



**THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON**

February 26, 2020

**The Honorable Henry Kerner
Special Counsel
U.S. Office of Special Counsel
1730 M Street, NW, Suite 300
Washington, DC 20036**

Re: Office of Special Counsel File No. DI-19-2715

Dear Mr. Kerner:

I am responding to your June 28, 2019, letter regarding allegations made by a whistleblower, who alleged that employees at the Department of Veterans Affairs (VA) Texas Valley Coastal Bend Health Care System in Harlingen, Texas, engaged in conduct that may constitute a violation of law, rule, or regulation; engaged in gross mismanagement; or created a substantial and specific danger to public health.

The Executive in Charge, Office of the Under Secretary for Health, directed the Office of the Medical Inspector to assemble and lead a VA team to conduct an investigation. We investigated this matter from August 5–8, 2019. We substantiate one allegation and do not substantiate the remaining one. We make eight recommendations to Harlingen and one recommendation to the Veterans Health Administration.

Thank you for the opportunity to respond.

Sincerely,

A handwritten signature in black ink that reads "Robert L. Wilkie".

Robert L. Wilkie

Enclosure

DEPARTMENT OF VETERANS AFFAIRS

Washington, DC

Report to the Office of Special Counsel

OSC File Number DI-19-2715

VA Texas Valley Coastal Bend Health Care System

Harlingen, Texas



December 12, 2019

TRIM 2019-C-25

Executive Summary

The Executive in Charge, Veterans Health Administration (VHA), directed the Office of the Medical Inspector (OMI) to assemble and lead a Department of Veterans Affairs (VA) team to investigate allegations submitted to the Office of Special Counsel (OSC) concerning the VA Texas Valley Coastal Bend Health Care System located in Harlingen, Texas. The whistleblower, a former employee, alleged that Harlingen employees engaged in conduct that may constitute violation of a law, rule, or regulation; engaged in gross mismanagement; or created a substantial and specific danger to public health or safety. We conducted a site visit to Harlingen on August 5–8, 2019.

Specific Allegations of the Whistleblower

1. *VCB HCS has failed to pay private ambulatory providers and municipalities for the cost of emergency medical transportation and reimburse veterans in cases where they have improperly borne the cost of emergency transportation in violation of 38 U.S.C. § 1725 and 38 CFR §§ 17.120, 17.1000-17.1008; and*
2. *VCB HCS lacks a processing system to receive and dispense payments for emergency transportation and has refused to implement such a system to the financial detriment of veterans and private vendors who provide services to the VA.*

We **substantiated** allegations when the facts and findings supported that the alleged events or actions took place and **did not substantiate** allegations when the facts and findings showed the allegations were unfounded. We were **unable to substantiate** allegations when the available evidence was insufficient to support conclusions with reasonable certainty about whether the alleged event or action took place.

After careful review of the findings, we make the following conclusions and recommendations:

Conclusion(s) for Allegation 1

- We **substantiate** that Harlingen failed to reimburse private ambulance providers and municipalities for the cost of special mode transportation (SMT) and reimburse Veterans in cases in which SMT vendors billed Veterans because of delays in processing the vendors' claims.
- Although the whistleblower alleged violations of 38 United States Code (U.S.C.) § 1725 and 38 Code of Federal Regulations (CFR) §§ 17.120, 17.1000-17.1008 by Harlingen, Harlingen does not have responsibility for processing of claims under those authorities. This responsibility belongs to the Office of Community Care (OCC) in Bonham. For this reason, we focused our investigation on SMT claims processed by Harlingen under the Beneficiary Travel (BT) program. We also expanded our investigation beyond emergency SMT to include all SMT claims processed by Harlingen.

Recommendation(s) to Harlingen

1. Review and process all SMT claims in the Invoice Presentment and Payment System (IPPS) in a timely manner.
2. Contact vendors to verify that any Veterans who paid vendor bills for SMT were reimbursed by the vendor upon receipt of reimbursement by VA.

Conclusion(s) for Allegation 2

- We do not substantiate that Harlingen currently lacks a processing system to receive claims and process SMT claims and dispense payments. It has multiple systems for this purpose. Harlingen also has local guidance relevant to processing SMT claims; however, we found that staff and vendors received inadequate training on that process.
- Beneficiary Travel managers may have violated VHA policy related to the determination of administrative eligibility for SMT.

