



DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

DEPARTMENT OF VETERANS AFFAIRS

Independent Review of VA's
Special Disabilities Capacity
Report for Fiscal Year 2019

REVIEW

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DEPARTMENT OF VETERANS AFFAIRS
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WASHINGTON, DC 20001



June 23, 2021¹

MEMORANDUM

TO: Steven L. Lieberman, MD, Deputy to the Deputy Under Secretary for Health Performing the Delegable Duties of Under Secretary for Health
VA Under Secretary for Health

FROM: Larry Reinkemeyer, Assistant Inspector General for Audits and Evaluations (52)
VA Office of Inspector General

SUBJECT: Independent Review of VA's Special Disabilities Capacity Report for Fiscal Year 2019

VA is required to submit an annual report to Congress documenting the agency's capacity to provide for the specialized treatment and rehabilitative needs of disabled veterans in five areas: (1) spinal cord injury and disorder, (2) traumatic brain injury, (3) blind rehabilitation, (4) prosthetic and sensory aids, and (5) mental health. Each year the VA Office of Inspector General (OIG) is required, in turn, to report to Congress on the accuracy of VA's special disabilities capacity report.² The OIG report details the results of VA's special disabilities capacity assessment.

The review team identified some minor errors, data omissions, inaccuracies, and inconsistencies in the fiscal year (FY) 2019 capacity report. However, nothing came to the review team's attention that would lead the OIG to believe that the information in the report was not otherwise fairly stated and accurate.³ Furthermore, while VA improved its reporting as a result of the

¹ This memorandum was sent to the Veterans Health Administration (VHA) on June 23, 2021, for review and comment. Following that period, VHA's comments were given full consideration and any requests for change supported by sufficient evidence were addressed before the publication process was completed. This memorandum was addressed to the individual acting as the under secretary for health at the time of final issue.

² 38 U.S.C. § 1706(b)(5). The OIG is required to submit to Congress certification as to the accuracy of VA's capacity report. The VA and OIG reporting requirements have expired and been reinstated several times since 2004.

³ The OIG conducted this work under attestation review standards. According to the American Institute of Certified Public Accountants (AICPA) a review engagement is an attestation engagement in which the practitioner obtains limited assurance by obtaining sufficient appropriate review evidence about the measurement or evaluation of subject matter against criteria in order to express a conclusion about whether any material modification should be made to the subject matter in order for it be in accordance with (or based on) the criteria or to the assertion in order for it to be fairly stated. Based on AICPA standards, a material misstatement, including omissions, is considered to be material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by intended users based on the subject matter. More information on the review team's scope and methodology is detailed in appendix C.

OIG's previous *Independent Review of VA's Special Disabilities Capacity Reports for Fiscal Years 2017 and 2018*, the team identified opportunities for VA to enhance the value of VA's special disabilities capacity report to Congress.

In response to the decentralization of the Veterans Health Administration's (VHA) field management structure in the late 1990s, Congress established a mandate requiring VA to compare its capacity levels to those of 1996 to ensure that VA's capacity to serve disabled veterans was not diminished below this benchmark. However, VA cannot report capacity data comparable to that from 1996 as required by title 38 of the United States Code, section 1706, so the review team performed a year-over-year analysis of the FY 2018 and FY 2019 report data to identify any material changes in capacity.⁴ The team observed material changes in some reported capacity from FY 2018 to FY 2019, and the same data limitations previously reported by the OIG.

Background

Title 38 of the United States Code (U.S.C.), section 1706, requires VA to maintain its capacity to provide for the specialized treatment and rehabilitative needs of disabled veterans at a level not below that available as of October 9, 1996.⁵ VA is responsible for the information presented in its FY 2019 special disabilities capacity report; appendix A contains VA's management representation letter.

Scope and Methodology

The review team analyzed the FY 2019 capacity report text and appendixes. Appendix B provides additional detail on the review team's analysis of the five special disability areas. The team conducted the review according to attestation standards established by the American Institute of Certified Public Accountants and the applicable generally accepted government auditing standards. According to the American Institute of Certified Public Accountants, an attestation review is substantially narrower in scope than an examination, with the latter expressing an opinion. Therefore, in this review, the OIG does not express an opinion. The purpose of this review is to obtain limited assurance about whether any material modifications should be made to the subject matter in order for it to be in accordance with the criteria, and to express a conclusion, as required by attestation review standards, about whether the practitioner is aware of any material modifications that should be made. Also as required by attestation review standards, the inquiries and analytic procedures the team performed were designed to provide limited assurances that the required information in the capacity report is accurate, and to

⁴ The review team defined a material change from FY 2018 to FY 2019 as an increase or decrease in reported data equal to or greater than 10 percent.

⁵ 38 U.S.C. § 1706(b).

identify material errors. Appendix C provides additional detail on the review team's scope and methodology.

Minor Deficiencies Did Not Result in the FY 2019 Capacity Report Being Unfairly Stated or Materially Inaccurate

With the exception of the issues discussed in following sections, nothing came to the review team's attention that would lead the OIG to believe that the information required by 38 U.S.C. § 1706 and presented in the FY 2019 capacity report was not otherwise fairly stated and accurate. This conclusion is based on attestation standards used for this review. In addition, the team found that VA improved parts of the FY 2019 report as a result of the OIG's previous report by updating data tables to report metrics at the national, Veterans Integrated Service Network, and medical facility levels and including new data tables required by the mandate that were not included in the capacity reports for FY 2017 and FY 2018.

