

Report to Congressional Requesters

May 2010

VA HEALTH CARE

Reporting of Spending and Workload for Mental Health Services Could Be Improved





Highlights of GAO-10-570, a report to congressional requesters

Why GAO Did This Study

The Department of Veterans Affairs (VA) provides, or pays for, a range of mental health services for veterans. To effectively manage resources and ensure access to eligible veterans, VA needs complete spending and workload information for mental health services. This information is also important for congressional oversight

GAO was asked to examine VA's mental health spending and workload. In this report, GAO examined for fiscal year 2009 (1) VA's spending for mental health services and (2) VA's workload for mental health services. GAO examined VA's reporting of mental health spending and workload data for fiscal year 2009 in its fiscal year 2011 congressional budget justification and whether VA reported these data in any other publicly available report. GAO analyzed additional mental health spending and workload data and interviewed VA officials.

What GAO Recommends

GAO recommends that VA report in its annual congressional budget justification or in a separate annual report that is publicly available additional workload and spending information for its mental health services. VA concurred with three recommendations, but did not concur with the recommendations regarding Vet Centers. GAO believes the Vet Center recommendations could be implemented while addressing VA's concerns.

View GAO-10-570 or key components. For more information, contact Randall B. Williamson at (202) 512-7114 or williamsonr@gao.gov.

VA HEALTH CARE

Reporting of Spending and Workload for Mental Health Services Could Be Improved

What GAO Found

VA reported in its fiscal year 2011 congressional budget justification spending about \$4.4 billion on mental health services in fiscal year 2009 in VA settings primarily used for providing mental health services. However, VA had additional spending in fiscal year 2009 for mental health services that VA did not report as mental health spending in its budget justification or in any other publicly available report. Specifically, VA did not report as mental health spending the amounts it spent for those mental health services that it (1) paid non-VA providers to provide in community settings and (2) provided in VA settings not primarily used for providing mental health services, such as nursing homes. VA also did not report as mental health spending the amount it spent for counseling services to address mental health issues provided by VA Vet Centers. Although VA did not report this spending information, VA does determine its spending for mental health services provided by non-VA providers and for outpatient mental health services provided in VA settings not primarily used for providing mental health services. According to VA officials, VA spent an additional \$269 million for these services in fiscal year 2009. VA does not have complete spending information for inpatient hospital mental health services provided by mental health providers in VA settings not primarily used to provide mental health services nor does it have spending information for counseling services to address mental health issues provided by Vet Centers.

In fiscal year 2009, VA provided mental health services to about 1.22 million unique patients in VA settings primarily used for providing mental health services. However, VA did not report this information in its fiscal year 2011 congressional budget justification or in any other publicly available report. VA officials said that the number of unique patients is not available until after VA's budget justification is published. Additionally, VA did not report other workload information that it has on (1) the number of encounters for outpatient services and the average daily census for each of its inpatient hospital, residential, and domiciliary services provided in VA settings primarily used for providing mental health services and (2) the workload for mental health services provided in other settings—community settings for which VA paid non-VA providers to provide mental health services and VA settings not primarily used for providing mental health services. VA also did not report the workload for counseling services to address mental health issues provided by Vet Centers, but VA is able to estimate its workload for these services.

VA's reporting of mental health spending and workload does not give Congress a complete overview of VA's mental health services and limits information available for congressional oversight of VA's mental health services. Reporting additional mental health spending and workload information could enhance information available for congressional oversight.

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Abbreviations

PTSD post-traumatic stress disorder VA Department of Veterans Affairs

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United States Government Accountability Office Washington, DC 20548

May 28, 2010

The Honorable Michael Michaud Chairman Subcommittee on Health Committee on Veterans' Affairs House of Representatives

The Honorable Brian Baird House of Representatives

The Department of Veterans Affairs (VA) operates one of the largest health care delivery systems in the nation. VA provides, or pays for, a range of mental health services throughout its 21 health care networks¹ for veterans with conditions such as depression, post-traumatic stress disorder (PTSD), and substance use disorders. With the ongoing military operations in Afghanistan and Iraq—Operation Enduring Freedom and Operation Iraqi Freedom, respectively—VA has experienced an increased demand for its mental health services.² This growing demand highlights the importance of VA's goal to ensure that all eligible veterans, wherever they obtain care in VA, have access to needed mental health services.³ To effectively manage its resources and achieve its goal, VA needs complete and accurate information on the amount it spends each fiscal year to provide mental health services and on its mental health workload, which is the amount of mental health care VA provides.

¹VA's health care system consists of 21 regional health care networks. These networks have budget and management responsibilities that include allocating budgetary resources for health care services, including mental health services, to their medical centers that typically include one or more hospitals and other types of health care facilities, such as outpatient clinics.

 $^{^2\}mbox{The}$ majority of veterans receiving mental health services from VA served in prior conflicts.

³Veterans who served in active military and who were discharged or released under conditions other than dishonorable are generally eligible for VA health care and may receive care upon enrollment. Reservists and National Guard members may also be eligible for VA health care if they were called to active duty by a federal order and completed the full period for which they were called to active duty. Veterans can also receive health care, including mental health services, financed by sources other than VA, including private insurance, Medicare, and Medicaid.

Complete and accurate information on VA's mental health spending and workload is also important for congressional oversight of VA's mental health services. Each year, VA develops annual spending and workload estimates for all of its medical services, including mental health care, and provides these estimates and supporting information in the budget justification that VA submits to the subcommittees with jurisdiction over its appropriations as part of the annual appropriations process. This information is used to conduct congressional oversight functions, for example determining the adequacy of VA funding and assessing VA's current efforts to address the mental health care of veterans. Complete and accurate mental health spending and workload information can help Congress effectively oversee VA's mental health services and identify VA's intended use of resources and workload.

