



Testimony
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Affairs, House of Representatives

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VETERANS AFFAIRS

Addressing Longstanding Management Challenges Requires Sustained Leadership

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Comptroller General of the United States

Highlights of GAO-23-106636, a testimony before the Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

VA is responsible for providing benefits to veterans and their families. This includes disability compensation and health care. VA operates one of the largest health care delivery systems in the nation.

Over the last decade, GAO has identified significant challenges in VA's leadership and operations, including health care, acquisitions, disability programs, and cybersecurity. These longstanding challenges can affect VA's current efforts to provide timely access to high quality care and benefits. They can also impede its capacity to take on new responsibilities for the recent expansion of benefits for those exposed to toxins.

This testimony summarizes the longstanding management challenges at VA that GAO has identified, including those about (1) health care, (2) acquisition management, (3) disability benefits, and (4) privacy and cybersecurity. This testimony also highlights the recommendations GAO has made to VA to improve these issues. It is based on findings from prior reports from 2012 to 2023.

Since 2000, GAO has made 1,519 recommendations to VA. VA has implemented many of those. As of February 2023, 220 remain to be addressed; 19 of these GAO considers high priority.

View GAO-23-106636. For more information, contact Sharon M. Silas at (202) 512-7114 or silass@gao.gov for VA health care issues; Shelby S. Oakley at (202) 512-4841 or oakleys@gao.gov for VA acquisition management issues; Elizabeth A. Curda at (202) 512-7215 or curdae@gao.gov for disability benefit issues; Jennifer Franks at (404) 679-1831 or franksj@gao.gov for privacy and cybersecurity issues; and Thomas Costa at (202) 512-7215 or costat@gao.gov for VA sexual harassment and racial discrimination issues.

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What GAO Found

The Department of Veterans Affairs (VA) has faced growing demand for its health care services. In fiscal year 2023, VA received a total budget of \$303.2 billion. This includes the largest discretionary budget in its history, \$134.7 billion, about \$22.5 billion higher than in fiscal year 2022.

Over the past several years, GAO added VA health care; VA acquisition management; federal disability programs, including VA disability compensation; and government-wide cybersecurity to GAO's High Risk List. This list identifies areas that are most vulnerable to fraud, waste, abuse, or mismanagement, or are in need of transformation. VA has made marked progress recently in addressing these high-risk issues, such as by identifying root causes of the deficiencies and establishing action plans to address them. However, these are only the initial steps of the long-term commitment required to achieve transformational change.

VA health care. The total number of veterans enrolled in VA's health care system increased from 7.9 million to about 9.2 million from fiscal year 2006 through fiscal year 2022. GAO has identified challenges related to VA's management and oversight of its health care system, including

- Ensuring veterans' health care appointments are scheduled in a timely manner.
- Having complete information to determine if it has an adequate number of health care providers to meet veterans' needs.
- Effectively identifying and meeting the demand for mental health and other behavioral health services among veterans.
- Ensuring timely implementation while addressing data quality issues as it works to modernize its electronic health record system.

VA acquisition management. VA obligated about \$56 billion for goods and services in fiscal year 2022. GAO has identified challenges in VA's acquisition programs such as VA's development of adequate strategies and policies, as well as its management of its supply chain and its acquisition workforce.

VA disability programs. As one of the largest disability compensation programs in the nation, VA provided over \$112 billion in compensation to approximately 5.6 million veterans and their families in fiscal year 2021. GAO has identified challenges within these compensation programs, including overseeing the medical exams needed to make decisions about disability claims.

VA cybersecurity and privacy. Vulnerabilities arising from VA's increased dependence on information technology can result in the compromise of sensitive personal information, such as inappropriate use or disclosure. The VA Office of Inspector General identified significant deficiencies in VA's efforts to implement an agency-wide information security program that met the requirements of the Federal Information Security Modernization Act of 2014.

Addressing each of these longstanding challenges requires sustained leadership and would help ensure veterans receive the care and benefits they deserve.

Chairman Bost, Ranking Member Takano, and Members of the Committee:

I appreciate the opportunity to be here today to discuss the Department of Veterans Affairs' (VA) management challenges. VA is responsible for providing benefits to veterans, including health care and disability compensation. In fiscal year 2023, VA received a total budget of \$303.2 billion. This includes the largest discretionary budget in VA's history—\$134.7 billion, about \$22.5 billion higher than in 2022.¹

We, along with VA's Inspector General, continue to identify significant deficiencies in VA's leadership oversight and operations—all of which can affect health care and benefit programs for the nation's veterans.² Since 2000, we have made 1,519 recommendations to VA. These include recommendations to improve VA's management and oversight of the health care services, disability programs, acquisition programs, and privacy and cybersecurity. VA has implemented many of these recommendations; however, 220 recommendations have not been implemented as of February 2023, including 19 recommendations that we deem the highest priority for implementation.³ Fully addressing these open recommendations could significantly improve VA operations.

Given the scope of VA's responsibility to serve veterans, effectively addressing its management challenges will require sustained commitment from VA leadership. The agency also needs to improve its ability to ensure that it has the appropriate capacity and structures in place to take

¹The majority of VA's discretionary budget goes toward medical care. VA's fiscal year 2023 budget also included \$168.5 billion in mandatory funding, mostly for disability compensation and pensions.

²See GAO, *High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas*, GAO-21-119SP (Washington, D.C.: Mar. 2, 2021). See also Department of Veterans Affairs Office of Inspector General, *Fiscal Year 2022 VA Inspector General's Report on VA's Management and Performance Challenges*. The VA Inspector General identified its top management and performance challenges as health care services, benefits, stewardship of federal dollars, information systems and innovation, and leadership and governance.

³GAO, *Priority Open Recommendations: Department of Veterans Affairs*, GAO-22-105630 (June 30, 2022). Priority recommendations are those that GAO believes warrant priority attention from heads of key departments or agencies. They are highlighted because, upon implementation, they may significantly improve government operation, for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a high-risk or duplication issue.

on new responsibilities in a timely manner. For example, VA has faced management challenges in estimating resources needed to provide community care, which is intended to ensure veterans have timely access to health care services delivered by non-VA providers. In fiscal years 2017 and 2018, the obligations for VA's community care programs were \$1.2 billion and \$2.2 billion higher than VA originally estimated, respectively, forcing VA to seek additional funding to make up the shortfall.⁴

VA also faces well-known challenges with its disability compensation program, its information technology modernization initiatives, and privacy and cybersecurity. These challenges raise questions about VA's ability to effectively meet the needs of a significant number of veterans seeking health care and disability benefits, an increase driven in part by the Honoring our PACT Act of 2022 (PACT Act).⁵ According to VA, the PACT Act is the most significant expansion of veteran benefits and care in more than three decades. Since VA has not adequately addressed well-known challenges in processing disability claims and updating information in its eligibility criteria that we have reported on since 2003, the department is not as well-positioned as possible to respond to an increase in veterans seeking health care services and other benefits. Additionally, VA has undertaken a number of major modernization initiatives—such as acquisition and implementation of its new electronic health record and key financial management systems—but faces delays in the implementation of these efforts. VA also faces challenges safeguarding its information systems and information obtained from veterans receiving VA health care and benefits.

