

September 2010

VA HEALTH CARE

Spending for and Provision of Prosthetic Items



GAO

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Why GAO Did This Study

In fiscal year 2009, the Department of Veterans Affairs (VA) provided more than 59 million prosthetic items to more than 2 million veterans. After VA physicians and other clinicians prescribe prosthetic items, VA's Prosthetic and Sensory Aids Service (PSAS) is responsible for processing prescriptions and providing prosthetic items to veterans. PSAS is also responsible for managing VA's spending for prosthetic items—more than \$1.6 billion in fiscal year 2009. In fiscal year 2008, this spending exceeded VA's budget estimates. Each year, VA makes an initial funding allocation for prosthetic items, and may reallocate by increasing or decreasing the funding available for prosthetic items during the fiscal year.

GAO was asked to examine (1) how, for fiscal years 2005 through 2009, VA's spending for prosthetic items compared to budget estimates, and the extent to which VA reallocated funding for prosthetic items; (2) how PSAS monitors its performance in processing and providing prosthetic items to veterans; and (3) the efforts VA has undertaken to improve PSAS's performance. GAO reviewed VA's spending and funding allocation data for fiscal years 2005 through 2009. GAO also reviewed documents and interviewed VA officials at headquarters, 5 of VA's 21 regional health care networks, called VISNs, and 13 VA medical centers (VAMC).

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What GAO Found

VA spending for prosthetic items for each of fiscal years 2005 through 2009 differed from budget estimates, varying in amounts—both under and over budget estimates—ranging from 6 to 12 percent of VA's overall spending for prosthetic items during the 5 fiscal years. In fiscal years 2005, 2008, and 2009, VA spent about \$91 million, \$83 million, and \$183 million more, respectively, than VA originally estimated for its congressional budget justification. Conversely, in fiscal years 2006 and 2007, VA spent about \$82 million and about \$150 million less, respectively, for prosthetic items than estimated. VA officials reported that they did not perform analysis to determine the specific causes of these differences, but that new trends are taken into account when allocating funding to be used for prosthetic items. In an effort to more closely match funds available for prosthetic items to actual spending needs, VA reallocated the funding available to PSAS and relied on VISNs and VAMCs to address the need for additional funding for prosthetic items at specific VA locations. For example, in fiscal year 2008, when an additional \$83 million in funding was required for prosthetic items, VA reallocated \$56 million to PSAS and VISNs and VAMCs covered \$27 million in spending for prosthetic items.

PSAS has performance measures that monitor the timeliness of its processing of prosthetic prescriptions and a number of veteran feedback mechanisms to identify problems in how it provides prosthetic items to veterans. In fiscal year 2009, PSAS's performance measures showed that nearly all of its prescriptions for prosthetic items met its performance goals. While in many cases, PSAS's performance measures serve as a reasonable proxy for monitoring the timeliness of veterans' receipt of their prosthetic items, they may miss some instances in which veterans experience long wait times. Recognizing this shortcoming, PSAS officials rely on a number of other mechanisms—such as telephone calls from veterans and receipt of veteran evaluation cards—to obtain information on veteran satisfaction that may alert them to timeliness or other problems not reflected in their performance measures.

VA is making a number of efforts at various levels to improve its performance in providing prosthetic items to veterans. For example, in 7 of VA's 21 VISNs, PSAS personnel at the VISN level centrally manage the provision of prosthetic items at all of the VAMCs in their region. According to VA officials in several VISNs that have adopted this centralized management structure, giving VISN-level PSAS personnel more authority has allowed local PSAS personnel at the VAMCs to devote more time to meeting veterans' needs, and in some cases, has enhanced management effectiveness and efficiency. At the national level, in fiscal year 2009, PSAS had 49 national contracts for prosthetic items, which, according to PSAS officials, help ensure that the quality of prosthetic items provided to veterans is consistent across the country.

VA provided technical comments that GAO incorporated as appropriate.

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Abbreviations

NPPD	National Prosthetics Patient Database
PSAS	Prosthetic and Sensory Aids Service
VA	Department of Veterans Affairs
VAMC	Veterans Affairs medical center
VHA	Veterans Health Administration
VISN	Veterans Integrated Service Network
VPR	VISN prosthetic representative

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United States Government Accountability Office
Washington, DC 20548

September 30, 2010

The Honorable Daniel K. Akaka
Chairman
Committee on Veterans' Affairs
United States Senate

The Honorable Bob Filner
Chairman
Committee on Veterans' Affairs
House of Representatives

The Department of Veterans Affairs (VA), through its Prosthetic and Sensory Aids Service (PSAS), provides prosthetic items to those veterans who have experienced the loss or permanent impairment of a body part or function. During fiscal year 2009, PSAS procured and delivered more than 59 million prosthetic items¹ to more than 2 million veterans, or nearly 40 percent of the veterans who received health care services from VA during the year.² The prosthetic items provided by VA include a variety of medical devices and equipment ranging from artificial limbs and surgical implants—such as pacemakers and hip replacements—to eyeglasses and hearing aid batteries. In recent years, the annual number of veterans who have received prosthetic items through PSAS and the annual amount that VA has spent on those items have increased significantly. Between fiscal years 2005 and 2009, the number of veterans to whom PSAS furnished prosthetic items grew 50 percent, from about 1.5 million to almost 2.2 million. During the same period, VA spending for prosthetic items increased about 60 percent, from about \$1 billion to more than \$1.6 billion.

As PSAS provides more prosthetic items to more veterans, it is increasingly important that PSAS effectively manage the funding VA allocates to PSAS for prosthetic items and that it ensure prosthetic items

¹The more than 59 million prosthetic items provided to veterans include about 35 million batteries and more than 15 million components related to the repair of prosthetic items, such as parts to repair wheelchairs and artificial limbs.

²According to VA, the vast majority (96 percent) of veterans receiving prosthetic items from the department did not serve in the current conflicts in Afghanistan and Iraq. In fiscal year 2009, the prosthetic items provided to the veterans from these current conflicts accounted for about \$38.4 million (2 percent) of the \$1.6 billion VA spent for prosthetic items.

are provided to veterans in an economical and timely manner.³ Each year, VA develops annual spending estimates for prosthetic items, which are included in VA's annual congressional budget justification as part of its estimate for health care services. VA does not, however, receive a specific appropriation for prosthetic items; rather, VA receives an appropriation for all of its health care services, including prosthetic items—the Medical Services appropriation. As a result, VA has considerable discretion in how it allocates its appropriated funding among its health care services, including the reallocation of funding throughout a fiscal year as required to meet actual spending needs. In 2009, veterans service organizations reported that actual spending for prosthetic items significantly exceeded estimates for fiscal year 2008. In light of this information, these organizations recommended that Congress ensure VA's appropriations are sufficient to meet the prosthetic needs of all veterans so that any requests for additional funding for prosthetic items do not compromise other programs.⁴

You expressed interest in obtaining information in order to better understand the operation of PSAS, including its management of VA funding allocated for prosthetic items and its performance in providing prosthetic items in a timely manner. This report discusses (1) how, for fiscal years 2005 through 2009, VA's spending for prosthetic items compared to budget estimates, and the extent to which VA reallocated the funding available for prosthetic items; (2) how PSAS monitors its performance in processing and providing prosthetic items to veterans; and (3) the efforts VA has undertaken to improve PSAS's performance in providing prosthetic items to veterans.

To determine how VA's spending for prosthetic items compared to budget estimates, we obtained information from VA on its annual spending for prosthetic items for each of fiscal years 2005 through 2009.⁵ We also

³In general, the funding VA allocates to PSAS for prosthetic items covers the procurement of prosthetic items and components necessary to fabricate prosthetic items. According to VA officials, these funds do not cover administrative and clinical costs, such as the salaries and benefits of PSAS personnel or labor costs associated with VA fabrication of prosthetic items.

⁴Veterans for Veterans, *Independent Budget for the Department of Veterans Affairs, Fiscal Year 2010*, <http://www.independentbudget.org/> (accessed Jul 10, 2010), p. 92.

⁵For purposes of this report, we used data on VA's obligations for prosthetic items to report its annual spending for prosthetic items. Obligations refer to a definite commitment creating a legal liability to make payments immediately or in the future. An obligation is incurred, for example, when an agency awards a contract to a private entity.

reviewed VA's estimates for prosthetic items that the department included in its annual congressional budget justifications for the same fiscal years. We compared actual spending for prosthetic items with the estimates reported in the budget justifications. To determine the extent to which VA reallocated funding for prosthetic items, we obtained information for each of fiscal years 2005 through 2009 on the funding VA initially allocated and subsequently reallocated for prosthetic items. We interviewed VA officials from PSAS's central office and the Veterans Health Administration's (VHA)⁶ Office of Finance on differences between spending and estimates for prosthetic items as well as about VA's reallocation of funding. We also interviewed officials from a judgmental sample of 13 VA medical centers (VAMC); these VAMCs were located in Phoenix and Tucson, Arizona; Bay Pines, Gainesville, and Tampa, Florida; Atlanta and Augusta, Georgia; Albuquerque, New Mexico; Buffalo and Syracuse, New York; Portland, Oregon; Columbia, South Carolina; and Seattle, Washington. We conducted site visits to 12 of the 13 VAMCs.⁷ To select the 13 VAMCs, we obtained data from VA's National Prosthetic Patient Database⁸ on the prosthetic items that VA provided veterans during fiscal years 2005 through 2009 and identified the number of prosthetic items provided to veterans at each VAMC and their reported costs. We used these data and input from VA officials to select the VAMCs based on factors such as spending for prosthetic items, the number of prosthetic items provided, PSAS management structure, geographic location, whether VAMCs operated special units that use a large number prosthetic items,⁹ and recent performance in meeting PSAS performance goals.

To identify how PSAS monitors its performance in processing and providing prosthetic items to veterans and to describe the efforts VA has undertaken to improve PSAS's performance, we interviewed VA officials from PSAS's central office; 5 of VA's 21 regional health care networks,

⁶VHA is the organization within VA that administers the department's health care system.

⁷We interviewed VAMC and PSAS officials from the VAMC in Portland, Oregon, by telephone.

⁸The National Prosthetic Patient Database is an internal system used by VA to administer the department's provision of prosthetic items.

⁹For example, VA polytrauma rehabilitation centers provide intensive rehabilitative care to veterans and servicemembers who have experienced severe injuries to more than one organ system.

called Veterans Integrated Service Networks (VISN);¹⁰ and the 13 VAMCs in our sample. We also obtained and reviewed VA's quarterly performance measure reports used to monitor the timeliness of VA's processing of prosthetic items to veterans.

We assessed the reliability of data on VA's spending and allocation of funding, data from the National Prosthetic Patient Database, and data on PSAS's performance measures for monitoring the timeliness of VA's processing of prosthetic items in several ways. These included electronic and manual data testing and interviews of VA officials knowledgeable about the data. We determined that the data that we used in our analyses were sufficiently reliable for the purposes of this report.

We conducted this performance audit from June 2009 through August 2010 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.

Background

As part of a uniform set of benefits provided to all veterans who enroll in its health care system, VA, through PSAS, provides prosthetic items to veterans. PSAS has budget and management responsibilities for VA's provision of prosthetic items, including allocating funding for prosthetic items to VISNs and VAMCs and ensuring veterans receive prescribed prosthetic items in a timely manner. According to PSAS officials, several factors—including expansions in the types of items VA defines as prosthetic items—contributed to an increased demand for prosthetic items between fiscal years 2005 and 2009.

¹⁰VISNs oversee the operations of the various medical facilities within their assigned geographic areas. In general, each of the 21 VISNs has budget and management responsibilities, such as allocating funding for health care services to facilities, clinics, and programs within their region and ensuring access to appropriate health care services.

