Department of Veterans Affairs
Office of Inspector General

Audit of Adjustments of Hospitalized Veterans' Compensation and Pension Benefits

Adjustments of compensation and pension awards for hospitalized veterans needed to be improved.

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VA Office of Inspector General
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Executive Summary

Introduction

The Office of Inspector General (OIG) conducted the audit to evaluate the effectiveness of Veterans Benefits Administration (VBA) procedures for adjusting compensation and pension (C&P) benefits for veterans hospitalized for extended periods at Government expense. Federal law requires VA to discontinue payments of aid and attendance (A&A) benefits to veterans when they are hospitalized at Government expense for extended periods.

The objectives were to evaluate the effectiveness of:

1. VA regional office (VARO) procedures for adjusting compensation benefits of veterans hospitalized at Government expense for more than 90 days.

2. VARO procedures for adjusting pension benefits of veterans hospitalized at Government expense before November 7, 2003.[1]

3. Pension Maintenance Center (PMC) procedures for adjusting pension benefits of veterans hospitalized at Government expense for more than 90 days.

4. The exchange of information for hospitalized veterans between the PMCs and the VAROs.

5. Plans implemented in response to a prior OIG recommendation.[2]

6. Local and Veterans Health Administration (VHA) policies and procedures used to provide patient data for the Automated Medical Information Exchange (AMIE) and Compensation and Pension Record Interchange (CAPRI) systems.[3]

Results

VARO and PMC employees did not always adjust C&P payments for veterans hospitalized for extended periods at Government expense as required by Federal law.

The audit included a review of C&P benefits for 6,687 veterans who were hospitalized for more than 90 days at the 37 VA medical facilities under the jurisdiction of the 8 VAROs and 3 PMCs audited. Of these 6,687 veterans, 4,258 were hospitalized and

[1] This was the date that Pension Maintenance Centers were mandated to assume the pension adjustment workload.
[2] This recommendation is discussed in the OIG report *Combined Assessment Program Review of VA Regional Office St. Paul, Minnesota* (Report No. 03-00759-125, July 10, 2003).
[3] AMIE and CAPRI are electronic systems located at each VA medical facility that allow for electronic transfer of data between the medical facilities and VAROs servicing the same state or area.

discharged during the 3-year period from October 2002 to September 2005, and 2,429 were inpatients at the time of our onsite visits at the 8 VAROs, which were performed during the 8-month period from March 2005 to October 2005. In addition, the audit included follow-up on a prior OIG Combined Assessment Program (CAP) review recommendation made to the VARO St. Paul, MN Director to improve the processing of benefit adjustments for hospitalized veterans. The recommendation had been implemented.

Of the 6,687 veterans, 1,071 (16 percent) were receiving C&P benefits which had not been adjusted as required by Federal law. The required adjustments totaled about $10.2 million and included about $9.8 million for 1,047 overpayments and about $440,000 for 24 underpayments.

The audit work covering C&P benefits for 6,687 veterans provided a reasonable basis for assessing VARO and PMC hospital adjustment practices VBA-wide. We estimated that during the 3-year period from October 2002 to September 2005, VBA-wide overpayments and underpayments caused by VAROs and PMCs not adjusting C&P benefits for hospitalized veterans could be as much as $15 million.

C&P Benefits Were Not Adjusted

The VAROs and PMCs did not adjust C&P benefits for the 1,071 hospitalized veterans because:

1. No Action Taken on Evidence of Hospitalization in Claims Folders. Veterans Service Representatives (VSRs) did not use evidence of hospitalizations in the claims folders to adjust veterans' benefits for 334 (31 percent) cases totaling about $3 million that had sufficient information to make the necessary adjustments.

2. Evidence of Hospitalization Not in Claims Folders. Claims folders did not include evidence of hospitalizations because VARO and PMC staff did not always coordinate their efforts, hospital reports were not properly screened or routed, or VHA staff provided patient information that was inaccurate or incomplete. There were 322 (31 percent) cases totaling about $3.4 million in which the claims folders had insufficient documentation to make the necessary adjustments.

3. Adjustments Not Made Due to Restricted AMIE/CAPRI Access. VARO and PMC staff were not notified of veterans' hospital admissions in other states and regions for 324 (30 percent) cases totaling over $2.4 million.

4. Inadequate Training. VARO and PMC employees needed training to process hospital adjustments. Regulations governing ratings for loss of bladder and bowel control were confusing and inconsistently applied. There were 78 cases totaling

about $1 million that were erroneously processed because employees did not follow proper procedures.

5. Higher Priority Needed for Hospital Adjustments. VBA management frequently assigned a low priority to hospital adjustments in order to address higher priority workload, adversely affecting accuracy and timeliness. There were 13 cases with overpayments of about $360,000 that were administratively written off due to processing errors. Also, included in areas previously discussed were 381 overpayments to deceased veterans totaling about $2.7 million that could not be collected because the adjustments were not timely processed.

6. Inaccurate Veteran Hospitalization Information. Information on hospitalized veterans' A&A eligibility in AMIE/CAPRI reports was inaccurate because VHA staff had not properly coded the information in the Veterans Health Information System and Architecture (VistA) system that Veterans Service Center (VSC) staff accessed to adjust C&P benefits.

Conclusion

VBA procedures were not effective to ensure that the C&P benefits of veterans hospitalized at Government expense for more than 90 days were adjusted. VSRs did not adequately review claims folders for evidence of hospitalization. Inadequate training resulted in erroneous hospital adjustments, and lack of timely processing resulted in overpayments to deceased veterans that could not be recouped. In addition, inadequate exchanges of information between VAROs and PMCs resulted in facilities not being notified of veterans' hospitalizations. Although a prior OIG recommendation was implemented, management did not give hospital adjustments a high priority. Also, VHA patient eligibility information accessed by VBA staff through AMIE/CAPRI was not always accurate or in agreement with Benefits Delivery Network (BDN) records.

Recommendations

We recommended that the Under Secretary for Benefits:

1. (a) Ensure that VARO Directors require VSRs to review AMIE/CAPRI reports and other evidence in the claims folders to identify veterans whose C&P awards require adjustments and (b) ensure that VARO Directors require VSRs to adjust C&P benefits for the 334 veterans under their jurisdictions.

2. (a) Ensure that VARO Directors require VSC employees to process, forward, and file AMIE/CAPRI reports in the veterans' claims folders and (b) ensure that VARO Directors require VSRs to adjust C&P benefits for the 322 veterans under their jurisdictions.

3. (a) Work with VHA officials to obtain national AMIE/CAPRI access for VAROs and PMCs and (b) ensure that VARO Directors require VSRs to adjust C&P benefits for the 324 veterans under their jurisdictions.

4. (a) Ensure that VARO Directors provide refresher training to VSC employees on processing award adjustments for hospitalized veterans, (b) ensure that VARO Directors require VSRs to adjust benefits for the 78 veterans whose awards were not properly processed, and (c) ensure that regulations for ratings governing the continuation of A&A benefits for hospitalized veterans with loss of bladder and bowel control are clear and are consistently applied.

