VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS

Veterans Health Administration

Audit of Non-VA Medical Care Claims for Emergency Transportation

Corrected Copy: Error on Report Highlights page and page 2 corrected as of January 28, 2016.

March 2, 2015
13-01530-137

ACRONYMS

CBO	Chief Business Office
CMS	Centers for Medicare and Medicaid Services
FBCS	Fee Basis Claims System
FY	Fiscal Year
OIG	Office of Inspector General
VA	Department of Veterans Affairs
VHA	Veterans Health Administration
VISN	Veterans Integrated Service Network

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Report Highlights: Audit of VHA's Non-VA Medical Care Claims for Emergency Transportation

Why We Did This Audit

We conducted this audit to determine the accuracy of payments for Veterans Health Administration's (VHA) non-VA medical care emergency transportation claims. The Non-VA Medical Care Program assists veterans who cannot feasibly receive care at a VA medical facility. Inaccurate payments affect VA's commitment to delivering timely and high-quality health care to veterans while controlling costs.

What We Found

VHA's Non-VA Medical Care Program improperly paid 129 of 353[1] (37 percent) emergency transportation claims from April 1, 2013, through September 30, 2013. Of the total 353 payments valued at $585,800, the 129 improper payments amounted to $167,600. Non-VA medical care staff made the following improper payments.

- $19,300 for 27 of 353 claims (8 percent) to vendors that submitted a claim or required documentation untimely
- $25,000 for 7 of 353 claims (2 percent) for care provided to ineligible veterans
- $123,300 for 95 of 353 claims (27 percent) for the incorrect amount

These claims were improperly paid because staff did not conduct an adequate review to ensure that all documentation was received timely prior to processing the claim and did not correctly determine veterans' eligibility for emergency transportation. Staff also misunderstood the criteria for processing nonservice- and service-connected emergency transportation claims.

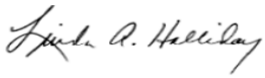
As a result, we projected an annual improper payment amount of approximately $11.2 million. Over the next 5 years, we projected improper payments of approximately $56.2 million if claims processing controls are not strengthened.

What We Recommended

We recommended the Interim Under Secretary of Health implement periodic training and systematic reviews of emergency transportation claims, and instruct the sampled VA medical facilities to initiate recovery of overpayments and reimbursement of underpayments identified in this audit.

Agency Comments

The Interim Under Secretary for Health concurred with our recommendations and provided responsive action plans. We will follow up on these actions.



LINDA A. HALLIDAY
Assistant Inspector General
for Audits and Evaluations

[1] Corrected figure as of January 28, 2016. Please note that the figure originally reported, "343," was a typing error and did not affect any calculated totals.

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INTRODUCTION

Objective

We conducted this audit to determine the accuracy of payments for Veterans Health Administration's (VHA) non-VA medical care emergency transportation claims.

Non-VA Medical Care Program

VHA's Non-VA Medical Care Program provides medical care to eligible veterans who receive care from non-VA providers when VA medical facilities are unable to provide specific treatments or provide treatment economically because of geographical inaccessibility.

The Non-VA Medical Care Program includes emergency care and transportation. VA is authorized under Title 38 of the United States Code to make payment or reimbursement to a claimant for non-VA emergency care provided to nonservice-connected or service-connected veterans who meet criteria. VHA spent over $67 million in fiscal year (FY) 2013 and about $65 million for FY 2014 on non-VA medical care transportation services.

VHA Program Office Responsibilities

The Non-VA Medical Care Program is aligned under the Non-VA Medical Care Program Office that falls under VHA's Chief Business Office (CBO) for Purchased Care Service. The Program Office is responsible for providing national guidance and direction, while business compliance oversight occurs locally at Veterans Integrated Service Networks (VISNs) and VA medical facilities.

Fee Basis Claims System

The Non-VA Medical Care Program uses the Fee Basis Claims System (FBCS) to process and pay non-VA medical care claims. FBCS electronic data processing allows for automated workload assignments and data capture for reporting. FBCS creates, tracks, and manages claim authorizations, and makes claim payments.

Other Information

- Appendix A provides pertinent background information.
- Appendix B provides details on our scope and methodology.
- Appendix C provides details on our statistical sampling methodology.

