

United States Senate
WASHINGTON, DC 20510

April 17, 2024

VIA ELECTRONIC TRANSMISSION

The Honorable Denis McDonough
Secretary
Department of Veterans Affairs

Dear Secretary McDonough:

There are over 18 million veterans in the United States.¹ A great many of these veterans rely upon the Department of Veterans Affairs (VA) for their healthcare. They deserve a system that works well, including the VA's community care system. This system allows veterans to receive care in their local communities when they can't receive it at a VA facility. When veterans use community care, the VA will pay for the veteran's healthcare, and if veterans have private insurance, the VA is supposed to recoup the money it spent by billing that private insurance.² Money the VA recovers from private health insurers is used to provide critical support to the Veterans Health Administration.³ As the VA's Office of Inspector General (OIG) noted, however, if the VA fails to properly bill private insurers, "it will miss opportunities to increase its funding for all veterans."⁴ According to the OIG, the VA not only has failed to submit these claims for reimbursement, but it has failed to fix this problem after many warnings from the OIG, at a huge cost to our veterans.

In its May 24, 2022, audit report, the OIG revealed a shocking finding: "[A]n estimated 1.3 million of 2.4 million billable community care claims (54 percent) paid between April 20, 2017 and October 31, 2020 were not submitted to private health insurers [for reimbursement] before filing deadlines expired."⁵ This caused the VA—and the veterans it's supposed to serve—to miss out on over \$217 million they should have received during this time frame.⁶ The report also noted that due to ineffective processes for meeting insurance filing deadlines and problems created by pending workload and staffing challenges, the VA risked that already huge amount growing to a staggering \$805 million later in 2022, if these problems weren't fixed.⁷

¹ Pew Research Center, The changing face of America's veteran population (November 8, 2023), <https://www.pewresearch.org/short-reads/2023/11/08/the-changing-face-of-americas-veteran-population/>.

² Dep't of Veterans Aff.'s, Office of Inspector General, OIG 21-00846-104 VHA Continues to Face Challenges with Billing Private Insurers for Community Care (May 24, 2022), at i, <https://www.oversight.gov/sites/default/files/oig-reports/VA/VAOIG-21-00846-104.pdf>.

³ *Id.*

⁴ *Id.*

⁵ *Id.* at iii.

⁶ *Id.* at iii.

⁷ *Id.* at iii, 35.

According to the OIG, the recommended fixes still haven't been implemented by the VA, running the risk that this elevated amount may have been realized.⁸

The VA OIG's report found flaws in VA's own processes contributed to these administrative and processing failures. For example, since the Office of Community Care's (OCC's) process to bill private insurers, "was not synchronized with insurer's filing deadlines," there were instances in which OCC's "Revenue Operations might not receive a claim it could bill until after some private insurers' deadlines had already passed."⁹ Furthermore, since OCC's Revenue Operations didn't have access to the same claim information as OCC's Delivery Operations, "they [couldn't] bill insurers to recover money."¹⁰ In other words, the bureaucratic right hand didn't know what the left hand was doing, and our veterans have paid the price.

According to the OIG, OCC's Revenue Operations knew of problems that hindered its ability to collect reimbursement from veterans' private insurance.¹¹ Despite this knowledge, the OIG reported, "Revenue Operations has not taken corrective action adequate to resolve these workload concerns or staffing challenges."¹² This is unacceptable.

In its May 2022 report, the OIG made three recommendations to the VA regarding its failure to submit claims to private insurance for reimbursement:

1. "Maximize opportunities to bill veterans' private health insurers for recoverable claims by developing procedures that align and prioritize the processing of such claims to insurers' filing deadlines."
2. "Strengthen information system controls to make certain that complete and accurate claims information is transferred between applicable current and future Community Care payment systems and the Consolidated Patient Account Centers' workflow tool and VistA patient treatment files."
3. "Conduct an assessment to determine if staffing resources and workload are sufficiently aligned to process the anticipated volume of claims to be billed to veterans' private health insurers and make adjustments as needed."¹³

Even though the VA concurred with these recommendations and committed to fixing them by March 2023, according to the OIG, they are still open.¹⁴ In four reports since 2011, OIG has criticized the VA's failures in billing for community care, and the VA needs to quickly get its act together.¹⁵

⁸ *Id.* at iii.

⁹ *Id.* at iv.

¹⁰ *Id.* at v.

¹¹ *Id.* at v.

¹² *Id.* at v.

¹³ *Id.* at 20.

¹⁴ *Id.* at 6, 37; Dep't of Veterans Aff's, Office of Inspector General, Semiannual Report to Congress: Issue 90, April 1-September 30, 2023 at 67 (2023), https://www.vaoig.gov/sites/default/files/document/2023-11/sar_90_final_11_15_2023_3.pdf.

¹⁵ VA Inspector General report, *supra* n. 2 at 23.

So that Congress may conduct oversight of VA's implementation of these important VA OIG recommendations, please answer the following questions no later than May 1, 2024:

1. Since the May 2022 VA OIG report, what progress has the VA made in implementing the three recommendations? If the VA has not completed implementation of any of these recommendations, what work remains in the implementation of these recommendations, and when will they be fully implemented?
2. Provide all records¹⁶ documenting how much money the VA has failed to recover in each fiscal year since FY 2018.
3. Provide all records documenting all steps the VA has taken since 2011 to improve its processing of reimbursement requests to private insurers.
4. Provide a detailed explanation of the VA's failure to fix issues in claims reimbursement even after multiple reports by the OIG on the issue since 2011.

Thank you for your cooperation on this important matter. If you have any questions, please contact James Layne on my Committee staff at (202) 224-0642.

Sincerely,



Charles E. Grassley
Ranking Member
Committee on the Budget

cc: The Honorable Michael J. Missal
Inspector General
Department of Veterans Affairs

¹⁶ "Records" include any written, recorded, or graphic material of any kind, including letters, memoranda, reports, notes, electronic data (e-mails, email attachments, and any other electronically-created or stored information), calendar entries, inter-office communications, meeting minutes, phone/voice mail or recordings/records of verbal communications, and drafts (whether or not they resulted in final documents).