Issue 1: Some Minor Errors, Data Omissions, Inaccuracies, Inconsistencies, and Material Changes in Year-to-Year Capacity Continued

The OIG concluded that the FY 2019 capacity report continued to contain some minor errors, omissions, inaccuracies, inconsistencies, and material changes in capacity from FY 2018 to FY 2019.⁶ Specifically, some source data obtained by the review team differed materially from some parts of the capacity report appendix, while other required data were not included. In addition, some statements in the narrative were not always consistent with data provided in the accompanying tables, making it difficult to ascertain the accuracy of some of the reported information.

Issue 2: Limitations in Data Sources and Reporting Continued to Affect the Accuracy of the Capacity Report

Data sources used for the capacity report continue to have inherent data limitations. For example, administrative data are generally reported at the point of service, are limited by the completeness of the initial data input, can be reported differently by different medical facilities, and are prone to data entry and coding errors. The accuracy of the report also continues to be affected by VA's inability to report data that would allow comparisons with VA's 1996 capacity. VA reported that this inability stems from how veterans with diagnoses in the five special disability areas are

⁶ VA, *Capacity to Provide Services to Veterans with Disabilities of Spinal Cord Dysfunction, Amputations, Blindness, and Mental Health – 2019*, March 2020. The review team defined a material change from FY 2018 to FY 2019 as an increase or decrease equal to or greater than 10 percent and a material error as one resulting in a difference equal to or greater than 10 percent between a reported value and an actual value (if a reported value was found to be inaccurate).

diagnosed and treated, how services are provided, and how data are collected, which are all different than in 1996. Finally, the FY 2019 capacity report continued to be incomplete because VA did not report its capacity on all required data at the national, Veterans Integrated Service Network, and medical facility levels where such services are provided. Consequently, VA's capacity cannot be compared with capacity from 1996, the data are not necessarily comparable across facilities, and data errors may be difficult to identify, as detailed in this memorandum.

Conclusion

The review team identified some minor errors, inaccuracies, inconsistencies, and material changes in capacity from FY 2018 to FY 2019, as discussed in issues 1 and 2 of this memorandum and detailed in the report. However, nothing came to the review team's attention that would lead the OIG to believe the information in the FY 2019 capacity report required by 38 U.S.C. § 1706 was not otherwise fairly stated and accurate.

However, as the OIG reported in its previous review of the capacity report, VA does not and cannot meet the requirement to compare its capacity with 1996 levels because of changes to medical diagnoses, treatments, treatment settings, infrastructure, information technology, data systems, and terminology. Furthermore, even if VA could compare capacity to 1996 levels, such reporting would not provide Congress with assurances that VA's capacity is adequate to provide care to these high-risk veterans. The OIG believes that Congress would be better served by modernizing the reporting metrics to assess VA's capacity to provide care for today's veterans disabled by spinal cord injuries, traumatic brain injuries, blindness, mental illness, or those needing prosthetic and sensory aids.

Management Comments

The OIG provided VA with a draft of this report for review and comment. The deputy to the deputy under secretary for health, performing the delegable duties of the under secretary for health, concurred with the contents of the draft report. The deputy also noted that the mandated reporting requirements were outdated and do not fully reflect VA's capacity to care for high-risk veterans. In addition, VHA provided the OIG with a management representation letter for this review, as required by attestation review standards. See appendix A for the management representation letter and appendix D for the management comments.



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Abbreviations

AICPA	American Institute of Certified Public Accountants
FTE	full-time equivalent
FY	fiscal year
OIG	Office of Inspector General
U.S.C.	United States Code
VHA	Veterans Health Administration
VISN	Veterans Integrated Service Network



Introduction

VA is required to maintain its capacity to provide for the specialized treatment and rehabilitative needs of disabled veterans at a level not below that available as of October 9, 1996, in accordance with title 38 of the United States Code, section 1706. This requirement was designed to ensure that the decentralization of the Veterans Health Administration's (VHA) field management structure in the late 1990s would not adversely affect VA's capacity to serve disabled veterans. The law requires VA to submit an annual report to Congress documenting its compliance and detailing capacity measures in the following five areas:

1. Spinal cord injury and disorder
2. Traumatic brain injury
3. Blind rehabilitation
4. Prosthetic and sensory aids
5. Mental health

The VA Office of Inspector General (OIG) is required to report to Congress on the accuracy of VA's annual special disabilities capacity report.⁷ VA is responsible for the information presented in its fiscal year (FY) 2019 report. Appendix A of this report presents VA's management representation letter affirming that responsibility.

What the OIG Did

To fulfill its legislatively mandated responsibility, the OIG reviewed whether VA accurately reported its in-house capacity to provide for the specialized treatment and rehabilitative needs of specified groups of veterans receiving care or support for disabilities in the five areas. Appendix B provides additional detail on the review team's analytic procedures. This review also sought to determine whether VA maintained its capacity from FY 2018 to FY 2019. The OIG conducted the review according to attestation standards established by the American Institute of Certified Public Accountants and by the applicable generally accepted government auditing standards.⁸ The team conducted the review using the same methodology used to review

⁷ 38 U.S.C. § 1706(b)(5). The OIG is required to submit to Congress certification as to the accuracy of VA's capacity report.

⁸ American Institute of Certified Public Accountants, *Statement on Standards for Attestation Engagements*, sec. 210, "Review Engagements," April 2016; Government Accountability Office, *Government Auditing Standards*, GAO-18-568G, July 2018.

VA's FY 2017 and FY 2018 special disabilities capacity reports.⁹ Appendix C provides details on the review's scope and methodology.