You expressed interest in obtaining information on VA's spending and workload for mental health services. In this report, we examined, for fiscal year 2009, (1) VA's spending for mental health services and (2) VA's workload for mental health services. As part of this work, we also examined VA's reporting of its fiscal year 2009 mental health spending and workload in VA's fiscal year 2011 congressional budget justification and whether VA reported this information in any other publicly available report.

To perform our work, we obtained fiscal year 2009 data on VA's spending and workload for mental health services. Fiscal year 2009 data were the most recently available spending and workload data at the time of our review. We used the data to examine VA's national spending and workload for mental health services as well as VA's spending and workload for each of its 21 health care networks. We also interviewed VA officials from the Veterans Health Administration's Office of Finance, Office of Mental Health Services, Mental Health Enhancement Initiative for Primary Care, and Mental Health Workload and Data Analysis Workgroup. We also obtained fiscal year 2009 data and interviewed officials from Veterans Health Administration's Readjustment Counseling Service to examine workload for counseling services to address mental health issues that are provided by Vet Centers—a nationwide system of community-based centers that VA established separately from its medical centers to provide readjustment counseling services to combat veterans. Fiscal year 2009

⁴VA's Readjustment Counseling Service manages the Vet Centers and the provision of readjustment counseling.

spending data were not available for Vet Centers' counseling services to address mental health issues. Additionally, we reviewed VA documents and interviewed VA officials to determine VA's reporting of spending and workload information for the services discussed in this report in its fiscal year 2011 congressional budget justification or whether VA reported this information in any other publicly available report.

For our analysis of VA mental health spending, we used obligations—VA's cost of providing or paying for mental health services for eligible veterans, including costs of administering mental health services, and national overhead, which includes the operating costs for VA headquarters, networks, and national programs. It does not include VA's costs of providing medications for the treatment of mental health conditions. ⁵ For our analysis of VA mental health workload, we used the following four workload measures: (1) unique patients—unduplicated count of patients receiving a particular type of service, (2) encounters—professional contacts between patients and providers for outpatient services, (3) visits—one or more professional contacts between a patient and provider during a single day, and (4) average daily census—the average number of patients receiving inpatient services on any given day during the course of the year. We chose these measures because VA officials told us that they are key measures that are relevant for measuring mental health workload. We assessed the reliability of the information we obtained about VA's mental health spending and workload in several ways, including interviewing agency officials knowledgeable about VA's mental health services and about VA's mental health spending and workload data and the processes used to calculate them. We determined that the data we used were sufficiently reliable for the purposes of this report.

We conducted this performance audit from April 2009 through May 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. See appendix I for a complete description of our scope and methodology.

⁵VA officials told us that it is difficult to identify which medications are used to treat mental health conditions because the types of medications used may change rapidly and some medications may be used to treat conditions other than mental health.

Background

VA provides mental health services in each of its medical centers, which are located throughout VA's 21 health care networks, in settings primarily used for providing mental health services. In these settings, which include mental health clinics, VA provides outpatient, residential, domiciliary, and inpatient hospital mental health services. (See table 1 for a description of VA's mental health services.) The mental health services provided in these settings focus on rehabilitation- and recovery-oriented services to help patients with severe and persistent mental illnesses, including substance use disorders.

Table 1: Description of Mental Health Services Provided by VA

Mental health	
service	Description
Outpatient	Outpatient services provide evaluation and treatment services that include ambulatory services, such as individual or group therapy, and telemental health services in which care is provided via a video connection between a VA mental health professional and patient who are located in different geographical areas.
Residential	Residential services provide rehabilitation, treatment, and a range of other services, which may include work therapy and social skills training in a structured living arrangement at a VA facility. VA provides specialized residential treatment services for mental health conditions, including PTSD and substance use disorder.
Domiciliary	Domiciliary services are a type of residential service. These services are provided as part of larger residential programs with multiple units serving various patient populations.
Inpatient hospital	Inpatient hospital services provide intensive treatment for patients admitted to hospitals for mental health conditions.

Source: VA.

VA also provides mental health services in VA settings that are not primarily used to provide mental health services, such as nursing homes (also referred to by VA as community living centers) and spinal cord injury clinics. Additionally, in some situations, VA pays for mental health services provided by non-VA providers in community settings. When there are no VA facilities near the veteran's home or VA facilities are unable to provide certain mental health services on site, VA is authorized to enter into agreements with non-VA providers to provide these services. ⁶ Specifically, VA facilities can make outpatient mental health services available from

⁶38 U.S.C. § 1703.

non-VA providers in the community who will accept VA payment—referred to as fee-basis care. In addition, VA facilities can contract with non-VA hospitals in the local community for inpatient hospital services—referred to as contract care.

VA also provides counseling services that focus on mental health issues through VA Vet Centers. The counseling services to address mental health issues provided by Vet Centers differ from the mental health services provided by VA medical centers in that they focus on counseling to assist combat veterans in readjusting from wartime military service to civilian life. For example, the Vet Centers do not diagnose veterans' mental health conditions. These counseling services provided by Vet Centers focus on a range of issues, including PTSD, drug and alcohol abuse, sexual trauma, and family issues. Veterans needing more acute care—for example, veterans with mental health co-morbidities such as severe PTSD and depression or those who pose a risk of harm to themselves or others—are often referred to VA medical centers for further evaluation and treatment. The number of Vet Centers has increased from 232 in fiscal year 2008 to 271 in fiscal year 2009. VA plans to increase the number of Vet Centers from 271 to 300 by the end of fiscal year 2011.

VA Reported Spending about \$4.4 Billion for Mental Health Services in Fiscal Year 2009, but This Amount Did Not Include All Mental Health Services VA reported in its fiscal year 2011 congressional budget justification spending about \$4.4 billion in fiscal year 2009 on mental health services in VA settings primarily used for providing mental health services. However, VA had additional spending in fiscal year 2009—for mental health services provided in other settings—that VA did not report as mental health spending in its congressional budget justification or in any other publicly available report.

⁷Vet Centers also provide social support services, such as assistance with employment, and outreach services.

