Veterans Health Administration

Review of Alleged Beneficiary Travel Irregularities at Hudson Valley Health Care System, Hampton and Lexington VA Medical Centers

ACRONYMS

BTP	Beneficiary Travel Program
CBO	Chief Business Office
CY	Calendar Year
FY	Fiscal Year
HCS	Health Care System
OIG	Office of Inspector General
VAMC	Veterans Affairs Medical Center
VHA	Veterans Health Administration
VISN	Veterans Integrated Service Network

EXECUTIVE SUMMARY

From December 2014 through April 2015, the Office of Inspector General received three separate allegations of Beneficiary Travel Program (BTP) processing irregularities at the Hudson Valley Health Care System (HCS) in New York; Hampton VA Medical Center (VAMC), Hampton, VA; and Lexington VAMC, Lexington, KY. We either partially or fully substantiated all three allegations. BTP staff at the 3 medical facilities did not consistently approve mileage reimbursement vouchers appropriately and made 1 or more processing errors for 31 of 149 (21 percent) vouchers we reviewed for claims during calendar year (CY) 2014. Therefore, we projected these medical facilities improperly approved reimbursements totaling approximately $37,400 for beneficiaries who claimed travel during CY 2014. Here is the summary of our findings.

- **Hudson Valley HCS:** We did not substantiate BTP staff approved ineligible beneficiaries for reimbursements. However, we found staff made 1 or more processing errors for 17 of 45 (38 percent) vouchers reviewed. This resulted in 24 errors for a total of approximately $189 in improper payments and approximately $27,200 in projected improperly approved reimbursements for claims during CY 2014.

- **Hampton VAMC:** We substantiated the VAMC overpaid the complainant for travel and confirmed other processing irregularities. Including the vouchers reviewed for the complainant, we found staff made 1 or more processing errors for 10 of 48 (21 percent) vouchers reviewed. This resulted in 13 errors for a total of approximately $803 in improper payments and approximately $9,700 in projected improperly approved reimbursements for claims during CY 2014.

- **Lexington VAMC:** We substantiated the allegation that VAMC management directed staff to reimburse beneficiaries for travel to a facility that was not the nearest to the beneficiary's residence. However, after reviewing Chief Business Office guidance, we found this to be appropriate. In addition, we found staff made 1 or more processing errors for 4 of 56 (7 percent) vouchers reviewed. This resulted in five errors for a total of approximately $248 in improper payments and approximately $500 in projected improperly approved reimbursements for claims during CY 2014.

Generally, errors occurred because the medical facilities did not fully use all Chief Business Office BTP enhancements and had not developed or implemented formal, routine quality reviews of approved mileage reimbursement vouchers. We recommended the Under Secretary for Health ensure facilities improve controls over beneficiary travel mileage processing and determine whether the improper payments identified by our review warrant establishing bills of collection or reimbursing beneficiaries, when applicable. The Under Secretary for Health concurred with our findings and recommendations and provided an appropriate action plan.

GARY K. ABE
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For Audits and Evaluations

TABLE OF CONTENTS

INTRODUCTION

Objective

From December 2014 through April 2015, the Office of Inspector General (OIG) received three separate Hotline allegations of Beneficiary Travel Program (BTP) processing irregularities at the Hudson Valley Health Care System (HCS) in New York; Hampton VA Medical Center (VAMC), Hampton, VA; and Lexington VAMC, Lexington, KY.

Beneficiary Travel Program

Under Section 111, Title 38, United States Code, Payments or Allowances for Beneficiary Travel, VA has the authority to assist eligible beneficiaries in offsetting the cost associated with traveling for certain medical care or services. BTP is organizationally aligned under the Veterans Health Administration's (VHA) Chief Business Office (CBO) and is responsible for assisting eligible beneficiaries with travel to and from VA or VA authorized health care facilities.

Program Weaknesses and Developed Enhancements

The OIG has previously identified BTP weaknesses. Specifically, in the *Review of Cincinnati VA Medical Center Beneficiary Travel Office Allegations* (Report No. 10–03292–217, July 6, 2011), the OIG identified BTP staff were not always processing beneficiary travel mileage reimbursements according to policy. Furthermore, the OIG recommended the VAMC Director improve controls and oversight to include implementing a quality assurance program, ensuring mileage reimbursements are supported by evidence of appointments, and take actions to collect unsupported payments.

In the OIG report, *Audit of VHA's Beneficiary Travel Program* (Report No. 11-00336–292, February 6, 2013), the OIG reported program deficiencies including the need for enhanced controls to verify the accuracy of beneficiary information prior to approval of travel reimbursements. During this audit, VHA provided the OIG a list of program initiatives that it began in 2010 to improve oversight including the Beneficiary Travel Dashboard (the Dashboard), a tool to help ensure accurate mileage calculation.

The Dashboard is a Web-based application that synchronizes with Veterans Health Information Systems and Technology Architecture as a travel claim is created and calculates the driving mileage from the patient's residential address to a configured set of facilities. The Dashboard can display patient information such as name, address, service connection percentage, and related appointments. Additionally, authorized personnel can configure the Dashboard to display a list of facilities in the surrounding area, available care or services, hours of operation, and contact information to help BTP staff determine if care is available at the nearest facility when determining the mileage reimbursement.

In December 2013, CBO released online beneficiary travel national training courses to increase standardization of processes in the field and ensure greater compliance with the Improper Payments Elimination and Recovery Act of 2010. The training includes approving mileage reimbursement vouchers in accordance with policy.

Criteria   Part 70, Title 38, Code of Federal Regulations, authorizes beneficiary travel reimbursement and states it must originate from an eligible beneficiary's physical place of residence to the nearest facility able to provide care or services and be requested within 30 days of completing travel. Additionally, BTP staff should only approve round-trip reimbursements for scheduled care or services and travel must be supported by receipts and other documentation when applicable.