VA and OIG Reporting Requirements

The mandate requiring VA to submit an annual capacity report to Congress expired several times, from 2004 to 2005 and again from 2008 to 2016.¹⁰ In 2016, Congress reinstated the annual capacity reporting requirement for VA for FY 2017 and beyond, as well as the requirement that the OIG certify the accuracy of each of VA's annual reports.¹¹

Special Disability Areas: Data Sources and Requirements

The review team met with officials from each of the VA program offices that oversee services for the five special disability areas to learn more about the services provided and data sources used to inform VA's capacity report. These program offices are the Spinal Cord Injuries and Disorders System of Care, Polytrauma/Traumatic Brain Injury System of Care, Blind Rehabilitation Services, Prosthetic and Sensory Aids Service, and the Northeast Program Evaluation Center. The Office of Mental Health and Suicide Prevention is responsible for compiling the mental health data for the capacity report.

Spinal Cord Injury and Disorder

For spinal cord injury and disorder, services are provided in 25 specialized centers throughout the country. Required data for the capacity report are bed and associated staffing counts, which are reported through a monthly bed and staffing survey collected by VA's Spinal Cord Injuries and Disorders System of Care. Staffing counts are given as full-time equivalents (FTEs). One FTE equates to one full-time employee. For example, two 20-hour-per-week staff members are equal to, and would be reported as, one FTE.

Traumatic Brain Injury

For traumatic brain injury, services can be provided through in- or outpatient programs, and data on services are captured at the time care is provided. Required information for the capacity report focuses on the number of veterans served and the amount of money expended.

⁹ VA OIG, *Independent Review of VA's Special Disabilities Capacity Reports for Fiscal Years 2017 and 2018*, Report No. 19-06382-111, April 16, 2020.

¹⁰ Veterans Benefits, Health Care, and Information Technology Act of 2006, Pub. L. No. 109-461 (2006); Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act, Pub. L. No. 114-223 (2016).

¹¹ Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act.

Blind Rehabilitation

Blind rehabilitation services can be provided at inpatient centers or through outpatient centers, and services are provided by case managers and blind rehabilitation patient specialists. Required data for the capacity report include bed and associated staffing counts, which are captured through an administrative database at the time of service. As with spinal cord injuries and disorders, the staffing counts are in FTEs.

Prosthetic and Sensory Aids

Prosthetic and sensory aids include devices that support or replace a body part or function such as artificial limbs and bracing, wheeled mobility and seating systems, sensory-neural aids (e.g., hearing aids and eyeglasses), cognitive prosthetic devices, items for women's health, surgical implants and devices (e.g., hips and pacemakers), home respiratory care devices, and adaptive recreational and sports equipment. Required data for the capacity report are limited to amounts expended, and the data are collected through a program-based data system.

Mental Health

Services for mental health, in the capacity report, are divided into five subcategories: (1) intensive community-based care, (2) opioid substitution, (3) dual diagnosis (psychiatric and substance use), (4) substance use disorder, and (5) general mental health. These services can be provided at VA medical facilities, at outpatient clinics, or through inpatient programs. The capacity report should include data on the number of programs, counts of veterans served, amounts expended, number of inpatient beds, and the number and type of clinics and programs with the number of associated staff. Providers collect administrative data at the time of service and enter such data in the medical records.

For intensive community-based care programs, VA should report the number of discrete intensive care teams available to provide their services to veterans with serious mental illnesses. However, officials from VA's Northeast Program Evaluation Center told the OIG review team that they define "discrete intensive care teams" as the count of programs for mental health intensive community-based programs. VA does capture data on discrete intensive care teams for veterans with serious mental illnesses; however, center officials did not report these data because of a misinterpretation of the law. Further, although 38 U.S.C. § 1706 asks for mental health data to be reported for veterans who are "seriously mentally ill," it does not define the term, and VA no longer uses this term. Because of these limitations, the team examined the data provided in the capacity report for programs serving all veterans with mental illnesses, not just those with serious mental illnesses.

VA Reporting Requirements under 38 U.S.C. § 1706

VA is required to report on capacity measures—such as number of programs and number of beds—for each of the five special disability categories in its annual report to Congress. This information is supposed to be reported nationally, for Veterans Integrated Service Networks (VISNs), and for medical facilities. VA is specifically required to compare its mental health capacity to 1996 levels. The mandate does not require this comparison for the other four special disability categories. The capacity measures required by 38 U.S.C. § 1706 are outlined in table 1.

Table 1. 38 U.S.C. § 1706 Annual Capacity Measures

Special disability category	Annual capacity measure
1. Spinal cord injury and disorder	<ul style="list-style-type: none"> Number of staffed beds Number of FTEs assigned to provide care at such centers
2. Traumatic brain injury	<ul style="list-style-type: none"> Number of veterans treated Amounts expended
3. Blind rehabilitation	<ul style="list-style-type: none"> Number of staffed beds Number of FTEs assigned to provide care at such centers
4. Prosthetic and sensory aids	<ul style="list-style-type: none"> Amounts expended
5. Mental health:	<ul style="list-style-type: none"> Number of discrete intensive care teams available to provide such intensive services to seriously mentally ill veterans Number of veterans treated
1. intensive community-based care	<ul style="list-style-type: none"> Number of veterans treated Amounts expended
2. opioid substitution programs	<ul style="list-style-type: none"> Number of veterans treated Amounts expended
3. dual diagnosis programs (psychiatric and substance use)	<ul style="list-style-type: none"> Number of veterans treated Amounts expended
4. substance use disorder programs	<ul style="list-style-type: none"> Number of beds Average bed occupancy Percentage of outpatients who had two or more additional visits to specialized outpatient care within 30 days of their first visit, with a comparison to 1996 Percentage of inpatients with substance use disorder diagnosis treated who had one or more specialized clinic visits within three days of their discharge, with a comparison to 1996 Percentage of outpatients seen in a facility or geographic service area who had one or more specialized clinic visits, with a comparison to 1996 Rate of recidivism of patients at each specialized clinic in each geographic service area

