



DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

DEPARTMENT OF VETERANS AFFAIRS

Independent Review of VA's
Special Disabilities Capacity
Report for Fiscal Year 2021

REVIEW

REPORT #22-03217-59

MARCH 7, 2023



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DEPARTMENT OF VETERANS AFFAIRS
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WASHINGTON, DC 20001



January 11, 2023¹

MEMORANDUM

TO: Shereef Elnahal, MD, MBA, Under Secretary for Health (10)

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

SUBJECT: Independent Review of VA's Special Disabilities Capacity Report for Fiscal Year 2021

Pursuant to 38 U.S.C. § 1706(b)(5), the Secretary must submit an annual report to the Committees on Veterans Affairs of the Senate and House of Representatives no later than April 1 of each year. The report must document VA's capacity to provide for the specialized treatment and rehabilitative needs of veterans with disabilities in the following five categories: (1) spinal cord injuries and disorders, (2) traumatic brain injury, (3) blind rehabilitation, (4) prosthetic and sensory aids, and (5) mental health.² In turn, each year the VA Office of Inspector General (OIG) is required to review and report to Congress on the accuracy of VA's special disabilities capacity report.³ This OIG report details the results of VA's special disabilities capacity assessment for fiscal year (FY) 2021.

The review team identified some minor errors and data omissions in the FY 2021 capacity report. The minor reporting issues noted in the current OIG report persisted from the OIG's previous reviews.⁴ However, nothing came to the review team's attention that would lead the OIG to

¹ This memorandum was sent to the Veterans Health Administration (VHA) on January 11, 2023, for review and comment. Following that period, VHA's comments were given full consideration, and any requests for change supported by sufficient evidence were addressed before the publication process was completed.

² 38 U.S.C. § 1706(b)(5). The law uses "spinal cord dysfunction" as the terminology for spinal cord injuries. However, to reflect VA's current medical terminology, the VA Office of Inspector General (OIG) uses "spinal cord injuries and disorders" throughout this report.

³ 38 U.S.C. § 1706(b)(5). The VA and OIG reporting requirements have expired and have been reinstated several times since 2004.

⁴ VA OIG, [Independent Review of VA's Special Disabilities Capacity Report for Fiscal Year 2020](#), Report No. 21-03260-60, February 9, 2022; VA OIG, [Independent Review of VA's Special Disabilities Capacity Report for Fiscal Year 2019](#), Report No. 21-00612-189, September 13, 2021.

believe that the information in the report was not otherwise fairly stated and accurate.⁵ In addition, VA is unable to report mental health capacity data comparable to that from 1996 as required by 38 U.S.C. § 1706 for reasons that include changes in how treatment outcomes of veterans with mental illness are defined and tracked.

Background

VA is required to maintain its capacity to provide for the specialized treatment and rehabilitative needs of veterans with disabilities at a level not below that available as of October 9, 1996.⁶ This requirement was set by Congress to ensure that the decentralization of the Veterans Health Administration field management structure in the late 1990s did not adversely affect VA's ability to care for veterans with disabilities.⁷ VA is responsible for the information presented in its FY 2021 special disabilities capacity report.

Scope and Methodology

The review team analyzed the FY 2021 capacity report text and appendixes. The team conducted the review according to attestation standards established by the American Institute of Certified Public Accountants and by the applicable generally accepted government auditing standards.⁸ As required by attestation review standards, the team designed inquiries and analytic procedures to provide limited assurances that the required information in the capacity report is accurate and to identify material errors. Appendix A provides additional detail on the review's scope and methodology.

Results and Conclusion

Nothing came to the review team's attention that would lead the OIG to believe the information in the FY 2021 capacity report required by 38 U.S.C. § 1706 was not otherwise fairly stated and accurate. However, the team identified some persistent minor errors and omissions. As the OIG

⁵ The OIG conducted this work under attestation review standards. According to American Institute of Certified Public Accountants (AICPA), this type of review is an attestation engagement in which the practitioner obtains limited assurance by obtaining sufficient appropriate review evidence about the measurement or evaluation of the subject matter against criteria to express a conclusion about whether any material modification should be made to the subject matter for it to be in accordance with (or based on) the criteria, or to the assertion for it to be fairly stated. Based on AICPA standards, material misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by intended users based on the subject matter. AICPA, *Statement on Standards for Attestation Engagements*, December 2020, sec. 210; Government Accountability Office (GAO), *Government Auditing Standards*, GAO-18-568G, July 2018 (technical update April 2021).