In February 2014, CBO released guidance to assist BTP staff in identifying the nearest facility able to provide care or services. Specifically, when a beneficiary's VA provider refers or otherwise medically determines and documents the beneficiary should be seen at a more distant facility, then travel should be paid to the further facility.

VHA Procedure Guide 1601B.05, Chapter 4, dated May 20, 2014, requires staff to use the Dashboard to calculate mileage as the basis for mileage reimbursement. The *Beneficiary Travel Dashboard User Manual*, dated July 2012, requires staff to calculate mileage based upon the shortest distance to the place of care or service. In April 2015, CBO released guidance changing the method of calculating mileage from shortest distance to shortest time.

Office of Management and Budget Memorandum M–15–02, Appendix C to Circular Number A–123, *Requirements for Effective Estimation and Remediation of Improper Payments*, states an improper payment is any payment that should not have been made or was made in an incorrect amount under "statutory, contractual, administrative, or other legal" requirements. "Incorrect amounts are overpayments or underpayments made to eligible" or ineligible recipients and payments that lack sufficient documentation.

Other Information

- Appendix A provides more details on the Beneficiary Travel Program.
- Appendix B provides details on the scope and methodology.
- Appendix C provides the statistical sampling methodology.

RESULTS AND RECOMMENDATIONS

Allegation 1 **The Hudson Valley Health Care System Did Not Consistently Approve Beneficiary Travel Mileage Reimbursements in Accordance With Policy**

In December 2014, the OIG received an anonymous allegation that irregularities with processing beneficiary travel mileage reimbursements occurred at facilities within the Hudson Valley HCS. The complainant alleged the following regarding beneficiary travel at the Montrose and Castle Point campuses, and the Port Jervis, Goshen, and Monticello Community Based Outpatient Clinics:

- Ineligible beneficiaries were approved for travel reimbursement
- Travel reimbursements were approved for more than the allowable amount
- Staff did not use the Dashboard

What We Did We conducted site visits at the Montrose and Castle Point campuses of the Hudson Valley HCS to assess the merits of the allegation. We interviewed CBO and Veterans Integrated Service Network (VISN) officials and BTP management and staff. We obtained electronic beneficiary travel and appointment data from VHA systems. From the population of 23,668 mileage reimbursement vouchers, approved for approximately $438,000, we examined a random sample of 45 vouchers approved by facilities within the HCS for claims from July 1 through December 31, 2014, to determine whether staff approved reimbursements according to policy.

What We Found We partially substantiated the allegation that irregularities with processing beneficiary travel mileage reimbursements occurred at facilities within the Hudson Valley HCS. While we did not substantiate the allegation that the HCS approved ineligible beneficiaries for travel reimbursement, we determined BTP staff approved travel reimbursements for more than the allowable amount and did not consistently use the Dashboard.

Our review of 45 statistically selected mileage reimbursement vouchers determined all beneficiaries met eligibility requirements. However, we found staff made 1 or more processing errors for 17 of 45 (38 percent) vouchers. This resulted in 24 errors for a total of approximately $189 in improper payments and approximately $27,200 in projected improperly approved mileage reimbursements for claims during Calendar Year (CY) 2014. For example, although policy states travel is limited to travel from a beneficiary's residence, BTP staff approved a voucher totaling $67 for travel originating from a post office box. Additionally, staff approved a mileage

reimbursement for a beneficiary for travel to a facility that was 29 miles from his physical residence. These services could have been provided at a facility that was 1 mile away from the beneficiary's residence, resulting in an improper payment of approximately $23. Table 1 summarizes the number and range of improperly approved reimbursements for each type of error identified in our review.

**Table 1. Vouchers With Errors Approved by Facilities
Within the Hudson Valley HCS for Claims
From July 1 Through December 31, 2014**

Type of Error	Number of Errors	Range of Improperly Approved Reimbursements by Error Type
Incorrect Mileage Calculation	11	$(5)–$9
Appointment Did Not Qualify	5	$2–$22
Physical Residence Not Used	3	$5–$67
Round Trip/One-Way Trip	3	$(26)–$17
Nearest Facility Was Not Used	2	$23–$32
Total	**24**	**$(26)–$67**

Source: OIG Review of Records for Sampled Mileage Reimbursement Vouchers

Note: Numbers were rounded for reporting purposes; parentheses indicate reimbursements approved for less than the appropriate amount.

Why This Occurred

These errors occurred because facilities within the Hudson Valley HCS did not fully use CBO program enhancements, such as functions within the Dashboard and Web-based beneficiary travel training. These enhancements could have assisted staff in consistently determining accurate mileage reimbursements. Additionally, the HCS had not developed or implemented formal quality reviews to routinely verify staff approved mileage reimbursements in accordance with policy.

Dashboard Functions Not Consistently and Fully Used

Incorrect mileage calculations and nearest facility errors generally occurred because BTP management did not ensure the Dashboard functions were consistently and fully used. The Dashboard provides a standardized method of calculating mileage and displays patient information, list of facilities in the area, available care or services, hours of operation, and contact information. Though BTP staff are required by program policy to use the Dashboard when determining travel reimbursements, both the BTP manager and supervisor indicated they did not require staff to use the Dashboard for every mileage calculation. For example, they stated if mileage had been calculated for a beneficiary's previous voucher, staff were not required to use

the Dashboard when calculating mileage for the beneficiary's subsequent vouchers if travel occurred to the same facility. Staff agreed they did not always use the Dashboard to calculate mileage reimbursements.

The HCS did not use all available functions of the Dashboard to assist staff in identifying the nearest facility able to provide the necessary care or services because BTP management did not ensure the Dashboard was fully configured. For example, the Dashboard did not display information such as services offered by nearby facilities, hours of operation, and contact information. The BTP manager stated she was unaware of these functions, but indicated in June 2015 that the HCS would research reconfiguring its Dashboard to use this important functionality.

