



## Federal Update for June 3 - 7, 2013



### ***John Kline's Legislation to Keep Faith with our Veterans Included in National Defense Bill***

WASHINGTON – Congressman John Kline's provision, which would stop the Pentagon from breaking its promise of health care benefits to our veterans for their dedicated service to our nation, will be included in the National Defense Authorization Act (NDAA) being reviewed this week by the House Armed Services Committee. The NDAA is the annual defense bill that serves as the budgetary blueprint for the Pentagon. Included in this year's bill is Kline's provision to ensure our veterans are given the choice they earned and were offered between TRICARE Prime and TRICARE Standard health care insurance.

Due to a policy change made by the Pentagon, more than 170,000 veterans across the country who live outside 100 miles of a military treatment facility will lose access to TRICARE Prime on Oct. 1, 2013. Nearly 4,000 of those veterans live in Minnesota. Kline's legislation, the "Keep Faith with TRICARE Prime Act," would afford every affected veteran the opportunity to continue their enrollment in TRICARE Prime or move to TRICARE Standard, depending upon which plan best fits their needs.

"Promises made should be promises kept and I am pleased the national defense bill will include my provision to fix the Pentagon's misguided TRICARE policy change," said Kline, a 25-year veteran of the U.S. Marine Corps. "My legislation keeps faith with nearly 4,000 veterans in Minnesota and more than 170,000 nationwide. I look forward to working with my House and Senate colleagues from both sides of the aisle to help those affected by the Pentagon's decision."

The House Armed Services Committee is reviewing the national defense bill this week. The House of Representatives will vote on the NDAA later this month.

Under the Pentagon's current plan, affected veterans will be automatically switched to TRICARE Standard. Unfortunately, many retirees will not have the ability to cover the increased costs due to their fixed incomes. TRICARE Standard is a fee-for-service option that will typically cost more and require beneficiaries to pay higher out-of-pocket expenses. Kline's legislation would reduce the immediate impact imposed by the new policy by allowing military retirees to make informed decisions on how to best utilize their military retirement health care benefits while they consider future life decisions with their families.

TRICARE is the triple option health care program serving uniformed service members, retirees, and their families worldwide. TRICARE serves all seven uniformed services: the Army, Navy, Marine Corps, Air Force, Coast Guard, Public Health Service, and the National Oceanic and Atmospheric Administration. TRICARE provides health care coverage for medical services, medications, and dental care for military families, retirees, and their survivors.

In his sixth term in Congress, Congressman Kline serves on the House Armed Services Committee. He also serves as the Chairman of the Education and the Workforce Committee.

### ***House Panel Rejects Most TRICARE Hikes***

According to a report by Tom Philpott, the House armed services subcommittee on military personnel unanimously rejected the Obama administration's call to cap the 2014 military pay raise at one percent versus and most of the administration's plans to increase TRICARE fees.

### ***Bill Would Restore GI Bill for Older Vets***

The Senate may soon have the chance to vote on whether or not to remove the time limit for GI Bill benefits. Currently veterans have 10 years to use their Montgomery GI Bill (or 15 years to use their Post-9/11 GI Bill). The so-called delimiting date is determined by the veterans last discharge date. The bill was introduced by Senator Richard Blumenthal (D-CT) on Tuesday, May 28.

## ***Grants for Homeless Veterans***

The U.S. Department of Labor today announced the availability of up to \$5 million to fund 16 or more Homeless Female Veterans and Veterans with Families grants. Approximately 1,900 veterans will receive job training and related services to help them succeed in civilian careers. Funds for the grants are being awarded on a competitive basis to state and local workforce boards, local public agencies and nonprofit organizations, tribal governments, and faith-based and community organizations. The solicitation for grant applications is available at the [Grants.gov website](http://Grants.gov). Potential applicants seeking more information should visit the Department of Labor's [VETS webpage](#) or contact grants officer Cassandra Mitchell at 202-693-4570.

## ***VA Hires Over 1600 Mental Health Professionals to Meet Goal, Expands Access to Care and Outreach Efforts, Directs Nationwide Community Mental Health Summits***

WASHINGTON (June 3, 2013)– Today, the Department of Veterans Affairs (VA) announced that it has met the goal to hire 1,600 new mental health professionals outlined in President Obama’s Aug. 31, 2012, Executive Order to Improve Access to Mental Health Services for Veterans, Service Members, and Military Families.