VA Reported Spending about \$4.4 Billion in Fiscal Year 2009 for Mental Health Services in VA Settings Primarily Used for Providing Mental Health Services In its fiscal year 2011 congressional budget justification, VA reported spending about \$4.4 billion in fiscal year 2009 for mental health services provided in VA settings primarily used for mental health services. Outpatient services accounted for about 55 percent of this spending—about \$2.4 billion—in fiscal year 2009. (See fig. 1.) VA reported spending the remaining \$2 billion on inpatient hospital services—which provide intensive treatment for patients admitted to hospitals for mental health conditions—and on residential and domiciliary services, which provide rehabilitation, treatment, and a range of other services in a structured living arrangement at a VA facility.

⁸According to VA officials, this spending includes about \$60 million for mental health services provided by mental health professionals who have been integrated in primary care clinics. As of September 2009, VA had integrated mental health and primary care in 131 sites across the country.

⁹For fiscal year 2009, Congress specified that VA spend a minimum of \$3.8 billion on specialty mental health care—mental health services provided in VA settings primarily used for providing mental health services. Pub. L. No. 110-329, 122 Stat. 3574, 3704-05 (2008).

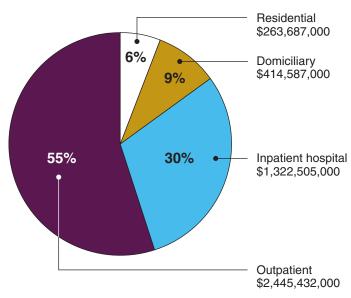


Figure 1: VA Spending on Mental Health Services Provided in VA Settings Primarily Used for Providing Mental Health Services, by Type of Service, Fiscal Year 2009

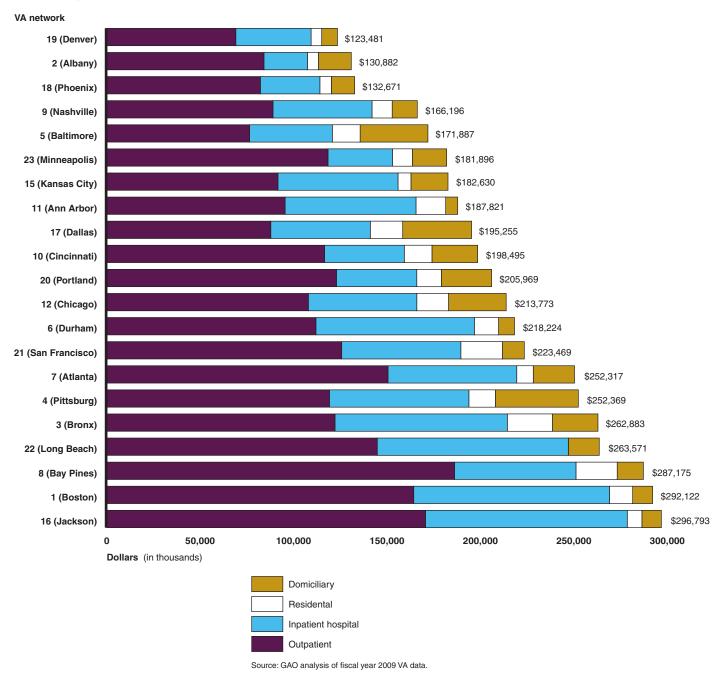
Total: \$4,446,211,000

Source: GAO analysis of fiscal year 2009 data reported in VA's fiscal year 2011 congressional budget justification.

Note: According to VA officials, this spending included about \$60 million for mental health services provided by mental health professionals who have been integrated in primary care clinics.

In fiscal year 2009, VA's spending on mental health services provided in VA settings used primarily for mental health services varied across VA's 21 networks, ranging from about \$123 million in Network 19 (Denver) to about \$297 million in Network 16 (Jackson). (See fig. 2.) Across VA's networks, outpatient services accounted for the largest percentage of each network's mental health spending in fiscal year 2009, followed by inpatient hospital services, though specific spending amounts varied by each network. According to VA officials, this variation may be caused, in part, by the number of inpatient mental health beds within a network. Networks with more beds would likely have higher utilization of inpatient hospital mental health services, resulting in higher spending for mental health services. VA officials told us that they do not have data to identify all the factors that account for the variations in spending for mental health services across networks.

Figure 2: VA Spending on Mental Health Services Provided in VA Settings Primarily Used for Providing Mental Health Services, by VA Network, Fiscal Year 2009



Note: According to VA officials, this spending includes about \$60 million for mental health services provided by mental health professionals who have been integrated in primary care clinics.

VA Spent Additional Amounts for Mental Health Services in Fiscal Year 2009 but Did Not Report These as Mental Health Spending

In addition to the \$4.4 billion VA reported spending in fiscal year 2009 for mental health services provided in VA settings primarily used for mental health, VA spent additional amounts for mental health services. Specifically, VA (1) paid non-VA providers to provide mental health services in community settings; (2) provided mental health services through VA mental health providers in VA settings not primarily used for providing mental health services, such as nursing homes and spinal cord injury clinics; and (3) provided counseling services to address mental health issues through Vet Centers. However, VA did not report this spending as mental health spending in its fiscal year 2011 congressional budget justification or in any other publicly available report.

VA determines how much it spends for some of these mental health services. According to VA officials, VA spent about \$269.4 million in fiscal year 2009 for the following mental health services:

- VA spent about \$137.4 million for non-VA providers—such as communitybased hospitals and mental health professionals—to provide mental health services to patients.
- VA spent about \$132 million on outpatient mental health services provided by mental health providers in VA settings not primarily used for providing mental health services.

Although VA determines how much it spends for some of its mental health services, it did not report fiscal year 2009 spending for these mental health services as mental health spending in its fiscal year 2011 congressional budget justification or in any other publicly available report. Instead, according to VA officials, VA includes this spending as part of broader categories of spending when reporting information in congressional budget justifications. For example, VA's reporting of outpatient care in its congressional budget justification includes part of VA's spending for outpatient mental health services provided by non-VA providers in community settings. VA officials told us VA does not report its spending for mental health services provided by non-VA providers in community settings in its congressional budget justifications because determining this spending requires data that are not available at the time the congressional budget justification is published.

