Program Appointment Scheduling Process



Veterans Affairs Medical Center (VAMC) process
 Third party administrator (TPA) process

Source: GAO illustration based on analysis of VHA and TPA documents. | GAO-18-281

Notes: This figure illustrates potential wait times for veterans who are referred to the Choice Program because VA determines they are time-eligible, if VAMCs and TPAs take the maximum amount of time allowed by VA's process. The terms "time-eligible" and "distance-eligible" refer to the Choice Program processes used to schedule veterans' appointments. VHA uses the time-eligible appointment scheduling process when the services needed are not available at a VHA medical facility or are not available within allowable wait times.

^aVAMCs must attempt to contact veterans at least once by phone, and if the veterans are not reached, VAMCs must then send letters to the veterans and wait up to 14 calendar days for the veterans to respond that they want to be referred to the Choice Program.

^bAlthough the TPAs' contracts state that they must schedule veterans' appointments for routine care within 5 business days after the veterans opt in to the Choice Program or return the referrals to VAMCs if appointments have not been scheduled by the 10th business day, VA contracting officials have temporarily relaxed that standard. Specifically, VA notified the TPAs via letter on June 15, 2017, that—until further notice—the TPAs will be allowed up to 15 business days to schedule appointments after veterans have opted in and the TPAs have created authorizations. If appointments are not scheduled within 15 business days, the TPAs must return Choice Program referrals to the VAMCs so that they can attempt to arrange veterans' care through other means.

^cThe 30-calendar-day appointment completion time frame begins with the date the TPA created the authorization only if the TPA creates the authorization for routine care after the clinically indicated date for a time-eligible veteran or the veteran's preferred date has already passed. Otherwise, appointments must occur within 30 calendar days of the clinically indicated date or the veteran's preferred date, whichever occurs later.

^dThe maximum potential wait time would be 68 calendar days if the veteran's need for care is identified on a Monday or Tuesday, and 70 calendar days if the veteran's need for care is identified on a Wednesday, Thursday, or Friday. If there are holidays, the total number of calendar days permitted to elapse may be greater than 68 or 70 calendar days.

The process VA established for time-eligible veterans to receive routine care through the Choice Program—which could potentially take 70 days to complete—is not consistent with the requirement that veterans receive care within 30 days of their clinically indicated dates (where available) as applicable under the Choice Act. Furthermore, according to the federal internal control standard for control activities, agencies should design control activities—such as through policies and procedures—that will help ensure federal programs meet their objectives and respond to any risks to meeting those objectives.⁴⁴

A key reason that veterans' overall wait times for Choice Program care could potentially exceed the Choice Act's 30-day wait-time requirement is that the process VA and VHA designed did not include a limit on the number of days VAMCs have to complete a key step of the process—compiling relevant clinical information and sending referrals to the TPAs after veterans have agreed to be referred to the Choice Program. While the process sets forth time frames for the other steps VAMCs and TPAs must complete to process referrals and schedule appointments, VA and VHA have not specified how many days VAMCs have to send veterans' Choice Program referrals to the TPAs. VHA has no comprehensive policy directive for the Choice Program, and neither its consult management directive nor its outpatient appointment scheduling directive specifies an

⁴⁴[GAO-14-704G](#).

amount of time within which VAMCs should prepare Choice Program referrals.⁴⁵

Another reason that veterans' overall wait times for Choice Program care could potentially exceed the Choice Act's 30-day wait-time requirement is that after VA and VHA implemented their policies, they did not review and address risks that were identified through their actual experience in operating the program. In response to a letter we sent in March 2017, VA's Deputy General Counsel for Legal Policy said that, based on VA's and VHA's experiences with actual operation of the Choice Program since November 2014, "the practical reality" has been that the 30-day wait-time goal VA established just prior to the program's implementation cannot always be met.

VA has not disclosed what timeliness goals it would apply under a future consolidated community care program. We note, however, that VA currently has no timeliness goals for its existing individually authorized community care program and cannot determine the amount of time veterans wait, on average, to receive care through that program, which has accounted for a significant portion of veterans' community care utilization. We recommended in May 2013 that VA analyze the amount of time veterans wait to see providers in its individually authorized community care program and apply the same wait-time goals to that care that it uses to monitor wait times at VHA medical facilities.⁴⁶ VA concurred with the recommendation to conduct an analysis and reported that it was in the process of building wait-time indicators to measure wait-time performance for individually authorized VA community care. VHA has since updated its wait-time goal for care delivered within VHA medical facilities—which is that care must be delivered within 30 days of veterans' clinically indicated dates (where available). However, VA has not applied

⁴⁵In October 2016, VHA issued a policy directive for the Choice Program, but it was not comprehensive because (among other things) it did not specify the number of days within which VAMCs' community care staff are required to send veterans' referrals to the TPAs after veterans have agreed to be referred to the Choice Program. See Veterans Health Administration, *Veterans Choice Program*, VHA Directive 1700 (Oct. 25, 2016). VHA's policy directive for consult management, which officials from VHA's Office of Community Care told us applies to the Choice Program, also does not specify this time frame. See Veterans Health Administration, *Consult Processes and Procedures*, VHA Directive 1232(1) (Aug. 24, 2016, as amended on Sept. 23, 2016).

⁴⁶See GAO, *VA Health Care: Management and Oversight of Fee Basis Care Need Improvement*, [GAO-13-441](#) (Washington, D.C.: May 31, 2013).

that same goal to its individually authorized VA community care program nor begun measuring wait-time performance for that program.

Timeliness of appointments is an essential component of quality health care; delays in care have been shown to negatively affect patients' morbidity, mortality, and quality of life. Without specifying wait-time goals that are achievable, and without designing appointment scheduling processes that are consistent with those goals, VA lacks assurance that veterans are receiving care from community providers in a timely manner. It also lacks a means for comparing the timeliness of veterans' community care with that of care delivered within VHA medical facilities.

Actual Wait Times for Choice Program Care Have Been Lengthy for Selected Veterans, and VHA's Monitoring of Veterans' Access Is Limited by Incomplete and Unreliable Data

In 2016, Selected Veterans Experienced Lengthy Overall Wait Times to Receive Routine Care and Urgent Care through the Choice Program

To examine selected veterans' actual wait times to receive routine care and urgent care through the Choice Program, we conducted a manual review of a random, non-generalizable sample of 196 Choice Program authorizations. The TPAs created these authorizations between January 2016 and April 2016 in response to referrals sent by six selected VAMCs.⁴⁷ Our manual review of veterans' VA electronic health records and the TPAs' records for our non-generalizable sample of 55 routine care authorizations and 53 urgent care authorizations for which the TPAs succeeded in scheduling appointments identified the following review times:

- For the 55 routine care authorizations in our sample, it took VAMC staff an average of 24 calendar days after the veterans' need for routine care was identified to contact the veterans and confirm that they wanted to be referred to the Choice Program, compile relevant clinical information, and send veterans' referrals to the TPAs. It took

⁴⁷The sample of authorizations we reviewed included only authorizations for which VHA's data indicated there were delays when the TPAs attempted to schedule appointments after the veterans had opted in to the program; however, our analysis of these authorizations indicates that delays occurred at other phases of the referral and appointment scheduling process as well. We found that many veterans in our sample experienced lengthy overall wait times for Choice Program care—as measured from the time their need for care was identified until they attended their initial appointments—and only a portion of the overall wait time could be explained by the TPA's delay in scheduling an appointment after the veteran opted in to the Choice Program.

an average of 27 calendar days for the VAMCs to complete these actions for the 53 urgent care authorizations in our sample.⁴⁸

- For these routine care authorizations, it took the TPAs an average of 14 calendar days to accept referrals and reach veterans by telephone or letter for the veterans to opt in to the Choice Program. It took the TPAs an average of 18 calendar days to complete these actions for the urgent care authorizations in our sample.
- After the TPAs succeeded in scheduling veterans' appointments for routine care, an average of 26 calendar days elapsed before veterans in our sample completed their initial appointments with Choice Program providers. For urgent care authorizations in our sample, it took an average of 18 days for the veterans to complete their initial appointments after the TPAs scheduled them.

See the following text box for specific examples of the overall wait times experienced by some veterans in the samples of routine and urgent Choice Program authorizations we reviewed.

⁴⁸We could not determine what portion of the total time it took VAMCs to prepare veterans' Choice Program referrals was accounted for by the interim steps of contacting the veteran or compiling relevant clinical documentation because we could not find in VA's electronic health record sufficient evidence of the dates these actions were completed for all of the authorizations in our sample.

Examples of Delays Experienced by Veterans for Whom the Choice Program Third Party Administrators (TPA) Scheduled Appointments

- One veteran was referred to the Choice Program for magnetic resonance imaging (MRI) of the neck and lower back because these services were unavailable at a Veterans Health Administration (VHA) medical facility. It took almost 3 weeks for Department of Veterans Affairs (VA) medical center (VAMC) staff to prepare his Choice Program referral for routine care and send it to the TPA, and then it took an additional 2 months after the VAMC sent the referral for the veteran to receive care. Notes in the veteran's VA electronic health record indicated that his follow-up appointment with a VHA neurosurgeon was at risk of being rescheduled because the VAMC had not received the results of the MRI after the appointment with the Choice Program provider occurred. Ultimately, the veteran's appointment with the VHA neurosurgeon—where the imaging results and treatment options were discussed—did not occur until almost 6 months after the VHA clinician originally identified the need for the MRI.
- One veteran was referred to the Choice Program because she needed maternity care, which is generally not available at VHA medical facilities. Almost a month and a half elapsed from the time VAMC staff confirmed her pregnancy (when she was 6 weeks pregnant) to when the VAMC sent the Choice Program referral for urgent care to the TPA. It then took 2 additional weeks for the TPA to make an unsuccessful attempt to contact the veteran to schedule a prenatal appointment; by that point, she was almost 15 weeks pregnant. The veteran called the TPA back, but when the TPA had yet to schedule an appointment by the time she was 18 weeks pregnant, the veteran finally scheduled her initial prenatal appointment herself, almost 3 months after her pregnancy was confirmed by VAMC staff.
- One veteran was referred to the Choice Program for thoracic surgery to address a growth on his lung because there was a wait for care at a VHA medical facility. TPA documentation we reviewed indicated that VAMC staff contacted the TPA four times to inquire about the status of the veteran's appointment, and the TPA contacted five Choice Program providers in its unsuccessful attempts to schedule the urgent appointment for the veteran. Ultimately, the veteran scheduled his own initial appointment with a thoracic surgeon in the community and informed the TPA that he had done so. The veteran's initial appointment occurred 3 weeks after the VAMC sent his referral to the TPA.

Source: GAO analysis of VHA and TPA documentation. | GAO-18-281

Note: The above examples come from our random, non-generalizable sample of 55 authorizations for routine care and 53 authorizations for urgent care for which the Choice Program TPAs scheduled appointments between January 2016 and April 2016.

We also found that veterans in our sample experienced lengthy overall wait times to receive care when the TPAs returned their authorizations to the VAMC without scheduling appointments. When veterans' Choice Program authorizations are returned, VAMCs must attempt to arrange care through other means—such as through another VA community care program, a new Choice Program referral, or at another VHA medical facility. Among the 88 returned authorizations in our sample, we determined that 53 veterans eventually received care through other

means after their authorizations were returned.⁴⁹ These 53 veterans ended up waiting an average of 111 days after the VHA clinician originally determined they needed care until their first appointment with a VHA clinician or with a community provider occurred. See the text box below for some examples of delays experienced by veterans in the sample of 88 returned Choice Program authorizations we reviewed.

⁴⁹These 53 veterans received care either at a VHA medical facility, through another VA community care program, or through a new Choice Program authorization. We could not conclusively determine whether 20 of the 88 veterans in our sample received the care they needed after the TPAs returned their Choice Program authorizations. We provided these veterans' names to VHA officials in December 2016, and the officials followed up on these cases to ensure that the veterans got needed care and that patients were not harmed by any delay in care. In addition, 14 of the 88 veterans in our sample either declined care or no longer needed the care that was authorized. Three of those 14 veterans no longer needed care because they died before the TPAs or VAMCs could schedule appointments. Determining whether veterans in our sample experienced clinical harm or adverse clinical outcomes because of delays in the VAMCs' or TPAs' processing of their referrals and authorizations was outside the scope of our review; however, VHA officials with clinical expertise reviewed these cases and concluded that the patients' deaths did not result from any delay in care. The one remaining veteran in our sample was no longer eligible for services, which is why the TPA returned her authorization to VA.

Examples of Delays Experienced by Veterans Whose Authorizations Were Returned to Department of Veterans Affairs Medical Centers (VAMC) by the Choice Program Third Party Administrators (TPA)

The VAMC took almost 3 ½ months to refer one veteran to a physical therapist to address her pelvic floor prolapse. When the preferred provider listed in the VAMC's referral was outside the TPA's network, the TPA sent a message to the VAMC via its web-based portal to ask if it should try scheduling the appointment with a different provider. By the time VAMC staff responded to the message in the TPA's portal, the TPA had already returned the authorization—almost 2 weeks after accepting it. Two months later, the VAMC realized that the veteran still needed this care and sent a new Choice Program referral to the TPA. It then took the veteran another 2 ½ months to attend her first appointment. Overall, this veteran waited more than 8 months to receive physical therapy.

- One veteran who was eligible for the Choice Program because he resided more than 40 miles from a VHA medical facility contacted the TPA to request an appointment with a urologist. More than a month later, the TPA contacted the VAMC via its web-based portal to request a referral for the veteran. VAMC staff responded to the TPA two days later and stated (correctly) that because the veteran was distance-eligible, no referral was required. Four days after receiving the VAMC's response, the TPA succeeded in scheduling an appointment. However, the veteran declined it because the TPA had scheduled the appointment with a neurologist (a specialist who treats conditions affecting the brain, spinal cord, and nerves) rather than a urologist (a specialist who treats conditions affecting the urinary tract and male reproductive organs). Ultimately, the veteran ended up seeing a urologist at a VAMC nearly 5 months after he originally contacted the TPA to request care.
- It took about 2 ½ weeks for the VAMC to send one veteran's referral for pain management to the TPA after a VHA clinician originally determined he needed these services. However, information the TPA needed for scheduling the Choice Program appointment was missing from the VAMC's referral. The TPA requested the information from the VAMC twice using its web-based portal, but VAMC staff did not reply, and the TPA returned the authorization 2 weeks after receiving it. It then took another month before the veteran ended up receiving pain management services at a VAMC. Overall, this veteran waited almost 2 ½ months for pain management services.

Source: GAO analysis of VHA and TPA documentation. | GAO-18-281

Note: The above examples come from our random, non-generalizable sample of 88 Choice Program authorizations that the TPAs returned to six VAMCs between January 2016 and April 2016.

After we shared the results of our preliminary analysis with VHA officials in December 2016, VHA required its medical facilities to manually review a sample of about 5,000 Choice Program authorizations that were created in July, August, and September of 2016 for four types of Choice Program care—mammography, gastroenterology, cardiology, and neurology. The purpose of this review was to analyze (1) the timeliness with which VAMCs sent referrals to the TPAs, and (2) veterans' overall wait times for Choice Program care. VHA calculated the average wait

times across these four types of care for each of its 18 Veterans Integrated Service Networks (VISN).⁵⁰

VHA's analysis of data collected by VAMCs identified the following average review times when veterans were referred to the Choice Program because there was a greater-than-30-day wait time for an appointment at a VHA medical facility.

- **Referral wait times.** VISN-level averages ranged from 6 to 53 days for VAMC staff to contact veterans and confirm that they wanted to be referred to the Choice Program, compile relevant clinical information, and send veterans' referrals to the TPAs. The national average was 19 days.
- **Overall wait times.** From the time veterans' need for care was identified until they attended initial Choice Program appointments, average overall wait times ranged from 34 to 91 days across VHA's 18 VISNs. The national average was 51 days.