⁶ 38 U.S.C. § 1706(b).

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

⁸ AICPA, *Statement on Standards for Attestation Engagements*, sec. 210; GAO, *Government Auditing Standards*.

reported in its reviews of previous capacity reports, VA is unable to meet the requirement to compare its mental health capacity with 1996 levels for reasons that include changes in how treatment outcomes of veterans with mental illness are defined and tracked. The OIG continues to believe that, even if VA could compare capacity to 1996 levels, such reporting would not provide Congress with assurances that VA's capacity is adequate to provide care to these high-risk veterans. The capacity report also does not capture data on the services veterans receive through community care or the extent to which bed capacity at VA's centers for spinal cord injuries and disorders is used.⁹ By including these data, VA would provide more comprehensive insight into the types of care veterans are receiving in these categories and where these veterans are receiving care. Congress would be better served by modernizing the reporting metrics to assess VA's capacity to provide care for veterans with spinal cord injuries and disorders, traumatic brain injuries, blindness, or mental illness and those needing prosthetic and sensory aids.

VA Management Comments and OIG Response

The OIG provided VA with a draft of this report for review and comment. The under secretary for health concurred with the contents of the draft report. See appendix B for VA's management comments and appendix C for VA's management representation letter.



LARRY M. REINKEMEYER
Assistant Inspector General
for Audits and Evaluations

⁹ VA provides health care for eligible veterans at its nationwide medical facilities. If veterans cannot receive the health care they need from these facilities or if veterans meet certain wait time, distance, or other criteria, they can instead receive care from providers in their communities.

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Abbreviations

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



Introduction

Title 38, section 1706 of the United States Code requires VA to maintain its capacity to provide for the specialized treatment and rehabilitative needs of veterans with disabilities at a level not below that available as of October 9, 1996.¹⁰ This requirement was established to ensure that the decentralization of the Veterans Health Administration (VHA) field management structure in the late 1990s would not negatively affect VA's ability to serve veterans with disabilities.¹¹ As part of this statutory requirement, VA must submit an annual report to Congress documenting its capacity to provide for the specialized treatment and rehabilitative needs of veterans with disabilities in five areas. The VA Office of Inspector General (OIG) is required to submit to Congress certification of the accuracy of VA's capacity report.¹² VA is responsible for the information presented in its fiscal year (FY) 2021 special disabilities capacity report.

What the OIG Did

To fulfill its legislatively mandated responsibility, the OIG reviewed whether VA accurately reported its in-house capacity to provide for the specialized treatment and rehabilitative needs of veterans receiving care or support for disabilities in the following five disability areas: (1) spinal cord injuries and disorders, (2) traumatic brain injury, (3) blind rehabilitation, (4) prosthetic and sensory aids, and (5) mental health. The team conducted the review according to attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the applicable generally accepted government auditing standards.¹³ According to the AICPA, an attestation review is substantially narrower in scope than an examination, with the latter expressing an opinion.¹⁴ Therefore, in this review, the OIG does not express an opinion. The purpose of this review is to obtain limited assurance about whether any material modifications should be made to the subject matter for it to be in accordance with the criteria and to express a conclusion, as required by attestation review standards, about whether the practitioner is aware of any material modifications that should be made. Also, as required by attestation review standards, the team's inquiries and analytic procedures were designed to provide limited assurances that the required information in the capacity report is accurate and to identify material errors.

¹⁰ 38 U.S.C. § 1706(b).

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

¹² 38 U.S.C. § 1706(b)(5).

¹³ AICPA, *Statement on Standards for Attestation Engagements*, December 2020, sec. 210; GAO, *Government Auditing Standards*, GAO-18-568G, July 2018 (technical update April 2021).

¹⁴ AICPA, *Statement on Standards for Attestation Engagements*, sec. 210.