5. Assign a higher priority to the accurate and timely processing of hospital adjustments to avoid administrative write-offs, as was shown in the 13 cases reviewed, and to avoid overpayments to deceased veterans, as was shown in 381 of the cases reviewed.

We recommended that the Under Secretary for Benefits and Under Secretary for Health:

6. Require that VBA and VHA officials work together to ensure that veteran medical and benefits eligibility information in VistA and BDN records is accurate.

Under Secretary for Benefits and Under Secretary for Health Comments

The Under Secretary for Benefits and the Under Secretary for Health agreed with the findings and recommendations and provided acceptable implementation plans for all recommendations. While agreeing with Recommendation 3a, the Under Secretary for Benefits stated that it would be impractical and could possibly create veterans' health information confidentially problems to provide national AMIE/CAPRI access. Up to five users at each VARO and PMC have national AMIE/CAPRI access. If, in the future, the need for broader access arises, VBA will work with VHA to ensure that privacy and security requirements are met. We believe that the Under Secretary's comments are responsive to and meet the intent of our recommendation, and that the implementation plan is acceptable. (See Appendix A, pages 15–22, and Appendix B, pages 23–25, for the full text of the Under Secretary for Benefits' and the Under Secretary for Health's comments, respectively). We will follow up on planned actions until they are completed.

(original signed by:)
BELINDA J. FINN
Assistant Inspector General
for Auditing

Introduction

Purpose

The purpose of the audit was to evaluate the effectiveness of VBA procedures for adjusting C&P benefits for hospitalized veterans. The objectives were to evaluate the effectiveness of:

1. VARO procedures for adjusting compensation benefits of veterans hospitalized at Government expense for more than 90 days.

2. VARO procedures for adjusting pension benefits of veterans hospitalized at Government expense before November 7, 2003.

3. PMC procedures for adjusting pension benefits of veterans hospitalized at Government expense for more than 90 days.

4. The exchange of information for hospitalized veterans between the PMCs and the VAROs.

5. Plans implemented in response to a prior OIG recommendation.

6. Local and VHA policies and procedures used to provide patient data for the AMIE and CAPRI systems.

Background

U.S. Code of Federal Regulations (CFR) Title 38, Sections 3.351(c) and 3.352(a) provide for payments of additional allowances of C&P benefits to severely disabled veterans who require the daily A&A of another person to help them with routine activities of daily living or are housebound. When these veterans are hospitalized at Government expense for at least 1 calendar month, Federal law, in most cases, requires the reduction of C&P benefit payments to a housebound rate. Moreover, when a VA pension recipient has no dependent spouse or children and is hospitalized for 3 or more calendar months, VA must reduce their benefit payments to $90 monthly. VAROs and the three PMCs (located in Milwaukee, WI; St. Paul, MN; and Philadelphia, PA) are responsible for making the proper adjustments. With the exception of original claims, PMCs process pension cases for VAROs within their jurisdictions.

VBA Manual M21-1, Part IV, Chapter 18, requires VAROs and PMCs to periodically access AMIE/CAPRI, which contains a VHA database of veterans who have been hospitalized, domiciled, or placed in nursing homes at VA expense. AMIE provides exchange of information capabilities and the ability to generate specialized reports for veterans receiving certain VA benefits. CAPRI is a program designed specifically to

replace the functionality of the AMIE system. VAROs and PMCS currently use both AMIE and CAPRI. CAPRI enhances AMIE by providing online access to medical data and reduces the administrative burden of sharing demographic data between VBA and VHA.

AMIE/CAPRI data exchange capability is limited; generally, VAROs and PMCs can access reports only from VA medical facilities in their jurisdictions. VARO employees extract hospitalization reports from AMIE/CAPRI and review them to determine whether the veterans' C&P payments require adjusting. If adjustments are necessary, the veterans are notified of impending adjustments to their benefit payments. Effective November 7, 2003, VBA Training Letter 03-05 directed (1) PMCs to make hospital adjustments for veterans in receipt of VA pension benefits and (2) VAROs and PMCs to train employees on how to process hospital adjustments. PMCs rely on VAROs to forward AMIE/CAPRI reports of hospitalized veterans whose pension benefits must be adjusted.

The identification and adjustment of C&P benefits for hospitalized veterans has been a long-standing challenge. In 1994, the OIG issued a report titled *Accuracy of Compensation and Pension Benefit Payments to Hospitalized Veterans* (Report No. 4R1-B01-102, August 2, 1994), which identified procedural weaknesses that resulted in incorrect C&P payments estimated at $12.1 million. The OIG recommended that VHA and VBA officials enhance the effectiveness of AMIE by directing: (1) VHA facilities to ensure that eligibility data in the Decentralized Hospital Computer Program (DHCP) system was accurate, (2) VHA facilities to include all veterans discharged to contract nursing home care in their DHCP systems, and (3) VAROs to access admission and discharge data in AMIE for veterans under the jurisdiction of all VAROs and notify the correct VAROs.

At the VARO level the OIG report recommended that VBA improve the effectiveness of claims processing for hospitalized veterans by: (1) clarifying which C&P benefits were reducible based on hospitalizations at VA expense, (2) collecting and sharing better claims processing procedures and techniques, and (3) ensuring that VAROs made proper payment adjustments and created accounts receivable where appropriate for overpayments identified during the audit. VHA and VBA officials agreed with the recommendations and implemented procedures for enhancing the effectiveness of AMIE/CAPRI, and improving claims processing and payment adjustments for hospitalized veterans.

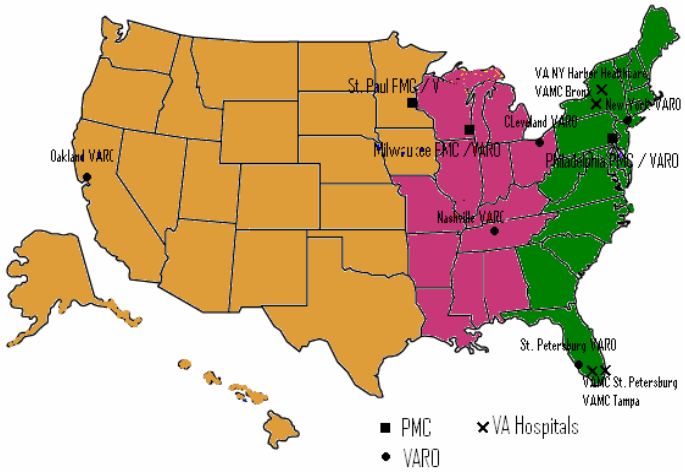
Hospital adjustments were reviewed during OIG CAP reviews conducted at 23 VAROs from November 4, 2002, to August 27, 2004, and overpayments of about $4.4 million were reported. (See Appendix D, page 27, for the list of CAP review reports.)