Formal Training Not Completed

Errors relating to non-qualifying appointments, physical residence not used, and round trip versus one-way calculations generally occurred because BTP management did not ensure staff completed formal training. The BTP manager and supervisor position descriptions include requirements to help ensure staff are trained appropriately. The manager indicated staff were required to take periodic, locally developed BTP training but stated this training had not been conducted since 2013 due to competing priorities.

Additionally, a CBO official notified BTP managers in February 2014 of available national training and recommended staff complete it. The training instructs staff in approving mileage reimbursement vouchers in accordance with appointment, address, and round trip versus one-way travel requirements. If this training had been completed, these errors could have been avoided. The manager could not recall CBO notifying her of this training. However, after she was informed of an impending OIG audit, she required staff to complete the training in March 2015.

No Formal Process for Quality Reviews

The facilities within the Hudson Valley HCS had not developed and implemented a quality review program of approved mileage reimbursement vouchers to routinely verify whether staff accurately processed mileage reimbursement vouchers. Both the VISN and CBO officials indicated local BTP management is responsible for developing and implementing quality reviews. Furthermore, position descriptions for both the BTP manager and supervisor include requirements to perform quality reviews. However, they stated they had not developed or implemented a formal quality review process because they did not initially find it necessary. After we presented our errors, BTP management stated reviews should be implemented. In July 2015, the manager indicated the HCS was currently developing a formal quality review process.

What Resulted

Based on the results of our sample, we projected Hudson Valley HCS BTP staff made errors resulting in approximately $27,200 of improperly approved reimbursements for beneficiaries who claimed travel during CY 2014.

Allegation 2   The Hampton Veterans Affairs Medical Center Overpaid a Beneficiary for Travel and Improperly Approved Other Travel Reimbursements

In February 2015, the OIG received an allegation from a beneficiary stating the Hampton VAMC overpaid the complainant's claim for travel reimbursement. The complainant also stated the VAMC was unaware of the overpayment and that mileage reimbursement processing errors may be occurring with other beneficiaries at the VAMC.

What We Did

We conducted a site visit at the Hampton VAMC to assess the merits of the allegation. We interviewed CBO and VISN officials, BTP management and staff, and the complainant. We obtained electronic beneficiary travel and appointment data from VHA systems. We reviewed 3 complainant specific mileage reimbursement vouchers and a random sample of 45 vouchers from the population of 55,108 vouchers, approved by the VAMC for approximately $938,000, for claims during CY 2014.

What We Found

We substantiated BTP mileage reimbursement processing irregularities at the Hampton VAMC for both the complainant and our random sample review. Including the vouchers reviewed for the complainant, we found BTP staff made 1 or more errors for 10 of 48 (21 percent) vouchers reviewed. This resulted in 13 errors for a total of approximately $803 in improper payments and approximately $9,700 in projected improperly approved reimbursements during CY 2014.

For example, staff approved a mileage reimbursement voucher for approximately $54 without documentation indicating the beneficiary completed a related appointment. Additionally, staff approved a mileage reimbursement for a beneficiary that included $18 in tolls without the required receipts. Table 2 summarizes the number and range of improperly approved reimbursements for each type of error identified in our review.

Table 2. Vouchers With Errors Approved by Hampton VAMC for Claims During CY 2014

Type of Error	Number of Errors	Range of Improperly Approved Reimbursements by Error Type
Incorrect Mileage Calculation	4	$(3)–$668
Receipts Toll/Bus Fare	4	$6–$18
Qualifying Appointment Not Completed	2	$42–$54
Ineligible Beneficiary	1	$6
Nearest Facility Was Not Used	1	$8
Not Claimed Within 30 Days	1	$14
Total	**13**	**$(3)–$668**

Source: OIG Review of Records for Sampled Mileage Reimbursement Vouchers

Note: Numbers were rounded for reporting purposes; parentheses indicate reimbursements approved for less than the appropriate amount.

Why This Occurred

These errors occurred because the Hampton VAMC did not fully use CBO program enhancements, such as functions within the Dashboard and Web-based beneficiary travel training that would have assisted staff in consistently determining accurate mileage reimbursements. Additionally, the VAMC had not developed or implemented formal quality reviews to routinely verify staff approved mileage reimbursements in accordance with policy.

Dashboard Functions Not Consistently and Fully Used

Incorrect mileage calculations and nearest facility errors generally occurred because BTP management did not ensure the Dashboard functions were fully used. Specifically, Hampton VAMC staff did not use the Dashboard's functionality to assist in identifying the nearest facility able to provide the necessary services because management did not fully configure the Dashboard to include information such as other facilities and the services they provide. For example, the only facility displayed by the VAMC's Dashboard was the Hampton VAMC. The BTP manager indicated she was previously unaware of these Dashboard functions. After our site visit in May 2015, she stated the medical center was making progress towards configuring the Dashboard to include information about surrounding facilities, such as the Virginia Beach Community Based Outpatient Clinic and the Albemarle Primary Outpatient Clinic.

Formal Training Not Completed

Generally, we found staff inappropriately approved vouchers for beneficiaries who were ineligible, did not complete qualifying appointments, did not provide required receipts, and did not claim reimbursements within 30 days of travel because BTP management did not ensure staff completed formal training. The BTP supervisor and lead travel clerk position descriptions include requirements to ensure staff are trained appropriately. The supervisor position was vacant at the time of our review. Although the BTP manager and lead travel clerk stated staff received periodic, on-the-job training, they could not provide supporting documentation that training occurred or they had training planned.

