

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



# Veterans Health Administration

*Review of Cincinnati VA  
Medical Center Beneficiary  
Travel Office Allegations*

July 6, 2011  
10-03292-217

## **ACRONYMS AND ABBREVIATIONS**

BTO	Beneficiary Travel Office
OIG	Office of Inspector General
VAMC	Veterans Affairs Medical Center
VHA	Veterans Health Administration
VISN	Veterans Integrated Services Network
VistA	Veterans Health Information Systems and Technology Architecture

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# Report Highlights: Review of Cincinnati VA Medical Center Beneficiary Travel Office Allegations

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## Why We Did This Audit

The VA Beneficiary Travel program provides reimbursements to offset some of the travel costs associated with obtaining VA health care services. We reviewed the validity of allegations of mismanagement and fraud at the Cincinnati VA Medical Center (VAMC) Beneficiary Travel Office (BTO).

## What We Found

We partially or fully validated four of nine allegations made, and in doing so, identified some processing inconsistencies in the Cincinnati VAMC's Beneficiary Travel program operations. Specifically, we:

- Determined BTO staff approved 174 travel reimbursement claims for medical appointments not completed.
- Identified 27 travel vouchers associated with cancelled (by patient) and no show appointments that the BTO preprinted prior to the beneficiaries' appointments.
- Identified one occurrence where a beneficiary was inappropriately approved travel reimbursement to the Cincinnati VAMC instead of the nearest VA facility to the beneficiary's residence.
- Determined the former BTO supervisor improperly authorized wheelchair van services in FY 2010 under an expired contract. As a result, the VAMC could not legally reimburse the vendor for services received until the Head of the Contracting

Activity ratified the unauthorized commitments in November 2010.

We were unable to validate allegations of mileage reimbursements based on incorrect residence addresses or not personally incurring eligible expenses. We also could not validate allegations that BTO staff approved special mode of transportation services for ineligible beneficiaries.

## What We Recommended

We recommended the Cincinnati VAMC Director improve controls and oversight of BTO operations and resolve remaining unpaid special mode of transportation invoices.

## Agency Comments

The Cincinnati VAMC Director concurred with the report's recommendations. Based on corrective actions taken, we consider all recommendations closed.

**BELINDA J. FINN**  
Assistant Inspector General  
for Audits and Evaluations

# TABLE OF CONTENTS

Introduction.....	1
Results and Recommendations .....	2
Review of Cincinnati VAMC Beneficiary Travel Program Hotline Allegations .....	2
Appendix A      Scope and Methodology.....	12
Appendix B      Background .....	15
Appendix C      Potential Monetary Benefits in Accordance With Inspector General Act Amendments .....	17
Appendix D      Cincinnati VA Medical Center Director Comments.....	18
Appendix E      OIG Contact and Staff Acknowledgments.....	22
Appendix F      Report Distribution .....	23

## INTRODUCTION

**Objective** We reviewed the validity of allegations of mismanagement, waste, and fraud at the Beneficiary Travel Office (BTO) located at the Cincinnati VA Medical Center (VAMC).

**Complaint** On July 7, 2010, the VA Office of Inspector General (OIG) Hotline received anonymous allegations concerning the operations of the Cincinnati VAMC's BTO section of Patient Business Services. The complainant alleged the BTO was responsible for mismanagement of funds, waste, and inconsistent processes and transactions supporting the Beneficiary Travel program. (See Appendix B for additional information.)

**Program Overview** The VA Beneficiary Travel program provides reimbursements to offset some of the travel costs associated with obtaining VA health care services. Under Title 38, United States Code, Section 111, *Payments or Allowances for Beneficiary Travel*, VA has the authority to pay the actual necessary expense of travel (including lodging and subsistence), or in lieu thereof an allowance based upon mileage traveled, to or from a Department facility or other place. VA may reimburse travel in connection with vocational rehabilitation or counseling or for the purpose of examination, treatment, or care. VHA may authorize special mode of transportation (for example, ambulance or wheelchair van) if medically necessary and approved before travel begins. Regulations permit exceptions to the special mode of transportation authorizations in cases of medical emergency where delay would be hazardous to life or health.

Beneficiaries who are currently eligible to receive travel benefits include those with service-connected disabilities approved at 30 percent or more or are traveling for treatment of a service-connected condition. Travel benefits are also authorized for those who incur travel expenses in connection with a compensation or pension examination, are in receipt of a VA pension, or whose income does not exceed the maximum annual VA pension rate.

After attending VA health care appointments, claimants for beneficiary travel may apply for travel expense reimbursements orally or in writing through the BTO. Travel clerks complete an electronic version of VA Form 70-3542d on the claimant's behalf using the information in the Veterans Health Information Systems and Technology Architecture (VistA). The beneficiary signs and dates the voucher. Beneficiaries receive payment through the local agent cashier in person, or in cases where the form is completed and signed by the beneficiary and mailed, BTO staff process the voucher and will forward the voucher to the agent cashier for payment by check.