When veterans were referred to the Choice Program because services were unavailable at a VHA medical facility, VHA's analysis of VAMCs' self-reported data identified the following average review times:

- **Referral wait times.** VISN-level averages ranged from 6 to 21 days for VAMC staff to contact veterans and confirm that they wanted to be referred to the Choice Program, compile relevant clinical information, and send veterans' referrals to the TPAs. The national average was 15 days.
- **Overall wait times.** From the time veterans' need for care was identified until they attended initial Choice Program appointments, average overall wait times ranged from 39 to 56 days across VHA's 18 VISNs. The national average was 47 days.

⁵⁰VHA's health care system is divided into areas called VISNs, each responsible for managing and overseeing medical facilities within a defined geographic area. VISNs oversee the day-to-day functions of VA medical facilities that are within their boundaries. Currently, there are 18 VISNs nationwide.

VHA's Monitoring of Veterans' Access to Choice Program Care Is Limited by a Lack of Complete, Reliable Data

Our analysis indicates that VHA's ability to monitor Choice Program access is limited because the data VHA uses are not always accurate and reliable, and VHA lacks certain data that are needed to effectively monitor the program. As discussed below, multiple factors contribute to these data limitations. According to federal internal control standards for information and communication and for monitoring, agencies should use quality information to achieve the entity's objectives, internally and externally communicate quality information, and establish activities to monitor the quality of performance over time and evaluate the results.⁵¹ Without complete, reliable Choice Program data, VHA cannot determine whether the Choice Program has achieved the goals of (1) alleviating the wait times veterans have experienced when seeking care at VHA medical facilities, and (2) easing geographic burdens veterans may face to access care at VHA medical facilities.

VHA Cannot Systematically Calculate the Average Number of Days VAMCs Take to Prepare Choice Program Referrals

The data VHA currently uses to monitor the timeliness of Choice Program appointment scheduling and completion do not capture the days it takes for VAMCs to prepare veterans' referrals and send them to the TPAs. This is because VHA has not standardized the manner in which VHA clinicians and VAMC staff categorize consults that lead to Choice Program referrals.⁵²

We observed inconsistency in the titles of consults that were associated with the non-generalizable sample of Choice Program authorizations we reviewed. For example,

- consult titles sometimes included the word "Choice," but in other cases they included the words "non-VA care."
- Some of the consult titles indicated the criterion under which the veteran was eligible for the Choice Program and the type of care the veteran needed (for example, "Choice-First Physical Therapy"), while

⁵¹GAO-14-704G.

⁵²A consult is an electronic request entered in VA's electronic health record by a VHA clinician who is seeking an opinion, advice, or expertise regarding evaluation or management of a veteran's condition. For the purposes of the Choice Program, the consult entry date is the date a veteran's need for care was originally identified. When there is a wait for an appointment at a VHA medical facility, staff at the VAMC use information from the consult—such as the clinically indicated date determined by the VHA clinician and a description of needed services—to prepare veterans' Choice Program referrals.

other consult titles only indicated the type of care the veteran needed (for example, “pain management”).⁵³

We observed this variability among consult titles both within single VAMCs and across all six of the VAMCs we selected for review.

According to documentation VHA officials provided to us in December 2016, they planned on implementing a process for standardizing the consult titles associated with Choice Program referrals over the course of calendar year 2017. Originally, they planned on piloting the process at four VAMCs beginning in February 2017 and expected to gradually roll out standardized consult titles across all other VAMCs over the remainder of calendar year 2017. However, in late June and early July 2017, we followed up with the six VAMCs in our sample, and at that time, managers from only one of the VAMCs said that they had implemented the new process for standardizing consult titles associated with Choice Program referrals. When we interviewed VHA officials again in September 2017, they acknowledged that they had been delayed in implementing standardized consult titles, and they provided documentation indicating that they were just beginning to roll out the new process nationwide.

In the absence of standardized consult titles for the Choice Program, VHA has no automated way to electronically extract data from VA’s electronic health record and calculate the average number of days it takes for VAMC staff to prepare veterans’ Choice Program referrals after veterans have agreed to be referred to the program. Further, without standardized consult titles, VHA cannot monitor veterans’ overall wait times—from the time VHA clinicians determine veterans need care until the veterans attend their first appointments with Choice Program providers. The lack of standardized consult titles also prevents VHA from tracking average overall wait times and monitoring the timeliness of care for veterans whose Choice Program authorizations are returned by the TPAs without scheduled appointments.

⁵³The term “Choice-First” pertains to veterans who are referred to the Choice Program because services are unavailable at a VHA medical facility or the veteran cannot receive an appointment at a VHA medical facility or another federal medical facility within VHA’s timeliness standards. It comes from VHA’s May and October 2015 policy memoranda, which required VAMCs to offer eligible veterans the opportunity to receive care through the Choice Program before attempting to arrange care through any other VA community care program.

Available VHA Data Do Not Capture the Time Spent By TPAs in Accepting VAMCs' Referrals and Opting Veterans in to the Choice Program

The data VHA currently uses to monitor the timeliness of Choice Program appointments capture only a portion of the process that the TPAs carry out to schedule veterans' appointments after they receive referrals from VAMCs. Specifically, VHA's data reflect the timeliness of appointment scheduling and completion after the TPAs create authorizations in their appointment scheduling systems, which (according to VA's contracts, as of June 1, 2016) the TPAs must do only after they have received all necessary information from VA and the veteran has opted in to the Choice Program. Therefore, VHA's timeliness data do not capture the time TPAs spend (1) reviewing and accepting VAMCs' referrals, and (2) contacting veterans to confirm that they want to opt in to the Choice Program.

- **Data related to the timeliness of Choice Program appointment scheduling.** When we asked how they monitor the timeliness of Choice Program appointment scheduling, VHA officials provided us the following types of data, all of which reflect the time that elapses only after veterans have opted in to the Choice Program and the TPAs have created authorizations:
 - the average number of business days the TPAs take after creating authorizations to schedule appointments for routine and urgent care,
 - the percentage of appointments for routine care that the TPAs schedule within 5 business days after they create authorizations, and
 - the percentage of appointments for urgent care that the TPAs schedule within 2 business days after they create authorizations.
- **Data related to the timeliness with which initial Choice Program appointments occur.** VHA officials provided us data on the timeliness with which initial Choice Program appointments have occurred; however, as shown below, almost all of these data reflect the timeliness with which appointments occur only after veterans have opted in to the Choice Program and the TPAs have either created authorizations or successfully scheduled veterans' appointments:
 - the average number of business days after the TPAs create authorizations in which appointments for routine and urgent care occur;
 - the percentage of appointments for routine care that are completed within 30, 60, 90, and 120 business days or more after the TPAs create an authorization;

- the percentage of appointments for routine care that are completed within 30 calendar days of either (1) the TPA's scheduling of the appointment, (2) the clinically indicated date on the VAMC's referral, or (3) the veteran's preferred date; and
- the percentage of appointments for urgent care that are completed within 2 calendar days of the TPAs creating the authorizations.

See figure 4 for an illustration of how VHA's data capture only a portion of the Choice Program process to obtain care.

Figure 4: Illustration of How the Veterans Health Administration's (VHA) Data Capture Only a Portion of the Choice Program Process for Obtaining Care



Source: GAO illustration based on VHA information. | GAO-18-281

In September 2017, VHA officials told us that they recently began implementing an interim solution that would allow them to track veterans' overall wait times for Choice Program and other VA community care—from the time VHA clinicians determine veterans need the care until the veterans attend their first appointments with community providers. Specifically, this interim solution requires VAMC staff to enter unique identification numbers on VHA clinicians' requests for care and on the Choice Program referrals they send to the TPAs. This unique identification number is then carried over to the Choice Program authorizations that are created in the TPAs' systems. According to VHA officials, the unique identification number creates a link between VHA's data and the TPAs' data, so that VHA can monitor the timeliness of each step of the Choice Program referral and appointment scheduling process. However, the success of VHA's interim solution relies on VAMC staff consistently and accurately entering the unique identification numbers on both the VHA clinicians' requests for care and on Choice Program

referrals, a process that is prone to error. VHA officials said it is their long-term goal to automate the process by which VHA's data are linked with TPAs' data in the consolidated community care program they are planning to implement.

Because, as previously explained, VHA lacks data on the average timeliness with which VAMCs prepare Choice Program referrals, and VHA also lacks data on the average amount of time that elapses between when the TPAs receive VAMCs' referrals and when veterans opt in with the TPAs, VHA cannot track veterans' overall wait times for Choice Program care—from the time VHA clinicians determine that veterans need care until the veterans attend their first appointments with Choice Program providers. In addition, the lack of data on the timeliness with which the TPAs have (1) accepted VAMCs' referrals and (2) determined that veterans wish to opt in to the program also prevents VHA from assessing whether the TPAs' average timeliness in completing these actions has improved over time.

Clinically Indicated Dates Are Sometimes Changed by VAMC Staff Before They Send Choice Program Referrals to the TPAs

Our analysis of a sample of 196 Choice Program authorizations shows that another way in which VHA's monitoring of veterans' access to care is limited by available data is that the clinically indicated dates included on referrals that VAMCs send to the TPAs may not be accurate. We found that the clinically indicated dates on VAMCs' referrals were not always identical to the clinically indicated dates that were originally entered into VA's electronic health record by the VHA clinicians who treated the veterans.

VHA's policy directive on consult management and its Choice Program standard operating procedure for VAMCs state that the clinically indicated date is to be determined by the VHA clinician who is treating the veteran. However, in reviewing VA's electronic health records for our sample of 196 Choice Program authorizations, we identified 60 cases where the clinically indicated dates VAMC staff entered on Choice Program referrals they sent to the TPAs differed from the clinically indicated dates that were originally entered by VHA clinicians.⁵⁴ In 46 of these 60 cases, VAMC

⁵⁴We were able to identify clinically indicated dates for 134 of the 196 Choice Program authorizations in our sample. We could not identify VA's clinically indicated dates for a total of 62 of the authorizations in our sample. There were no clinically indicated dates for these 62 authorizations because (for example) they were for distance-eligible veterans who self-referred to the Choice Program or the authorizations were related to requests for additional services after veterans had already initiated an episode of Choice Program care.

staff entered clinically indicated dates on the Choice Program referrals that were later than the dates originally determined by the VHA clinicians, which would make the veterans' wait times appear to be shorter than they actually were.

VHA could not explain why the dates differed. Clinically indicated dates are manually entered on VAMCs' electronic referrals to the TPAs, a practice that is subject to error or manipulation. It is unclear if VAMC staff mistakenly entered incorrect dates, or if they inappropriately entered later dates when the VAMC was delayed in contacting the veteran, compiling relevant clinical information, and sending the referral to the TPA. If VAMCs' Choice Program referrals have clinically indicated dates that are different from the ones VHA clinicians originally entered without additional supporting documentation, there is a risk that VHA's data will not accurately reflect veterans' actual wait times. Specifically, VHA will not be able to determine how often veterans receive Choice Program care within the Choice Act's required 30-day time frame.

VAMCs and TPAs Frequently Re-Categorize Routine Choice Program Referrals as Urgent Referrals, Sometimes Inappropriately

Another limitation of VHA's monitoring of veterans' access to Choice Program care is that VAMCs and TPAs do not always categorize referrals in accordance with the contractual definition for urgent care when they are processing referrals and scheduling appointments for veterans. According to VA's contracts with the TPAs, Choice Program referrals are to be marked as "urgent" when a VHA clinician has determined that the veteran needs care that (1) is considered essential to evaluate and stabilize conditions and (2) if not provided would likely result in unacceptable morbidity or pain when there is a significant delay in evaluation or treatment.⁵⁵ It is VA's goal that the TPAs schedule appointments for urgent care and ensure that they take place within 2 business days of accepting the referrals from VA.

Among the sample of 53 Choice Program authorizations for urgent care we reviewed, VHA and TPA documentation showed that in 35 cases (about 66 percent), VHA clinicians originally determined that veterans needed routine care, but VAMC or TPA staff later re-categorized the

⁵⁵Under VA's Choice Program contracts, urgent care is not the same as care provided for a medical emergency, which is covered through different VA community care programs. Urgent care (rather than emergent care) delivered through the Choice Program is care that is delivered when there is no threat to the veteran's life, limb, or vision but the veteran's condition needs attention to prevent it from becoming a serious risk to the veteran's health.

referrals or authorizations as urgent. In 4 of these 35 cases, we found documentation showing that VHA clinicians had reviewed the pending referrals and determined that the veterans' clinical conditions or diagnoses warranted re-categorizing the veterans' routine care referrals or authorizations as urgent.⁵⁶ In 31 other cases we reviewed, however, we found no documentation indicating that a VHA clinician had identified a clinical reason for the veteran to receive care faster. In at least 15 of these 31 cases, it appeared that the VAMC or TPA staff changed the status of the referral or authorization in an effort to administratively expedite appointment scheduling when they were delayed in sending referrals and scheduling veterans' Choice Program appointments.

According to the VA contracting officer who is responsible for the Choice Program contracts, VA's contracts with the TPAs do not include provisions for separating clinically urgent Choice Program referrals and authorizations from those that the VAMC or the TPA has decided to expedite for administrative reasons (such as when the veteran or VAMC staff has expressed frustration with a delay in the referral or appointment scheduling process). If Choice Program referrals for routine care are inappropriately categorized as urgent care referrals under the Choice Program, VHA's data on the timeliness of urgent appointment scheduling and completion will not accurately reflect the extent to which veterans who have a clinical need for urgent care are receiving it within the time frames required by the TPAs' contracts.

The TPAs' Choice Program Performance Data Did Not Become Comparable until 18 Months After the Program Began, Which Limits VA's Ability to Monitor Whether Access Has Improved

The authorization creation date is the primary starting point from which VHA monitors the TPAs' timeliness in appointment scheduling and the extent to which veterans' initial Choice Program appointments occur in a timely manner. However, when initially implementing the Choice Program—beginning in November 2014—the two TPAs had differing interpretations of contractual requirements relating to when they should create authorizations in their appointment scheduling systems. According to VA contracting officials and VHA community care officials we interviewed, at the start of the program, one of the TPAs was creating authorizations as soon as it accepted referrals from VAMCs, but the other was waiting until after veterans opted in to the Choice Program to create authorizations. It was not until May 2016 (about 18 months into the Choice Program's implementation) that VA modified its contracts to clarify

⁵⁶Determining whether veterans in our sample experienced clinical harm or adverse clinical outcomes because of delays in the VAMCs' or TPAs' processing of their referrals and authorizations was outside the scope of our review.

that the TPAs are to create Choice Program authorizations only after they have contacted the veterans and confirmed that they want to opt in to the program.

Due to these differing interpretations, VA lacked comparable performance data for the two TPAs for the first 18 months of the Choice Program's expected three-year implementation. Therefore, it could not compare the timeliness of access nationwide. In addition, since VA modified the TPAs' contracts midway through the Choice Program's implementation, officials can only comparatively examine whether the timeliness of both TPAs' appointment scheduling and completion has improved since June 2016, which is when the relevant contract modification took effect.

TPAs Sometimes Select Incorrect Return Reasons or Inappropriately Return Choice Program Authorizations without Making Appointments

VHA collects data and monitors various reasons the TPAs return Choice Program authorizations to VAMCs without making appointments.⁵⁷ Each month, VA monitors how each TPA performs on Choice Program performance measures related to the timeliness of appointment scheduling. Authorizations that are returned for reasons that are attributable to the TPA—such as a lack of network providers in close proximity to the veteran's residence—negatively impact the TPAs' monthly performance measures.