To draw sustained attention to these challenges, we have added VA health care; VA acquisition management; federal disability programs, including VA disability compensation; and government-wide cybersecurity to our High-Risk List. This list focuses attention on government operations

⁴An obligation is “a definite commitment that creates a legal liability of the government for the payment of goods and services ordered or received, or a legal duty on the part of the United States that could mature into a legal liability by virtue of actions on the part of the other party beyond the control of the United States.” See GAO, *A Glossary of Terms Used in the Federal Budget Process*, GAO-05-734SP (Washington, D.C.: Sept. 1, 2005).

⁵Pub. L. No. 117-168, 136 Stat. 1759 (2022). The PACT Act changes certain disability compensation examination requirements and expands presumptive conditions associated with exposure to burn pits and other toxins, among other things, resulting in a potential increase in eligibility for certain health care and benefits.

that are most vulnerable to fraud, waste, abuse, or mismanagement, or are in need of transformation.

VA has made marked progress recently in addressing these high-risk issues, such as by identifying root causes of the deficiencies and establishing action plans to address them. However, these are only the initial steps of the long-term commitment required to achieve transformational change.

In March 2022, we reported on key practices needed to successfully address high-risk programs based, in part, on the experiences of the 27 high-risk areas that have been removed from the list since its inception in 1990.⁶ Office of Management and Budget engagement and federal agencies' sustained leadership, planning, and execution were keys to success. In addition, Congressional action, oversight, and attention were not only critical factors in the success of areas that were removed but also in the progress we have observed in other high-risk areas that remain on the list. These factors will be critical in addressing the longstanding management challenges we have identified as high risk at VA. We will issue our High-Risk List update in spring 2023.

My statement today focuses on VA's longstanding management challenges we have identified and recommendations made in the following major areas:

1. health care,
2. acquisition management,
3. disability benefits, and
4. privacy and cybersecurity.

We also discuss other challenges VA faces.

This statement is based on our body of work that spans more than a decade. More detailed information on the scope and methodology of our prior work can be found within the specific reports on which this statement

⁶See *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, GAO-22-105184 (Washington, D.C.: Mar. 3, 2022).

See GAO's [High-Risk List](#) for more information.

is based. Some of these reports are listed in the related products page at the end of this statement.

We conducted the work on which this statement is based 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.

VA Health Care

VA operates one of the largest health care delivery systems in the nation through its Veterans Health Administration (VHA). It entails 172 medical centers and more than 1,000 outpatient facilities organized into regional networks. VA also provides care through community providers when veterans face challenges accessing care at VA medical centers. VA has faced growing demand by veterans for its health care services, with the total number of veterans enrolled in VA's health care system rising from 7.9 million to about 9.2 million from fiscal year 2006 through fiscal year 2022. In fiscal year 2023, VHA received \$119.6 billion of VA's \$134.7 billion discretionary budget, about \$21.7 billion higher than in fiscal year 2022.

Our work has continued to identify challenges related to VA's management and oversight of its health care system. We added VA health care to our High-Risk List in 2015 due to the challenges we identified with VA's ability to provide timely, cost-effective, and quality care. To address these challenges, VA developed and continues to refine an action plan that identified root causes of the issues, corrective actions, and metrics intended to track progress. Installing a Senate-confirmed Under Secretary for Health for the first time in 5 years, as of July 2022, helps to ensure improvements in VA's oversight and accountability for health care provided to veterans. VA has also benefitted from relative leadership stability in the Chief Information Officer, a Senate-confirmed position, for the last 4 years.

Access to care. VA has faced challenges ensuring that veterans have consistent and timely access to health care services and providers. In 2018, Congress took steps to expand the ability for eligible veterans to receive care from community providers, such as when they cannot access care in a timely manner from a VHA facility. However, we and the VA Office of Inspector General have identified ongoing challenges related

to veterans' access to care.⁷ This includes VA's (1) inability to effectively monitor wait times for appointments; (2) inadequate networks of providers; and (3) challenges ensuring providers are qualified to provide veterans care. Examples follow.

Appointment scheduling and wait times. VA considers a key component of access to be the time it takes veterans to receive care at VHA facilities or in the community. Over the last decade, we have made a number of recommendations for VA to improve its appointment scheduling process for both VHA facility and community care, including to establish timeliness standards (time frame within which a veteran's appointment should occur) and metrics to measure whether VA is meeting these standards.

In June 2018 we recommended (and VA concurred) that VA establish a community care scheduling process with time frames within which veterans' (1) referrals must be processed, (2) appointments must be scheduled, and (3) appointments must occur.⁸ Although VA implemented the first two components of our recommendation, the agency has not established a timeliness standard within which veterans' appointments must occur. As a result, our recommendation related to community care appointments has not yet been fully implemented. In January 2023, we similarly recommended (and VA concurred) that VA develop a timeliness standard for appointments to occur at VHA facilities to help ensure that veterans receive timely access to care, regardless of the source of care. This recommendation has not been implemented.⁹

Also, in 2012 we recommended (and VA concurred) that VA take actions to improve the reliability of wait time measures for appointments at VHA

⁷For example, see GAO, *Veterans Health Care: VA Needs to Address Challenges as It Implements the Veterans Community Care Program*, GAO-19-507T (Washington, D.C.: Apr. 10, 2019) and VA Office of the Inspector General, *Veterans Health Administration, Improvements Are Needed in the Community Care Consult Process at VISN 8 Facilities*, Report No. 18-05121-36 (Washington, D.C.: Jan. 16, 2020).

⁸GAO, *Veterans Choice Program: Improvements Needed to Address Access-Related Challenges as VA Plans Consolidation of Its Community Care Programs*, GAO-18-281 (Washington, D.C.: June 4, 2018).

⁹GAO, *Veterans Health Care: VA Actions Needed to Ensure Timely Scheduling of Specialty Care Appointments*, GAO-23-105617 (Washington, D.C.: Jan. 4, 2023).

facilities.¹⁰ This recommendation, which we consider a priority, remains open as of February 2023. In 2020, we recommended VA align its monitoring metrics with its time frames established for scheduling community care appointments to effectively monitor the extent to which veterans receive care within such specified time frames.¹¹ VA did not agree with our recommendation at the time of our report and has not implemented it, as of February 2023.

The Consolidated Appropriations Act, 2023, requires VA to establish a specific wait time measure (the number of days from the date of request for the appointment to the first next available appointment) for veterans' eligibility to obtain care under its community care program and requires its community care contractors to furnish care within this standard.¹² This requirement should allow VHA to monitor timeliness in its community care program and may close our recommendation related to community care. It does not, however, establish a similar metric for furnishing care in VHA facilities.