## RESULTS AND RECOMMENDATIONS

### Review of Cincinnati VAMC Beneficiary Travel Program Hotline Allegations

We partially or fully validated four of nine allegations made, and in doing so, identified some processing inconsistencies in the Cincinnati VAMC's Beneficiary Travel program operations. Although VAMC management reported having strong controls over special mode of transportation contracts and benefits, the VAMC's Beneficiary Travel program lacked adequate monitoring and oversight of travel reimbursements, and therefore, was more susceptible to improper transactions.

We made recommendations to the Cincinnati VAMC Director to improve controls and oversight of BTO operations, and to ensure Beneficiary Travel program travel reimbursement activities are compliant with applicable policy. We also recommended the Cincinnati VAMC Director ensures the Head of Contracting Authority reviews and resolves remaining unpaid invoices for special mode of transportation services.

#### *Allegation 1*

#### **BTO improperly reimbursed beneficiaries for mileage to VA facilities from addresses where they do not live or have never have lived.**

We could not substantiate the allegation that BTO staff reimbursed beneficiaries for mileage from their residences to VA medical facilities based on fictitious or incorrect addresses in order to obtain a larger reimbursement. Although the complainant indicated that this occurred regularly, sufficient evidence did not exist to review or support the allegation.

However, we concluded the Veterans Health Administration (VHA) policies do not proscribe a process for Beneficiary Travel operations to determine when to validate beneficiaries' addresses when processing travel reimbursement claims. According to VHA policy, VAMC staff have the authority to request any additional information needed to determine the validity of beneficiary travel claims. However, VHA policy does not provide examples of specific circumstances when to request the additional information. While Cincinnati BTO staff have the discretion to request additional information from the beneficiary to confirm the address used to calculate a travel reimbursement, the local policy was not in writing and staff reported not being clear as to when to ask for proof of residence from a beneficiary.

The VAMC Director stated that Eligibility Office staff have the primary responsibility in the VAMC for any address changes, not the BTO staff. The Director also emphasized that there were no electronic tools available to identify

fraud or nationally developed procedures for addressing suspicions of fraud related to reimbursement claims based on inaccurate addresses. The VAMC Director stated that veterans may now change addresses in VistA through portals such as “MyHealtheVet” without verification.

VAMC officials indicated that initiatives are underway to address this control weakness. The VAMC’s Eligibility Office will monitor address changes requested on VA Form 10-10EZ, “Application for Health Benefits,” and will monitor compliance for requesting and receiving proper documentation to support address changes.

***Allegations  
2, 3, and 4***

**Beneficiaries improperly received mileage reimbursements without incurring eligible travel costs to VA facilities.**

The complainant alleged beneficiaries improperly received mileage reimbursements although they did not personally incur eligible costs while traveling to VA facilities. We found only anecdotal and testimonial evidence to support these allegations. Ultimately, the BTO approves travel reimbursement claims based on the written representations made by the beneficiary.

The complainant alleged that beneficiaries carpooled and each beneficiary claimed and received reimbursement for round trip mileage. When beneficiaries carpool, the total amount paid should not exceed the amount equal to the mileage paid to one beneficiary for the entire trip. The complainant also alleged that spouses, who were also beneficiaries, traveled to VA facilities together to obtain VA health care services and both claimed and received round trip mileage reimbursements. However, the BTO staff provided evidence of only one married couple claiming individual mileage reimbursements for appointments both attended at the VA facility on 44 different occasions. On separate dates between January 1 through September 16, 2010, each spouse had 44 medical appointments at the same VA facility on the same day and claimed 88 mileage reimbursements (1 each for each day), totaling \$1,385. If this couple traveled together, they would have been entitled to half that amount. When BTO staff questioned the spouses, they denied traveling to the facility together in the same vehicle.

Using information from VHA’s VistA system, we identified a small number of other beneficiaries residing at the same addresses that the BTO approved reimbursement claims for mileage on the same day. Within a universe of 22,832 approved travel reimbursements, we identified 12 claimants living at 6 addresses that had appointments on the same day associated with 52 approved travel reimbursements valued at \$1,307. These reimbursements represented only 0.2 percent of the travel reimbursements for the period January 1 through September 16, 2010. Therefore, we concluded that while isolated instances of beneficiaries traveling together and improperly claiming

and misrepresenting mileage reimbursements may be occurring, sufficient evidence does not exist to support that these abuses are a systemic problem at the Cincinnati VAMC.

The complainant also alleged some beneficiaries claimed and received mileage reimbursements for travel to VA facilities despite using public transportation and other sources that provide free transportation, such as Veterans Service Organizations and nursing homes. However, sufficient controls do not exist to allow the BTO to routinely and accurately identify instances whereby beneficiaries carpool or use public or free community transportation to and from VA facilities. In addition, data does not exist to routinely and accurately identify beneficiaries who use public transportation and claim mileage reimbursements.