Recommendation(s) to Harlingen

3. Train staff and educate vendors on the new processes outlined in *Special Mode Claims Standard Operating Procedure (SOP)*.
4. Audit compliance with the above SOP, including BT management process for determining administrative eligibility. Update and provide additional training as needed.
5. Develop a BT email action group that includes BT management to ensure a reliable communication pathway for SMT vendors.
6. Track performance and SOP compliance of BT through a formal process and report the results to the VA Medical Center Director.
7. Provide appropriate staff and resources to the BT section to ensure prompt claims processing.
8. Implement the Electronic Claims Adjudication Management System (eCAMS) as soon as available.

Recommendation(s) to VHA

1. Direct the National Veterans Transportation Program Office to complete a full BT audit of Harlingen. If fraud is found, contact the Office of Inspector General.

Summary Statement

We have developed this report in consultation with other VHA and VA offices to address OSC's concerns that Harlingen may have violated a law, rule, or regulation; engaged in gross mismanagement; or created a substantial and specific danger to public health or safety. VHA Human Resources has examined personnel issues to establish accountability, and the National Center for Ethics in Health Care has provided a health care ethics review. We found a violation of VHA policy at Harlingen, but none resulting in substantial and specific danger to public health or safety.

Table of Contents

Executive Summary ii

I. Introduction 1

II. Facility Profile 1

III. Specific Allegations of the Whistleblower 1

IV. Conduct of Investigation 1

V. Findings, Conclusions, and Recommendations 2

Allegation 1 2

Findings 3

Conclusion(s) for Allegation 1 5

Recommendation(s) to Harlingen 5

Allegation 2 5

Findings 6

Conclusion(s) for Allegation 2 8

Recommendation(s) to Harlingen 9

Recommendation(s) to VHA 9

VI. Summary Statement 9

Attachment A 10

I. Introduction

The Executive in Charge, Veterans Health Administration (VHA), directed the Office of the Medical Inspector (OMI) to assemble and lead a Department of Veterans Affairs (VA) team to investigate allegations submitted to the Office of Special Counsel (OSC) concerning the VA Texas Valley Coastal Bend Health Care System located in Harlingen, Texas. The whistleblower, a former employee, alleged that Harlingen employees engaged in conduct that may constitute violation of a law, rule, or regulation; engaged in gross mismanagement; or created a substantial and specific danger to public health or safety. We conducted a site visit to Harlingen on August 5–8, 2019.

II. Facility Profile

Formally named VA Texas Valley Coastal Bend Health Care System (TVCBHCS) and part of Veterans Integrated Service Network (VISN) 17, Harlingen officially activated as an independent VA health care system on October 1, 2010. The transfer of patient electronic medical records from the South Texas Veterans Health Care System for the activation of Harlingen occurred in June 2011, making the facility fully operational. Harlingen comprised 20 counties in deep South Texas and encompasses the Laredo, McAllen, Harlingen, and Corpus Christi Outpatient Clinic service areas.

III. Specific Allegations of the Whistleblower

- 1. VCB HCS has failed to pay private ambulatory providers and municipalities for the cost of emergency medical transportation and reimburse veterans in cases where they have improperly borne the cost of emergency transportation in violation of 38 U.S.C. § 1725 and 38 CFR §§ 17.120, 17.1000-17.1008; and*
- 2. VCB HCS lacks a processing system to receive and dispense payments for emergency transportation and has refused to implement such a system to the financial detriment of veterans and private vendors who provide services to the VA.*

IV. Conduct of Investigation

The VA team conducting the investigation consisted of a Senior Medical Investigator, the Senior Advisor to the Principal Deputy Under Secretary for Health, and a Clinical Program Manager; all from OMI; a Regional Coordinator, Veterans Transportation Service, and a Human Resources (HR) Officer. We reviewed relevant policies, procedures, professional standards, reports, memos, and other documents listed in Attachment A. We toured Harlingen's Veterans Travel section and held entrance and exit briefings with the following leadership: Director, Acting Associate Director, Acting Chief of Staff (CoS), Associate Director for Patient Care Services, Chief of Quality Management (QM), two QM clinicians, the VISN 17 Deputy Network Director, the VISN 17 Quality Management Officer, and the Acting VISN 17 Executive Assistant (EA) to the Network Director.