Scope and Methodology

The audit focused on whether VBA was complying with Federal law and adjusting veterans' claims when they received A&A benefits and were hospitalized for 90 consecutive days or more at Government expense during the period from October 1, 2002, to September 1, 2005. Data that the VA Austin Automation Center (AAC) extracted from the Patient Treatment and C&P files for this period showed 4,258 veterans who were discharged, and data extracted from VHA medical facilities' VistA records showed 2,429 veterans who were still inpatients at the time of our site visits for a total of 6,687 veterans in the 2 samples.[4]

Additional information provided by the AAC showed that nationwide there were 7,356 veterans hospitalized for 90 days or more at Government expense who were discharged between October 1, 2002, and July 15, 2005. A listing from the VA National Patient Care Database showed that 2,660 veterans were still hospitalized for 90 days or more as of August 1, 2005.[5] Therefore, we estimate our universe of hospitalized veterans to be 10,016 (7,356 + 2,660) cases.

Audit fieldwork began on March 14, 2005, and ended on October 28, 2005. We visited three PMCs, eight VAROs, and four VA medical facilities (see the map and table below). The VAROs were selected for significance of C&P workload and geographical distribution. The three PMCs are responsible for processing pension issues for VAROs located within their jurisdictions as shown below:



PMC St. Paul	PMC Milwaukee	PMC Philadelphia	VA Medical Facilities
VARO St. Paul	VARO Milwaukee	VARO Philadelphia	New York Harbor Healthcare System
VARO Oakland	VARO Cleveland	VARO New York	VA Medical Center (VAMC) Bronx
	VARO Nashville	VARO St. Petersburg	VAMC Bay Pines and VAMC Tampa

[4] This data was obtained from the VA OIG's Information Technology and Data Analysis Division for 8 VAROs and from 37 VA medical facilities.

[5] These were the latest figures available. Information for discharged and inpatient veterans through September 2005 were not available.

To prepare for site visits, we requested information identifying inpatients from 37 VA medical facilities within the jurisdictions of the 8 VAROs. This information was supplemented by reports obtained from the AAC that identified veterans who had been hospitalized for more than 90 days and discharged from October 1, 2002, until shortly before the VARO site visits. Of the 6,687 veterans, there were 1,746 whose C&P awards did not appear to have been properly adjusted. During the onsite phase of the audit, we obtained agreements from VSC employees at the VAROs and PMCs for the cases that needed adjusting. We also reviewed local hospital adjustment procedures and documentation of VARO interaction with the PMCs and interviewed VHA employees. In addition, we visited four medical facilities to determine the adequacy and consistency of their procedures for recording admission data in the AMIE/CAPRI systems.

The audit was performed in accordance with Generally Accepted Government Auditing Standards. To achieve the audit's objectives, we relied extensively on computer generated data. We assessed the reliability of the computer generated data by comparing information in BDN records with veterans' claims folders. Based on these tests we concluded the data was sufficiently reliable to be used in meeting the audit's objectives.

Results and Conclusions

Monitoring and Adjusting Compensation and Pension Benefits for Hospitalized Veterans Needed To Be Improved

Findings

We reviewed BDN records for 6,687 veterans and requested the claims folders for 1,746 (26 percent) for further review. There were 1,071 (16 percent) veterans whose C&P awards should have been adjusted. These veterans' awards required adjustments totaling about $10.2 million consisting of 1,047 overpayments totaling about $9.8 million and 24 underpayments totaling about $440,000. Assuming the conditions we found in our 2 samples (discharged patients and inpatients) exist for all VAROs and PMCs, total adjustments for all 10,016 cases for the period of October 1, 2002, to September 1, 2005, could be as much as $15 million (10,016 x 16 percent x $9,528 average adjustment per veteran). Details of the adjustments are shown in the following table.

Total Adjustments by Site

VARO Sites	Total Reviewed	No. of Comp. Adj.	Value of Comp Adj.	No. of Pen. Adj.	Value of Pension Adj.	No. of PMC Adj.	Value of PMC Adj.	No. of Total Adj.	Total Value of Adj.
Milwaukee	220	30	$ 353,293	12	$ 9,834	84	$258,346	126	$ 621,473
Cleveland	163	28	225,341	41	191,327	0	0	69	416,668
Nashville	163	23	328,927	16	34,839	0	0	39	363,766
Philadelphia	226	56	1,110,542	80	720,729	19	96,313	155	1,927,584
New York	162	35	957,041	62	319,521	0	0	97	1,276,562
St. Petersburg	452	132	2,520,766	205	939,994	0	0	337	3,460,760
St. Paul	146	47	474,432	24	102,519	14	29,078	85	606,029
Oakland	214	98	1,128,705	65	402,428	0	0	163	1,531,133
Totals	**1,746**	**449**	**$7,099,047**	**505**	**$2,721,191**	**117**	**$383,737**	**1,071**	**$10,203,975**

Title 38, CFR, Sections 3.551 and 3.552 require, with certain exceptions, a reduction in A&A benefits for any veteran receiving compensation or pension when hospitalized at Government expense. When a veteran is hospitalized, the A&A allowance should be discontinued effective the last day of the month following the month in which the veteran is admitted. VBA Manual M21-1, Part IV, Chapter 18 requires VARO and PMC employees to access AMIE/CAPRI at least monthly to request reports from the VHA database to identify veterans who have been hospitalized, domiciled, or placed in nursing homes at VA expense.

VARO and PMC employees did not consistently identify hospitalized veterans whose C&P benefits required adjusting. Consequently, A&A payments to these veterans were not timely discontinued. There were six main reasons why this occurred.

No Action Taken on Evidence of Hospitalization in Claims Folders

Historically, VA Form 10-7131 "Exchange of Beneficiary Information and Request for Administrative and Adjudicative Action" was used by VA medical facilities and VAROs for the exchange of information when veterans applied for or received hospitalization, domiciliary care, nursing home care, or other medical services. Use of AMIE/CAPRI substantially reduced the need for this form. Because VAROs are not linked electronically to medical facilities outside their jurisdictions, and medical facilities cannot initiate electronic requests to VAROs, this form is still sometimes used to process hospital adjustments and provide documentation in veterans' claims folders. AMIE/CAPRI allows for the electronic transfer of data between VAROs and medical facilities servicing the same areas. When VSC employees receive an admission notice from an AMIE/CAPRI report or other sources, they should promptly adjust C&P benefits if appropriate.

VSC employees did not always use AMIE/CAPRI reports, admission reports, or other evidence of hospitalization, such as VAF 10-7131 or hospital summaries, to make necessary adjustments. According to Senior VSRs, VSC employees took no actions because they either overlooked the notices of hospitalizations or erroneously concluded that no actions were necessary. For example, a hospitalized veteran was transferred to a contract nursing home (CNH) on December 14, 2000. Although the veteran's claims folder contained a "Notice of Status Change" (VA Form 10-7132) dated December 18, 2000, his benefits had not been reduced at the time of our review, resulting in an overpayment of $15,916. According to VSC employees, the evidence was overlooked and therefore, no action was taken. For the 1,071 cases requiring adjustments, there were 334 (31 percent) totaling about $3 million that had evidence of hospitalizations in the veterans' claims folders.