According to BTO staff, they receive passenger manifests from only one of multiple sources providing free transportation for patients to the Cincinnati VAMC. BTO staff stated that prior to processing mileage reimbursement claims, these manifests are checked to ensure beneficiaries provided free transportation are not reimbursed for mileage. However, the BTO lacks authority to direct service providers, public or other, to routinely forward passenger manifests to the BTO. Generally, public providers do not provide passenger manifests and logs to the BTO for beneficiary verification purposes. Further, the BTO lacks the resources to effectively identify the mode of transportation each beneficiary uses to travel to and from the VAMC.

Only limited controls exist at the Cincinnati VAMC to help prevent the types of concerns in allegations 2, 3, and 4. For example, the VAMC Director reported that the act of a veteran signing VA Form 70-3542d, "Voucher for Cash Reimbursement of Beneficiary Travel Expenses," certifying in writing that he or she personally incurred eligible costs claimed for reimbursement, constitutes a control. In addition, the VAMC Director noted that there are posters and brochures in the Travel Office that remind veterans of the consequence for submitting a fraudulent reimbursement claim. In addition, the VAMC Director reported that, in some cases, BTO staff will alert their supervisor or VA Police, if they suspect fraudulent activity.

The Chief of Patient Business Services stated the BTO intends to request additional transportation manifests from some available sources that do not currently provide them to the BTO. Factors such as cost/benefit and other practical limitations affect the VAMC's management from implementing additional controls to address some of these allegations related to gaining reasonable assurance that beneficiaries are not misrepresenting their travel costs.



**Allegation 5****BTO staff approved “special mode” transportation for ineligible beneficiaries.**

We could not substantiate the allegation that ineligible beneficiaries received approval for special modes of transportation, such as ambulance or wheelchair van services, in connection with service or care at VA medical facilities. A Veterans Integrated Services Network (VISN) 10 policy and a locally developed form to request and approve special modes of transportation for patients caused confusion among staff and made it more difficult to determine the eligibility for some beneficiaries.

According to VHA Procedure Guide 1601B.05, VHA health care clinicians determine medical necessity for special modes of transportation. The Guide also states that for beneficiaries to qualify for special modes of transportation, they must:

- Have a medical condition as determined by a VA provider that requires an ambulance or specially equipped van,
- Meet the administrative requirements of eligibility for beneficiary travel, and
- The travel must be pre-authorized.

VHA policy states that a VHA health care clinician determines that special mode of transportation is required. VHA policy is silent on the circumstances or medical conditions that must be present to provide this benefit to patients. Because the national policy is vague, a VHA official stated that VHA allows VISNs and VHA facilities to develop local policies specific to their customers.

However, policy developed by VISN 10, and an approval form based on this policy, caused confusion among BTO staff concerning the eligibility of some patients for this benefit. VISN 10 policy provides a highly restrictive definition of those eligible for this benefit, stating that beneficiaries must require a stretcher for transport, be unable to transfer on their own from a wheelchair, or require a medical escort to qualify for special mode of transportation. Based on VISN 10 policy, VAMC staff developed a form for clinicians to request special mode of transportation for patients. When clinicians indicated on the forms that beneficiaries could transfer themselves from a wheelchair without assistance, BTO staff understood this as meaning beneficiaries were not medically eligible for special mode of transportation. We concluded the form used was the basis for confusion about patient eligibility for this benefit. We noted examples where BTO staff denied special mode requests reportedly due to the confusion concerning the request form and associated VISN policy.

We reviewed 41 special mode of transportation request forms processed from June 2009 through April 2010 that current BTO staff identified and believed were erroneously approved. Based on information available on the forms, we were unable to determine if beneficiaries were medically eligible for special modes of transportation. In all cases, clinicians used these forms to support the need for special mode of transportation for patients. The clinicians' requests provided strong support that the clinicians believed that the patients required transportation to VA medical facilities for service and treatment.

The Cincinnati VAMC incurred \$2.4 million in special mode of transportation expenses in FY 2010, more than three times the amount paid to beneficiaries for travel expenses to VA facilities, approximately \$778,000. The significant cost associated with special mode of transportation services increases the risk of waste and fraud and necessitates aggressive oversight of service authorizations by the BTO and clinicians.

VAMC officials stated they will undertake initiatives to improve oversight of special mode of transportation requests. The approval form will be changed to include a second line of approval by the Chief of Primary Care or designee. In addition, VAMC management will establish training for clinicians regarding criteria for and approving special mode of transportation of patients.