Special disability category	Annual capacity measure
5. general mental health programs	<ul style="list-style-type: none">• Number and type of staff available at each facility to provide specialized mental health treatment, including satellite clinics, outpatient programs, and community-based outpatient clinics, with a comparison to 1996• Number of such clinics providing mental health care, the number and type of mental health staff at each such clinic, and the type of mental health programs at each such clinic• Total amounts expended for mental health

Source: *OIG analysis of 38 U.S.C. § 1706.*

Results

Minor Deficiencies Did Not Result in the FY 2019 Capacity Report Being Unfairly Stated or Materially Inaccurate

With the exception of the minor deficiencies discussed in the following sections, nothing came to the review team's attention that would lead the OIG to believe that the information required by 38 U.S.C. § 1706 and presented in the FY 2019 capacity report was not otherwise fairly stated and accurate. This conclusion is based on attestation standards used for this review. The review team found that VA made improvements to the FY 2019 capacity report by updating data tables that reported metrics at the national, VISN, and medical facility levels and including new data tables required by the mandate on mental health substance use disorder. VA did not include or meet reporting requirements for these data in the FY 2017 and FY 2018 capacity reports.

VA improved its national reporting in the following special disability areas:

- **Mental health dual diagnosis programs (psychiatric and substance use).** VA reported on amounts expended in FY 2019.
- **Mental health substance use disorder programs.** VA reported on three substance use disorder requirements—the percentage of outpatients who had two or more additional visits to specialized outpatient care within 30 days of their first visit, the percentage of outpatients seen in a facility or geographic service area who had one or more specialized clinic visits, and the percentage of inpatients with substance use disorder diagnosis treated who had one or more specialized clinic visits within three days of their discharge in FY 2019. Appendix B provides additional detail.

Despite these improvements, the team did identify some errors, data omissions, inaccuracies, and inconsistencies that, if addressed, could enhance the value of VA's special disabilities capacity report to Congress.

Issue 1: Some Minor Errors, Data Omissions, Inaccuracies, Inconsistencies, and Material Changes in Year-to-Year Capacity Continue

The OIG continued to identify minor errors and omissions, inaccuracies and inconsistencies, and material changes in VA's capacity from FY 2018 to FY 2019.¹² Examples are provided in the sections below.

Some Facility Data Contained Errors and Data Omissions

For the requirements of 38 U.S.C. § 1706 that VA reported on, the review team identified the following errors and omissions:

- **Spinal cord injury and dysfunction.** The review team conducting the FY 2017 and FY 2018 special disabilities capacity review visited the Brockton VA Medical Center in Massachusetts and physically counted 30 operational beds; however, the FY 2018 capacity report documented 34 operational beds. The FY 2019 capacity report still inaccurately documented 34 operational beds (nearly a 12 percent difference). Due to the COVID-19 pandemic, the team did not conduct a site visit to the center to physically count and verify that the number of beds had not increased by four, but did follow up with personnel from the center to confirm that bed capacity had not increased. As a result of the FY 2017 and FY 2018 findings, officials from the Spinal Cord Injuries and Disorders System of Care issued a memorandum directing VISN directors to validate the number of beds at each center by September of 2020 and issue bed change request letters for any differences. Spinal Cord Injuries and Disorders System of Care program officials informed the review team that they are reviewing bed change request letters from the VISNs, including one from the Brockton VA Medical Center. VHA will update VHA Directive 1176(2), used by program officials to identify the number of operational beds for the capacity report, to reflect the revised numbers for any bed change request letters that receive concurrence and approval.¹³ As of March 2021, the officials had received a total of 16 bed change request letters.

¹² The review team defined a material change from FY 2018 to FY 2019 as an increase or decrease equal to or greater than 10 percent and a material error as one resulting in a difference equal to or greater than 10 percent between a reported value and an actual value (if a reported value was found to be inaccurate). The team used a 10 percent threshold to be consistent with how materiality was defined in prior OIG reviews of VA's capacity report. The team also based the threshold on conversations with program officials responsible for the data and the team's initial analysis of the data, to make sure this threshold was still appropriate.

¹³ VHA Directive 1176(2), *Spinal Cord Injuries and Disorders System of Care*, September 30, 2019 (amended February 7, 2020).

- **Mental health.** Program office officials inadvertently omitted from the mental health appendix capacity data related to substance use disorder programs for the Togus VA Medical Center in Augusta, Maine; the Edith Nourse Rogers Memorial Veterans Hospital in Bedford, Massachusetts; and the VA Boston Healthcare System in Jamaica Plain, Massachusetts. An entire table detailing VA's capacity to provide ambulatory mental health programs by medical facility was inadvertently omitted from the FY 2019 capacity report. Finally, the mandate specifically requires VA to compare its mental health capacity to 1996, and VA was unable to do so because of changes in how data systems capture its mental health information. For more information about the impact of these changes, see page 10.
- **Traumatic brain injury.** VA is required to report capacity for dealing with traumatic brain injury by the number of patients treated annually and the amounts expended; however, for FY 2019 VA reported only the estimated number of patients treated and estimated funding based on the 2019 President's budget. In addition, the capacity report states that in FY 2019, VA treated more than 102,000 veterans with traumatic brain injuries, but it does not break down the number of patients treated by medical facility as required by the mandate. Discussions with staff in the Traumatic Brain Injury Program Office confirmed that an appendix detailing this information was inadvertently omitted from the FY 2019 capacity report.

