



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 2020

REVIEW

REPORT #21-03260-60

FEBRUARY 9, 2022



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DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL
WASHINGTON, DC 20001



November 30, 2021¹

MEMORANDUM

TO: Steven L. Lieberman, MD, Deputy Under Secretary for Health,
Performing the Delegable Duties of the Under Secretary for Health (10)

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 2020

VA must submit an annual report to Congress documenting its capacity to provide for the specialized treatment and rehabilitative needs of veterans with disabilities in the following five categories: (1) spinal cord injuries and disorders, (2) traumatic brain injury, (3) blind rehabilitation, (4) prosthetic and sensory aids, and (5) mental health.² In turn, each year the VA Office of Inspector General (OIG) is required to report to Congress on the accuracy of VA's special disabilities capacity report.³ This OIG report details the results of VA's special disabilities capacity assessment for fiscal year (FY) 2020.

The review team identified some minor errors, data omissions, inaccuracies, and inconsistencies in the FY 2020 capacity report. The minor errors noted in the current OIG report persisted from the OIG's FY 2019 review.⁴ 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

¹ This memorandum was sent to the Veterans Health Administration (VHA) on November 30, 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 United States Code (U.S.C.) § 1706(b)(5). The law uses "spinal cord dysfunction" as the terminology for spinal cord injuries. However, to reflect VA's current medical terminology, the VA Office of Inspector General (OIG) used "spinal cord injuries and disorders" throughout this report.

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

⁴ VA OIG, *Independent Review of VA's Special Disabilities Capacity Report for Fiscal Year 2019*, Report No. 21-00612-189, September 13, 2021.

accurate.⁵ In addition, VA still cannot meet Title 38 of the United States Code (U.S.C.), Section 1706 requirement to report a comparison of current mental health capacity to that from 1996 because of how treatment outcomes of veterans with mental illness are defined and tracked.

Background

VA is required to maintain its capacity to provide for the specialized treatment and rehabilitative needs of veterans with disabilities at a level not below that available as of October 9, 1996.⁶ This requirement was set by Congress to ensure that the decentralization of the Veterans Health Administration's (VHA) field management structure in the late 1990s did not adversely affect VA's ability to care for veterans with disabilities.⁷ VA is responsible for the information presented in its FY 2020 special disabilities capacity report. Appendix A contains VA's management representation letter.

Scope and Methodology

The review team analyzed the FY 2020 capacity report text and appendixes. The team 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 Also, as required by attestation review standards, the team designed inquiries and analytic procedures to provide limited assurances that the required information in the capacity report is accurate and to identify material errors. The COVID-19 pandemic and travel restrictions prevented the review team from conducting site visits to medical facilities. Appendix B provides additional detail on the review team's scope and methodology.

Results and Conclusion

Nothing came to the review team's attention that would lead the OIG to believe the information in the FY 2020 capacity report required by 38 U.S.C. § 1706 was not otherwise fairly stated and

⁵ The OIG conducted this work under attestation review standards. According to the American Institute of Certified Public Accountants (AICPA), this type of review is an attestation engagement in which the practitioner obtains limited assurance by obtaining sufficient appropriate review evidence about the measurement or evaluation of the subject matter against criteria to express a conclusion about whether any material modification should be made to the subject matter in order for it to 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, material misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by intended users based on the subject matter. Appendix B provides additional detail on the review team's scope and methodology.

⁶ 38 U.S.C. § 1706(b).

⁷ Government Accountability Office (GAO), *VA Health Care: VA's Efforts to Maintain Services for Veterans with Special Disabilities*, GAO/T-HEHS-98-220, July 23, 1998.

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

accurate. However, the review team identified some persistent minor errors, inaccuracies, and inconsistencies. Specifically, as the OIG reported in its previous reviews of the capacity report, VA does not and cannot meet the requirement to compare its mental health capacity with 1996 levels. The OIG continues to believe that, 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. Congress would be better served by modernizing the reporting metrics to assess VA's capacity to provide care for veterans with spinal cord injuries and disorders, traumatic brain injuries, blindness, or mental illness and those needing prosthetic and sensory aids. In addition, VA continues to not report its capacity on all required data at the national, Veterans Integrated Service Network, and medical facility levels where such services are provided.