In our sample, we found that VHA's data on the TPAs' reasons for returning Choice Program authorizations are not reliable. Specifically, we questioned the validity of the TPAs' return of 20 out of the 88 authorizations in our sample, for the following reasons:

- In 11 of the 20 cases, we found VHA or TPA documentation that substantiated the return, but the TPAs selected the incorrect return reasons when they sent the authorizations back to VA. For example, in one case, the TPA was unable to schedule an appointment with a primary care provider—even after contacting 11 different network providers—but the TPA staff returned the authorization to the VAMC indicating that the veteran had declined care. TPA officials who

⁵⁷VA has established through its contracts a set of acceptable reasons for the TPAs to return Choice Program authorizations without making appointments. Among other things, VA monitors the percentage of authorizations that the TPAs returned because (1) VAMCs' referrals were missing information the TPAs needed to schedule appointments, (2) the TPA was unable to reach a network provider who would schedule an appointment and see the veteran, (3) the veteran rejected the appointment because the time or location the TPA offered was inconvenient, or (4) the veteran decided they no longer wanted to receive care through the Choice Program.

reviewed this authorization with us agreed that it was inappropriate to mark this authorization as having been returned because the veteran declined care and that their staff instead should have indicated that they had been unable to schedule an appointment with a network provider.

- In the remaining 9 of the 20 cases, we could find no VHA or TPA documentation to substantiate the reasons the TPAs selected when they returned the authorizations to VA, nor any other reasons for return. For example, the TPAs incorrectly selected “missing VA data” as the reason they returned 5 of these 9 authorizations. Based on VHA and TPA documentation we reviewed, the VAMCs’ referrals were complete and not missing any of the information the TPAs needed to proceed with appointment scheduling.

TPA officials could not explain why their staff selected incorrect return reasons or inappropriately returned authorizations for which they should have kept attempting to schedule appointments. However, TPA staff must manually select return reasons when they send authorizations back to VAMCs, a process that is subject to error or manipulation. There is a process by which VA’s contracting officer’s representatives validate the monthly data submitted by the TPAs, but it cannot identify the data reliability issues we found when manually reviewing VHA and TPA documentation associated with a sample of returned Choice Program authorizations. VHA officials told us that VA’s contracting officer’s representatives do not have access to veterans’ electronic health records, which means that they cannot check whether VHA documentation substantiates the return reasons selected by the TPAs.

Without reliable data on reasons that veterans have been unable to obtain appointments through the Choice Program, VHA cannot properly target its efforts to address challenges—such as network inadequacy—that may be causing the TPAs to return authorizations without making appointments.⁵⁸ In addition, the lack of reliable data makes it difficult for VA to monitor whether the TPAs are meeting their contractual obligations, such as establishing adequate networks of community providers.

⁵⁸Network adequacy relates to the number, mix, and geographic distribution of community providers that participate in the TPA’s network.

VHA Does Not Have Performance Measures for Monitoring Average Driving Times between Veterans' Homes and the TPAs' Choice Program Network Providers

Another way in which VHA's monitoring of veterans' access is limited is that VA lacks contract performance measures that would provide VA and VHA with data related to veterans' driving times to access care from the TPAs' Choice Program network providers. Such performance measures would help VA monitor the TPAs' network adequacy. In contrast, for PC3, VA does collect data from the TPAs to monitor urban, rural, and highly rural veterans' maximum commute times to specialty care providers, providers of higher level care, primary care providers, and mammography and maternity care providers.

When we asked why VA had not established driving time performance measures for the Choice Program, a VHA official responsible for monitoring the Choice Program contracts told us he thought that these performance measures had simply been overlooked in the haste to implement the Choice Program. VA concurred with a recommendation we made in our December 2016 report about VA health care for women veterans, in which (among other things) we stated that the department should monitor women veterans' driving times to access sex-specific care through the Choice Program and VA's future community care contracts.⁵⁹ However, VA stated in its June and October 2017 written updates on actions it has taken to address this recommendation that it does not intend to modify the current Choice Program contracts to address our recommendation because the contracts will be ending soon and it would be too costly to do so. Without driving time performance measures for the Choice Program, VHA lacks assurance that the TPAs' networks include a sufficient number of community providers in close proximity to where veterans live, and it cannot monitor the extent to which veterans' geographic access to care has improved or diminished.

⁵⁹See GAO, *VA Health Care: Improved Monitoring Needed for Effective Oversight of Care for Women Veterans*, [GAO-17-52](#) (Washington, D.C.: December 2, 2016).

Multiple Factors Have Adversely Affected Veterans' Access to Care under the Choice Program, Providing Potential Lessons Learned for VA's Future Community Care Program

Officials we interviewed from VA's contracting office, VHA's Office of Community Care, and both of the TPAs, along with leadership officials, managers, and staff from the six selected VAMCs told us about various factors that have directly or indirectly affected veterans' access to care throughout the Choice Program's implementation. Chief among these are (1) administrative burden associated with the Choice Program's complex referral and appointment scheduling processes; (2) inadequate VAMC staffing and poor communication between VHA and the VAMCs; and (3) the TPAs' slow development of a robust provider network. We also identified actions VA and VHA have taken to address these factors. (See appendix VI for additional information about actions that VA and VHA took to address these three access-related issues for the Choice Program.) To the extent that these factors persist under the consolidated community care program that VA plans to establish, they will continue to adversely affect veterans' access to care.

VA and VHA Took Several Actions to Address Administrative Burden Caused by Complex Choice Program Processes, but Opportunities Still Exist to Improve Care Coordination

VHA and TPA officials, as well as managers and staff from the six selected VAMCs, told us they encountered administrative burden associated with the complexities of the Choice Program's referral and appointment scheduling processes. Further, they lacked care coordination tools throughout the time they were operating the Choice Program, which affected their ability to provide timely care to veterans.⁶⁰ Among the main issues cited were the following:

- **Manual referral processes and lack of TPA access to veterans' records.** To prepare veterans' Choice Program referrals, VAMC staff had to follow a manual, time-consuming process to retrieve and collate key contact and clinical information from veterans' VA electronic health records. This was because—throughout most of the Choice Program's implementation—VA had no system for automatically generating referral packages that contained all of this information; nor did TPA staff have access to veterans' VA electronic

⁶⁰The Agency for Healthcare Research and Quality defines care coordination as the practice of organizing patient care activities and sharing information among all of the participants concerned with a patient's care to achieve safer, more effective care. Participants may share clinical data using manual methods such as faxing paper records, but these methods can be time-consuming and costly. Information technology has the potential to improve the efficiency of care coordination by allowing VA, the TPAs, community providers, and veterans to electronically exchange information for care coordination purposes.

health records. If VAMC staff made mistakes (such as mistyping or inadvertently omitting veterans' telephone numbers or addresses) or if the referrals were missing clinical information that the TPAs needed for appointment scheduling purposes, the TPAs had to either contact the VAMC to correct or obtain the missing information or return the referrals to VA without attempting to schedule appointments. These manual processes impeded the VAMCs' progress in preparing referrals and the TPAs' progress in scheduling veterans' Choice Program appointments.

- **Limited availability of care coordination tools and dependence on telephone-based customer service for appointment scheduling.** A lack of care coordination tools and near-constant telephone calls also delayed VAMC and TPA staff from efficiently processing veterans' referrals for appointments. For example, the Choice Program had no web-based portal through which VAMC staff and veterans could view the TPAs' step-by-step progress in scheduling appointments. While both of the TPAs had portals that allowed VAMC staff (but not veterans) to obtain certain information—such as whether the TPA had already scheduled an appointment—the portals did not show if, or when, veterans' referrals had been accepted, the dates and times of the TPAs' attempts to contact veterans, or the number of community providers the TPA had contacted in its attempts to schedule an appointment. VAMC staff we interviewed said that while they could submit written messages to the TPAs through the portals, TPA staff did not always answer these messages in a timely manner. This, in turn, made telephone calls between veterans, the VAMCs, and the TPAs the most effective form of follow-up regarding veterans' Choice Program referrals, according to VAMC managers and staff. Officials from one selected VAMC estimated that their community care staff (which included about 30 employees) was answering approximately 10,000 calls per month, and another VAMC had hired a full-time staff person just to answer telephone calls.
- **Workload associated with re-authorizing veterans' care.** VAMC and TPA staff also told us they faced a lengthy administrative process to re-authorize care if veterans' Choice Program authorizations expired before veterans received care or if veterans needed services that were outside the scope of their original authorizations. The TPAs referred to these as “secondary authorization requests” or “requests for additional services.” Without these re-authorizations, veterans'

care from community providers could be delayed or interrupted.⁶¹ VAMC and TPA staff had to process a high volume of these requests for two main reasons. First, the Choice Program originally had a 60-day limit on episodes of care, which meant that all appointments within the episode of care had to be completed within 60 days of the initial date of service. Even if the veteran needed care that could routinely be expected to outlast this 60-day time frame (such as maternity care or cancer treatment), community providers and the TPAs would still have to request additional referrals from the VAMCs to authorize the remaining care. Second, TPAs would have to request additional referrals if an episode of Choice Program care was already in progress and the veteran needed services that were not specifically authorized in the VAMC's original referral. According to some VAMC managers and staff, this generated significant workload for the VAMCs. Officials from one of the selected VAMCs said it had to hire a full-time nurse just to process secondary authorization requests.

- **Manual post-appointment follow-up processes.** According to VAMC managers and staff we interviewed, the manual processes used for post-appointment follow-up also added to delays for veterans seeking care through the Choice Program. After an episode of care is complete—whether services are delivered at a VHA medical facility or in the community—VHA's policy requires VAMC staff to document that care was provided and make the results of encounters available to VHA clinicians by entering medical records or other clinical information into the veteran's VA electronic health record.⁶² When medical records from the community provider became available, VAMC staff had to retrieve copies from the TPAs' portals and scan them into veterans' VA electronic health records. (See appendix V for an illustration of this process.) VAMC staff described this as a very time-consuming process because it could take months for claims or medical records from Choice Program appointments to appear in the TPAs' portals. At the time of our interviews in the summer of 2016, managers from two of the VAMCs in our sample said they each had backlogs of more than 6,000 Choice Program and other community care consults to complete. These backlogs adversely affected veterans' access to Choice Program care because the time VAMC

⁶¹The high volume of re-authorizations also indirectly affected the timeliness of other veterans' access to Choice Program care because it diverted VAMC and TPA staffs' attention from processing other veterans' referrals and scheduling appointments.

⁶²See Veterans Health Administration, *Consult Processes and Procedures*, VHA Directive 1232(1) (Aug. 24, 2016, as amended on Sept. 23, 2016).

staff spent attempting to complete some veterans' consults could not be spent on preparing other veterans' Choice Program referrals.

Over the course of the Choice Program's implementation, VA and VHA took multiple actions to address administrative burden, including the following. Opportunities exist to improve or build on these actions as VA moves forward with the consolidated community care program it plans to implement.

- **Implementation of a web-based tool to automate Choice Program referral preparation.** In early 2016, to improve the process of gathering information from veterans' VA electronic health records to prepare Choice Program referrals, staff from two VAMCs developed a web-based tool—called the “referral documentation” (REFDOC) tool. According to VHA documentation, the REFDOC tool automates the process of gathering necessary information and assembling it in a standardized format for veterans' Choice Program referrals. VHA's initial analyses of the REFDOC tool's effectiveness found that it sped up the process of preparing Choice Program referrals by about 20 minutes per referral, which helped reduce the administrative burden associated with preparing referrals. However, VHA's nationwide dissemination of the tool to all of the VAMCs was slowed by limitations of VA's information technology systems. As of November 2016 (about 9 months after the tool was created), it had only been implemented at 18 of VHA's 170 VAMCs. VHA gradually made the tool available at the remaining VAMCs between November 2016 and May 2017.
- **Standardized episodes of care.** In April 2017, VHA approved standardized episodes of care—or “bundles” of clinically necessary medical services and procedures—that are to be authorized whenever veterans are referred to community providers for specified types of care. This was intended to help address administrative burden associated with clinical review processes and improve veterans' access to care. To start, VHA approved standardized episodes of care for 15 different types of care, including physical therapy, maternity care, and optometry. VA and VHA documentation indicate that they intend to roll out additional standardized episodes of care over time and continue using them once VA transitions to the consolidated community care program it is planning to implement.
- **Acquisition of a secure e-mail system and a mechanism for TPAs and community providers to remotely access veterans' VA electronic health records.** VA recently established two different care coordination tools that were intended to make the process of providing

veterans' medical records to Choice Program and other VA community care providers more efficient.

- *Secure e-mail system.* In the spring of 2017, VA acquired software that allows VAMC managers and staff to e-mail encrypted files containing veterans' medical records to the TPAs and community providers. Only the intended recipient can decrypt and respond to messages containing the files. According to VHA documentation, this secure e-mail system was intended to improve the efficiency of coordinating veterans' Choice Program care and address potential security risks associated with printing paper copies of veterans' medical records and sending them to the TPAs or community providers via fax or U.S. mail.
- *Remote access to veterans' VA electronic health records.* In May 2017, VHA began offering a secure, web-based application called the Community Viewer as a tool for community providers nationwide to have access to assigned veterans' VA electronic health records. Like the secure e-mail system, this tool is intended to improve the efficiency of coordinating veterans' Choice Program care.

However, VHA's ability to seamlessly coordinate care with community providers remains limited—even with the secure e-mail system and the Community Viewer—because these tools only facilitate a one-way transfer of the information needed to coordinate the care veterans receive at VHA medical facilities and in the community. For the purposes of care coordination, it is important that information sharing among all participants concerned with a veteran's Choice Program or other VA community care—including VHA clinicians, the TPAs, community providers, and the veteran—is as seamless as possible. According to the federal internal control standard for information and communication, agencies should internally and externally communicate the necessary information to achieve their objectives.⁶³ While the secure e-mail system and Community Viewer tool provide an interim solution for VAMCs to transfer information from veterans' VA electronic health records to the TPAs and community providers, they do not provide a means by which VAMCs or veterans can (1) view step-by-step progress in scheduling appointments, or (2) electronically receive the clinical results of Choice Program or other VA community care encounters. Building such a capability into the future consolidated community care program that VA plans to implement would

⁶³[GAO-14-704G](#).

allow VHA to improve the care coordination processes that exist in the Choice Program.

- **Pilot programs for VAMC staff to schedule Choice Program appointments.** In July 2016 and October 2016, VHA began implementing pilot projects, whereby staff at two VAMCs took over from the TPAs the responsibility of scheduling veterans' Choice Program appointments. Specifically, VA modified its contracts with TriWest and Health Net to implement the two VAMC scheduling pilots at the Alaska VA Health Care System and the Fargo VA Health Care System, respectively. In these two locations, VAMC staff schedule veterans' appointments and send relevant clinical documentation to the Choice Program providers.⁶⁴ According to VHA officials, this had the potential to improve veterans' access to care by improving the efficiency of the Choice Program appointment scheduling process.

The results of these two VAMC scheduling pilots are particularly relevant, given that VA's RFP, as amended, for its planned consolidated community care program indicates that VAMCs—rather than TPAs—will carry out community care appointment scheduling, unless VA exercises a contract option for the TPAs to provide such services for VAMCs that request them.⁶⁵ However, while VHA officials told us that while they have taken some steps to begin evaluating the effectiveness of the pilots in improving appointment scheduling, these efforts have not been completed. The lack of an evaluation of the two VAMC scheduling pilots is inconsistent with the federal internal control standard for risk assessment, which stipulates that an agency should identify, analyze, and respond to risks related to achieving defined objectives. In addition, the federal internal control standard for monitoring calls for ongoing monitoring to assess the effectiveness of management strategies, make needed corrections if shortcomings are identified, and determine if corrective actions are achieving desired outcomes.⁶⁶ Without evaluating the results of the scheduling pilots at the Alaska and Fargo VA Health Care Systems, VA lacks assurance that VAMC staff have the potential to schedule veterans' community

⁶⁴As part of the pilot process, the TPAs send authorizations to community providers after receiving notification that the VAMCs have scheduled appointments and before appointments occur.

⁶⁵A May 26, 2017 amendment to VA's December 2016 RFP gave VA the option of contracting with the TPAs to carry out the appointment scheduling process for VAMCs that request these services.

⁶⁶[GAO-14-704G](#).

care appointments in a more timely manner than TPA staff otherwise would schedule them. Furthermore, VA is missing an opportunity to inform its planning and decisions for scheduling under its planned consolidated community care program.