Capacity Report Contained Inaccuracies and Inconsistencies

Data inaccuracies and inconsistencies also made it difficult to ascertain the accuracy of the reported information without additional information from the program offices. Furthermore, statements in the narrative did not always match with data provided in the accompanying tables. Examples of some errors are provided below:

- **Spinal cord injury and dysfunction.** The FY 2019 report appendix showed 25 spinal cord injury centers providing acute care; however, the report narrative referred to 24 centers that provided acute care. The review team followed up with officials from VA's Spinal Cord Injuries and Disorders System of Care and clarified that only 24 centers offered acute care.
- **Blind rehabilitation.** In addition, for blind rehabilitation, VA is required to report on the number of FTEs assigned to provide care at inpatient centers. However, the report provided only the number of FTEs for frontline instructors, not other types of employees providing inpatient care. Without additional information, it would not be clear to Congress that this office did not meet the reporting requirements.

The review team attributed the discrepancies in the narrative to oversights and clerical errors and to a lack of communication between the offices responsible for compiling the report. In addition, the OIG concluded that no one person or office in VA was responsible for ensuring the report text and appendixes for each disability area were consistent, complete, and comparable. As previously noted, having one responsible person or office might reduce the number of inconsistencies and errors in VA's capacity reports.¹⁴

Material Changes Occurred in VA's Capacity from FY 2018 to FY 2019

VA did not report capacity data from 1996, so the review team performed a year-over-year analysis of the FY 2018 and FY 2019 capacity report data to identify any material changes in capacity. Some of VA's capacity measures for the five special disability areas changed materially between these fiscal years. For example, spinal cord injury and dysfunction centers had an increase in staff at four acute and two long-term care centers, and a decrease at one acute center. For mental health, substance use disorder programs showed an increase in the number of beds employed of more than 136 percent at one VA medical facility and a decrease of more than 44 percent at another. Opioid substitution programs showed an increase of 27 percent in the number of veterans served at one VA medical facility and a decrease of 63 percent at another. According to officials from the Northeast Program Evaluation Center, large percentage changes in the number of veterans served often reflect changes in a program, such as an expansion or downsizing.¹⁵ The review team observed similar programmatic changes in the FY 2017 and FY 2018 capacity reports. Appendix B summarizes the OIG team's analysis of changes in capacity from FY 2018 to FY 2019.

Issue 2: Limitations in Data Sources and Reporting Continued to Affect the Accuracy of VA's Capacity Report

Limitations in data sources and reporting continued to affect the accuracy of some portions of VA's FY 2019 capacity report. Specifically, some of the data sources that are used to compile the capacity report have limitations that are unlikely to be addressed soon and will continue to diminish the accuracy of data reported by VA. As described below, these limitations affect information VA reported from its administrative and financial systems. VA also did not report mental health capacity data from 1996. Finally, the team found VA's capacity report incomplete because it did not include all data at the national, VISN, and medical facility levels where such

¹⁴ VA OIG, *Independent Review of VA's Special Disabilities Capacity Reports for Fiscal Years 2017 and 2018*.

¹⁵ The Northeast Program Evaluation Center provided data on the number of veterans with a possible substance use disorder and on the number of service encounters and veterans treated under five types of substance use disorder programs, including programs for opioid substitution treatment. The data were reviewed with the opioid treatment program data.

services are provided. As a result, VA's mental health capacity cannot be compared with its capacity from 1996, the longitudinal data are not necessarily comparable across facilities, and data errors are difficult to identify. Appendix B details material changes in VA's reporting on capacity measures for each special disability group from FY 2018 to FY 2019.

Administrative Data Limitations May Result in Errors in the Data and Make Comparing Data across Facilities Difficult

Administrative data are generally reported by medical facility personnel at the point of service, can be reported differently by different medical facilities, and are prone to data entry and coding errors. As a result, the data are not necessarily comparable across facilities, and data errors are difficult to identify. In addition, even though the mandate asks for patient care-related staffing data for programs or residential beds, staffing data provided in the capacity report continued to include nonclinical time. Furthermore, officials from the Northeast Program Evaluation Center informed the review team that clinical staff at several medical facilities are still inappropriately using a code that is used to capture services provided by an opioid treatment program. As a result, program office officials have removed the inaccurate data from the FY 2019 capacity report and disclosed this change in the report.

Limitations of VA's Financial Systems and Data Potentially Diminish Reliability of Expenditure and Cost Data

The OIG's audit report on VA's financial statements for FY 2018 and FY 2019 identified five material weaknesses, of which three—financial systems and reporting, information technology security controls, and entity-level controls including the chief financial officer—potentially affect the capacity report.¹⁶ While the review team did not assess the direct impact of these weaknesses, they may affect the reliability of expenditure and cost data VA is required to include in the capacity report. In addition, the weaknesses in information technology security control and entity-level controls may diminish the reliability of systems supporting the capacity report because the financial data in the report are extracted from the financial systems.

Changes in How Data Systems Capture Information Limit VA's Ability to Compare with Its 1996 Capacity

Officials from all five offices told the OIG review team that it would be difficult or impossible to compare VA's capacity in FY 2019 with its 1996 capacity. The OIG notes that the mandate only requires VA to compare its mental health capacity to 1996 levels.

¹⁶ VA OIG, *Audit of VA's Financial Statements for Fiscal Years 2019 and 2018*, Report No. 19-06453-12, November 19, 2019.

Even if VA could accurately report on its 1996 capacity across all five special disability categories, doing so would provide limited value to Congress for the following reasons:

- **Changes in how disabilities are diagnosed and how medical conditions are treated.** This includes changes to the clinical definitions and needs of these groups. For example, VA must report the required data points for veterans with “serious mental illness”; however, the VA Office of Mental Health and Suicide Prevention no longer uses the term seriously mentally ill due to a lack of a commonly accepted and agreed-upon definition.
- **Changes in how care is provided for the special disability groups.** For example, the decrease in the provision of inpatient mental health care and increase of care in outpatient settings due to the implementation of the VA MISSION Act of 2018 now affect how and where veterans seek care, including how many seek care outside VA.¹⁷ In addition, data on medical care by private providers outside VA are not easily available and cannot be included in reports assessing VA’s capacity to provide care to veterans.
- **Changes in the data systems used by VA and in data coding (e.g., changes in the stop codes, and bed section codes for patients with traumatic brain injury).** This makes comparisons with 1996 data difficult or impossible.