Management Comments and OIG Response

The OIG provided VA with a draft of this report for review and comment. 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. The OIG received technical comments about the accuracy of the number of operational beds to treat veterans with spinal cord injuries and disorders and the data sources used to populate the capacity report. The OIG made changes in the report as appropriate and maintains, however, that the number of operational beds used to treat veterans with spinal cord injuries and disorders, as reported in the FY 2020 report, is inaccurate due to the discrepancies between VHA Directive 1176(2) and approved bed change requests.⁹ Changes to the report based on technical comments are identified in the footnotes to this report. The full text of the deputy's comments and the technical comments appears in appendix C.



LARRY M. REINKEMEYER
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⁹ VHA Directive 1176(2), *Spinal Cord Injuries and Disorders System of Care*, September 30, 2019 (amended February 7, 2020).

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Abbreviations

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



Introduction

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 veterans with disabilities at a level not below that available as of October 9, 1996.¹⁰ This requirement was established to ensure that the decentralization of the Veterans Health Administration's (VHA) field management structure in the late 1990s would not negatively affect VA's ability to serve veterans with disabilities.¹¹ As part of this statutory requirement, VA must submit an annual report to Congress documenting its capacity to provide for the specialized treatment and rehabilitative needs of veterans with disabilities in five areas. The VA Office of Inspector General (OIG) is required to submit to Congress certification of the accuracy of VA's capacity report.¹² VA is responsible for the information presented in its fiscal year (FY) 2020 special disabilities capacity report; appendix A details VA's management representation letter.

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 veterans receiving care or support for disabilities in the following five disability areas: (1) spinal cord injuries and disorders, (2) traumatic brain injury, (3) blind rehabilitation, (4) prosthetic and sensory aids, and (5) mental health. The team conducted the review according to attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the applicable generally accepted government auditing standards. According to the AICPA, 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 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 team's inquiries and analytic procedures were designed to provide limited assurances that the required information in the capacity report is accurate and to identify material errors.

The COVID-19 pandemic and related travel restrictions prevented the review team from conducting site visits to medical facilities. The review team interviewed staff from the program

¹⁰ 38 U.S.C. § 1706(b).

¹¹ Government Accountability Office (GAO), *VA Health Care: VA's Efforts to Maintain Services for Veterans with Special Disabilities*, GAO/T-HEHS-98-220, July 23, 1998.

¹² 38 U.S.C. § 1706(b)(5).

offices that contributed data to the FY 2020 capacity report to gain an understanding of the data systems and types of data VA used to generate the capacity report.

The review team conducted analytic procedures to assess the accuracy of the information VA reported in its FY 2020 capacity report. To learn more about the services provided and data sources used to inform VA's capacity report, the review team met with officials from each of the VA program offices that oversee services for the five special disability areas. To determine if VA reported on all mandated requirements in the capacity report, the team reviewed the law and identified capacity measures for which VA did not report data. To determine if the capacity report was mathematically accurate, the review team tested the data tables by recalculating totals. The team reviewed all data tables for each of the five special disability categories, except the mental health data tables. For the mental health data tables, the team judgmentally selected one table to review: table C.3.iv, Number of Unique Veterans who Used Opioid Substitution Programs FY 2020, at Each Facility and National. The team selected this table because the number of unique veterans served noticeably decreased between FY 2019 and FY 2020; the team reviewed the table to determine if this decrease was a result of errors or omissions in the data. Appendix B provides additional detail on the team's scope and methodology.

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 (outlined in table 1) in its annual report to Congress. This information is supposed to be reported nationally, by Veterans Integrated Service Network (VISN) and by medical facility.¹³ The required capacity measures are also outlined in table 1.

¹³ VHA divides the United States into 18 regional networks, known as VISNs.