Additionally, a CBO official notified BTP management in February 2014 of available national training and recommended staff complete it. However, management did not require staff to use this available resource. The training instructs staff in approving mileage reimbursement vouchers in accordance with documentation, appointment, timeliness, and eligibility requirements. If this training had been completed, these errors could have been avoided. The BTP manager indicated the previous BTP supervisor left in March 2015, and could not explain why this training was not completed. However, after our site visit in May 2015, she began requiring staff to complete the training.

No Formal Process for Quality Reviews

The Hampton VAMC had not developed or implemented formal quality reviews of approved mileage reimbursement vouchers to routinely verify BTP staff accurately processed mileage reimbursement vouchers. Both the VISN and CBO officials indicated local BTP management is responsible for developing and implementing quality reviews. Furthermore, the position description for the supervisor includes requirements to conduct periodic reviews of work assignments, and the BTP manager position includes requirements to ensure quality assurance issues are documented and appropriate follow-up action occurs. The manager was unable to explain why the previous BTP supervisor had not developed or implemented formal quality reviews but agreed the facility should implement a formal process. The lead travel clerk indicated he periodically performed informal evaluations of approved vouchers but could not provide documentation of the elements reviewed or the results. Generally, the errors we noted in our review would indicate these informal evaluations were either not frequent or comprehensive enough to be effective.

What Resulted

Based on the results of our sample, we projected Hampton VAMC BTP staff made errors resulting in approximately $9,700 of improperly approved reimbursements for beneficiaries who claimed travel during CY 2014.

Allegation 3   The Lexington Veterans Affairs Medical Center Provided Appropriate Guidance to Staff But Other Controls Could Be Improved

In April 2015, the OIG received an allegation that irregularities occurred with processing BTP mileage reimbursements at the Lexington VAMC. Specifically, the complainant alleged the Beneficiary Travel Office at the Lexington VAMC received guidance to approve travel reimbursements to a veteran's preferred facility using Community Based Outpatient Clinic assignment as justification. In June 2015, the complainant clarified the initial allegation and stated BTP management directed staff in some instances to reimburse beneficiaries for travel to a facility that was not the nearest facility to their residence.

What We Did

We conducted a site visit at the Lexington VAMC to assess the merits of the allegation. We interviewed CBO and VISN officials, BTP management and staff, and the complainant. We obtained electronic beneficiary travel and appointment data from VHA systems. From the population of 61,850 mileage reimbursement vouchers, approved for approximately $2.2 million, we examined a random sample of 45 vouchers approved by the VAMC for claims from July 1 through December 31, 2014. In addition to reviewing if travel reimbursements were calculated to the nearest facility that could provide care or services, we expanded our review to test for other processing irregularities, such as eligibility and qualifying appointments. While onsite, we received additional information indicating vouchers may have been approved inappropriately by management. Therefore, we further expanded our review to include an additional 11 vouchers approved during our scope of review.

What We Found

We substantiated the allegation BTP staff received guidance in some instances to reimburse beneficiaries for travel to a facility that was not the nearest facility to their residence. However, we found the guidance to be appropriate for the circumstances. The BTP manager and supervisor stated that when a provider referred a beneficiary to a specific facility, they directed staff to reimburse the beneficiary for travel to that facility even though there may have been a closer facility. This direction was based on CBO guidance issued in February 2014. The guidance allows VA to reimburse for travel to a further facility when VA refers or otherwise medically determines and documents that a beneficiary should travel to a more distant facility.

We found staff made 1 or more processing errors for 4 of 56 (7 percent) vouchers reviewed. This resulted in five errors for a total of approximately $248 in improper payments and approximately $500 in projected improperly approved reimbursements during CY 2014. For example, although policy states travel must originate from a physical place of residence, BTP staff

approved a voucher totaling approximately $77 for travel originating from a post office box. In addition, staff approved a mileage reimbursement voucher amounting to nearly $75 without documentation that supported the beneficiary completed an appointment.

We did not find any vouchers during our sample review where BTP management directed staff to reimburse beneficiaries for travel to a further facility based upon provider referral. Table 3 summarizes the number and range of improperly approved reimbursements for each type of error identified in our review.

Table 3. Vouchers With Errors Approved by Lexington VAMC for Claims From July 1 Through December 31, 2014

Type of Error	Number of Errors	Range of Improperly Approved Reimbursements by Error Type
Incorrect Mileage Calculation	2	$12–$31
Physical Residence Not Used	1	$77
Appointment Did Not Qualify	1	$75
Voucher Not Created Within 30 Days	1	$66
Total	**5**	**$12–$77**

Source: OIG Review of Records for Sampled Mileage Reimbursement Vouchers

Note: Numbers were rounded for reporting purposes.

Why This Occurred

While we substantiated the allegation that BTP management directed staff in some instances to reimburse beneficiaries for travel to a facility that was not the nearest facility to the beneficiary's residence, we found this to be appropriate based upon CBO guidance. Specifically, CBO guidance states when VA refers or otherwise medically determines and documents that a beneficiary should travel to a more distant facility, then VA makes the decision as to place of care, and travel should be paid to the further facility.

Although we identified significantly fewer errors at the Lexington VAMC than at the other locations reviewed, controls could still be improved. Errors identified during our sample review generally occurred because BTP management did not ensure staff completed Web-based beneficiary travel training, which CBO developed to improve the program. Additionally, the VAMC had not developed or implemented formal quality reviews to routinely verify staff approved reimbursements according to policy.

We identified stronger Dashboard controls at Lexington. Management stated the facility was aware of the Dashboard's abilities as a result of participating in the 2012 Beneficiary Travel Dashboard pilot program and configured it to display surrounding facilities and services offered. This allowed staff to more consistently identify the nearest facility.

Formal Training Not Completed

The BTP supervisor position description includes requirements to identify and coordinate training needs to ensure staff are knowledgeable of the requirements of their positions. However, BTP management had not developed a formal training program for BTP staff. The BTP manager stated staff received periodic, on-the-job training but could not provide supporting documentation that training occurred or had been planned.