In February 2023, VA officials stated that they are currently evaluating the technical, logistical, and financial implications of operationalizing the community care requirement. We will review the actions VA takes to implement the new requirement to determine if it fully implements our recommendation. We continue to believe that establishing reliable wait time measures for both VHA facility and community care appointments will permit VA to more effectively monitor the timeliness of veterans receiving care regardless of whether the care is received at a VHA facility or from a community care provider.

Aligning resources with veteran needs. We have identified issues with the information VA uses to make decisions about allocating its resources to meet veterans' needs and to determine if it has an adequate number of health care providers. In February 2022, we found gaps in the data VA used to assess the capacity of 96 health care markets nationwide as part

¹⁰GAO, *VA Health Care: Reliability of Reported Outpatient Medical Appointment Wait Times and Scheduling Oversight Need Improvement*, GAO-13-130 (Washington, D.C.: Dec. 21, 2012).

¹¹See GAO, *Veterans Community Care Program: Improvements Needed to Help Ensure Timely Access to Care*, GAO-20-643 (Washington, D.C.: Sept. 28, 2020).

¹²Pub. L. No. 117-328, div. U, §§ 121, 125, 136 Stat. 4459, 5415, 5416-18 (2022).

of its efforts to realign VA health care delivery.¹³ We found that VA lacked complete data relevant to determining both the supply of and demand for community care. For example, VA lacked complete data on the extent to which its contractors maintain an adequate number of non-VA providers to ensure veterans have timely access to community care.

We recommended VA review the data to identify any gaps and take steps to address data completeness. While VA agreed with this recommendation, the agency had not yet taken action to implement this recommendation as of February 2023.

In November 2022, we found VA does not have complete data on the providers operating and available in its regional networks of community providers, limiting its ability to know if they have an adequate number of providers to meet appointment scheduling needs.¹⁴ Further, we found that VA's assessment of the network's adequacy was based on incomplete data, as contractors did not include all claims and that VA was unaware of this issue. We recommended (and VA concurred) that VA ensure these data are complete and accurate to help VA identify the extent to which its networks are adequate to meet veterans' needs. The agency has not yet taken action to implement the recommendations, as of February 2023.

Provider qualifications. VA has faced challenges in ensuring that its health care providers deliver safe and effective care to veterans. We have previously identified situations where providers who were removed from employment by VA medical facilities for quality of care concerns went on to provide care outside VA and to enroll in VA's community care networks, allowing them to continue to care for veterans.¹⁵

¹³GAO, *VA Health Care: Incomplete Information Hinders Usefulness of Market Assessments for VA Facility Realignment*, GAO-22-104604 (Washington, D.C.: Feb. 2, 2022).

¹⁴GAO, *Veterans Community Care Program: VA Needs to Strengthen Its Oversight and Improve Data on Its Community Care Network Providers*, GAO-23-105290 (Washington, D.C.: Nov. 10, 2022).

¹⁵See GAO, *Veterans Health Administration: Greater Focus on Credentialing Needed to Prevent Disqualified Providers from Delivering Patient Care*, GAO-19-6 (Washington, D.C.: Feb. 28, 2019) and VA Health Care: Improved Policies and Oversight Needed for Reviewing and Reporting Providers for Quality and Safety Concerns, GAO-18-63 (Washington, D.C.: Nov. 15, 2017).

In February 2021, for example, we identified 227 providers that had been removed from VA employment and were potentially providing care in a community care network.¹⁶ We recommended (and VA concurred) that VA take actions to assess and address this issue. VA implemented our recommendation in October 2021 by reviewing and excluding 155 providers from participating in VA's community care networks.

In December 2021, we found vulnerabilities in the controls VA and its contractors use to identify health care providers who are not eligible to participate in VA's community care program, resulting in the inclusion of potentially ineligible providers.¹⁷ Of over 800,000 community care providers assessed, we identified over 1,000 providers who were ineligible to work with the federal government or had revoked or suspended medical licenses.¹⁸ These vulnerabilities potentially put veterans at risk of receiving care from unqualified providers. We made 10 recommendations to VA (and VA generally concurred), including that it enhance its existing controls. VA has taken steps to partially address two of the recommendations, but all 10 have not been fully implemented, as of February 2023.

Behavioral health services. VA has faced some challenges in ensuring it can effectively identify and meet the demand for behavioral health services—both mental health and substance abuse related services—among veterans, particularly for rural veterans. For example, in February 2023 we found that while VA monitors patient access to and use of intensive mental health care programs, it does not analyze its data by rurality.¹⁹ This limits its ability to understand the extent to which programs

¹⁶See GAO, *Veterans Community Care Program: Immediate Actions Needed to Ensure Health Providers Associated with Poor Quality Care Are Excluded*, [GAO-21-71](#) (Washington, D.C.: Feb. 1, 2021).

¹⁷See GAO, *Veterans Community Care Program: VA Should Strengthen Its Ability to Identify Ineligible Health Care Providers*, [GAO-22-103850](#) (Washington, D.C.: Dec. 17, 2021).

¹⁸The Department of Health and Human Services Office of Inspector General maintains the List of Excluded Individuals/Entities (LEIE), a database of individuals and entities prohibited from participating in all federally funded health care programs, including Medicare, Medicaid, and VA. Individuals can be excluded from federal health care programs for a number of reasons, including revocation or surrender of a license to provide health care; crimes related to patient abuse; and felony convictions relating to health care fraud or controlled substances.

¹⁹GAO, *VA Mental Health: Additional Action Needed to Assess Rural Veterans' Access to Intensive Care*, [GAO-23-105544](#) (Washington, D.C.: Feb. 9, 2023).

effectively reach rural veterans. We analyzed VA's fiscal year 2021 data and found that rural veterans used intensive mental health care programs at lower rates than their urban counterparts.

We recommended that VHA analyze intensive mental health care utilization and performance data by rurality and assess and update, as appropriate, guidelines for establishing outpatient intensive mental health programs. VA agreed with the recommendations and, in January 2023, identified steps it would take to implement them.

Some servicemembers face particular challenges—such as mental health and substance use—when transitioning from military service to civilian life that increase their risk of suicide. Vet Centers provide readjustment counseling to help address these challenges. However, in our May 2022 report we found that VHA was not measuring the extent to which Vet Centers meet veteran needs collectively. We also found that Vet Centers lack data on veterans needed to better target outreach, among other issues.²⁰ We made five recommendations for VHA to improve its oversight of the effectiveness of Vet Centers. VHA agreed with our recommendations but these were not yet implemented, as of February 2023.

One way VA has tried to meet increased demand for mental health services is by integrating certain mental health services within primary care settings. Specifically, facilities are required to have mental health providers, such as psychologists, psychiatrists, and social workers, available within primary care settings to work collaboratively and share responsibility with primary care providers. In December 2022, we found that persistent staffing challenges across VHA facilities have negatively affected these efforts.²¹ We also found VA did not monitor whether or not facilities took appropriate actions to correct issues identified in their integration efforts.