Prosthetic Items Provided to Veterans

VA, through VHA, operates one of the nation's largest health care systems.¹¹ VA provides a range of services to veterans who are enrolled in its health care system, such as preventive and primary health care, a full range of outpatient and inpatient services, and prescription drugs.¹² VA's outpatient care includes providing prosthetic items to those veterans disabled as a result of amputation or permanent impairment of a body part or function.¹³ VA classifies a variety of medical devices and equipment as prosthetic items, including artificial arms and legs, eyeglasses, hearing aids, hearing aid batteries, home dialysis equipment and supplies, home respiratory aids, hospital beds, orthoses (orthotic braces, supports, and footwear),¹⁴ pacemakers, telehealth equipment,¹⁵ and wheelchairs. These items range in price, including a cane tip that costs about \$2 as well as a microprocessor-controlled knee which can cost more than \$100,000. In addition, while the vast majority of prosthetic items are purchased from outside vendors, VA fabricated nearly 4 percent of the artificial limbs and orthoses provided to veterans in fiscal year 2009.

Table 1 shows the types of prosthetic items VA provides and specific examples of each type.

¹¹According to VA, in fiscal year 2009, this system treated 5.7 million patients with appropriations of about \$41.2 billion. In that same fiscal year, VA operated more than 1,300 sites of care, including 153 VAMCs and 783 ambulatory care and community-based outpatient clinics.

¹²In general, veterans must enroll in VA's health care system in order to receive VA's medical benefits package, which covers most of VA's medical services. VA's enrollment system includes eight categories for enrollment, with priority generally based on service-connected disability, low income, and other recognized statuses such as former prisoners of war. 38 U.S.C. § 1705; 38 C.F.R. § 17.36 (2010).

¹³Certain veterans, such as veterans needing prosthetic items for a service-connected condition, are eligible for prosthetic items even if they are not enrolled in VA's health care system. 38 C.F.R. § 17.37 (2010).

¹⁴An orthosis is a device, such as a brace, that supports and strengthens an impaired limb.

¹⁵Telehealth is the use of telecommunications technology including video, digital pictures, and messaging devices to exchange health care information in order to provide health care services to rural and remote areas.

Table 1: Examples of VA Prosthetic Items, by Type

Type of prosthetic item	Examples of items
Accessibility items ^a	<ul style="list-style-type: none">• scooters and accessories• standard, motorized, and custom-built wheelchairs and accessories
Artificial limbs ^a	<ul style="list-style-type: none">• artificial arms and legs
Medical equipment ^a	<ul style="list-style-type: none">• computer equipment• diabetic socks• hearing aid batteries• hospital beds and accessories• patient lifts• recreational equipment^b• telehealth equipment^c• walking aids (e.g., walkers)
Orthoses ^a	<ul style="list-style-type: none">• ankle, knee, leg, spinal, and other braces• arch supports, shoe inserts, and shoes
Other ^a	<ul style="list-style-type: none">• home dialysis equipment and supplies• Home Improvement and Structural Alterations grants^d• home oxygen equipment and supplies• restorations (e.g., breast, eye, and facial)
Sensori-neuro aids ^a	<ul style="list-style-type: none">• blind aids• eyeglasses and contact lenses• hearing aids• speech devices
Surgical implants	<ul style="list-style-type: none">• anchors, plates, and screws• biological implants (e.g., bone and tissue grafts)• dental implants• implantable cardioverter defibrillators and leads• pacemakers• stents

Source: GAO analysis of VA data.

Note: This table presents data from VA's National Prosthetic Patient Database—an internal system used by VA to administer the department's provision of prosthetic items—on the types of prosthetic items VA provided to veterans in fiscal year 2009.

^aAccessibility items, artificial limbs, medical equipment, orthoses, other, and sensori-neuro aids also include components used for fabrication and repair of those items.

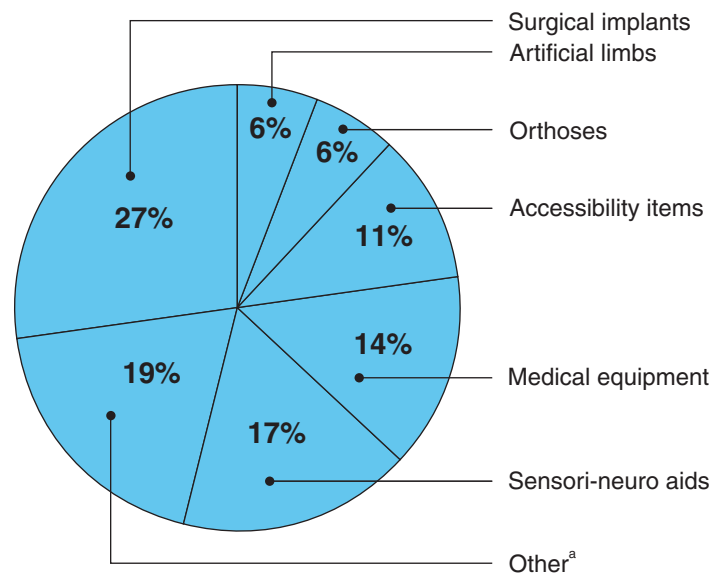
^bRecreational equipment includes artificial legs used for swimming, artificial arms used for archery, hand-powered cycles, and Braille dominos.

^cTelehealth is the use of telecommunications technology including video, digital pictures, and messaging devices to exchange health care information to provide health care services to rural and remote areas.

^dHome Improvement and Structural Alterations grants provide for the improvements and structural alterations veterans need to access their home and essential bathroom facilities.

In fiscal year 2009, the type of prosthetic items for which VA spent the largest amount was surgical implants, which accounted for 27 percent of the more than \$1.6 billion VA spent for prosthetic items that year. (See fig. 1.) See appendix I for information on the total costs of and number of prosthetic items provided to veterans in fiscal years 2005 through 2009.

Figure 1: VA Spending for Prosthetic Items, by Type, Fiscal Year 2009



Source: GAO analysis of VA data.

Note: This figure presents data from VA's National Prosthetic Patient Database—an internal system used by VA to administer the department's provision of prosthetic items.

^aOther includes home dialysis equipment and supplies, Home Improvement and Structural Alterations grants, home oxygen equipment and supplies, restorations, and other miscellaneous items.

VA's Process for Estimating and Allocating Funding for Prosthetic Items

The funding VA uses to procure prosthetic items for veterans is made available as part of the appropriations process for VA's health care services.¹⁶ Each year, VA formulates its annual health care budget by developing estimates of its likely spending for all of its health care services, including prosthetic items.¹⁷ We have previously noted that the formulation of VA's budget is challenging, as it is based on assumptions and imperfect information on the health services VA expects to provide.¹⁸ For example, VA is responsible for anticipating the service needs of very different veteran populations—including an aging veteran population and a growing number of veterans returning from military operations in Afghanistan and Iraq—and for calculating future costs associated with providing health care services to these populations. VA uses an actuarial model to develop its budget estimates for most of its health care services, including estimates for prosthetic items, and incorporates these estimates in the department's annual congressional budget justification to the appropriations subcommittees.¹⁹ Rather than receiving an appropriation for each individual health care service it provides, VA receives an appropriation for all its health care services—the Medical Services

¹⁶The Veterans Health Care Reform and Transparency Act of 2009 provided for VA to receive advance appropriations for its Medical Services, Medical Support and Compliance, and Medical Facilities appropriation accounts beginning with fiscal year 2011. Pub. L. No. 111-81, § 3, 123 Stat. 2137, 3137-38 (codified at 38 U.S.C. § 117). The Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2010 provided appropriations for fiscal year 2010 and advance appropriations for fiscal year 2011 for those accounts. Pub. L. No. 111-117, div. E, tit. II, 123 Stat. 3034, 3298-3300 (2009). Advance appropriations represent budget authority that becomes available one or more fiscal years after the fiscal year covered by the appropriations act in which they are made.

¹⁷VA begins to formulate its budget approximately 18 months before the start of the fiscal year to which the request relates and about 10 months before the transmission of the President's budget request to Congress, which usually occurs in early February. Due to the timing of budget preparation, VA's spending estimates for one fiscal year are not based on VA's actual spending from the prior year since these data are not yet available when VA prepares its estimates.

¹⁸See GAO, *VA Health Care: Challenges in Budget Formulation and Issues Surrounding the Proposals for Advance Appropriations*, [GAO-09-664T](#) (Washington, D.C.: Apr. 29, 2009).

¹⁹This model estimates future VA health care costs by using projections of veterans' demand for VA's health care services as well as cost estimates associated with particular health care services.

appropriation.²⁰ As a result, VA has considerable discretion in how it allocates appropriated funding among its various health care services.

VA allocates the Medical Services appropriation either as *specific purpose* funding or *general purpose* funding. Where specific purpose funding is restricted to the purposes of individual health care services, such as organ transplant services or readjustment counseling, general purpose funding may be used to cover costs related to any health care service, including services for which specific purpose funding may be insufficient. While most of the funding from the Medical Services appropriation is distributed among the VISNs and ultimately to the VAMCs, according to VA officials, VA also maintains a national reserve to provide additional funding, when needed, to VISNs and VAMCs, as well as for those health care services for which VA allocates specific purpose funds. In addition, during the course of a fiscal year, VA may reallocate funding—that is, adjust how the department allocates its funding—to match spending needs, including redesignating specific purpose funds as general purpose funds or vice versa.

Citing significant decreases in the level of care and timely delivery of prosthetic items, VA designated funding for prosthetic items as specific purpose funding in 2001.²¹ In general, VA allocates specific purpose funds to PSAS, which in turn allocates them to VISNs; VISNs then allocate funds to VAMCs. These specific purpose funds are for the procurement of prosthetic items as well as the procurement of various components for VA-fabricated or VA-repaired prostheses and orthoses. According to VA officials, these funds do not cover administrative and clinical costs, such as the salaries and benefits of PSAS personnel or labor costs associated with VA fabrication of prosthetic items. Typically, these administrative and clinical costs are covered by a VISN's or VAMC's general purpose funds. In addition, VISNs and VAMCs may use their general purpose funds for prosthetic items if spending needs exceed the amount available in specific purpose funds.

²⁰For fiscal year 2009, VA's Medical Services appropriation totaled about \$31.0 billion plus reimbursements.

²¹This reversed a 1998 decision that had designated funding for prosthetic items as general purpose funding. According to officials, delays in the procurement of prosthetic items were common between fiscal years 1998 and 2000. Prior to 1998, funding for prosthetic items had been designated as specific purpose funding.

PSAS Roles and Responsibilities

After physicians and other clinicians at VA medical facilities determine the prosthetic needs of veterans and prescribe specific prosthetic items to meet those needs, PSAS is responsible for processing the prescriptions and providing the prescribed prosthetic items to individual veterans.²² According to PSAS officials, purchasing agents, generally located at VAMCs, perform administrative actions to process prescriptions for prosthetic items. These administrative actions include activities such as requesting and obtaining additional information from a prescribing clinician, obtaining a price quote from a contractor, and creating a purchase order to authorize the procurement and shipment of an over-the-counter item or the fabrication of a custom-ordered item. PSAS officials stated that the processing of the prescription is considered complete when a prosthetic item has been issued to the veteran from PSAS's inventory or a purchase order is created for the item.²³ PSAS also has some clinical staff—prosthetists and orthotists—who provide clinical services related to the provision of artificial limbs and orthoses, including participating in the evaluations of prosthetic needs for amputees and, subsequently, designing, fabricating, fitting, and adjusting artificial limbs and custom orthoses. PSAS officials reported that they provide varying levels of services related to the design, fabrication, fitting, and delivery of artificial limbs and orthoses at 77 locations.

PSAS officials are also responsible for the overall administration of VA's provision of prosthetic items. Specifically, PSAS officials in VA's central office establish national policies and procedures on VA's provision of prosthetic items; allocate VA specific purpose funding for prosthetic items among the 21 VISNs; monitor the spending of this specific purpose funding and, if appropriate, facilitate the reallocation of funding among the VISNs; and establish and monitor mechanisms, such as performance measures and goals, to evaluate VA's performance in providing prosthetic items. VISN prosthetic representatives (VPR), located within each of VA's 21 VISNs, further allocate specific purpose funding among their VAMCs and,

²²PSAS also processes benefits for several programs funded under the Veterans Benefits Administration—the organization within VA responsible for administering the department's programs that provide financial and other forms of assistance to veterans, their dependents, and their survivors. Specifically, PSAS processes clothing allowance benefits and furnishes automobile adaptive equipment to eligible veterans. These programs are not considered part of the PSAS budget.