Finally, although VA is also required to report on the recidivism rate for patients treated at specialized mental health clinics, an official from the Northeast Program Evaluation Center told the review team that VA no longer collects data on recidivism for mental health programs because it is not an appropriate outcome measure for this population.

Some Data Were Not Reported at National, VISN, and Medical Facility Levels

The completeness of the capacity report was further affected because VA did not consistently report data at the national, VISN, and medical facility levels. Two examples follow:

- **Traumatic brain injury.** VA reported the number of patients treated and the amounts expended in FY 2019 only at the national level, and even then reported estimates, not actual data as required.
- **Blind rehabilitation.** VA did not report on all staff assigned to provide care associated with beds for FY 2019. For the one type of FTE associated with inpatient care that VA did report on, it did so only at the national level.

¹⁷ The VA MISSION Act of 2018, Pub. L. No. 115-182 (2018).

Appendix B provides further details.

Conclusion

The review team identified some minor errors, inaccuracies, inconsistencies, material changes in capacity from FY 2018 to FY 2019, and data limitations discussed in issues 1 and 2. However, nothing came to the review team's attention that would lead the OIG to believe that the information in the report was not otherwise fairly stated and accurate. That conclusion is based on attestation standards used for this review. In addition, VA improved the accuracy of some components of the FY 2019 capacity report.

However, as previously reported, VA does not meet the requirement to compare its current mental health capacity with its 1996 levels. While not required, VA also cannot compare capacity for the five special disability categories because of changes in medical diagnoses, treatments, treatment settings, infrastructure, information technology, data systems, and terminology since 1996. Furthermore, even if VA could compare capacity to 1996 levels, such reporting would not provide Congress with assurances that VA's capacity is adequate to provide care to these high-risk veterans. As a result, the OIG believes that by modernizing the reporting metrics, Congress would be better positioned to assess VA's capacity to provide care for today's veterans disabled by spinal cord injuries, traumatic brain injuries, blindness, or mental illness or needing prosthetic and sensory aids.

Management Comments

The deputy to the deputy under secretary for health, performing the delegable duties of the under secretary for health, concurred with the contents of the draft report. The deputy also noted that the mandated reporting requirements are outdated and do not adequately reflect VA's capacity to care for high-risk veterans. The full comments can be found in appendix D. In addition, VHA provided the OIG with a representation letter for this review, as required by attestation review standards. See appendix A for the management representation letter.

Appendix A: Management Representation Letter

Department of Veterans Affairs Memorandum

Date: August 2, 2021

From: Deputy to the Deputy Under Secretary for Health

Performing the Delegable Duties of Under Secretary for Health (10)

Subj: Management Memorandum for the Department of Veterans Affairs: Independent Review of VA's Fiscal Year (FY) 2019 Special Disabilities Capacity Report (Project Number: 2021-00612-AE-0019) (VIEWS 04199994)

To: Assistant Inspector General for Audit and Evaluations (52)

1. We are providing this memorandum in connection with the Office of the Inspector General's (OIG) independent attestation review of the Department of Veterans Affairs (VA)'s fiscal year (FY) 2019 Special Disabilities Capacity Report. This review was to assess VA's reporting of its capacity for FY 2019 to provide for the specialized treatment and rehabilitation of specified categories of disabled Veterans.
2. VA is responsible for the fair presentation of all statements in the FY 2019 Special Disabilities Capacity Report in conformity with Title 38, United States Code, Section 1706 (38 U.S.C. § 1706). This statute requires VA to maintain its in-house capacity to provide for the specialized treatment and rehabilitative need of disabled Veterans with mental illness, spinal cord dysfunction, traumatic brain injury, blindness, or prosthetics and sensory aides. VA believes the statements, and other information in the subject report, are fairly presented in conformity with the law, unless otherwise disclosed in the report.
3. VA is responsible for the data definitions used in the FY 2019 Special Disabilities Capacity Report, and VA believes those definitions are appropriate and consistent with the requirements of 38 U.S.C. § 1706, unless otherwise disclosed in the report.
4. VA made available to the OIG the following:
 - a. The FY 2019 Special Disabilities Capacity Report required by 38 U.S.C. § 1706;
 - b. All supporting records, related information, and program and financial data relevant to the special disability programs included in the FY 2019 Special Disabilities Capacity Report;
 - c. Communications, if any, from oversight bodies concerning the FY 2019 Special Disabilities Capacity Report; and,
 - d. Access to VA officials responsible for overseeing the programs that provided services to Veterans with mental illness, spinal cord dysfunction, traumatic brain injury, amputation, blindness, and prosthetic and sensory aids.
5. VA confirms the FY 2019 Special Disabilities Capacity Report was prepared in accordance with 38 U.S.C. § 1706. VA has no knowledge of instances in which VA did not report required information under 38 U.S.C. § 1706 in the FY 2019 Special Disabilities Capacity Report, except for those instances disclosed in the report.
6. VA is not aware of any events that have occurred subsequent to September 30, 2019, that would influence the FY 2019 Special Disabilities Capacity Report and the information therein. There

have been no material changes in the FY 2019 Special Disabilities Capacity Report since the report was submitted to the Congress on April 16, 2021.

