

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



Veterans Health Administration

*Audit of
Homeless Providers
Grant and Per Diem Case
Management Oversight*

June 29, 2015
14-01991-387

ACRONYMS

FY	Fiscal Year
GAO	Government Accountability Office
GPD	Grant and Per Diem
OGC	Office of General Counsel
OIG	Office of Inspector General
SSVF	Supportive Services for Veteran Families
VA	Department of Veterans Affairs
VAMC	Veterans Affairs Medical Center
VHA	Veterans Health Administration
VISN	Veterans Integrated Service Network

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Report Highlights: Audit of VHA's Homeless Providers Grant and Per Diem Case Management Oversight

Why We Did This Audit

We conducted this audit to determine if the Veterans Health Administration's (VHA) Grant and Per Diem (GPD) Program case management oversight ensures services to eligible veterans are provided in accordance with grant agreements.

What We Found

VHA's oversight of homeless providers' case management helped to ensure services were provided in accordance with grant agreements for those veterans in the program. However, eligibility requirements need to be clarified so all homeless veterans have equal access to case management services.

We found 15 of 130 VA medical facilities (12 percent) within 6 different Veterans Integrated Service Networks required veterans to be eligible for VA health care to participate in the GPD Program. GPD policy only requires an individual to have served in the active military, naval, or air service, and been discharged or released under conditions other than dishonorable.

The VHA Handbook and US Code provide minimum active duty requirements to be eligible for VA health care benefits. VHA has been silent on addressing this additional eligibility requirement in its current policy. VHA has not aggressively pursued an Office of General Counsel formal opinion and confusion at all program levels regarding eligibility requirements has resulted in inequitable access to case management services.

In addition, we observed medication security issues at 5 of 22 providers (23 percent) we visited within 5 of the 6 medical facilities in our sample. This occurred because VHA and program providers did not ensure controls were sufficient to properly secure medications. As a result, veterans' health and rehabilitation are potentially at risk.

What We Recommended

We recommended the Interim Under Secretary for Health establish a definitive legal position on program eligibility and revise policies and the grant application approval process, if necessary, when a legal opinion is provided, and ensure veteran medications are safely secured through additional inspections and controls.

Agency Comments

The Interim Under Secretary for Health concurred with our recommendations and provided an appropriate action plan. We will follow up on its implementation.

Handwritten signature of Linda A. Halliday in blue ink.

LINDA A. HALLIDAY
Assistant Inspector General
for Audits and Evaluations

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INTRODUCTION

- Objective** We conducted this audit to determine if the Grant and Per Diem (GPD) Program case management oversight ensures services to eligible veterans are provided in accordance with grant agreements.
- Organizational Structure** The VA Homeless Providers GPD Program Office is located in Tampa, FL, and is aligned under the Veterans Health Administration (VHA) National Homeless Program. The program office provides oversight of the GPD Program that funds four GPD grant types, one being per diem grants, which are overseen by VA medical facilities. There is a homeless coordinator at all 21 Veterans Integrated Service Networks (VISNs). They provide regional oversight to ensure that the program is conducted in accordance with the *GPD Program Handbook*. There are 263 VA medical facility liaisons that provide case management oversight nationwide.
- Grant and Per Diem Program** The Homeless Veterans Comprehensive Programs Service Act of 1992 established the VA Homeless Providers Grant and Per Diem Program. GPD grants have been awarded nationally since 1994 and community-based programs funded under the GPD Program became operational in 1996. VA awards grants to nonprofit and Government agencies to offer outreach, rehabilitative services, case management, vocational counseling and training, and transitional housing assistance to homeless veterans. According to VA's Congressional Submission Fiscal Year (FY) 2016 Funding and FY 2017 Advance Appropriations, VA funded approximately \$214.5 million for transitional housing under the GPD Program, with more than 650 funded projects in FY 2014.
- Case Management** Case management at the provider level includes establishing and updating treatment plans to accomplish program goals including residential stability, coordinating care to address physical and/or psychiatric treatment needs, conducting periodic meetings with veterans to assess progress, connecting veterans with employment resources, and other supportive case management services. VA medical facility liaisons are responsible for oversight of the provider's case management activities to ensure services are provided in accordance with grant agreements.
- Other Information**
- Appendix A provides pertinent background information.
 - Appendix B provides details on our scope and methodology.
 - Appendix C provides details on the audit's statistical sampling methodology.

