

# GAO Highlights

Highlights of [GAO-13-441](#), a report to congressional requesters

## 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.

## What 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.

View [GAO-13-441](#). For more information, contact Randall Williamson at (202) 512-7114 or [williamsonr@gao.gov](mailto:williamsonr@gao.gov).

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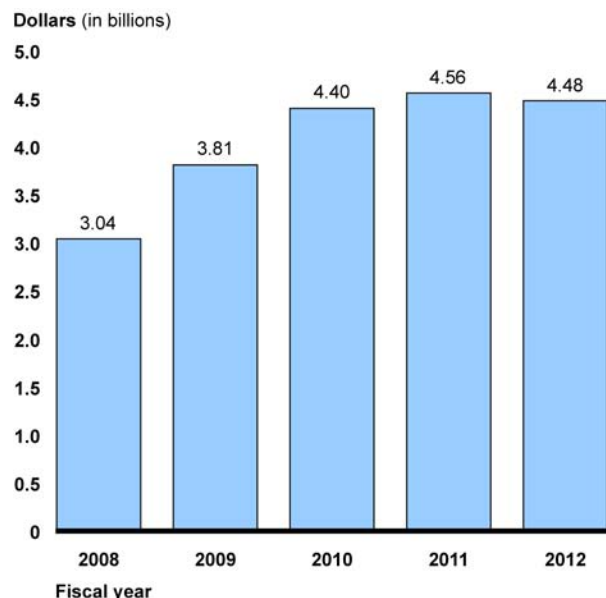
## VA HEALTH CARE

### 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.

Total VA Fee Basis Care Spending, Fiscal Years 2008 through 2012



Source: GAO (analysis); VA (data).

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.