The team conducted an entrance conference with staff from the program offices responsible for compiling data for the reports to identify any potential changes to the development of the report. The team also conducted follow-up as necessary with program offices in the five special disability capacity areas.

For this review, the team conducted analytic procedures to assess the accuracy of the information VA reported in its FY 2021 capacity report. To determine if VA reported on all mandated requirements in the capacity report, the team reviewed the law and identified capacity measures for which VA did not report data. To determine the mathematical accuracy of the capacity report, data tables were tested by recalculating the totals. With the exception of the mental health data tables, all data tables were reviewed for each of the five special disability categories. For the mental health data tables, the team judgmentally selected several tables from appendix C of the FY 2021 capacity report to review for any issues or material changes.¹⁵ These tables were selected as they were reviewed in prior OIG reports and had undergone changes since VA's FY 2020 capacity report. Appendix A provides additional details about the review's scope and methodology.

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

VA is required to report on capacity measures—such as number of programs and number of beds—for each of the five special disability categories in its annual report to Congress. This information is supposed to be reported nationally by Veterans Integrated Service Network (VISN) and by medical facility.¹⁶ The five special disability categories and required capacity measures are outlined in table 1.

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

Special disability category	Annual capacity measure
1. Spinal cord injuries and disorders	<ul style="list-style-type: none"> Number of staffed beds Number of full-time equivalent (FTE) employees assigned to provide care at specialized centers*
2. Traumatic brain injury	<ul style="list-style-type: none"> Number of veterans treated Amounts expended
3. Blind rehabilitation	<ul style="list-style-type: none"> Number of staffed beds Number of FTEs assigned to provide care at specialized centers
4. Prosthetic and sensory aids	<ul style="list-style-type: none"> Amounts expended

¹⁵ VA, *Congressionally Mandated Report: Capacity to Provide Services to Veterans with Disabilities of Spinal Cord Dysfunction, Amputations, Blindness and Mental Illness for Fiscal Year 2021*, March 2022.

¹⁶ VHA divides the United States into 18 regional networks, known as VISNs.

Special disability category	Annual capacity measure
5. Mental health a. Intensive community-based care	<ul style="list-style-type: none"> • Number of discrete intensive care teams available to provide such intensive services to seriously mentally ill veterans • Number of veterans treated
b. Opioid substitution programs	<ul style="list-style-type: none"> • Number of veterans treated • Amounts expended
c. Dual diagnosis programs (psychiatric and substance use)	<ul style="list-style-type: none"> • Number of veterans treated • Amounts expended
d. Substance use disorder programs	<ul style="list-style-type: none"> • Number of beds • Average bed occupancy • Percentage of outpatients who had two or more additional visits to specialized outpatient care within 30 days of their first visit, with a comparison to 1996 • Percentage of inpatients with substance use disorder diagnosis treated who had one or more specialized clinic visits within three days of their discharge, with a comparison to 1996 • Percentage of outpatients seen in a facility or geographic service area who had one or more specialized clinic visits, with a comparison to 1996 • Rate of recidivism of patients at each specialized clinic in each geographic service area[†]
e. General mental health programs	<ul style="list-style-type: none"> • Number and type of staff available at each facility to provide specialized mental health treatment, including satellite clinics, outpatient programs, and community-based outpatient clinics, with a comparison to 1996 • Number of such clinics providing mental health care and, for each of these, the number and type of mental health staff and the type of mental health programs • Total amounts expended for mental health

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

* For clarity, the *OIG* added the term “specialized” to describe these centers. Although this term is not used to directly describe these centers dedicated to the treatment of spinal cord injuries or disorders or blind rehabilitation in 38 U.S.C. § 1706, the term is used generally throughout the code.

[†]According to *VA* officials, “recidivism” was used to capture veterans’ readmission rates to mental health programs when the mandated reporting requirement was enacted. *VA* no longer uses the term “recidivism” because this term is used to define repeat criminal behavior.

Spinal Cord Injuries and Disorders

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

FTE equates to one full-time employee. For example, two 20-hour-per-week staff members are equal to, and would be reported as, one FTE.