RESULTS AND RECOMMENDATIONS

Finding

VHA Needs To Improve the Accuracy of Non-VA Medical Care Emergency Transportation Payments

VHA's Non-VA Medical Care Program improperly paid 129 of 353[2] (37 ercent) emergency transportation claims from April 1, 2013, through September 30, 2013. Of the total 353 payments valued at $585,800, the 129 improper payments amounted to $167,600. Non-VA medical care staff made the following improper payments:

- $19,300 for 27 of 353 claims (8 percent) to vendors that submitted a claim or required documentation untimely
- $25,000 for 7 of 353 claims (2 percent) for care provided to ineligible veterans
- $123,300 for 95 of 353 claims (27 percent) for the incorrect amount

These claims were improperly paid because staff did not conduct an adequate review to ensure all documentation was received timely prior to processing the claim. In addition, staff did not correctly determine veterans' eligibility for emergency transportation by properly relating emergency care to a veteran's nonservice or service connection. Lastly, staff misunderstood the payment criteria for processing nonservice- and service-connected emergency transportation claims.

As a result, VHA made approximately $78,700 in overpayments and about $88,900 in underpayments for claims reviewed, resulting in a total of approximately $167,600 in improper payments. We projected an annual improper payment amount of approximately $11.2 million. Over the next 5 years, we projected improper payments of approximately $56.2 million if VHA does not strengthen claims processing controls.

Non-VA Medical Care Emergency Transportation Claims

We reviewed a sample of 353 non-VA medical care emergency transportation claims, valued at about $585,800, which included 44 air and 309 ground ambulance claims. We determined that inaccurately processed claims were not contingent upon the mode of emergency transportation. In our sample, both air and ground emergency transportation claims had similar errors with similar causes.

Improper Payments

The Office of Management and Budget Circular A-123, "Management's Responsibility for Internal Control" (April 14, 2011), defines an improper

[2] Corrected figure as of January 28, 2016. Please note that the figure originally reported, "343," was a typing error and did not affect any calculated totals.

payment as any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. It requires agencies to report to the President and Congress an estimated amount of the annual improper payments for all programs and activities determined to be susceptible to significant improper payments. Incorrect amounts are overpayments and underpayments including inappropriate denials of payment or service. An improper payment includes any payment that was made to an ineligible recipient or for an ineligible service, duplicate payments, payments for services not received, and payments that are for the incorrect amount. In addition, when an agency's review is unable to discern whether a payment was proper as a result of insufficient or lack of documentation, this payment must also be considered an error. Table 1 shows the types of improper payment errors we identified, including the number of errors, with the overpayment and underpayment and total amounts.

Table 1. Non-VA Medical Care Improper Payments for Emergency Transportation Claims

Type of Error	Number of Errors	Overpayments	Underpayments	Total
Vendor Submitted Claims or Required Documentation Untimely	27	$19,300	$0	$19,300
Claims Paid for Care Provided to Ineligible Veterans	7	24,600	410	25,000
Paid Claim for Incorrect Amount	95	34,800	88,400	123,300
Total	**129**	**$78,700**	**$88,900**	**$167,600**

Source: VA OIG analysis based on the sample of Non-VA Medical Care emergency transportation claims paid from April 1, 2013, through September 30, 2013

Note: We rounded the overpayment and underpayment amounts for each type of error along with the total amounts for report presentation.

Claims Paid When Vendors Submitted Claim or Required Documentation Untimely

VHA improperly paid 27 of 353 non-VA medical care emergency transportation claims (8 percent) because the claim or additional documentation from the vendor to pay the claim was not initially submitted timely. As a result, VHA made improper overpayments of about $19,300 for the claims in our sample.

Of the 27 improperly paid claims, 7 were nonservice-connected claims that were not submitted timely and valued at approximately $2,500. Title 38 states nonservice-connected claims must be received within 90 days of the date of service. The average number of days to submit a claim was 250 days for these improperly paid claims, which ranged from 106 to

398 days from date of service. The following example illustrates this type of error.

Example 1

A claim was received on March 25, 2013. The claim was for a ground ambulance to transport a nonservice-connected veteran on September 13, 2012, from his residence to a non-VA medical facility. It was 193 days from the date of service to the date the claim was received.

These errors occurred because staff did not adequately review claims prior to payment processing. In July 2013, VHA installed a system patch within FBCS to alert staff when a claim is not submitted timely before processing it for payment. Based on our review, the seven untimely submitted claims were paid from April 2013 through July 2013. There were an additional 29 claims in our sample that were submitted after July 2013 and they were processed correctly. It appears the control in FBCS is working as intended; therefore, we have not included these seven claims in the projections of improper payments.