“Meeting this hiring milestone significantly enhances our ability to improve access to care for those Veterans seeking mental health services and demonstrates our continued commitment to the health and well-being of the men and women who have served the Nation,” said Secretary of Veterans Affairs Eric K. Shinseki.

“Meeting this goal is an important achievement, but we recognize that we must continue to increase access to the quality mental health care Veterans have earned and deserve.”

As of May 31, 2013, VA has hired a total of 1,607 mental health clinical providers to meet the goal of 1,600 new mental health professionals outlined in the Executive Order. Additionally, VA has hired 2,005 mental health clinical providers to fill existing vacancies. VA has also hired 318 new peer specialists towards the

specific goal of 800 peer specialists by Dec. 31, 2013 as outlined in the Executive Order. VA expects to meet that goal as well.

VA also recognizes that meeting the needs of Veterans and their families requires collaboration and partnership between VA, other federal agencies, and local communities. “Locally-driven summits provide a well-established method to strengthen our community partnerships, and they have been successful in support of VA’s goal to end homelessness among Veterans,” said Veterans Health Administration, Undersecretary for Health, Dr. Robert Petzel. “The President is directing all VA health care systems nationwide to conduct locally-driven Mental Health Summits to further engage with local community partners and nurture community engagement to address the broad mental health needs of Veterans and their families.”

Each VA health care system will reach out to relevant Veteran Service Organizations, community based organizations, health care providers, and local governments to develop and conduct the Summits.

VA provides a full range of comprehensive mental health services across the country. In Fiscal Year 2012, more than 1.3 million Veterans received specialized mental health care from the VA. This number has risen each year from 927,052 in Fiscal Year 2006. In addition to hiring more mental health professionals, VA is expanding the use of innovative technology to serve Veterans in rural or underserved areas. VA expects to double the number of Veterans receiving care from tele-mental health services to over 800,000 in fiscal year 2013, and has increased the number of Vet Centers, which provide readjustment counseling and referral services from 233 in 2008 to 300 in 2012.

In November 2011, VA launched an award-winning, national public awareness campaign called Make the Connection, which is aimed at reducing the stigma associated with seeking mental health care and informing Veterans, their families, friends, and members of their communities about VA resources. More information on Make the Connection can be found at [www.maketheconnection.net](http://www.maketheconnection.net).

# ***VA Health Care: Management and Oversight of Fee Basis Care Need Improvement***

## **What GAO Found**

The Department of Veterans Affairs' (VA) fee basis care spending increased from about \$3.04 billion in fiscal year 2008 to about \$4.48 billion in fiscal year 2012. The slight decrease in fiscal year 2012 spending from the fiscal year 2011 level was due to VA's adoption of Medicare rates as its primary payment method for fee basis providers. VA's fee basis care utilization also increased from about 821,000 veterans in fiscal year 2008 to about 976,000 veterans in fiscal year 2012. GAO found that several factors affect VA medical centers' (VAMC) utilization of fee basis care--including veteran travel distances to VAMCs and goals for the maximum amount of time veterans should wait for VAMC-based appointments. VAMCs that GAO reviewed reported that they often use fee basis care to provide veterans with treatment closer to their homes--particularly for veterans who are not eligible for travel reimbursement. In addition, VAMC officials reported that veterans are often referred to fee basis providers to ensure that VAMC-based clinics that would otherwise treat them can meet established VA wait time goals for how long veterans wait for an appointment. However, GAO found that VA has not established goals for and does not track how long veterans wait to be seen by fee basis providers.

VA's monitoring of fee basis care spending is limited because fee basis data do not currently include a claim number or other identifier that allows all charges from a single office visit with a fee basis provider or an inpatient hospital stay to be analyzed together. GAO found that without the ability to analyze spending in this way, VA is limited in its ability to assess the cost of fee basis care and verify that fee basis providers were paid appropriately.