Traumatic Brain Injury

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

Blind Rehabilitation

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

Prosthetic and Sensory Aids

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

Mental Health

Programs for mental health are divided into five subcategories: (1) intensive community-based care, (2) opioid substitution, (3) dual diagnosis (psychiatric and substance use), (4) substance use disorder, and (5) general mental health. These programs can be provided at VA medical facilities, at outpatient clinics, or through inpatient programs. The capacity report should include data on the number of programs, counts of veterans served, amounts expended, number of inpatient beds, and number and type of clinics and programs with the number of associated staff. Data are collected through an administrative database at the time of service. For substance use disorder programs and general mental health programs, VA is required to report comparisons to 1996 capacity levels. See table 1 above for the required mental health capacity measures.

Results

The FY 2021 Capacity Report Was Generally Fairly Stated and Accurate

Except for the issues discussed in the following sections and detailed in table 2 of this report, nothing came to the review team's attention that would lead the OIG to believe that the information required by 38 U.S.C. § 1706 and presented in the FY 2021 capacity report was not otherwise fairly stated and accurate. This conclusion is based on attestation standards used for this review.

Some Minor Reporting Issues Persist

The FY 2021 capacity report continues to contain some minor reporting issues, such as formatting errors and data omissions. Specifically, required data from two of the five special disability areas were either incomplete, inconsistent, or not included in the FY 2021 capacity report appendixes. In addition, the review team noted that VA has taken steps to improve its reporting for some of the disability categories.

In reviewing the mental health capacity appendixes, the team determined that data totaling the number of mental health nurse FTEs was missing from the national and medical facility capacity appendixes because of a formatting issue. However, these data were included in the appendix detailing VA's mental health capacity by VISN. The report continues to be incomplete because of VA's inability to report mental health capacity data that would allow comparisons with its 1996 capacity, as required by the law.¹⁷ As noted in prior OIG reviews, VA reported that this inability stems from how mental health conditions are diagnosed and treated, how services are provided, and how data are collected, which are all now performed differently than in 1996. For example, VA is required to report on the recidivism rate for patients treated at specialized mental health clinics; however, VA officials reported that VA no longer collects data on recidivism for mental health programs because it is not an appropriate outcome measure for this population. In FY 2023, a VA Northeast Program Evaluation Center official cautioned that, although data are collected on residential readmission rates, there can be a lag of up to one year due to the timing of when the capacity report is developed and when data collected on readmission rates are finalized. Furthermore, another program official stated that using recidivism within the context of mental health is stigmatizing, and it would be helpful if Congress reconsidered the reporting requirements for mental health.

The team noted that VA improved its reporting of mental health data for its discrete intensive care teams for veterans with serious mental illnesses. In the review of the FY 2019 capacity

¹⁷ 38 U.S.C. § 1706(b)(2)(D–E).

report, the OIG noted that the program office had misinterpreted the requirement to report such data and was unable to correct it in time for the FY 2020 capacity report. However, the program office implemented the change for the FY 2021 capacity report and reported the number of teams assigned to each parent facility, as required by law.¹⁸

For the traumatic brain injury data tables, the review team confirmed that none of the tables reported actual expenditures at the national, VISN, or facility levels, as required by law.¹⁹ VA included an estimated expenditure total in the text portion of the capacity report. The OIG has reported this issue in prior reviews and confirmed with an official from the program office that the actual expenditure data are not available when staff from the Polytrauma/Traumatic Brain Injury System of Care compile data for the capacity reports.

In reviewing the blind rehabilitation data tables, the team noted two improvements to the reporting of these data. In the prior review of the FY 2020 capacity report, the OIG reported VA did not report the number of FTEs assigned to provide care at such centers, and the data were not reported at all levels—national, VISN, and facility. VA corrected these reporting issues in the FY 2021 capacity report.

Finally, the OIG previously reported on inaccuracies with VA's reporting of bed data in its reviews of VA's capacity reports for FYs 2017, 2018, 2019, and 2020.²⁰ During the FY 2020 review, VHA agreed that data from VHA Directive 1172(6), the primary data source to document the bed values reported in VA's capacity reports, sometimes are not consistent with bed change request letters. For example, discrepancies can occur when a facility has not yet entered a bed change request letter to update VA's National Bed Control System or if the national program office has not otherwise been notified of a change in bed capacity. In response to OIG reviews of VA's capacity reports, the Spinal Cord Injuries and Disorders National Program Office reviews bed change requests at the 25 spinal cord injury and disorders centers and uses these data to update its annual bed count report. As of October 2022, program officials reported they had not received any additional bed change requests since March 2021, and they do not know when VHA Directive 1176(2) will be updated. The issues the team identified are summarized in table 2.