We recommended that VHA monitor the development and implementation of corrective action plans and evaluate strategies to help mitigate staffing challenges. Doing so would help ensure that veterans

²⁰GAO, *VA Vet Centers: Opportunities Exist to Help Better Ensure Veterans' and Servicemembers' Readjustment Counseling Needs Are Met*, GAO-22-105039 (Washington, D.C.: May 17, 2022).

²¹GAO, *Veterans Health Care: Staffing Challenges Persist for Fully Integrating Mental Health and Primary Care Services*, GAO-23-105372 (Washington, D.C.: Dec. 15, 2022).

receive the most appropriate and timely mental health care services available. VHA agreed with our recommendations and identified several actions it has completed to mitigate staffing challenges. To fully implement our recommendation, VA needs to comprehensively evaluate the actions and strategies it has employed to date.

VA has made progress in its efforts around suicide prevention, which is VA's highest clinical priority. In September 2020, we reported that VA lacks accurate information on the number of suicides and comprehensive analyses of the underlying causes.²² We recommended that VA improve its process to accurately identify all on-campus veteran suicides and conduct more comprehensive analyses of these occurrences. VA took steps to address these recommendations in 2022, including publishing VA-wide reporting procedures for suicide deaths on VA property. Further, in September 2022, we reported that a VA program that uses a predictive model to analyze veterans' health record information helped identify veterans who might be at increased risk of suicide that were not flagged by other screening programs.²³

However, we have continued to identify challenges with VA's suicide prevention efforts. In January 2022 we found that VA cannot readily search for and identify the full universe of its agreements with nongovernmental groups that aim to make veterans aware of available suicide prevention programs and mental health services.²⁴ Without better tracking and oversight, VA cannot easily identify gaps in its partnerships or the extent to which existing partnerships could be better leveraged to reach veterans not using VA services. We recommended—and VA agreed—that it should require the use of its Strategic Relationships Application to track these agreements and provide training and comprehensive guidance. VA has not yet implemented these recommendations, as of February 2023.

Long-term care facilities. Thousands of veterans rely on nursing home care provided or paid for by VA to help them meet their skilled nursing

²²GAO, *Veteran Suicide: VA Needs Accurate Data and Comprehensive Analyses to Better Understand On-Campus Suicides*, GAO-20-664 (Washington, D.C.: Sept. 9, 2020).

²³GAO, *Veteran Suicide: VA Efforts to Identify Veterans at Risk through Analysis of Health Record Information*, GAO-22-105165 (Washington, D.C.: Sept. 14, 2022).

²⁴GAO, *VA Mental Health Care: Improvements Needed in Tracking and Overseeing Partnerships with Nongovernmental Entities*, GAO-22-104674 (Washington, D.C.: Jan. 13, 2022).

and personal care needs. Many veterans receive this care in community living centers, which are owned and operated by VA, or state veterans homes, which are owned and operated by states and receive payment and some oversight from VA. VA has opportunities to enhance its oversight of the quality of care provided to veterans in community living centers and state veterans homes.

In November 2022, we found increases in both the number and the severity of deficiencies cited during annual inspections of state veterans homes.²⁵ For example, the total number of deficiencies cited increased from 424 in 2019 to 766 in 2021. A majority of the increase was in the quality of care and infection control categories, which cover accidents and staff hand hygiene. We recommended (and VA generally concurred) that VA (1) identify additional enforcement tools to bring these homes into compliance with quality standards, (2) implement a process to ensure homes with quality issues carry out corrective active plans within a timely manner, and (3) ensure it has the capabilities needed to analyze inspection data to improve its oversight. VA identified plans to implement our recommendations, but has not implemented them as of February 2023.

In November 2021, we found that VA had insufficient policies, limited monitoring, and unclear guidance for addressing complaints about care in its community living centers.²⁶ Complaints can range from reports of abuse or other serious resident safety concerns to feedback on resident preferences for their living environment, such as the food available at the community living center. Complaints are a valuable source of information about the quality of care in nursing homes because investigations of these complaints can identify and resolve issues quickly for this vulnerable population. We recommended that VA require documentation of these complaints for tracking and resolution, establish a complaint monitoring process, and develop a centralized source of complaints data to inform its oversight. VA agreed and, as of February 2023, implemented the recommendations to require documentation of complaints and establish a monitoring process. VA reported plans to modify an existing

²⁵GAO, *VA Nursing Home Care: Opportunities Exist to Enhance Oversight of State Veterans Homes*, GAO-23-105167 (Washington, D.C.: Nov. 14, 2022). To receive VA payments, state veterans homes must meet VA quality standards related to quality of care, quality of life, infection control, and resident rights, among other areas. Homes that fail to meet the standards can be cited for deficiencies by VA.

²⁶GAO, *Community Living Centers: VA Needs to Strengthen Its Approach for Addressing Resident Complaints*, GAO-22-105142 (Washington, D.C.: Nov. 30, 2021).

complaints database to consistently capture community living center complaints data for use in its oversight.

In November 2021, we also recommended that VA update its policy and training documentation to make it clear which quality standards community living centers are expected to follow and to collect and analyze important data—including veteran experience data and data on safety events—to improve its oversight.²⁷ VA agreed with our recommendations and provided plans to implement them. They have not been implemented as of February 2023.

Information technology modernization. VA has faced implementation and data quality challenges as it works to modernize its electronic health record system, which can pose risks to patient safety and timely access to care. VA relies on electronic health records for patient care, operations, and health research.

In June 2020, we reported on the process for configuring the department's new electronic health record system.²⁸ We noted that VA's decision-making procedures were generally effective, but the department did not always ensure key stakeholder involvement. We recommended (and VA concurred) that VA ensure the involvement of all relevant deployment site stakeholders in the electronic health record system configuration decision process. VA has begun to improve subject matter expert identification and involvement, but this type of involvement needs to continue until different stages of modernization unfold. As such, our recommendation remains not fully implemented as of February 2023.

In February 2021, we reported that VA had made progress toward deploying the new electronic health record system by making configuration decisions, developing capabilities and interfaces, completing testing events, and deploying the system at the first site in October 2020.²⁹ However, we noted that the department was at risk of

²⁷GAO, *VA Community Living Centers: Opportunities Exist to Strengthen Oversight of Quality of Care*, [GAO-22-104027](#) (Washington, D.C.: Nov. 30, 2021).

²⁸GAO, *Electronic Health Records: Ongoing Stakeholder Involvement Needed in the Department of Veterans Affairs' Modernization Effort*, [GAO-20-473](#) (Washington, D.C.: June 5, 2020).

²⁹GAO, *Electronic Health Records: VA Has Made Progress in Preparing for New System, but Subsequent Test Findings Will Need to Be Addressed*, [GAO-21-224](#) (Washington, D.C.: Feb. 11, 2021).

developing a system that may not perform as intended or could negatively impact the likelihood of successful adoption by users if critical and high severity test findings (that could result in system failure) were not resolved prior to future deployments.³⁰

We made two recommendations (and VA concurred) in February 2021, including that VA postpone deployment of the new electronic health record system at planned sites until any resulting critical and high severity test findings are appropriately addressed. VA stated that it planned to continue to test and appropriately adjudicate all critical and high severity test findings prior to future deployments. We will continue to monitor VA's actions to implement our recommendation as the department makes additional system deployments.