We interviewed the whistleblower via teleconference on July 16, 2019. We also interviewed the following staff:

- Medical Center Director (MCD)
- Chief, Health Administration Services (HAS) and Acting Associate Director
- Assistant Chief, Patient Administration and Chief, Health Information Management Service (HIMS)
- Reimbursement Staff Specialist
- Patient Aligned Care Team (PACT) and Inpatient Social Worker
- Two Bonham Payment Center staff members
- Accountant Technician
- Social Work Supervisor
- Social Work Case Manager
- Chief Fiscal Officer (CFO)
- Manager, Office of Community Care (OCC)
- Compliance Officer
- Patient Advocate
- Two Transportation Assistants
- VISN 17 Business Integration Manager

V. Findings, Conclusions, and Recommendations

Allegation 1

VCB HCS has failed to pay private ambulatory providers and municipalities for the cost of emergency medical transportation and reimburse veterans in cases where they have improperly borne the cost of emergency transportation in violation of 38 U.S.C. § 1725 and 38 CFR §§ 17.120, 17.1000-17.1008

Background

VA has authority to reimburse certain non-VA emergency treatment costs and associated emergency special mode transportation (SMT) costs in accordance with 38 United States Code (U.S.C.) § 1725, implemented at 38 Code of Federal Regulations (CFR) § 17.1000 et seq., and 38 U.S.C. § 1728, implemented at 38 CFR § 17.120 et seq. Claims under these authorities, including for emergency transportation, are processed by OCC and are not processed by the Harlingen Health Care System (HCS). We clarified with the whistleblower that his concerns did not extend to claims for SMT processed by OCC. For this reason, we focused our investigation on the processing of SMT claims by Harlingen under the Beneficiary Travel (BT) program.

VA also has authority to reimburse for certain SMT under the BT program, 38 U.S.C. § 111, implemented at 38 CFR § 70.1-70.50. Under the BT program, SMT is reimbursed under the following conditions: the SMT is medically required and is authorized before travel begins, or in certain instances, in the case of a medical emergency. Harlingen processes claims for reimbursement under this program.

Findings

Based upon our interview with the whistleblower and analysis of the data, we determined the whistleblower was concerned about all SMT claims processed at Harlingen, and that his concerns were not limited to emergency SMT. Since the whistleblower's concerns did not extend to claims for SMT that are processed by OCC under 38 U.S.C. § 1725 and 38 U.S.C. § 1728, we focused our investigation on the processing of SMT claims by Harlingen under the BT program.

In 2017, the OCC in Bonham, Texas, instituted a pilot program to pay all SMT invoices for the serviced facilities in that VISN. Thus, for a period of time, Harlingen did not process any SMT claims. In July 2018, OCC in Bonham ended the practice and stopped paying the SMT claims that prior to the pilot were the responsibility of Harlingen. We interviewed staff from VISN 17 and OCC in Bonham to determine the reason for ceasing the pilot in July 2018. In May 2018, the Office of Inspector General (OIG) released an audit report (*The Beneficiary Travel Program, Special Mode of Transportation Eligibility and Payment Controls*, Report #15-00022-139, May 7, 2018), which identified numerous issues relating to BT, including SMT, but none specifically related to Harlingen, nor was Harlingen a subject of the audit. One recommendation in the OIG report was that BT staff verify that Veterans attended the medical appointments related to the claim for SMT. OCC in Bonham does not have access to this information in the Computerized Patient Record System (CPRS) and, therefore, could not verify attendance at the associated appointment. Because of the OIG report and associated VHA action plan, OCC in Bonham ended the pilot. OCC in Bonham rejected these medical SMT invoices and sent them back to the vendor with the instructions: "Ambulance – Forward to Beneficiary Travel. There is no evidence of an authorization for the invoice submitted. Please contact the VA facility Beneficiary Travel Office regarding eligible beneficiaries." This modification in procedure was not communicated to Harlingen. As a result, the SMT claims submitted to Harlingen did not get processed because Harlingen was unaware that OCC in Bonham had ended the pilot and instructed vendors to send claims back to the facility's BT office. By September 2018, SMT providers began complaining to Harlingen, including the business office and social workers, regarding non-payment of invoices for SMT.