RESULTS AND RECOMMENDATIONS

Finding **VHA Needs To Clarify Grant and Per Diem Program Eligibility Requirements**

VHA's oversight of homeless providers' case management helped to ensure services were provided in accordance with grant agreements for those veterans in the program. However, GPD Program eligibility requirements need to be clarified so all homeless veterans have equal access to case management services. We found 15 (12 percent) of 130 VA medical facilities within 6 different VISNs required veterans to be eligible for VA health care to participate in the GPD Program. Additionally, we found 4 of 59 grant applications that these 15 medical facilities oversaw during FY 2014 were incorrectly approved by the program. These four grant applications specifically limited program participation to veterans eligible for VA health care. GPD policy only requires an individual to have served in the active military, naval, or air service, and been discharged or released under conditions other than dishonorable to participate in the GPD Program.

Title 38 United States Code (U.S.C.), Part 17 authorizes the Secretary of Veterans Affairs to furnish needed care to any eligible veteran. VHA Handbook 1601A.02, *Eligibility Determinations*, establishes VHA criteria for determining the eligibility for such veterans. The handbook states that to qualify for VA benefits, military service must be "under conditions other than dishonorable." Accordingly, veterans who receive an "honorable" discharge or an "under honorable conditions" discharge (also termed a general discharge) are generally eligible for VA health care benefits. The *GPD Program Handbook* (VHA Handbook 1162.01) applies the same discharge status for determining eligibility for GPD services, which is considered a health benefit.

VHA Handbook 1601A.02 also cites Title 38 U.S.C. §5303A, which provides minimum active duty requirements to be eligible for VA health care benefits. To be eligible for VA health care benefits, an individual who enlisted after September 7, 1980, must complete the shorter of 24 months of continuous active duty or complete the full period for which the individual was called or ordered to active duty. VHA has been silent on addressing this additional eligibility requirement in its current policy. If this were addressed, it would clarify VA health care and GPD Program eligibility for those 15 medical facilities.

Although the Office of General Counsel (OGC) and VHA have been aware that program's eligibility criteria needs clarification, VHA has not aggressively pursued an OGC formal opinion. VHA has known that program eligibility criteria were unclear since the implementation of the

GPD Program. In 1994, VHA requested OGC to define what requirements veterans must meet to be eligible to participate in the GPD Program. OGC stated that a veteran did not have to be eligible for VA medical care in order for VA to make per diem payments for veterans participating in the program.

In 2013, OGC provided conflicting advice when VHA included a revision to its draft *GPD Program Handbook* that VA health care was not a requirement for a veteran to be eligible for the program. OGC officials advised against making this revision because Title 38 U.S.C. §5303A requires a minimum active duty requirement to qualify for VA benefits, including VA health care. From February through June 2014, VHA issued a series of memos and guidance in an attempt to clarify the program's eligibility criteria. This included a March 2014 request for an OGC formal opinion and then VHA rescinded the request in June 2014. As of February 2015, VHA has not made another request for an OGC formal legal opinion as to whether veterans must be eligible for VA health care to be eligible for GPD services.

**Homeless
Veterans
Denied Access
to Program**

Early in our audit work, we found a medical facility that excluded veterans who did not meet the active duty requirement. The facility determined these veterans were ineligible for VA health care and participation in the GPD Program. A medical facility official told us that this practice has been occurring for at least 6 years. The facility referred veterans determined ineligible for GPD Program services to non-VA sources for services, such as local community homeless programs. Because this conflicted with eligibility criteria in the *GPD Program Handbook*, and considering the seriousness of homeless veterans not receiving access to GPD services, we went beyond our original sample of eight¹ facilities to determine the extent other medical facilities were denying veterans access to program services.

The GPD Program Office provided a list of 14 additional medical facilities that denied homeless veterans access to GPD services because they required the veterans meet the discharge and active duty requirement to be eligible for GPD services. However, we could not determine how many veterans were found to be ineligible for GPD services because they were not eligible for VA health care. The director of the GPD Program Office could not provide us with the total number of veterans who were denied program services because VA medical facilities do not collect or maintain these data.

¹ Two of eight facilities in our original sample, Eastern Colorado Health Care System, Denver, CO (VISN 19); and Canandaigua VA Medical Center, Canandaigua, NY (VISN 2), were not visited because we identified a major deficiency in eligibility, and working with the program office, we were able to determine the extent of the issue on a national basis.