Subsequent Documentation Submitted Untimely

Of the 27 improperly paid claims, 20 were for claims that vendors did not provide subsequent requested claim information timely. These claims were valued at about $16,000. The Code of Federal Regulations states that any additional information requested in writing by staff to process a nonservice-connected claim must be received from the vendor within 30 days. Otherwise the claim is considered abandoned and should not be paid. A letter is then sent to the vendor and the veteran stating the claim was not paid because the requested documentation was not received timely. The Code of Federal Regulations also states the vendor may ask for additional time to submit the requested documentation.

Staff processed these 20 claims when additional documentation was received untimely for claims ranging from 32 to 595 days. The following example illustrates this type of error.

Example 2

On November 2, 2012, a ground ambulance was dispatched to the veteran's residence. Non-VA medical care staff scanned the claim into FBCS on December 7, 2012. The claim was rejected on January 9, 2013, because the required primary emergency room or inpatient claim form was not received. On January 22, 2013, a letter was sent to the vendor requesting the additional information. On July 10, 2013, 169 days from the date of the letter, the additional documentation was received and the vendor was improperly paid $242.

These errors occurred because staff did not adequately review claims to ensure that all documentation was received timely prior to processing the claim. FBCS does not provide an alert to prevent staff from making payments when the requested additional documentation is not received timely. Moreover, non-VA medical care staff misinterpreted the criteria

pertaining to the required time frame in order to receive additional documentation.

Claims Paid When Veteran Eligibility Incorrectly Determined

VHA improperly paid 7 of 353 non-VA medical care emergency transportation claims (2 percent) for care provided to ineligible veterans. This occurred because staff did not correctly differentiate if the emergency treatment was related to a veteran's nonservice or service connection. This determination is necessary to establish a veteran's eligibility and calculate the correct payment amount. As a result, VHA made overpayments of approximately $24,600 and underpayments of about $410 for a total of about $25,000 in improper payments.

VA is authorized under Title 38 to make payment or reimbursement to a claimant for non-VA emergency care provided to veterans for service- or nonservice-connected conditions. A service-connected veteran needs to meet criteria such as care or service that was provided for an adjudicated service-connected disability, or for any disability rated permanent and total due to a service-connected disability. A nonservice-connected veteran must be enrolled in the VA health care system and receive medical services under the authority of Title 38 within the 24-month period preceding emergency treatment. Non-VA medical care staff determines if a veteran is eligible and if the emergency treatment was for an illness or injury related to a nonservice- or service-connected condition. The following example illustrates a nonservice-connected eligibility error.

Example 3

On December 30, 2012, a veteran was transported by helicopter to a non-VA facility. This claim was processed as nonservice-connected, which required the veteran to have received care from VA within the 24-month period preceding the emergency treatment. However, we determined there was no evidence the veteran received care within the 24-month period prior to emergency transportation. Therefore, this claim should have been denied instead of processed for payment. This resulted in an overpayment for about $3,700.

Claims Paid for the Incorrect Amount

VHA improperly paid 95 of 353 non-VA medical care emergency transportation claims (27 percent). Staff paid nonservice- and service-connected claims for the incorrect amounts. This resulted in overpayments of approximately $34,800 and underpayments of about $88,400 for the claims in our sample for a total of about $123,300 in improper payments.

The Veterans Millennium Health Care and Benefits Act mandates VA establish a provision for payment or reimbursement for certain non-VA emergency services furnished to veterans for nonservice-connected conditions. The Code of Federal Regulations states claims for nonservice-connected conditions are paid at the lesser of the amount for which the veterans are personally liable or 70 percent of the Centers for

Medicare and Medicaid Services (CMS) rate. In addition, the Code of Federal Regulations states VA will pay the actual cost of a special mode of transportation, which includes travel in connection with a medical emergency for service-connected claims.

In order to properly pay claims, staff must determine if the emergency treatment is nonservice- or service-connected because FBCS does not automatically calculate the correct payment amount. If the treatment is nonservice-connected, staff must use FBCS to calculate 70 percent of the CMS rate. If treatment is for service-connected care, staff should pay the vendor's billed amount.

Staff incorrectly paid 32 nonservice-connected claims at the vendor billed amount instead of 70 percent of the CMS rate. The following example illustrates this type of payment error.