#### ***Allegation 6***

**Beneficiaries received unauthorized travel reimbursement to the Cincinnati VAMC although other VA Medical Centers closer to their residences could provide the care or services.**

We partially confirmed the allegation the BTO approved mileage reimbursements to beneficiaries traveling to the Cincinnati VAMC when a closer VA facility could have provided the needed care or services. Unless otherwise allowed by Title 38, Code of Federal Regulations, Section 70, VHA Beneficiary Travel, payment is limited to travel from the beneficiary's residence to the nearest VA or non-VA facility where the care or services could be provided and from such facility to the beneficiary's residence.

We randomly selected and reviewed 30 of the 1,147 travel claims processed by the BTO from January 1 through September 16, 2010, for a one-way travel distance of 100 miles or more. We identified one claim of the 30 sampled (3 percent) where the BTO approved travel expenses to the Cincinnati VAMC when a closer VA facility could have provided the needed care or services. The value of this claim was \$235.

The VAMC Director explained that because a physician provided a referral for treatment to the Cincinnati VAMC, the BTO correctly approved the

travel reimbursement claim. However, 38 CFR, Part 70, states travel reimbursement is limited from the beneficiary's residence to the closest VA facility that can provide the needed care or services. According to Cincinnati VAMC staff, Cleveland VAMC was the closest VA facility that could have provided the needed care or service to the beneficiary. The physician's medical notes associated with the referral states the beneficiary requested to receive the services from the Cincinnati VAMC. The referral did not indicate the services could only be provided by the Cincinnati VAMC. While the patient received treatment at the Cincinnati VAMC, the BTO should have approved travel reimbursement only for the distance from the patient's home to the nearest VA facility that could have provided the needed service.

Furthermore, VHA policy in place during 2010 did not include exceptions made based on physician referrals. However, in January 2011, VHA issued guidance that allows reimbursement from a beneficiary's residence to a VA facility other than the one closest to the residence if a clinician provides a referral to the veteran.

#### ***Allegation 7***

#### **Beneficiaries received mileage reimbursements without completing medical appointments at VA facilities.**

We substantiated the allegation beneficiaries received mileage reimbursements without completing appointments at VA medical facilities, although we also considered the number of instances identified to be low and generally insignificant. Using VistA data for beneficiary travel claims approved from January 1 through September 16, 2010, we initially identified 268 (1 percent) of 22,832 beneficiary travel claims, totaling \$5,400, approved for reimbursement by the BTO for beneficiary-cancelled or no show appointments.

After review, VAMC officials acknowledged that 174 of these reimbursements, valued at about \$3,500, were erroneously approved. According to VHA policy, VA reimburses beneficiary travel expenses "upon completion of examination, treatment, or care." The VAMC Director advised us that those veterans who were identified as being incorrectly paid travel reimbursements will be issued a bill of collection.

The Chief of Patient Business Services could not explain why BTO staff processed travel reimbursements for beneficiary-cancelled or no-show appointments. BTO staff indicated they were aware beneficiaries should receive travel claims only if they attended their appointments or if the beneficiary did not receive a timely notice of appointment cancellation. The Chief explained that medical staff do not consistently update VistA to show completed appointments before the patient applies for travel reimbursement.

In addition, a VAMC official told us that BTO staff members routinely process travel reimbursement claims despite the absence of completed appointment information in VistA. VAMC officials also told us that BTO staff sometimes accept verbal declarations by beneficiaries that health care appointments were completed. The Chief stated that, in those cases, BTO staff could attempt to recoup the funds later instead of denying a beneficiary's travel reimbursement claim.

These types of practices, however, do not constitute an effective control and provide unnecessary opportunities for inaccurate or fraudulent payments for appointments that were not completed and additional work tracking and managing collections. Clinic staff's timely input of clinic appointment information into VistA is necessary to gain reasonable assurance that the travel reimbursements payments are proper.

#### ***Allegation 8***

##### **BTO staff provided preprinted travel vouchers to patients prior to completion of scheduled appointments.**

We confirmed that a former BTO staff member preprinted some reimbursement vouchers for travel to and from the Cincinnati VAMC, including some cases where the VAMC Beneficiary Travel program approved travel reimbursement for patients who did not complete scheduled appointments. We found 27 (15 percent) of 174 travel vouchers associated with cancelled (by patient) and no show appointments that were preprinted prior to the beneficiaries' appointment times. VHA policy requires travel vouchers be processed only after care or services have been provided.

The former BTO staff admitted to creating electronic travel vouchers at the beginning of each workday, but indicated beneficiaries received the vouchers only after verifying they completed scheduled appointments. The former staff member stated the former BTO supervisor approved this practice. The VAMC Director stated that this was done to expedite processing of payment vouchers and to improve veteran satisfaction with the BTO. The VAMC Director also advised that this practice was immediately stopped by management upon discovery, and prior to the Hotline allegation. Senior Cincinnati VAMC management advised us that the BTO stopped issuing preprinted travel vouchers in April 2010.