## **Why GAO Did This Study**

While VA treats the majority of veterans in VA-operated facilities, in some instances it must obtain the services of non-VA providers to ensure that veterans are provided timely and accessible care. These non-VA providers are commonly reimbursed by VA using a fee-for-service arrangement known as fee basis care. VA's fee basis care program has grown rapidly in recent years--rising from about 8 percent of VA's total health care services budget in fiscal year 2005 to about 11

percent in fiscal year 2012. GAO was asked to review fee basis care program spending and utilization and factors that influence VAMC fee basis utilization. This report examines how fee basis care spending and utilization changed from fiscal year 2008 to fiscal year 2012, factors that contribute to the use of fee basis care, and VA's oversight of fee basis care program spending and utilization. GAO reviewed relevant laws and regulations, VA policies, and fee basis spending and utilization data from fiscal year 2008 through fiscal year 2012. In addition, GAO reviewed the fee basis care operations of six selected VAMCs that varied in size, services offered, and geographic location.

### **GAO Recommends**

GAO recommends that VA revise its beneficiary travel regulations to allow reimbursement for veterans seeking similar care from a fee basis provider, apply the same wait time goals to fee basis care as VAMC-based care, and ensure fee basis data includes a claim number. VA generally concurred with GAO's conclusions and five recommendations.

### **Recommendations for Executive Action**

Recommendation: To effectively manage fee basis care spending, the Secretary of Veterans Affairs should revise the beneficiary travel eligibility regulations to allow for the reimbursement of travel expenses for veterans to another VAMC to receive needed medical care when it is more cost-effective and appropriate for the veteran than seeking similar care from a fee basis provider.

Agency Affected: Department of Veterans Affairs

Status: Review Pending

Recommendation: To effectively manage fee basis care wait times and spending, the Secretary of Veterans Affairs should direct the Under Secretary for Health to require during the fee basis authorization process that VA providers and fee basis officials determine the cost-effectiveness of reimbursing medically stable veterans eligible for beneficiary travel for travel to another VAMC rather than referring them to a fee basis provider for similar care.

Agency Affected: Department of Veterans Affairs

Status: Review Pending

Recommendation: To effectively manage fee basis care wait times and spending, the Secretary of Veterans Affairs should direct the Under Secretary for Health to

analyze the amount of time veterans wait to see fee basis providers and apply the same wait time goals to fee basis care that are used as VAMC-based wait time performance measures.

Agency Affected: Department of Veterans Affairs

Status: Review Pending

Recommendation: To effectively manage fee basis care wait times and spending, the Secretary of Veterans Affairs should direct the Under Secretary for Health to establish guidance for VAMCs that specifies how fee basis care should be incorporated with other VAMC utilization management efforts.

Agency Affected: Department of Veterans Affairs

Status: Review Pending

Recommendation: To ensure that VA Central Office effectively monitors fee basis care, the Secretary of Veterans Affairs should direct the Under Secretary for Health to ensure that fee basis data include a claim number that will allow for VA Central Office to analyze the episode of care costs for fee basis care.

Agency Affected: Department of Veterans Affairs

Status: Review Pending

## ***Obama signs bill on lying about military medals***

Published June 03, 2013

Associated Press

The White House says President Barack Obama has signed a bill making it a crime to lie about receiving a military medal. The Stolen Valor Act cleared both chambers of Congress last month. The White House says Obama signed it Monday.

The measure revives a law struck down by the Supreme Court in 2006. The court said it may be disreputable to lie about receiving a medal, but it's protected under the First Amendment. The new law is narrower, making it a crime to lie about being decorated with the intent to profit personally or financially. That could include those who claim medals in order to receive veterans benefits, land a government contract or get a job reserved for veterans.

Violators could face up to a year in prison.

## *VA Secretary Update*

Support for veterans has taken a decidedly political turn lately as calls mount for the secretary of veterans affairs, Eric Shinseki, to resign. The issue is the “backlog,” a single word used to explain the nearly 600,000 disability compensation claims that have been pending for over 125 days. But Shinseki’s problem isn’t that he is a bad manager; he has actually done more to focus a long-neglected, \$140 billion bureaucratic behemoth than any predecessor. Shinseki’s problem is generational. Shinseki is a Vietnam veteran, a combat-wounded warrior, and a man who famously questioned former Defense Secretary Donald Rumsfeld’s optimistic promises about the pending war in Iraq. Recruited by President Obama to overhaul the VA, Shinseki is caught overseeing a long-term modernization program in a short-term media cycle.