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

Special disability category	Annual capacity measure
1. Spinal cord injuries and disorders	<ul style="list-style-type: none"> • Number of staffed beds • Number of full-time equivalent (FTE) employees 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 a. Intensive community-based care	<ul style="list-style-type: none"> • Number of discrete intensive care teams available to provide intensive services to seriously mentally ill veterans • Number of veterans treated
b. Opioid substitution programs	<ul style="list-style-type: none"> • Number of veterans treated • Amounts expended
c. Dual diagnosis programs (psychiatric and substance use)	<ul style="list-style-type: none"> • Number of veterans treated • Amounts expended
d. 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
e. 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 and, for each of these, the number and type of mental health staff and the type of mental health programs • Total amounts expended for mental health

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

*According to VA officials, “recidivism” was a term that was used to capture veterans’ readmission rates to mental health programs when the mandated reporting requirement was enacted as 38 U.S.C. § 1706 in 2004. VA no longer uses the term “recidivism” because this term is used to define repeat criminal behavior.

Spinal Cord Injuries and Disorders

For veterans with spinal cord injuries and disorders, services are provided in 25 specialized centers throughout the country. The Spinal Cord Injuries and Disorders National Program Office uses staffing data reported by the 25 centers in monthly VA and Paralyzed Veterans of America bed and staffing surveys for the capacity report. 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 inpatient 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.

Blind Rehabilitation

Blind rehabilitation services can be provided at inpatient or outpatient centers, and services are provided by Visual Impairment Service Team coordinators (case managers) and blind rehabilitation 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 services, 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 collected through a program-based data system.

Mental Health

Programs for mental health 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 programs 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. Data are collected through an administrative database at the time of service. For substance use disorder programs and general mental health programs, VA is required to report comparisons to 1996 capacity levels. See table 1 above for the required mental health capacity measures.

Results

The FY 2020 Capacity Report Was Generally Fairly Stated and Accurate

Except for the issues discussed in the following sections and detailed in table 2 of this memorandum, 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 2020 capacity report was not otherwise fairly stated and accurate. This conclusion is based on attestation standards used for this review.

Minor Errors, Omissions, Inaccuracies, and Inconsistencies Persist

The FY 2020 capacity report continues to contain some minor errors, omissions, inaccuracies, and inconsistencies.¹⁴ Specifically, required data from the five special disability areas were either incomplete or not included in the FY 2020 capacity report appendix. For example, for mental health capacity, VA should report intensive community-based care programs by the number of discrete intensive care teams available to provide services to veterans with serious mental illnesses. However, just as the OIG reported in its FY 2019 review, officials from VA's Northeast Program Evaluation Center did not report these data because of a misinterpretation of the law. Program personnel stated that they will address reporting data on discrete intensive care teams for veterans with serious mental illnesses in future capacity reports. The OIG reported its results of the FY 2019 capacity report review about two months after VA submitted the FY 2020 report to Congress. As a result of this timing, VA was not able to correct the FY 2020 report in response to the errors the OIG identified in its review of the FY 2019 report.

VA must also report data at the national, VISN, and medical facility levels where such services are provided. However, for mental health capacity, VA did not always report required data across these levels. The report also continues to be incomplete because of VA's inability to report mental health capacity data that would allow comparisons with its 1996 capacity, as required by the law. VA reported that this inability stems from how mental health conditions are diagnosed and treated, how services are provided, and how data are collected, which are all different now than in 1996. For example, VA is required to report on the recidivism rate for patients treated at specialized mental health clinics; however, VA officials reported that VA no longer collects data on recidivism for mental health programs because it is not an appropriate outcome measure for this population. A VA Northeast Program Evaluation Center official stated that, although data are collected on residential readmission rates, they cautioned that these data are not real time and can be affected by a lag of up to one year. Furthermore, another program

¹⁴ The team used a 10 percent threshold for any data variances when determining errors. This methodology was consistent with how the team defined errors in prior OIG reviews of VA's capacity reports.

official said that using recidivism within the context of mental health is stigmatizing and that it would be helpful if Congress reconsidered the reporting requirements for mental health.

