

GAO Highlights

Highlights of [GAO-20-553](#), a report to the Ranking Member, Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

Under VHA's GME program, VA medical facilities use disbursement agreements to reimburse affiliated academic institutions for residents' salaries and benefits. VHA developed policy related to establishing and administering disbursement agreements, but audits have found that facilities have not always adhered to VHA policy—resulting in improper payments to affiliates.

GAO was asked to review VHA policies and procedures related to reimbursements to affiliates for GME. This report examines (1) oversight roles and responsibilities for GME disbursement agreements and (2) VHA's mechanisms for ensuring VA medical facilities adhere to policy.

GAO reviewed relevant VHA documents and federal internal control standards and interviewed VHA officials. GAO also reviewed ReDPro checklist responses and documentation from 13 VA medical facilities—selected based on factors including geographic variation, GME program size, and number of affiliates. GAO also visited four of the 13 facilities and interviewed officials at the other nine facilities.

What GAO Recommends

GAO is making seven recommendations to VA to define key roles in policy, reduce overlap between the ReDPro checklist and facility periodic audits, and improve the oversight mechanisms' tools, guidance, and training. VA concurred with GAO's recommendations.

View [GAO-20-553](#). For more information, contact Sharon M. Silas at (202) 512-7114 or silass@gao.gov.

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VA HEALTH CARE

Actions Needed to Improve Oversight of Graduate Medical Education Reimbursement

What GAO Found

The Department of Veterans Affairs' (VA) Veterans Health Administration (VHA) provides training to more than 45,000 medical and dental residents annually through its Graduate Medical Education (GME) program. VHA has established policy for its GME program that details many roles and responsibilities for overseeing VA medical facilities' reimbursements to affiliated academic institutions for residents' salaries and benefits. However, this policy does not define key roles and responsibilities for VHA's central office components, its regional networks, or its medical facilities. For example, VHA's regional networks do not have defined roles and responsibilities for overseeing GME disbursements—contributing to noninvolvement or inconsistent involvement in disbursement agreement oversight. VHA officials reported that they are in the process of updating disbursement agreement policy, but did not indicate if the updates would address all identified concerns.

While VHA officials said that VHA's two disbursement agreement oversight mechanisms—facility periodic audits and the Resident Disbursement Audit Process (ReDPro) checklist—are meant to have distinct but complementary purposes, GAO found that VHA policy, guidance, and the tools distributed for these oversight mechanisms did not reflect the distinct purposes officials described. VHA officials said that periodic audits are intended to be a first level of defense and to review actual payments to affiliates, whereas the ReDPro checklist is intended to be a second level of defense, aimed at reviewing the process to see if the rules related to disbursement agreements are being followed by VA medical facilities. However, the ReDPro checklist tool and VHA's recommended periodic audit tool have numerous areas of overlap, including duplicative questions. This overlap causes inefficiencies and unnecessary burden on VA medical facility staff.

GAO also found additional weaknesses in the tools, guidance, and training for the two oversight mechanisms. For example, GAO found

- an unclear ReDPro checklist tool, along with insufficient guidance and training related to conducting the ReDPro reviews. Officials from eight of 13 facilities in GAO's review indicated that the ReDPro checklist instructions were unclear regarding appropriate supporting documents for checklist responses. These weaknesses contributed to errors and inconsistencies in ReDPro responses.
- the lack of a standard audit tool, and inadequate guidance and training for periodic audit teams that contributed to problematic inconsistencies in the methodologies used by the audit teams and deficiencies in some of the audits conducted. Officials from 10 of 13 facilities in GAO's review indicated that they would benefit from more tools, guidance, or training related to conducting periodic audits.

These weaknesses limit the effectiveness of VHA's oversight mechanisms, and put VHA at increased risk of both not being able to identify and correct facilities' lack of adherence to disbursement agreement policy and of possible improper payments to GME affiliates.