The backlog is, in some measure, the result of Shinseki’s diligent efforts to make sure that the entire benefits system becomes digitalized. The new computer network, the Veterans Benefits Management System, will allow veterans to go online to input their claims. The full integration will be complete by 2015. Meanwhile, paper forms have to be processed while the digital forms are created. The piles increase as new applicants from the wars in Iraq and Afghanistan come home and seek claims. In addition, Congress has been allowing a number of new conditions to be covered by the VA, the country’s largest health care system. They include such widespread ailments as post-traumatic stress disorder and the many diseases stemming from exposure to Agent Orange. VA head Eric Shinseki is caught overseeing a long-term modernization program in a short-term media cycle. This isn’t to defend the backlog. But Shinseki is hardly without an argument to make, though he seems reluctant to make it. In media appearances he seems evasive and annoyed, as if questions about his agency were questions about his patriotism. He is rarely quoted in the press.

At 70, Shinseki is a product of the last war America fought with a mandatory draft, and his sense of soldierly restraint dates from an earlier era. Even his one moment of public conflict — stemming from his assessment that the Iraq war would require many more troops than Rumsfeld proposed — was drawn out of him while under oath. He never wrote a memoir about his painful experience. His only foray into literature is a co-authored book “Be, Know, Do: Leadership the Army Way.” It is an adaptation of the Official Army Leadership Manual. The

media-savvy, talking-point-hungry, Twitter-obsessed, Facebook-friending world that Shinseki is part of now doesn't interest him. Shinseki's reticence has its quaint appeal, but it doesn't represent the attitude of newer veterans, the 2.5 million Americans who have served in Iraq and Afghanistan. More mobile, technological, opinionated, and media-friendly, these veterans aren't particularly tolerant of the problems the VA faces today. Paper forms? An electronics system that won't be up and running till 2015? A centralized health system that makes access to care a logistical nightmare for many?

Shinseki is in a generational battle as much as a bureaucratic one. He is the quiet leader at a time when veterans need a persistent public nuisance. New veterans comprise less than 1 percent of the American public. They know that for their needs to be addressed, they will have to organize, run for office, and engage in public information efforts. Shinseki's effectiveness is being undermined by his unwillingness to recognize that telling the story loud and often is how to win today's political battles. He should not resign. But for the sake of the veterans he serves, he should add another requirement to "Be, Know, Do." That requirement is "Talk". [Source: The Boston Globe | Juliette Kayyem | 27 May2013 ++]

## **GI Bill Update**

Sen. Jeff Merkley (D-OR) and Sen. Dean Heller (R-NV) introduced a bill 23 MAY that would amend the Post-9/11 GI Bill to include spousal eligibility for the Fry Scholarship. Under the Spouses of Heroes Education Act, spouses of fallen servicemembers could receive the full cost of public, in-state tuition and fees, plus a monthly living stipend and book allowance. Spouses would need to use this benefit within fifteen years, and would not remain eligible if they remarried. The Marine Gunnery Sergeant John David Fry Scholarship provides full undergraduate education benefits under the Post-9/11 GI Bill to the children of a member of the Armed Forces who died in the line of duty. This benefit, however, is not available to the *wives* of servicemembers who are killed in action, or who die while on active duty. The surviving spouse, who has suddenly undergone the tragic loss of their life partner, also becomes the sole breadwinner for his or her family. In many cases, they do not have the educational background that allows them to take on this increased financial responsibility. Currently, spouses of fallen service members are only eligible to receive federal education benefits under the Survivors' and Dependents' Education Assistance (SDEA) program. This program

provides an allowance of up to \$936 a month, but it often does not cover the full cost of tuition and fees.

The Congressional Budget Office has issued a preliminary cost estimate, indicating that the bill is expected to cost about \$200 million over the next ten years. The Military Officers of America (MOAA), the National Guard Association of the United States (NGAUS), the Air Force Sergeants Association, and the Military Order of the Purple Heart (MOPH), The American Legion, Iraq and Afghanistan Veterans of America (IAVA), and Student Veterans of America have endorsed this bill. In addition, the Veterans Legislative Committee of The Military Coalition (TMC), a coalition comprised of 33 organizations representing more than 5.5 million members of the uniformed services and their families, has established a goal of authorizing surviving spouses to have the same educational benefits as their children. [Source: Military.com | Terry Howell | 23 May 2013 ++]

## ***Sequestration Update***

When furloughs are implemented, most military commissaries will close one day a week on Mondays, the Defense Commissary Agency's top official said. The closures will be for up to 11 days between July 8 and Sept. 30. "We know that any disruption in commissary operations will impact our patrons." Also, we understand the tremendous burden this places on our employees, who, when furloughed, will lose 20 percent of their pay," said Joseph H. Jeu, DeCA's director and CEO. "We determined that Monday closures would present the least pain for our patrons, employees and industry partners," Jeu added. Closing commissaries on Mondays would be in addition to any day stores are routinely closed. The 148 stores that routinely close on Mondays would also close the next normal day of operation. Other than the furlough day, there are no other changes planned for store operation hours.