#### ***Allegation 9***

##### **VHA has not paid special mode of transportation vendors due to a variety of contract issues.**

We substantiated the allegation that Cincinnati VAMC had not paid a transportation contractor for services rendered in FY 2010. This occurred because the former BTO supervisor improperly authorized wheelchair van services under an expired contract. As a result, the VAMC could not legally

reimburse the vendor for services received until VHA ratified the unauthorized commitments in November 2010.

The transportation contractor provided wheelchair van services to the Cincinnati VAMC during FY 2009 under a valid contract. However, VAMC staff awarded a new contract for these transportation services in FY 2010 to a different vendor. However, the BTO Supervisor continued to process invoices for the previous vendor using a FY 2009 Purchase Order instead of submitting a request for a new Purchase Order for FY 2010. The BTO Supervisor made the unauthorized commitments to ensure the continuation of wheelchair van services during the transition period for the new contractor.

Although services were contractually unauthorized, the vendor sent invoices to the Cincinnati VAMC for services rendered from October through December 2009 totaling \$100,242. Once the VHA Head of Contracting Activity ratified the unauthorized commitments in November 2010, VAMC staff made payments to the contractor totaling \$83,536. We are not offering a recommendation to hold the former BTO supervisor accountable for the unauthorized commitments since this individual no longer works in the BTO.

***Travel  
Reimbursement  
Processes Not  
Regularly  
Reviewed***

Although VAMC management reported having strong controls over special mode of transportation contracts and benefits, the VAMC lacked adequate monitoring and oversight of travel reimbursements, and, therefore, were more susceptible to improper transactions. Travel reimbursement processes in the BTO were not subject to routine quality reviews.

After the OIG announced this review of BTO program operations, BTO management provided the review team with a list of planned initiatives to address deficiencies in Beneficiary Travel program operations. For example, the BTO will compare the list of patients collecting travel reimbursement to a list of patients who checked into the Emergency/Urgent care area of the VAMC. In addition, the BTO intends to review all travel reimbursements over \$20. The BTO also intends to maintain an electronic list of beneficiaries suspected of fraud and coordinate with the VAMC's police for potential investigation and surveillance. In our opinion, if implemented, these changes will strengthen management controls over the program and help identify potential fraud in Beneficiary Travel program claims.

***Conclusion***

We partially or fully validated four of nine allegations made, and in doing so, identified processing inconsistencies in the Cincinnati VAMC's Beneficiary Travel program operations that place the BTO at increased risk of approving improper travel reimbursements. Factors such as cost/benefit and other practical limitations affect the VAMC's management from implementing controls to address some of the allegations we examined, especially those allegations related to gaining reasonable assurance that beneficiaries are not misrepresenting their travel costs. Although VAMC management reported

having strong controls and oversight concerning special mode of transportation contracts, the VAMC's Beneficiary Travel program lacked adequate monitoring and oversight of travel reimbursements. VAMC staff could have detected problems related to travel reimbursements and taken corrective actions to independently review information readily available in the VAMC medical information systems along with providing more aggressive oversight and monitoring of travel reimbursement activities.

The current VAMC and BTO management are addressing known control weaknesses. Although planned management control improvements are overdue, the Cincinnati VAMC management is taking positive steps to address identified BTO operational weaknesses.

- Recommendations**
1. We recommend the Cincinnati VA Medical Center Director enhance management oversight of Beneficiary Travel Operations by implementing a quality assurance program to ensure Beneficiary Travel program travel reimbursement activities are compliant with applicable policy.
  2. We recommend the Cincinnati VA Medical Center Director direct the Beneficiary Travel Office staff to immediately stop processing mileage reimbursements without evidence of medical appointments, and take actions to collect unsupported payments.
  3. We recommend the Cincinnati VA Medical Center Director ensure the Head of Contracting Authority reviews and resolves remaining unpaid special mode of transportation invoices.

**Management  
Comments and  
OIG Response**

The Cincinnati VAMC Director concurred with the recommendations contained in the draft report, and provided responsive implementation plans to address our recommendations. The VAMC Director stated that the VAMC's Patient Business Services office implemented routine audits beginning in January 2011 of payable claims reports to ensure mileage reimbursements are compliant with VA regulations and to identify the need for further process improvement or the re-training of any staff.

In addition, the Director advised that the existing Beneficiary Travel program handout is being revised to inform veterans that they will be billed for fraudulent or improper travel claims. BTO staff have been retrained to assure that appointments are checked out in the computer before approving mileage reimbursements. If veterans have not been checked out at the time they report to the BTO, BTO staff will ask the veteran to sign the claim form and a check will be mailed after the BTO verifies the completed appointment. A lead clerk has been delegated the responsibility for assuring that the appointments were completed before she authorizes payment by check to the beneficiaries.

Furthermore, the Director stated that the VAMC has paid previously unpaid invoices from FY 2010 associated with one special mode of transportation contractor. The Director stated the actions for this recommendation were completed at the time of the OIG review, but that documentation necessary to verify status of the paid claims was unavailable at the time. In May 2011, VAMC officials provided documentation of paid claims to the OIG.