²³At the 12 VAMCs we visited, PSAS maintained an inventory of certain over-the-counter items, such as raised toilet seats, compression socks, knee braces, manual wheelchairs, and walkers. According to PSAS officials, most VAMCs maintain similar inventory.

with the assistance of local prosthetics chiefs,²⁴ support central office efforts to monitor VA's spending for prosthetic items and VA's performance in providing prosthetic items.

Factors Contributing to the Increased Demand for Prosthetic Items

Between fiscal years 2005 and 2009, the annual number of veterans who received prosthetic items through PSAS increased about 50 percent and the total amount VA spent on those items grew by about 60 percent. According to VA officials, a number of factors have contributed to this growth and may contribute to expected increases in the future. These factors include the following:

- VA has expanded the medical devices and equipment it classifies as prosthetic items. For example, during fiscal year 2008, VA classified biological implants, such as bone and tissue grafts, as prosthetic items.²⁵ In fiscal year 2009, VA spent about \$21 million on biological implants.
- New technologies in prosthetic items available to veterans may increase costs. For example, in the fall of 2010, PSAS plans to begin providing the X2 microprocessor knee—the latest generation of components for prosthetic legs—to some veterans.²⁶ According to PSAS officials, this component is expected to add about \$40,000 to the cost of each prosthesis using this technology.
- VA guidance clarifying veteran eligibility for certain prosthetic items expanded the number of veterans receiving prosthetic items. For example, in October 2008, VA released a directive restating the department's policy on veteran eligibility for eyeglasses. As result, the number of eyeglasses VA provided to veterans increased by nearly 22 percent, from about 830,000 pairs in fiscal year 2008 to more than 1 million pairs in fiscal year 2009.²⁷

²⁴According to PSAS officials, prosthetics chiefs are officials who are responsible for managing the day-to-day operations of PSAS, such as overseeing the procurement of prosthetic items, at individual VAMCs.

²⁵Biological implants include all nonsynthetic material, such as human bone and tissue, surgically inserted into the body.

²⁶As part of the medical evaluation of a veteran's prosthetic needs, VA clinicians assess whether new technology may be appropriate.

²⁷In the previous 4 fiscal years, the annual increase in the number of eyeglasses VA provided ranged from 2 percent to 7 percent.

In addition, VA expanded eligibility for enrollment in its health care system. In 2009, VA raised the income thresholds that define certain veterans' eligibility for VA health care services, resulting in approximately 260,000 additional veterans gaining eligibility.²⁸ This may also have increased the number of prosthetic items provided.

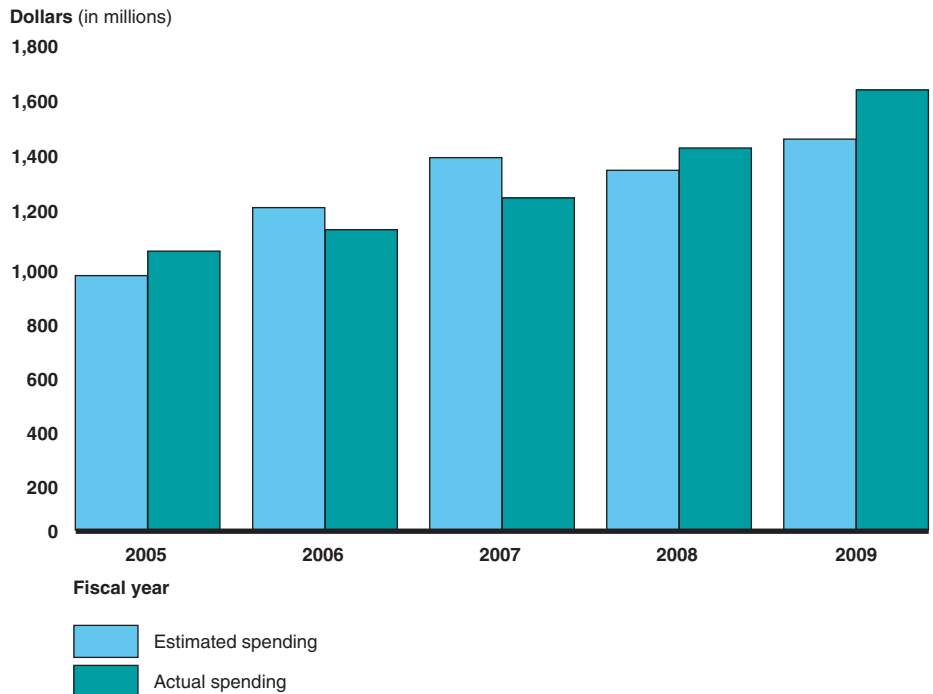
In Fiscal Years 2005 through 2009, Actual Spending Needs for Prosthetic Items Differed from Estimates, Resulting in the Reallocation of Funding Available for Prosthetic Items

In each of fiscal years 2005 through 2009, VA's actual spending needs for prosthetic items differed from the estimates VA reported in its congressional budget justifications for those years, on which the initial allocation to PSAS for prosthetic items was based. As shown in figure 2, VA spent less for prosthetic items than it had estimated in its justifications for fiscal years 2006 and 2007. These differences—about \$82 million in fiscal year 2006 and about \$150 million in fiscal year 2007—represented 7 and 12 percent, respectively, of VA's actual spending for prosthetic items during those fiscal years. In fiscal years 2005, 2008, and 2009, VA spent about \$91 million, \$83 million, and \$183 million more, respectively, than originally estimated (9, 6, and 11 percent, respectively, of VA's spending for prosthetic items in those fiscal years).²⁹

²⁸See 38 C.F.R. § 17.36 (2010); 74 Fed. Reg. 22,832 (May 15, 2009).

²⁹VA received a \$1.5 billion supplemental Medical Services appropriation in fiscal year 2005. Department of the Interior, Environment, and Related Agencies Appropriation Act, 2006, Pub. L. No. 109-54, 119 Stat. 499, 563-64 (2005). For fiscal years 2008 and 2009, VA received appropriations for its Medical Services account that exceeded the amounts requested by about \$1.9 billion and about \$1.2 billion, respectively.

Figure 2: Estimated and Actual VA Spending for Prosthetic Items, Fiscal Years 2005 through 2009



Source: GAO analysis of VA data.

Notes: Estimated spending represents amounts originally reported in VA's annual congressional budget justifications. Actual VA spending represents total obligations for prosthetic items reported by VA.

VA officials from the VHA Office of Finance and PSAS central office said that they did not perform analysis to determine the specific reasons for the differences between VA's budget estimates and its actual spending for prosthetic items in a given fiscal year. PSAS officials reported that they do perform some analysis to identify new trends in VA's spending for prosthetic items, which are taken into account when allocating specific purpose funding for prosthetic items. According to officials, to develop the budget estimates, VHA's Office of Finance uses the most recently available spending and utilization data in its actuarial model. They noted, however, that these data are 3 years old at the time VA begins to develop budget estimates for a new fiscal year—for example, the actuarial model in VA's 2010 budget estimate used spending and utilization data from fiscal year 2007. This, coupled with the increased demand for prosthetic items, makes it more difficult to accurately estimate year-to-year PSAS funding needs, according to VA officials.

PSAS central office officials reported that they depend upon staff at the VISNs and VAMCs to identify local factors, such as a new surgical service, that could increase demand for prosthetic items, in order to develop more up-to-date estimates for the purpose of allocating specific purpose funding for prosthetic items to VISNs and VAMCs. PSAS officials at each of the 13 VAMCs in our sample identified numerous local factors that can affect spending for prosthetic items during a particular fiscal year. For example, at one VAMC, the prosthetics chief said that the hiring of a new surgeon was expected to increase local spending for certain surgical implants, such as pacemakers, by more than \$300,000. This same prosthetics chief also noted that recent increases in the diagnosis and treatment of sleep apnea resulted in an increase of nearly \$380,000 in local spending for prosthetic items.

In 4 of the 5 fiscal years we reviewed, VA reallocated the funding available for prosthetic items—that is, adjusted the amount of the specific purpose funding for these items—in an effort to better match specific purpose funds for prosthetic items with actual spending needs. Specifically, in fiscal years 2006, 2007, and 2009, VA reduced the amount of specific purpose funding for prosthetic items.³⁰ During fiscal year 2008, VA allocated an additional \$56 million in specific purpose funds from the department’s national reserve in order to meet a request from PSAS for additional funding. (See table 2.) VA based these reallocations on projections of annual spending for prosthetic items developed throughout each fiscal year using year-to-date information on spending. Each year during the third quarter of the fiscal year, for example, VA uses the amount spent on prosthetic items through the first two quarters of the fiscal year to project spending for the rest of the fiscal year and reallocates funding to adjust the amount of specific purpose funding available for prosthetic items accordingly.

³⁰The amount by which VA reduced the specific purpose funding was reallocated to general purpose funds available for other health care services, according to VA officials.

Table 2: Initial Specific Purpose Funding for Prosthetic and Sensory Aids Service (PSAS), Reallocation Amounts, and Final Specific Purpose Funding, Fiscal Years 2005 through 2009

(dollars in millions)

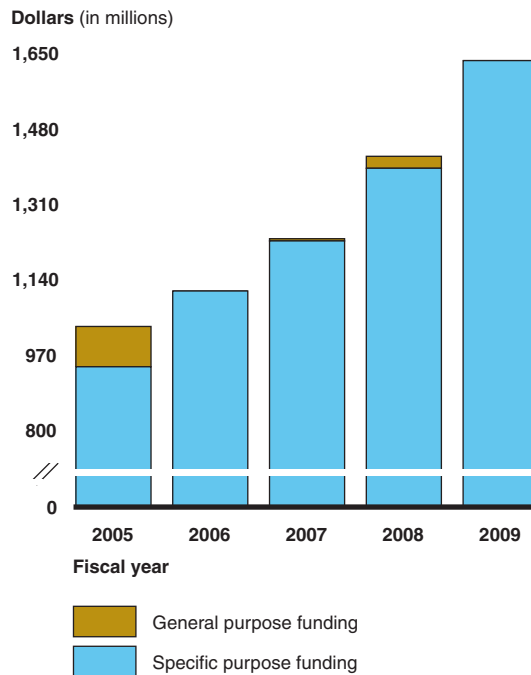
Fiscal year	Initial specific purpose funding allocation	Reallocation amounts	Final specific purpose funding allocation	Percentage that reallocations increased (decreased) funding
2005	\$ 947	\$ 0	\$ 947	0%
2006	1,200	(72)	1,128	(6%)
2007	1,389	(158)	1,231	(11%)
2008	1,339	56	1,395	4%
2009	1,725	(35)	1,690	(2%)

Source: GAO analysis of VA data.

Notes: Initial specific purpose funding allocations represent the funding VA allocated to PSAS for prosthetic items at the beginning of the fiscal year. Final specific purpose funding allocations represent the actual amount of funding VA allocated for prosthetic items at the end of the fiscal year. Reallocation amounts represent increases or decreases in the amount of funding VA allocated as specific purpose funds for prosthetic items.

In addition to the efforts VA made at the national level to reallocate funds to better match specific purpose funding for prosthetic items with actual spending needs, for 3 of the 5 fiscal years we reviewed, some VISNs and VAMCs used general purpose funds for prosthetic items. VA policy requires that VISNs provide additional funding to PSAS, when necessary, from general purpose funding to ensure the provision of prosthetic items is not delayed for lack of funding. In fiscal years 2005, 2007, and 2008, VISNs and VAMCs provided \$91 million, \$5 million, and \$27 million, respectively, from their general purpose funds to address the difference between allocated specific purpose funding and actual spending needs for prosthetic items. (See fig. 3.) While VHA and PSAS officials acknowledge the use of general purpose funds for prosthetic items reduced the funding available for other purposes, they emphasized that this use did not compromise any veteran's medical care.