In February 2022, we reported that our work and VA's analyses indicated challenges with the quality of transferred data and with how the new electronic health record system worked for some users.³¹ For example, VA identified errors in allergy, medication, and immunization data, which raise patient safety concerns. We recommended (and VA concurred) that VA establish and use performance measures and goals to ensure the quality of transferred data. VA has not begun taking steps to implement our recommendation as of February 2023.

VA decided in July 2022 to delay the rollout of its new electronic health record system at additional medical centers while the department works to address issues including system and data quality concerns. We have an ongoing review of VA's system that is focused on evaluation of users' satisfaction, resolution of system issues, and implementation of change management practices.

VA Acquisition Management

VA relies upon its acquisition programs to provide many capabilities and services that are essential to provide health care to veterans and their families, such as the purchase of medical supplies for VA medical centers. While acquisition management may seem like a purely

³⁰A critical test finding results in the failure of the complete software system. A high severity test finding results in the failure of the complete software system; however, there are acceptable workarounds.

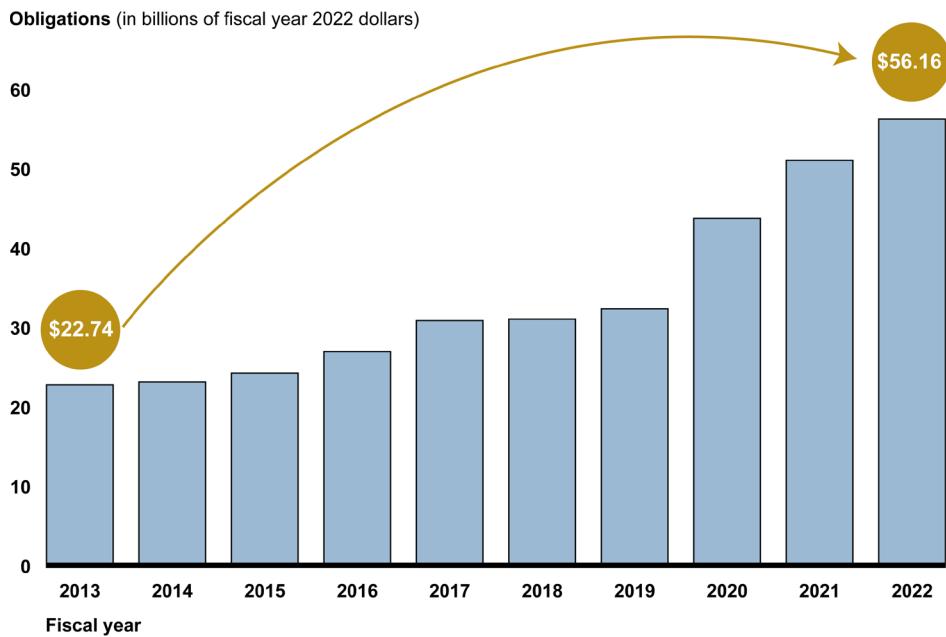
³¹GAO, *Electronic Health Records: VA Needs to Address Data Management Challenges for New System*, GAO-22-103718 (Washington, D.C.: Feb. 1, 2022).

administrative process, it has a direct effect on the quality of health care veterans receive.

Over the past 10 years, VA's total contract obligations increased substantially, rising 147 percent, as shown in figure 1. In fiscal year 2022, VA obligated about \$56 billion for goods and services. We added VA acquisition management to our High-Risk List in 2019 due to numerous challenges to efficiently purchasing goods and services, including medical supplies.

To address these challenges, VA issued a corrective action plan in March 2021, which identified root causes of the issues. VA continued to update that plan, most recently in September 2022, to include corrective actions and some metrics. VA has implemented 38 of our 60 recommendations related to acquisition management. For example, in response to our recommendations VA implemented training and developed comprehensive guidance for contracting staff in its Federal Supply Schedules program used to purchase billions of dollars in medical supplies each year.

Figure 1: Department of Veterans Affairs (VA) Contract Obligations Growth, Fiscal Years 2013 through 2022



While VA has made progress on some aspects of its acquisition management, our work continues to identify challenges including (1) developing adequate strategies and policies, (2) managing its supply chain, and (3) managing its acquisition workforce.

Developing adequate strategies and policies. We reported in August 2022 that VA was not consistently using its 2017 acquisition framework for managing how it purchases goods and services in major acquisitions.³² This framework includes features—such as identified decision authorities—that are in line with leading acquisition practices and could provide for more standardized management and oversight of VA's major acquisitions. Almost none of the VA's most costly and mission-critical acquisition programs were following VA's 2017 acquisition framework, but rather used program-specific approaches that varied widely in robustness.

VA's challenges in managing acquisitions have impacts on its ability to meet its mission. For instance, at the outset of the COVID-19 pandemic, VA's antiquated inventory system exacerbated medical supply challenges. That system had been in place for decades, and VA had only recently begun work on a replacement, which it has since abandoned due to challenges with the program.

Without a framework to guide its acquisitions, it is challenging for VA to provide uniform oversight for acquisitions and consistently identify opportunities to improve acquisition outcomes. We have made seven recommendations to VA (and VA concurred) to address these challenges, all of which have not been implemented as of February 2023.

Two key examples illustrate some of the specific challenges we identified.

First, as described above, VA has experienced significant delays and challenges implementing its Medical Surgical Prime Vendor program, which is intended to provide an efficient and cost-effective way to get critical supplies to medical centers. In 2017, we reported that VA's initial implementation of its Medical Surgical Prime Vendor program was flawed, as it lacked an overarching strategy, stable leadership, and medical

³²GAO, *VA Acquisition Management: Action Needed to Ensure Success of New Oversight Framework*, GAO-22-105195 (Washington, D.C.: Aug. 11, 2022).

center buy-in, among other issues.³³ Without such a strategy, VA could not ensure that all stakeholders worked together in a coordinated manner to achieve program goals. Since 2017, VA has pursued four different versions of this program, but none have fully achieved VA's goals. As of February 2023, VA is again developing another iteration of this program. According to VA acquisition officials, this new iteration is intended to address some of the issues we have previously identified.

Second, VA has also faced challenges replacing its aging financial and acquisition systems, which are difficult to maintain and adapt to new requirements. VA established the Financial Management Business Transformation program to roll out one integrated system—the Integrated Financial and Acquisition Management System. This is VA's third attempt to replace its aging systems; the first two attempts failed after years of development and hundreds of millions of dollars in cost. In March 2022 we reported among other concerns that, although VA had developed metrics, established baselines, and begun to measure operational benefits for its new financial management system, the department's reporting of results was incomplete because it had not identified targets for achievement.³⁴

Until the program identifies specific targets for performance (such as goals), it will be limited to comparing metric results to the baseline. As such, the program may not be positioned to report that measurable progress has been made over time to fully meet the needs of the department and maximize the return on its multibillion-dollar investment. We recommended (and VA concurred) that VA identify targets for achievement. As of February 2023, VA has not implemented this recommendation.