In contrast to the mental health services for which VA determines how much it spends, there are other mental health services for which VA does not have spending information for fiscal year 2009. According to VA officials, VA does not have complete spending information for inpatient

hospital mental health services provided by mental health providers in VA settings not primarily used to provide mental health services. Additionally, VA does not have spending information for counseling services to address mental health issues provided by Vet Centers.

VA officials told us that VA does not determine how much it spends for these services for several reasons. For inpatient hospital mental health services, VA officials told us that it does not have cost information for about 25 percent of the services. According to VA officials, determining the costs for inpatient hospital mental health services is a new process and VA is currently determining these costs. For counseling services to address mental health issues provided by Vet Centers, VA officials told us that separating spending for these services from total Vet Center spending is difficult because most veterans receive multiple services—counseling and social support services, such as employment and legal support—from Vet Centers.

VA Provided Mental Health Services to More Than 1 Million Unique Patients in Fiscal Year 2009, but VA Did Not Report Workload for All of Its Mental Health Services In fiscal year 2009, VA provided mental health services to about 1.22 million unique patients in VA settings primarily used for providing mental health services. VA also provided mental health services through VA mental health providers in other VA settings, such as community settings for which VA paid non-VA providers to provide mental health services. However, VA did not report workload for all of its mental health services in its fiscal year 2011 congressional budget justification or in any other publicly available report.

VA Provided Mental Health Services to about 1.22 Million Unique Patients in Fiscal Year 2009 in VA Settings Primarily Used for Providing Mental Health Services

VA provided mental health services to about 1.22 million unique patients in fiscal year 2009 in VA settings primarily used for mental health services. ¹⁰ (See table 2.) Almost all of these patients received outpatient services. VA officials said that this is primarily because patients receiving mental health services generally only need outpatient services and do not need the more intensive inpatient hospital and residential services. Inpatient hospital, residential, and domiciliary mental health services accounted for significantly smaller proportions of the total number of unique patients receiving mental health services in fiscal year 2009.

Table 2: VA Workload for Mental Health Services Provided in VA Settings Primarily Used for Providing Mental Health Services, by Type of Service, Fiscal Year 2009

Type of service	Unique patients ^a	Average daily census ^b	Encounters°
Inpatient hospital	65,299	3,011	N/A
Residential	15,888	1,852	N/A
Domiciliary	20,740	4,773	N/A
Outpatient	1,218,661	N/A	13,812,175
Total	1,222,485	9,636	13,812,175

Source: GAO analysis of fiscal year 2009 VA data.

Notes: According to VA officials, this workload includes patients who received mental health services from mental health professionals who have been integrated in primary care clinics.

VA also pays non-VA providers to provide inpatient hospital and outpatient mental health services. The workload for these services is not included in this table.

^aUnique patients are determined for each type of service. The number of unique patients for each type of service cannot be summed because patients can receive multiple types of services. Total unique patients are measured as the number of patients receiving at least one type of service during the year.

^bAverage daily census is the average number of patients receiving inpatient hospital, residential, or domiciliary services on any given day during the course of the year. VA does not use average daily census to measure the workload of outpatient services provided in these settings.

^cEncounters are professional contacts between patients and providers for outpatient services. VA does not use encounters to measure the workload of inpatient hospital, residential, and domiciliary services provided in these settings.

In each of VA's 21 networks, outpatient mental health services accounted for the largest percentage—more than 98 percent—of each network's total number of unique patients receiving mental health services in fiscal year 2009. At the same time, the number of unique patients receiving outpatient

¹⁰According to VA officials, this workload includes about 101,000 unique patients who received mental health services from mental health professionals who have been integrated in VA primary care clinics.

services varied widely across the networks, from about 31,000 in Network 2 (Albany) to about 110,000 in Network 8 (Bay Pines). (See table 3.) There was also wide variation across the networks in fiscal year 2009 in the number of outpatient encounters. In addition, VA's networks varied considerably in the number of unique patients receiving inpatient hospital services, with Networks 2 (Albany) and 8 (Bay Pines) being among the lowest and highest, respectively. (See table 4.) According to VA officials, network variations in the number of unique patients receiving mental health services may be due to enrollee population as well as other factors. For example, in fiscal year 2009, Network 2 (Albany) had the second lowest enrollee population, while Network 8 (Bay Pines) had the highest enrollee population among all networks. VA officials told us that they do not have data to identify all the factors that account for variations in workload for mental health services across the networks.

 $^{^{11}}$ In general, veterans must enroll in VA's health care system in order to receive VA's medical benefits package, which covers most of VA's medical services. 38 U.S.C. \S 1705; 38 C.F.R. \S 17.36 (2009).

Table 3: Workload for Outpatient Mental Health Services Provided in VA Settings Primarily Used for Providing Mental Health Services, by VA Network, Fiscal Year 2009

VA network	Unique patients	Encounters
2 (Albany)	30,556	392,871
5 (Baltimore)	30,674	509,828
19 (Denver)	39,462	388,675
3 (Bronx)	42,525	691,900
12 (Chicago)	48,407	722,227
15 (Kansas City)	49,712	564,007
11 (Ann Arbor)	51,847	580,527
1 (Boston)	52,438	743,976
10 (Cincinnati)	54,079	711,397
23 (Minneapolis)	54,390	686,451
18 (Phoenix)	54,936	482,766
20 (Portland)	55,026	622,085
21 (San Francisco)	56,643	532,142
4 (Pittsburgh)	59,043	598,509
9 (Nashville)	63,005	505,334
17 (Dallas)	66,026	649,996
6 (Durham)	67,058	581,047
22 (Long Beach)	69,284	839,818
7 (Atlanta)	81,971	913,197
16 (Jackson)	109,405	1,086,658
8 (Bay Pines)	110,027	1,008,764

Source: GAO analysis of fiscal year 2009 VA data.