Based on actions taken and plans to take additional actions in these areas, we consider all recommendations closed. See Appendix D for the text of the Cincinnati VAMC Director's comments. We modified the text to show actions completed instead of target dates.



## **Appendix A      Scope and Methodology**

We observed and reviewed the Cincinnati VAMC Beneficiary Travel program from September 13 through 16, 2010. We interviewed and corresponded with key personnel responsible for overseeing the Beneficiary Travel program from the Cincinnati VAMC, VHA Headquarters, and VISN 10. We examined Beneficiary Travel program documentation and related supplementary records and reports from VHA information systems. We also reviewed applicable laws, policies, and procedures. Our universe consisted of almost 23,000 mileage reimbursements for the period from January 1 through September 16, 2010.

### ***Allegation 1***

For Allegation 1, we interviewed VAMC personnel to determine the local process for address change requests and related recordkeeping and address validation procedures applicable to beneficiary travel claims. We obtained data for address changes recorded in VistA for each beneficiary who was approved travel reimbursements from January 1 through September 16, 2010. We reviewed the data for evidence of address changes made immediately before and after a health care appointment.

### ***Allegations 2, 3, and 4***

For Allegation 2, we interviewed personnel to determine the local process for mitigating risks applicable to beneficiaries traveling together and fraudulently claiming travel reimbursement. We obtained and reviewed VistA data for approved travel beneficiary claim recipients residing at the same address on the same date claims were processed. For Allegation 3, based on a specific referral from BTO staff, we obtained and reviewed VistA electronic record data of all travel beneficiary approved for a married couple for the same dates. For Allegation 4, we interviewed knowledgeable personnel and a Cincinnati VAMC detective to obtain evidence of beneficiaries using public and community transportation and collecting mileage reimbursement.

### ***Allegation 5***

For Allegation 5, we interviewed personnel to determine the local process for special mode of transportation requests and approvals. In addition to reviewing VHA policy, we reviewed the VISN 10 policy specific to special modes of transportation. We also obtained and reviewed 41 special mode of transportation request forms submitted for approval to the BTO that BTO staff believed were erroneously approved. We reviewed the forms to determine whether the Cincinnati VAMC approved special mode of transportation in accordance with VHA and VISN 10 policy.



***Allegation 6***

To substantiate Allegation 6, we interviewed personnel to determine the local process for identifying veterans eligible for travel reimbursement to the Cincinnati VAMC although residing closer to other VA facilities. We obtained data from VistA to identify beneficiaries who were approved travel reimbursement for a one-way travel distance of 100 miles or more. From this list, we randomly selected and reviewed a sample of 30 travel claims. We then used the Compensation and Pension Records Interchange system to identify patients with evidence of a referral from a physician directing travel to Cincinnati VAMC.

***Allegation 7***

For Allegation 7, we interviewed personnel to determine the local process for identifying mileage reimbursement claims associated with beneficiaries who did not complete appointments at the Cincinnati VAMC. We also compared the distribution of digits that made up the claimed amounts to the expected distribution under Benford's Law. This analysis was appropriate since the values for the claims had no imposed lower or upper limits. We did not identify unusual patterns associated with these exceptions that merited further examination. We are questioning the costs of these reimbursements and making a recommendation to the Director of the Cincinnati VAMC to research and collect unsupported payments.

***Allegation 8***

For Allegation 8, we interviewed personnel to determine whether BTO travel clerks preprinted travel vouchers for beneficiaries prior to completion of the appointments. We obtained data from VistA for all travel reimbursements approved for beneficiaries on the same date that VistA indicated a no show appointment. We then compared no show appointment times to the times the BTO printed travel vouchers to identify vouchers printed prior to scheduled appointment times made, but not kept, by patients.

***Allegation 9***

For Allegation 9, we interviewed key Cincinnati VAMC personnel and obtained and reviewed applicable special mode of transportation contracts and invoices. We identified a series of payments associated with one special mode transportation provider that occurred 15 months after the BTO made unauthorized obligations under an expired contract. We coordinated with VAMC personnel to identify steps VAMC staff took to ratify the contract and to determine if outstanding invoices associated with the unauthorized obligations remained.

***Reliability of  
Computer-  
Processed Data***

We assessed the reliability of VA data by randomly selecting VistA beneficiary travel records and comparing those records to associated medical appointment and physician consult information found in the Compensation and Pension Records Interchange system. Based on these tests and assessment, we concluded the data were sufficiently reliable for the purposes used.

**Compliance With  
Government Audit  
Standards**

We conducted this review from September through November 2010 in accordance with the Council of Inspectors General on Integrity and Efficiency standards. These standards guide the conduct of all inspection work performed by Offices of Inspector General. Accordingly, based on our review objectives, we believe the evidence obtained provides a reasonable basis for our findings and conclusions.