A CBO official notified BTP management in February 2014 of available national training and recommended staff complete it. However, BTP management did not require staff to complete this training. The training instructs BTP staff in approving mileage reimbursement vouchers in accordance with address, mileage calculation, appointment, and timeliness requirements. If this training had been completed then these errors could have been avoided. The BTP manager could not recall being initially notified of this training; however, after our site visit in June 2015, he began requiring staff to complete the training.

No Formal Process for Quality Reviews

The Lexington VAMC had not developed or implemented formal quality reviews of approved mileage reimbursement vouchers to routinely verify staff accurately processed mileage reimbursement vouchers. Both the VISN and CBO officials indicated local BTP management is responsible for developing and implementing quality reviews. Furthermore, the position description for the BTP supervisor includes requirements to perform quality reviews and the BTP manager and supervisor agreed they should implement a formal review process. The supervisor indicated she periodically performed informal evaluations of approved vouchers but could not provide documentation of the elements reviewed or the results of her assessments.

What Resulted

Based on the results of our sample, we projected Lexington VAMC BTP staff made errors resulting in approximately $500 in improperly approved reimbursements for beneficiaries who claimed travel during CY 2014.

Conclusion

We noted varying error rates at the three sites that were generally attributed to a lack of standardization in facilities' local policies and procedures and routine oversight. The error rates identified at the three locations visited indicated program weaknesses that needed strengthening. Although individual approved travel reimbursements averaged less than $26 per trip for the facilities within our scope, if program weaknesses identified occur across VA's facilities nationwide, they have the potential to be significant. For instance, for just the medical facilities reviewed, we projected staff

improperly approved reimbursements totaling approximately $37,400 for claims during CY 2014.

In addition, if the facilities within the Hudson Valley HCS, Hampton VAMC, and Lexington VAMC do not take steps to ensure BTP mileage reimbursements are made accurately and in accordance with policy, taxpayer funds will continue to be spent unnecessarily. Furthermore, the facilities will continue to make improper payments to beneficiaries that the medical facilities could use for other medical care or services. Therefore, we concluded there was an opportunity for these facilities, and VHA, to improve the financial stewardship of the Beneficiary Travel Program by reducing improper payments.

Recommendations

1. We recommended the Under Secretary for Health ensures the Hudson Valley Health Care System aligns facility policy with Chief Business Office requirements to use the Beneficiary Travel Dashboard to calculate mileage as the basis for reimbursement.

2. We recommended the Under Secretary for Health ensures the Hudson Valley Health Care System's and the Hampton Veterans Affairs Medical Center's Beneficiary Travel Dashboards are configured to assist staff in identifying the nearest facility able to provide care or services as the basis for mileage reimbursements.

3. We recommended the Under Secretary for Health ensures the Hudson Valley Health Care System and the Hampton and Lexington Veterans Affairs Medical Centers strengthen Beneficiary Travel Program processing accuracy by developing a formal plan to routinely identify staff training needs and provide appropriate training.

4. We recommended the Under Secretary for Health ensures the Hudson Valley Health Care System and the Hampton and Lexington Veterans Affairs Medical Centers develop and implement a formal process to routinely identify Beneficiary Travel Program mileage reimbursement processing deficiencies and apply corrective actions.

5. We recommended the Under Secretary for Health requires the Hudson Valley Health Care System and the Hampton and Lexington Veterans Affairs Medical Centers to determine whether the improper payments identified by our review warrant establishing bills of collection or reimbursing beneficiaries, when applicable.

Management Comments and OIG Response

The Under Secretary for Health concurred with our findings and recommendations and provided an appropriate action plan to address all recommendations by September 2016. Although the Under Secretary concurred with Recommendation 1, the Under Secretary stated that for repetitive trips initiating and ending at the same locations, VHA encourages sites to establish a standard reimbursement. However, we reiterate our initial position that in order to ensure standardized, accurate calculations and help prevent errors like those identified by our review, VHA should ensure staff use the Dashboard for all mileage calculations, regardless of the frequency of beneficiary trips.
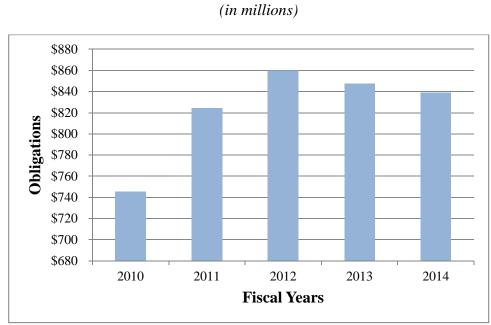
We will monitor VHA's progress and follow up on the implementation of our recommendations until all proposed actions are completed. Appendix D contains the full text of the Under Secretary's comments.

Appendix A   Background

Beneficiary Travel Program

Under Section 111, Title 38, United States Code, VA has the authority to "pay the actual necessary expense of travel," including mileage traveled "to or from a Department facility or other place in connection with vocational rehabilitation" or counseling "or for the purpose of examination, treatment, or care" for certain eligible veterans. In addition to reimbursing beneficiaries for mileage traveled, VA may authorize special mode of transportation (for example, ambulance or wheelchair van) if medically necessary and approved before travel begins. VA determines eligibility for BTP benefits based on the characteristics of the veteran or the type of medical appointment. In general, beneficiaries can qualify for BTP benefits by having a service-connected rating of 30 percent or more, traveling for treatment of a service-connected condition or a compensation and pension examination, receiving a VA pension, or having an annual income that does not exceed the maximum annual VA pension rate. For 2015, the maximum VA pension rate is $12,868 for a veteran with no dependents.

