

# GAO Highlights

Highlights of [GAO-16-795](#), a report to congressional committees

## Why GAO Did This Study

To help ensure that veterans are provided timely and accessible health care, VHA purchases care from community physicians. Two community care programs, PC3 and Choice, require physicians to hold certain credentials reflecting their qualifications. Congress included a provision in law for GAO to review VHA's processes for, and oversight of, credentials verification for PC3 and Choice physicians. This report examines (1) whether VA contractors comply with contractual requirements for verifying PC3 and Choice physicians' credentials; (2) the extent to which VHA oversees the contractors responsible for verifying the credentials of PC3 and Choice physicians; and (3) VHA's own processes for, and oversight of, verifying Choice physicians' credentials under recently implemented VHA Choice provider agreements. GAO reviewed PC3 and Choice contracts, VHA and contractor policies, and federal internal control standards. GAO reviewed a nongeneralizable sample of 50 PC3 and 50 Choice physician credentials files, selected among five types of care across the nation. GAO also interviewed VHA officials and contractor representatives.

## What GAO Recommends

VHA should develop a comprehensive oversight strategy that includes monitoring and evaluations of the contractors' verification of PC3 and Choice physicians' credentials, as well as VHA staff's review of Choice physicians; and assess the risk of not verifying Choice physicians' licenses under VHA Choice provider agreements. VA concurred with these recommendations.

View [GAO-16-795](#). For more information, contact Elizabeth Curda at (202) 512-7114 or [curdae@gao.gov](mailto:curdae@gao.gov).

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## VETERANS' HEALTH CARE

### Improved Oversight of Community Care Physicians' Credentials Needed

## What GAO Found

GAO found that the Department of Veterans Affairs' (VA) contractors—Health Net Federal Services (Health Net) and TriWest Healthcare Alliance (TriWest)—complied with contractual requirements to verify the credentials of physicians under one community care program, but were deficient in doing so under another program. Based on GAO's review of selected physicians, GAO found that the contractors almost always verified and documented the credentials of physicians in the Veterans Health Administration's (VHA) Patient-Centered Community Care (PC3) program consistent with the requirements of the contract. In contrast, the contractors did not always verify credentials of the physicians in the Veterans Choice Program (Choice) in a timely manner; and for many physicians, contractors could not produce documentation to support verification consistent with the requirements of the contract. For example, Health Net did not document verification of six Choice physicians' certification to prescribe controlled substances, and TriWest provided insufficient documentation for GAO to determine whether it verified most of the selected Choice physicians' credentials. Both contractors shared plans to address the identified deficiencies.

VHA lacked a comprehensive strategy for overseeing Health Net's and TriWest's compliance with contract requirements for verifying the credentials of PC3 and Choice physicians. VA's contracts with Health Net and TriWest specify that VHA will review the contractors' credentialing periodically to determine whether the contractors are in full compliance with the terms of the contract. In addition, federal internal control standards call for monitoring, and corresponding guidance suggests that agencies consider having a strategy to ensure that monitoring is effective. However, GAO found that VHA's monitoring is primarily limited to independent reviews of physicians' credentials using primary source databases, rather than oversight of the contractors' processes for verifying physicians' credentials. VHA has evaluated TriWest's documentation of verifying physicians' credentials for PC3 physicians, but not Health Net's, and has not evaluated either contractor for Choice physicians. Additionally, VHA officials provided conflicting information about the scope, frequency, and interpretation of the results of the oversight they do conduct. Without a comprehensive oversight strategy, VHA cannot ensure that Health Net and TriWest are in compliance with the terms of the contract and that veterans are treated by qualified physicians.

In February 2016, VHA began entering into Choice provider agreements with community physicians to provide Choice care to veterans in certain situations. Under these agreements, VHA staff at each medical facility—rather than the contractors—review Choice physicians' credentials. GAO found that VHA did not require its staff to verify licenses submitted by physicians against the issuing source; rather, they review copies of the licenses. Federal internal control standards state that management should identify potential risk factors, such as opportunities for fraud, due to the absence of controls. Without assessing the risk of not verifying physicians' licenses against the issuing source, VHA does not know if a policy change is needed. Furthermore, VHA lacked plans for overseeing staff across each of its medical facilities with the new responsibility of verifying Choice physicians' credentials under the recently implemented VHA Choice provider agreements.