Table 1 lists the 15 medical facilities that did not use GPD Program criteria to determine program eligibility.

Table 1. Facilities Not Using GPD Program Eligibility Criteria

	VA Medical Facilities	Location	VISN
1	James J. Peters VAMC	New York, NY	3
2	VA Hudson Valley Healthcare System	Montrose and Wappingers Falls, NY	3
3	NY Harbor Healthcare System	New York, NY	3
4	Louis A. Johnson VAMC	Clarksburg, WV	4
5	Coatesville VAMC	Coatesville, PA	4
6	Erie VAMC	Erie, PA	4
7	Wilkes-Barre VAMC	Wilkes-Barre, PA	4
8	William Jennings Bryan Dorn VAMC	Columbia, SC	7
9	Ralph H. Johnson VAMC	Charleston, SC	7
10	Atlanta VAMC	Decatur, GA	7
11	Robley Rex VAMC	Louisville, KY	9
12	Veterans Healthcare System of the Ozarks	Fayetteville, AR	16
13	Jack C. Montgomery VAMC	Muskogee, OK	16
14	VA North Texas Health Care System-Dallas VAMC	Dallas, TX	17
15	Audie L. Murphy VA Hospital, South Texas Veterans Health Care System	San Antonio, TX	17

Source: GPD Program Office

We reviewed VHA's grant application approval process, and the GPD Program Office provided the 59 grants that these 15 medical facilities oversaw during FY 2014. Of the 59 grant applications, we found the GPD Program incorrectly approved 4 grant applications that specifically limited program participation to veterans with VA health care, which is contrary to current program policy. Regardless, even without limitations in the other 55 grant applications, only veterans eligible for VA health care were being accepted into the program. Appendix D lists the VA medical facilities and number of grant awards that denied services to veterans because they were ineligible for VA health care.

This occurred because, according to the GPD Program Director, the GPD Program grant evaluation teams did not review applications for health care eligibility limitations. The GPD Program Director informed us that the

evaluation teams were composed of network homeless coordinators and liaisons. These are staff who should understand program eligibility requirements found in the *GPD Program Handbook*.

**Eligibility
Criteria
Unclear**

Historically, homeless veterans not eligible for VA health care have not been excluded from the program. However, as we conducted this audit and questioned the application of the program's eligibility criteria, we found them unclear and inconsistently applied. This was confirmed in our interviews of OGC, program directors, network homeless coordinators, and liaisons, which revealed confusion is occurring at all program levels.

**Office of
General
Counsel
Eligibility
Guidance**

OGC guidance has been unclear and inconsistent since the GPD Program has been implemented. In 1994, OGC provided answers to VHA's questions regarding implementation of the Homeless Veterans Comprehensive Programs Service Act of 1992. VHA requested OGC define what requirements veterans must meet to be eligible to participate in the GPD Program. OGC stated that a veteran does not have to be eligible for VA medical care in order for VA to make per diem payments for veterans participating in the grant program. OGC also stated that Congress did not define veteran within this Act, but the intent of the Act was to provide greater assistance to all homeless veterans.

OGC attorneys told us that they had reviewed a draft *GPD Program Handbook* update in 2013. According to these OGC attorneys, the program had included a revision that VA health care was not a requirement for a veteran to be eligible for the program. OGC officials explained that they had advised against making this revision because Title 38 U.S.C. §5303A requires a veteran to have a minimum of 24 consecutive months of active duty starting after September 7, 1980, to qualify for VA benefits, including VA health care. Ultimately, the revision that VA health care was not a requirement for a veteran to be eligible for the program was not included in the program handbook. The current program handbook, amended June 30, 2014, only requires an individual to have served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable to participate in the GPD Program.

**GAO's 2006
GPD Audit
Report**

In the Government Accountability Office's (GAO) September 2006 report, *Improved Communications and Follow-up Could Further Enhance the Grant and Per Diem Program*, GAO indicated that some GPD providers were incorrectly excluding veterans not eligible for VA health care and may have erroneously turned away veterans from the GPD Program. GAO determined 38 U.S.C. §5303A's length of service requirement for health care was not a requirement for the GPD Program. Specifically, GAO stated, "In contrast to the GPD program, veterans must meet the minimum length of service requirements in 38 U.S.C. §5303A in order to be eligible for VA health care." However, GAO did not provide a rationale for why they interpreted

the length of service requirement for health care was not a requirement for the GPD Program.