Evidence of Hospitalization Not in Claims Folders

Hospital adjustments were not made because VSC employees did not always coordinate actions between the VAROs and the PMCs of jurisdiction, or AMIE/CAPRI reports were not always forwarded timely to the proper VAROs or PMCs. VARO employees did not send the AMIE reports to the PMCs or they did not use express mail delivery to send them to the designated hospital adjustment coordinators as required by VBA policy.[6] In some cases, employees did not properly screen, file, or route the reports to the proper offices for processing. For example, PMC employees reported that they received reports

[6] VBA Training Letter 03-05, dated November 7, 2003, states that VAROs will prepare and send pension related hospital adjustment data by express mail to the PMC by the end of the 3rd business day at the beginning of each month.

for compensation cases, which were the VAROs' responsibility, and could not be processed by the PMCs.

Of the 1,071 cases requiring adjustments, there were 322 (30 percent) totaling about $3.4 million that did not include AMIE/CAPRI reports or other evidence of hospitalization in the veterans' claims folders. For example, a veteran was hospitalized at a VA medical facility on March 9, 2004, and was receiving compensation benefits with A&A. At the time of our review, the claims folder contained no evidence of the veteran's 15-month hospitalization. As a result, he was paid at the full rate, creating an overpayment of $4,249.

Adjustments Not Made Due to Restricted AMIE/CAPRI Access

PMCs and VARO staff did not have national AMIE/CAPRI access privileges to obtain hospital admission data, which caused inefficiencies. VARO staff could only access reports from VA medical facilities in the same geographical area. PMC staff had limited national AMIE/CAPRI access and unlimited regional access. VAROs or PMCs having responsibility for C&P claim folders were not notified of hospital admissions because they did not have AMIE/CAPRI access to VA medical facilities located in different geographical areas. Therefore, some veterans received care at VA medical facilities that were not under the jurisdiction of the responsible PMC or VARO. As a result, responsible PMC or VARO staff were not notified, and hospital adjustments were not made.

In 324 (30 percent) of 1,071 cases totaling over $2.4 million, the VAROs or PMCs having jurisdiction over C&P claims folders were not aware of hospital admissions because they did not have AMIE/CAPRI access to VA medical facilities located in different geographical areas. National AMIE/CAPRI access for all VAROs and PMCs would allow them to obtain hospital admission reports for veterans hospitalized anywhere in the nation.

Inadequate Training

VARO and PMC employees at some facilities were not properly trained on the hospital adjustment process. VAROs use AMIE/CAPRI to request medical information from VA medical facilities. The system also provides a means of tracking, editing, and managing information requests. Because award adjustments based upon periods of hospitalization or nursing home care at VA expense must be accomplished timely, VAROs must adhere to preset timetables for requesting and generating evidence of hospitalizations and AMIE/CAPRI reports. In some instances, VSC employees were unaware of these capabilities and requirements.

VBA Training Letter 03-05 requires that VARO and PMC employees, including VSRs, Triage Team and Post-Determination Team coaches, and selected managers, receive

hospital adjustment training. VBA's Claims Processing Improvement model adopted in September 2002 included the use of specialized teams to manage particular types of cases. Accordingly, the Triage Team gathers the claims information, places the C&P claims under BDN control within 7 days of receiving the AMIE report, and distributes pension award information to the PMCs. The local Post-Determination Team takes required actions on hospital adjustments involving compensation claims. The training should focus on recognizing awards that require adjustments, providing timely due process, and taking final adjustment actions. For example, at one VARO there were AMIE/CAPRI reports stacked on a desk because the VSR did not know what to do with them.

There were 78 (7 percent) of 1,071 cases totaling about $1 million that were not processed correctly for reasons such as incorrect rates or effective dates of the benefits. Additional training in the following areas could have prevented some of the overpayments:

Benefits Granted Retroactively. Veterans were retroactively awarded benefits that should have been reduced because they were already hospitalized. In 21 cases, there was documentation in the claims folders to show that benefits should have been awarded at housebound rates. To illustrate, a veteran was a patient in a nursing home from July 2002 until September 2003. A rating decision dated October 17, 2002, granted entitlement to special monthly compensation based on the need for A&A effective July 5, 2002. Despite receiving correspondence in the claims folder dated July 9, 2002, stating that the veteran had been hospitalized, the adjustment was not made, which resulted in an overpayment of $31,881. The need to review the claims folder for evidence of hospitalization before retroactively granting benefits should be emphasized during training.

Rating Inconsistencies. Employees were not consistently rating disabilities involving hospital adjustments for paraplegics. There were differences among VAROs in assigning the hospital code for A&A where the disability was paraplegia with loss of bowel and bladder control. The senior rating specialist at one VARO stated that the regulations governing this issue were unclear and confusing.

Specifically, the senior rating specialist stated that special monthly compensation may be paid in accordance with 38 U.S.C. 1114 (o) under a variety of circumstances, including paraplegia with loss of bowel and bladder control. According to 38 C.F.R. 3.552(a) (2), the A&A allowance will be continued during hospitalization where the disability is paraplegia with loss of bowel and bladder control. Special monthly compensation codes on the Rating Decision would be 55 (basic rate) and 37 (hospital rate) to which a veteran would be reduced after 30 days of inpatient care. Special monthly compensation under 38 U.S.C. 1114 (o) is not defined as A&A in the regulations. Two VAROs we visited included a

hospital rate in the ratings while the other six did not. According to the senior rating specialist, this raises two questions: (1) Is entitlement under 38 U.S.C. 1114(o) a form of A&A? and (2) Is the compensation of a veteran with paraplegia and loss of bowel and bladder control reducible from code 55 to 37? As a result of our review, the senior rating specialist sent a memorandum to VBA Compensation and Pension Service requesting resolution of these issues.

Higher Priority Needed for Hospital Adjustments

Unnecessary overpayments could be reduced if management placed a higher priority on the timely adjustment of C&P benefits for hospitalized veterans. VBA Manual M21, Chapter 4 requires that the average number of days to complete all adjustments will be one indicator that can be used to monitor the general effectiveness of adjudication claims processing and to identify situations requiring management attention. Average-days-to-complete goals are measured from the date of claim to the date an award is authorized or the date of the end product.[7]

Untimely processing of hospital adjustments resulted in overpayments to veterans that were not recouped. Overpayments are not recouped when they are written off or when veterans die before their awards can be adjusted.

There were 13 cases in our review requiring adjustments totaling about $360,000 that VARO employees had administratively written off, relieving veterans of obligations to repay the overpayments. According to Senior VSRs, write-offs occurred because VSRs had made clear and unmistakable errors while granting benefits, and the veterans were not at fault for the overpayments.