## Appendix B Background

### **Beneficiary Travel Program Overview**

Under Title 38, United States Code, Section 111, “Payments or Allowances for Beneficiary Travel,” VA has the authority to pay the actual necessary expense of travel (including lodging and subsistence), or in lieu thereof an allowance based upon mileage traveled, to or from a Department facility or other place in connection with vocational rehabilitation or counseling or for the purpose of examination, treatment, or care. Reimbursements may also include ferry fares and tolls for bridges, roads, and tunnels. VHA may authorize special mode of transportation, for example, ambulance or wheelchair van, if medically necessary and approved before travel begins. Exception to this would be in cases of medical emergency where delay would be hazardous to life or health.

Title 38, Code of Federal Regulations, Part 70, “VHA Beneficiary Travel Under 38 U.S.C. 111,” provides a mechanism for VHA to make payments for travel expenses incurred in the United States to help veterans and other persons obtain care or services from VHA. VHA Handbook 1601B.05, *Beneficiary Travel*, July 23, 2010, provides additional information and guidance on the Beneficiary Travel program.

### **Travel Reimbursement Process**

A claimant may apply for beneficiary travel benefits orally or in writing and must apply for reimbursement within 30 calendar days after completing beneficiary travel. For beneficiary travel that includes a special mode of transportation, a claimant must apply for payment of beneficiary travel and obtain approval from VA prior to travel in most cases. Claimants for beneficiary travel must submit information to the Chief of the Business Office, or other designee, at the VA facility responsible for the medical care or services provided and for which travel is required.

Beneficiaries use VA Form 70-3542d when completing mileage allowance claims. BTO travel clerks complete an electronic version of VA Form 70-3542d on the claimant’s behalf using VistA. Policy requires that BTO travel clerks record claimant’s information and determine if the beneficiary is eligible before processing the travel reimbursement claim in VistA. Upon successful processing, VistA generates a travel voucher, which VHA pays by cash or by check. By signing and dating the travel voucher, the beneficiary certifies the following:

*I have neither obtained transportation at Government expense nor through the use of Government request, tickets, or tokens; and have not used any Government-owned conveyance or incurred any expenses which may be presented as charges against the Dept. of Veterans Affairs for transportation, meals, or lodging in connection with my authorized travel that is not herein claimed. I hereby claim the amount entered in Item 14*

*above. I certify that the claim is correct and just and that payment has not been received.*

*I hereby acknowledge receipt, in cash or check to be mailed, of the amount in Item 14 above, in full payment of this claim.*

**Beneficiary Travel  
Office Allegations**

On July 7, 2010, the VA OIG Hotline received the following anonymous allegations concerning the operations of the Cincinnati VAMC's BTO section of Patient Business Services. The complainant alleged the BTO was responsible for mismanagement of funds, waste, and inconsistent processes and transactions supporting the Beneficiary Travel program.

1. Beneficiaries were reimbursed for mileage from addresses where they do not reside and/or never have resided.
2. Beneficiaries were sharing rides to VA facilities for medical appointments and both were claiming mileage reimbursements.
3. Spouses were sharing rides to VA facilities for medical appointments and both were claiming mileage reimbursements.
4. Beneficiaries were using community and other public transportation and collecting mileage reimbursements.
5. BTO staff approved some patients for special mode of transportation benefits who were not eligible for this benefit.
6. Beneficiaries received unauthorized travel reimbursements to the Cincinnati VAMC although other VA facilities, which could provide the care or services, were closer to their residences.
7. BTO staff provided travel reimbursement to some patients for unattended medical appointments.
8. BTO staff provided preprinted travel vouchers to patients prior to their completion of scheduled appointments.
9. VHA had not paid a special mode of transportation vendor due to a variety of contract issues.

## Appendix C Potential Monetary Benefits in Accordance With Inspector General Act Amendments

Recommendation	Explanation of Benefits	Better Use of Funds	Questioned Costs
3	174 travel reimbursements approved without evidence of completed medical appoint- ments	\$0	\$3,500
Total		\$0	\$3,500

## Appendix D Cincinnati VA Medical Center Director Comments

### Department of Veterans Affairs

### Memorandum

**Date:** June 6, 2011

**From:** Network Director, VA Healthcare System of Ohio (10N10)

**Subj:** Cincinnati VA Medical Center Beneficiary Travel Office Allegations

**To:** Director, St. Petersburg Audit Operations Division (52SP)  
Director, Management Review Service (Management Review VHA 10A4A4)

1. I have reviewed the recommendations and concur with responses and action plans submitted by the Cincinnati VA Medical Center
2. If you have any questions or require additional information, please feel free to contact me at (513) 247-4610.