VHA Attempts To Clarify Eligibility Requirements

Starting in February 2014, VHA issued a series of memos and guidance in an attempt to clarify the program's eligibility criteria. Table 2 summarizes these memos and guidance.

Table 2. FY 2014 Eligibility Memos and Guidance

Date	Summary
February 21, 2014	Acting Deputy Under Secretary for Health for Operations and Management issued a temporary moratorium that stated veterans not eligible for VA health care were not to be admitted into the GPD Program.
March 31, 2014	Acting Deputy Under Secretary for Health for Operations and Management rescinded the temporary moratorium. In addition, VHA requested the OGC to issue a formal legal opinion on the eligibility issue and instructed grantees to continue in the same manner in which they were functioning prior to the moratorium.
June 30, 2014	Acting Under Secretary for Health postponed VHA's request for an OGC formal legal opinion to review the impact on veterans.
June 30, 2014	The GPD Program Office issued an email to all liaisons that was intended to clarify veteran eligibility in the program.

Source: GPD Program Office and VA Central Office

February 2014 Moratorium

In February 21, 2014, the then-Acting Deputy Under Secretary for Health for Operations and Management issued a memo instituting a temporary moratorium that stated veterans not eligible for VA health care were not to be admitted into the GPD Program. This memo stated that for the past 20 years, the GPD Program operated under the guidance that it was the intent of Congress to allow services to be provided to homeless veterans with other than dishonorable discharges even if they were not eligible for VA health care. However, program officials learned that there may be an alternative interpretation of program eligibility. Pending a formal legal opinion, OGC advised the GPD Program that veterans must be eligible for VA health care to be eligible for GPD services.

**March 2014
Rescission of
Moratorium**

This moratorium lasted 39 days. On March 31, 2014, a different Acting Deputy Under Secretary for Health for Operations and Management issued a memo rescinding the temporary moratorium and stated he had requested the OGC to issue a formal legal opinion on the eligibility issue. This memo also rescinded December 2013 guidance provided to VA's Supportive Services for Veteran Families (SSVF) grantees to serve only VA health care-eligible veterans. The memo stated that until an OGC opinion is issued, GPD and SSVF grantees should continue their operations in the same manner in which they were functioning prior to the moratorium. This did not resolve the problem of inconsistent application of eligibility criteria.

On June 30, 2014, the Acting Under Secretary for Health postponed VHA's request for an OGC formal legal opinion as to whether veterans must be eligible for VA health care to be eligible for GPD services. VHA rescinded its request because it wanted to conduct additional reviews of the GPD program, assess the impact on other homeless programs, review related policies or handbooks, and evaluate the impact of the decision on homeless veterans.

**VHA Issues
Ambiguous
Guidance**

On June 30, 2014, the same day the Acting Under Secretary for Health postponed VHA's request for an OGC legal opinion, the GPD Program Office sent an email to all GPD liaisons that was intended to clarify veteran program eligibility. The contents of the email did not clarify the eligibility issue and conflicted with the Acting Under Secretary for Health's memo, *Rescission of Guidance on Serving Veterans in the Grant Per Diem and Supportive Services for Veteran Families Programs*. The email read:

Good afternoon, our office would like to provide a clarification/reminder regarding the definition of Veteran for the Grant and Per Diem Program. Per our regulations the definition of Veteran is listed below:

Veteran means a person who served in the active military, naval, or air service, and who was discharged or released there from under conditions other than dishonorable.

Although our current definition of Veteran is currently under review by VA Office of General Counsel, until this opinion has been released, medical centers should refer eligible Veterans to GPD programs and authorize per diem payments. Those Veterans admitted to GPD who are not eligible for VA healthcare can be referred by GPD programs for community resources not available through their GPD funded programs. This will allow for maximum use of our transitional housing resource and reduce the numbers of street homeless Veterans as we move toward the goal of ending Veteran homelessness by the end of 2015.

As of February 2015, VHA had not made another request for an OGC formal legal opinion as to whether veterans must be eligible for VA health care to be eligible for GPD services.