For example, a veteran was hospitalized in February 2003 and remained in VA care at the time of our review in June 2005. VARO employees determined that they had made an administrative error when granting benefits, resulting in an overpayment of $54,660 to the veteran from April 1, 2003, through February 1, 2005. While the veteran was hospitalized, his benefits should have been reduced. However, he continued to be paid at the incorrect rate. The $54,660 overpayment was administratively written off by VARO employees, and the veteran was not required to repay the overpayment.

Our review also included veterans who died while hospitalized at Government expense for more than 90 days or who died before adjustments were made to their benefits. In 381 (36 percent) of 1,071 adjustments included in areas previously discussed, about $2.7 million was paid to veterans who were deceased at the time of our review. If employees had timely processed the hospital adjustments, these overpayments could have been minimized.

[7] VBA uses end products to measure work performed. An end product is a work unit credit that varies in value according to the type of award action or adjustment taken.

For example, a veteran was hospitalized in a CNH on August 14, 2001, and was receiving pension with A&A benefits. There was no evidence in the veteran's claims folder of hospitalization. He was subsequently overpaid $12,480 from October 2001 until the time of his death in December 2003. Because the hospitalization was not discovered until after the veteran's death, the overpayment could not be collected.

VBA management needed to ensure that hospital adjustments were correctly completed and timely processed. However, hospital adjustments were not given a high priority. The 8 VAROs averaged from 326 to 1,006 days to complete the 1,071 adjustments. By giving a higher priority to hospital adjustments, management could improve accountability and timeliness, and reduce overpayments.

Inaccurate Veteran Hospitalization Information

Senior VSRs asserted that information in AMIE/CAPRI for veterans who were hospitalized for more than 90 days was not always accurate. Admissions and administrative employees should enter data for patients who are admitted to VA medical facilities or discharged to nursing home care into the VistA "Gains and Losses Report," which is accessible to VARO employees through AMIE/CAPRI. VARO employees can also use AMIE/CAPRI to acquire CNH and other patient reports. Medical facility employees verify veteran eligibility information by performing hospital inquiries (HINQs), electronic requests for veteran information from BDN records.

To test the accuracy of the information exchanged between VBA and VHA, we requested AMIE/CAPRI reports from 3 VAROs (Philadelphia, Milwaukee, and St. Paul) for 43 veterans entitled to A&A whose claims folders contained no evidence of hospitalization and compared the AMIE/CAPRI reports to the veterans' BDN records. There were eight (19 percent) cases in which A&A eligibility information in AMIE/CAPRI did not agree with the veterans' BDN records. These discrepancies occurred because VAMC staff had not properly coded information in AMIE/CAPRI to show that the veterans were eligible for A&A benefits.

Conclusion

VBA needs to improve the monitoring and adjusting of C&P benefits for hospitalized veterans. VSC employees did not take appropriate actions to adjust veterans' benefits when they received evidence of hospitalizations. In some cases, VSC employees did not make adjustments to veterans' benefits because there was no evidence of hospitalizations in the claims folders. This occurred because AMIE/CAPRI reports were incorrectly processed or because VSC employees did not have national access to AMIE/CAPRI and did not receive evidence of hospitalizations.

VARO management needs to ensure that employees are trained on the timely processing of hospital adjustments. VBA officials need to clarify regulations concerning ratings for

the continuation of A&A when a veteran is hospitalized and ensure that they are consistently applied.

VARO management did not give a high priority to hospital adjustments. A higher priority could strengthen controls and accountability for hospital adjustments and improve accuracy and timeliness. Lack of timeliness resulted in unrecouped overpayments due to administrative write-offs and veterans' deaths.

In some cases, patient information in VistA that VARO employees could access through AMIE/CAPRI and use to adjust the C&P benefits of hospitalized veterans did not agree with BDN records.

Recommended Improvement Action 1. We recommended that the Under Secretary for Benefits take action to (a) ensure that VARO Directors require VSRs to review AMIE/CAPRI reports and other evidence in the claims folders to identify veterans whose C&P awards require adjustments and (b) ensure that VARO Directors require VSRs to adjust C&P benefits for the 334 veterans under their jurisdictions.

Under Secretary for Benefits Comments

The Under Secretary for Benefits agreed with the finding and recommendations. He stated that VBA created a Hospital Adjustment Team in 2005 to review current procedures and make recommendations for improvement. The team's recommendations have been implemented and address many of the OIG's recommendations. On December 28, 2005, the Compensation and Pension Service released Fast Letter (FL) 05-23, which mandated the establishment of the hospital adjustment coordinator (HAC) position at all VAROs and PMCs and established new processing procedures. As a result of the Hospital Adjustment Team's recommendations, VBA has also mandated refresher training, reinstituted Systematic Analyses of Operations (SAO) for hospital adjustments, and is investigating ways to improve the collection of hospital adjustment data from VHA. The adjustments of the benefits for 334 veterans were agreed to during the OIG site visits and have been made.

Office of Inspector General Comments

The implementation plan is acceptable. We will follow up until planned actions are completed.

Recommended Improvement Action 2. We recommended that the Under Secretary for Benefits take action to (a) ensure that VARO Directors require VSC employees to process, forward, and file AMIE/CAPRI reports in the veterans' claims folders and (b) ensure that VARO Directors require VSRs to adjust C&P benefits for the 322 veterans under their jurisdictions.

Under Secretary for Benefits Comments

The Under Secretary for Benefits agreed with the finding and recommendations. He stated that the implementation of the Hospital Adjustment Team's recommendations and the changes established by FL 05-23 address the processing of AMIE/CAPRI reports. The adjustments of the benefits for 322 veterans were agreed to during the OIG site visits and have been made.

Office of Inspector General Comments

The implementation plan is acceptable. We will follow up until planned actions are completed.

Recommended Improvement Action 3. We recommended that the Under Secretary for Benefits take action to (a) work with VHA officials to obtain national AMIE/CAPRI access for VAROs and PMCs and (b) ensure that VARO Directors require VSRs to adjust C&P benefits for the 324 veterans under their jurisdictions.

Under Secretary for Benefits Comments

The Under Secretary for Benefits agreed with the finding and recommendations. However, he stated that it would be impractical and possibly create veterans' health information confidentiality problems to provide national AMIE/CAPRI access. He stated that up to five users at each VARO and PMC have national access to AMIE/CAPRI and can retrieve most hospital adjustment information that AMIE/CAPRI provides. Not every VARO or PMC has the staff to download, review, and process reports from all VA medical facilities. If VBA determines that broader national AMIE/CAPRI access is needed, they will work with VHA to establish access. The adjustments of the benefits for 324 veterans were agreed to during the OIG site visits and have been made.

Office of Inspector General Comments

The implementation plan is acceptable and meets the intent of the recommendations. We agree that national access to AMIE/CAPRI should be commensurate with assessed risk. We will follow up until planned actions are completed.

Recommended Improvement Action 4. We recommended that the Under Secretary for Benefits take action to: (a) ensure that VARO Directors provide refresher training to VSC employees on processing award adjustments for hospitalized veterans, (b) ensure that VARO Directors require VSRs to adjust benefits for the 78 veterans whose awards were not properly processed, and (c) ensure that regulations for ratings governing the continuation of A&A benefits for hospitalized veterans with loss of bladder and bowel control are clear and consistently applied.