Inadequate Staffing and Ad Hoc Communication Contributed to Choice Program Access Delays, and Actions Taken Have Been Focused on the Staffing Concerns

TPA officials and managers and staff from the six selected VAMCs frequently discussed staffing- and communication-related factors that adversely affected the timeliness of veterans' Choice Program care. During the course of our review, they cited the following factors that delayed VAMCs' processing of veterans' referrals and TPAs' scheduling of appointments:

- **Staff vacancies and turnover.** TPA officials and managers and staff at selected VAMCs said that VAMCs and TPAs were initially understaffed as Choice Program implementation began.
 - **VAMCs.** Managers at the six selected VAMCs told us that after implementing the Choice Program, they hired additional community care staff, with one of them increasing its community care staffing level almost five-fold by July 2016. Some VAMC managers told us in 2016 and again in 2017 that they still struggled with staff retention and vacancies—among both managers and staff. Five of the VAMCs said they relied on overtime for their existing staff to keep up with the Choice Program workload. According to community care managers from four of the selected VAMCs, it takes about 6 months to recruit, hire, and train new community care staff, and this process could take more time if the VAMC's human resources office is also understaffed, which was the case for at least one of the six VAMCs.⁶⁷ That VAMC had not had a permanent community care manager for more than 2 years as of July 2017—which covered the majority of the Choice Program's original 3-year implementation.⁶⁸

⁶⁷In 2016, we issued a report on VHA's human capital challenges. Among other things, we found that VAMCs' human resources capacity is limited, which has affected their ability to recruit and retain VAMC staff who help deliver important services to veterans (such as staff who process referrals for VA community care). See GAO, *Veterans Health Administration: Management Attention is Needed to Address Systemic, Long-standing Human Capital Challenges*, [GAO-17-30](#) (Washington, D.C.: Dec. 23, 2016).

⁶⁸This VAMC's leadership temporarily detailed two different managers from other areas of the VAMC to serve in the role of community care manager.

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- *TPAs.* Officials from both TPAs also told us that they initially underestimated the workload associated with scheduling Choice Program appointments, and they brought on additional staff, including sub-contractors, to better manage their workloads as utilization of the program increased. One TPA opened eight operations centers in addition to the two it already had when the Choice Program was initially implemented.⁶⁹
 - **Ineffective mechanisms for VAMCs to resolve problems.** VAMC managers and staff we interviewed also said they lacked useful mechanisms and points-of-contact when they needed to resolve issues and problems they were having with referral and appointment scheduling processes. VHA established a web-based Choice Program “issue tracker” system for VAMCs to report problems to VHA’s Office of Community Care. However, staff at four of the selected VAMCs told us they rarely used the tracker and some had stopped using the tracker altogether because it took too long for VHA’s Office of Community Care or the TPAs to respond and resolve the issues (if they responded at all), and they did not see the value in taking the time to report them via this mechanism. Managers at one of the VAMCs also told us about a phone line that their TPA had established to escalate and resolve urgent issues, but the TPA told the VAMC only to use it for emergencies.
 - **VHA’s untimely communication of Choice Program policy and process changes.** According to managers and staff at the six selected VAMCs, VA and VHA have issued numerous contract modifications and policy changes with little advanced notice throughout the Choice Program’s implementation. According to these VAMC managers and staff, the untimely communication of changes created confusion at the VAMC level that affected veterans’ access to Choice Program care. We reviewed documentation showing that from October 2014 (when it modified the TPAs’ contracts to add responsibilities related to Choice Program administration) until July 2017, VA modified each TPA’s contract about 40 times. Many of these contract modifications—along with other legislative and regulatory changes that VA implemented during this period—changed VAMC or TPA processes related to Choice Program referrals and appointment scheduling. Many of the VAMC managers and staff we interviewed said they struggled to keep up with the contract modifications and

⁶⁹Operations centers are where TPA employees who are responsible for opting veterans in to the Choice Program, scheduling veterans’ appointments, and answering customer service calls from veterans and community providers work.

policy changes, that VHA's Office of Community Care did not always leave adequate time to prepare for them, and they felt they were never really able to become proficient at new processes before additional changes occurred. This meant that training sometimes happened after the contract modifications or VHA policy changes had already gone into effect. For example, managers and staff at three of the selected VAMCs told us that they were not informed in advance about a June 2016 contract modification that required the TPAs to return Choice Program authorizations to VAMCs if they failed to schedule appointments within required time frames.⁷⁰ This contract modification had the potential to significantly increase VAMCs' workloads, because they would have to arrange veterans' care through other means once the authorizations were returned. According to individuals at two of these three VAMCs, they first heard about this change from TPA staff, rather than from VHA.

VHA took the following two actions intended to help address staffing-related factors that adversely affected the timeliness of veterans' Choice Program care.

- **Staffing tool for VAMCs to estimate needs.** In the spring of 2017, VHA developed a tool that is intended to help VAMCs project their staffing needs for the consolidated community care program VA plans to implement. VHA used workload data and site visit observations to develop the tool. Among the six selected VAMC managers we interviewed, impressions about the reasonableness of the staffing estimates generated by the community care staffing tool were mixed. For example, managers at two of the VAMCs said that the tool likely underestimated the number of staff they would need to handle referrals and appointment scheduling once VA transitions to the consolidated community care program. In contrast, managers from two other VAMCs thought that the tool's staffing estimates seemed about right.⁷¹

⁷⁰In June 2016, VA modified its contracts with the TPAs to require the TPAs to return Choice Program authorizations when the TPAs do not meet contractual standards related to the timeliness with which they (1) review and accept referrals and (2) schedule appointments after veterans have opted into the program. Previously, the TPAs only had to return referrals if veterans had not opted in 10 days after the TPA sent a letter; there was no requirement for the TPAs to accept referrals within a certain time frame or to return authorizations if the TPAs had not scheduled appointments within required time frames after veterans opted in.

⁷¹The other two VAMCs did not comment on the reasonableness of the staffing estimates generated by the staffing tool.

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- **Co-locating TPA staff at selected VAMCs to assist with resolution of problems.** To help facilitate problem resolution between VAMCs and the TPAs as they work to schedule veterans' Choice Program appointments, VA modified the TPAs' contracts in November 2015 to allow for TPA staff to be co-located at selected VAMCs. VHA officials expected that one potential benefit of co-locating TPA staff would be that fewer veterans' Choice Program referrals would be returned to VAMCs because of missing clinical information because TPA staff could help resolve such problems locally before the TPA returned referrals. As of May 2017, TPA staff were working at 70 of VHA's 170 VAMCs—or about 40 percent of all VAMCs. Similar care coordination arrangements may exist under the consolidated community care program VA is planning to implement, if VA exercises a contract option for the TPAs to provide such services at VAMCs that request them.

However, the communication-related factors that VHA and TPA officials identified as affecting the timeliness of veterans' Choice Program care remain. VHA relied on ad hoc communications such as memoranda, fact sheets, e-mails, national conference calls, and occasional web-based trainings to communicate policy and process changes to VAMCs throughout the Choice Program's implementation. Our interviews with VAMC managers and staff suggest that these were not the most effective methods of communication because messages about key changes sometimes lacked sufficient detail or failed to reach the VAMC staff responsible for implementing them in a timely manner. According to the federal internal control standard for control activities, agencies should implement control activities through their policies and procedures, which document the responsibilities of managers and staff who are responsible for implementing a program.⁷² Among other things, this may include management reviewing and updating policies and day-to-day procedures in a timely manner after a significant change in the program has occurred. VHA has no comprehensive policy directive or operations manual for the Choice Program, and its broader policy directive for VA community care

⁷²[GAO-14-704G](#).

programs has not been updated since January 2013.⁷³ As a result, VAMC staff have operated in an environment that is frequently changing with no definitive reference source or sources of up-to-date policy and processes to consult, such as a comprehensive policy directive or operations manual. Instead, VAMC staff have had to keep track of the Choice Program's policy and process changes through VHA's various ad hoc communications. This poses a risk to VHA, as it increases the likelihood that VAMCs will implement new policies and processes inconsistently. In addition, there is risk that VAMC managers and staff will not always be aware of the most current policies and processes. Unless a comprehensive policy directive or operations manual is created, those risks could remain for the consolidated community care program VA is planning to establish.

Inadequate Provider Networks Affected Timely Access, but VHA Plans to Improve Available Information Related to Provider Capacity and Veteran Demand for Future TPAs

According to VAMC managers and TPA officials we interviewed, the TPAs' inadequate networks of community providers affected both the timeliness with which veterans received Choice Program care and the extent to which veterans were able to access community providers located close to their homes. In September 2015, about 11 months after the Choice Program was implemented, VA contracting officials sent corrective action letters to both TPAs, citing network adequacy (i.e., the number, mix and geographic distribution of network providers) as a concern. TPA officials we interviewed acknowledged that their networks initially were not adequate to meet demand for Choice Program care. From the TPAs' perspective, the brief transition period before the Choice Program began operations in November 2014 was not enough time to strengthen the community provider networks they had previously established under PC3, another VHA community care program. Furthermore, the TPAs told us that VA had not provided them with sufficient data on the expected demand for Choice Program care—by clinical specialty and zip code—prior to or after the Choice Program's implementation.

⁷³In October 2016 (nearly 2 years after the Choice Program was implemented), VHA issued a policy directive for the Choice Program, but it was not comprehensive because it lacked certain information that those responsible for administering the program would need to know. For example, it did not specify any time frames within which VAMC staff must complete key steps of the Choice Program referral process, such as the number of days after receiving a consult within which the VAMC's community care staff must confirm that the veteran is eligible for the Choice Program and to begin contacting the veteran to offer a referral to the program. See Veterans Health Administration, *Veterans Choice Program*, VHA Directive 1700 (Oct. 25, 2016).

The overall number of community providers participating in the TPAs' Choice Program networks nationwide grew dramatically over the following year—from almost 39,000 providers in September 2015 to more than 161,000 providers as of September 2016. However, at the time of our review, managers at five of the six selected VAMCs told us that they still observed TPA network inadequacies that impeded veterans' access to Choice Program care. Similarly, managers at three VAMCs in our sample said that key community providers—including large academic medical centers—have refused to join the TPAs' networks or dropped out of the networks after joining them, often because the TPAs had not paid them in a timely manner for the services they provided.

Establishing adequate networks of Choice Program providers in rural areas has been particularly difficult. Officials at two of the three of the rural VAMCs in our sample pointed to general health care workforce shortages in rural areas as one cause for the TPAs' network inadequacy—a challenge that is not limited to the Choice Program or VA's health care system. According to a December 2015 analysis by VHA researchers, the majority of network providers in two of the three VISNs examined were located within 40 miles of VAMCs, leaving large geographic areas of these VISNs (particularly rural areas) outside the 40-mile radius with few network providers.⁷⁴ For example, only 3.8 percent of primary care providers and 3.2 percent of behavioral health providers in VISN 20 (which covers Alaska, Idaho, Oregon, and Washington) were located more than 40 miles from VAMCs within that VISN. While the areas lacking network providers generally have fewer veterans relative to other areas within these VISNs, the analysis by VHA researchers suggests that veterans living in these areas are likely to have difficulty accessing Choice Program network providers that are located closer to their homes than the nearest VAMC, which is over 40 miles away.

VA and VHA have tried to address network inadequacy that existed under the Choice Program and either have taken or plan to take additional actions to address this issue for the community care program VA plans to implement, including the following.

⁷⁴Evan Carey, Paula Langner, and Michael Ho, *VACA Spatial Evaluation: Quantitative Results*, a report prepared for the Department of Veterans Affairs, Veterans Health Administration, Dec. 28, 2015. The analysis examined the distribution of network providers participating in the Choice Program in VISN 10, which covers Ohio, Indiana, and Michigan; VISN 19, which covers Colorado, Montana, Oklahoma, Utah, and Wyoming; and VISN 20, which covers Alaska, Idaho, Oregon, and Washington.

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- **Establishment of Choice Program provider agreement process.** To help address inadequacies in the TPAs' provider networks and improve veterans' access to care under the Choice Program, VHA established the Choice Program provider agreement process in February 2016. This process allowed VAMCs to establish agreements with community providers, schedule veterans' appointments, and reimburse the providers directly (using Choice Program funds) when the TPAs failed to schedule veterans' appointments for reasons relating to network inadequacy, among others.⁷⁵ Originally, the VAMCs were required to send veterans' referrals to the TPAs and wait for them to be returned before they could proceed with arranging care through a Choice Program provider agreement. While this process had the potential to increase the availability of providers for the Choice Program, it did not immediately improve the timeliness of veterans' Choice Program care because veterans still had to wait for as long as it took the VAMCs to send their referrals to the TPAs and for TPAs to return them before the VAMCs could proceed with arranging care through Choice Program provider agreements. According to the policies and contractual requirements that were in effect at the time, it could have taken up to 40 calendar days after a VHA clinician first identified the veteran's need for care until the TPA returned the referral and the VAMC could proceed with arranging care through a Choice Program provider agreement. However, in March 2017, VHA updated the Choice Program provider agreement process so that—if the TPAs were returning a high volume of a VAMC's referrals for one or more types of care—the VAMC could seek approval from its VISN and VHA's Office of Community Care to bypass the TPA and proceed directly to arranging that type of care through Choice Program provider agreements. This had the potential to improve the timeliness of veterans' access to Choice Program care because it eliminated the steps of sending referrals to the TPAs and waiting for them to be returned.

⁷⁵Specifically, VAMCs could proceed with arranging care through the Choice Program provider agreement process if the TPAs returned veterans' referrals for any of these reasons, among others: (1) the TPA had no network provider available for the service VA requested; (2) the veteran requested a specific community provider that was not part of the TPA's network; (3) the TPA failed to complete the steps of the appointment scheduling process within the time frames that were outlined in its contract; (4) the TPA was unable to reach the veteran via telephone or letter when attempting to schedule the appointment; and (5) the TPA did not schedule the appointment on a day and time that was convenient for the veteran. In addition, VAMCs were permitted to arrange care through the Choice Program provider agreement process (and pay for it using Choice Program funds) when the veteran needed services that were not covered under the TPAs' contracts, such as dental and home health services.

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- **Improving quality of information given to future TPAs.** To help inform the recruitment of network providers for the consolidated community care program VA plans to establish, VA plans to provide future TPAs more robust data than they provided the current TPAs at the start of the Choice Program. In particular, VA's RFP for the consolidated community care program, as amended, indicates that VA will provide (1) zip-code-level data on the number of authorizations that were issued in fiscal year 2015 for specific types of care (e.g., chemotherapy and obstetrics) and (2) VAMC-level data on the clinical specialties with the greatest wait times for appointments at VAMCs. These local-level data could help TPAs estimate the number of network providers of various specialties they will need to recruit in specific localities if awarded a contract for the consolidated community care program that VA is planning to implement.
 - **Performing market assessments.** In preparation for the consolidated community care program VA plans to establish, VA and VHA officials are planning to conduct market assessments in 96 markets nationwide. Through these market assessments, officials told us, VA will (1) examine the clinical capacity that currently exists within VHA medical facilities and among community providers, (2) assess veterans' current and future demand for health care services, and (3) develop long-term plans for ensuring that veterans will have access to high-quality health care services—whether they receive care from VHA clinicians or from community providers. According to VHA officials, the market assessments will help inform network provider recruitment efforts for the consolidated community care program VA is planning to implement. In addition, VHA officials told us that the market assessments will help VISN- and VAMC-level leaders make more informed, strategic decisions about whether it is more efficient to maintain or build capacity for delivering particular types of care within VHA medical facilities, or if they should routinely purchase certain types of care in the community. In November 2017, VHA officials told us that they expect to begin conducting the market assessments early in calendar year 2018, and the officials estimate that it will take about 18 months to complete assessments for all 96 markets.