The announcement comes as DeCA follows Department of Defense protocols related to the automatic federal government budget reductions, known as sequestration, which began March 1. Like most DOD activities, DeCA is mandated by DOD to furlough its civil service employees. Furlough notices are scheduled to be delivered to DeCA employees between May 28 and June 5. DeCA has 247 commissaries with more than 16,000 employees operating in 13 countries and two U.S. territories. Furloughs will impact all of DeCA's more than 14,000 U.S.

civilian employees. As sequestration continues, commissary customers can quickly find out about any changes to their local store's operating schedule by going to <http://www.commissaries.com> , clicking on the "Locations" tab, then "Alphabetical Listing," finding their store and clicking on "local store information." Patrons are reminded that because sequestration is so fluid, DeCA's plan for this budget-cutting measure is subject to change.

DeCA decided on Monday closures after weighing the potential disruption to patrons and suppliers of having rolling furloughs, where closure dates would differ from store to store. Universal Monday closures are less disruptive to shoppers and the agency's industry partners -- vendors, suppliers and distributors -- who deliver products daily to DeCA's commissaries. Store staffs overseas include a mix of U.S. and local national employees. Because they are not U.S. government employees, local national employees are not subject to this furlough actions. Select locations overseas will open if they have an adequate local national staff. However, if an overseas store is closed, its local national staff will report to work and perform other store-related duties. In January, DOD released guidance to allow defense components to plan for potential budget cuts by reducing operating costs. In line with that direction, DeCA later executed the following budget-cutting measures:

- A hiring freeze on all outside hires;
- Curtailment of official travel for all conferences, training, and any other events and activities considered noncritical to the agency's mission;
- Cancellation of the agency's May Worldwide Case Lot Sales for all commissaries. Instead, stores are conducting smaller-scale events such as outdoor sidewalk sales;
- Curtailment of all overtime and compensatory time unless deemed mission-critical;
- Review of contract services to restrict any increases;
- Curtailment of all monetary awards unless legally required; and
- Postponement of all Guard and Reserve on-site sales scheduled after July 8 until further notice.

"We are in this together," Jeu said, "and though limited in our ability by circumstances we cannot control, I assure you we will do all we can to mitigate

the impact of sequestration on our patrons, employees and industry partners, and on our mission." The Defense Commissary Agency operates a worldwide chain of commissaries providing groceries to military personnel, retirees and their families in a safe and secure shopping environment. Authorized patrons purchase items at cost plus a 5-percent surcharge, which covers the costs of building new commissaries and modernizing existing ones. By shopping regularly in the commissary, patrons save an average of 30 percent or more on their purchases compared to commercial prices -- savings amounting to thousands of dollars annually. A core military family support element, and a valued part of military pay and benefits, commissaries contribute to family readiness, enhance the quality of life for America's military and their families, and help recruit and retain the best and brightest men and women to serve their country. [Source: Defense Commissary Agency | Kevin L. Robinson | 24 May 2013 ++]

## ***DoD Benefit Cuts Update***

The A report was released 20 MAY from the Stimson Center (a DC non partisan think tank focused on "international peace and security") that suggests roughly \$900 billion can be saved from the Department of Defense's budget by making many changes that have been thrown about in Washington, DC for years now. The report stops short of endorsing any of the proposed changes. It is a good thing for them that they did. While changing the military retirement system to a 401K-style, defined-contribution system that is so prevalent in the private sector nowadays might seem like a good idea, nobody at the report's release asked whether or not it was a good idea to have Seal Team Six checking their 401K before they go out on a mission to take out Osama bin Laden. The Retired Enlisted Association (TREA) was represented at that meeting by Deputy Legislative Director Mike Saunders. The report details three main areas where "efficiencies" have been identified for "improvement": personnel compensation, manpower utilization, and procurement practices. Since TREA is only focused on personnel issues, that is the only thing that is being commented on in this article. The report suggests:

- Adjusting the formulas for cash compensation growth: This is code for reducing the active duty's annual COLA.