Figure 3: Actual VA Spending for Prosthetic Items by Type of Funding, Fiscal Years 2005 through 2009



Source: GAO analysis of VA data.

Notes: Actual VA spending represents total obligations for prosthetic items reported by VA. In this figure, specific purpose funding represents VA funding specifically allocated for prosthetic items. General purpose funding represents VA funding that can be used for any health care service, including covering the costs of services for which specific purpose funding is insufficient.

PSAS Uses Administrative Data and Veteran Feedback Mechanisms to Monitor Its Performance in Processing and Providing Prosthetic Items to Veterans

PSAS has performance measures that monitor the timeliness of its processing of prosthetic prescriptions and a number of veteran feedback mechanisms to identify problems in how it provides prosthetic items to veterans. In fiscal year 2009, PSAS’s performance measures showed that nearly all of its prescriptions for prosthetic items met its performance goals. While in many cases, PSAS’s performance measures serve as a reasonable proxy for monitoring the timeliness of veterans’ receipt of their prosthetic items, they may miss some instances in which veterans experience long wait times. Recognizing this shortcoming, PSAS officials rely on a number of other mechanisms—such as feedback submitted through telephone calls from veterans and receipt of veteran evaluation cards—to obtain information on veteran satisfaction that may alert them of timeliness or other problems not reflected in its performance measures.

Performance Measures Assess Timeliness of Administrative Actions, but Do Not Always Reflect Veterans' Actual Receipt of Prosthetic Items

During fiscal years 2005 through 2009, PSAS had in place and monitored two performance measures that assessed the timeliness of administrative actions related to processing prosthetic prescriptions.

- The first measure, called “delayed orders,” assessed the percentage of prosthetic prescriptions for which the first administrative action related to the prescription, such as researching the cost of the prosthetic item from different commercial vendors, occurred more than 5 business days after the clinical provider submitted it. PSAS’s performance goal related to this measure was to have no more than 2 percent of orders categorized as delayed orders.
- The second measure, called “consults pending,”³¹ assessed the percentage of prosthetic prescriptions that took more than 45 business days to complete the administrative process associated with ordering the prosthetic item; that is, from the time the first administrative action was taken to the time PSAS determined that the order was complete.³² PSAS’s related performance goal was to have no consults pending; that is, to administratively process all prescriptions within 45 business days.

For fiscal year 2009, PSAS basically met both of its goals related to the delayed orders and consults pending performance measures. PSAS calculated its performance relative to these performance measures for processing all prosthetic prescriptions submitted at each of its VAMCs and VISNs during the year.³³ Based on its calculations, PSAS met its delayed order goal of no more than 2 percent delayed orders, and slightly missed its goal of having no consults pending by about 0.3 percent.

According to VA, the delayed order and consults pending measures in many cases accurately reflected the timeliness of processing of prosthetic items. However, because of a weakness in PSAS’s consults pending measure, some prescriptions that took longer than 45 business days to process were not detected by the measure. Specifically, PSAS officials found that prescriptions could be cancelled and reentered, effectively

³¹A consult is VA’s term for a prescription for a prosthetic item entered into VA’s medical record system by a physician.

³²PSAS considers the processing of the prescription complete when a prosthetic item has been issued to the veteran from PSAS’s inventory or a purchase order is created for the item.

³³PSAS summarizes this information in a quarterly report it calls the *Prosthetic and Sensory Aids Budget and Management Scorecard*.

resetting the clock on their processing time. In one VAMC we visited, for example, the prosthetics chief noted that the VAMC was receiving a number of complaints from veterans on the timely receipt of their prosthetic items. Upon further investigation, she identified more than 3,000 unprocessed prosthetic prescriptions that were not reflected in the VAMC's consults pending measure because the computer system used to process prescriptions allowed purchasing agents to cancel and reenter the prescriptions that were not meeting the 45 business day goal. According to PSAS officials, there are a number of legitimate reasons why processing the prescription for prosthetic items can take longer than 45 days to complete.³⁴ However, this prosthetics chief told us that, due to high purchasing agent workloads, some of the delays she identified most likely represented orders for prosthetic items that fell through the cracks, and veterans may not have received their prosthetic items until 5 or 6 months after their prescriptions were submitted.

Recognizing the limitation in its consults pending measure, PSAS started—at the beginning of fiscal year 2010—to use a new measure, called the “timeliness monitor,” which according to PSAS officials was designed to better assess the timeliness of the complete administrative process of providing a prosthetic item to a veteran and provide better assurance that a prosthetic item was provided in a timely manner. Specifically, PSAS officials said that the timeliness monitor assesses whether both the goals for the delayed order and consults pending measures were met,³⁵ and whether the prescription was completed by either issuing a prosthetic item directly to the veteran from PSAS's inventory, or generating a purchase order for the item. PSAS's goal related to the new timeliness monitor is to have 95 percent of prosthetic prescriptions meet the timeliness monitor performance measure, according to PSAS officials.

In the first quarter of fiscal year 2010, PSAS's timeliness monitor showed that less than 83 percent of prescriptions for prosthetic items met the time frames in the timeliness monitor performance measure. According to PSAS officials at two VISNs, one factor that played a significant role in

³⁴For example, the item may require another visit to the VAMC by the veteran (for example, for fitting or pick up) before the prescription for the prosthetic item can be completed.

³⁵PSAS also changed how the goals for delayed orders and pending consults are measured. Through fiscal year 2009, these performance measures used 5 business days and 45 business days respectively. Beginning in fiscal year 2010, VA assesses these measures using 8 calendar days and 60 calendar days.

PSAS not meeting its goal for the timeliness monitor was that the new measure may recognize some prescriptions as incomplete when actually they have been completely processed by PSAS staff. For example, if a veteran does not return to the VAMC to pick up a custom-fit item, such as a pair of orthopedic shoes, the item would not be recorded on the veteran's prosthetic record even though PSAS staff had completed the administrative process related to the item and it was available for pick up. PSAS officials told us that they are updating their system to allow purchasing agents to close prescriptions that were processed by PSAS but not recorded in a veteran's record for legitimate reasons, effectively excluding these prescriptions from being considered in the timeliness monitor. According to PSAS officials, once the system is updated, PSAS's timeliness monitor scores should improve considerably.

An additional weakness of VA's performance measures—both with the new “timeliness monitor” and the former “consults pending” measure—is that these measures do not always identify cases in which a veteran waits a long time to receive an item. In many cases, the administrative actions related to prosthetic prescriptions do serve as a reasonable proxy for monitoring the timeliness of when veterans received their prosthetic items. For example, when a veteran receives an item out of inventory at a VAMC, the time the prescription is recorded as complete reflects the time that the veteran received their prosthetic item. However, the completion of processing of a prescription does not always correspond with the time at which the veteran receives the item. In particular, delays that occur for items that must be fabricated for the veteran or are back-ordered by a vendor are not reflected in VA's performance measures. For example, according to the prosthetics chief at one VAMC we visited, veterans routinely waited 10 to 12 weeks to receive eyeglasses because of manufacturing delays at the facility that produced the eyeglasses—even though PSAS processed the eyeglass prescriptions in a timely manner. That is, once the purchase order was sent to the facility to manufacture the eyeglasses, VA's system considered the processing of the prescription to be complete. Officials reported that the VA optical laboratory could not meet the unexpected increase in demand that followed guidance that VA issued in October 2008. This guidance restated the department's policy that veterans whose vision impairment interferes with their participation in their own medical treatment are eligible to receive eyeglasses. The prosthetics chief at the VAMC explained that through feedback from veterans, they became aware of these delays. The VA optical laboratory has since taken steps to improve wait times, including authorizing overtime and using commercial vendors. Further, officials told us that they

are planning a renovation of the optical laboratory to improve its operations.³⁶

PSAS officials stated that they recognize their performance measures have limitations and that they rely on a number of feedback mechanisms—described below—to alert them of timeliness or other problems not reflected in PSAS’s performance measures.

PSAS Obtains Information on Veteran Satisfaction from a Number of Feedback Mechanisms

At a national level, PSAS uses additional mechanisms to identify timeliness or other problems which are not captured by its performance measures. These include the following:

- **Comments or complaints on VA’s Web site.** When VA receives comments, complaints, or other inquiries related to prosthetics through its Web site,³⁷ the department directs the information to PSAS’s central office, according to PSAS officials. PSAS’s central office either handles the inquiry directly, or routes it to the relevant location or service, such as a VISN or VAMC, to resolve. As of July 2010, PSAS central office officials reported that they have responded to and closed more than 2,085 inquiries received through VA’s Web site.
- **Direct contact with PSAS staff.** PSAS central office, VISNs, and VAMCs receive letters, in-person visits, and telephone calls from veterans about complaints or problems with prosthetic items, according to VA officials we spoke with. If these complaints come in through contacts with PSAS staff at the central office, VISN, or VAMC leadership, the complaints or problems are generally passed on to PSAS staff at the VAMC level for direct action. PSAS officials told us that it is PSAS’s policy to handle complaints and problems in the most direct manner. For example, in one VAMC we visited, officials said that when they receive a complaint, they pass it on to the PSAS purchasing agent responsible for ordering the prosthetic item. The purchasing agent is then responsible for contacting the patient to resolve the complaint or problem. PSAS central office officials reported that while individual VISNs and VAMCs may, to varying

³⁶According to the supervisor of this optical laboratory, wait times have been reduced to 3 or 4 weeks using overtime and commercial vendors. In addition, he said the renovations and improvements should be complete by the end of fiscal year 2011 and at that time, the optical laboratory should be able to better meet the increased demand.

³⁷See *VA’s Inquiry Routing & Information System*, <https://iris.va.gov/scripts/iris.cfg/php.exe/enduser/home.php> (accessed Aug. 9, 2010).

degrees, track patient complaints made in person or by letter or telephone, PSAS central office does not systematically track these complaints.

In addition to efforts initiated nationally, some VISNs and VAMCs we visited reported that they have developed local mechanisms to further monitor veteran satisfaction with VA's processing and providing prosthetic items:

- **VISN-sponsored surveys.** One VISN we visited conducts patient satisfaction surveys of veterans who receive prosthetic items from the VAMCs in the VISN. On a quarterly basis, PSAS personnel at the VISN send these surveys directly to a sample of veterans who have received prosthetic items requesting veterans to rate aspects of PSAS's performance such as the quality of the prosthetic items they received, the instructions they received, the courtesy and knowledge of the prosthetic staff that they came in contact with, and the time it took to deliver the prosthetic items. The patients return the surveys to the VISN, where PSAS staff summarize the results of the surveys and provide quarterly reports to the prosthetics chiefs and leadership in each of the VAMCs. The VISN requires prosthetics chiefs at VAMCs with a patient satisfaction score below the VISN's established goal to develop improvement plans. VISN PSAS staff told us that the surveys have enabled them to identify problems and make improvements in how PSAS staff at the VAMCs interact with veterans, how PSAS staff process prosthetic prescriptions, and in the timeliness and quality of the services provided by vendors, such as home oxygen suppliers.
- **Vendor evaluation cards.** PSAS officials at one VISN reported that their VISN required some of their vendors—such as vendors for home oxygen and durable medical equipment—to include a patient comment card with the delivery of the prosthetic items. Veterans return these comment cards to the VISN where VISN PSAS officials review the comments and forward relevant information to VAMC prosthetics offices on at least a quarterly basis.
- **VAMC comment cards.** Several VAMCs in our sample provided their own comment cards. Typically, these cards are or will be made available at the PSAS counter and waiting area. PSAS officials at these VAMCs told us that they collect and review the comment cards they receive and address the comments veterans make concerning VA's processing and providing of prosthetic items on a case-by-case basis.³⁸

³⁸PSAS at one VAMC recently began using comment cards, and according to the prosthetics chief, she had not yet received the initial results at the time of our visit.