The former Transportation Manager at Harlingen started to investigate the increasing vendor complaints in September 2018, and attempted to remedy the situation. The Harlingen budget for BT did not include these expenses, as the OCC in Bonham was paying the claims, and as a result, BT had no money in the current year's budget to pay them. He contacted the National Program Office for Veteran Transportation in September 2018, after receiving multiple complaints about non-payment of SMT invoices from vendors and Veterans. He requested assistance in managing claims and developed a draft process in coordination with the National Program Office. He presented this draft process to his leadership in October 2018. At approximately the same time, facility leadership also became aware of unprocessed SMT claims through Veteran and vendor complaints. Harlingen leadership sent an Issue Brief to VISN 17 on October 19, 2018, describing the problem and proposed solutions. The former Transportation Manager also met with the former Budget Officer around January 2019,

to begin the process for allocation of appropriate fiscal year (FY) funds to pay the claims. After further investigation, Harlingen developed an action plan in March 2019, which it began implementing in April 2019.

Under the pilot program, the vendor submitted an SMT invoice to OCC in Bonham for processing. After April 2019, Harlingen instructed vendors to send all invoices to the Financial Service Center (FSC) in Austin, Texas. This is different from the instruction provided by OCC in Bonham when it ended the pilot and started rejecting claims with an instruction for vendors to send claims back to the facility's BT office. Because of the unclear guidance, some vendors send SMT invoices directly to Harlingen for processing, despite these instructions to the contrary, and others sent them to the FSC. This practice continues as of the time of this report. Harlingen sends invoices received from the SMT vendor to FSC so that they can be entered in the Invoice Presentment and Payment System (IPPS) to start the claims process.

For Calendar Year 2018, there were 4,227 claims rejected by Bonham Community Care Payment Center that were sent back to BT at Harlingen, (as of August 6, 2019) compared to 446 in 2017. The number of claims rejected by Bonham and sent to Harlingen BT increased from 42 in February 2018 to 552 in June 2018. This is consistent with reports that Bonham stopped paying some claims in June 2018. This increase in rejected claims by OCC in Bonham may represent the end of the pilot. We reviewed the IPPS as of August 6, 2019, and found 667 claims awaiting processing by Harlingen totaling \$409,875; however, it is likely that some of these are unrelated to this allegation.

We reviewed Harlingen's expenditure reports for FY 2017 through July 2019. On the FY 2017 expenditure report, there was an expenditure amount of \$132,135 paid on May 30, 2019, which falls into FY 2019. On the FY 2018 expenditure report, we found two different sums: \$1,174,384 paid on March 6, 2019, and a second amount of \$347,884 paid on August 5, 2019. The total amount paid in FY 2019 for FY 2018 invoices represents 66 percent of the total expenses for BT in FY 2018. Although it is reasonable to expect some expenses from a prior FY to be paid in a later FY, the amount of activity could illustrate a significant timely payment issue. In the absence of payment by VA, the SMT vendor could seek reimbursement directly from the Veteran. Interviewees indicated that Veterans came into the BT office after receiving bills from the SMT vendors. Some of these were simply notifications that the bill was submitted to VA, but others were unpaid bills and notifications from collection agencies. The number of complaints relating to SMT bills varied from 5 to 40 per week, according to interviewees; however, we have no data on the content or reason for the complaint. By testimony, Harlingen recently started reaching out to vendors to ask which Veterans had received bills, and if the Veterans paid the bill, the vendor would reimburse them upon receipt of VA's payment.

Harlingen provided seven examples of Veterans who were eligible for BT and received bills for SMT services between July 2018, when the pilot was stopped, and December 2018. These bills had not been paid by VA. One Veteran had two different bills, one

from 2011, which had been sent to a collection agency; however, this date is outside the period of interest.

Conclusion(s) for Allegation 1

- We **substantiate** that Harlingen failed to reimburse private ambulance providers and municipalities for the cost of SMT and reimburse Veterans in cases in which SMT vendors billed Veterans because of delays in processing the vendors' claims.
- Although the whistleblower alleged violations of 38 U.S.C. § 1725 and 38 CFR §§ 17.120, 17.1000-17.1008 by Harlingen, Harlingen does not have responsibility for processing of claims under those authorities. This responsibility belongs to the OCC office in Bonham. For this reason, we focused our investigation on SMT claims processed by Harlingen under the BT program. We also expanded our investigation beyond emergency SMT to include all SMT claims processed by Harlingen.

Recommendation(s) to Harlingen

1. Review and process all SMT claims in IPPS in a timely manner.
2. Contact vendors to verify that any Veterans who paid vendor bills for SMT were reimbursed by the vendor upon receipt of reimbursement by VA.

