

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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VA HEALTH CARE

Spending for and Provision of Prosthetic Items

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.