Example 4

A service-connected veteran was air lifted to a non-VA medical facility for treatment. The vendor submitted a claim for air ambulance services for approximately $15,300. Because staff determined the veteran's injuries were not related to the veteran's service-connected condition, staff should have paid 70 percent of the about $4,500 CMS rate or about $3,200. Instead they paid the billed amount of about $15,300, which resulted in an overpayment of about $12,000. Staff did not use FBCS to calculate 70 percent of the CMS rate.

Non-VA medical care staff also incorrectly paid 31 nonservice-connected claims by entering incorrect information into FBCS. Even though emergency transportation claims included accurate zip codes, staff entered the wrong zip codes for the veterans' pick-up locations. This resulted in inaccurate calculations for the payment amounts because the CMS rate is determined by the pick-up location's zip code. Furthermore, staff entered the incorrect mileage from the emergency transportation claims which resulted in improper payments. The following example illustrates an incorrect zip code error.

Example 5

A veteran was transported by air ambulance for a nonservice-connected condition from his rural residence to a non-VA medical facility. The vendor submitted a claim for about $20,900. The non-VA medical care staff determined the emergency transportation claim qualified for payment as a nonservice-connected claim. Staff entered an incorrect zip code into FBCS to calculate the 70 percent CMS rate. Consequently, FBCS calculated the 70 percent CMS rate of over $3,900 and paid about $2,800. However, the vendor should have been paid about $4,080 to pick-up the veteran from his rural address using the correct zip code. This resulted in an underpayment of about $1,320.

In addition, staff incorrectly paid 32 service-connected claims at the CMS rate. Staff should have paid these service-connected claims at the vendor's billed amount. The following example illustrates this type of error.

Example 6

A service-connected veteran was transported by ground ambulance for chest pain and fever. The VA medical facility's clinical review determined the treatment was related to the veteran's service-connected condition. The vendor billed VHA for just over $1,800. However, staff processed the claim at the CMS rate or about $700. This resulted in an underpayment of about $1,100.

These errors occurred because staff misunderstood the payment criteria for processing nonservice- and service-connected emergency transportation claims. As a result, VHA's lack of adequate oversight of non-VA emergency transportation claim processing resulted in improper payments of about $123,300.

Conclusion

VA is responsible to ensure non-VA medical care claims for emergency transportation are accurately paid. Inaccurate payments affect VA's commitment to delivering timely and high-quality health care to veterans while controlling costs. The Non-VA Medical Care Program is widely used and improvements in program training guidance and oversight are essential to prevent future improper payments. We projected an annual improper payment amount of approximately $11.2 million. Over the next 5 years, we projected improper payments of approximately $56.2 million if claims processing controls are not strengthened.

Recommendations

1. We recommended the Interim Under Secretary for Health implement periodic training for non-VA medical care staff to ensure proper determination and use of payment and additional documentation criteria.

2. We recommended the Interim Under Secretary for Health modify Chief Business Office reviews to include a systematic review of emergency transportation claims.

3. We recommended the Interim Under Secretary for Health instruct the eight sampled VA medical facilities to initiate recovery of overpayments and reimbursement of underpayments identified in our audit.

Management Comments and OIG Response

The Interim Under Secretary for Health agreed with our findings and recommendations and plans to address all our recommendations by January 2016. VHA has initiated action to develop procedural documents and training materials regarding proper determination and use of payment and additional documentation criteria to provide to all non-VA medical care staff. In addition, VHA's CBO will schedule a separate review of

emergency transportation claims as a part of the FY 2016 audit plan. VHA's approved FY 2016 audit plan will be provided to complete this action plan. Lastly, CBO will work with the eight VA medical facilities to initiate recovery of overpayments and reimbursement of underpayments. To complete this action plan, VHA will provide documentation of CBO's instructions to these facilities.

The Interim Under Secretary's comments and corrective action plans are responsive to the intent of the recommendations. We will monitor implementation of VHA's planned action and close the recommendations when we receive sufficient evidence demonstrating progress in addressing the issues identified.

Appendix A Background

Non-VA Medical Care Program History

The Non-VA Medical Care Program evolved from the VA Hometown Program that began in 1945. It has become an important alternative method of providing timely health care to veterans. This program has been referred to by many different names since 1945, with "Fee Care" and "Fee Basis Care" becoming the prevalent terms. However, these terms are used inconsistently within VHA. In order to promote clarity and consistency in the administration of this program, VA no longer uses "fee" to refer to care purchased from non-VA providers.