7. VA believes the effects of any uncorrected misstatements in the FY 2019 Special Disabilities Capacity Report are immaterial, both individually and in aggregate, to the report taken as a whole.
8. VA is responsible for the design and implementation of program processes and internal controls to prevent and detect fraud. VA has no knowledge of deficiencies in internal controls or of fraud, or suspected fraud, that could have a material effect on the FY 2019 Special Disabilities Capacity Report.
9. VA understands the OIG review was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants, and the applicable standards contained in Government Auditing Standards, issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination and accordingly, OIG does not express an opinion on the FY 2019 Special Disabilities Capacity Report.
10. Certain representations in this memorandum are described as being limited to matters that are material. VA considers items to be material, regardless of size, if they involve an omission or misstatement of information that that could influence a reasonable person's views given surrounding circumstances.
11. Requirements for this report were mandated in 1996 and some of those requirements are incongruent with the Department's delivery of health care today and thus were not addressed or modified in the creation of the Capacity Report. Furthermore, there was no attempt to do a comparison between FY 1996 and FY 2019 in the capacity of the VHA to provide services due to changes during this period in the character of VHA provided services, how services are delivered, data collection methods, measurement of services delivered, and other aspects of the VHA health system.
12. I confirm, to the best of our knowledge and belief, the representations made to OIG during this attestation review are accurate and pertain to FY 2019, which ended September 30, 2019.

(Original signed by)

Steven Lieberman, M.D.

For accessibility, the original format of this appendix has been modified to comply with Section 508 of the Rehabilitation Act of 1973, as amended.

Appendix B: Material Changes in VA's Reported Special Disability Capacity, FY 2018 to FY 2019

Capacity measure*	Did VA report data on this capacity measure in FY 2019?	Material changes in VA's capacity from FY 2018 to FY 2019
Spinal cord injury and dysfunction specialized centers—Spinal Cord Injuries and Disorders System of Care		
Number of staffed beds	Yes	Material changes: increases in operational beds at two acute centers and a decrease at one acute center; increase in authorized beds at two acute centers [†]
Number of FTEs assigned to provide care at such centers [‡]	Yes	Material changes: increases in FTEs at four acute and two long-term care centers and a decrease at one acute center
Traumatic brain injury—Polytrauma/Traumatic Brain Injury System of Care		
Number of veterans treated	No	Not applicable
Amounts expended	No	Not applicable
Blind rehabilitation specialized centers—Blind Rehabilitation Services		
Number of staffed beds	Yes	No material changes
Number of FTEs assigned to provide care at such centers [‡]	Partial: did not report on all care staff associated with beds; reported only one kind of FTE, only at the national level	Not applicable
Prosthetic and sensory aids—Rehabilitation and Prosthetic Services		
Amounts expended	Yes	Material changes: increases and a decrease in expenditures (however, changes were considered insignificant compared with overall spending)

Capacity measure*	Did VA report data on this capacity measure in FY 2019?	Material changes in VA's capacity from FY 2018 to FY 2019
Mental health		
Mental health intensive community-based care—Northeast Program Evaluation Center		
Number of discrete intensive care teams available to provide such intensive services to seriously mentally ill veterans ^s	Partial: did not report the number of teams at the facility level	Not applicable
Number of veterans treated	Yes	Not applicable
Opioid substitution programs—Northeast Program Evaluation Center		
Number of veterans treated	Yes	Material changes in number of veterans served at multiple medical facilities. One facility had a 27 percent increase, and another had a 63 percent decrease.
Amounts expended	Yes	Material changes at multiple medical facilities. One facility had a 57 percent increase and another a 40 percent decrease.
Patients with dual diagnosis (psychiatric and substance use)—Northeast Program Evaluation Center		
Number of veterans treated	Yes	Material changes in number of veterans served at multiple medical facilities. One facility had an increase of 23 percent, and one had a decrease of 17 percent.
Amounts expended	Yes	Not applicable
Substance use disorder programs—Northeast Program Evaluation Center		
Number of beds employed	Yes	Material changes in number of beds at some medical facilities. One facility had an increase of over 136 percent, and one had a decrease of more than 44 percent.
Average bed occupancy of such beds	Yes	Material changes in average daily occupancy rates at some medical facilities. One facility had an increase of over 300 percent and another a decrease of about 27 percent.
Percentage of outpatients who had two or more additional visits to specialized outpatient care within 30 days of their first visit, with a comparison to 1996	Partial: did not compare to 1996	Not applicable

Capacity measure*	Did VA report data on this capacity measure in FY 2019?	Material changes in VA's capacity from FY 2018 to FY 2019
Percentage of inpatients with substance use disorder diagnoses treated who had one or more specialized clinic visits within three days of their index discharge, with a comparison to 1996	Partial: did not compare to 1996	Not applicable
Percentage of outpatients seen in a facility or geographic service area who had one or more specialized clinic visits, with a comparison to 1996	Partial: did not compare to 1996	Not applicable
Rate of recidivism of patients at each specialized clinic in each geographic service area	No	Not applicable
Mental health programs—Northeast Program Evaluation Center		
Number and type of staff available at each facility to provide specialized mental health treatment, including satellite clinics, outpatient programs, and community-based outpatient clinics, with a comparison to 1996†	Partial: did not compare to 1996	Material changes in FTEs at multiple medical facilities. One had an increase of over 181 percent and another a decrease of about 69 percent.
Number of such clinics providing mental health care, and for each of these the number and type of mental health staff and the type of mental health programs	Partial: second part of mental health program table omitted	Not applicable
Total amounts expended	Yes	Material changes at multiple medical facilities. One facility had an increase of 29 percent and another a decrease of 17 percent.

Source: *OIG analysis of VA's FY 2018 and FY 2019 special disabilities capacity reports.*

* 38 U.S.C. § 1706.

† The review team defined a material change from FY 2018 to FY 2019 as an increase or decrease of equal to or greater than 10 percent.