VA is working to implement a new framework to better manage its major acquisitions and faces challenges that will require leadership engagement. This includes ensuring framework compliance and identifying which programs will be subject to the new oversight framework.

³³See GAO, *Veterans Affairs Contracting: Improvements in Buying Medical and Surgical Supplies Could Yield Cost Savings and Efficiency*, GAO-18-34 (Washington, D.C.: Nov. 9, 2017).

³⁴GAO, *VA Financial Management System: Additional Actions Needed to Help Ensure Success of Future Deployments*, GAO-22-105059 (Washington, D.C.: Mar. 24, 2022).

Managing its supply chain. VA also needs to develop additional capacity to manage its supply chain. Like most medical institutions nationwide, VA faced difficulties obtaining medical supplies in the early stages of the COVID-19 pandemic, such as personal protective equipment for its medical workforce. Longstanding problems with its antiquated inventory management system exacerbated VA's challenges.

In March 2021, we reported that VA was pursuing multiple major initiatives to modernize its supply chain.³⁵ VA has developed plans of varying maturity and completeness for all of these initiatives. However, these initiatives are highly interrelated and being developed and implemented concurrently. We recommended that VA develop a comprehensive supply chain management strategy that, among other things, outlines how its various supply chain initiatives relate to each other. Although VA is in the process of developing a comprehensive supply chain strategy intended to guide these initiatives, it has yet to fully implement our recommendation as of February 2023. Continuing challenges in supply chain management hinder VA's efficient acquisition management and its mission to meet veterans' needs.

Managing its acquisition workforce. In September 2022, we reported that VA lacks comprehensive data to track the totality and characteristics of its acquisition workforce—that is, contracting officers, contracting officer representatives, and program or project managers—that plays a central role in buying the goods and services that VA needs to accomplish its mission.³⁶ However, VA does not have accurate counts of the acquisition workforce, what office they are located in and support, or what certifications they hold. Addressing these issues would help enable VA to implement its planned acquisition framework, and make data-driven human capital decisions. We recommended (and VA concurred) that VA (1) take steps to ensure VA keeps accurate and up-to-date acquisition workforce records and (2) document roles and responsibilities for managing the acquisition workforce. As of February 2023, VA had not implemented them.

³⁵GAO, *VA Acquisition Management: Comprehensive Supply Chain Management Strategy Key to Address Existing Challenges*, GAO-21-445T (Washington, D.C.: Mar. 24, 2021).

³⁶GAO, *VA Acquisition Management: Actions Needed to Better Manage the Acquisition Workforce*, GAO-22-105031 (Washington, D.C.: Sept. 29, 2022).

To obtain insights on VA's acquisition workforce's perspectives on performing its responsibilities for our September 2022 report, we conducted a generalizable survey, which found that

- Staff were considerably less satisfied with senior leaders than they were with their immediate supervisors.
- More than one third of our survey respondents said they were likely to leave their job within the next 3 years, nearly half of whom said they expected to leave VA.

Providing consistent leadership and execution of management priorities is key to addressing VA's acquisition management challenges. VA has made progress on prior challenges with acquisition leadership instability—the Office of Acquisition, Logistics and Construction reports no current leadership vacancies, and the Chief Acquisition Officer and Senior Procurement Executive have been in their roles for about 2 and 4 years, respectively.

VA's acquisition leaders, including the Chief Acquisition Officer, have taken steps to address the challenges they face. As part of its high-risk action plan, VA created the Acquisition Leadership Team in February 2022 to collaborate on an overall strategy to address its acquisition management challenges. VA will need sustained leadership commitment to ensure it has clearly-established authorities, roles, and responsibilities for implementing the action plan. The plan requires ongoing efforts by a number of different individuals and organizations across the agency, such as the Office of Information and Technology and Veterans Health Administration, and clear accountability mechanisms will be needed to ensure consistent execution.

VA Disability Benefits

VA administers one of the largest federal disability compensation programs in the nation. It provided over \$112 billion in compensation to approximately 5.6 million veterans and their families in fiscal year 2021. Veterans with service-connected disabilities (i.e., injuries or illnesses incurred or aggravated during military service) may receive monthly VA disability compensation payments according to the severity of their disability.³⁷

³⁷See generally 38 U.S.C. Ch. 11.

VA's disability compensation program has been on our High-Risk List since 2003 for continuing challenges with managing its claims workloads and modernizing eligibility criteria. For example:

- VA overcame an approximately 610,000 initial claims backlog in 2013 to about 195,000 in February 2023. However, VA faces a workload surge not only for initial claims but also for appeals. For appeals, VA must contend with workloads under the old process (legacy) while veterans file appeals in a new process. Under the legacy process, the subset of appeals resolved by VA's Board of Veterans' Appeals has taken, on average, 7 years to resolve. Overall, VA reported that appeals awaiting decisions in the legacy process have declined from about 285,000 in January 2020 to about 80,000 in January 2023. Those in the new process continue to climb from 112,000 in January 2020 to about 380,000 in January 2023.
- VA continues to rely on outdated medical and earnings loss information to determine eligibility for benefits. VA's August 2022 corrective action plan indicates that medical information for 5 of the 15 body systems remain out of date. VA continues to experience delays and has extended the timeline to complete all body systems updates by the end of fiscal year 2024, more than 8 years beyond VA's initial goal. VA's efforts to update earnings loss information is also a work in progress and has not been updated since the 1940s to reflect changes in the labor market.³⁸

To address these challenges, VA issued a corrective action plan in 2020, which identified root causes of the issues, corrective actions, and metrics intended to track progress. VA continued to update that plan, most recently in 2022. However, VA has experienced instability in top leadership for the benefits program; over the past three administrations, there have been several years-long periods without a Senate-confirmed Under Secretary for Benefits.

While VA now plans to address this high-risk area, our work has continued to identify challenges related to VA's management of programs and projects intended to improve overseeing medical exams, training for claims processing staff, and processing disability claims. Underpinning many of these challenges are VA leaders and managers not fully using sound planning and other leading management practices. Using such

³⁸Benefits for veterans with service-connected disabilities are based upon an average reduction in earning capacity across a group of individuals with a similar physical or mental condition. VA is obtaining updated information on the average earning loss associated with service-connected disabilities.

practices would help VA improve benefit decisions and alleviate delays in providing benefits to eligible veterans and their families. Another key to addressing these challenges is fully implementing our recommendations and identifying the lessons learned from VA's past efforts. Doing so would position the Department to achieve its goal of addressing surges in claims workloads, such as those expected to result from exposure from toxic exposures, including burn pit toxins.