Under Secretary for Benefits Comments

The Under Secretary for Benefits agreed with the finding and recommendations. He stated that all VSRs at VAROs and PMCs have completed training. In addition, an electronic module on hospital adjustments is available to all employees from their personal computers. The adjustments of the benefits for the 78 veterans were agreed to during the OIG site visits and have been made. Detailed instructions for awarding A&A in M21-1 MR, Part IV are supplemented by an electronic training course on special monthly compensation on the C&P Service web site.

Office of Inspector General Comments

The implementation plan is acceptable. We will follow up until planned actions are completed.

Recommended Improvement Action 5. We recommended that the Under Secretary for Benefits assign a higher priority to the accurate and timely processing of hospital adjustments to avoid administrative write-offs, as was shown in the 13 cases reviewed, and overpayments to deceased veterans, as was shown in 381 of the cases reviewed.

Under Secretary for Benefits Comments

The Under Secretary for Benefits agreed with the finding and recommendation. He stated that the implementation of the Hospital Adjustment Team's recommendations, the reinstatement of SAOs for hospital adjustments, and the changes established by FL 05-23 address the identification and timely processing of reports.

Office of Inspector General Comments

The implementation plan is acceptable. We will follow up until planned actions are completed.

Recommended Improvement Action 6. We recommended that the Under Secretaries for Benefits and Health require that VBA and VHA officials work together to ensure that veteran medical and benefits eligibility information in VistA and BDN records is accurate.

Under Secretary for Benefits Comments

The Under Secretary for Benefits agreed with the finding and recommendation. VBA is working with VHA to improve the accuracy and accessibility of medical and benefits data required for hospital adjustments. In March 2006, C&P Service submitted to VHA a request for an automated sort mechanism to replace the manual sort now available in CAPRI. If implemented, VBA expects the automated sort to decrease the error rate associated with the manual review of reports. VBA and VHA are also working on a data-

sharing initiative with the goal of increasing the accuracy of automated medical and benefits eligibility information required to identify and process hospital adjustments. When VHA's long term plan to replace VistA with a new information technology (IT) architecture—HealtheVet—is realized, there will be another opportunity to redesign AMIE/CAPRI and further automate veteran medical and benefits eligibility data.

Under Secretary for Health Comments

The Under Secretary for Health agreed with the finding and recommendation. VHA and VBA have implemented a new HINQ data-sharing system. They have identified deficiencies in the new HINQ sharing of compensation A&A information. A VBA Tiger Team is working on a technical solution. The system improvements were expected to be completed by October 31, 2006. We were notified by VHA on January 22, 2007, that the new target date for completion of the system improvements is April 2007.

Office of Inspector General Comments

The implementation plans are acceptable. We will follow up until planned actions are completed.

Appendix A

Under Secretary for Benefits Comments

Department of Veterans Affairs

MEMORANDUM

Date: December 5, 2006

From: Under Secretary for Benefits (20)

Subj: OIG Revised Draft Report—Audit Adjustments of Hospitalized Veterans' Compensation and Pension Benefits (Project No. 2005-01143-R4-0087) WebCIMS 348489

To: Assistant Inspector General for Auditing (52)

1. This is in response to your request for VBA's review of OIG Revised Draft Report: Audit Adjustments of Hospitalized Veterans' Compensation and Pension Benefits. VBA's comments addressing each recommendation are attached.

2. VBA agrees with the audit findings regarding case-specific overpayments and underpayments during the three-year period reviewed. We agree that the 1,071 cases that required adjustments represented a 16 percent error rate of the 6,687 cases reviewed. We further agree that required adjustments totaled about $10.2 million and included about $9.8 million for 1,047 overpayments and about $440,000 for 24 underpayments.

3. VBA agrees with the estimated VBA-wide $15 million overpayments and underpayments caused by VAROs and PMCs not adjusting C&P benefits for hospitalized veterans during the time period of October 2002 to September 2005.

4. Questions may be referred to Dee Fielding, VBA's OIG Liaison, at 273-7018.

(original signed by:)

Daniel L. Cooper

Attachment

Under Secretary for Benefits Comments to Office of Inspector General's Report

The following Secretary's comments are submitted in response to the recommendations in the Office of Inspector General's Report:

OIG Recommendations

Recommended Improvement Action 1. We recommend that the Under Secretary for Benefits:

(a) Ensure that VARO Directors require VSRs to review AMIE/CAPRI reports and other evidence in veterans' claims folders to identify hospitalized veterans whose C&P awards require adjustment.

Concur **Target Completion Date:** December 28, 2005

Due to the persistent problems with VBA hospital adjustments found in the OIG CAP reviews, VBA created a Hospital Adjustment Team in 2005 to review current procedures and make recommendations to improve timeliness, effectiveness, consistency, and quality. As a result of the Team's recommendations, program changes have already been implemented, many of which dovetail with the recommendations now made by OIG. For example, on December 28, 2005, the Compensation and Pension (C&P) Service released to field offices Fast Letter (FL) 05-23, *Hospitalization Adjustment Coordinators*. In an effort to improve communications between the regional offices (ROs) and pension maintenance centers (PMCs), as well as to minimize delays in required adjudicative actions, the Fast Letter established the following procedures.

- Mandated that ROs and PMCs designate a hospital adjustment coordinator (HAC) and an alternate;
- Required the ROs and PMCs to establish HAC e-mailboxes with prescribed addresses to facilitate inter-office communication;

- Delineated the responsibility of the HACs for downloading and forwarding hospital adjustment reports for processing;

- Established business rules by which the HACs operate;

- Aligned jurisdiction for downloading hospital adjustment reports;

- Explained the exchange of hospitalization reports between ROs and PMCs, and described the specific actions that PMCs should take upon receipt (or non-receipt) of hospital reports from the ROs.

Extensive instructions on generating and processing hospital adjustments are contained in M21-1, Part IV, Chapter 18, *Hospitalized Beneficiaries*. As recommended by the VBA Hospital Adjustment Team, we mandated refresher training on hospital adjustments (See VBA response to recommendation 4(a)), reinstituted a systematic analysis of operations (SAO) at the local level for hospital adjustments (see VBA response to recommendation 5), and began exploring means to more efficiently gather hospital adjustment data from VHA (see VBA response to recommendations 3 and 6).

VBA considers recommendation 1(a) closed as of December28, 2005.

(b) Ensure that VARO Directors require VSRs to adjust C&P benefits for the 334 veterans under their jurisdiction.

Concur **Target Completion Date:** December 28, 2005

As indicated in the OIG report (see page 4), these findings were discussed with VAROs during the OIG visits, the results were agreed to, and adjustments made

Recommended Improvement Action 2. We recommend that the Under Secretary for Benefits:

(a) Ensure that VARO Directors require VSC employees to process, forward, and file AMIE/CAPRI reports in the veterans' claims folders.