Eligibly Criteria

Under section 1725, title 38, United States Code, "Veteran's Millennium Health Care Act," Public Law 106-117, VA is authorized to make payment or reimbursement to a claimant for non-VA emergency care provided to a veteran for a nonservice-connected condition. Veterans who are eligible for reimbursement of emergency services at non-VA medical facilities are defined as individuals who are enrolled in the VA health care system and have received VA care within the 24-month period preceding receipt of such emergency treatment for a nonservice-connected condition. Veterans who have health insurance coverage for emergency care or entitlement to care from any other department or agency of the United States are not eligible for this provision. All claims under this title are required to be submitted within 90 days in order to be accepted and paid.

VA is authorized under section 1728, title 38, United States Code to make payments or reimbursements to a claimant for non-VA emergency care provided to service-connected veterans with an adjudicated service-connected disability. Payments or reimbursements can also be made for any disability of a veteran rated permanently and totally disabled due to a service-connected disability. Emergency treatment includes when care or services are rendered in a medical emergency of such nature that a prudent layperson reasonably expects that delay in seeking immediate medical attention would be hazardous to life or health. All claims under this title are required to be submitted within 2 years in order to be accepted and paid.

Appendix B Scope and Methodology

We conducted our audit work from September 2013 through December 2014. The scope of the audit included an evaluation of the accuracy of non-VA medical care emergency transportation claim payments from April 1, 2013, through September 30, 2013.

Audit work was conducted at the Non-VA Medical Care Program Office located in Denver, CO. In addition, we conducted eight site visits at VA facilities responsible for processing our sample of statistically selected claims. Table 2 shows the VA facilities where we visited and/or reviewed claims.

Table 2. VA Facilities Visited and VA Medical Facilities' Non-VA Medical Care Emergency Transportation Claims Reviewed

VA Medical Facilities' Claims Reviewed	VA Facilities Visited (Location)
Central Arkansas Veterans Healthcare System	VISN 16 Consolidated Fee Unit (Pearl, MS)
Erie VA Medical Center	VISN 4 Consolidated Fee Unit (Clarksburg, WV)
Memphis VA Medical Center	Memphis VA Medical Center (Memphis, TN)
Minneapolis VA Health Care System	Minneapolis VA Health Care System (Richfield, MN)
Southern Arizona VA Health Care System	Southern Arizona VA Health Care System (Tucson, AZ)
VA Palo Alto Health Care System	VA Palo Alto Health Care System (Menlo Park, CA)
VA Western New York Healthcare System	VISN 2 Consolidated Fee Unit (Albany, NY)
Wichita VA Medical Center	Wichita VA Medical Center (Wichita, KS)

Source: VA OIG statistically selected sites to review non-VA medical care emergency transportation claims paid from April 1, 2013, through September 30, 2013

Methodology

We reviewed applicable laws, regulations, policies, procedures, and guidelines, and we interviewed program officials from VHA's Chief Business Office, VISNs, and VA medical facilities to obtain information on the Non-VA Medical Care Program. We also interviewed Non-VA Medical Care Program Office management to assess the office's role in the management and oversight of the Non-VA Medical Care Program.

We reviewed a sample of paid Non-VA Medical Care emergency transportation claims to determine if claims were properly documented and correctly paid. We reviewed the accuracy of payments and sufficiency of documentation, but did not evaluate appropriateness or quality of the care received. In addition, we determined if the Current Procedural Terminology codes were accurate and emergency treatments were documented.

Fraud Assessment

The audit team assessed the risk that fraud, violations of legal and regulatory requirements, and abuse could occur during this audit. The audit team exercised due diligence in staying alert to any fraud indicators by taking actions, such as reviewing claims to ensure payments were properly documented and services were justified under Title 38. We did not identify any instances of fraud during the audit.

Data Reliability

We used computer-processed data from the Fee Basis Outpatient Payment File to identify non-VA medical care emergency transportation claims paid from April 1, 2013, through September 30, 2013. To test the reliability of claims paid, we reviewed data fields to ensure the following:

- Data completeness including no blanks or negatives
- Data within our scope
- Duplicate records not included

For each medical facility visited, we compared data from the Fee Basis Outpatient Payment File with the hard copy claims to ensure the attributes including treatment date, approved amount, and Current Procedural Terminology codes matched. We found 95 emergency beneficiary travel transportation claims that were incorrectly processed by non-VA medical care staff. These claims were removed from our sample because they should have been processed by VA's Beneficiary Travel Office and should not have been included in the Fee Basis Outpatient Payment File. We determined the data provided were sufficiently reliable for the purpose of the audit.