The report also inaccurately documented the number of operational beds used to treat veterans with spinal cord injuries and disorders at some medical facilities because the report sometimes reflected the number of operational beds documented in VHA Directive 1176(2).¹⁵ The FY 2020 capacity report data do not include any pending or approved bed change requests.¹⁶ For example, according to the current report, the Brockton VA Medical Center in Massachusetts has 34 operational beds. However, according to an approved bed change request letter, the medical facility had 30 operational beds in FY 2020.¹⁷ The OIG previously reported on this issue in its review of VA's capacity reports for FYs 2017, 2018, and 2019. According to VA program officials, VHA Directive 1176(2) was the primary data source for spinal cord injuries and disorders bed values documented in the FY 2020 capacity report. However, these officials also told the review team that for future capacity reports they plan to modify the number of operational beds used to treat veterans with spinal cord injuries and disorders with the number documented in VHA-approved bed change request letters.

In FY 2020, in response to the OIG's review of VA's capacity reports for FYs 2017, 2018, and 2019, the Spinal Cord Injuries and Disorders National Program Office initiated a review of authorized and operating beds at the 25 spinal cord injuries and disorders centers.

¹⁵ VHA Directive 1176(2), *Spinal Cord Injuries and Disorders System of Care*, September 30, 2019 (amended February 7, 2020).

¹⁶ See VHA technical comment 3 on page 18 where VHA requested information from a footnote be relocated to the body of the report. VHA also requested that the review team clarify that bed change requests are not specific to only beds used for patients with spinal cord injuries and disorders. The team updated the report to reflect these changes to provide additional context that clarified the bed change request process and how it affects the capacity report. Per VHA Handbook 1000.01, *Inpatient Bed Change Program and Procedures*, December 22, 2010, bed change request letters are submitted and processed in VA's National Bed Control System, a VA web-based database of the authorized, operating, and unavailable beds of all bed services across VHA. The VA National Bed Control System records the levels of authorized, operating, and unavailable beds for veterans with spinal cord injuries and disorders at each medical facility and tracks requests for changes in these levels. This VHA process is not specific to only beds used for patients with spinal cord injuries and disorders.

¹⁷ See VHA technical comment 1 on page 17 where VHA concedes that VHA Directive 1176(2) and the bed change request letters can create discrepancies and that the Brockton VA Medical Center bed change request letter was approved in FY 2021 and therefore would not have been considered in the FY 2020 capacity report. The team did not update the report to reflect these changes because the capacity report number was still inaccurate due to the discrepancies. The bed change request letter submitted by the Brockton VA Medical Center in Massachusetts detailing the number of beds operational in FY 2020 was submitted on August 27, 2020, and was approved on October 28, 2020. The OIG acknowledges that the approval of this bed change request letter occurred after FY 2020 ended on September 30, 2020. However, VA pulled data after FY 2020 closed to inform the capacity report and could have considered approved bed change request letters that reflected operational capacity for the fiscal year to reflect its capacity more accurately.

On February 28, 2020, the deputy under secretary for health for operations and management signed a memorandum directing VISNs to submit a

- bed change request letter in VA's National Bed Control System if the spinal cord injuries and disorders bed values recorded in the system require an update, or a
- memorandum to the executive director of the Spinal Cord Injuries and Disorders National Program Office if the values in VA's National Bed Control System are accurate but the values reported in VHA Directive 1176(2) require an update.

In March 2021, these officials reported they received a total of 17 bed change request letters, of which 15 were approved by the assistant under secretary for health for operations.¹⁸ The Brockton VA Medical Center's change request was among those requests that were finalized. Spinal Cord Injuries and Disorders National Program officials reported they plan to continue updating VHA Directive 1176(2) as appropriate, which will continue to inform each year's capacity report.¹⁹ The issues the review team identified are summarized in table 2.

¹⁸ VHA technical comment 2 on pages 17–18 states that spinal cord injuries and disorders centers submitted 17 bed change requests, noting that the Boston Spinal Cord Injuries and Disorders Center submitted separate bed change request letters for its West Roxbury and Brockton divisions. The team updated the report to reflect this change because the team originally counted the West Roxbury and Brockton spinal cord injuries and disorders centers as one facility since they both fall under the Boston Spinal Cord Injuries and Disorders center. The review team agreed that West Roxbury and Brockton should be counted as separate spinal cord injuries and disorders centers. Additionally, the team clarified that the bed change request letters had been approved (rather than finalized) by the assistant under secretary for health for operations.