¹⁸ 38 U.S.C. § 1706(b)(2)(A).

¹⁹ 38 U.S.C. §§ 1706(b)(3) and 1706(b)(3)(C).

²⁰ VA OIG, [Independent Review of VA's Special Disabilities Capacity Report for Fiscal Year 2020](#), Report No. 21-03260-60, February 9, 2022; VA OIG, [Independent Review of VA's Special Disabilities Capacity Report for Fiscal Year 2019](#), Report No. 21-00612-189, September 13, 2021; VA OIG, [Independent Review of VA's Special Disabilities Capacity Report for Fiscal Years 2018 and 2017](#), Report No. 19-06382-111, April 16, 2020.

**Table 2. Summary of Issues Identified in the FY 2021
Special Disabilities Capacity Report**

Capacity measure	Did VA report data on this capacity measure in FY 2021?
For spinal cord injuries and disorders centers—Spinal Cord Injuries and Disorders System of Care	
Number of staffed beds	Yes
Number of FTEs assigned to provide care at such centers	Yes
Reported data totaled nationally and detailed at the medical facility and VISN levels	Yes
For traumatic brain injury—Polytrauma/Traumatic Brain Injury System of Care	
Number of veterans treated	Yes
Amounts expended	No
Reported data totaled nationally and detailed at the medical facility and VISN levels	Yes
For blind rehabilitation specialized centers—Blind Rehabilitation Services	
Number of staffed beds	Yes
Number of FTEs assigned to provide care at such centers	Yes
Reported data totaled nationally and detailed at the medical facility and VISN levels	Yes
For prosthetic and sensory aids—Prosthetic and Sensory Aids Service	
Amounts expended	Yes
Reported data totaled nationally and detailed at the medical facility and VISN levels	Yes
For mental health	
Mental health intensive community-based care—Northeast Program Evaluation Center	
Number of discrete intensive care teams available to provide such intensive services to seriously mentally ill veterans	Yes
Number of veterans treated	Yes
Reported data totaled nationally and detailed at the medical facility and VISN levels	Yes
Opioid substitution programs—Northeast Program Evaluation Center	
Number of veterans treated	Yes
Amounts expended	Yes
Reported data totaled nationally and detailed at the medical facility and VISN levels	Yes

Capacity measure	Did VA report data on this capacity measure in FY 2021?
Patients with dual diagnosis (psychiatric and substance use)—Northeast Program Evaluation Center	
Number of veterans treated	Yes
Amounts expended	Yes
Reported data totaled nationally and detailed at the medical facility and VISN levels	Yes
Substance use disorder programs—Northeast Program Evaluation Center	
Number of beds employed	Yes
Average occupancy of such beds	Yes
Percentage of outpatients who had two or more additional visits to specialized outpatient care within 30 days of their first visit, with a comparison to 1996	Partial, did not include a comparison to 1996
Percentage of inpatients with substance use disorder diagnoses treated who had one or more specialized clinic visits within three days of their index discharge, with a comparison to 1996	Partial, did not include a comparison to 1996
Percentage of outpatients seen in a facility or geographic service area who had one or more specialized clinic visits, with a comparison to 1996	Partial, did not include a comparison to 1996
Rate of recidivism of patients at each specialized clinic in each geographic service area	No, recidivism rate data no longer used for mental health programs
Reported data totaled nationally and detailed at the medical facility and VISN levels	Yes
Mental health programs—Northeast Program Evaluation Center	
Number and type of staff available at each facility to provide specialized mental health treatment, including satellite clinics, outpatient programs, and community-based outpatient clinics, with a comparison to 1996	Partial, did not include a comparison to 1996
Number of such clinics providing mental health care and, for each of these, the number and type of mental health staff and the type of mental health programs	Yes
Total amounts expended	Yes
Reported data totaled nationally and detailed at the medical facility and VISN levels	Yes

Source: *OIG analysis of VA's FY 2021 special disabilities capacity report.*

Conclusion

The review team identified some minor formatting errors and data omissions. However, nothing came to the team's attention that would lead the OIG to believe the information in the FY 2021 capacity report was not otherwise fairly stated and accurate.