Notes: According to VA officials, the workload for these services includes patients who received mental health services from mental health professionals who have been integrated in primary care clinics.

VA also pays non-VA providers to provide outpatient mental health services. The workload for these services is not included in this table.

Table 4: Workload for Inpatient Hospital Mental Health Services Provided in VA Settings Primarily Used for Providing Mental Health Services, by VA Network, Fiscal Year 2009

VA network	Unique patients	Average daily census
2 (Albany)	1,204	47
19 (Denver)	1,744	100
5 (Baltimore)	1,969	124
18 (Phoenix)	2,245	71
21 (San Francisco)	2,248	107
23 (Minneapolis)	2,440	52
20 (Portland)	2,676	88
3 (Bronx)	2,710	202
17 (Dallas)	2,779	99
10 (Cincinnati)	2,907	94
4 (Pittsburgh)	3,025	200
15 (Kansas City)	3,187	155
11 (Ann Arbor)	3,207	188
22 (Long Beach)	3,446	167
7 (Atlanta)	3,518	205
12 (Chicago)	3,722	112
1 (Boston)	3,937	293
9 (Nashville)	3,959	127
6 (Durham)	4,466	224
8 (Bay Pines)	5,293	150
16 (Jackson)	5,963	206

Source: GAO analysis of fiscal year 2009 VA data.

Note: VA also pays non-VA providers to provide inpatient hospital mental health services. The workload for these services is not included in this table.

VA's 21 networks also varied widely in terms of the number of unique patients receiving residential and domiciliary mental health services in fiscal year 2009. For example, the number of unique patients receiving residential mental health services ranged from 0 in Network 22 (Long Beach) to about 1,400 in Network 12 (Chicago). (See table 5.) Network and other VA officials told us that these variations are in part due to the number of operating beds in each network. For example, VA officials told us that Network 22 (Long Beach) does not have any residential beds and that the network provides all of its residential services through agreements with non-VA providers and through its domiciliary services.

Table 5: Workload for Residential and Domiciliary Mental Health Services Provided in VA Settings Primarily Used for Providing Mental Health Services, by VA Network, Fiscal Year 2009

	Resid	Residential		Domiciliary	
VA network	Unique patients	Average daily census	Unique patients	Average daily census	
22 (Long Beach)	0°	O ^a	698	163	
19 (Denver)	309	26	387	74	
7 (Atlanta)	438	89	1,213	246	
18 (Phoenix)	459	73	607	145	
9 (Nashville)	545	43	759	243	
15 (Kansas City)	560	74	1,247	222	
21 (San Francisco)	563	72	372	94	
16 (Jackson)	598	68	822	127	
20 (Portland)	670	72	1,476	551	
5 (Baltimore)	720	162	1,074	330	
11 (Ann Arbor)	773	96	269	76	
1 (Boston)	833	143	399	91	
4 (Pittsburgh)	869	112	2,100	305	
2 (Albany)	871	60	1,060	237	
8 (Bay Pines)	877	110	598	127	
6 (Durham)	925	86	567	96	
23 (Minneapolis)	963	88	1,398	181	
3 (Bronx)	1,010	105	963	222	
17 (Dallas)	1,286	134	1,920	584	
10 (Cincinnati)	1,330	97	1,643	301	
12 (Chicago)	1,397	142	1,462	357	

Source: GAO analysis of fiscal year 2009 VA data.

^aVA officials told us that Network 22 (Long Beach) does not have any residential beds and that the network provides residential services through agreements with non-VA providers and through its domiciliary services.

VA Did Not Report Workload for All Mental Health Services Provided in Fiscal Year 2009 VA did not report workload information for all of the mental health services it provided in fiscal year 2009 in its fiscal year 2011 congressional budget justification or in any other publicly available report. Specifically, VA did not report the total number of unique patients—1.22 million—receiving mental health services in fiscal year 2009 in the VA settings primarily used for providing mental health services. VA also did not report the number of unique patients receiving each type of service—inpatient hospital, residential, domiciliary, or outpatient—in these settings. Additionally, VA did not report the number of encounters for outpatient services in fiscal year 2009 in these settings. Instead, VA reported in its

fiscal year 2011 congressional budget justification the total number of patients treated—the number of patients discharged during the year plus the number of patients remaining at the end of the year—for its inpatient hospital, residential, and domiciliary mental health services. ¹² VA officials told us that this measure—patients treated—would count a person with multiple admissions or discharges during the fiscal year multiple times. VA reports the total number of patients treated in its congressional budget justifications because this information is available at the time VA's budget justification is published. The number of unique patients is not available until after VA's budget justification is published.

While VA reported the combined average daily census for inpatient hospital, residential, and domiciliary mental health services, it did not report the average daily census for each of these services. ¹³ Further, VA did not report the average daily census for these services with the spending for these services in its budget justification, which VA does for some of its services. For example, for long-term care services, VA reported average daily census and spending in the same table and reported average daily census for both institutional and noninstitutional care in its fiscal year 2011 congressional budget justification. ¹⁴ VA officials said that VA reported the combined average daily census for mental health services in its fiscal year 2011 congressional budget justification to be consistent with its reporting of this information in previous budget justifications.

Although VA did not report the number of encounters for outpatient mental health services provided in VA settings primarily used for providing mental health services, VA determines its workload for these mental health services using this measure. VA officials told us that this workload measure is a key measure that is relevant for measuring the workload for mental health services.

¹²In its fiscal year 2011 congressional budget justification, VA refers to the combination of inpatient hospital, residential, and domiciliary mental health services as inpatient psychiatric care services.

¹³For these services, VA also reported length of stay—average length of time from admission to discharge.

¹⁴Department of Veterans Affairs, FY 2011 Budget Submission, Medical Programs and Information Technology Programs, Volume 2 of 4 (Washington D.C.: February 2010) p. 1K-15.