- Pegging pay to specialization in high-demand areas: This is code for paying some MOS's and branches more than others – this is already done through the bonus system, but the report suggests a more aggressive form of it.
- Transferring non-cash compensation into cash compensation: This is code for closing DOD schools, commissaries, and exchanges and giving active duty families an annual subsidy to replace the estimated value of the benefit that they could use to purchase goods and pay for education off-post. (These proposals do not include any stipend for retiree families.)
- Curtailing the pool of health care beneficiaries: This means taking away TRICARE Prime from working-age retirees, and probably other program reductions as well.
- Modernizing military retirement: This is the idea brought up in the beginning of this article, of turning the military retirement system into a defined-contribution, 40K-style system.
- Increasing health care fees and cost-sharing.

While admittedly not taking into account the ideas put forth in the rest of the report, the ideas put forth for reforming the military personnel compensation system seem to be a compendium of “what CAN we do,” rather than “what SHOULD we do” to strengthen America’s military. [Source: TREA News for the Enlisted 24 May 2013 ++]

## ***Stolen Valor Update***

The House on 20 MAY overwhelmingly voted for the latest version of the Stolen Valor Act H.R.258, a law that will make it a crime to don the medals and ribbons that soldiers, sailors, Marines and airmen are awarded for combat actions. The legislation passed 309 to three. On 22 MAY the Senate passed the companion bill S.210 by unanimous consent and sent it to the President for his signature. The Supreme Court struck down the previous version of the law last June, when it ruled that lying about military heroics was constitutionally protected speech unless there was intent to gain some benefit or something of value by fraud. Congress followed the roadmap laid out by the U.S. Supreme Court when they overturned the original Stolen Valor Act last year. In their writings, the high court suggested any future legislation had to be narrower in focus than just to penalize people for simple lying, which they ruled as protected speech in a 6-3 decision.

Under the new bill, it's a federal crime to benefit from knowingly lying about receiving certain valorous military medals and awards. Maximum punishment would be a fine of up to \$100,000 and up to one year in prison for each offense. It does not apply to every medal. Specifically covered are the Medal of Honor, service crosses, Silver Star, Purple Heart and combat badges such as Combat Infantryman's Badge, Combat Action Badge, Combat Medical Badge, Combat Action Ribbon, or Combat Action Medal. Claiming to have received one of the awards becomes fraudulent if the liar obtains or tries to obtain money, property or some other tangible benefit. For example, claiming to be a combat veteran on a job application or to receive a government contract set aside for a veterans would be fraud, as would receiving unearned veterans' disability or health benefits if any of the combat-related awards used to qualify for those benefits were falsely claimed. [Source: NAUS Weekly Update 24 May 2013 ++]

## ***VA Vocational Rehabilitation and Employment Program: Improved Oversight of Independent Living Services and Supports Is Needed***

### **What GAO Found**

Of the 9,215 veterans who entered the Department of Veterans Affairs' (VA) Independent Living (IL) track within the Vocational Rehabilitation and Employment (VR&E) program in fiscal years 2008 to 2011, most were male Vietnam era veterans in their 50s or 60s. Almost 60 percent served in the U.S. Army, and less than 1 percent served in the National Guard or Reserve. The most prevalent disabilities among these veterans were post-traumatic stress disorder and tinnitus. GAO's review of 182 IL cases from fiscal year 2008 found that VR&E provided a range of IL benefits to veterans. Among these cases, the most common benefits were counseling services and computers. Less common benefits included gym memberships, camping equipment, and a boat. GAO estimated that VR&E spent nearly \$14 million on benefits for veterans entering the IL track in fiscal year 2008--an average of almost \$6,000 per IL veteran.