**Medication
Security
Oversight**

Although our audit objective focused on case management oversight, we toured the provider's facilities to obtain a general understanding of program services and operations. During the site visits, we observed medication security issues at 5 of 22 providers (23 percent) we visited within 5 of the 6 medical facilities in our sample. This occurred because VHA and program providers did not ensure controls were sufficient to properly secure medications. As a result, veterans' health and rehabilitation are potentially at risk if needed medications become lost or stolen. In addition, veterans may gain inappropriate access to medications and be harmed by the misuse of medications that have not been prescribed to them.

VHA conducts GPD facility inspections prior to a per diem award and yearly thereafter as required by the *GPD Program Handbook*. In addition, liaisons conduct environmental reviews during site visits to identify any hazards or deficiencies at facilities administering active grants. These inspections and reviews include medication safety reviews. If corrective actions are necessary, an action plan is developed.

**Unsecured
Medications**

At one provider, a veteran left a controlled substance, hydrocodone, in an unlocked, transparent, plastic drawer provided by the facility for his personal belongings. This provider accommodates 68 veteran and non-veteran participants in a large, open space. At another provider, medications were left unlocked by the veteran in his own personal locker maintained in a shared space. In both these examples, the providers did not ensure the medications were secured in accordance with its policies.

**Small Boxes
Subject to
Loss**

In addition, we identified three providers that distributed small, locked boxes to program participants to secure medications. Although the boxes were locked, the controlled and non-controlled medications were subject to a higher risk of theft and unauthorized use due to the boxes' small size and portability. Annual inspections and periodic environmental reviews did not cite this as an issue. We notified the responsible GPD liaisons and program providers of the control deficiency associated with the boxes. Continued diligence during annual and periodic environmental inspections is needed to ensure medications are safely secured.

Conclusion

Historically, it appears Congress intended to serve all homeless veterans with an other than dishonorable discharge status regardless if they were eligible for VA health care. The GPD Program is an integral component of VHA's homelessness efforts to obtain stable housing for all veterans. However, the confusion at all program levels regarding GPD Program eligibility requirements has resulted in inequitable access to case management services. VHA must obtain a definitive legal position to establish a clear policy on

GPD Program eligibility requirements that can be implemented consistently nationwide. This will further improve VA's efforts towards ending veterans' homelessness. In addition, stronger medication security controls will help reduce the risk of medication misuse and ensure veterans receive program services in a safe environment.

Recommendations

1. We recommended the Interim Under Secretary for Health establish a definitive legal position on Grant and Per Diem Program eligibility.
2. We recommended the Interim Under Secretary for Health revise policies, if necessary, when a definitive legal position is provided on Grant and Per Diem Program eligibility.
3. We recommended the Interim Under Secretary for Health implement controls to ensure grant applications comply with the definitive legal position on Grant and Per Diem Program eligibility.
4. We recommended the Interim Under Secretary for Health assess all medication security controls over controlled and non-controlled substances and conduct additional inspections at funded grantee facilities.
5. We recommended the Interim Under Secretary for Health ensure individually locked medications are safely secured in non-portable storage containers.

VHA Management Comments

The Interim Under Secretary for Health concurred with our recommendations. In response to Recommendations 1, 2 and 3, VHA will clarify its legal position with regard to veteran eligibility for the GPD Program. If any changes are required as a result of this clarification, VHA will implement them accordingly and provide appropriate guidance to the field.

In response to Recommendations 4 and 5, VHA initiated a national review of all operational GPD programs to ensure medication storage in these programs conformed to medication storage standards. VA medical centers responsible for the oversight of the operations programs confirmed conformance with the medication storage standards. VHA currently conducts comprehensive inspections of all GPD projects at least annually.

OIG Response

The actions implemented were responsive to the intent of our recommendations. We will monitor implementation of these actions and will close the recommendations when we receive sufficient evidence demonstrating VHA's progress in addressing the issues identified. Appendix E contains the full text of the Interim Under Secretary's comments.

Appendix A Background

Program Oversight

The medical facility program staff is responsible for the oversight of the providers' operations. During the intake process, liaisons initially screen homeless veterans, verify their eligibility for the program, and determine which homeless programs are most suitable for the needs of individual veterans. Liaisons typically work with providers' case managers on a continuous basis, developing treatment goals and plans for each veteran and assessing each veteran's progress in reaching those goals. As part of their oversight responsibilities, liaisons' duties normally include regular contact with veterans and providers. Additionally, liaisons coordinate annual inspections of the providers' facilities and provide annual performance reviews to the program office.