‡ The "number of staff" is reported as FTEs.

§ VA officials reported during the review of the FY 2017 and FY 2018 reports that they define "discrete intensive care teams" as equivalent to the count of programs for mental health intensive community-based programs.

Appendix C: Scope and Methodology

Scope

The review team conducted its work from January to June 2021. The team sought to assess if VA's FY 2019 special disabilities capacity report accurately reflected VA's in-house capacity to provide for the specialized treatment and rehabilitative needs of specified categories of disabled veterans, as required by title 38, United States Code, section 1706 (38 U.S.C. § 1706).

Methodology

The review team interviewed staff from the program offices that contributed data to the FY 2019 capacity report to gain an understanding of the data systems and types of data VA used to generate the capacity report.

The review team first reviewed the capacity report against the criteria in 38 U.S.C. § 1706 to identify the components of the report that addressed the requirements. The team determined that 44 of 51 data tables for FY 2019 addressed mandate requirements. Data tables that did not address requirements were not included in the review.

The review team conducted the following analytic procedures to assess the accuracy of the information VA reported in its FY 2019 capacity report:

- Identified capacity measures that VA did not report on, to determine if missing data elements materially affected the accuracy of the capacity report
- Compared data from the tables to related text from the capacity report to identify any inconsistencies
- Replicated a sample of key data tables to verify the accuracy of the reported data
- Analyzed the data tables to identify mathematical or other errors and performed a year-over-year analysis of the FY 2019 and FY 2018 capacity report data to identify any material changes—decreases equal to or greater than 10 percent, or anomalies (e.g., significant decreases)
- Assessed the results of VA's FY 2019 and FY 2018 financial audit and determined which findings might affect the data or data systems used for the capacity report
- Assessed if VA coordinated with the Advisory Committee on Prosthetic and Special Disabilities Programs and the Committee on Care of Severely Chronically Mentally Ill Veterans for the capacity report
- Interviewed representatives from two veterans service organizations to obtain their insights on the capacity reports

Internal Controls

Internal controls related to communication were significant to this attestation review. To assess these controls, the review team conducted interviews with officials from the following VA offices—Spinal Cord Injuries and Disorders System of Care, Polytrauma/Traumatic Brain Injury System of Care, Blind Rehabilitation Services, Prosthetic and Sensory Aids Service, and the Northeast Program Evaluation Center. The team also reviewed internal communication between VA offices to understand the level and type of guidance provided to the program offices on the reporting requirements.

Fraud Assessment

The review team assessed the risk that fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, significant in the context of the review objective, could occur during this attestation review. Specifically, the team took the following actions:

- Coordinated this review with the OIG's Office of Investigations
- Asked about the risk of fraud, waste, or abuse during the entrance conference with program offices
- Considered potential fraud indicators when reviewing data tables, such as looking at large fluctuations or outliers

The OIG did not identify any instances of fraud or potential fraud regarding the capacity report.

Data Reliability

This attestation review was designed to provide a moderate level of assurance as to whether the subject matter is presented accurately and fairly, to present a conclusion, and to accumulate sufficient evidence to restrict attestation risk to a moderate level, as required by American Institute of Certified Public Accountants review attestation standards. The procedures the review team performed were generally limited to inquiries and analytical procedures to assess the accuracy of the data VA reported in its capacity report. The review team determined that the data in VA's capacity report were sufficiently reliable for the purpose of reviewing the accuracy of VA's reported data. To do so, the team compared data from the report text to the appendix tables to identify inconsistencies, analyzed data tables to identify mathematical errors, performed a year-over-year analysis of the data to identify any decreases equal to or more than 10 percent or anomalies, and followed up with program office officials. In addition, OIG replicated a sample of key data tables to see if the results would be similar to those provided by VA when the same parameters were applied. Finally, the team interviewed representatives from the program offices responsible for compiling the capacity report to ask if they were aware of any limitations with the sources that could affect the accuracy of the data in the capacity report. The team did not test

the reliability of the information systems used to compile the data in the capacity report because such testing was beyond the scope of this attestation review.

Government Standards

The OIG conducted this review in accordance with attestation standards established by the American Institute of Certified Public Accountants and by the applicable generally accepted government auditing standards. An attestation review is substantially less in scope than an examination. The objective of an examination is the expression of an opinion on the assertions in the submission. The OIG does not express such an opinion.

Appendix D: Management Comments

Department of Veterans Affairs Memorandum

Date: August 2, 2021

From: Deputy to the Deputy Under Secretary for Health

Performing the Delegable Duties of Under Secretary for Health (10)

Subj: OIG Draft Report, Review of FY19 Special Disabilities Capacity Report (Project # 2021-00612-AE-00019) (VIEWS # 4199994)

To: Assistant Inspector General for Audits and Evaluations (52)

1. Thank you for the opportunity to review and comment on the subject Office of Inspector General (OIG) draft report.
2. The Veterans Health Administration (VHA) appreciates OIG's insight, thereby, ensuring VA has maintained its capacity to provide care for today's Veterans disabled by spinal cord injuries, mental illness, traumatic brain injuries, blindness, or for Veterans that need additional support with prosthetics and sensory aids. VA provides care to Veterans through a wide range of specialty services that include but are not limited to, Optometry, Ophthalmology, Recreation and Creative Arts Therapy, Nursing, and Mental Health.
3. VHA endorses OIG's acknowledgment that the legislative reporting requirements are outdated and do not adequately reflect VA's capacity to care for high-risk Veterans calling for Congress to update and modernize the report metrics.

The OIG removed point of contact information prior to publication.

(Original signed by)

Steven Lieberman, M.D.

For accessibility, the original format of this appendix has been modified to comply with Section 508 of the Rehabilitation Act of 1973, as amended.

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