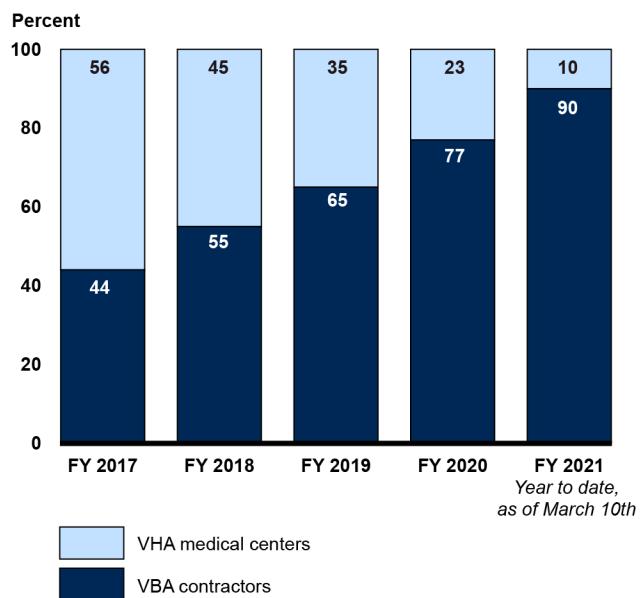
Oversight of disability medical exams. VA faces backlogs in conducting medical exams needed to make disability claims decisions. This work has increasingly shifted from VA medical centers to contractors, who performed about 1.1 million of the 1.4 million exams completed in fiscal year 2020, based on data that was available at the time of our March 2021 report.³⁹ (See fig. 2.) However, in that report we found that VA has not applied sound planning practices in transferring this work to contractors that could help ensure veterans receive timely and accurate exams. For example, we found VA had not assessed potential risks, such as the loss of VHA capacity to help reduce the exam backlog and meet the anticipated surge in claims from veterans who may be newly eligible.⁴⁰ We recommended (and VA concurred) that VA develop plans for its allocation of disability medical exam workloads that incorporate sound planning practices. As of February 2023, VA has not yet implemented our recommendation.⁴¹

³⁹GAO, *VA Disability Exams: Better Planning Needed as Use of Contracted Providers Continues to Grow*, GAO-21-444T (Washington, D.C.: Mar. 23, 2021).

⁴⁰At the time of our review, VA faced a surge in workloads related to changes in the eligibility determination process for certain claims, such as Blue Water Navy claims. Since then, Congress made further changes under the PACT Act.

⁴¹VA has developed a plan that includes information on strategic goals, coordination and communication, and general information on risks. However, it lacks information related to other sound planning practices, such as documenting a strategy for achieving its goals and developing clear timelines. Though the plan includes general information related to potential risks, it does not include detailed assessments of these risks and other potential risks associated with VA's increased reliance on contractors. It does not assess the degree to which VHA medical centers may lose existing expertise for performing disability exams or include plans for managing that risk.

Figure 2: Percent of Disability Exam Workload Completed by VBA Contractors and VHA Medical Centers, Fiscal Years 2017-2021



Source: GAO analysis of Veterans Benefits Administration (VBA) and Veterans Health Administration (VHA) data. | GAO-23-106636

Note: Contractors completed a small number of VHA exams in fiscal year 2017 under VHA-managed contracts, according to VHA data.

Training for claims processing. Investing training dollars effectively is key to ensuring disability claims processors have the skills to successfully handle disability claims—especially as VA hires more staff, implements new initiatives, and updates information in the eligibility criteria for assigning a degree of disability and compensation level. In a June 2021 report, we examined VA's training program for claims processors against a wide range of leading practices for training related to planning, design, implementation, and evaluation.⁴² For example, we identified challenges VA faces with balancing the hiring of claims processors to address increased workloads and training new hires, such as ensuring appropriate instructor-to-student ratio. We made 10 recommendations (and VA concurred), including that VA establish an integrated and comprehensive plan and performance goals for its training program, develop policies to monitor compliance with required training, and evaluate training on a

⁴²GAO, *VA Disability Benefits: Veterans Benefits Administration Could Enhance Management of Claims Processor Training*, GAO-21-348 (Washington, D.C.: June 7, 2021).

recurring basis. While VA implemented four of our recommendations, it has not yet fully implemented the remaining six as of February 2023.

Improvements to disability claims processing. Veterans and VA spend substantial time, money, and effort applying for and processing disability compensation claims. In July 2022, we reported that VA undertook 23 initiatives in recent years to improve its disability compensation program. However, we found that VA did not consistently follow leading management practices, such as establishing goals for the reforms and involving key stakeholders, to achieve intended results, including providing valuable services to veterans.⁴³

For example, VA has undertaken wide-ranging reforms to improve how it processes military sexual trauma claims, including changes to trainings, policies, and office consolidations. However, in planning these changes, VA did not fully incorporate input from external stakeholders, including veterans with disabilities related to military sexual trauma or their representatives, to account for how the reform affects these stakeholders. Further, VA had no way to track and prioritize these initiatives.

In our July 2022 report, we made eight recommendations (and VA generally concurred), including that VA take additional actions to follow leading practices where needed for the selected reforms; designate a centralized leadership team to oversee VA's many reforms; and develop and implement a policy describing the leading practices that VA officials should follow when undertaking reforms. VA has not yet implemented them as of February 2023.

VA Privacy and Cybersecurity Challenges

To provide health care and other benefits to veterans and their dependents, VA relies on IT systems and networks to receive, process, and maintain sensitive data, including veterans' medical records and associated personally-identifiable information. Consequently, vulnerabilities arising from VA's increased dependence on IT can result in the compromise of sensitive personal information, such as inappropriate use, modification, or disclosure.

We have previously reported that while VA had implemented key federal privacy practices, it had some gaps. Further, we have highlighted key

⁴³GAO, *VA Disability Benefits: Compensation Program Could Be Strengthened by Consistently Following Leading Reform Practices*, GAO-22-104488 (Washington, D.C.: July 18, 2022).

security challenges that VA has faced in safeguarding its information and information systems.

Privacy challenges. In September 2022, we highlighted the extent to which VA addressed 10 key practices for implementing its privacy programs.⁴⁴ At that time, VA had implemented six of 10 practices, but had not fully addressed four of the selected practices.⁴⁵ For example, VA only partially defined and documented a process for involving privacy officials in reviewing IT budget requests; did not provide documentation describing the role of privacy officials in privacy workforce management; only partially documented the role of privacy officials in carrying out risk management steps for authorizing systems containing personally-identifiable information; and had not fully developed a continuous privacy monitoring strategy.

We made recommendations to VA associated with each of these four practices (and VA concurred). VA implemented one recommendation related to its privacy continuous monitoring strategy. However, as of February 2023, the remaining three recommendations had not yet been implemented.