As the OIG reported in its review of the FY 2020 capacity report, VA is required to compare its mental health capacity to 1996 levels. The statute does not require this comparison for the other four special disability categories. VA is unable to meet the requirement to compare its mental health capacity with 1996 levels because of changes in medical diagnoses, treatments, treatment settings, infrastructure, information technology, data systems, and terminology. Furthermore, even if VA could compare capacity to 1996 levels, such reporting would not provide Congress with assurance that VA's capacity is adequate to provide care to these high-risk veterans. Currently, VA is not required to include information on community care received by veterans with these disabilities. The OIG believes that Congress would be better informed by requiring VA to report community care data and by modernizing the reporting metrics—such as with utilization data—to further assess VA's ability to provide care for veterans with spinal cord injuries and disorders, traumatic brain injuries, blindness, or mental illness and those who need prosthetics and sensory aids.

VA Comments and OIG Response

The OIG provided VA with a draft of this report for review and comment. The under secretary for health concurred with the contents of the draft report. See appendix B for VA's management comments and appendix C for VA's management representation letter.

Appendix A: Scope and Methodology

Scope

The review team conducted its work from July 2022 to February 2023. The team assessed whether VA's FY 2021 special disabilities capacity report accurately reflected VA's in-house capacity to provide for the specialized treatment and rehabilitative needs of specified categories of disabled veterans, as required by 38 U.S.C. § 1706.

Internal Controls

Internal controls related to communication were significant to this attestation review. To assess these controls, the team interviewed officials from the following VA offices during the entrance conference: Spinal Cord Injuries and Disorders National Program Office, Polytrauma/Traumatic Brain Injury System of Care, Blind Rehabilitation Services, Prosthetic and Sensory Aids Service, and the Northeast Program Evaluation Center.

Fraud Assessment

The team assessed the risk that fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, significant in the context of the review objective, could occur during this attestation review. Specifically, the team coordinated this review with the OIG's Office of Investigations and considered potential fraud indicators when reviewing data tables, such as looking at large fluctuations or outliers. The OIG did not identify any instances of fraud or potential fraud regarding the capacity report.

Data Reliability

This attestation review was designed to provide a moderate level of assurance as to whether the subject matter is presented accurately and fairly, to present a conclusion, and to accumulate sufficient evidence to restrict attestation risk to a moderate level, as required by AICPA review attestation standards. The team's review was generally limited to inquiries and analytical procedures to assess the accuracy of the data VA reported in its capacity report. The team compared data from the report text to the appendix tables to identify inconsistencies, analyzed data tables to identify mathematical errors, and followed up with program office officials as needed. The team determined that the data in VA's capacity report were sufficiently reliable for the purpose of reviewing the accuracy of VA's reported data. Finally, in prior reviews of VA's special disabilities capacity reports, the OIG interviewed representatives from the program offices responsible for compiling the capacity report to determine if they were aware of any limitations with the sources that could affect the accuracy of the data in the capacity report. For this review, the team confirmed with the program offices that there were no significant changes

in the development of the report since the last capacity report. The team did not test the reliability of the information systems used to compile the data in the capacity report because such testing was beyond the scope of this attestation review.

Government Standards

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

Appendix B: VA Management Comments

Department of Veterans Affairs Memorandum

Date: January 23, 2023

From: Under Secretary for Health

Subj: OIG Draft Report, Independent Review of VA's Special Disabilities Capacity Report for Fiscal Year 2021 (2022-03217-AE-0130)

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

1. Thank you for the opportunity to review the Office of Inspector General (OIG) draft report on VA's Special Disabilities Capacity Report for Fiscal Year 2021 (2022-03217-AE-0130). VHA appreciates OIG's review and finds the draft report to be accurate.

The OIG removed point of contact information prior to publication.