Conclusions

The Choice Program is approaching the end of its life, and with plans to consolidate it with VA's other community care programs, opportunities to improve the program are diminishing. Congress created the Choice Program in 2014 in response to longstanding challenges in veterans' access to care delivered within VHA medical facilities. However, we found numerous operational and oversight weaknesses with VHA's management of scheduling veterans' medical appointments through the

Choice Program. While it may not be feasible for VA and VHA to implement corrective actions to address all of our findings before the Choice Program ends, it is imperative that VA incorporate lessons learned from the Choice Program when it implements the consolidated community care program it has planned.

First, we found VHA's process for scheduling appointments for veterans through the Choice Program was not consistent with statutory requirements. The Choice Act requires veterans to receive care no more than 30 days from the date an appointment is deemed clinically appropriate or from the date the veteran prefers to receive care; however, we found that veterans could potentially wait up to 70 calendar days to receive routine care through the Choice Program. In effect, we found that in 2016, some veterans' actual wait times far exceeded 30 days. Although VA has made some relevant contract modifications and issued guidance to address Choice Program wait times, VHA has not adjusted the Choice Program's appointment scheduling process or established timeliness standards for all steps of the process. In addition, VHA's monitoring of access to Choice Program care has been limited by incomplete and unreliable data. In particular, the data VHA uses preclude it from accurately identifying the number of days that occur within each phase of the process, from initial referral to the actual appointment. Furthermore, a lack of controls has allowed for inappropriate changes to be made in veterans' clinically indicated dates and routine versus urgent care categorizations, affecting VA's ability to monitor whether veterans are receiving Choice Program care in a timely manner. The lack of reliable data and performance measures also hinders VHA's ability to oversee the program and identify problems and corrective actions. Further, we found that VHA is missing out on opportunities to enhance its design of the planned consolidated community care program. For example, VHA has not fully evaluated its pilot programs for scheduling appointments nor developed tools such as a mechanism that would allow the seamless sharing of information between VHA and the TPAs. Lastly, we found that VHA often relied on inefficient, ad hoc methods of sharing information (such as memoranda, fact sheets and emails), which often failed to reach the VAMC managers and staff responsible for implementing the program.

After the Choice Program ends, VA anticipates that veterans will continue to receive care from non-VHA providers under the consolidated community care program that it is planning to implement. VA's and VHA's design of the future program can benefit from the lessons learned under the Choice Program. Ignoring these lessons learned and the challenges that have arisen under the Choice Program as VA and VHA design the

future consolidated program would only increase VA's risk for not being able to ensure that all veterans will receive timely access to care in the community.

Recommendations for Executive Action

To ensure that VA and VHA incorporate lessons learned from the Choice Program as they develop and implement a consolidated VA community care program, we are making the following 10 recommendations:

- The Under Secretary for Health should establish an achievable wait-time goal for the consolidated community care program that VA plans to implement that will permit VHA to monitor whether veterans are receiving VA community care within time frames that are comparable to the amount of time they would otherwise wait to receive care at VHA medical facilities. (Recommendation 1)
- The Under Secretary for Health should design an appointment scheduling process for the consolidated community care program that VA plans to implement that sets forth time frames within which (1) veterans' referrals must be processed, (2) veterans' appointments must be scheduled, and (3) veterans' appointments must occur, which are consistent with the wait-time goal VHA has established for the program. (Recommendation 2)
- The Under Secretary for Health should establish a mechanism that will allow VHA to systematically monitor the average number of days it takes for VAMCs to prepare referrals, for VAMCs or TPAs to schedule veterans' appointments, and for veterans' appointments to occur, under the consolidated community care program that VA plans to implement. (Recommendation 3)
- The Under Secretary for Health should implement a mechanism to prevent veterans' clinically indicated dates from being modified by individuals other than VHA clinicians when veterans are referred to the consolidated community care program that VA plans to implement. (Recommendation 4)
- The Under Secretary for Health should implement a mechanism to separate clinically urgent referrals and authorizations from those for which the VAMC or the TPA has decided to expedite appointment scheduling for administrative reasons. (Recommendation 5)
- The Under Secretary for Health should (1) establish oversight mechanisms to ensure that VHA is collecting reliable data on the reasons that VAMC or TPA staff are unsuccessful in scheduling veterans' appointments through the consolidated community care

program VA plans to implement, and (2) demonstrate that it has corrected any identified deficiencies. (Recommendation 6)

- The Secretary of Veterans Affairs should ensure that the contracts for the consolidated community care program VA plans to implement include performance metrics that will allow VHA to monitor average driving times between veterans' homes and the practice locations of community providers that participate in the TPAs' networks. (Recommendation 7)
- The Secretary of Veterans Affairs should establish a system for the consolidated community care program VA plans to implement to help facilitate seamless, efficient information sharing among VAMCs, VHA clinicians, TPAs, community providers, and veterans. Specifically, this system should allow all of these entities to electronically exchange information for the purposes of care coordination. (Recommendation 8)
- The Under Secretary for Health should conduct a comprehensive evaluation of the outcomes of the two appointment scheduling pilots it established at the Alaska and Fargo VA Health Care Systems (where VAMC staff, rather than TPA staff, are responsible for scheduling veterans' Choice Program appointments), which should include a comparison of the timeliness with which VAMC staff and TPA staff completed each step of the Choice Program appointment scheduling process, as well as the overall timeliness with which veterans received appointments. (Recommendation 9)
- The Under Secretary for Health should issue a comprehensive policy directive and operations manual for the consolidated community care program VA plans to implement and ensure that these documents are reviewed and updated in a timely manner after any significant changes to the program occur. (Recommendation 10)

Agency Comments and Our Evaluation

VA provided written comments on a draft of this report, which are reprinted in Appendix VII. In its comments, VA concurred with 8 of our 10 recommendations and described its plans for implementing them. VA stated that VHA's Office of Community Care will work collaboratively with other VA and VHA offices to evaluate modifications to the current wait-time goals and measurement processes so that wait times for VA community care can be compared to wait times for care delivered at VHA medical facilities.


VA did not concur with our recommendation to implement a mechanism to separate clinically urgent referrals and authorizations from those that are designated as urgent for administrative reasons. VA stated that

because VAMC staff (rather than TPA staff) will be responsible for scheduling veterans' appointments under the consolidated community care program it plans to implement, there would no longer be a need to separate clinically urgent referrals from those that need to be administratively expedited. However, we maintain that our recommendation is warranted. In particular, we found that VA's data did not always accurately reflect the timeliness of urgent care because both VAMC and TPA staff inappropriately re-categorized some routine care referrals and authorizations as urgent ones for reasons unrelated to the veterans' health conditions. Regardless of whether VAMC staff or TPA staff are responsible for appointment scheduling, VA will need to ensure that it uses reliable data to monitor the extent to which veterans receive urgent care within required time frames. Without a means of separating clinically urgent referrals and authorizations from ones for which the scheduling process must be administratively expedited, VA's data on the timeliness of urgent care will continue to be unreliable.

VA agreed in principle with our recommendation to issue a comprehensive policy directive and operations manual, but stated in its comments that it would wait to determine whether a comprehensive policy directive is needed until after the consolidated community care program has been fully implemented and any interim implementation challenges have been resolved. However, when implementing a new program, it is important that agencies establish the program's structure, responsibilities, and authorities at the beginning to help ensure that the new program's objectives are met. Relying on outdated policies and unreliable communication methods increases VA's risk of encountering foreseeable challenges. Without issuing a comprehensive policy directive and operations manual before the start of the new program, VA risks experiencing untimely communication issues similar to those that affected veterans' access to care throughout the Choice Program's implementation. A comprehensive policy directive and operations manual that could be updated as changes occur would give VAMCs a definitive source of real-time, up-to-date information and reduce the likelihood that VAMCs will implement new policies and processes inconsistently under the future program.

We are sending copies of this report to the Secretary of Veterans Affairs, the Under Secretary for Health, appropriate congressional committees, and other interested parties. This report is also available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staffs have any questions about this report, please contact Sharon M. Silas at (202) 512-7114 or silass@gao.gov or A. Nicole Clowers at (202) 512-7114 or clowersa@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 major contributions to this report are listed in appendix VIII.



Sharon M. Silas
Acting Director, Health Care



A. Nicole Clowers
Managing Director, Health Care

List of Addressees

The Honorable Johnny Isakson
Chairman
The Honorable Jon Tester
Ranking Member
Committee on Veterans' Affairs
United States Senate

The Honorable John Boozman
Chairman
The Honorable Brian Schatz
Ranking Member
Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies
Committee on Appropriations
United States Senate

The Honorable Phil Roe
Chairman
The Honorable Tim Walz
Ranking Member
Committee on Veterans' Affairs
House of Representatives

The Honorable John Carter
Chairman
The Honorable Debbie Wasserman Schultz
Ranking Member
Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies
Committee on Appropriations
House of Representatives

List of Addressees Continued

The Honorable Richard Blumenthal
United States Senate

The Honorable Mike Enzi
United States Senate

The Honorable John McCain
United States Senate

The Honorable Evan Jenkins
House of Representatives

Appendix I: Scope and Methodology for Examining Choice Program Wait Times and the Data VHA Uses to Monitor Access

To examine selected veterans' actual wait times to receive routine care and urgent care through the Choice Program and the information VHA uses to monitor access to care under the program, we took five key steps. We (1) analyzed Choice Program appointment wait times for selected veterans using a sample of 196 Choice Program authorizations for routine and urgent care; (2) reviewed VHA's analysis of Choice Program appointment wait times for a sample of about 5,000 Choice Program authorizations; (3) reviewed data VHA uses to monitor the timeliness of Choice Program care and reasons that the TPAs have returned Choice Program referrals without making appointments; (4) interviewed VA, VHA, and TPA officials; and (5) reviewed federal internal control standards, as follows.

1. **Our analysis of Choice Program wait times for a sample of 196 authorizations.** To analyze the timeliness of Choice Program appointment scheduling and completion for a sample of veterans, we selected six VAMCs and a random, non-generalizable sample of 196 authorizations for veterans who were referred to the Choice Program by those six VAMCs between January 2016 and April 2016.¹ We judgmentally selected the six VAMCs to include variation in geographic location, with three VAMCs that serve rural veteran populations and three VAMCs that serve urban veteran populations. In addition, three of the VAMCs were served by Health Net, and three were served by TriWest. (See table 5.)

¹These were the most recent Choice Program authorization data that were available when we began our review. We did not assess whether these authorizations met the Choice Act's eligibility requirements. We selected our sample and conducted our analysis based on contract requirements that were in effect as of April 2016. Certain contract requirements were later modified.

Appendix I: Scope and Methodology for
Examining Choice Program Wait Times and the
Data VHA Uses to Monitor Access

Table 5: Department of Veterans Affairs (VA) Medical Centers (VAMC) GAO Selected for Its Review of the Veterans Choice Program (Choice Program)

VAMC (location)	Rural or urban ^a	Choice Program third party administrator that serves the VAMC	
		Health Net Federal Services	TriWest Healthcare Alliance
Togus VAMC (Augusta, ME)	rural	✓	
Muskogee VAMC (Muskogee, OK)	rural		✓
Alaska VA Health Care System (Anchorage, AK)	urban – location rural – population served		✓
VA Eastern Colorado Health Care System (Denver, CO)	urban	✓	
VA Northern California Health Care System (Mather, CA)	urban		✓
Durham VAMC (Durham, NC)	urban	✓	

Source: GAO | GAO-18-281

^aIn this table, urban and rural classifications are based on U.S. Census measures of the population density where the VAMC is located, unless otherwise noted.

To select our random, non-generalizable sample of 196 Choice Program authorizations, we obtained VA data on all authorizations created by the TPAs between January and April 2016 for veterans who were referred to the program by the six VAMCs we selected—a universe of about 55,000 authorizations. From these 55,000 authorizations, we randomly selected:

- 55 routine care authorizations (about 10 authorizations per VAMC) for which the TPAs scheduled appointments for veterans,
- 53 urgent care authorizations (about 10 authorizations per VAMC) for which the TPAs scheduled appointments for veterans, and
- 88 routine and urgent care authorizations (about 15 authorizations per VAMC) that the TPAs returned to VA without scheduling appointments for any one of the following three reasons—(1) VA requested the authorization be returned, (2) VA data were missing

from the referral, and (3) the veteran declined or did not want Choice Program care.²

For all 196 Choice Program authorizations in our sample, we manually reviewed VHA documentation (specifically, the veterans' VA electronic health records) and TPA documentation to track the number of calendar days that elapsed at each step of the Choice Program appointment scheduling process.³ For the authorizations that the TPAs returned to the VAMCs without making appointments, we examined VHA and TPA documentation to determine whether the veterans eventually obtained care through other means—such as through another VA community care program, a different Choice Program referral, or at a VHA medical facility—and how long it took to receive that care. Determining whether veterans in our sample experienced clinical harm or adverse clinical outcomes because of delays in the VAMCs' or TPAs' processing of their referrals and authorizations was outside the scope of our review.

We selected our sample of 55 routine care and 53 urgent care authorizations for which the TPAs succeeded in scheduling appointments to include only authorizations for which the TPAs did not meet VA's appointment scheduling goals at one phase of the appointment scheduling process: when the TPAs attempt to schedule appointments after the veterans have opted in to the program.⁴ This was to ensure that our sample included only authorizations for which scheduling was delayed, so that we could examine the potential causes of appointment scheduling delays and whether delays also occurred at other phases of the process (such as when VAMCs were preparing the veterans' referrals or when the TPAs were attempting to

²We limited our sample of returned authorizations to these three return reasons because we wanted to determine if the return reasons entered by the TPAs could be substantiated by evidence from the veterans' VA electronic health records.

³In this report, "days" refers to calendar days, unless otherwise indicated.

⁴Under VA's contracts with the TPAs, VA requires that the TPAs schedule routine Choice Program appointments within 5 business days after veterans opt into the Choice Program. VA also requires that the TPAs schedule veterans' urgent Choice Program appointments and provide care within 2 business days after veterans opt in to the Choice Program.

reach the veterans for them to opt in to the program).⁵ We omitted this phase of the appointment scheduling process when calculating the timeliness of appointment completion for the 55 routine care authorizations and 53 urgent care authorizations in our sample. Rather than reporting veterans' overall wait times for these authorizations, we report the average number of calendar days that elapsed (1) while VAMCs were preparing veterans' Choice Program referrals, (2) while the TPAs were attempting to reach veterans for them to opt in to the program, and (3) while veterans waited to attend their appointments after the TPAs succeeded in scheduling them. To assess the reliability of the authorization data we used, we interviewed knowledgeable agency officials, manually reviewed the content of the data, and electronically tested it for missing values. We concluded that these data were sufficiently reliable for the purposes of our reporting objectives. The findings from our review of Choice Program authorizations cannot be generalized beyond the VAMCs and the veterans' Choice Program authorizations we reviewed.

- 2. VHA's analysis of Choice Program wait times for a sample of about 5,000 authorizations.** We obtained from VHA's Office of Community Care the results of a nationwide analysis of Choice Program appointment timeliness it conducted in February 2017. Specifically, VHA directed its VAMCs to manually review veterans' health records and TPA documentation and report observations for a non-generalizable sample of about 5,000 randomly selected Choice Program authorizations that were created between July and September of 2016.⁶ The sample was limited to authorizations for Choice Program appointments that had been scheduled for time-eligible veterans who needed four types of specialty care—mammography, gastroenterology, cardiology, and neurology. According to VHA officials, they limited their analysis to these four types of care because delayed treatment for any of these specialties

⁵As we discuss in this report, VHA could not provide complete, reliable data that would have allowed us to include authorizations in our sample that were delayed at other points of the Choice Program appointment scheduling process, such as the period when VAMCs prepare referrals for the TPAs or the period between the TPAs' receipt of referrals and initiation of appointment scheduling.

⁶The VAMCs were directed to report to VHA the dates on which key steps of the Choice Program appointment scheduling process occurred for each authorization—such as the date the veteran's need for care was identified, the date the VAMC sent the veteran's Choice Program referral to the TPA, the date the TPA succeeded in scheduling an appointment, and the date on which the scheduled appointment was to occur.