Most veterans completed their IL plans, which identify their individual goals to live independently and the benefits VR&E will provide. About 89 percent of fiscal year 2008 IL veterans were considered by VR&E to be "rehabilitated," that is, generally, to have completed their IL plans by the end of fiscal year 2011. VR&E

discontinued or closed about 5 percent of cases for various reasons, such as the veteran declined benefits. Six percent of cases were open at the end of fiscal year 2011. Because the complexity of IL cases varied depending on veterans' disabilities and needs, some cases were fairly simple for VR&E to close. For example, one IL case only called for the installation of door levers and a bathtub rail. Another more complex case involved the provision of a range of IL benefits, including home modifications. Rehabilitation rates across regions varied from 0 to 100 percent, and regions with larger IL caseloads generally rehabilitated a greater percentage of IL veterans. While IL plans nationwide were completed in 384 days, on average, completion times varied by region, from 150 to 895 days.

VR&E exercises limited oversight to ensure appropriate and consistent administration of the IL track across its regions. First, some regions may not be complying with certain case management requirements. For instance, while VR&E is required to coordinate with the Veterans Health Administration (VHA) on IL benefits, VR&E counselors have difficulty obtaining timely responses from VHA. VHA physicians respond to VR&E's IL referrals late or not at all, resulting in delayed benefits or VR&E providing the benefits instead of VHA. Second, VR&E does not monitor regional variation in IL caseloads and benefits provided. Instead, it has relied on its quality assurance reviews and ad hoc studies, but these are limited in scope. Third, given counselors have broad discretion in selecting IL benefits, VR&E's written policies for approving IL expenditures may not be appropriate as regions were permitted to purchase a range of items without any Central Office approval, some of which were costly or questionable. For example, in one case, Central Office review would not have been required for expenditures of \$18,829 for a riding mower, which is prohibited, and other items. Finally, VR&E's system does not collect IL costs and benefits provided. VR&E also lacks accurate data on the number of IL veterans served. While the law currently allows 2,700 veterans to enter the IL track annually, data used to monitor the cap are based on the number of IL plans developed, not on the number of individual veterans admitted. Veterans can have more than one plan in a fiscal year, so one veteran could be counted multiple times towards the cap.

### **Why GAO Did This Study**

The IL "track"--one of five tracks within VA's VR&E program--provides a range of benefits to help veterans with service-connected disabilities live independently when employment is not considered feasible at the time they enter the VR&E

program. These benefits can include counseling, assistive devices, and other services or equipment. GAO was asked to review issues related to the IL track. This report examines (1) the characteristics of veterans in the IL track, and the types and costs of benefits they were provided; (2) the extent to which their IL plans were completed, and the time it took to complete them; and (3) the extent to which the IL track has been administered appropriately and consistently across regional offices.

To conduct this work, GAO analyzed VA administrative data from fiscal years 2008 to 2011, and reviewed a random, generalized sample of 182 veterans who entered the IL track in fiscal year 2008. In addition, GAO visited five VA regional offices; interviewed agency officials and staff; and reviewed relevant federal laws, regulations, and agency policies and procedures.

### **What GAO Recommends**

GAO recommends that VR&E explore options to enhance coordination with VHA; strengthen its oversight of the IL track; and reassess its policy for approving benefits. VA generally agreed with GAO's conclusions and recommendations.

**Recommendation:** The Secretary of Veterans Affairs should direct the Undersecretary for Benefits to work with the Undersecretary for Health to explore options on ways to enhance coordination to ensure IL track veterans' needs are met by VHA, when appropriate, in a timely manner. This could include improving staff education, response times to IL referrals, and the provision of medically related goods and services.

**Agency Affected:** Department of Veterans Affairs

**Status:** Review Pending

**Recommendation:** The Secretary of Veterans Affairs should direct the Undersecretary for Benefits to implement an oversight approach that enables VR&E to better ensure consistent administration of the IL track across regions. In developing this approach, consider ensuring that VR&E's CWINRS system: (1) Tracks the total cost and types of benefits provided to each veteran in the IL track by regional office. (2) Accounts for the number of individual veterans served to ensure that the agency has the information it needs to adequately manage the IL track. (3) Contains stronger data entry controls to ensure that IL track information is recorded in a consistent manner and is accurate and complete.

**Agency Affected:** Department of Veterans Affairs

**Status:** Review Pending

**Recommendation:** The Secretary of Veterans Affairs should direct the Undersecretary for Benefits to reassess and consider enhancing the agency's current policy concerning the required level of approval for IL track expenditures, given the broad discretion individual regional offices have in determining the types of goods and services IL track veterans receive.

**Agency Affected:** Department of Veterans Affairs

**Status:** Review Pending