Government Standards

Our assessment of internal controls focused on those controls related to our audit objective. We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusion based on the audit objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusion based on the audit objective.

Appendix C Statistical Sampling Methodology

To evaluate the accuracy of payments for VHA's non-VA medical care emergency transportation claims, we conducted a two-stage stratified random sample.

Population

Non-VA medical care emergency transportation claims were located in the Fee Basis Outpatient Payment File. Our universe of emergency transportation claims were extracted from this file using selected Current Procedural Terminology codes applicable to emergency transportation. The universe included all claims paid from April 1, 2013, through September 30, 2013. The audit universe included 30,830 paid emergency transportation claims valued at about $21.5 million.

Sampling Design

In the first stage, we selected eight statistically sampled VA medical facilities to conduct visits and review claims. We selected three facilities from stratum one and five from stratum two using probability proportional to the total cost of emergency transportation. We stratified the universe as follows:

- Stratum One: All facilities with total cost for air emergency transportation greater than or equal to $100,000
- Stratum Two: Remainder of facilities using total cost of emergency transportation

The second stage consisted of selecting a sample of emergency transportation claims from those selected medical facilities with claims paid from April 1, 2013, through September 30, 2013. All claims were selected for air transportation and a random sample of non-VA medical care claims was selected for ground transportation.

Table 3 provides the number and the value of all paid emergency transportation claims at the eight VA medical facilities for the period of April 1, 2013, through September 30, 2013.

Table 3. Universe of Emergency Transportation Claims for Sampled Sites

VA Medical Facilities	Number of Air Claims	Value of Air Claims	Number of Ground Claims	Value of Ground Claims	Total Number of Claims	Total Value of Claims
Central Arkansas Veterans Healthcare System	6	$101,171	$181	$94,295	187	$195,466
Erie VA Medical Center	2	20,530	55	53,264	57	73,794
Memphis VA Medical Center	16	155,201	343	202,233	359	357,434
Minneapolis VA Healthcare System	0	0	314	372,887	314	372,887
Southern Arizona VA Health Care System	5	36,917	119	63,416	124	100,333
VA Palo Alto Health Care System	6	78,898	444	560,546	450	639,444
VA Western New York Healthcare System	9	51,530	521	196,998	530	248,529
Wichita VA Medical Center (Kansas City VA Medical Center)	46	306,361	1,823	844,079	1,869	1,150,439
Total	**90**	**$750,608**	**3,800**	**$2,387,718**	**3,890**	**$3,138,326**

Source: VA OIG analysis based on the sample of emergency transportation claims paid from April 1, 2013, through September 30, 2013, for selected sites

Weights

We calculated estimates in this report using weighted sample data. Sampling weights are computed by taking the product of the universe of the probabilities of selection at each stage of sampling.

Projections and Margins of Error

We determined non-VA medical care staff incorrectly processed 95 claims in our sample as non-VA emergency transportation claims. These claims were actually beneficiary travel claims; therefore, they should not have been included in the Fee Basis Outpatient Payment File. Based on these 95 claims (valued at approximately $314,500) and included in our sample of

448 claims (valued at approximately $900,300), we estimated that the audit universe includes 3,238 beneficiary travel claims valued at about $3.9 million. This resulted in a universe of 27,592 non-VA medical care emergency transportation claims with a value of about $17.6 million.

Our review of 353 emergency transportation claims (valued at about $585,800) identified 129 improper payment errors for over $167,600. We found 81 overpayments for about $78,700 and 48 underpayments for about $88,900.

The margins of error and confidence intervals are indicators of the precision of the estimates. If we repeated this audit with multiple samples, the confidence intervals would differ for each sample, but would include the true population value 90 percent of the time. Tables 4 and 5 show the population projection and their margin of error based on the 90 percent confidence interval for improper payment errors and amounts.

Table 4. Projections of Improper Payment Errors

Type of Error	Sample Size	6-Month Projection	Margin of Error Based on a 90% Confidence Interval	Confidence Interval Low 90%	Confidence Interval Upper 90%
Vendor Submitted Required Documentation Untimely	20	4.9%	2.2%	2.7%	7.2%
Claims Paid for Care Provided to Ineligible Veterans	7	1.7	1.3	0.3	3.0
Claim Paid for the Incorrect Amount	95	39.1	4.4	34.8	43.5
Total	**122**	**45.7%**	**4.7%**	**41.0%**	**50.4%**

Source: VA OIG analysis based on the sample of non-VA medical care emergency transportation claims paid from April 1, 2013, through September 30, 2013, with improper payments

Note: The seven errors due to submission of an untimely claim were not included in the projection because the audit team determined that the installed system patch corrected the potential for payment of untimely submitted claims. Also, the margin of error and confidence interval totals do not represent the total of the rows above.