¹⁹ VHA Directive 1176(2).

**Table 2. Summary of Issues Identified in the FY 2020
Special Disabilities Capacity Report**

Capacity measure	Did VA report data on this capacity measure in FY 2020?
For spinal cord injuries and disorders specialized centers—Spinal Cord Injuries and Disorders System of Care	
Number of staffed beds	Yes*
Number of FTEs assigned to provide care at such centers	Yes
Reported data totaled nationally and detailed at the medical facility and VISN levels	Yes
For traumatic brain injury—Polytrauma/Traumatic Brain Injury System of Care	
Number of veterans treated	Yes
Amounts expended	No
Reported data totaled nationally and detailed at the medical facility and VISN levels	Yes
For blind rehabilitation specialized centers—Blind Rehabilitation Services	
Number of staffed beds	Yes
Number of FTEs assigned to provide care at such centers	Partial, VA reported the total number of FTEs, but did not report FTEs by assigned center
Reported data totaled nationally and detailed at the medical facility and VISN levels	Partial, VA did not report FTEs at the medical facility and VISN levels
For prosthetic and sensory aids—Prosthetic and Sensory Aids Service	
Amounts expended	Yes
Reported data totaled nationally and detailed at the medical facility and VISN levels	Yes
For 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	Partial, VA reported only the number of programs but not the number of care teams
Number of veterans treated	Yes
Reported data totaled nationally and detailed at the medical facility and VISN levels	Partial, VA did not report data for all medical facilities
Opioid substitution programs—Northeast Program Evaluation Center	
Number of veterans treated	Yes
Amounts expended	Yes

Capacity measure	Did VA report data on this capacity measure in FY 2020?
Reported data totaled nationally and detailed at the medical facility and VISN levels	Partial, VA did not report data for all medical facilities
Patients with dual diagnosis (psychiatric and substance use)—Northeast Program Evaluation Center	
Number of veterans treated	Yes
Amounts expended	Yes
Reported data totaled nationally and detailed at the medical facility and VISN levels	Partial, VA did not report data for all medical facilities
Substance use disorder programs—Northeast Program Evaluation Center	
Number of beds employed	Yes
Average occupancy of such beds	Yes
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 include a comparison to 1996
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 include 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	Partial, did not include a comparison to 1996
Rate of recidivism of patients at each specialized clinic in each geographic service area	No, recidivism rate data no longer used for mental health programs
Reported data totaled nationally and detailed at the medical facility and VISN levels	Partial, VA did not report data for all medical facilities
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 include a comparison to 1996
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	Yes
Total amounts expended	Yes
Reported data totaled nationally and detailed at the medical facility and VISN levels	Yes

Source: OIG analysis of VA's FY 2020 special disabilities capacity reports.

* While VA reported the number of staffed beds as required, the review team identified instances where the reported data on bed counts was not accurate.

Conclusion

The review team identified some minor errors, inaccuracies, and inconsistencies, which persisted from the FY 2019 report. However, nothing came to the review team's attention that would lead the OIG to believe the information in the FY 2020 capacity report required by 38 U.S.C. § 1706 was not otherwise fairly stated and accurate.

VA officials reported that they will address the errors, such as those related to reporting data on discrete intensive care teams for veterans with serious mental illness, in future capacity reports. VA officials reported they were unable to correct the FY 2020 report in response to the errors the OIG identified in its review of the FY 2019 report because VA submitted its FY 2020 report before the OIG issued its review of VA's FY 2019 report.

As the OIG reported in its FY 2019 review of the capacity report, VA is required to compare its mental health capacity to 1996 levels. The statute does not require this comparison for the other four special disability categories. VA does not and cannot meet the requirement to compare its mental health capacity with 1996 levels because of changes in 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 assurance that VA's capacity is adequate to provide care to these high-risk veterans. The OIG believes that Congress would be better informed by modernizing the reporting metrics to assess VA's capacity to provide care for veterans with spinal cord injuries and disorders, traumatic brain injuries, blindness, or mental illness and those who need prosthetics and sensory aids.