Concur **Target Completion Date:** December 28, 2005

See the response to Recommendation 1(a)

(b) Ensure that VARO Directors require VSRs to adjust C&P benefits for the 322 veterans under their jurisdictions.

Concur **Target Completion Date:** December 28, 2005

See the response to Recommendation 1(b)

Recommended Improvement Action 3. We recommend that the Under Secretary for Benefits:

(a) Work with VHA officials to obtain national AMIE/CAPRI access for VAROs and PMCs.

Concur **Target Completion Date:** December 28, 2005

CAPRI and AMIE are separate applications. Up to five users at each RO and PMC have national access to CAPRI, through which they can retrieve most hospital adjustment information provided by AMIE. Other VBA users have CAPRI access to the records of patients seen at VA Medical Centers and outpatient clinics within their geographical jurisdiction. National AMIE access is not feasible, as it would require users to apply to over 140 different VAMCs. Further, VBA does not believe that each and every RO or PMC is sufficiently staffed to regularly download reports from over 140 VAMC sites, review them in their entirety, and then process them as required. Restricting the number of VARO users that have national access to these applications ensures that a veteran's protected health information is accessed only where a business need is indicated. If VBA has a business need for broader national CAPRI access, we will work with VHA to establish such access in accordance with its privacy and security requirements.

VBA expects improvement in the exchange of hospital adjustment reports between ROs and PMCs as a result of the extensive changes mandated by FL 05-23, dated December 28, 2005, which addressed these matters.

VBA considers recommendation 3(a) closed as of December 28, 2005.

(b) Ensure that VARO Directors require VSRs to adjust C&P benefits for the 324 veterans under regional office jurisdiction.

Concur **Target Completion Date:** December 28, 2005

As indicated in the OIG report, these findings were discussed with VAROs during the OIG visits, the results were agreed to, and adjustments made.

VBA considers recommendation 3(b) closed as of December 28, 2005.

Recommended Improvement Action 4. We recommend that the Under Secretary for Benefits:

(a) Ensure that VARO Directors provide refresher training to VSC employees on processing award adjustments for hospitalized veterans.

Concur **Target Completion Date:** July 27, 2005

On July 27, 2005, C&P Service confirmed that VSRs at all ROs and PMCs had completed the training on hospital adjustments mandated in Training Letter 03-05 (which was revised on February 25, 2004).

In addition to its authorization manual instructions, C&P Service has an Electronic Performance Support System module, available to all employees from their personal computers, that is exclusively devoted to hospital adjustments. This module is self-taught and contains explanations of the various types of hospital adjustments, flow-charts of the processes, and detailed step-by-step instructions on determining whether adjustments are necessary.

Detailed instructions on awarding aid and attendance are found in M21-1MR, Part IV, Subpart ii, Chapter 2, Section H, Special Monthly Compensation (SMC), and M21-1MR, Part V, Subpart ii, Chapter 3, Special Monthly Pension (SMP) Ratings. To further ensure understanding and consistent application of the principles of SMC, a four-part electronic training course on SMC is also available under *RVSR Training* on the C&P Service web site.

VBA considers recommendations 4(a) closed as of July 27, 2005.

(b) Ensure that VARO Directors require VSRs to adjust benefits for the 78 veterans whose awards were not properly processed.

Concur **Target Completion Date:** December 28, 2005

As indicated in the OIG report, these findings were discussed with VAROs during the OIG visits, the results were agreed to, and adjustments made. VBA considers recommendation 4(b) closed as of December 28, 2005.

(c) Ensure that regulations for ratings governing the continuation of A&A for a hospitalized veteran are clear and consistently applied.

Concur **Target Completion Date:** July 27, 2005

See the response to Recommendation 4(a)

Recommended Improvement Action 5. We recommend that the Under Secretary for Benefits assign a higher priority to the accurate and timely processing of hospital adjustments to avoid administrative write-offs, as was shown in the 13 cases reviewed, and overpayments to deceased veterans, as was shown in 381 of the cases reviewed.

Concur **Target Completion Date:** December 28, 2005

To ensure proper and timely action, VBA has re-established the Hospital Adjustment Systematic Analysis of Operations (SAO) (see Fast Letter (FL) 05-21, released on November 28, 2005). The purpose of the SAO is to identify existing or potential problems and define corrective actions regarding timeliness of processing hospital adjustments. As stated earlier, VBA also released FL 05-23 on December 28, 2005, providing guidelines for the designation of hospital adjustment coordinators (HACS). The role of the HAC is to help improve the efficiency and effectiveness of the hospital adjustment program and improve communications between the pension maintenance centers and the VA regional offices. C&P Service will work closely with the Office of Field Operations to ensure the effectiveness of the HAC. Combined, these two Fast Letters will improve the processing of hospital adjustments. VBA considers recommendation 5 closed as of December 28, 2005.

Recommended Improvement Action 6. We recommend that the Under Secretary for Benefits require VBA officials to work with VHA officials to ensure that veteran medical and benefits eligibility information in VistA and BDN records is accurate.

Concur **Target Completion Date**: Ongoing

VBA continues to work with VHA for both short-term and long-term solutions to improve the accuracy and accessibility of medical and benefits data required to perform VBA hospital adjustments.

The VHA VistA Maintenance Project (VMP) team is working to resolve defects in the CAPRI application that are responsible for date range discrepancies between some AMIE and CAPRI Hospital Adjustment Reports, most notably the CAPRI Special Reports for A&A/Pension. Until resolved, regional offices were instructed to use AMIE for retrieving the Special Reports for A&A/Pension.

In March 2006, C&P Service submitted to VHA Planning and Analysis Service (PAS) a new IT service request. The Hospital Adjustment Reports currently available in CAPRI must be manually sorted to identify hospitalized veterans subject to benefit reduction. The new IT service request asks VHA to create an automated sort mechanism or download to an application such as MS Excel/Access, which supports automated sorting based on input parameters (e.g., 30, 60, 90, 120 days, etc.) for processing hospital adjustments. If implemented, VBA expects the new IT service request will decrease the VBA risk of an error of omission that occurs during manual review of the reports. This new IT service request addresses the specific OIG finding that in 31 percent of claims recently investigated VBA had possession of hospitalization evidence, but employees did not properly use AMIE/CAPRI reports to reduce benefits.

VBA and VHA are working on a data-sharing initiative promoting more accurate exchange of information between the VHA and VBA corporate data repositories. The data-sharing initiative furthers the goal of achieving a One VA corporate database, that will increase the accuracy of the automated medical and benefits eligibility information required to identify and process hospital adjustment benefit reductions.

In the long term, VHA is moving towards a new IT architecture—HealtheVet. HealtheVet will replace the current VistA IT architecture where AMIE/CAPRI now reside. When AMIE/CAPRI are re hosted/redesigned into the new HealtheVet IT architecture, there will be another opportunity to further automate veteran medical and benefits eligibility data. Due to Congressional budgetary constraints imposed on VHA IT spending for HealtheVet, there is no reliable forecast for when re-hosting/redesigning AMIE/CAPRI will begin.

