



Highlights of [GAO-06-1119T](#), a statement for the record for the Subcommittee on Health, Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

The Department of Veterans Affairs (VA) provides mental health services to veterans with conditions such as post-traumatic stress disorder (PTSD) and substance abuse disorders. To address gaps in services needed by veterans, VA approved a mental health strategic plan in 2004. VA planned to increase its fiscal year 2005 allocations for plan initiatives by \$100 million above fiscal year 2004 levels. VA also planned to increase its fiscal year 2006 allocations for plan initiatives by \$200 million above fiscal year 2004 levels—composed of \$100 million for continuation of fiscal year 2005 initiatives and an additional \$100 million identified in the President's fiscal year 2006 budget request.

GAO was asked to provide preliminary information on VA's allocation and use of funding for mental health strategic plan initiatives in fiscal years 2005 and 2006. A report on this work will be issued later in the fall of 2006.

GAO reviewed VA reports and documents on mental health strategic plan initiatives and conducted interviews with VA officials from headquarters, 4 of 21 health care networks, and 7 medical centers. VA delegates decision making to its health care networks for most budget and management responsibilities regarding medical center operations, and medical centers receive most of their resources from the networks.

www.gao.gov/cgi-bin/getrpt?GAO-06-1119T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Laurie E. Ekstrand at (202) 512-7101 or ekstrandl@gao.gov.

VA HEALTH CARE

Preliminary Information on Resources Allocated for Mental Health Strategic Plan Initiatives

What GAO Found

In fiscal year 2005, VA headquarters allocated \$88 million of the \$100 million VA officials intended for mental health strategic plan initiatives. VA allocated about \$53 million directly to medical centers and certain offices based on proposals submitted for funding and other approaches targeted to specific initiatives. VA solicited submissions from networks for specific initiatives to be carried out at their individual medical centers through requests for proposals (RFPs). In addition, VA headquarters officials said that VA allocated \$35 million for this purpose through VA's general resource allocation system to its 21 health care networks on a retrospective basis. VA made this decision several months after resources had been provided to the networks through the general allocation system. Moreover, VA did not notify network and medical center officials that these funds were to be used for plan initiatives. Health care network and medical center officials interviewed told GAO that they were not aware these allocations had been made. As a result, it is likely that some of these funds were not used for plan initiatives. Moreover, VA did not allocate the approximately \$12 million remaining of the \$100 million for fiscal year 2005 because, according to VA officials, there was not enough time during the fiscal year to do so. Medical center officials said they used the funds allocated directly to their medical centers for plan initiatives that included new mental health services and more of the services they already provided. For example, two medical centers used funds allocated to them through RFPs or other targeted approaches to increase the number of mental health providers at community based outpatient clinics. One of those medical centers also started a new 6-week PTSD day treatment program. However, some medical center officials reported that they did not use all funds allocated for plan initiatives by the end of fiscal year 2005, due in part to the length of time it took to hire new staff.

In fiscal year 2006, as of September 20, 2006, VA headquarters had allocated \$158 million of the \$200 million planned for mental health strategic plan initiatives. VA allocated about \$92 million of these funds directly to medical centers and certain offices to support new initiatives, using RFPs and other targeted funding approaches. VA also allocated about \$66 million to support recurring costs of the continuing initiatives from the prior fiscal year. As of September 20, 2006, about \$42 million of the \$200 million for fiscal year 2006 had not been allocated. Officials from seven medical centers we interviewed reported that they had used funds for plan initiatives, such as the creation of a new intensive mental health case management program. Officials at some medical centers reported that they did not anticipate problems using all of the funds allocated to them through RFPs and other targeted approaches in fiscal year 2006. However, officials at other medical centers were less certain that they would use all of these funds for plan initiatives by the end of fiscal year 2006.

GAO discussed the information in this statement with VA officials who agreed that the data are accurate, and provided updated data which are incorporated as appropriate.