Allegation 2

VCB HCS lacks a processing system to receive and dispense payments for emergency transportation and has refused to implement such a system to the financial detriment of veterans and private vendors who provide services to the VA.

Background

Harlingen Memorandum 136-19-03, *Transfer of Veteran and Non-Veteran Patients*, establishes the policies and procedures for the movement of inpatients and outpatients between health care facilities.¹ This policy memo states that eligible service-connected Veterans, as defined in VHA Handbook 1601B.05, *Beneficiary Travel*, will not be charged for SMT, and that Veterans not meeting the eligibility criteria for SMT will be responsible for the cost.²

Harlingen Special Mode Claims Standard Operating Procedures (SOP), provides specific details on the actions required from the BT section.³ The SOP outlines two distinct processes: authorization by the provider describing the services required and the certification process, which begins with determining eligibility and ends when

¹ Harlingen Memorandum 136-19-03, *Transfer of Veteran and Non-Veteran Patients*, April 4, 2019.

² VHA Handbook 1601B.05, *Beneficiary Travel*, July 21, 2010.

³ *Special Mode Claims SOP*, April 17, 2019.

documentation of the service and invoice are provided by the vendor. The SOP requires BT staff to: "Verify the invoice has the claim and ambulance run sheets."

A pre-authorized SMT request begins with the consult from the provider ordering the service in CPRS. The BT office receives this consult from CPRS and determines eligibility for travel, and uses this consult to request appropriate SMT service and documents actions in the SMT Tracking log. The BT office then requests service for SMT from a vendor who can meet the medical needs of the Veteran, and schedules with the vendor and Veteran. The vendor is responsible for submitting the claim. The desired method is to enter the claim into a commercial invoice system called the Tungsten system, which then gets processed by FSC in Austin.⁴ Vendors also send invoices directly to Harlingen. After service completion, the BT office matches the invoice, the run sheet, and the consult in CPRS to IPPS. The BT office verifies eligibility and certifies the claim for payment. These steps involve paper invoices and at least three different systems to complete. The process can take 15-20 minutes per claim, according to interviewees. If the BT clerk finds fault in the claim and recommends refusal, IPPS has a default setting that requires certifying officials to actively refuse documents.⁵ If the certifying official does not actively take action in the system to refuse the claim within 25 days, and the claim amount is less than \$2,500, the claim will be processed for payment.⁶ As of the time of this report, Harlingen has claims averaging 38 days; however, the automatic function is suspended.

Findings

Harlingen uses multiple systems to process SMT claims, such as IPPS, the Fee Basis Claims System, and CPRS. However, during interviews, we asked BT staff members if they were familiar with the *Special Mode Claims SOP*, and none were familiar with the guidance. When asked about training provided by Harlingen relating to processing SMT travel, staff members indicated they received less than 1 day of on-the-job training. Individuals pursued additional training on their own, but this was not specific to Harlingen's processes. One staff member said that she found a checklist in her desk and used it to perform her duties. The BT management developed a flow chart summarizing the steps from the SOP on or about April 2019, and BT staff members indicated they had seen that document and now used it as a job aid.

We requested documentation relating to communication with SMT vendors on how to properly submit claims and were given a letter template dated April 2019; this was sent to vendors to provide specific instructions. As of the date of this report, only a few vendors are fully compliant with the new process, as described in Allegation 1.

As in the OIG findings in the report referenced above, interviewees told us that BT managers disregarded VHA Handbook 1601B.05 on medical necessity and SMT

⁴ <https://www.fsc.va.gov/einvoice.asp>.

⁵ To ensure segregation of duties outlined in VA Administrative Fiscal Policies and Procedures Volume VII Chapter 1, different staff request transport (accepting the consult), and a second staff member must match the Veteran's information with the IPPS invoice (certifying the service). Staff reported that in the past, only one individual was responsible for both functions due to a lack of manpower.

⁶ <https://vawww.fsccollaboration.fsc.va.gov/IPPS%20Documentation/Forms/AllItems.aspx>, Slide 19.

administrative eligibility requirements for the benefit of the Veteran. This was particularly true when there was a perception that the Veteran suffered financial hardship because of non-payment. BT management also indicated that past litigation by SMT vendors because of non-payment increased its sensitivity to the issue.