VHA's CBO was established in April 2002 as the single accountable authority for the development of administrative processes, policy, regulations, and directives associated with the delivery of VA health benefit programs. The BTP is organizationally aligned under CBO and is responsible for assisting eligible beneficiaries with travel to and from VA or VA-authorized health care through either mileage reimbursement or special mode of transportation.

Reimbursement Process

Beneficiaries must apply for travel reimbursement at the VA facility responsible for the medical care or services provided and for which travel is required. BTP staff enter the travel claim in VA's electronic record keeping system, Veterans Health Information Systems and Technology Architecture. Once the beneficiary requests reimbursement, either orally or in writing, Fiscal Service makes the payment.

Program Growth

The BTP grew substantially from fiscal years (FYs) 2010 through 2014, from $745.3 million in 2010 to $838.9 million in actual obligations in FY 2014, an increase of nearly 13 percent. These figures include mileage and special mode transportation. The figure shows BTP obligations over 5 years.

**Figure. Beneficiary Travel Program Actual Obligations
From
FY 2010 Through FY 2014**
(in millions)

Source: Data from VA Congressional Submission Appropriations Request

Note: Actual obligations are rounded and represent total program obligations.

Appendix B   Scope and Methodology

We conducted our review from February through August 2015. We assessed the merits of complaints received from December 2014 through April 2015 regarding facilities within the Hudson Valley HCS, namely Montrose and Castle Point campuses, and the Port Jervis, Goshen, and Monticello Community Based Outpatient Clinics; Hampton VAMC; and Lexington VAMC. Specifically, we reviewed the facilities' controls over the BTP mileage reimbursement approval process for claims from July 1 through December 31, 2014. We also reviewed facility controls over the processing of complainant-specific vouchers at the Hampton VAMC during CY 2014.

Methodology

We reviewed applicable laws, policies, and procedures to assess controls over the beneficiary travel mileage approval process. We conducted site visits at the Montrose and Castle Point campuses of the Hudson Valley HCS, Hampton VAMC, and Lexington VAMC. We interviewed CBO and VISN officials and BTP management and staff to gain an understanding of national and local policies and procedures. We interviewed the complainants from both Hampton and Lexington VAMC. We did not interview the complainant concerning the Hudson Valley HCS since it was an anonymous allegation.

We obtained electronic beneficiary travel and appointment data from VHA's Veterans Health Information Systems and Technology Architecture and Corporate Data Warehouse. From these data, we examined a random sample of 45 mileage reimbursement vouchers from each location and complainant-specific vouchers from Hampton VAMC to determine whether staff approved reimbursements according to policy. While onsite at Lexington VAMC, we received additional information indicating vouchers may have been approved inappropriately by management and expanded our review to include an additional 11 vouchers approved during our scope.

Fraud Detection

In order to obtain reasonable assurance of detecting fraud that may have occurred within the context of our review, we assessed risks applicable to fraud, illegal acts, and abuse. We considered risk factors such as the nature of the operation, internal controls, and the OIG Hotline complaints when developing our review steps. We interviewed BTP management and staff concerning procedures to identify and report fraudulent activity. We also contacted the OIG Office of Investigations staff to determine if any criminal investigations concerning the management of BTP operations had been initiated from July 1 through December 31, 2014. During our review, we found management and staff at each location were aware of situations that could lead to fraud. We identified some vouchers without receipts supporting some expenses claimed. However, the review team determined it was an issue of poor documentation maintenance and not an indicator of fraud.

Data Reliability   To assess data reliability, we obtained approved beneficiary travel reimbursement vouchers and appointment data from VHA's Veterans Health Information Systems and Technology Architecture and Corporate Data Warehouse for facilities within the Hudson Valley HCS, Hampton VAMC, and Lexington VAMC. We compared those records with associated beneficiary information, eligibility, medical appointment, and physician consult information found in the Compensation and Pension Records Interchange system. In addition, VAMC staff accessed electronic systems used to corroborate data we used to develop our findings. We considered the computer-processed data to be sufficiently reliable to support the review objectives, our conclusion, and recommendations concerning program and management controls for approving beneficiary travel reimbursements.

Government Standards   We conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

Appendix C   Statistical Sampling Methodology

To determine whether facilities within the Hudson Valley HCS, Hampton VAMC, and Lexington VAMC had appropriate controls over the travel reimbursement process, we evaluated statistical samples of reimbursement vouchers approved for claims from July 1 through December 31, 2014, and related appointment data from VHA systems.

Population

The population of travel reimbursement vouchers approved by each location for claims from July 1 through December 31, 2014, are as follows.

- 23,668—Facilities within the Hudson Valley HCS
- 55,108—Hampton VAMC
- 61,850—Lexington VAMC

Sampling Design

We used a stratified sampling design to select the sample. We divided the population into five strata based on risk level and used the same five strata for each sample at the three locations. We randomly selected 45 approved mileage reimbursement vouchers within the 5 strata using the SurveySelect Procedure in the Statistical Analysis System software from each location. All vouchers approved for claims within our scope by facilities within the Hudson Valley HCS, Hampton VAMC, and Lexington VAMC had a chance of being selected, allowing us to project over the whole population and by percentage of errors. We designed our sample to ensure sufficient, unbiased selection of all mileage reimbursement vouchers approved by the locations reviewed.

Table 4 identifies the sample size of approved vouchers, by stratum, for facilities within Hudson Valley HCS, Hampton VAMC, and Lexington VAMC.