*(original signed by:)*

Jack G. Hetrick, FACHE

## Department of Veterans Affairs

## Memorandum

**Date:** June 3, 2011

**From:** Medical Center Director, Cincinnati, OH (539/00)

**Subj:** Draft Report, Veterans Health Administration: Review of Cincinnati VA Medical Center Beneficiary Travel Office Allegations

**To:** Network Director (10N10), VA Healthcare System of Ohio, Cincinnati, OH

1. Attached are my comments and implementation plans in response to the recommendations identified in the OIG Review conducted on July 7, 2010 at the Cincinnati VA Medical Center. I concur with the recommendations, but suggested several changes in the wording of the findings.
2. I appreciate the opportunity for this review as a continuing process to improve care to Veterans.
3. Should you have any questions or require further information, please contact me at (513) 475-6300.

*(original signed by:)*

Linda D. Smith, FACHE

Attachment

## **Comments to Office of Inspector General's Report**

The following Director's comments are submitted in response to the recommendations in the Office of Inspector General report:

### **OIG Recommendations**

**Recommendation 1.** We recommend the Cincinnati VA Medical Center Director enhance management oversight of Beneficiary Travel Operations by implementing a quality assurance program to ensure Beneficiary Travel Program travel reimbursement activities are compliant with applicable policy.

**Concur**

**Action Completed: 5/16/11**

**Facility Response:** The medical center's Patient Business Services (PBS) office implemented routine audits in January 2011 of payable claims reports to ensure mileage reimbursements are compliant with VA regulations and to identify the need for further process improvement or the re-training of any staff. The initial review is being conducted on 100% of travel claims. PBS has also requested additional transportation manifests from sources that do not currently provide the manifests to the BTO. Both of these actions are in addition to the follow up done by BTO and Police and Security Service when there is a suspicion of a fraudulent claim. The BTO is also being reorganized. One full-time clerk is paying all special mode bills, managing the fund control point, processing unauthorized claims and auditing mileage claims. Audits will be tracked through the medical center's Compliance Committee. These actions have been completed and incorporated to ongoing business practices. We request this recommendation to be closed at this time.

**Recommendation 2.** We recommend the Cincinnati VA Medical Center Director direct the Beneficiary Travel Office staff to immediately stop processing mileage reimbursements without evidence of medical appointments and take actions to collect unsupported payments.

**Concur**

**Target Date for Completion: 6/30/11**

**Facility Response:** The existing Beneficiary Travel handouts are being revised to inform Veterans that they will be billed for fraudulent or improper travel claims. Staff in the Beneficiary Travel Office have been retrained to assure that appointments are checked out in the computer before paying cash reimbursements for mileage. This had been an issue primarily in mental health group clinics due to the time involved to complete notes for all the Veterans in the group. If Veterans have not been checked



out at the time they report to the BTO, they will be asked to sign the claim form and a check will be mailed when the completed appointment can be verified. A lead clerk has been delegated the responsibility for assuring that the appointments were completed before she authorizes payment by check to the Veterans.

**Recommendation 3.** We recommend the Cincinnati VA Medical Center Director ensure the Head of Contracting Authority reviews and resolves remaining unpaid special mode of transportation invoices.

**Concur**

**Action Completed: 1/21/11**

**Facility Response:** Fiscal Service has confirmed that the final payment to Med Corp occurred on January 21, 2011. Med Corp, the interim Special Mode transportation provider who transported Veterans while American Ambulance was ramping up to provide new contract service, advised the medical center by email that the company had been fully paid. The actions for this recommendation were completed at the time of the review, however documentation to verify status of the paid claims was unavailable at the time. The documentation of paid claims has since been provided to the OIG. We request that this recommendation be closed at this time.

**Other Issues Identified from the Draft Report “Review of Cincinnati VA Medical Center Beneficiary Travel Office Allegations”**

**Issue 1:** On page 2 of the OIG draft report, the OIG indicates that “While Cincinnati BTO staff has the discretion to request additional information from the beneficiary to confirm the address used to calculate a travel reimbursement, the local policy was not in writing and staff reported not being clear as to when to ask for proof of residence from a veteran.

**Facility Response:** Eligibility staff has the primary responsibility in the medical center for any address changes. This was not the responsibility of the BTO staff. Eligibility staff has a clear process for change of address that includes documentation in the remarks section of the demographic update in VistA providing the date of the address change. They also require that the Veteran document the address change on the 1010EZ.

**Issue 2:** On page 8 of the OIG draft report, the OIG indicates that “BTO staff admitted creating electronic travel vouchers at the beginning of each workday . . .”

**Facility Response:** There was a single BTO staff member who preprinted travel vouchers for a short period of time in 2010. This practice was reported to management but the employee had already taken another position in the medical center so no further action was required.

## **Appendix E    OIG Contact and Staff Acknowledgments**

OIG Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
Acknowledgments	Timothy J. Crowe, Director Johnny McCray Bryan Shaw Craig Ward

## **Appendix F    Report Distribution**

### **VA Distribution**

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