Types of Grants

The program funds four different types of grants.

- Per diem grants fund community-based organizations that provide supportive housing or services to the homeless veteran population and are seeking funds to offset operational expenses.
- Capital grants fund up to 65 percent of the cost of acquiring, renovating, or constructing facilities in order to provide supportive housing or service centers and to purchase vans for outreach and transportation.
- Technical assistance grants fund entities with expertise in preparing grant applications relating to assistance for homeless veterans.
- Special needs grants fund operational costs for homeless veteran populations, such as women, the terminally ill, and the chronically mentally ill.

Veteran Homelessness

According to the U.S. Department of Housing and Urban Development's *2014 Annual Homeless Assessment Report (AHAR) to Congress* as of January 2014, 64 percent of 49,933 homeless veterans were located in shelters or transitional housing programs, and 36 percent were in unsheltered locations. Female veterans accounted for 10 percent of the homeless veterans. Table 3 shows the 4-year trend in GPD Program participation and total homeless veterans.

Table 3. Homeless Veterans in GPD Program and Nationwide

	2010	2011	2012	2013	2014
Entries in GPD Program	18,795	21,428	23,072	23,793	23,199
Homeless Veterans Nationwide	74,770	65,645	60,769	55,779	49,933

Source: VHA Support Service Center Fiscal Year End Data and HUD 2014 Annual Homeless Assessment Report (AHAR) to Congress Point-in-Time January Data

Appendix B Scope and Methodology

Scope

We conducted our audit work from April 2014 through April 2015. To accomplish our objective, we reviewed a statistical sample of medical facilities, a random sample of homeless providers, and a random sample of veterans who were discharged from the GPD Program from October 1, 2013, through March 31, 2014.

Methodology

We reviewed applicable laws, regulations, policies, and guidelines. We interviewed program office and medical facility management, liaisons, and grantee representatives to obtain an understanding of program controls. We reviewed grant applications, memoranda of understandings, changes of grant scope, and annual inspection reports. To determine if veterans received services in accordance with the grant agreements, we performed onsite analysis of the sample of veterans' case files that included:

- Eligibility for services
- Treatment/Service plans
- Progress notes including achievement of goals
- Summary of services and aftercare plans

We also conducted meetings at 22 providers and toured the providers' facilities and were alert to any safety, security, and privacy issues.

Fraud Assessment

The audit team assessed the risk that fraud, violations of legal and regulatory requirements, and abuse could occur during this audit. The audit team exercised due diligence in staying alert to any fraud indicators by taking actions such as:

- Reviewing documentation of veteran days of stay to ensure documentation supported the invoice submitted by the provider to VA
- Being alert for any conflicts of interest such as family relationships between employees at the provider and VA

We did not identify any instances of fraud during this audit.

Data Reliability

We relied on the computer-processed participant data from the Homeless Operation Management and Evaluation System. The data we received from Homeless Operation Management and Evaluation System included a listing of discharged participants from the program from October 1, 2013, through March 30, 2014. We assessed the reliability of the participant listing for our selected sites by comparing the participant list with participant folders maintained by selected grantees during our site visits. Additional data reliability tests included steps to identify duplicate entries and data outside of the scope period. Based on these tests, we concluded the data were

sufficiently reliable to meet the audit's objective. However, the GPD Program director could not provide us with the total number of veterans who were denied GPD services because VA medical facilities do not collect or maintain these data. Therefore, we could not assess the reliability, test, or analyze any data for veterans who were denied GPD services.

**Government
Standards**

Our assessment of internal controls focused on those controls related to our audit objective. We conducted this performance audit in accordance with generally accepted government auditing standards. These 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix C Statistical Sampling Methodology

We reviewed 205 veteran case files at 22 providers within 6 medical facilities to determine if VHA's oversight ensured veterans received services in accordance with the grant agreements.

Population

We identified the population of grantees for FY 2014 using a spreadsheet provided by program staff. The statistical sampling universe consisted of 643 FY 2014 grants at 130 medical facilities.