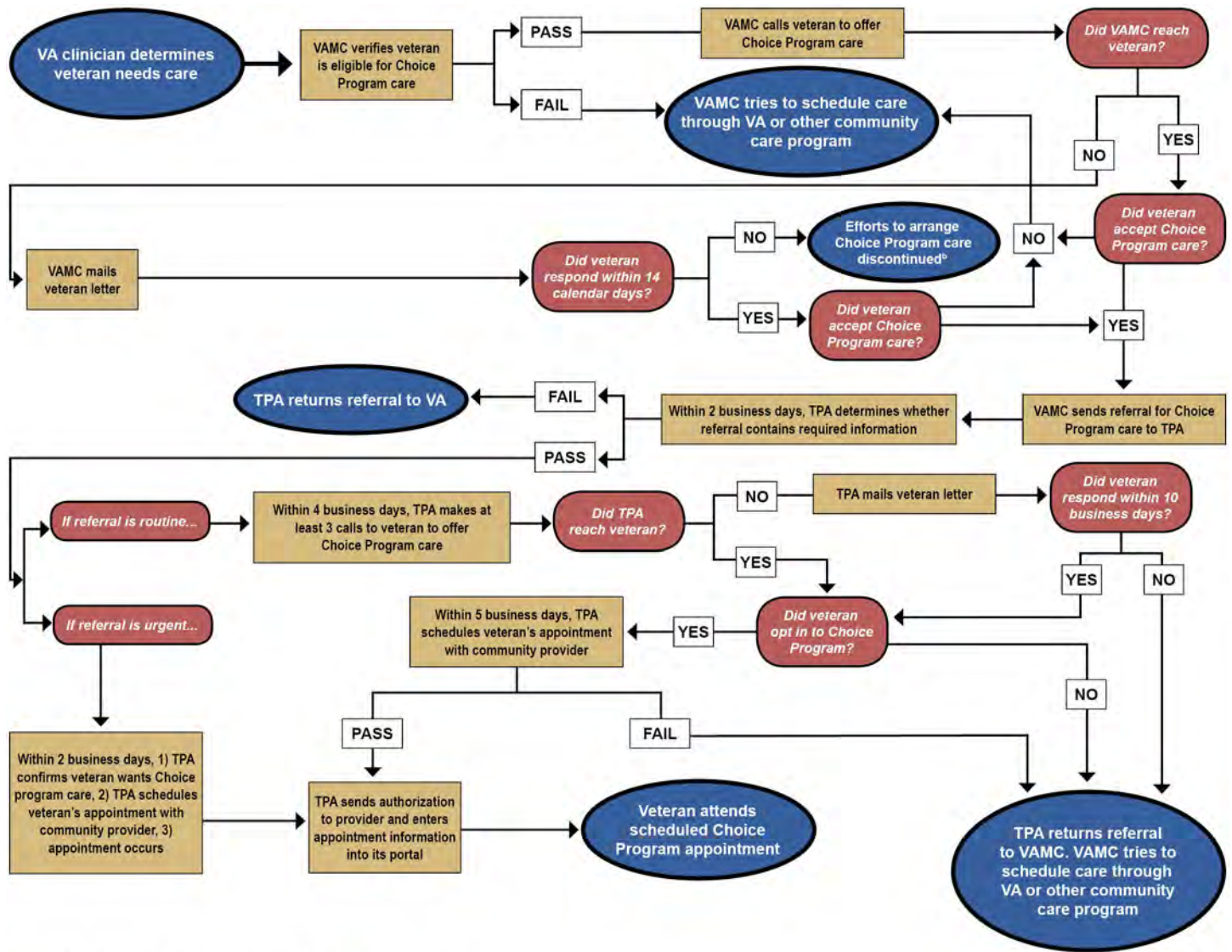
could cause adverse health outcomes for patients. To assess the reliability of VHA's data, we manually reviewed the results of its analysis and interviewed knowledgeable agency officials about potential outliers. We concluded that VHA's data were sufficiently reliable for the purposes of our reporting objective. The results of VHA's analysis cannot be generalized beyond the sample of Choice Program authorizations that it reviewed.

3. **VHA data on timeliness of Choice Program appointments and the reasons TPAs return referrals without making appointments.** To evaluate the information VHA uses to monitor access to care under the Choice Program, we reviewed data that VHA collects to monitor the timeliness with which the TPAs schedule appointments and the timeliness with which appointments occur after the TPAs have scheduled them. We also reviewed and tested the reliability of VHA data on the reasons the TPAs have returned Choice Program referrals to VAMCs without scheduling appointments, which may offer insights about access to care (e.g., the percentage of referrals that are returned due to a lack of providers in the TPAs' networks).
4. **Interviews with officials.** We interviewed VA, VHA, and TPA officials responsible for administering the Choice Program contracts and overseeing implementation of the program. We interviewed these officials to gain an understanding of the processes they followed and the information they used to monitor veterans' access to Choice Program care.
5. **Federal internal control standards.** We examined the results of our and VHA's analyses and the information VHA uses to monitor veterans' access to care under the program in the context of federal standards for internal control for (1) information and communication and (2) monitoring.⁷ The internal control standard for information and communication relates to management's ability to use quality information to achieve the entity's objectives. The internal control standard for monitoring relates to establishing activities to monitor the quality of performance over time and evaluating the results.

⁷GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 2014).

Appendix II: Process for Veterans to Obtain Department of Veterans Affairs (VA) Choice Program Care if They Are Time-Eligible^a

Figure 5: Process for Veterans to Obtain Department of Veterans Affairs (VA) Choice Program Care if They Are Time-Eligible^a



Legend: TPA=third party administrator; VAMC=VA medical center.

Start or end of scheduling process Decision point in scheduling process Scheduling process step or action

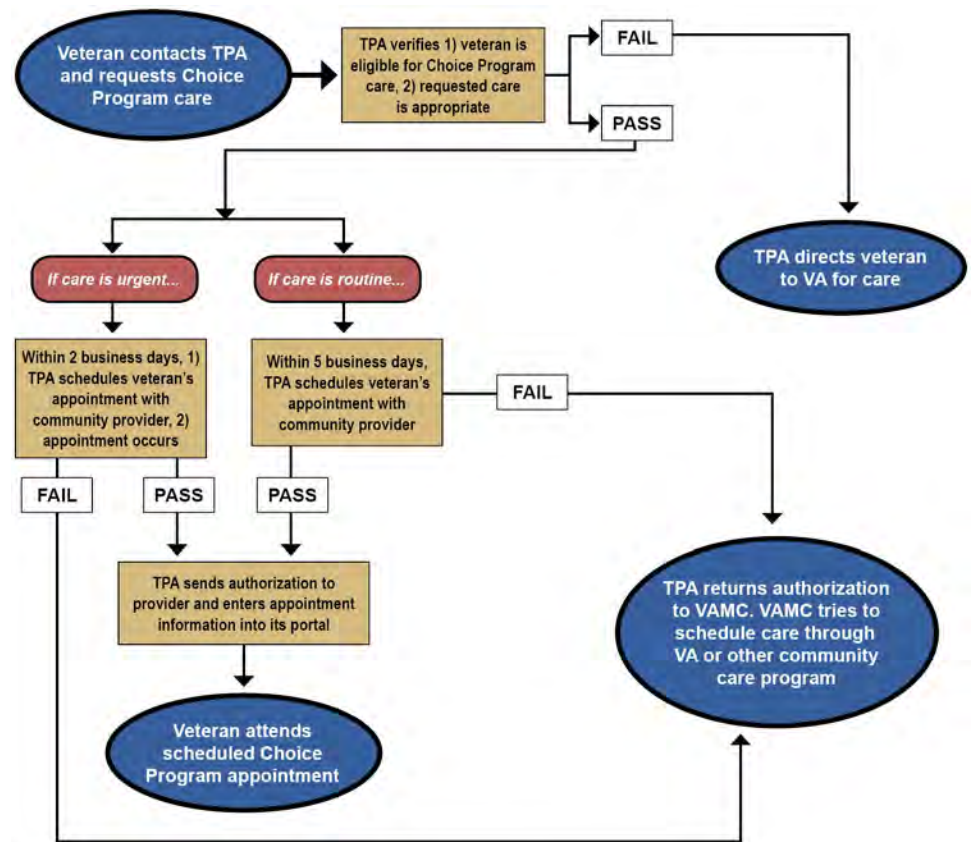
Source: GAO illustration based on VHA information. | GAO-18-281

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

^bIf the veteran does not respond to the letter within 14 calendar days, a notification is sent to the veteran's VA clinician so that they can determine if additional action should be taken.

Appendix III: Process for Veterans to Obtain Department of Veterans Affairs (VA) Choice Program Care if They Are Distance-Eligible^a

Figure 6: Process for Veterans to Obtain Department of Veterans Affairs (VA) Choice Program Care if They Are Distance-Eligible^a



Legend: TPA=third party administrator; VAMC=VA medical center.

- Start or end of scheduling process
- Decision point in scheduling process
- Scheduling process step or action

Source: GAO illustration based on VHA information. | GAO-18-281

^aVHA uses the distance-eligible appointment scheduling process when veterans reside more than 40 miles from a VHA medical facility or meet other travel-related criteria.

Appendix IV: Comparison of Processes for Arranging Choice Program and Individually Authorized Community Care

Figure 7: Comparison of Processes for Arranging Choice Program and Individually Authorized Department of Veterans Affairs (VA) Community Care

	Steps for time-eligible veterans to obtain Choice Program care ^a	Steps for veterans to obtain individually authorized VA community care
AUTHORIZATION PROCESS	<ol style="list-style-type: none"> 1 VA clinician determines veteran needs care. 2 VAMC verifies services unavailable through VA or a facility with which VA has a sharing agreement and veteran is eligible for Choice Program care. 3 VAMC staff contact veteran and confirm they want Choice Program care. 4 VAMC staff upload referral for Choice Program care to TPA's portal. 5 TPA reviews and accepts referral. 6 TPA calls veteran three times to confirm they want Choice Program care. If veteran not reached, TPA sends letter and awaits veteran's response. 	<ol style="list-style-type: none"> 1 VA clinician determines veteran needs care. 2 VAMC verifies services are unavailable through VA or a facility with which VA has a sharing agreement and veteran is eligible for community care. 3 VAMC creates community care authorization and selects community provider.
APPOINTMENT SCHEDULING	<ol style="list-style-type: none"> 7 TPA contacts community provider(s) and schedules veteran's appointment. 8 TPA contacts veteran to confirm appointment. 9 Veteran attends appointment. 	<ol style="list-style-type: none"> 4 VAMC calls veteran twice to select a provider and schedule appointment. If veteran is not reached by phone, VAMC mails a letter to the veteran and requests that the veteran contact the VAMC to schedule an appointment with a community provider. 5 VAMC sends letter with appointment information to veteran. 6 Veteran attends appointment.
RECORD RETRIEVAL AND FOLLOW UP	<ol style="list-style-type: none"> 10 TPA obtains medical documentation from community provider, confirming appointment attended. 11 TPA uploads medical documentation and enters appointment information into its portal. 12 VAMC retrieves medical documentation from TPA portal and scans it into veteran's VA electronic health record. 	<ol style="list-style-type: none"> 7 VAMC contacts veteran to confirm appointment attended. 8 VAMC obtains medical documentation from community provider and scans it into veteran's VA electronic health record.

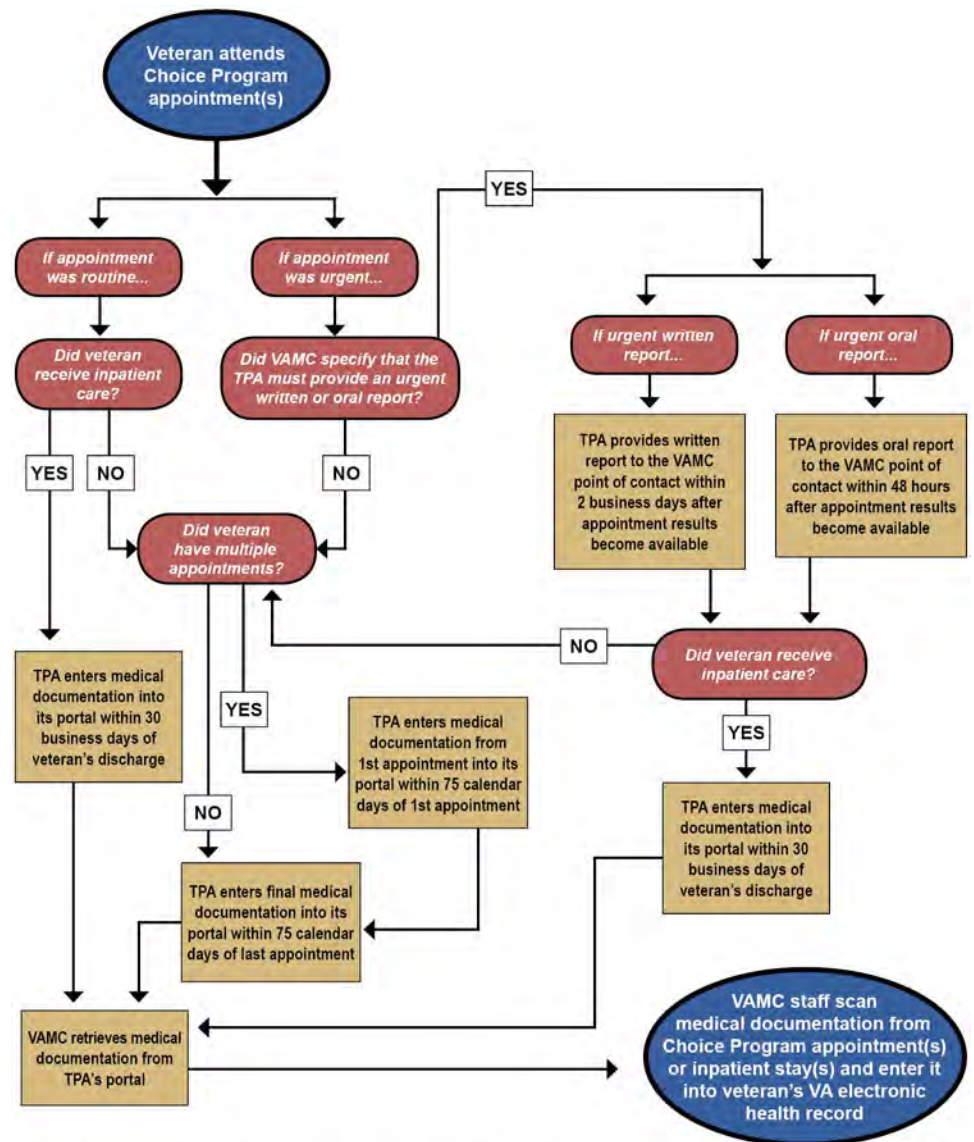
Legend: TPA=third party administrator; VAMC=VA medical center.

Source: GAO illustration based on VHA information. | GAO-18-281

^aThe Veterans Health Administration (VHA) uses the time-eligible appointment scheduling process when the services needed are not available at a VHA medical facility or are not available within allowable wait times.

Appendix V: Process for Obtaining the Clinical Results of Choice Program Appointments

Figure 8: Process for the Department of Veterans Affairs (VA) to Obtain the Clinical Results of Veterans' Choice Program Appointments



Legend: TPA=third party administrator; VAMC=VA medical center.

- Start or end of scheduling process
- Decision point in scheduling process
- Scheduling process step or action

Source: GAO illustration based on VHA information. | GAO-18-281







Appendix VI: Selected Actions Taken by VA and VHA to Address Choice Program Access Issues

We found 21 actions that the Department of Veterans Affairs (VA) and the Veterans Health Administration (VHA) took after the Choice Program's November 2014 implementation that were intended to help address issues related to veterans' access to care. Table 6, below, provides a chronological summary of the actions VA and VHA had taken as of August 2017 and the issues they were intended to address.