Management Comments and OIG Response

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. In addition, the OIG received technical comments. The OIG updated the report as appropriate based on these comments and identified these changes in the footnotes. The OIG maintains that VA inaccurately reported the number of operational beds used to treat veterans with spinal cord injuries and disorders. This occurred because of discrepancies between VHA Directive 1176(2) and the bed change requests that were approved. Appendix C includes the full text of the deputy's comments and the technical comments.

Appendix A: Management Representation Letter

Department of Veterans Affairs Memorandum

Date: December 23, 2021

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

Subj: Management Memorandum for the Department of Veterans Affairs: Independent Review of VA's Fiscal Year (FY) 2020 Special Disabilities Capacity Report (Project Number: 2021-03260-AE-0162) (VIEWS 6399350)

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) 2020 Special Disabilities Capacity Report. This review was to assess VA's reporting of its capacity for FY 2020 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 2020 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 injuries and disorders, 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 2020 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 2020 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 2020 Special Disabilities Capacity Report;
 - c. Communications, if any, from oversight bodies concerning the FY 2020 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 injuries and disorders, traumatic brain injury, amputation, blindness, and prosthetic and sensory aids.
5. VA confirms the FY 2020 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 2020 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, 2020, that would influence the FY 2020 Special Disabilities Capacity Report and the information therein. There have

been no material changes in the FY 2020 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 2020 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 2020 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 2020 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 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 2020 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 2020, which ended September 30, 2020

(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: Scope and Methodology

Scope

The review team conducted its work from August to November 2021. The team sought to assess if VA's FY 2020 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 38 U.S.C. § 1706.

Internal Controls

Internal controls related to communication were significant to this attestation review. To assess these controls, the review team interviewed 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 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
- 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 AICPA 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, and followed up with program office officials. 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 AICPA 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 C: Management Comments

Department of Veterans Affairs Memorandum

Date: December 23, 2021

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

Subj: OIG Draft Report, Independent Review of VA's Fiscal Year 2020 Special Disabilities Capacity Report (2021-03260-AE-0162) (VIEWS #6399350)

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) Independent Review of VA's Fiscal Year 2020 Special Disabilities Capacity Report (2021-03260-AE-0162).

2. The Veterans Health Administration (VHA) appreciates OIG's insight, thereby, ensuring the 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. The Department of Veterans Affairs (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. The VHA Traumatic Brain Injury (TBI)/Polytrauma System of Care (PSC) is an integrated system of care of over 100 clinical teams that provided care related to TBI for over 103,000 Veterans during fiscal year 2021. PSC is a tiered system offering a full range of TBI related services, from acute inpatient rehabilitation to outpatient TBI rehab clinics. This system also allows care to be delivered as close to the Veteran's home as possible, including delivery of care into the Veteran's home through virtual care.

4. VA screens all Veterans who utilize VA for health care, with a service separation date from Department of Defense after September 11, 2001, for possible TBI. Since 2007, VA has screened over 1.5 million Veterans, and referred those with a positive screen for evaluation by a TBI specialist, for a definitive diagnosis and individualized treatment recommendations. Veterans having persistent symptoms are connected to appropriate services to promote maximal functional in their home community.

5. VHA endorses OIG's acknowledgment that the legislative reporting requirements 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.

VHA Technical Comments

OIG Draft Report – Independent Review of VA's Special Disabilities Capacity Report for Fiscal Year 2020 (2021-03260-AE-0162)

Comment 1

Draft location (page 7, paragraph 1):

Current language: Furthermore, the report inaccurately documented the number of beds operational to treat veterans with spinal cord injuries and dysfunctions at some medical facilities because the report reflects the number of operational beds documented in VHA Directive 1172(6) and does not consider pending or approved bed change requests. For example, the current report details that the Brockton VA Medical Center in Massachusetts has 34 operational beds. However, according to an approved bed change request letter, the medical facility has 30 operational beds. The OIG previously reported on this issue in its review of VA's capacity reports for FYs 2017, 2018, and 2019.