In addition, VA did not report workload for the mental health services that it provided in other settings—community settings for which VA paid non-VA providers to provide mental health services and VA settings not primarily used for providing mental health services, such as nursing homes, in which VA mental health providers provided services. VA also did not report workload for counseling services to address mental health issues provided by Vet Centers. According to VA's Mental Health Workload and Data Analysis Workgroup, ¹⁵ any comprehensive review of mental health in VA should include the services delivered in these settings. According to the workgroup, VA's ability to document the breadth and extent of its mental health services is key for ensuring that the resources for these services are used in the most productive and effective manner possible.

Although VA did not report its total workload for mental health services provided in other settings in fiscal year 2009, VA determines its workload for some of these mental health services and was able to provide us with workload information for these services. According to VA officials, for fiscal year 2009:

- VA paid non-VA providers to deliver inpatient hospital mental health services in community settings to about 10,400 unique patients and outpatient mental health services to about 11,600 unique patients. The average daily census for the inpatient hospital services was about 250. The outpatient services accounted for about 130,000 encounters.
- VA provided mental health services in VA settings not primarily used for providing mental health services that accounted for about 485,000 encounters with mental health providers.

According to VA's mental health workload workgroup, the workload for mental health services provided in community settings by non-VA providers and in VA settings not primarily used for providing mental health services should be reported. The workgroup stated that the workload should not be reported with the workload for mental health services provided in settings that primarily provide mental health, but they should exist as a separate segment of any report. VA officials told us that while this workload information is not discretely identified as mental health in

¹⁵VA established the Mental Health Workload and Data Analysis Workgroup in March 2007. Its major efforts were related to standardizing data elements and establishing processes that would allow VA to more fully capture mental health workload.

VA's congressional budget justification, it is included as part of VA's reporting of its workload for other services. VA officials said that VA has consistently focused its reporting of mental health services on those services provided in established mental health clinics.

In contrast with the mental health services for which VA determines its workload, VA does not determine its workload for the counseling services to address mental health issues provided by Vet Centers. Similar to Vet Centers' spending for these counseling services, according to VA officials, VA does not determine Vet Centers' workload for counseling services to address mental health issues separately from Vet Centers' total workload because of the difficulty associated in separating these counseling services from other services that veterans receive through Vet Centers.

Nevertheless, VA officials estimated for us that Vet Centers provided counseling services to address mental health issues to about 70,000 veterans in fiscal year 2009, and these veterans accounted for about 989,000 visits for counseling services to address issues such as PTSD, drug and alcohol abuse, and family issues. According to VA's mental health workload workgroup, Vet Centers' workload for these services should be reported within the context of the mental health services they provide.

Conclusions

VA uses its annual congressional budget justifications to provide its appropriations subcommittees and others with information on the department's spending and workload for the medical services—such as mental health services—provided to eligible veterans in connection with appropriation requests. However, the information VA reported in its fiscal year 2011 congressional budget justification on its mental health services does not reflect VA's total mental health spending and workload. In particular, VA did not report key workload information for mental health services provided in VA settings primarily used for providing mental health services. Specifically, VA did not report the number of encounters for outpatient services or the average daily census for each of its inpatient hospital, residential, and domiciliary services. Additionally, VA did not report the spending and workload for mental health services provided in other settings that are key to VA's efforts to meet the mental health needs of veterans: VA settings not primarily used for providing mental health services and community settings where VA pays non-VA providers to provide mental health services. Although VA determines the amount it spends for some of these services, it did not report this information as mental health information in its fiscal year 2011 congressional budget justification or in any other publicly available report. Furthermore, VA does not determine and did not report spending and workload for the

counseling services to address mental health issues provided by Vet Centers in its congressional budget justification or in any other publicly available report.

VA's reporting of mental health spending and workload does not give Congress a complete overview of VA's mental health services and limits information available for congressional oversight. Reporting additional mental health spending and workload information could enhance information available for congressional oversight.

Recommendations for Executive Action

To enhance information available for congressional oversight and use by stakeholders on VA's spending and workload for mental health services, we recommend that the Secretary of Veterans Affairs take the following four actions:

- include workload information, including number of encounters and average daily census, by type of service, for mental health services provided in VA settings primarily used for providing mental health services with its presentation of mental health spending in its annual congressional budget justification;
- include spending and workload information, including number of encounters and average daily census, for mental health services that VA pays non-VA providers to deliver in community settings in its annual congressional budget justification, or in a separate, annual, publicly available report soon after the information becomes available;
- include spending and workload information, including number of encounters and average daily census, for mental health services provided in VA settings not primarily used for providing mental health services in its annual congressional budget justification, or in a separate, annual, publicly available report soon after the information becomes available; and
- include workload information, including number of visits, for counseling services to address mental health issues provided by Vet Centers in its annual congressional budget justification, or in a separate, annual, publicly available report soon after the information becomes available.

We also recommend that the Secretary of Veterans Affairs direct the Under Secretary for Health to identify ways of incorporating spending information for Vet Center counseling services that address mental health issues in VA's annual congressional budget justification or in a separate,

annual, publicly available report soon after the information becomes available.

Agency Comments and Our Evaluation

We provided a draft of this report to VA for comment. In its written comments, reproduced in appendix II, VA concurred with three of our recommendations but did not concur with our recommendations related to Vet Center counseling services to address mental health issues. Specifically, VA concurred with our first recommendation to include workload information for mental health services provided in VA settings primarily used for providing mental health services with its presentation of mental health spending in its annual congressional budget justification. VA noted that it plans to provide this information in its fiscal year 2012 congressional budget justification. VA also concurred with our second and third recommendations to include spending and workload information for mental health services that (a) VA pays non-VA providers to deliver in community settings and (b) VA provides in settings not primarily used for providing mental health services in its annual congressional budget justification, or in a separate, annual, publicly available report soon after the information becomes available. VA noted that it would provide the spending and workload information publicly in a separate, annual, report by April 2011.