Table 5. Projections of Improper Payment Amounts

Type of Error	Sample Size	6-Month Projection	Margin of Error Based on a 90% Confidence Interval	Confidence Interval Low 90%	Confidence Interval Upper 90%	1 Year Projections	5 Year Projections
Vendor Submitted Required Documentation Untimely	20	$295,673	$135,069	$160,605	$430,742	$591,347	$2,956,733
Claims Paid for Care Provided to Ineligible Veterans	7	551,326	554,967	24,977	1,106,293	1,102,652	5,513,260
Claim Paid for the Incorrect Amount	95	4,774,452	2,714,832	2,059,620	7,489,285	9,548,905	47,744,525
Total	**122**	**$5,621,452**	**$2,759,354**	**$2,862,098**	**$8,380,806**	**$11,242,904**	**$56,214,518**

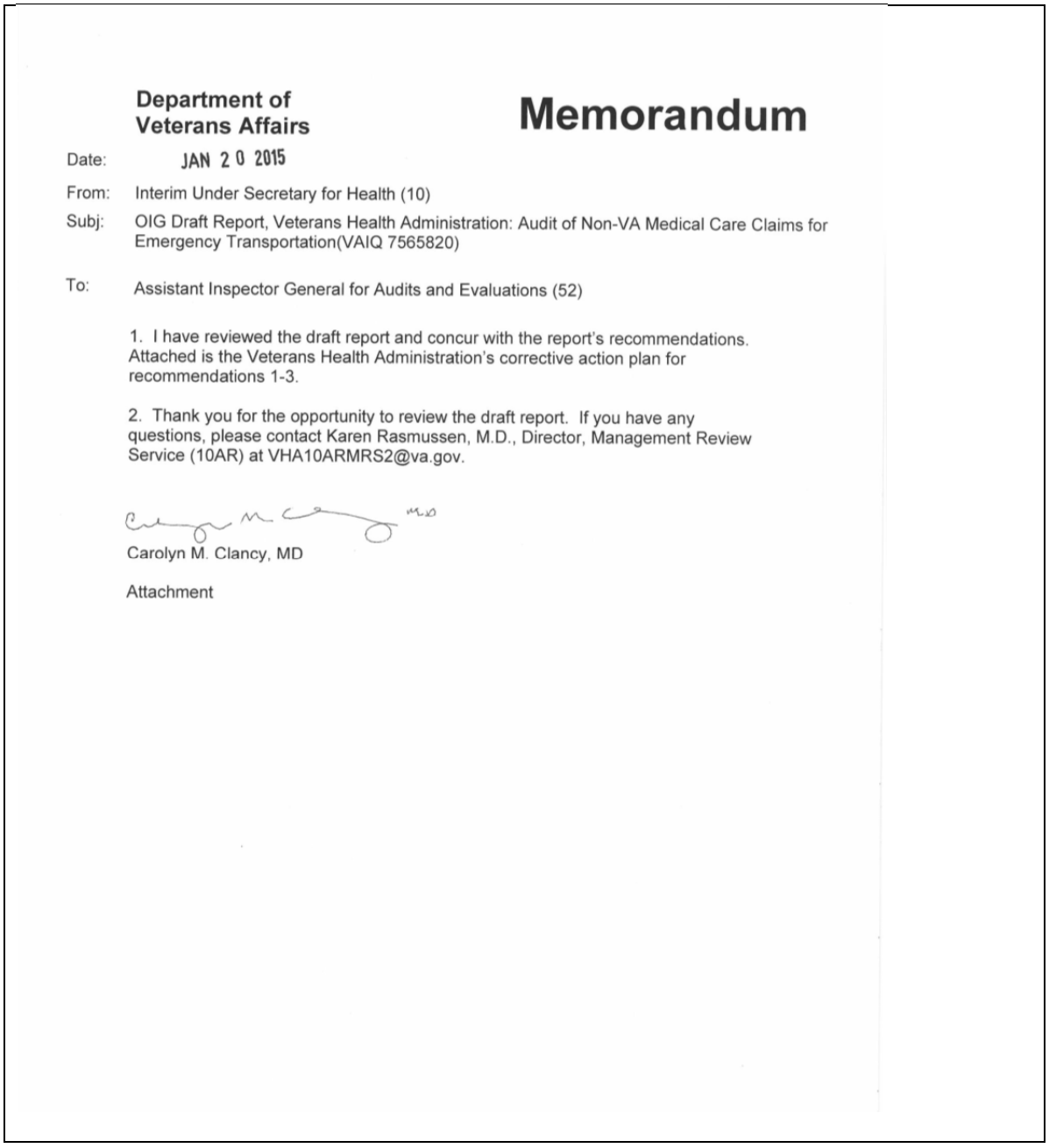
Source: VA OIG analysis based on the sample of non-VA medical care emergency transportation claims paid from April 1, 2013, through September 30, 2013