**Table 4. Sample Size of Approved Vouchers
by Stratum for Each Facility**

Stratum	Stratum Definition	Sample Size
1 – High Risk	Vouchers with an appointment but no indication of completion	10
2 – High Risk	Vouchers without a corresponding appointment	10
3 – Mid Risk	Vouchers with one-way mileage of greater than or equal to 50 miles and completed appointment	10
4 – Low Risk	Vouchers with one-way mileage of less than 50 miles and completed appointment for beneficiaries: • With VA service-connected rating of 30 percent or more and/or • Traveling in relation to a Compensation and Pension examination.	5
5 – High Risk	Vouchers with one-way mileage of less than 50 miles and completed appointment for beneficiaries: • Without a VA service-connected rating of 30 percent or more and/or • Not traveling in relation to a Compensation and Pension examination.	10

Source: VA OIG Sample Design Performed in Consultation with the Office of Audits and Evaluations statistician

Lexington Review Expansion

While onsite at Lexington VAMC, we received additional information indicating certain vouchers may have been approved inappropriately. Therefore, we expanded our review to evaluate 11 additional vouchers from our original population and scope period. The result of the review expansion has been included in our error rates and projection estimates for Lexington VAMC.

Weights

We calculated estimates in this report using weighted sample data. Sampling weights were computed by taking the product of the inverse of the probabilities of selection at each stage of sampling. We used WesVar software to calculate population estimates and associated sampling errors. WesVar employs replication methodology to calculate margins of error and confidence intervals to correctly account for the complexity of the sample design.

Projections and Margins of Error

Our review indicated facilities within the Hudson Valley HCS, Hampton VAMC, and Lexington VAMC did not appropriately approve beneficiary travel reimbursements for claims from July 1 through December 31, 2014. Margins of error and confidence intervals are indicators of estimates precision. In order to be conservative, we used the lower limit from each projection. We totaled the rounded 12-month improperly approved reimbursement projection from each location ($27,200 from Hudson Valley; $9,700 from Hampton VAMC; and $500 from Lexington VAMC), which resulted in approximately $37,400 in combined improperly approved reimbursements for these medical facilities for claims during CY 2014.

Table 5 provides the estimates associated with beneficiary travel processing irregularities at facilities within the Hudson Valley HCS. We found BTP staff made one or more processing errors during our scope. As a result, we projected staff made one or more processing errors when approving approximately 1,600 vouchers claimed from July 1 through December 31, 2014, resulting in improperly approved reimbursements totaling close to $13,600.

**Table 5. Statistical Projections for Vouchers Approved by Facilities
Within the Hudson Valley HCS for Claims
From July Through December 31, 2014**

Attribute	Point Estimate	Margin of Error Based on 90 Percent Confidence Interval	90 Percent Lower Limit	90 Percent Upper Limit	12-Month Projection
Number of Vouchers	2,700	1,200	1,600	3,900	3,200
Improperly Approved Reimbursements	$49,800	$36,300	$13,600	$86,100	$27,200

Source: VA OIG Statistical Analysis of Sample Results Projected Over our Review Universe

Note: Numbers were rounded for reporting purposes. We multiplied the lower limit projection by two to calculate the 12-month improperly approved reimbursements for claims during CY 2014.

Table 6 provides the estimates associated with beneficiary travel processing irregularities at Hampton VAMC. We found BTP staff made one or more processing errors during our scope. As a result, we projected staff made one or more processing errors when approving approximately 1,700 vouchers claimed from July 1 through December 31, 2014, resulting in improperly

approved reimbursements totaling just over $4,500. We included the complainant's errors in the 12-month projection.

**Table 6. Statistical Projections for Vouchers Approved
by the Hampton VAMC for Claims
During CY 2014**

Attribute	Point Estimate	Margin of Error Based on 90 Percent Confidence Interval	90 Percent Lower Limit	90 Percent Upper Limit	12-Month Projection
Number of Vouchers	4,200	2,500	1,700	6,600	3,400
Improperly Approved Reimbursements	$69,100	$64,500	$4,500	$134,000	$9,700

Source: VA OIG Statistical Analysis of Sample Results Projected Over our Review Universe

Note: Numbers were rounded for reporting purposes. We multiplied the lower limit projection by two to calculate the 12-month improperly approved reimbursements for claims during CY 2014. The 12-month projection also included improper approvals for the complainant.

Table 7 provides the estimates associated with beneficiary travel processing irregularities at the Lexington VAMC. We found BTP staff made one or more processing errors during our scope. As a result, we projected staff made one or more processing errors when approving four vouchers claimed from July 1 through December 31, 2014, resulting in improperly approved reimbursements totaling close to $250.

Table 7. Statistical Projections for Vouchers Approved by the Lexington VAMC for Claims From July 1 Through December 31, 2014

Attribute	Point Estimate	Margin of Error based on 90 Percent Confidence Interval	90 Percent Lower Limit	90 Percent Upper Limit	12-Month Projection
Number of Vouchers	2,300	3,000	4	5,200	8
Improperly Approved Reimbursements	$164,000	$228,000	$250	$392,000	$500

Source: VA OIG Statistical Analysis of Sample Results Projected Over our Review Universe

Note: Numbers were rounded for reporting purposes. We multiplied the lower limit projection by two to calculate the 12-month improperly approved reimbursements for claims during CY 2014.

Appendix D   Under Secretary for Health Comments

**Department of
Veterans Affairs**

Memorandum

Date: OCT 1 6 2015

From: Under Secretary for Health (10)

Subj: OIG Draft Report, Review of Alleged Beneficiary Travel Irregularities at Multiple Locations
(Project Number 2015-02400-R9-0124) (VAIQ 7641413)

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

1. I have reviewed the draft report and concur with recommendations 1 through 5.
   Attached is the action plan to address the report's recommendations.

2. The Veterans Health Administration also provides the attached technical
   comments.

3. If you have any questions, please contact Karen M. Rasmussen, M.D., Director,
   Management Review Services (10AR) at VHA10ARMRS2@va.gov .

David J. Shulkin, M.D.