For example, we were provided with an invoice dated (b) (6) 2019, for services provided on (b) (6) 2019. This invoice was proposed to be rejected by a BT staff member because of missing documentation (a run sheet), which was standard practice for certifying these invoices. In an email to her supervisor, the BT staff member indicated the reason for her denial, and the supervisor responded and directed her to certify the invoice despite the lack of proper documentation. The invoice was for a single SMT event costing \$39,972. Although there was appropriate VA medical provider documentation authorizing the SMT, we found no progress notes, runs sheets, or other forms of written communication in CPRS from the vendor. In this case, the SMT was an (b) (6) requiring advanced medical support and would have documentation of the en route care. The requirement for a run sheet is outlined in *Special Mode Claims SOP*, Harlingen's current SOP, which was implemented 3 months prior to this event.

BT staff also indicated that, after January 2019, they were tasked to complete training to determine income eligibility for Veterans applying for SMT. We reviewed the Beneficiary Travel Calculator used to train the BT staff. In this spreadsheet document, under "Instructions BT Vista & BTSS" tab, Step 2 states: "Confirm reason for Entry (POW/CD/Travel Hardship) is checked." On this same sheet, the selection "Enter the Reason for Alternate Income" defaults to "H//ardship" [sic]. The default entry cannot be changed. As a result of this training, BT staff processed applications as "Hardship" regardless of whether the Veteran qualified. This continued for approximately 1 month, until a BT staff member questioned the outcomes and pursued additional information on her own, and notified management of the error. She stated that BT management verbally instructed her to leave the hardship designation on all prior eligibility forms because the recertification process would correct the error within a year. The BT staff member's concern was that disregarding VHA policy created a risk for fraud and eliminated protections through the established certification and eligibility procedures.

The Harlingen Chief Financial Officer (CFO) assumed the position in (b) (6), and was aware of a backlog of invoices. The CFO conducts a quarterly review that identifies pending or ongoing activity for greater than 60 days for investigation. Beneficiary travel was identified in these reviews as one of the highest obligations for funding at Harlingen. She stated that she met with the former Mobility Manager regarding the backlog, on or about January 2019, and subsequently with the interim Mobility Manager following the (b) (6). She stated that because of these meetings and her audits, she made available appropriate FY funding to pay the old invoices. She was directly involved in the development of the vendor letter sent out in April 2019, explaining the new process.

We reviewed the Harlingen BT Risk Assessment initiated in June 2018, which identified BT as susceptible to inappropriate payments to vendors and Veterans if funds are not

applied appropriately, resulting in a misuse of taxpayer funds and a violation of Appropriations Law. The report indicated no progress in August 2018, toward the stated goal of increasing "...compliance with special mode audits to 95 percent correct on all administrative elements." Compliance Committee minutes reported the status of the BT Risk Assessment in October 2018 as "Improvements continue in area of beneficiary travel but still remains a risk." The last mention of BT specifically is in November 2018, which indicated VISN 17 identified BT as one of four risk areas requiring monitoring for FY 2019. There are no further details specifically relating to BT December 2018 through the last set of minutes available in June 2019.

BT management and staff stated that the office is chronically short-staffed. In the past year, three different individuals held the position of Mobility Manager, and there are two vacancies in claims processing. This staff shortage was also identified in the Risk Assessment identified above as an issue in the first quarter of FY 2019. In addition to short staffing, we found no evidence of department staff meetings or ongoing training. The Risk Assessment (comment dated April 2019) mentions "...education to both Veterans and staff" relating to BT payments; however, the referenced attachment is a fact sheet provided by VA Public Affairs "VA Expands Eligibility for Emergency Treatment," dated January 2018.

We also interviewed Harlingen social workers who assist with making BT arrangements, and the Patient Advocate to determine if Veterans had been affected. The social workers and the Patient Advocate indicated they heard from Veterans regarding non-payment of ambulance bills. They also stated that when these occur, they refer the Veterans to the Business Office for resolution. None indicated repeat complaints from Veterans after the referral. This concern is also addressed in Allegation 1.

We consulted with the National Program Office who indicated that they are working to convert all VA medical facilities to the Electronic Claims Adjudication Management System (eCAMS). The eCAMS is a program which extracts, analyzes and generates reports from multiple business systems. The intent is to streamline BT processing and eliminate the need to access multiple programs to process claims.⁷ Facilities currently using the Fee Basis Claims System will convert to eCAMS within the next 90 days of this report; however, this is unrelated to this investigation.