Note: The seven errors due to submission of an untimely claim were not included in the projection because the audit team determined that the installed system patch corrected the potential for payment of untimely submitted claims. Also, the margin of error and confidence interval totals do not represent the total of the rows above.

Appendix D Potential Monetary Benefits in Accordance With Inspector General Act Amendments

Recommendation	Explanation of Benefits	Better Use of Funds	Questioned Costs
1–2	Implement periodic training and systematic reviews of emergency transportation claims to reduce improper payments over the next 5 years	$0	$56.2 million
	Total	**$0**	**$56.2 million**

Appendix E Interim Under Secretary for Health Comments



Department of Veterans Affairs

Memorandum

Date: JAN 20 2015

From: Interim Under Secretary for Health (10)

Subj: OIG Draft Report, Veterans Health Administration: Audit of Non-VA Medical Care Claims for Emergency Transportation(VAIQ 7565820)

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

1. I have reviewed the draft report and concur with the report's recommendations. Attached is the Veterans Health Administration's corrective action plan for recommendations 1-3.

2. Thank you for the opportunity to review the draft report. If you have any questions, please contact Karen Rasmussen, M.D., Director, Management Review Service (10AR) at VHA10ARMRS2@va.gov.

Carolyn M. Clancy, MD

Attachment

VETERANS HEALTH ADMINISTRATION (VHA)
Action Plan

OIG Draft Report, Veterans Health Administration: Audit of Non-VA Medical Care Claims for Emergency Transportation

Date of Draft Report: December 18, 2014

Recommendations/ Actions	Status	Completion Date

OIG recommended that the Interim Under Secretary for Health:

Recommendation 1. Implement periodic training for non-VA medical care staff to ensure proper determination and use of payment and additional documentation criteria.

VHA Comments: Concur. VHA's Chief Business Office (CBO) will develop procedural documents and accompanying training materials regarding proper determination and use of payment and additional documentation criteria. Once completed, all Non-VA Medical Care staff that process emergency transportation claims will receive training.

To complete this action, CBO will provide the following documentation:

- Procedural documents and accompanying training materials
- Completion of initial training to all Non-VA Medical Care staff

Status:	Target Completion Date:
In Process	June 2015

Recommendation 2. Modify Chief Business Office reviews to include a systematic review of emergency transportation claims.

VHA Comments: Concur. Emergency transportation claims are included as part of the random sample selected for review under the Improper Payment Elimination and Recovery Improvement Act (IPERIA) as well as the routine Proper Payment Audits (PPA) conducted by VHA's Chief Business Office for Purchased Care (CBOPC). CBO will also schedule a separate review of emergency transportation claims as part of the fiscal year (FY) 2016 audit plan. This timeline accommodates for completion of necessary training on proper determination, use of payment, and additional documentation criteria. The timeline also allows time to process a sufficient volume of claims prior to conducting a post-training review

To complete this action, CBO will provide the following documentation:

- FY 2016 approved audit plan

Status:	Target Completion Date:
In Process	January 2016

<u>Recommendation 3</u>. Instruct the eight sampled VA medical facilities to initiate recovery of overpayments and reimbursement of underpayments identified in our audit.

<u>VHA Comments</u>: Concur. VHA's Chief Business Office (CBO) received the list of overpayments and underpayments and will work with the eight sampled VA medical facilities to ensure overpayments are recovered and additional payments issued for all identified underpayments.

To complete this action, CBO will provide the following documentation:

- Evidence that CBO instructed the eight VA medical facilities to initiate recovery of overpayments and reimbursement of underpayment identified in the audit.

Status:	Target Completion Date:
In Process	April 2015

Veterans Health Administration
January 2015

Appendix F Office of Inspector General Contact and Staff Acknowledgments

OIG Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
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