VA did not concur with our recommendations related to Vet Centers' reporting of spending and workload information for counseling services to address mental health issues. VA noted that Vet Centers provide a unique type of readjustment counseling that differs from the mental health services provided at VA medical centers, and that it is important not to report these activities as if they were traditional mental health activities. VA said that reporting Vet Center activities this way will detract from the structure that brings in many combat veterans and military sexual trauma clients and underreports the full scope of Vet Center activities. VA also said that because Vet Center workload and spending are intricately interwoven and directly aligned to the Vet Center, VA is unable to report one or the other independently within the traditional mental health services. We agree that Vet Centers provide a unique type of counseling that differs from the mental health services provided at VA medical centers, and have described differences between the two in this report. We have pointed out, for example, that Vet Centers do not diagnose mental health conditions, but instead provide counseling services to address mental health issues—such as PTSD and drug and alcohol abuse—as one of the services they provide.

We believe that our recommendations related to Vet Centers could be implemented while addressing VA's concerns. In this report, we are recommending that VA report Vet Center workload for counseling services to address mental health issues and identify ways of incorporating spending information for these services; not that Vet Center activities be reported as traditional mental health services. We believe that VA could report this information in a way that is consistent with the unique services Vet Centers provide and does not limit VA's reporting of Vet Centers' activities. Moreover, we believe that VA can provide workload data for Vet Center counseling services to address mental health issues separately from Vet Centers' total workload. VA provided estimates included in this report for Vet Center workload, measured by visits, for counseling services to address mental health issues. Therefore, we believe that such information could be reported. Finally, we believe that reporting information on Vet Center spending and workload could enhance information available for congressional oversight and that this reporting could be done in a manner that maintains the distinction between services provided by Vet Centers and VA medical centers.

We are sending copies of this report to the Secretary of Veterans Affairs. In addition, the report is available at no charge on the GAO Web site at http://www.gao.gov.

If you or your staff have any questions about this report, please contact me at (202) 512-7114 or williamsonr@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.

Randall B. Williamson Director, Health Care

Farball B. Williamson

Appendix I: Scope and Methodology

To examine the Department of Veterans Affairs' (VA) spending and workload for mental health services, we examined, for fiscal year 2009, (1) VA's spending for mental health services and (2) VA's workload for mental health services. As part of this work, we examined VA's reporting of its fiscal year 2009 spending and workload information in VA's fiscal year 2011 congressional budget justification and whether VA reported this information in any other publicly available report. To examine VA's spending and workload for mental health services that VA provided in VA medical centers and that VA paid non-VA providers to provide in community settings, we analyzed national- and network-level data for fiscal year 2009 obtained from the Veterans Health Administration Office of Finance. To examine VA's workload for counseling services to address mental health issues that are provided by VA Vet Centers, we analyzed data obtained for fiscal year 2009 from the Veterans Health Administration's Readjustment Counseling Service. Fiscal year 2009 spending data were not available for Vet Centers' counseling services to address mental health issues. Fiscal year 2009 data were the most recently available spending and workload data at the time of our review. To help us understand how VA approaches mental health spending and workload, we also reviewed VA's fiscal year 2008 spending and workload data, but we did not include these data in the report.

For our analysis of VA mental health spending, we used obligations—VA's cost of providing or paying for mental health services, including costs of administering mental health services, and national overhead, which includes the operating costs for VA headquarters, networks, and national programs. We used obligations because VA reports obligations for mental health services in its annual congressional budget submissions and VA officials told us they routinely determine VA's spending for mental health services using obligations data. Our analysis of VA mental health spending does not include VA's costs of providing medications for the treatment of

¹VA's health care system consists of 21 regional health care networks. These networks have budget and management responsibilities that include allocating budgetary resources for health care services, including mental health services, to their medical centers that typically include one or more hospitals and other types of health care facilities, such as outpatient clinics.

²VA's Readjustment Counseling Service manages the Vet Centers and the provision of readjustment counseling.

mental health conditions.³ For our analysis of VA's mental health workload in its medical centers, in community settings where VA pays non-VA providers to provide mental health services, and in Vet Centers, we used the following four workload measures: (1) unique patients—unduplicated count of patients receiving a particular type of service, (2) encounters—professional contacts between patients and providers for outpatient services, (3) visits—one or more professional contacts between a patient and a provider on a single day, and (4) average daily census—the average number of patients receiving inpatient hospital, residential, or domiciliary services on any given day during the course of the year. We chose these measures because VA officials told us that they are key measures that are relevant for measuring mental health workload.

To examine variation in spending and workload we identified across VA's networks, we conducted phone interviews with officials from a judgmental sample of four VA networks—Network 3 (Bronx), Network 8 (Bay Pines), Network 17 (Dallas), and Network 22 (Long Beach). We selected these networks based on variation in geographic location, mental health spending and workload, and the number of veterans enrolled in the network. We also visited VA's Perry Point, Maryland, medical center to better understand how VA provides and pays for mental health services. We selected this medical center based on the range of mental health services it provides and the medical center's proximity to Washington, D.C.

We also interviewed officials from VA's Veterans Health Administration Office of Finance, Readjustment Counseling Service, Office of Mental Health Services, Mental Health Enhancement Initiative for Primary Care, and Mental Health Workload and Data Analysis Workgroup. We interviewed these officials to obtain information on VA's efforts to determine and report complete and accurate information on its spending and workload for mental health services. We also examined VA's reporting of mental health spending and workload in its congressional budget justifications for fiscal years 2006 through 2011 and whether VA reported this information in any other publicly available report.

³VA officials told us that it is difficult to identify which medications are used to treat mental health conditions because the types of medications used may change rapidly and some medications may be used to treat conditions other than mental health.