Challenges in securing information systems. Federal systems and networks, including those of VA, are often interconnected with other internal and external systems and networks, thereby increasing risk and the means used to initiate cyberattacks. Without proper safeguards, computer systems are vulnerable to individuals and groups with malicious intent who can intrude and use their access to obtain sensitive information, commit fraud and identity theft, disrupt operations, or launch attacks against other computer systems and networks. Since 1997, GAO

⁴⁴GAO, *Privacy: Dedicated Leadership Can Improve Programs and Address Challenges*, GAO-22-105065 (Washington, D.C.: Sept. 22, 2022).

⁴⁵VA had (1) established policies and procedures for developing system of records notices to identify personal data collected and how they are used; (2) established policies and procedures for conducting privacy impact assessments; (3) documented a privacy program plan; (4) ensured that privacy personnel coordinate with the department's staff responsible for information security activities; (5) defined roles and responsibilities for privacy officials with respect to responding to privacy incidents including breaches of personally-identifiable information; and (6) developed a privacy risk management strategic plan, which discussed the department's privacy risk tolerance.

has designated information security as a government-wide high-risk area—a designation that it retains today.⁴⁶

In July 2019, we reported that VA had fully met one of the five foundational practices for establishing a cybersecurity risk management program by establishing a Cybersecurity Risk Executive.⁴⁷ However, VA did not meet four other key cybersecurity practices. For example, VA did not (1) include key elements in its cybersecurity risk management strategy, such as risk tolerance and risk mitigation strategies or (2) have a policy for an agency-wide risk assessment. We made four recommendations related to these and other findings and the department has since taken steps to implement all of them.

Further, in 2022, the VA Office of Inspector General noted that VA faced challenges in implementing components of its agency-wide information security program to meet requirements of the Federal Information Security Modernization Act of 2014 (FISMA).⁴⁸ The report identified continuing significant deficiencies related to access controls, configuration management controls, change management controls, and service continuity practices designed to protect mission-critical systems from unauthorized access, alteration, or destruction. In addition, an OMB report to Congress summarizing fiscal year 2021 agency cybersecurity

⁴⁶See GAO, *High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas*, [GAO-21-119SP](#) (Washington, D.C.: Mar. 2, 2021); *High-Risk Series: An Overview*, [GAO-HR-97-1](#) (Washington, D.C.: February 1997); and *High-Risk Series: Information Management and Technology*, [GAO-HR-97-9](#) (Washington, D.C.: February 1997). In 2003, we expanded this area to include computerized systems supporting the nation's critical infrastructure and, in 2015, we further expanded this area to include protecting the privacy of personally identifiable information.

⁴⁷GAO, *Cybersecurity: Agencies Need to Fully Establish Risk Management Programs and Address Challenges*, [GAO-19-384](#) (Washington, D.C.: July 25, 2019).

⁴⁸The Federal Information Security Modernization Act of 2014 (FISMA 2014) Pub. L. No.113-283, 128 Stat. 3073 (Dec. 18, 2014) largely superseded the Federal Information Security Management Act of 2002 (FISMA 2002), enacted as Title III, E-Government Act of 2002, Pub. L. No. 107-347, 116 Stat. 2899, 2946 (Dec. 17, 2002). As used in this report, FISMA refers both to FISMA 2014 and to those provisions of FISMA 2002 that were either incorporated into FISMA 2014 or were unchanged and continue in full force and effect. The act requires each agency to develop, document, and implement an agency-wide information security program. FISMA also requires agency Inspectors General to annually assess the effectiveness of the information security policies, procedures, and practices at their parent agency.

performance noted that an independent assessment had concluded that VA's program was not effective.⁴⁹

Continued attention to security challenges is important. The provision of timely and quality health care and benefits for veterans and other eligible individuals depends, in large part, on the security functionality, effectiveness, and ease of use of VA's information systems. As VA continues to pursue electronic health record modernization, it is critical that the department consider and take steps to address privacy and security challenges.

Other Challenges

In June 2020, we reported on VA's efforts to prevent and address sexual harassment at the agency and made seven recommendations, including that VA ensure that its Equal Employment Opportunity (EEO) Director position is not responsible for personnel functions; require managers to report sexual harassment centrally; and require additional employee training. VA concurred with all but the EEO Director position recommendation, which GAO maintains is warranted.

VA has taken some steps to start addressing these recommendations. Specifically, in 2022, VA formalized its Harassment Prevention Program (HPP) and now has a finalized HPP Handbook that outlines key processes the agency should follow in addressing sexual harassment allegations. VA also developed three new trainings that include more information on the reporting processes available to employees, including the HPP, and provide more in-depth information on sexual harassment.

While these are positive steps, VA has yet to fully implement our other recommendations. Most notably, VA has not taken sufficient actions to realign its EEO organizational structure to avoid potential conflicts of interest. VA's EEO Director position remains unchanged since our recommendation. Further many EEO Program Managers, in particular at VHA, continue to report directly to facility management. Legislation was

⁴⁹Office of Management and Budget, *Federal Information Security Modernization Act of 2014 Annual Report to Congress, Fiscal Year 2021* (Washington, D.C.: Sept. 14, 2022).

passed that would require VA to take action that generally aligns with six of seven of our recommendations.⁵⁰

We also have ongoing work examining potential racial discrimination at the VA, which will be completed later this summer. Improving these programs and policies will help to ensure that the VA employees serving our nation's veterans are better protected from the potentially harmful effects of harassment and discrimination.

In conclusion, VA serves those who have served our nation, so its responsibilities are both vital and sacred. The scope of these responsibilities—ensuring access to care for millions of veterans through one of our country's largest health systems—is one inherent with challenges, but we have identified many that are within VA's power to overcome. VA has undertaken many initiatives, some of which have been intended to address those areas we have identified that are of the highest concern. But the department continues to face challenges in delivering health care, managing acquisitions, providing disability benefits, and managing privacy and cyber security in its networks and systems. Sustained leadership with a commitment to oversight and accountability is the key to driving the sort of transformational change that can help ensure the access to timely, high quality care and benefits that our veterans deserve.

Chairman Bost, Ranking Member Takano, and Members of the Committee, this concludes my statement. I would be pleased to respond to any questions you may have.

GAO Contacts and Acknowledgments

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⁵⁰Following GAO's 2020 report, legislation was proposed that would require VA to take action that generally aligned with six of seven of our recommendations. See, H.R. 2704. 117th Cong. (2021). These provisions were later included in the Joseph Maxwell Cleland and Robert Joseph Dole Memorial Veterans Benefits and Health Care Improvement Act of 2022, enacted as part of the Consolidated Appropriations Act, 2023.

Public Affairs may be found on the last page of this statement. GAO staff who made key contributions to this testimony are Ann Tynan (Assistant Director), Summar C. Corley (Analyst-in-Charge), and Cathy Hamann Whitmore. Other contributors include Mark Bird, Matthew Crosby, Gina Flacco, Krister Friday, Alexander Galuten, Jacquelyn Hamilton, Franklin Jackson, Tammi Kalugdan, Teague Lyons, Monica Perez-Nelson, Lisa Rogers, Nyree Ryder Tee, Kevin Smith, Julie Stewart, Umesh Thakkar, James Whitcomb, and Merry Woo.

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