Attachments

VETERANS HEALTH ADMINISTRATION (VHA)

Action Plan

OIG Draft Report, Review of Alleged Beneficiary Travel Irregularities at Multiple Locations

Date of Draft Report: September 22, 2015

Recommendations/ Actions	Status Date	Target Completion

Recommendation 1: We recommended the Under Secretary for Health ensures the Hudson Valley Health Care System complies with VHA Procedure Guide requirements to use the Beneficiary Travel Dashboard to calculate mileage as the basis for reimbursement.

VHA Comments: Concur.
The Beneficiary Travel (BT) Dashboard is the VA standard for determining distances for purposes of BT mileage reimbursement. The BT Dashboard provides most information to process a BT mileage claim in one place, allowing them to be processed quicker. The BT Dashboard must be used for each mileage reimbursement claim. However, for repetitive trips initiating and ending at the same locations, VHA encourages sites to establish a standard reimbursement as the BT Dashboard mileage calculations may vary slightly based on the linked mapping process.

VHA's Chief Business Office (CBO) will issue a memorandum requesting Hudson Valley Health Care System to properly configure the BT Dashboard.

To complete this action, CBO will provide documentation from Hudson Valley HCS certifying compliance with VHA Procedure Guide requirements to use the BT Dashboard.

	Status	Target Completion Date
	In Process	March 2016

Recommendation 2: We recommended the Under Secretary for Health ensures the Hudson Valley Health Care System's and the Hampton Veterans Affairs Medical Center's Beneficiary Travel Dashboards are configured to assist staff in identifying the nearest facility able to provide care or services as the basis for mileage reimbursements.

VHA Comments: Concur.
A significant benefit of using the BT Dashboard is the ability to identify the closest facility that has the needed care or services available. If the BT Dashboard is not configured, this benefit is lost. Training on configuration of the BT Dashboard is available through the VA Talent Management System (TMS) and is offered periodically on national BT

calls. Individual assistance is also available. Chief Business Office (CBO) provides individualized technical assistance to facility based staff upon request.

For Hudson Valley HCS and the Hampton Veterans Affairs Medical Center, the CBO will communicate the requirement for BT staff to take appropriate trainings, and will assist in proper configuration of local BT Dashboards.

To complete this action, CBO will provide documentation in the form of screenshots showing Hudson Valley HCS and Hampton VAMC have appropriately configured its BT Dashboards to represent its catchment areas.

Status	Target Completion Date
In Process	December 2015

Recommendation 3: We recommended the Under Secretary for Health ensures the Hudson Valley Health Care System and the Hampton and Lexington Veterans Affairs Medical Centers strengthen Beneficiary Travel Program processing accuracy by developing a formal plan to routinely identify staff training needs and provide appropriate training.

VHA Comments: Concur.
Due to the entry level nature of positions, BT staff generally has a high turnover rate; therefore training of staff is critical. BT claim processing training is available on demand through the TMS and can be tracked by supervisory staff. In addition, two teleconference BT classes are held monthly where current policy and processing information is reviewed and BT staff can ask questions of BT subject matter experts.

The CBO will request the facility Directors at the three relevant sites, to develop a formal plan for routinely assess staff training needs. Based on the staff training needs assessments, the Directors are to ensure BT staff receives appropriate training.

To complete this action, VHA will submit documentation on the following elements for each of the three facilities:

1. Staff training needs assessment completion;
2. BT staff training completion through TMS; and
3. Demonstration that results of formal process to routinely identify BT mileage reimbursement processing deficiencies (Recommendation 4) are used to identify training opportunities.

Status	Target Completion Date
In Process	December 2015

Recommendation 4: We recommended the Under Secretary for Health ensures the Hudson Valley Health Care System and the Hampton and Lexington Veterans Affairs Medical Centers develop and implement a formal process to routinely identify

Beneficiary Travel Program mileage reimbursement processing deficiencies and apply corrective actions.

VHA Comments: Concur.
The Member Services Compliance and Internal Control Program Office, in conjunction with the Veterans Transportation Program Office, is currently finalizing an end-to-end BT process audit program. Included are reviews and controls each VA medical facility must implement.   The Member Services Internal Audit Team will coordinate with facility Compliance and Business Integrity Officers to assess the effectiveness of the controls and to develop and implement a formal process to routinely identify BT Program mileage reimbursement processing deficiencies and implement appropriate corrective actions.
To complete this action, VHA will submit documentation of:

1.   Risk and Control Identification and Assessment (RCIA) for the Beneficiary Travel Program;
2.   Control Test Plans;
3.   Beneficiary Travel Program Mileage Reimbursement Processing Quality Assurance Guide;
4.   Corrective Action Plan Template; and
5.   Member Services Annual Audit Plan for FY 2016.

	Status	Target Completion Date
	In Process	September 2016

Recommendation 5:   We recommended the Under Secretary for Health requires the Hudson Valley Health Care System and the Hampton and Lexington Veterans Affairs Medical Centers to determine whether the improper payments identified by our review warrant establishing bills of collection or reimbursing beneficiaries, when applicable.

VHA Comments: Concur.
As custodians of public monies, VA takes seriously requirements to correct any errors in processing BT claims and determine whether it is appropriate to establish bills of collections or reimburse beneficiaries, where applicable, for the improper payments identified by our review.

To address this recommendation, the CBO has instructed the three facilities to conduct a review of all improper payments identified by the Office of the Inspector General (OIG) and determine appropriateness between establishing a bill of collections or reimbursing beneficiaries.

To complete this action, VHA will submit a list of all improper payments identified by the OIG review with indication of whether it is appropriate to establish bills of collections or reimburse beneficiaries, where applicable, for the improper payments.

	Status	Target Completion Date
	In Process	December 2015

Appendix E   OIG Contact and Staff Acknowledgments

OIG Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
Acknowledgments	Timothy Crowe, Director Jessica Blake Hope Favreau Matthew Hammond Susan Popp Nelvy Viguera Butler

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