Table 6: Selected Actions Taken by the Department of Veterans Affairs (VA) and the Veterans Health Administration (VHA) between November 2014 and August 2017 to Address Choice Program Access Issues

Action taken (implementation time frame)	Description of action	Issue(s) that action was intended to help address
1. Updated Choice Program eligibility criteria for distance-eligible veterans (Apr. 2015)	VA published an interim final rule that changed how it determined whether veterans were distance-eligible for the Choice Program. ^a Originally, VA used straight-line or geodesic distance to determine whether veterans resided more than 40 miles from a VHA medical facility. However, VA later changed this standard so that eligibility determinations would instead be made on the basis of driving distance, which helped simplify Choice Program administrative processes.	☎
2. Established an outbound call process (Sept. – Nov. 2015)	VA modified the third party administrators' (TPA) contracts to establish an outbound call process. It required that the TPAs contact veterans at least three times by telephone after receiving VAMCs' referrals, to confirm the veterans want to opt in to the Choice Program and have the TPA proceed with appointment scheduling. Previously, veterans had to contact the TPAs on their own and opt in to the Choice Program after VAMCs sent their referrals to the TPAs, a confusing process that contributed to delays in veterans accessing Choice Program care.	☎
3. Updated veteran eligibility criteria (Sept. – Dec. 2015)	VA modified the TPAs' contracts and published an interim final rule, and VHA issued guidance to its VAMCs regarding the implementation of statutory updates to Choice Program eligibility criteria for veterans. Specifically, they allowed all veterans who are enrolled in the VA health care system (not just those who were enrolled at the time the Choice Act became law) to be eligible to obtain care through the Choice Program, and they implemented the "unusual or excessive travel burden" eligibility criterion. ^b These changes had the potential to simplify Choice Program administrative processes.	☎
4. Created a standard Choice Program referral form (Oct. – Dec. 2015)	VHA introduced a standard form for VAMCs to use when sending veterans' Choice Program referrals to the TPAs, and VA modified the TPAs' contracts to account for use of this form. Previously, the TPAs had to wait for VA to send them electronic updates to their eligibility files, which did not always happen before the TPAs received the VAMCs' referrals. With the standardized form, VAMCs could attest to veterans' eligibility, which removed the step of the TPAs having to verify eligibility through another source.	☎





**Appendix VI: Selected Actions Taken by VA
and VHA to Address Choice Program Access
Issues**

Action taken (implementation time frame)	Description of action	Issue(s) that action was intended to help address
5. Co-located TPA staff at selected VAMCs (Nov. 2015)	VA modified the TPAs' contracts to allow for TPA staff to be co-located at selected VAMCs—an action that VHA officials said could help improve communication between VAMC and TPA staff and potentially speed up the process of Choice Program appointment scheduling. As of May 2017, 70 of VHA's 170 VAMCs had co-located TPA staff.	
6. Expanded standard episode of care from 60 days to 1 year (eff. Dec. 2015 and active Jan. 2016)	VA modified the TPAs' contracts and updated its policies to implement a Choice Act amendment that increased the time limit on Choice Program episodes of care from 60 days to 1 year. ^c According to VA and TPA officials, this had the potential to significantly reduce TPAs' and VAMCs' administrative burden associated with re-authorizing care when veterans' Choice Program authorizations expired.	
7. Automated VAMCs' preparation of Choice Program referrals (Early 2016)	VHA established a web-based tool—called the “referral documentation” (REFDOC) tool, which automates the process by which VAMC staff compile clinical information for veterans' Choice Program referrals. VHA's initial analyses for the REFDOC tool's effectiveness found that it sped up the process of preparing Choice Program referrals by about 20 minutes per referral.	
8. Clarified eligibility requirements for community providers of mental health services (Feb. 2016)	VA modified the TPAs' contracts to clarify that mental health providers with Masters-level degrees were eligible to participate in the TPAs' Choice Program networks, which had the potential to help address network adequacy issues.	
9. Established Choice Provider Agreement process (Feb. 2016 – June 2016)	VHA established a process that allowed VAMCs to use Choice Program funds to arrange community care for veterans when the TPAs could not arrange such care—either because the services were not covered under the Choice Program contracts (e.g., dental and home health services) or because the TPAs returned Choice Program authorizations to VAMCs without scheduling appointments. In part, this process was intended to address network inadequacy, which was causing the TPAs to return authorizations to VAMCs.	
10. De-coupled medical documentation from payment of community providers' Choice Program claims (Mar. 2016)	VA modified the TPAs' contracts by relaxing requirements related to the amount of time community providers have to return medical records associated with an episode of routine care. Previously, the TPAs were not allowed to pay community providers' Choice Program claims until the TPAs received medical records from the providers, but the contract modification removed this requirement. This action had the potential to simplify the TPAs' post-appointment follow-up processes. It was also intended to help address delays in the TPAs' payments to community providers, which had been causing some to drop out of the TPAs' networks.	

**Appendix VI: Selected Actions Taken by VA
and VHA to Address Choice Program Access
Issues**

Action taken (implementation time frame)	Description of action	Issue(s) that action was intended to help address
11. Required TPAs to return referrals to VAMCs if appointments are not scheduled within required time frames (June 2016)	VA modified the TPAs' contracts to require the TPAs to return Choice Program authorizations when the TPAs did not meet contractual standards related to the timeliness with which they (1) reviewed and accepted referrals and (2) scheduled appointments after veterans opted into the program. Previously, the TPAs had to return referrals only if veterans had not opted in 10 days after the TPA sent a letter. This contract modification had the potential to limit appointment scheduling delays that would be attributable to the TPAs. It also had the potential to address network adequacy issues, which was a common reason that TPAs were unable to meet appointment scheduling timeliness requirements.	
12. Created two pilot programs for VAMC staff to schedule Choice Program appointments (July 2016 and Oct. 2016)	VA modified the TPAs' contracts to establish pilot programs at two VAMCs (specifically, the Alaska VA Health Care System and the Fargo VA Health Care System), where VAMC staff took over Choice Program appointment scheduling responsibilities from the TPAs. In these two locations, VAMC staff scheduled veterans' appointments and sent relevant clinical documentation to the Choice Program providers, and the TPAs sent authorizations to the Choice Program providers before veterans attended their appointments. This had the potential to improve the efficiency of the Choice Program appointment scheduling process in the two pilot locations.	
13. Established a real-time, web-based communication tool for VAMCs and TPAs (Aug. 2016 – Jan. 2017)	VHA implemented a real-time communication tool (specifically, a web-based chat program), which VAMC staff could use to communicate with TPA officials about problems that arose with specific Choice Program referrals (such as missing clinical information), or patterns of problems that emerged with Choice Program referrals.	
14. Established qualifications for certain types of non-federal and non-Medicare participating providers to participate in the TPAs' Choice Program networks (Jan. – Feb. 2017)	VA modified the TPAs' contracts to revise Choice Program eligibility requirements for providers of women's health care services, audiology, pediatrics, and optometry. These contract modifications implemented a July 2015 statutory change, which allowed these types of providers to participate in the TPAs' Choice Program networks. ^d Previously, the Choice Act limited the TPAs' networks to providers that either (1) participated in the Medicare program or (2) were affiliated with the Department of Defense, the Indian Health Service, or federally qualified health centers. ^e	
15. Clarified requirements relating to the provision of durable medical equipment during episodes of Choice Program care (Feb. – Mar. 2017)	VA modified the TPAs' contracts to clarify requirements relating to the provision of durable medical equipment —specifically, how the TPAs are to coordinate with VAMCs to obtain durable medical equipment during episodes of routine care, and the extent to which VA will cover durable medical equipment (such as crutches, slings, and canes) supplied by community providers during episodes of urgent care. This had the potential to improve the process of delivering durable medical equipment to veterans who need it and streamline discharge processes when veterans are leaving inpatient settings of care.	
16. Added tele-mental health services to the TPAs' contracts (Mar. – May 2017)	VA modified the TPAs' contracts to permit psychologists, psychiatrists, licensed clinical social workers, and advanced registered nurse practitioners to provide tele-mental health services through the TPAs' networks. This has the potential to improve the availability of network providers for veterans who reside in rural locations.	

**Appendix VI: Selected Actions Taken by VA
and VHA to Address Choice Program Access
Issues**

Action taken (implementation time frame)	Description of action	Issue(s) that action was intended to help address
17. Acquired a secure e-mail system for transmitting veterans' medical records (Mar. – May 2017)	VA acquired software that allows VAMC managers and staff to e-mail encrypted files containing veterans' medical records to the TPAs and Choice Program community providers. Only the intended recipient can decrypt and respond to messages containing the files. This action is intended to improve the efficiency of coordinating veterans' Choice Program care and address potential security risks associated with printing paper copies of veterans' medical records and sending them to the TPAs or community providers via fax or U.S. mail.	
18. Approved standard sets of clinical services that are to be authorized whenever veterans are referred to the Choice Program for certain types of care (April 2017)	VHA approved standardized episodes of care—or “bundles” of clinically necessary medical services and procedures—that are to be authorized whenever veterans are referred to community providers for specified types of care. VHA approved standardized episodes of care for 15 different types of care, including physical therapy, maternity care, and optometry, and planned to roll out additional standardized episodes of care over time. This had the potential to simplify the VAMCs' preparation of veterans' Choice Program referrals and TPAs' processing of authorizations.	
19. Implemented a new law that made VA the primary coordinator of benefits for veterans with other health insurance (Apr. 2017)	VHA implemented an April 19, 2017, law that made VA the primary coordinator of benefits when veterans with other health insurance use the Choice Program for nonservice-connected care. ¹ This had the potential to simplify VAMCs', TPAs', and community providers' administrative processes. Previously, VAMCs had to determine whether the health care services the veteran was attempting to access through the Choice Program were related to the veteran's service-connected disability. If they were not, community providers had to collect other health insurance copayments and bill veterans' other health insurance prior to seeking Choice Program payments from the TPAs. Under the new law, community providers will bill only the TPAs, and VA will later bill veterans' other health insurance for nonservice-connected care.	
20. Provided a mechanism for community providers to have access to veterans' VA electronic health records (May 2017)	VA developed a secure, web-based application called the Community Viewer, which allows community providers to remotely view veterans' VA electronic health records. VAMC staff create usernames and passwords for approved community providers, who then have access only to assigned veterans' medical information. The Community Viewer is intended to improve the efficiency of care coordination and sharing health information between veterans' VHA clinicians and community providers.	

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and VHA to Address Choice Program Access
Issues**

Action taken (implementation time frame)	Description of action	Issue(s) that action was intended to help address
21. Provided a tool for VAMCs to analyze their future staffing needs (May 2017)	VHA developed a tool that is intended to help VAMCs project their future staffing needs. VHA used workload data and site visit observations to develop the tool.	

Legend: = administrative burden
 = staffing, feedback mechanisms for VAMCs, and VHA's communication of policy and process changes
 = network inadequacy

Source: GAO analysis of VA and VHA information. | GAO-18-281

^a80 Fed. Reg. 22906 (2015)
^bPub. L. No. 114-41, § 4005(a), 129 Stat. 443, 464 (2015).
^cPub. L. No. 114-41, § 4005(c), 129 Stat. 443, 464 (2015).
^dPub. L. No. 114-41, § 4005(c), 129 Stat. 443, 464 (2015).
^ePub. L. No. 113-146, § 101(a)(1)(B), 128 Stat. 1754, 1756 (2014).
^fPub. L. No. 115-26, § 2, 131 Stat. 129 (2017).

Appendix VII: Comments from the Department of Veteran's Affairs



DEPARTMENT OF VETERANS AFFAIRS
WASHINGTON DC 20420
May 16, 2018

Ms. A. Nicole Clowers
Managing Director
Health Care
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Clowers:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office's (GAO) draft report, "**VETERANS CHOICE PROGRAM: Improvements Needed to Address Access-Related Challenges as VA Plans Consolidation of its Community Care Programs**" (GAO-18-281).

The enclosure provides general comments, and sets forth the actions to be taken to address the GAO draft report recommendations.

VA appreciates the opportunity to comment on your draft report

Sincerely,

A handwritten signature in black ink, appearing to read "Peter M. O'Rourke".

Peter M. O'Rourke
Chief of Staff

Enclosure

Enclosure

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General Comments:

The Veterans Health Administration (VHA) Office of Community Care (OCC) will work collaboratively with the VHA's Office of Veteran's Access to Care, Department of Veterans Affairs (VA) Office of Information and Technology, and other program offices to further evaluate modifications to the current wait-time goals and measurement processes enhancements that can be used to ensure comparability with VHA medical facilities.

VHA will be monitoring wait-times for all Veterans who use community care whether the care is provided by VHA's regional Community Care Network or by an individual community provider not included in the network. For the majority of appointment scheduling activities, however, VHA intends to be able to compare the wait-time performance of community-care providers against VHA medical facilities to ensure that Veterans receive timely care.

VHA will also monitor average drive times between Veterans' homes and the practice locations of community-care network providers to ensure that the contractors establish and maintain sufficient networks of qualified providers.

As VHA transitions to the Community Care Network (CCN) contracts, VA's medical centers (VAMCs) will have responsibility for scheduling Veterans' community-care appointments. VHA's OCC will utilize a combination of features inherent in the Computerized Patient Record System consult package and within the new referral and authorization system called Health Share Referral Manager (HSRM) to measure the time it takes to review and accept consults, prepare referrals, and schedule Veteran's community appointments. This capacity will exist whether the providers in the community are within the CCN or individual community providers.

VHA's new HSRM will support:

- Scheduling of community-care appointments for Veterans who will see a contracted regional network provider.
- Functionality to document the reason that a Veteran was not scheduled for the community-care appointment.
- Robust reporting function that will be able to support both VAMCs and national level reviews, including those for performance against wait-time goals.

HSRM will be a key component of an overall system that will facilitate the seamless, efficient information sharing among VAMCs, VHA clinicians, Third-Party Administrators (TPAs), community providers, and Veterans.

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VHA is currently planning on 18 months to fully implement HSRM at all VAMCs beginning with the medical centers in Region 1, followed by Region 3, Region 2, and then Region 4 and the Pacific Islands. Deployment to pilot sites is anticipated by the end of September 2018.

By October 2018, OCC will complete the identification and design of these systems and components to facilitate seamless, efficient information sharing among VAMCs, VHA clinicians, TPAs, community providers, and Veterans. Additional time will be needed to fully implement and confirm viability of this system design.

VHA is in the process of evaluating the outcomes from the scheduling pilots conducted at the Alaska and Fargo VA Health Care Systems. The evaluation report to be completed will include a quantitative analysis of outcomes for Alaska and Fargo, North Dakota and will assess the timeliness of scheduling at each step of the piloted process.

Once VHA receives authority to consolidate community-care programs, VHA will ensure documentation of a future consolidated community-care program will comply with VHA Directive 6330 titled *Controlled National Policy/Directives Management System* and the needs of the program office and field.

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Recommendation 1: The Under Secretary for Health should establish an achievable wait-time goal for the consolidated community care program that VA plans to implement that will permit VHA to monitor whether veterans are receiving VA community care within time frames that are comparable to the amount of time they would otherwise wait to receive care at VHA medical facilities.

VA Comments: Concur. The Veterans Health Administration's (VHA) Office of Community Care (OCC) will work collaboratively with VHA's Office of Veteran's Access to Care (OVAC), Department of Veterans Affairs (VA) Office of Information and Technology (OI&T) and other VA Central Office (VACO) program offices to further evaluate modifications to the current wait-time goals and process enhancements to establish achievable wait time goals for the consolidated community-care program that can be monitored and compared to wait-time standards at VHA medical facilities.