Sampling Design

We developed a three-stage sample. Stage one was based on a systematic probability proportional to size sample approach for the selection of seven medical facilities and one certainty site (total of eight sites) during FY 2014. In order to obtain coverage of rural areas, two of the eight medical facilities selected were highly rural (Albuquerque, NM; and Walla Walla, WA), based on a listing from VHA's Office of Rural Health Web site that used patient location to designate highly rural VA medical centers. We used this definition to identify rural sites. These rural sites included provider visits to Durango, CO; Gallup, NM; and Yakima, WA.

Stage two was based on a random sample of FY 2014 grantees from the selected medical facilities. Stage three was based on a random sample of up to 10 participant discharges for each grantee from October 1, 2013, through March 31, 2014. In addition, we selected the John D. Dingell Medical Center, Detroit, MI, as a certainty site. The certainty site was selected because we were made aware of potential issues in another homeless program at the facility.

In summary, the sample design included 8 medical facilities, 32 providers, and up to 320 participant discharges. We determined six sites, including two rural sites, were sufficient to accomplish our objective. We did not visit the remaining two facilities² because we identified a major deficiency in eligibility, and working with the program office, we were able to determine the extent of the issue on a national basis.

² Eastern Colorado Health Care System, Denver, CO (VISN 19); and Canandaigua VA Medical Center, Canandaigua, NY (VISN 2), were not visited.

Table 4 lists the medical facilities visited, FY 2014 grants reviewed and dollar values, and the total number of veterans discharged from October 1, 2013, through March 31, 2014.

Table 4. Medical Facilities Sampled

VISN	Medical Facility	FY 2014 Grants Reviewed	FY 2014 Grant Value	FY 2014 Veterans Discharged as of 3/31/14
7	Atlanta VAMC Decatur, GA	4	\$1,392,811	217
11	John D. Dingell VAMC Detroit, MI	4	\$3,951,542	285
11	Richard L. Roudebush VAMC Indianapolis, IN	4	\$1,618,312	78
18	Raymond G. Murphy VAMC Albuquerque, NM	4	\$509,953	89
20	Jonathan M. Wainwright Memorial VAMC Walla Walla, WA	4	\$263,949	21
22	VA San Diego Healthcare System San Diego, CA	4	\$1,574,090	343
Total		24	\$9,310,657	1,033

Source: GPD Program Office

Appendix D FY 2014 Facilities With Grants That Limited Participation to Veterans Eligible for VA Health Care

Table 5 lists the facilities and number of grants that denied services to veterans ineligible for VA health care.

Table 5. Grants Limiting Participation to Veterans With VA Health Care

VISN	Medical Facility	Grants	Grants Included Eligibility Limitations
3	James J. Peters VAMC-New York, NY	4	0
3	VA Hudson Valley Health Care System-Montrose and Wappingers Falls, NY	2	0
3	NY Harbor Healthcare System-New York, NY	6	0
4	Louis A. Johnson VAMC-Clarksburg, WV	1	0
4	Coatesville VAMC-Coatesville, PA	4	1
4	Erie VAMC-Erie, PA	1	0
4	Wilkes-Barre VAMC-Wilkes-Barre, PA	5	0
7	William Jennings Bryan Dorn VAMC-Columbia, SC	6	0
7	Ralph H. Johnson VAMC-Charleston, SC	4	0
7	Atlanta VAMC-Decatur, GA	14	0
9	Robley Rex VAMC-Louisville, KY	5	1
16	Veterans Health Care System of the Ozarks-Fayetteville, AR	1	1
16	Jack C. Montgomery VAMC-Muskogee, OK	1	0
17	VA North Texas Health Care System-Dallas VAMC-Dallas, TX	2	1
17	Audie L. Murphy VA Hospital, South Texas Veterans Health Care System-San Antonio, TX	3	0
Total	15	59	4

Source: VA OIG based on VHA grant agreements

Appendix E Interim Under Secretary for Health Comments

Department of Veterans Affairs

Memorandum

Date: May 21, 2015

From: Interim Under Secretary for Health (10)

Subj: OIG Draft Report, Audit of Veterans Health Administration's Homeless Providers Grant and Per Diem Case Management Oversight (VAIQ 7596053)

To: Office of Inspector General - Office of Audits and Evaluations

1. I have reviewed the draft report and concur with the report's recommendations. Attached is the Veterans Health Administration's corrective action plan for recommendations 1 -5.
2. Thank you for the opportunity to review the draft report. If you have any questions, please contact Karen Rasmussen, M.D., Director, Management Review Service (10AR) at VHA10ARMRS2@va.gov.