Appendix B

Under Secretary for Health Comments

Department of Veterans Affairs **Memorandum**

Date: May 5, 2006

From: Under Secretary for Health (10/10B5)

Subject: Draft Report, Audit of Adjustments of Hospitalized Veterans' Compensation and Pension Benefits, Project Number 2005-01143-R4-0087 (EDMS Folder 348492)

To: Assistant Inspector General for Auditing (52)

1. Thank you for the opportunity to review the report. I concur with OIG's findings and the recommendation that VHA officials work with VBA officials to ensure that automated veteran medical and benefits eligibility information is accurate. VHA officials will continue to ensure that appropriate national access is afforded to VBA Regional Offices (VARO) and Pension Management Centers (PMC).

2. VHA and VBA officials have been working closely for some time to improve data sharing between the two administrations. Approximately six months ago a new data sharing system was implemented, a revision to the Hospital Inquiry (HINQ) utility, which automates the process for VBA to provide updated benefit information to VHA's enrollment information system and the Veterans Health Information Systems and Technology Architecture (VistA). Both a VBA Tiger Team and VHA's Health Eligibility Center (HEC) are currently conducting various data and technical validity tests to identify inaccuracies in the data and to develop technical solutions to better ensure the accuracy and functionality of the automated process. As improvements are identified, they are incorporated into the HINQ information sharing system. System enhancements are expected to be fully functional by October 31, 2006.

3. VHA continues to work with VBA officials to provide national Automated Medical Information Exchange (AMIE) System and Compensation and Pension Records Interchange (CAPRI) access for VARO and PMC offices as indicated. CAPRI and AMIE are separate applications. The electronic exchange of patient information provided through AMIE has greatly reduced the processing time for a veteran's claim and has improved the examination process and uniformity through a standard design. Users at VBA VAROs and PMCs already have national access to CAPRI, through which they can retrieve the information in AMIE. Up to five users at each site have national access; other VBA users have CAPRI access to the records of patients seen at VA medical centers and outpatient clinics within their geographical jurisdiction. Restricting the number of VARO users that have national access ensures that a veteran's protected health information is accessed only when a business need is indicated. If VBA has an additional business need for broader national CAPRI access, VHA will work with VBA to establish such access in accordance with privacy and security requirements.

4. An action plan to implement the recommendation is included as an attachment to this memorandum. Thank you for the opportunity to review the draft report. If you have any questions, please contact Margaret M. Seleski, Director, Management Review Service (10B5) at (202) 565-7638.

(original signed by:)
Jonathan B. Perlin, MD, PhD, MSHA, FACP

Under Secretary for Health Comments to Office of Inspector General's Report

The following Secretary's comments are submitted in response to the recommendations in the Office of Inspector General's Report:

OIG Recommendations

Recommended Improvement Action 6. We recommend that the Under Secretary for Health require VHA officials to work with VBA officials to ensure that automated veteran medical and benefits eligibility information is accurate.

Concur **Target Completion Date:** 10/31/06

Recently the VHA Health Eligibility Center (HEC) and VBA officials have implemented a new Hospital Inquiry (HINQ) data sharing system to fully automate benefit update mechanism from VBA's Benefits Delivery Network (BDN) and Corporate Database benefits information systems into the VHA enrollment information system and the Veterans Health Information Systems and Technology Architecture (VistA). Deficiencies in the new HINQ sharing of benefit information for veterans receiving increased compensation for Aid & Attendance (A&A) have been identified. A VBA Tiger Team is researching a technical resolution to this. When information becomes available from VBA, VHA plans to adjust its enrollment system to recognize the A&A benefits information for those veterans receiving increased compensation for service-connection with A&A. VHA's HEC is also reviewing the validity of the data, and has identified possible deficiencies in the sharing of nonservice-connected pension award benefit information that could impact proper identification of A&A pension cases. This issue is also under review by the VBA Tiger Team. As improvements are made in the system, they will be incorporated into the HINQ information sharing system. System enhancements are expected to be fully functional by 10/31/2006.

Appendix C

Monetary Benefits in Accordance with IG Act Amendments

Recommendation	Explanation of Benefit(s)	Better Use of Funds
1	Improve review of claims folders to identify hospitalized veterans whose C&P awards require adjustment.	$3,017,189
2	Improve documentation of hospitalization in claims folders and provide national AMIE/CAPRI access.	3,376,368
3	Improve exchange of information on hospitalized veterans across jurisdictional boundaries by providing national AMIE/CAPRI access.	2,440,187
4	Provide training to improve quality of hospital adjustments.	1,009,551
5	Identify and timely adjust C&P awards to avoid administrative write-offs and overpayments to deceased veterans.	360,680
	Total	$10,203,975

Appendix D

Combined Assessment Program Review Reports with Hospital Adjustment Findings

The following is a list of CAP review reports with hospital adjustment findings issued from April 23, 2003, to January 10, 2005.

Report Number	Date of Report	VARO	Overpayments	Underpayments
02-00871-84	4/23/2003	Atlanta	$ 210,920	
03-01049-109	6/5/2003	Muskogee	35,003	
03-00759-125	7/10/2003	St. Paul	39,749	
03-00287-130	7/16/2003	Los Angeles	500,000	
03-01674-155	8/14/2003	St. Louis	103,415	
03-02191-47	12/15/2003	Buffalo	137,831	
04-00115-65	1/28/2004	Columbia	44,294	
03-02725-93	2/27/2004	Houston	230,551	
03-02735-104	3/16/2004	Wichita	87,883	
03-02906-116	3/22/2004	San Diego	53,627	
04-00009-126	4/13/2004	Albuquerque	12,139	
04-00755-129	4/15/2004	Salt Lake City	37,600	
04-00947-137	4/27/2004	Winston-Salem	328,386	
04-00034-141	5/7/2004	Detroit	351,812	$ 2,046
04-01345-165	7/15/2004	Seattle	437,740	
04-01524-189	8/27/2004	Lincoln	393,135	
04-01016-220	9/29/2004	Jackson	478,305	
04-02528-10	10/29/2004	Fort Harrison	3,485	
03-02837-37	11/26/2004	Togus	14,300	
04-01463-39	12/1/2004	Louisville	125,510	
04-02315-57	12/28/2004	Reno	60,721	
04-02842-64	1/7/2005	Hartford	424,613	
04-00603-65	1/10/2005	Indianapolis	291,184	35,196
		TOTALS	**$4,402,203**	**$37,242**

Appendix E

OIG Contact and Staff Acknowledgments

OIG Contact	Freddie Howell, Jr. (708) 202-2670
Acknowledgments	Mark Collins Patricia Conliss Ray Jurkiewicz Dana Martin Cherie Palmer Jennifer Roberts Ora Young

Appendix F

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Appendix F

This report will be available in the near future on the OIG's Web site at http://www.va.gov/oig/52/reports/mainlist.htm. This report will remain on the OIG Web site for at least 2 fiscal years after it is issued.