OCC has established achievable wait-time goals for Veterans receiving care in the community consistent with internal VA scheduling and consult directives 1230 and 1232 for a significant population of Veterans receiving community care. However, currently those goals will be applied only when the initial request for community care comes from a VA provider directly to a facility community-care office, as opposed to when a consult is generated by a VA provider for VA care that is found not to be available within the requested timeframe and the Veteran opts in to community care. Those consults are forwarded to community care. These latter consults will not have a wait-time goal of the appointment occurring within 30 days of the Clinically Indicated Date (CID), now called the Patient Indicated Date (PID), as is expected for appointments within VA or directly requested to a facility's community-care office. The forwarded consults will be measured against the time from when the request arrived in the facility community-care office to the time the appointment is made and then when the appointment occurs. The team working on a solution to support this recommendation will work to improve the appointment process or adjust appropriate goals to meet this recommendation.

For Consults Sent Directly to Facility's Office for Community Care	Receipt of Consult Request for Community Care to Created Appt.	Receipt of Consult Request for Community Care to Date of Scheduled Appt.	PID to-date of Scheduled Appt.
Wait-time Goals	14 days	30 days	< 30 days of PID
Ability to Measure	Yes	Yes	Yes

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For Consults Sent Directly to Facility's Office for Community Care	Receipt of Consult Request for Community Care to Created Appt.	Receipt of Consult Request for Community Care to Date of Scheduled Appt.	PID to Date of Scheduled Appt.
Wait-time goals	14 days	30 days	Not Yet Established
Ability to Measure	Yes	Yes	Yes

The status is in process with a target completion date of May 2019.

**VHA established the goals associated with the recommendation; however, full implementation is dependent on Community Care Network (CCN) contract award with an implementation timeframe expected to be complete by December 2019.*

Recommendation 2: The Under Secretary for Health should design an appointment scheduling process for the consolidated community care program that VA plans to implement that sets forth time frames within which (1) veterans' referrals must be processed, (2) veterans' appointments must be scheduled, and (3) veterans' appointments must occur, which are consistent with the wait-time goal VHA has established for the program.

VA Comments: Concur. OCC will work collaboratively with OVAC, VA OI&T and other VACO program offices to design a scheduling process based upon achievable wait-time goals for the consolidated community-care program once the same reevaluated achievable wait-time goals for care received at VHA medical facilities and community care facilities are established.

VHA's OCC has established a thoughtfully designed scheduling process for once a consult reaches a facility's community-care office, but not for consults that were originally sent to a VHA internal clinic and then forwarded to community care.

Appointment scheduling standards for care in the community were also addressed in consult directive 1232* (B-10 &12) and to the Deputy Under Secretary for Health for Operations and Management memo, *Scheduling and Consult Policy Updates*, published June 5, 2017 (see Attachment). These scheduling standards are depicted in the chart outlined below,

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VHA will be monitoring wait-times for all Veterans who use community care – whether the care is provided by a regional network or an individual community provider. VHA intends to be able to compare the wait-time performance of community-care providers against VHA medical facilities to ensure that Veterans receive timely care.

Appointment Scheduling Standards

	Initiate Referral Processing	Time to Schedule	Time to Appointment
	Days from consult receipt in facility community-care office to initiate scheduling (see Attachment).	Days from consult receipt in facility community-care office to appointment scheduled.*	Days from consult receipt in facility community-care office to community appointment date CCN.*
Target Days from Community-Care Consult Entry	Within 2 days	Within 14 days	Within 30 days

The status is in process with a target completion date of September 2019.

Recommendation 3: The Under Secretary for Health should establish a mechanism that will allow VHA to systematically monitor the average number of days it takes for VAMCs to prepare referrals, for VAMCs or TPAs to schedule veterans' appointments, and for veterans' appointments to occur, under the consolidated community care program that VA plans to implement.

VA Comments: Concur. As VHA transitions to the Community Care Network (CCN) contracts, staff at a facility's community-care office will be responsible for scheduling Veterans' community-care appointments. OCC will utilize a combination of features inherent in the Computerized Patient Record System (CPRS) consult package and features within the new referral and authorization system called Health Share Referral Manager (HSRM) to measure the time it takes to review and accept consults, prepare referrals and schedule Veterans community-care appointments. Reports will be made available for VHA and every VA medical center (VAMC) to review the average days to move from one step in the process to the next. Additionally, VHA will be able to drill down to the individual referral to understand every unique case. This capacity will exist whether the providers in the community are within the CCN or individual community providers. VHA is currently planning on 18 months to fully implement the HSRM system at all VAMCs beginning with the medical centers in Region 1, followed by Region 3, Region 2, and then Region 4 and the Pacific Islands. By December 2018, however,

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VHA will have designed and tested the system's capabilities relative to the recommendation. The status is in process with a target completion date of December 2018.

Recommendation 4: The Under Secretary for Health should implement a mechanism to prevent veterans' clinically indicated dates from being modified by individuals other than VHA clinicians when Veterans are referred to the consolidated community care program that VA plans to implement.

VA Comments: Concur. VA has implemented a mechanism to prevent CID, now called PID, from being modified by individuals other than VHA clinicians when Veterans are referred to the consolidated community-care program currently in place and is planning for future changes. Specifically, all requests to community care now come in the form of consults. Consult documents are created by VHA clinicians who must indicate the PID before they can sign the document.

Under the consolidated program, the referral process will be built off the consult document communicating the request to community care. Additionally, VHA has purchased a new referral and authorization system called HSRM. HSRM will accept the unalterable PID from the consult document in the process of creating the new referral to be sent to a community provider. VHA is currently planning on 18 months to fully implement this system at all VAMCs beginning with the medical centers in Region 1, followed by Region 3, Region 2, and then Region 4 and the Pacific Islands. By December 2018, however, VHA will have designed and tested the system's capabilities relative to the recommendation. The status is in process with a target completion date of December 2018.

Recommendation 5: The Under Secretary for Health should implement a mechanism to separate clinically urgent referrals and authorizations from those for which the VAMC or the TPA has decided to expedite appointment scheduling for administrative reasons.

VA Comments: Non-concur. GAO's recommended solution is no longer needed because VHA has resolved the issue with the new CCN contract. Under the new CCN contract, facility community-care office staff will have responsibility for scheduling Veterans' community-care appointments with CCN providers, rather than the previous situation where administrators had to route referrals to the TPAs for scheduling.

With the implementation of VHA's CCN, VHA anticipates that there will no longer be a need to separate clinically urgent referrals from those that need expediting under this new approach.

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Recommendation 6: The Under Secretary for Health should (1) establish oversight mechanisms to ensure that VHA is collecting reliable data on the reasons that VAMC or TPA staff are unsuccessful in scheduling Veterans' appointments through the consolidated community care program VA plans to implement and (2) demonstrate that it has corrected any identified deficiencies.

VA Comments: Concur. OCC recently purchased a Referral and Authorization commercial off-the-shelf product named HSRM. HSRM, in combination with CPRS documentation graphical user-interface consult toolbox, will support the scheduling of community care and will provide the functionality to document the reason why a Veteran was unable to be scheduled for a community-care appointment. These products will have robust reporting functions that will allow for both VAMC and national monitoring of the frequency that community-care appointments are unsuccessfully scheduled and the reasons behind the inability to schedule.

OCC will collaborate with all other applicable national VA program offices to ensure that clear policies and procedures are in place for employees who use these tools and that local, regional, and national oversight and monitoring processes are in place. Oversight mechanisms will include auditing and testing to ensure compliance with the use of these tools and that appropriate corrective actions are taken when deficiencies in the scheduling process are identified. The status is in process with a target completion date of April 2019.

Recommendation 7: The Secretary for Veterans Affairs should ensure that the contracts for the consolidated community care program VA plans to implement include performance metrics that will allow VHA to monitor average driving times between veterans' homes and the practice locations of community providers that participate in the TPA's networks.

VA Comments: Concur. VHA intends that Veterans have access to contracted CCN providers within a reasonable driving time from their home. VHA also expects to be able to monitor average drive times between Veterans' homes and the practice locations of providers in the CCN.

VHA's CCN Request for Proposal (RFP) for Regions 1, 2, and 3 specifies that the contractor must provide and maintain a comprehensive network of qualified healthcare providers and practitioners that extends across the entirety of each CCN Region. This network must be sufficient in number and types of providers, practitioners and facilities to ensure that all services set forth in the contract are accessible within VHA-defined timeframes. The RFP further defines maximum drive-time requirements in both the Performance Work Statement and Quality Assurance Plan (QASP). Section 3.6

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(Network Adequacy Management) of the RFP specifically indicates that the Contractor must monitor their performance against the following Veteran drive times:

CCN RFP: Maximum Drive Times

Drive Times	
Primary Care	
Urban	Thirty (30) minutes
Rural	Forty-five (45) minutes
Highly Rural Location	Sixty (60) minutes
General Care	
Urban	Forty-five (45) minutes
Rural	One hundred (100) minutes
Highly Rural Location	One hundred eighty (180) minutes
Complementary and Integrative Healthcare Services (CIHS)	
Urban	Forty-five (45) minutes
Rural	One hundred (100) minutes
Highly Rural Location	One hundred eighty (180) minutes

In addition, the Contractor will be required to provide VHA with a Network Adequacy Performance Report, with the following:

- i) average drive time, calculated per claim received and calculated using Bing Maps or other geo-mapping utility approved by VA based on the distance between Veteran address maintained in the eligibility data and the rendering provider's physical address without factoring in allocations for traffic conditions.
- ii) average appointment availability to evaluate wait times, calculated using the date the referral is sent to provider from VA and actual appointment date on the first claim associated with that referral.
- iii) any further analysis that takes into consideration any rescheduled, cancelled, or missed appointments and/or Veteran or CCN provider complaint data received regarding drive time or appointment availability standards.
- iv) any gaps in network adequacy for average drive time and appointment availability, categorized by health care service category and geographic location to include an Urban, Rural, or Highly Rural Location indicator and documentation of rescheduled, cancelled, or missed appointments.

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The QASP describes the systematic methods used to monitor performance and provides a means for evaluating whether the contractor is meeting the performance standards/quality levels identified in the performance work statement. The standards/Acceptable Quality Levels for geographic accessibility to a provider based on drive times for Primary Care, General Care and Complementary and Integrative Health Services (CIHS) are as follows:

- Outstanding – 97 percent and above
- Very Good - 96.9 percent – 95 percent
- Good - 94.99 percent – 90 percent
- Marginal - 89.9 percent and below

If the Contractor has not met the minimum requirements, it may be asked to develop a corrective action plan to show how and by what date it intends to bring performance up to the required levels. The Contractor will provide monthly and quarterly reports, and will meet with OCC and other relevant government personnel during a quarterly Performance Management Review to review these reports and any Corrective Action Plans, address issues and concerns of both parties, discuss projected outlook for improved efficiency and effectiveness, and any other programmatic or performance concerns. Performance metrics for Region 4 and the Pacific Islands will be established when the RFP is published, currently expected to be in the first quarter of fiscal year 2019. The status is in process with a target completion date of December 2018.

Recommendation 8. The Secretary of Veterans Affairs should establish a system for the consolidated community care program VA plans to implement to help facilitate seamless, efficient information sharing among VAMCs, VHA clinicians, TPAs, community providers, and veterans. Specifically, this system should allow all of these entities to electronically exchange information for the purposes of care coordination.

VA Comments: Concur. OCC recently purchased a Referral and Authorization commercial off-the-shelf product named HSRM. HSRM will be a key component of an overall system that will facilitate the seamless, efficient information sharing among VAMCs, VHA clinicians, TPAs, community providers, and Veterans.

For example: VAMC community-care staff will assign the referral in HSRM, including appropriate medical documentation, to the community-care provider. The community-care provider will review the request in HSRM and determine to accept or reject the referral. If the community-care provider accepts the referral, they will document the appointment date in HSRM and then follow-up with uploading medical records in HSRM

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after treatment is completed. This bidirectional communication will assist in care coordination for the Veteran.

Veterans will receive communications for VA through telephone, MyHealthVet secured messaging where appropriate and acceptable, and the VA online scheduling application where appropriate and acceptable. They will also use the VA website to search for community providers in the network. All of the systems and processes will be referenced in the OCC's transition guidebook by October 2018.

VHA is currently planning on 18 months to fully implement HSRM at all VAMCs beginning with the medical centers in Region 1, followed by Region 3, Region 2, and then Region 4 and the Pacific Islands. By December 2018, however, VHA will have designed and tested the system's capabilities relative to the recommendation. The status is in process with a target completion date of December 2018.

Recommendation 9: The Under Secretary for Health should conduct a comprehensive evaluation of the outcomes of the two appointment scheduling pilots it established at the Alaska and Fargo VA Health Care Systems (where VAMC staff, rather than TPA staff, are responsible for scheduling veterans' Choice Program appointments), which should include a comparison of the timeliness with which VAMC staff and TPA staff completed each step of the Choice Program appointment scheduling process, as well as the overall timeliness with which veterans received appointments.

VA Comments: Concur. VHA is in the process of evaluating the outcomes from the scheduling pilots conducted at the Alaska and Fargo VA Health Care Systems. The evaluation report to be completed will include a quantitative analysis of outcomes for Alaska and Fargo, North Dakota, and will assess the timeliness of scheduling at each step of the piloted process. The status is in process with a target completion date of July 2018.

Recommendation 10: The Under Secretary for Health should issue a comprehensive policy directive and operations manual for the consolidated community care program VA plans to implement and ensure that these documents are reviewed and updated in a timely manner after any significant changes to the program occur.

VA Comments: Concur in principle. VHA concurs in principle because documentation of a future consolidated community-care program will comply with VHA Directive 6330, *Controlled National Policy/Directives Management System*, and the needs of the program office and field. These documents may take many forms, such as, standard operating procedures, toolkits, or other guidance. VHA has found that premature

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issuance of new policy directives or operational manuals can create more confusion rather than clarity and may not be the most optimal solution for ensuring consistent implementation nationwide. Management will consider whether new policy directives are needed after the CCN contract has been fully implemented and interim challenges to implementation have been resolved. The status is in process with a target completion date of December 2019.

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Appendix VIII: GAO Contacts and Staff Acknowledgments

GAO Contacts

Sharon M. Silas, (202) 512-7114 or silass@gao.gov
A. Nicole Clowers, (202) 512-7114 or clowersa@gao.gov

Staff Acknowledgments

In addition to the contact named above, Marcia A. Mann (Assistant Director), Alexis C. MacDonald (Analyst-in-Charge), Daniel Powers, and Michael Zose made major contributions to this report. Also contributing were Muriel Brown, Christine Davis, Helen Desaulniers, Krister Friday, Sandra George, Jacquelyn Hamilton, and Vikki Porter.

Related GAO Products

Veterans' Health Care: Preliminary Observations on Veterans' Access to Choice Program Care, [GAO-17-397T](#) (Washington, D.C.: March 7, 2017).

VA Health Care: Improved Monitoring Needed for Effective Oversight of Care for Women Veterans, [GAO-17-52](#) (Washington, D.C.: December 2, 2016).

VA'S Health Care Budget: In Response to a Projected Funding Gap in Fiscal Year 2015, VA Has Made Efforts to Better Manage Future Budgets, [GAO-16-584](#) (Washington, D.C.: June 3, 2016).

Veterans' Health Care: Proper Plan Needed to Modernize System for Paying Community Providers, [GAO-16-353](#) (Washington, D.C.: May 11, 2016).

VA Health Care: Actions Needed to Improve Monitoring and Oversight of Non-VA and Contract Care. [GAO-15-654T](#) (Washington, D.C.: June 1, 2015).

VA Health Care: Further Action Needed to Address Weaknesses in Management and Oversight of Non-VA Medical Care, [GAO-14-696T](#) (Washington, D.C.: June 18, 2014).

VA Health Care: Actions Needed to Improve Administration and Oversight of VA's Millennium Act Emergency Care Benefit, [GAO-14-175](#) (Washington, D.C.: March 6, 2014).

VA Health Care: Management and Oversight of Fee Basis Care Need Improvement, [GAO-13-441](#) (Washington, D.C.: May 31, 2013).

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