(original signed by:)

Carolyn M. Clancy, MD

Attachment

VETERANS HEALTH ADMINISTRATION (VHA)
Action Plan

OIG Draft Report: Audit of VHA's Homeless Providers Grant and Per Diem Case Management Oversight

Date of Revised Draft Report: April 27, 2015

Recommendations/Status Actions	Completion Date
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OIG recommends that the Interim Under Secretary for Health

Recommendation 1. Establish a definitive legal position on Grant and Per Diem Program eligibility.

VHA Comments: Concur

VHA will clarify its legal position with regard to Veteran eligibility for VA's Grant and Per Diem (GPD) Program and provide appropriate guidance to the field. If any changes are required as a result of this clarification, VHA will implement them accordingly.

Status:
In Process

Target Completion Date:
November 2015

Recommendation 2. Revise policies, if necessary, when a definitive legal position is provided on Grant and Per Diem Program eligibility.

VHA Comments: Concur

VHA will clarify its legal position with regard to Veteran eligibility for VA's GPD Program and provide appropriate guidance to the field. If any changes are required as a result of this clarification, VHA will implement them accordingly.

Status:
In process

Target Completion Date:
May 2016

Recommendation 3. Implement controls to ensure grant applications comply with the definitive legal position on Grant and Per Diem Program eligibility.

VHA Comments: Concur.

VHA will clarify its legal position with regard to Veteran eligibility for VA's GPD Program and provide appropriate guidance to the field. If any changes are required as a result of this clarification, VHA will implement them accordingly.

Status:
In process

Target Completion Date:
May 2016

Recommendation 4. Assess all medication security controls over controlled and non-controlled substances and conduct additional inspections at funded grantee facilities.

VHA Comments: Concur

VHA agrees that it is important to ensure that the medication storage procedures and practices effectively manage the risk of medications being lost, stolen, or misused by persons other than the Veteran for which the medication is intended. The GPD program established specific medication review standards in August 2013. These standards are incorporated into the annual re-inspection process and provide guidance to both VHA staff and GPD providers as to expectations regarding appropriate medication control systems within GPD funded programs. VHA currently has the authority to inspect programs as necessary (38 CFR 61.65) and conducts comprehensive inspections of all projects at least annually.

During the audit OIG shared its findings of identified risks found at GPD sites. VHA recognized the following identified risks when Veterans individually stored their medications: GPD sites that were not following medication storage policies, or were not maintaining secure storage practices. In response, the GPD National program office reviewed medication control systems during the GPD operational provider call on November 10, 2014, and as well as the monthly GPD liaison call on November 19, 2014.

In addition, VHA initiated a national review of all operational GPD programs on November 17, 2014, to ensure medication storage in these programs conformed to medication storage standards. Additional clarification was provided about the expectation for secured storage of medication. VA medical centers responsible for the oversight of the operations programs confirmed conformance with the medication storage standards.

Status:	Completion Date:
Complete	May 2015

Recommendation 5. Ensure individually locked medications are safely secured in non-portable storage containers.

VHA Comments: Concur

VHA recognizes the risk associated with the storage of medications in its GPD funded transitional housing programs and has already taken actions to address OIG's recommendation. The GPD program established specific medication review standards in August 2013. These standards are incorporated into the annual re-inspection process and provide guidance to both VHA staff and GPD providers as to expectations regarding appropriate medication control systems within GPD funded programs. The standards include the requirement that individually stored medications must be safely and securely stored.

The GPD National Program Office reviewed medication control systems during the GPD operational provider call this fiscal year on November 10, 2014, and as well as the monthly GPD liaison call later that month on November 19, 2014.

VHA also initiated a national review of all operational GPD programs on November 17, 2014, to ensure medication storage in these programs conformed to medication storage standards. Additional clarification was provided about the expectation for secured storage of medication. VA medical centers responsible for the oversight of the operations programs confirmed conformance with the medication storage standards.

Status:	Target Completion Date:
Complete	May 2015

Veterans Health Administration
May 2015

Appendix F Office of Inspector General Contact and Staff Acknowledgments

OIG Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
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Acknowledgments	Cherie Palmer, Director Larry Chinn Joseph DeAntonis Kevin Gibbons Lee Giesbrecht Theresa Golson David Lakoskey John Pawlik Herman Woo Ora Young
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