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- **Letters informing veterans to expect delivery of prosthetic items.** Officials at two of the five VISNs we visited told us that they use a feature in PSAS's system for processing prescriptions to generate and send a letter to a veteran each time a prescription is processed. These letters provide information such as the date the prosthetic item was ordered from a vendor, the date the veteran can expect to receive the prosthetic item, and contact information for the PSAS staff responsible for monitoring the order.

PSAS officials expressed confidence that, together, the mechanisms they have in place would alert them of serious timeliness and veteran satisfaction issues.

VA Is Making Local, Regional, and National Efforts to Improve PSAS's Performance

Officials at PSAS's central office, the VISNs, and the VAMCs in our sample told us about a number of local, regional, and national efforts to enhance management effectiveness and efficiency and improve prosthetic services for veterans.

PSAS Staff at Some VA Medical Facilities Have Made Local Improvements to Enhance Performance

PSAS staff at the 13 VAMCs in our sample reported that they had undertaken local efforts to improve performance. For example, PSAS personnel at one VAMC were working to obtain funding from VA's Office of Rural Health to place orthotic fitters—technicians who fit orthoses—at community-based outpatient clinics. By placing fitters in these clinics, PSAS officials hope to improve access for veterans—for example, to eliminate the need for veterans to travel for several hours to a VAMC to be fitted for and obtain their orthotic shoes—as well as to relieve the workload of prosthetists and orthotists at the VAMCs in this VISN. In addition, 6 of the 13 VAMCs in our sample had recently completed renovations, were in the process of renovating, or were planning renovations of their laboratories and clinical space. PSAS officials explained that the purpose of these renovations was to provide greater patient privacy or increase their capacity to fabricate artificial limbs within the VAMCs. Some officials further explained that increasing the capacity of their prosthetic laboratories would allow more veterans to receive their prosthetic limbs directly from the VA rather than from outside vendors, which could increase convenience for veterans and reduce costs for VA.

Some VISNs Have Centralized Management of PSAS at the VISN Level

At the regional level, according to PSAS central officials, 7 of VA's 21 VISNs have chosen to centralize the management of PSAS within the VISN. Under a centralized PSAS management structure, the VPR is in charge of managing all aspects of the provision of prosthetic items in the VAMCs within their VISN, including the hiring and firing of PSAS personnel such as prosthetics chiefs and purchasing agents, and resolving veterans' complaints.³⁹ PSAS's central office has recommended that VISNs adopt this management structure for PSAS for more than a decade, but as part of VA's overall decentralized management structure, each VISN's leadership has the authority to determine how PSAS is managed in its region.

Although PSAS's central office has not collected performance data conclusively showing the benefits of centralized management, officials we spoke with identified several potential benefits. PSAS central office officials stated that a centralized management structure allows for resource sharing within the VISN—for example, PSAS purchasing agents at one VAMC performing duties for other VAMCs within the VISN—and helps ensure greater uniformity of supervision and services. PSAS and VISN officials at three VISNs we visited that had centralized management noted that because centralization shifts costs and decisions related to PSAS personnel from the VAMCs to the VISN, PSAS avoids competing with other health care services within VAMCs for staff resources. Officials in two of these VISNs also stressed that centralization not only improved efficiency by facilitating the development and implementation of standardized procedures for processing prosthetic prescriptions across the VISN, but also enhanced veteran care by moving some of the day-to-day administrative tasks up to the VISN, thus freeing PSAS staff at the VAMCs to devote more time to meeting veterans' needs.

While in general, the officials we spoke with—both at PSAS's central office and at VISNs that had adopted a centralized approach to managing PSAS—supported centralization, a few VAMC officials in some centralized VISNs expressed some concerns. For example, VAMC officials at two VAMCs we visited said that although PSAS was currently meeting the needs of veterans at their facilities, they were concerned that under a centralized management structure local leadership might not have the authority to take appropriate action if the performance of local PSAS staff

³⁹VISNs with centralized management for PSAS generally use VISN-level general purpose funds for PSAS staff, whereas in noncentralized VISNs, each VAMC usually funds PSAS staff using VAMC-level general purpose funds.

was not satisfactory. In addition, one of these officials noted that under a prior director, centralization had contributed to a lack of communication between PSAS personnel and VAMC leadership. Specifically, it was their understanding that, since PSAS staff reported directly to the VISN rather than the leadership at that VAMC, the previous VAMC leadership had at times not included PSAS staff in management meetings and decisions that affected PSAS.

National Efforts Undertaken by PSAS Have Focused on Improving Consistency of Prosthetic Services across VA

PSAS has a number of national efforts to improve the delivery of prosthetic items across VA. These efforts include developing national contracts, conducting site visits to poorly performing VAMCs, providing clinical practice recommendations for physicians who prescribe prosthetic items, obtaining accreditation and certification for prosthetic laboratories and staff, and training new management staff.

- **National contracts.** PSAS uses national contracts that, according to PSAS officials, provide prosthetic items to veterans across the country in a more consistent, timely, and cost-efficient manner. PSAS first used national contracts to purchase prosthetic items in fiscal year 2002, and in fiscal year 2009, PSAS had 49 national contracts for prosthetic items ranging from orthopedic shoes and diabetic socks to implantable joints and cardiac pacemakers. According to PSAS officials, national contracts can improve efficiency and timeliness because the specifications, price, and shipping requirements for prosthetic items are determined by the contract rather than by individual purchasing agents. These contracts also help ensure that the quality of the prosthetic items provided to veterans is consistent across the country. According to PSAS officials, PSAS's use of national contracts has resulted in substantial cost savings since fiscal year 2002.
- **Site visits.** Officials from PSAS central office told us that they have begun to conduct site visits to review PSAS operations in a number of VAMCs. Specifically, PSAS officials told us that they are conducting site visits to identify staffing or other problems that lead to poor performance and to make recommendations that should lead to faster and more consistent prosthetic services for veterans at these facilities. For the initial visits, PSAS selected VAMCs and VISNs that performed poorly on PSAS's performance measures, such as its consults pending measure. As of June 2010, PSAS staff had conducted 42 site visits, and PSAS officials said they plan to conduct reviews in all 153 VAMCs.

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- **Clinical practice recommendations.** PSAS has developed 40 clinical practice recommendations, which are guidance documents to help VA clinical staff make appropriate decisions about prosthetic prescriptions. These include prescribing recommendations for orthotic devices, home oxygen equipment, pacemakers, and hip and knee joint replacements. According to PSAS officials, these recommendations help ensure that prosthetic items are provided to veterans in a more consistent manner across the country.⁴⁰
 - **Accreditation and certification.** PSAS has implemented an initiative to provide additional assurance that VA is providing high-quality prosthetic services and to develop the technical and management skills of PSAS staff. In fiscal year 2007, PSAS established a policy to obtain accreditation for its orthotic and prosthetic laboratories, and certification for all clinical personnel. According to PSAS officials, as of September 2010, PSAS had obtained accreditation, or the accreditation was pending, for nearly all of its 77 orthotic and prosthetic service locations, and certification for 165 of its 172 orthotists, prosthetists, and fitters.
 - **Management training.** PSAS created a technical intern program to train prospective managers on the operations of PSAS at the VAMC level. According to VA officials, this program is important because a large number of the prosthetics chiefs are nearing retirement and in many cases there are few experienced staff who could replace them.

Agency Comments

We provided a draft of this report to VA for review. We received technical comments from VA, which we incorporated as appropriate.

We are sending copies of this report to the Secretary of Veterans Affairs, appropriate congressional committees, and other interested parties. In addition, the report will be available at no charge on GAO's Web site at <http://www.gao.gov>.

⁴⁰See <http://www.prosthetics.va.gov/cpr.asp> (accessed on Aug. 8, 2010) for PSAS's clinical practice recommendations.

If you or your staff have any questions about this report, please contact me at (202) 512-7114 or williamsonr@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix II.

A handwritten signature in black ink that reads "Randall B. Williamson". The signature is written in a cursive style with a large initial "R" and "W".

Randall B. Williamson
Director, Health Care

Appendix I: The Total Costs and Number of Prosthetic Items VA Provided to Veterans in Fiscal Years 2005 through 2009

This appendix provides the results of our analysis of data from the National Prosthetic Patient Database (NPPD)—an internal database used by the Department of Veterans Affairs (VA) to administer its provision of prosthetic items that contains information on prosthetic items furnished to veterans.¹ This appendix presents the total costs and number of prosthetic items provided to veterans in fiscal years 2005 through 2009.²

- Table 3 shows the total costs and number of prosthetic items provided to veterans by type of prosthetic item. For fiscal year 2009, the total cost for various types of prosthetic items ranged from about \$93 million for orthoses to about \$439 million for surgical implants.
- Table 4 shows the total costs and number of prosthetic items provided to veterans by Veterans Integrated Service Network (VISN).³ For fiscal year 2009, the total costs for prosthetic items for VISNs ranged from about \$34 million in VISN 5 (Capitol Health Care Network) to about \$164 million in VISN 8 (VA Sunshine Healthcare Network).
- Table 5 shows the total costs and number of prosthetic items provided to veterans by VA station.⁴ For fiscal year 2009, the total costs of prosthetic items at individual stations that provided any prosthetic items ranged from

¹Prior to fiscal year 2008, NPPD did not contain data related to hearing aids, batteries, and several other prosthetic items. As a result, these items are not included in the tables in this appendix for fiscal years 2005 through 2007. According to a VA official, VA spent about \$145 million, \$140 million, and \$140 million for these items during fiscal years 2005, 2006, and 2007, respectively.

²Data on total obligations for prosthetic items from NPPD are different from the obligation data we used to report VA's annual spending for prosthetic items in the body of our report. The data on spending represent obligations for the procurement of prosthetic items during the course of a fiscal year, while NPPD data represent obligations that VA has incurred for prosthetic items actually provided to veterans during a fiscal year. In some instances, there may be a delay between when VA procures a prosthetic item and when the item is provided to the veteran. For example, VA may incur an obligation for the procurement of prosthetic items for PSAS inventory in one fiscal year, and distribute the inventoried prosthetic items to veterans in the next fiscal year.

³VA has organized its health care system under 21 VISNs, which oversee the operations of the various medical facilities within their assigned geographic areas. Each of the 21 VISNs has budget and management responsibilities, such as allocating resources, including funding, for health care services to facilities, clinics, and programs within their network and ensuring access to appropriate health care services.

⁴A station is a medical facility or group of medical facilities under a single director. A station may include more than one VA medical center.

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less than \$1 million at Pittsburgh HCS-Highland Dr., Chattanooga, and several other stations to about \$39 million at the San Antonio VAMC.

Table 3: Total Costs and Number of Prosthetic Items VA Provided to Veterans by Type of Prosthetic Item, Fiscal Years 2005 through 2009

(Dollars in millions and items in thousands)

Prosthetic item type	Dollars spent (number of items provided)					Total ^b
	2005 ^a	2006 ^a	2007 ^a	2008	2009	
Accessibility items —scooters and accessories, standard, motorized, and custom-built wheelchairs and accessories	\$ 125 (311)	\$ 130 (364)	\$ 140 (407)	\$ 163 (482)	\$ 180 (519)	\$ 738 (2,083)
Artificial limbs —artificial arms and legs	67 (161)	73 (92)	81 (93)	96 (100)	98 (102)	\$ 414 (548)
Medical equipment —computer equipment, hospital beds and accessories, patient lifts, recreational equipment, (e.g., hand cycles), telehealth equipment, and walking aids	97 (1,148)	117 (1,269)	148 (1,542)	186 (1,852)	233 (2,209)	\$ 781 (8,020)
Other —home dialysis equipment and supplies, Home Improvement and Structural Alteration grants, home oxygen equipment and supplies, restorations (e.g., breast, eye, and facial)	194 (12,492)	205 (12,404)	230 (13,000)	274 (46,569)	302 (51,826)	\$ 1,205 136,292
Orthoses —ankle, knee, leg, spinal, and other braces; arch supports; shoe inserts; and shoes	58 (1,059)	60 (1,052)	66 (1,155)	79 (1,320)	93 (1,470)	\$ 355 (6,055)
Sensori-neuro aids —blind aids, eyeglasses, contact lenses, hearing aids, and speech devices	54 (953)	56 (1,122)	62 (1,050)	219 (2,003)	278 (2,664)	\$ 669 (7,792)
Surgical implants —anchors, plates, and screws; biological implants (e.g., bone and tissue grafts); dental implants; implantable cardioverter defibrillators and leads; pacemakers; and stents	312 (247)	341 (229)	355 (242)	387 (270)	439 (313)	\$ 1,834 (1,300)
Total^b	\$ 907 (16,371)	\$ 980 (16,531)	\$ 1,082 (17,490)	\$ 1,404 (52,596)	\$ 1,623 (59,103)	\$ 5,996 162,090

Source: GAO analysis of VA data.

