

GAO Highlights

Highlights of [GAO-14-646](#), a report to the Ranking Member, Committee on Veterans' Affairs, United States Senate

Why GAO Did This Study

Veterans with end-stage renal disease—a condition of permanent kidney failure—are one of the most resource-intensive patient populations served by the VA and are generally prescribed a life-saving medical procedure called dialysis. In 2009, VA began developing a pilot program at four VAMCs to provide dialysis to veterans in VA-operated, free-standing dialysis clinics largely in an effort to stem rising costs for providing such care in the private sector through the Non-VA Medical Care Program. In May 2012, GAO issued a report identifying several weaknesses in VA's execution of the planning and early implementation phases of the Dialysis Pilot.

GAO was asked to continue its evaluation of the Dialysis Pilot. GAO examined the extent to which VA documented plans for concluding the Dialysis Pilot and the status of data on the quality of care and treatment costs for the four pilot locations.

GAO reviewed relevant documents from VA and the evaluation contractor selected by VA to perform an independent analysis of the pilot locations. GAO also spoke with VA officials responsible for managing the Dialysis Pilot, representatives from all four pilot locations, and evaluation contractor officials responsible for reviewing the performance of the four pilot locations.

What GAO Recommends

GAO recommends that VA document its plans for concluding the Dialysis Pilot. VA concurred with GAO's recommendation but did not clearly delineate its plans for pilot conclusion.

View [GAO-14-646](#). For more information, contact Randall B. Williamson at (202) 512-7114 or williamsonr@gao.gov.

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VA DIALYSIS PILOT

Documentation of Plans for Concluding the Pilot Needed to Improve Transparency and Accountability

What GAO Found

Five years into the Dialysis Pilot, the Department of Veterans Affairs (VA) Central Office still has not set a timetable for completing the pilot or documented how it will determine the success of the pilot locations. GAO previously identified best practices that state that a project timeline is critical for managing and measuring an entity's performance on projects and that choosing and documenting well-regarded criteria that are used to make comparisons can lead to strong, defensible conclusions. Initially, VA planned to conclude the Dialysis Pilot after the pilot locations were all open for 5 years. However, in March 2014, VA officials told GAO they are no longer operating under this timeline but instead plan to conclude the pilot once the pilot locations achieve (1) the creation of a model for a VA-operated, free-standing dialysis clinic that can be replicated by other VA medical centers (VAMC) and (2) the confirmation of the time necessary for a pilot location to reach a "breakeven point." VA considers that a pilot location has achieved a breakeven point when it repays its start-up funding and the VAMC realizes a cost savings because its treatment cost for dialysis at the pilot location is lower than purchasing care from non-VA dialysis providers. However, VA has not formally documented these pilot location achievements as criteria for concluding the Dialysis Pilot. By not doing so, the transparency of VA's management decisions on pilot location outcomes is compromised and the Department lacks accountability for ensuring the success of the Dialysis Pilot.

The Dialysis Pilot has been under evaluation for 2 years by VA and the contractor it selected to conduct an independent analysis of pilot location quality of care and treatment costs. However, neither has concluded its evaluation. Specifically, VA noted that the delayed openings and initial operational issues of two pilot locations—Philadelphia, Pennsylvania, and Cleveland, Ohio—led to limited data availability, and it recommended another 12 months of data be collected on these two pilot locations before drawing conclusions.

Data Available from the Department of Veterans Affairs (VA) and Evaluation Contractor on Quality of Care and Treatment Costs for Dialysis Pilot Locations, Calendar Years 2012 and 2013

Calendar year	Review type	Evaluator	Pilot locations			
			Raleigh, NC	Fayetteville, NC	Philadelphia, PA	Cleveland, OH
2012	Quality of care	VA	●	●	○	○
		Contractor	●	●	○	○
	Treatment cost	VA	●	●	○	○
		Contractor	●	●	○	○
2013	Quality of care	VA	●	●	●	●
		Contractor	●	●	●	○
	Treatment cost	VA	●	●	●	●
		Contractor	⊗	⊗	⊗	⊗

Legend: ● = Data were included in reviews. ○ = Data were not included in reviews. ⊗ = Reviews were not available at the time of GAO's analysis.

Source: GAO analysis of VA and evaluation contractor data. | GAO-14-646.