Appendix I: Scope and Methodology

We assessed the reliability of the national- and network-level data on VA's spending and workload for mental health services in several ways. First, we checked for internal consistency of VA documents detailing VA's spending and workload for mental health services for fiscal year 2009. Second, we compared the fiscal year 2009 spending and workload data we obtained from VA with the fiscal year 2009 mental health data VA reported in its fiscal year 2011 congressional budget justification. We also compared fiscal year 2009 spending and workload data with VA's fiscal year 2008 spending and workload data. Third, we interviewed agency officials knowledgeable about VA's mental health services and about VA's mental health spending and workload data and the processes used to calculate them. We determined that the data we used in our analyses were sufficiently reliable for the purposes of this report.

We conducted this performance audit from April 2009 through May 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Comments from the Department of Veterans Affairs



Department of Veterans Affairs
Office of the Secretary

May 14, 2010

Mr. Randall B. Williamson Director, Health Care U.S. Government Accountability Office 441 G Street, NW Washington, DC 20548

Dear Mr. Williamson:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office's (GAO) draft report, VA HEALTH CARE: Reporting of Spending and Workload for Mental Health Services Could Be Improved GAO-10-570) and concurs with three of the findings and recommendations to the Department and nonconcurs with one.

The enclosure addresses GAO's recommendations. VA appreciates the opportunity to comment on your draft report.

Sincerely,

John R. Longrub

John R. Gingrich

Chief of Staff

Enclosure

Enclosure

Department of Veterans Affairs (VA) Comments to Government Accountability Office (GAO) Draft Report VA HEALTH CARE: Reporting of Spending and Workload for Mental Health Services Could Be Improved (GAO-10-570)

GAO Recommendation: To enhance information available for congressional oversight and use by stakeholders regarding VA's spending and workload for mental health services, we recommend that the Secretary of Veterans Affairs take the following four actions:

Recommendation 1: Include workload information, including number of encounters and average daily census, by type of service, for mental health services provided in VA settings primarily used for providing mental health services with its presentation of mental health spending in its annual congressional budget justification.

VA Response: Concur. VA will include the number of encounters and average daily census by type of service for Mental Health services provided in VA settings primarily used for providing mental health services in its fiscal year 2012 budget submission. This action will be complete by February 2011.

Recommendation 2: Include spending and workload information including number of encounters and average daily census, for mental health services that VA pays non-VA providers to deliver in community settings in its annual congressional budget justification, or in a separate annual publicly available report soon after the information becomes available.

VA Response: Concur. VA will provide the information publicly in a separate annual report soon after the information becomes available. We anticipate completion of this action by April 2011.

Recommendation 3: Include spending and workload information including number of encounters and average daily census, for mental health services provided in VA settings not primarily used for providing mental health services in its annual congressional budget justification, or in a separate annual publicly available report soon after the information becomes available.

VA Response: Concur. VA will provide the information publicly in a separate annual report soon after the information becomes available. We anticipate completion of this action by April 2011.

Recommendation 4: Include workload information, including number of visits, for counseling services to address mental health issues provided by Vet Centers in its annual congressional budget justification, or in a separate annual publicly available report soon after the information becomes available.

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Enclosure

Department of Veterans Affairs (VA) Comments to Government Accountability Office (GAO) Draft Report VA HEALTH CARE: Reporting of Spending and Workload for Mental Health Services Could Be Improved (GAO-10-570)

We also recommend that the Secretary of Veterans Affairs direct the Under Secretary for Health to identify ways of incorporating spending information for Vet Center counseling services that address mental health issues in VA's annual congressional budget.

VA response: Non-Concur on both components. The Vet Centers currently report data (number of visits and Veterans seen) in an annual report to the Secretary of Veterans Affairs and Congress. The Veterans Health Administration is planning to publish this information on the VA Web site and other venues as the Secretary and Under Secretary for Health designate so that it is publicly available. However, providing separate reporting about specific mental health problems fails to capture and underreports the full scope of activities in the Vet Center mission.

Because Vet Centers are Veteran-centric and provide a unique type of readjustment counseling, it is important not to report these activities as if they were traditional mental health care services. The impetus to identify "mental health" services provided by the Vet Center program will detract from the structure that brings in many combat Veterans and military sexual trauma clients to receive services. These services are provided in community-based locations emphasizing a Veteran-centric culture that goes a long way to overcome any stigma associated with seeking mental health services by combat Veterans and Veterans who have experienced military sexual trauma. Many of these Veterans would otherwise not access VA care. While VA qualified mental health professionals provide counseling services in Vet Centers, the context and manner in which this is done differs from traditional mental health services. The concern is that by requiring that Vet Center services be characterized into a traditional mental health model as this recommendation suggests, the community based, non-bureaucratic, Veteran-centered value to the Veteran and their families would be significantly diminished. When necessary for the treatment of more complex and co-morbid mental health conditions, Vet Centers will continue to refer Veterans to medical facilities for mental health services. These Vet Center to VA medical center referrals provide the needed enhanced clinician and pharmaceutical access for Veterans with serious mental illness.

It is important to note that readjustment counseling services and mental health services are authorized by separate authorities and employ different eligibility criteria. This is consistent with House Committee Report 96-100 and Senate Committee Report 98-117, conveying the intent of Congress for the implementation of the Vet Center program. Because Vet Center services are distinct and add value to the holistic care Veterans receive, it is important that the services provided by the Vet Centers are not confused with or subsumed into traditional mental health care.

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Appendix II: Comments from the Department of Veterans Affairs

Enclosure

Department of Veterans Affairs (VA) Comments to Government Accountability Office (GAO) Draft Report VA HEALTH CARE: Reporting of Spending and Workload for Mental Health Services Could Be Improved (GAO-10-570)

Because workload and spending are intricately interwoven and directly aligned to the Vet Center, VA is unable to separate either component and report one or the other independently within the traditional mental health services.

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Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact	Randall B. Williamson, (202) 512-7114 or williamsonr@gao.gov
Acknowledgments	In addition to the contact named above, James Musselwhite, Assistant Director; Janina Austin; Romuladus Azuine; Krister Friday; and Sarah Harvey made key contributions to this report.

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