Notes: Data for this table were obtained from VA's National Prosthetic Patient Database (NPPD)—an internal system used by VA to administer the department's provision of prosthetic items. Data on total obligations for prosthetic items from NPPD are different from the obligation data we used to report VA's annual spending for prosthetic items in the body of our report. The data on spending represent obligations for the procurement of prosthetic items during the course of a fiscal year, while NPPD data represent obligations that VA has incurred for prosthetic items actually provided to veterans during a fiscal year. In some instances, there may be a delay between when VA procures a prosthetic item and when the item is provided to the veteran. For example, VA may incur an obligation for the procurement of prosthetic items for PSAS inventory in one fiscal year, and distribute the inventoried prosthetic items to veterans in the next fiscal year.

^aPrior to fiscal year 2008, VA's NPPD did not contain data related to hearing aids, hearing aid batteries, and several other prosthetic devices included in the "other" and "sensori-neuro aids" categories. As a result, these items are not included for fiscal years 2005 through 2007. According to a VA official, VA spent \$145 million, \$140 million, and \$140 million for these items during fiscal years 2005, 2006, and 2007, respectively.

^bAmounts for fiscal years and types may not sum to totals due to rounding.

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**Table 4: Total Costs and Number of Prosthetic Items Provided to Veterans by Veterans Integrated Service Network (VISN),
Fiscal Years 2005 through 2009**

(Dollars in millions and items in thousands)

VISN ^a	VISN name	Dollars spent (number of items provided)					Total ^c
		2005 ^b	2006 ^b	2007 ^b	2008	2009	
1	New England Healthcare System	\$39 (2,083)	\$41 (2,028)	\$47 (2,033)	\$58 (3,599)	\$66 (3,857)	\$ 251 (13,600)
2	VA Healthcare Network Upstate New York	23 (240)	24 (239)	26 (254)	32 (978)	38 (1,110)	\$ 142 (2,821)
3	VA New York/New Jersey Veterans Healthcare Network	28 (410)	31 (548)	34 (555)	43 (1,742)	50 (1,946)	\$ 186 (5,201)
4	Stars and Stripes Healthcare Network	44 (1,563)	48 (1,687)	50 (1,709)	69 (4,129)	76 (4,490)	\$ 287 (13,578)
5	Capitol Health Care Network	20 (633)	24 (540)	24 (493)	29 (1,081)	34 (1,182)	\$ 133 (3,929)
6	The Mid-Atlantic Network	55 (550)	52 (555)	63 (688)	85 (2,126)	102 (2,508)	\$ 357 (6,426)
7	The Atlanta Network	59 (811)	62 (756)	72 (922)	97 (2,663)	108 (2,931)	\$ 399 (8,082)
8	VA Sunshine Healthcare Network	90 (1,855)	100 (1,910)	109 (1,784)	143 (5,862)	164 (6,430)	\$ 607 (17,840)
9	Mid South Veterans Healthcare Network	48 (668)	54 (645)	59 (673)	74 (2,390)	83 (2,694)	\$ 317 (7,071)
10	VA Healthcare System of Ohio	24 (341)	29 (386)	34 (404)	47 (1,813)	60 (2,237)	\$ 194 (5,180)
11	Veterans Integrated Service Network	34 (507)	38 (452)	43 (469)	56 (1,823)	67 (2,218)	\$ 239 (5,471)
12	The Great Lakes Health Care System	36 (893)	38 (826)	42 (830)	52 (1,859)	58 (1,998)	\$ 226 (6,407)
15	VA Heartland Network	37 (504)	42 (465)	48 (487)	60 (1,760)	70 (1,952)	\$257 (5,168)
16	South Central Healthcare Network	77 (772)	80 (773)	88 (848)	115 (3,788)	131 (4,276)	\$ 491 (10,457)
17	VA Heart of Texas Health Care Network	50 (725)	58 (763)	61 (795)	80 (2,036)	90 (2,049)	\$ 339 (6,368)
18	VA Southwest Healthcare Network	39 (1,654)	45 (1,765)	46 (1,912)	59 (2,925)	70 (3,267)	\$ 258 (11,523)
19	Rocky Mountain Network	40 (285)	43 (314)	47 (348)	59 (2,739)	67 (3,416)	\$ 257 (7,102)
20	Northwest Network	38 (343)	41 (338)	46 (367)	59 (2,189)	66 (2,372)	\$ 250 (5,609)
21	Sierra Pacific Network	38 (232)	40 (283)	45 (300)	58 (1,520)	71 (1,751)	\$ 253 (4,085)

**Appendix I: The Total Costs and Number of
Prosthetic Items VA Provided to Veterans in
Fiscal Years 2005 through 2009**

(Dollars in millions and items in thousands)

VISN ^a	VISN name	Dollars spent (number of items provided)					Total ^c
		2005 ^b	2006 ^b	2007 ^b	2008	2009	
22	Desert Pacific Healthcare Network	47 (275)	47 (280)	50 (648)	64 (2,329)	71 (2,771)	\$ 279 (6,303)
23	Minneapolis & Lincoln Offices	40 (1,027)	44 (976)	48 (971)	66 (3,245)	77 (3,649)	\$ 276 (9,868)
Total^c		\$ 907 (16,371)	\$ 980 (16,531)	\$ 1,082 (17,490)	\$ 1,404 (52,596)	\$ 1,623 (59,103)	\$ 5,996 162,090

Source: GAO analysis of VA data.

Note: Data for this table were obtained from VA's National Prosthetic Patient Database (NPPD)—an internal system used by VA to administer the department's provision of prosthetic items. Data on total obligations for prosthetic items from NPPD are different from the obligation data we used to report VA's annual spending for prosthetic items in the body of our report. The data on spending represent obligations for the procurement of prosthetic items during the course of a fiscal year, while NPPD data represent obligations that VA has incurred for prosthetic items actually provided to veterans during a fiscal year. In some instances, there may be a delay between when VA procures a prosthetic item and when the item is provided to the veteran. For example, VA may incur an obligation for the procurement of prosthetic items for PSAS inventory in one fiscal year, and distribute the inventoried prosthetic items to veterans in the next fiscal year.

^aVISNs 13 and 14 were consolidated and designated as VISN 23 in January 2002.

^bPrior to fiscal year 2008, VA's NPPD did not contain data related to hearing aids, hearing aid batteries, and several other prosthetic devices. As a result, these items are not included for fiscal years 2005 through 2007. According to a VA official, VA spent \$145 million, \$140 million, and \$140 million for these items during fiscal years 2005, 2006, and 2007, respectively.

^cAmounts for fiscal years and VISNs may not sum to totals due to rounding

**Appendix I: The Total Costs and Number of
Prosthetic Items VA Provided to Veterans in
Fiscal Years 2005 through 2009**

Table 5: Total Costs and the Number of Prosthetic Items Provided to Veterans by VA Station, Fiscal Years 2005 through 2009

(Dollars in millions and items in thousands)

VISN	Station ^a	Dollars spent (number of items provided)					Total ^c
		2005 ^b	2006 ^b	2007 ^b	2008	2009	
1	Bedford	\$ 1 (90)	\$ 1 (112)	\$ 1 (103)	\$ 1 (127)	\$ 1 (134)	\$ 5 (565)
1	Manchester	2 (88)	2 (143)	3 (165)	3 (312)	5 (359)	\$ 15 (1,067)
1	Newington Campus	1 (14)	2 (16)	2 (17)	2 (15)	2 (15)	\$ 9 (77)
1	Northampton	1 (119)	1 (114)	1 (110)	2 (155)	3 (193)	\$ 9 (691)
1	Providence	3 (177)	3 (177)	4 (180)	5 (205)	7 (278)	\$ 23 (1,018)
1	Togus	6 (203)	6 (271)	7 (295)	9 (596)	10 (625)	\$ 38 (1,991)
1	VA Boston HCS- Boston Div.	6 (968)	6 (674)	7 (662)	10 (1,139)	10 (1,052)	\$ 40 (4,495)
1	VA Boston HCS-West Roxbury Div.	8 (8)	8 (9)	9 (11)	8 (13)	8 (21)	\$ 41 (62)
1	West Haven Campus	7 (371)	9 (468)	10 (439)	11 (813)	13 (893)	\$ 50 (2,984)
1	White River Jct.	3 (44)	3 (44)	3 (50)	5 (224)	6 (287)	\$ 20 (650)
2	Albany	4 (49)	4 (43)	4 (44)	5 (46)	6 (53)	\$ 23 (235)
2	Bath	1 (19)	1 (19)	1 (21)	2 (25)	2 (30)	\$ 8 (115)
2	Canandaigua	1 (11)	1 (11)	1 (13)	1 (13)	1 (15)	\$ 5 (63)
2	Rochester	1 (13)	1 (13)	1 (15)	2 (15)	2 (18)	\$ 7 (75)
2	Syracuse	7 (79)	8 (83)	10 (90)	11 (97)	12 (113)	\$ 47 (462)
2	Upstate New York HCS	9 (68)	9 (70)	8 (71)	13 (781)	15 (881)	\$ 54 (1,871)
3	Bronx	4 (34)	5 (156)	5 (52)	6 (59)	7 (66)	\$ 27 (367)
3	Castle Point Division-Hudson Valley HCS-	2 (37)	2 (42)	2 (41)	2 (41)	2 (52)	\$ 10 (214)
3	Hudson Valley HCS	< 1 (6)	< 1 (7)	1 (12)	1 (12)	1 (12)	\$ 3 (48)

**Appendix I: The Total Costs and Number of
Prosthetic Items VA Provided to Veterans in
Fiscal Years 2005 through 2009**

(Dollars in millions and items in thousands)