Conclusion(s) for Allegation 2

- **We do not substantiate** that Harlingen currently lacks a processing system to receive claims and process SMT claims and dispense payments. It has multiple systems for this purpose. Harlingen also has local guidance relevant to processing SMT claims; however, we found that staff and vendors received inadequate training on that process.
- BT managers may have violated VHA policy related to the determination of administrative eligibility for SMT.

⁷ <https://www.oit.va.gov/Services/TRM/ToolPage.aspx?tid=11708#>.

Recommendation(s) to Harlingen

3. Train staff and educate vendors on the new processes outlined in *Special Mode Claims SOP*.
4. Audit compliance with the above SOP, including BT management process for determining administrative eligibility. Update and provide additional training as needed.
5. Develop a BT email action group that includes BT management to ensure a reliable communication pathway for SMT vendors.
6. Track performance and compliance of BT through a formal process and report the results to the VA MCD.
7. Provide appropriate staff and resources to the BT section to ensure prompt claims processing.
8. Implement eCAMS as soon as available.

Recommendation(s) to VHA

1. Direct the National Veterans Transportation Program Office to complete a full BT audit of Harlingen. If fraud is found, contact the OIG.

VI. Summary Statement

We have developed this report in consultation with other VHA and VA offices to address OSC's concerns that Harlingen may have violated a law, rule, or regulation; engaged in gross mismanagement; or created a substantial and specific danger to public health or safety. VHA Human Resources has examined personnel issues to establish accountability, and the National Center for Ethics in Health Care has provided a health care ethics review. We found a violation of VHA policy at Harlingen, but none resulting in substantial and specific danger to public health or safety.

Attachment A

Documents in addition to the Electronic Medical Record reviewed are as follows:

38 U.S.C. § 111, *Payments or Allowances for Beneficiary Travel.*

38 U.S.C. § 7301, *Functions of Veterans Health Administration.*

38 U.S.C. § 1725, *Reimbursement for Emergency Treatment.*

38 U.S.C. § 1728, *Reimbursement of Certain Medical Expenses.*

38 U.S.C. § 1752, *Hospital Care and Medical Services in Non-VA Facilities.*

Office of Inspector General Audit Report #00022-139, May 7, 2018.

5 CFR Part 1315, *Prompt Payment Act.*

38 CFR § 17.120, *Payment or reimbursement of the expenses of hospital care and other medical services not previously authorized.*

38 CFR § 17.1002, *Substantive conditions for payment or reimbursement.*

38 CFR § 17.1003, *Emergency transportation.*

38 CFR § 17.1004, *Filing claims.*

VA Financial Policies and Procedures, *Administrative Fiscal Policies and Procedures, Volume VIII – Chapter 1*, October 2013.

VHA Handbook 1601B.05, *Beneficiary Travel*, July 21, 2010.

Harlingen Policy Memorandum 136-19-03, *Transfer of Veteran and Non-Veteran Patients*, April 4, 2019.

Harlingen Health Administrative Service SOP *Special Mode Claims SOP*, April 17, 2019.

Harlingen Beneficiary Travel Risk Assessment R-005.

Harlingen Compliance Committee minutes from September 2018 to June 2019.

Harlingen IPPS report, August 6, 2019.

Key to Investigators and Interviewees

Investigative Team

- (b) (6) Senior Medical Investigator
- (b) (6) Special Advisor to the Principal Deputy
Under Secretary for Health
- (b) (6) Clinical Program Manager
- (b) (6) Regional Coordinator Veterans Transportation Services
- (b) (6) Deputy Chief Human Resources Officer (virtual)

Interviewees

- (b) (6) Medical Center Director
- (b) (6) Chief, HAS and Acting Associate Director
- (b) (6) Assistant Chief, Patient Administration and Chief, HIMS
- (b) (6) Reimbursement Staff Specialist
- (b) (6) PACT and Inpatient Social Worker
- (b) (6) Bonham Payment Center
- (b) (6) Accountant technician
- (b) (6) Social Work Supervisor
- (b) (6) Social Work Case Manager
- (b) (6) CFO
- (b) (6) PACT Social Worker /Traveling Veteran
- (b) (6) Bonham Payment Center
- (b) (6) Compliance Officer
- (b) (6) Patient Advocate
- (b) (6) VISN 17 Business Integration Manager
- (b) (6) Transportation Assistant
- (b) (6) Transportation Assistant