Suggested language: The primary data source to document SCI/D operational bed values is VHA Directive 1172(6). These data sources for VA's capacity report can create potential discrepancies, such as if a facility has not yet entered a bed change request letter to update VA's National Bed Control System or if the SCI/D National Program Office has otherwise not been notified of a change in bed capacity.

Justification: Recommend clear sentence for accuracy; while VHA Directive 1176(2) is the primary source for the bed values reported in VA's capacity reports, modifications are made based on VHA-approved bed change request letters. Regarding the Boston SCI/D Center's Brockton division's bed change request letter, this was approved by the Assistant Under Secretary for Health for Operations on October 28, 2020. As this was during FY 2021, it would not have been accounted for in the FY 2020 capacity report submission.

Comment 2

Draft location (pages 7, final paragraph):

Current language: In October 2021, these officials reported they received a total of 16 bed change request letters, 15 of which were finalized. The Brockton VA Medical Center's change request was among those requests that were finalized. Finally, SCI/D National Program Office officials plan to continue updating VHA Directive 1176(2) as appropriate, which will continue to inform each year's capacity report. The issues the review team identified are summarized in table 2.

Suggested language: As of October 2021, a total of 17 SCI/D Centers submitted bed change requests in VA's National Bed Control System (noting that the Boston SCI/D Center submitted separate bed change request letters for its West Roxbury and Brockton divisions). The Assistant Under Secretary for Health for Operations approved 15 of these SCI/D Centers' bed change requests. Finally, SCI/D National Program Office officials plan to continue updating VHA Directive 1176(2) as appropriate, which will continue to inform each year's capacity report. The issues the review team identified are summarized in table 2.

Justification: Recommend clear sentence for accuracy; this revised language clarifies that the number of SCI/D Centers that submitted bed change requests is 17, noting that the Boston SCI/D Center submitted separate bed change request letters for its West Roxbury and Brockton divisions. Additionally, of the 17, 15 SCI/D Centers' bed change request letters have been approved (rather than finalized) by the Assistant Under Secretary for Health for Operations. Of the two remaining SCI/D Centers, the bed change request submitted for the VA St. Louis Health Care System SCI/D Center – Jefferson Barracks division was

returned for revision. Following careful consideration, the bed change request for the Memphis VA Medical Center SCI/D Center was not approved.

Comment 3

Draft location (page 7, footnote 11):

Current language: VHA Handbook 1000.01, Inpatient Bed Change Program and Procedures, December 22, 2010. According to VA program officials, for VA's capacity report, the primary data source for spinal cord injuries and disorders bed values is VHA Directive 1176(2), with modifications as appropriate based on VHA-approved bed change request letters. According to the handbook, the bed change request letters are submitted and processed in VA's National Bed Control System, a VA web-based database of the authorized, operating, and unavailable beds of all bed services across VHA. The VA National Bed Control System records the levels of authorized, operating, and unavailable beds for veterans with spinal cord injuries and dysfunctions at each medical facility, and tracks requests for changes in these levels.

Suggested language: VHA Handbook 1000.01, Inpatient Bed Change Program and Procedures, December 22, 2010. According to the handbook, the bed change request letters are submitted and processed in VA's National Bed Control System, a VA web-based database of the authorized, operating, and unavailable beds of all bed services across VHA. The VA National Bed Control System records the levels of authorized, operating, and unavailable beds for SCI/D and all other VHA bed services at each medical facility, and tracks requests for changes in these levels.

Justification: Requesting that the language, "According to VA program officials, for VA's capacity report, the primary data source for spinal cord injuries and disorders bed values is VHA Directive 1176(2), with modifications as appropriate based on VHA-approved bed change request letters," be relocated to page 7, paragraph 1 (with a minor adjustment of replacing "spinal cord injuries and disorders" with "SCI/D"), as outlined in Comment 2. The VA National Bed Control System records the levels of authorized, operating, and unavailable beds for all VHA bed services, rather than being specific to the SCI/D bed service.

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

OIG Contact and Staff Acknowledgments

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