VISN	Station ^a	Dollars spent (number of items provided)					Total ^c
		2005 ^b	2006 ^b	2007 ^b	2008	2009	
3	Lyons	< 1 (7)	< 1 (5)	< 1 (10)	< 1 (7)	0 (0)	\$ 1 (29)
3	New Jersey HCS	5 (78)	5 (105)	6 (155)	7 (186)	8 (217)	\$ 30 (743)
3	New York Harbor HCS-NY Div.	9 (63)	9 (67)	10 (71)	15 (1,218)	17 (1,348)	\$ 59 (2,767)
3	New York Harbor HCS-Brooklyn-Poly Pl. Campus	4 (67)	4 (78)	4 (107)	6 (117)	7 (126)	\$ 26 (496)
3	Northport	5 (117)	5 (88)	6 (105)	6 (102)	8 (126)	\$ 30 (538)
4	Butler	1 (15)	2 (16)	2 (18)	3 (205)	3 (212)	\$ 11 (466)
4	Clarksburg	2 (23)	3 (59)	3 (75)	4 (244)	5 (249)	\$ 18 (650)
4	Coatesville	1 (12)	1 (53)	1 (58)	3 (322)	3 (316)	\$ 9 (760)
4	Erie	2 (34)	2 (42)	3 (55)	4 (274)	4 (303)	\$ 16 (708)
4	James E. Van Zandt VA (Altoona)	2 (223)	2 (221)	2 (189)	3 (353)	4 (377)	\$ 12 (1,364)
4	Lebanon	4 (453)	5 (463)	5 (414)	7 (868)	9 (909)	\$ 30 (3,108)
4	Philadelphia	10 (42)	10 (47)	10 (107)	12 (349)	13 (400)	\$ 55 (946)
4	Pittsburgh HCS-Highland Dr.	0 (0)	< 1 (2)	< 1 (1)	0 (0)	< 1 (1)	\$ 1 (4)
4	Pittsburgh HCS-University Dr.	15 (702)	15 (721)	16 (727)	21 (1,121)	23 (1,313)	\$ 88 (4,584)
4	Wilkes Barre	5 (37)	5 (41)	5 (42)	7 (278)	8 (279)	\$ 29 (677)
4	Wilmington	2 (21)	3 (21)	3 (22)	4 (115)	5 (131)	\$ 16 (310)
5	Baltimore	7 (377)	7 (259)	7 (225)	8 (348)	11 (418)	\$ 40 (1,626)
5	Fort Howard	< 1 (6)	< 1 (6)	< 1 (6)	< 1 (5)	1 (12)	\$ 3 (34)
5	Martinsburg	4 (104)	5 (105)	5 (111)	6 (332)	7 (338)	\$ 26 (990)
5	Perry Point	1 (5)	1 (6)	2 (9)	3 (12)	2 (14)	\$ 8 (46)
5	Washington	8 (141)	11 (165)	9 (143)	13 (384)	14 (399)	\$ 56 (1,232)

**Appendix I: The Total Costs and Number of
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Fiscal Years 2005 through 2009**

(Dollars in millions and items in thousands)

VISN	Station ^a	Dollars spent (number of items provided)					Total ^c
		2005 ^b	2006 ^b	2007 ^b	2008	2009	
6	Asheville-Oteen	5 (83)	6 (95)	8 (109)	11 (278)	14 (300)	\$ 45 (865)
6	Beckley	2 (53)	3 (49)	3 (58)	5 (251)	5 (262)	\$17 (673)
6	Durham	17 (83)	13 (63)	15 (91)	20 (276)	25 (359)	\$ 90 (872)
6	Fayetteville NC	3 (66)	3 (66)	4 (74)	7 (233)	8 (272)	\$ 26 (712)
6	Hampton	4 (51)	4 (60)	5 (79)	5 (181)	7 (214)	\$ 24 (585)
6	Richmond	13 (88)	12 (78)	14 (81)	17 (254)	19 (296)	\$ 74 (796)
6	Salem	5 (61)	5 (63)	7 (86)	9 (197)	10 (240)	\$ 35 (648)
6	W.G. (Bill) Hefner Salisbury VAMC	6 (66)	6 (80)	8 (109)	11 (456)	14 (565)	\$ 44 (1,276)
7	Augusta	10 (82)	11 (97)	13 (122)	18 (409)	19 (444)	\$ 71 (1,153)
7	Birmingham	11 (161)	11 (108)	12 (181)	16 (475)	18 (537)	\$ 69 (1,462)
7	Charleston	7 (55)	8 (61)	9 (69)	12 (177)	13 (193)	\$ 49 (555)
7	Columbia	8 (98)	8 (92)	11 (108)	14 (314)	17 (361)	\$ 59 (972)
7	Decatur	13 (253)	13 (235)	15 (288)	22 (738)	23 (793)	\$ 86 (2,307)
7	Dublin	3 (39)	3 (47)	5 (56)	6 (62)	7 (77)	\$ 24 (281)
7	Montgomery	5 (86)	5 (79)	5 (59)	7 (343)	7 (376)	\$ 28 (942)
7	Tuscaloosa	2 (37)	2 (37)	2 (40)	3 (146)	4 (150)	\$ 13 (411)
8	Bay Pines	9 (155)	11 (163)	12 (177)	16 (902)	19 (973)	\$ 67 (2,370)
8	Broward County	0 (0)	0 (0)	0 (0)	1 (18)	1 (12)	\$ 2 (30)
8	Daytona Beach	1 (10)	1 (51)	1 (71)	1 (68)	1 (84)	\$ 5 (284)
8	Ft. Myers	2 (14)	1 (12)	2 (14)	2 (16)	2 (21)	\$ 8 (78)
8	Jacksonville	1 (11)	1 (16)	2 (17)	2 (19)	3 (24)	\$ 9 (88)

**Appendix I: The Total Costs and Number of
Prosthetic Items VA Provided to Veterans in
Fiscal Years 2005 through 2009**

(Dollars in millions and items in thousands)

VISN	Station ^a	Dollars spent (number of items provided)					Total ^c
		2005 ^b	2006 ^b	2007 ^b	2008	2009	
8	Leesburg (Lake County)	0 (0)	< 1 (1)	< 1 (1)	< 1 (1)	< 1 (1)	\$ < 1 (3)
8	Mayaguez	0 (0)	0 (0)	0 (0)	< 1 (7)	< 1 (8)	\$ < 1 (15)
8	Miami	10 (179)	11 (216)	11 (182)	14 (685)	16 (743)	\$ 63 (2,006)
8	North Florida/South Georgia HCS- Gainesville	17 (525)	20 (503)	22 (427)	27 (1,150)	31 (1,316)	\$ 117 (3,921)
8	North Florida/South Georgia HCS- Lake City	4 (183)	4 (158)	4 (158)	6 (210)	6 (274)	\$ 24 (982)
8	Oakland Park	1 (18)	1 (14)	1 (16)	0 (0)	0 (0)	\$ 3 (48)
8	Orlando	4 (109)	4 (99)	5 (79)	5 (115)	6 (133)	\$ 25 (534)
8	Ponce	0 (0)	0 (0)	0 (0)	< 1 (11)	< 1 (13)	\$ 1 (24)
8	San Juan	11 (145)	12 (147)	13 (172)	17 (418)	18 (464)	\$ 71 (1,345)
8	Tallahassee	< 1 (7)	< 1 (9)	< 1 (10)	1 (17)	1 (16)	\$ 3 (58)
8	Tampa	20 (244)	22 (260)	23 (192)	33 (1,353)	38 (1,416)	\$ 138 (3,465)
8	Viera	1 (45)	2 (38)	2 (29)	2 (30)	2 (31)	\$ 10 (173)
8	W Palm Beach	8 (198)	9 (213)	10 (229)	15 (830)	18 (890)	\$ 60 (2,360)
8	Zephyrhills	1 (10)	1 (10)	1 (11)	1 (13)	1 (12)	\$ 4 (55)
9	Chattanooga	< 1 (3)	< 1 (4)	< 1 (4)	< 1 (3)	< 1 (4)	\$ 1 (19)
9	Huntington	4 (85)	5 (52)	6 (60)	8 (227)	9 (265)	\$ 32 (689)
9	Knoxville	1 (10)	2 (9)	2 (10)	< 1 (5)	< 1 (9)	\$ 6 (42)
9	Lexington-Cooper Dr.	0 (0)	0 (0)	0 (0)	0 (0)	11 (74)	\$ 11 (74)
9	Lexington-Leestown	8 (50)	8 (48)	9 (59)	12 (280)	2 (248)	\$ 39 (684)
9	Louisville	7 (72)	8 (59)	9 (53)	12 (389)	12 (410)	\$ 48 (983)

**Appendix I: The Total Costs and Number of
Prosthetic Items VA Provided to Veterans in
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(Dollars in millions and items in thousands)

VISN	Station ^a	Dollars spent (number of items provided)					Total ^c
		2005 ^b	2006 ^b	2007 ^b	2008	2009	
9	Memphis	8 (87)	9 (96)	10 (89)	12 (343)	13 (375)	\$52 (991)
9	Middle Tennessee HCS	14 (198)	16 (196)	16 (205)	21 (662)	25 (743)	\$91 (2,005)
9	Mountain Home	5 (163)	6 (182)	7 (193)	9 (481)	11 (566)	\$38 (1,584)
10	Chillicothe	1 (30)	1 (31)	2 (33)	3 (150)	3 (183)	\$10 (427)
10	Cincinnati	5 (80)	6 (132)	6 (129)	10 (333)	13 (397)	\$41 (1,071)
10	Cleveland-Wade Park	11 (119)	14 (134)	17 (149)	21 (725)	26 (953)	\$90 (2,079)
10	Columbus	2 (35)	2 (38)	3 (48)	5 (231)	7 (275)	\$20 (626)
10	Dayton	4 (78)	5 (50)	5 (45)	8 (375)	11 (430)	\$32 (977)
11	Ann Arbor HCS	7 (48)	9 (51)	10 (60)	12 (309)	16 (369)	\$53 (837)
11	Battle Creek	2 (37)	2 (40)	3 (45)	4 (201)	6 (235)	\$17 (559)
11	Detroit (John D. Dingell)	5 (68)	6 (65)	6 (78)	6 (248)	7 (287)	\$30 (745)
11	Illiana HCS (Danville)	3 (150)	3 (108)	4 (67)	5 (212)	6 (234)	\$22 (771)
11	Indianapolis	11 (103)	13 (98)	14 (117)	17 (331)	18 (387)	\$73 (1,036)
11	N. Indiana HCS-Ft. Wayne	2 (39)	2 (32)	3 (37)	4 (52)	4 (60)	\$15 (220)
11	N. Indiana HCS-Marion	1 (14)	1 (14)	1 (16)	3 (338)	4 (445)	\$10 (827)
11	Saginaw	2 (42)	2 (43)	3 (49)	5 (131)	7 (201)	\$18 (466)
11	Toledo	1 (7)	< 1 (2)	0 (0)	0 (0)	0 (0)	\$1 (9)
12	Adams Benjamin Jr. (Crown Point IN)	< 1 (6)	1 (6)	1 (8)	1 (8)	1 (9)	\$4 (36)
12	Hines	10 (289)	9 (348)	10 (383)	12 (583)	13 (541)	\$54 (2,144)
12	Iron Mountain MI	1 (29)	1 (28)	1 (29)	2 (102)	2 (137)	\$7 (326)

**Appendix I: The Total Costs and Number of
Prosthetic Items VA Provided to Veterans in
Fiscal Years 2005 through 2009**

(Dollars in millions and items in thousands)

VISN	Station ^a	Dollars spent (number of items provided)					Total ^c
		2005 ^b	2006 ^b	2007 ^b	2008	2009	
12	Jesse Brown VAMC-Chicago HCS	6 (302)	5 (220)	6 (185)	8 (326)	10 (325)	\$35 (1,359)
12	Madison WI	6 (126)	6 (91)	6 (81)	7 (175)	8 (182)	\$33 (656)
12	Milwaukee WI	11 (63)	12 (57)	13 (63)	15 (221)	16 (258)	\$67 (661)
12	North Chicago IL	2 (44)	2 (40)	2 (46)	4 (271)	5 (318)	\$14 (719)
12	Tomah	1 (33)	2 (35)	2 (34)	3 (173)	3 (229)	\$11 (504)
15	Columbia MO	6 (61)	6 (68)	7 (80)	8 (79)	9 (88)	\$37 (375)
15	Kansas City	8 (71)	9 (78)	10 (76)	16 (830)	19 (923)	\$61 (1,979)
15	Leavenworth	2 (30)	1 (24)	2 (26)	2 (29)	2 (31)	\$10 (141)
15	Marion IL	4 (58)	6 (52)	7 (58)	6 (65)	7 (73)	\$31 (306)
15	Poplar Bluff	1 (14)	1 (17)	1 (19)	1 (23)	2 (37)	\$6 (110)
15	Robert J. Dole VAM&ROC (Wichita)	4 (47)	3 (41)	4 (45)	5 (51)	6 (56)	\$23 (239)
15	St Louis-Jeff Bks.	5 (150)	6 (127)	7 (123)	8 (126)	10 (133)	\$37 (659)
15	St Louis-John Cochran	6 (27)	6 (25)	6 (26)	10 (519)	12 (574)	\$40 (1,171)
15	Topeka - Colmery-O'Neil	2 (46)	2 (32)	2 (34)	3 (38)	3 (38)	\$11 (189)
16	Alexandria	2 (35)	2 (39)	2 (45)	3 (224)	4 (246)	\$14 (588)
16	Baton Rouge	< 1 (2)	< 1 (4)	< 1 (8)	1 (10)	< 1 (6)	\$2 (29)
16	Central AR Veterans HCS LR	15 (116)	17 (127)	17 (121)	20 (616)	22 (656)	\$91 (1,635)
16	Fayetteville AR	3 (70)	4 (81)	4 (87)	7 (395)	10 (501)	\$28 (1,134)
16	G. V. (Sonny) Montgomery VAMC	6 (55)	6 (49)	7 (59)	10 (303)	11 (307)	\$41 (772)
16	Gulf Coast HCS	6 (78)	6 (70)	6 (85)	10 (649)	11 (699)	\$39 (1,581)
16	Houston	17 (138)	20 (138)	23 (157)	27 (394)	33 (518)	\$119 (1,345)