(Original signed by)

Shereef Elnahal, MD, MBA

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

Appendix C: VA Management Representation Letter

Department of Veterans Affairs Memorandum

Date: February 7, 2023

From: Under Secretary for Health

Subj: Management Memorandum for the Department of Veterans Affairs (VA): Independent Review of VA's Fiscal Year (FY) 2021 Special Disabilities Capacity Report (Project Number: 2022-03217-AE-0130)

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

1. We are providing this memorandum in connection with the Office of the Inspector General's (OIG) independent attestation review of the Department of Veterans Affairs (VA)'s fiscal year (FY) 2021 Special Disabilities Capacity Report. This review was to assess VA's reporting of its capacity for FY 2021 to provide for the specialized treatment and rehabilitation of specified categories of disabled Veterans.

2. VA is responsible for the fair presentation of all statements in the FY 2021 Special Disabilities Capacity Report in conformity with 38 U.S.C. § 1706. This statute requires VA to maintain its in-house capacity to provide for the specialized treatment and rehabilitative need of disabled Veterans with mental illness, spinal cord injuries and disorders, traumatic brain injury, blindness, or prosthetics and sensory aids. VA believes the statements, and other information in the subject report, are fairly presented in conformity with the law, unless otherwise disclosed in the report.

3. VA is responsible for the data definitions used in the FY 2021 Special Disabilities Capacity Report, and VA believes those definitions are appropriate and consistent with the requirements of 38 U.S.C. § 1706, unless otherwise disclosed in the report.

4. VA made available to the OIG the following:

- a. The FY 2021 Special Disabilities Capacity Report required by 38 U.S.C. § 1706;
- b. All supporting records, related information, and program and financial data relevant to the special disability programs included in the FY 2021 Special Disabilities Capacity Report;
- c. Communications, if any, from oversight bodies concerning the FY 2021 Special Disabilities Capacity Report; and,
- d. Access to VA officials responsible for overseeing the programs that provided services to Veterans with mental illness, spinal cord injuries and disorders, traumatic brain injury, amputation, blindness, and prosthetic and sensory aids.

5. VA confirms the FY 2021 Special Disabilities Capacity Report was prepared in accordance with 38 U.S.C. § 1706. VA has no knowledge of instances in which VA did not report required information under 38 U.S.C. § 1706 in the FY 2021 Special Disabilities Capacity Report, except for those instances disclosed in the report.

6. VA is not aware of any events that have occurred subsequent to September 30, 2021, that would influence the FY 2021 Special Disabilities Capacity Report and the information therein. There have been no material changes in the FY 2021 Special Disabilities Capacity Report since the report was submitted to the Congress on April 1, 2022.

7. VA believes the effects of any uncorrected misstatements in the FY 2021 Special Disabilities Capacity Report are immaterial, both individually and in aggregate, to the report taken as a whole.

8. VA is responsible for the design and implementation of program processes and internal controls to prevent and detect fraud. VA has no knowledge of deficiencies in internal controls or of fraud, or suspected fraud, that could have a material effect on the FY 2021 Special Disabilities Capacity Report.

9. VA understands the OIG review was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants, and the applicable standards contained in Government Auditing Standards, issued by the Comptroller General of the United States. An attestation review is substantially less in scope than an examination and accordingly, OIG does not express an opinion on the FY 2021 Special Disabilities Capacity Report.

10. Certain representations in this memorandum are described as being limited to matters that are material. VA considers items to be material, regardless of size, if they involve an omission or misstatement of information that that could influence a reasonable person's views given surrounding circumstances.

11. Requirements for this report were mandated in 1996 and some of those requirements are incongruent with the Department's delivery of health care today and thus were not addressed or modified in the creation of the Capacity Report. Furthermore, there was no attempt to do a comparison between FY 1996 and FY 2021 in the capacity of the VHA to provide services due to changes during this period in the character of VHA provided services, how services are delivered, data collection methods, measurement of services delivered, and other aspects of the VHA health system.

12. I confirm, to the best of our knowledge and belief, the representations made to OIG during this attestation review are accurate and pertain to FY 2021, which ended September 30, 2021.

(Original signed by)

Shereef Elnahal, MD, MBA

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

OIG Contact and Staff Acknowledgments

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