**Appendix I: The Total Costs and Number of
Prosthetic Items VA Provided to Veterans in
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(Dollars in millions and items in thousands)

VISN	Station ^a	Dollars spent (number of items provided)					Total ^c
		2005 ^b	2006 ^b	2007 ^b	2008	2009	
16	Muskogee	2 (55)	2 (58)	3 (79)	5 (322)	5 (353)	\$17 (868)
16	New Orleans	6 (45)	2 (36)	3 (42)	5 (155)	5 (206)	\$22 (484)
16	Oklahoma City	12 (97)	12 (89)	15 (111)	18 (483)	18 (518)	\$76 (1,298)
16	Overton Brooks VAMC	6 (43)	7 (49)	6 (45)	7 (230)	8 (258)	\$33 (625)
16	Tulsa	2 (39)	1 (35)	1 (9)	2 (8)	2 (8)	\$8 (98)
17	Austin Satellite	< 1 (3)	1 (7)	1 (8)	1 (12)	1 (13)	\$4 (43)
17	Bonham VAMC	1 (27)	7 (31)	< 1 (8)	0 (0)	0 (0)	\$8 (66)
17	Dallas VAMC	21 (447)	20 (471)	25 (491)	29 (839)	33 (684)	\$128 (2,932)
17	Kerrville VAMC	< 1 (10)	< 1 (9)	< 1 (10)	1 (12)	< 1 (7)	\$2 (48)
17	San Antonio VAMC	19 (146)	22 (149)	25 (172)	36 (659)	39 (758)	\$140 (1,884)
17	Temple VAMC	7 (72)	6 (76)	7 (81)	11 (483)	15 (567)	\$46 (1,278)
17	Waco VAMC	2 (20)	2 (22)	2 (25)	3 (31)	2 (20)	\$11 (117)
18	Amarillo HCS	3 (79)	4 (80)	4 (87)	5 (174)	6 (192)	\$ 22 (613)
18	El Paso HCS	2 (185)	3 (249)	3 (250)	4 (422)	5 (475)	\$ 17 (1,582)
18	New Mexico HCS	9 (514)	11 (549)	12 (674)	15 (896)	18 (1,027)	\$ 65 (3,660)
18	Northern Arizona HCS	2 (166)	2 (146)	2 (98)	4 (157)	4 (186)	\$ 15 (753)
18	Phoenix	7 (447)	9 (455)	10 (561)	12 (746)	15 (777)	\$ 54 (2,985)
18	S. Arizona HCS	13 (227)	13 (255)	12 (210)	15 (418)	19 (467)	\$ 72 (1,577)
18	West Texas HCS	2 (35)	2 (32)	2 (32)	3 (111)	4 (143)	\$ 13 (352)
19	Cheyenne	3 (33)	3 (32)	4 (33)	5 (385)	6 (472)	\$ 21 (956)
19	Eastern Colorado HCS	11 (76)	13 (79)	14 (84)	19 (1,191)	21 (1,426)	\$ 77 (2,858)

**Appendix I: The Total Costs and Number of
Prosthetic Items VA Provided to Veterans in
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(Dollars in millions and items in thousands)

VISN	Station ^a	Dollars spent (number of items provided)					Total ^c
		2005 ^b	2006 ^b	2007 ^b	2008	2009	
19	Grand Junction	2 (16)	2 (16)	2 (20)	3 (251)	4 (367)	\$ 13 (670)
19	Montana HCS	6 (55)	7 (56)	6 (62)	8 (307)	11 (384)	\$ 38 (864)
19	Pueblo	< 1 (9)	1 (12)	1 (15)	1 (14)	1 (16)	\$ 3 (66)
19	Salt Lake City HCS - George E. Wahlen VAMC	16 (80)	17 (101)	18 (111)	21 (516)	22 (658)	\$ 95 (1,466)
19	Sheridan	2 (16)	2 (17)	2 (21)	2 (75)	2 (93)	\$ 10 (223)
20	Alaska HCS	1 (13)	1 (14)	2 (17)	2 (99)	3 (113)	\$ 10 (256)
20	American Lake	4 (54)	5 (60)	6 (70)	5 (502)	5 (440)	\$ 26 (1,126)
20	Boise	4 (29)	4 (28)	4 (29)	6 (147)	7 (185)	\$ 25 (419)
20	Portland	12 (82)	13 (71)	14 (89)	17 (392)	20 (442)	\$ 75 (1,075)
20	Roseburg HCS	3 (29)	3 (28)	3 (30)	4 (198)	5 (255)	\$ 18 (540)
20	Seattle	10 (46)	10 (44)	11 (51)	15 (378)	16 (412)	\$ 63 (931)
20	Southern Oregon Rehabilitation Ctr & Clinics	1 (9)	1 (11)	1 (12)	2 (87)	2 (100)	\$ 8 (220)
20	Spokane	2 (23)	2 (24)	3 (27)	4 (235)	4 (247)	\$ 16 (557)
20	Walla Walla	1 (57)	1 (58)	2 (42)	3 (151)	4 (178)	\$ 10 (486)
21	Fresno	3 (25)	3 (24)	3 (28)	4 (164)	5 (186)	\$ 18 (428)
21	Livermore	1 (8)	1 (8)	1 (7)	2 (9)	2 (11)	\$ 6 (43)
21	Manila	< 1 (5)	< 1 (4)	< 1 (6)	< 1 (4)	< 1 (4)	\$ 1 (22)
21	N. California HCS-Martinez	5 (39)	6 (48)	7 (56)	11 (496)	14 (566)	\$ 44 (1,204)
21	N. California HCS-Sacramento	< 1 (4)	0 (0)	0 (0)	0 (0)	0 (0)	\$ < 1 (4)
21	Pacific Islands HCS (Honolulu)	3 (30)	3 (40)	3 (55)	4 (123)	5 (132)	\$ 19 (379)
21	Palo Alto	9 (42)	10 (80)	13 (65)	15 (329)	17 (389)	\$ 65 (906)

**Appendix I: The Total Costs and Number of
Prosthetic Items VA Provided to Veterans in
Fiscal Years 2005 through 2009**

(Dollars in millions and items in thousands)							
VISN	Station ^a	Dollars spent (number of items provided)					Total ^c
		2005 ^b	2006 ^b	2007 ^b	2008	2009	
21	San Francisco	11 (39)	11 (41)	12 (44)	15 (270)	18 (328)	\$ 66 (723)
21	San Jose	< 1 (4)	1 (4)	< 1 (3)	< 1 (4)	1 (5)	\$ 3 (21)
21	Sierra Nevada HCS	5 (35)	5 (34)	5 (36)	7 (121)	8 (129)	\$ 30 (355)
22	Greater Los Angeles HCS	11 (53)	11 (53)	11 (371)	14 (639)	13 (822)	\$ 60 (1,938)
22	Loma Linda VAMC	10 (66)	10 (62)	12 (74)	16 (553)	19 (686)	\$ 65 (1,441)
22	Long Beach HCS	6 (32)	7 (33)	7 (40)	9 (304)	10 (366)	\$ 39 (776)
22	San Diego HCS	13 (59)	13 (66)	14 (89)	17 (494)	18 (502)	\$ 75 (1,210)
22	Sepulveda	2 (18)	2 (20)	2 (25)	2 (30)	3 (39)	\$ 10 (132)
22	Southern Nevada HCS	5 (46)	5 (45)	5 (49)	6 (310)	8 (356)	\$ 28 (807)
23	Des Moines	3 (59)	3 (59)	4 (63)	5 (81)	5 (83)	\$ 19 (346)
23	Fargo	2 (71)	2 (100)	2 (116)	3 (317)	4 (354)	\$ 14 (958)
23	Fort Meade	2 (36)	2 (36)	2 (40)	2 (136)	3 (149)	\$ 10 (397)
23	Grand Island	1 (30)	1 (32)	1 (32)	2 (30)	2 (35)	\$ 7 (159)
23	Hot Springs	1 (22)	1 (25)	1 (28)	1 (29)	1 (29)	\$ 7 (133)
23	Iowa City	5 (50)	6 (51)	6 (58)	7 (57)	8 (64)	\$ 32 (280)
23	Knoxville	1 (5)	1 (4)	< 1 (2)	< 1 (1)	< 1 (1)	\$ 2 (13)
23	Lincoln	1 (48)	1 (19)	1 (19)	1 (22)	1 (22)	\$ 5 (131)
23	Minneapolis	16 (445)	17 (378)	18 (347)	21 (912)	25 (972)	\$ 97 (3,054)
23	Omaha	6 (58)	7 (50)	7 (56)	14 (997)	17 (1,168)	\$ 51 (2,328)
23	Sioux Falls	2 (69)	3 (74)	3 (73)	5 (223)	6 (250)	\$ 20 (690)
23	St. Cloud	1 (133)	1 (149)	2 (137)	4 (440)	5 (522)	\$ 13 (1,380)

**Appendix I: The Total Costs and Number of
Prosthetic Items VA Provided to Veterans in
Fiscal Years 2005 through 2009**

(Dollars in millions and items in thousands)

VISN	Station ^a	Dollars spent (number of items provided)					Total ^c
		2005 ^b	2006 ^b	2007 ^b	2008	2009	
	Total^c	\$ 907 (16,371)	\$ 980 (16,531)	\$ 1,082 (17,490)	\$ 1,404 (52,596)	\$ 1,623 (59,103)	\$ 5,996 (162,090)

Source: GAO analysis of VA data.

Note: Data for this table were obtained from VA's National Prosthetic Patient Database (NPPD)—an internal system used by VA to administer the department's provision of prosthetic items. Data on total costs for prosthetic items from NPPD are different from the obligation data we used to report VA's annual spending for prosthetic items in the body of the report. The data on spending represent obligations for the procurement of prosthetic items during the course of a fiscal year, while NPPD data represent obligations that VA has incurred for prosthetic items actually provided to veterans during a fiscal year. In some instances, there may be a delay between when VA procures a prosthetic item and when the item is provided to the veteran. For example, VA may incur an obligation for the procurement of prosthetic items for PSAS inventory in one fiscal year, and distribute the inventoried prosthetic items to veterans in the next fiscal year.

^aA station is a medical facility or group of medical facilities under a single director. A station may include more than one VA medical center.

^bPrior to fiscal year 2008, VA's NPPD did not contain data related to hearing aids, hearing aid batteries, and several other prosthetic devices. As a result, these items are not included for fiscal years 2005 through 2007. According to a VA official, VA spent \$145 million, \$140 million, and \$140 million for these items during fiscal years 2005, 2006, and 2007, respectively.

^cAmounts for fiscal years and stations may not sum to totals due to rounding.

Appendix II: GAO Contact and Staff Acknowledgments

GAO Contact

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