United States General Accounting Office

GAO

Report to Congressional Requesters

January 2004

VA HEALTH CARE

Access for Chattanooga-Area Veterans Needs Improvement

GAO-04-162

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GAO Highlights

Highlights of GAO-04-162, a report to Congressional Requesters

Why GAO Did This Study

Veterans residing in Chattanooga, Tennessee, have had difficulty accessing Department of Veterans Affairs (VA) health care. In response, VA has acted to reduce travel times to medical facilities and waiting times for appointments with primary and specialty care physicians. Recently, VA released a draft national plan for restructuring its health care system as part of a planning initiative known as Capital Asset Realignment for Enhanced Services (CARES). GAO was asked to assess Chattanooga-area veterans' access to inpatient hospital and outpatient primary and specialty care against VA's guidelines for travel times and appointment waiting times and to determine how the draft CARES plan would affect Chattanooga-area veterans' access to such care.

What GAO Recommends

When considering the costs and benefits of options for realigning assets to enhance services, GAO recommends that VA explore alternatives to further improve access to health care for Chattanooga-area veterans, such as: (1) purchasing a larger proportion of these veterans' inpatient workload locally, (2) expediting the opening of four community-based clinics proposed by the draft CARES plan, and (3) providing primary care locally for more of those veterans whose access remains outside VA's travel guideline after those clinics open. VA agreed to consider our recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-04-162.

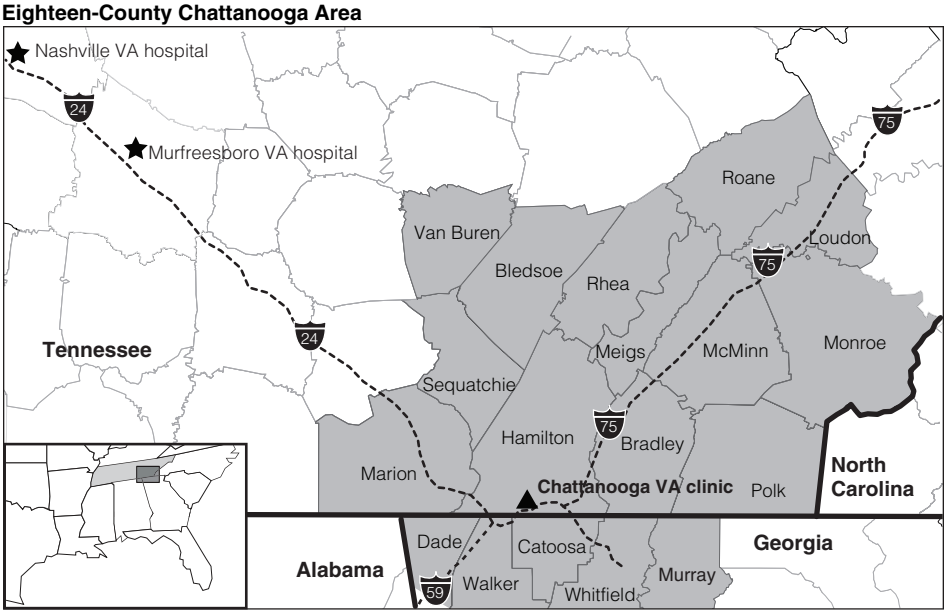
To view the full product, including the scope and methodology, click on the link above. For more information, contact Cynthia A. Bascetta at (202) 512-7101.

What GAO Found

Almost all (99 percent) of the 16,379 enrolled veterans in the 18-county Chattanooga area, as of September 2001, faced travel times that exceeded VA's guidelines for accessing inpatient hospital care. During fiscal year 2002, only a few Chattanooga-area veterans were admitted to non-VA hospitals in Chattanooga—constituting about 5 percent of inpatient workload. In addition, over half (8,400) of Chattanooga-area enrolled veterans faced travel times that exceeded VA's 30-minute guideline for outpatient primary care. Also, waiting times for scheduling initial outpatient primary and specialty care appointments frequently exceeded VA's 30-day guideline.

VA's draft CARES plan would shorten travel times for some Chattanooga-area veterans but lengthen travel times for others. Under the plan, the amount of inpatient care VA purchases from non-VA hospitals in Chattanooga would increase from 5 percent to 29 percent, thereby reducing those veterans' travel times to within VA's guidelines. The plan also proposes to shift some inpatient workload from VA's Murfreesboro hospital to its Nashville hospital. As a result, an estimated 54 percent of inpatient workload for Chattanooga-area enrolled veterans will be provided in Nashville compared to 40 percent in fiscal year 2002, thereby lengthening some veterans' travel times by about 20 minutes. The plan also proposes opening four new community-based clinics, which would bring about 2,700 more Chattanooga-area enrolled veterans within VA's 30-minute travel guideline for primary care, leaving about 5,700 enrolled veterans with travel times for such care that exceed VA's guideline. These clinics likely would not open before fiscal year 2011, given priorities specified in the plan.

Eighteen-County Chattanooga Area



Source: GAO.

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Abbreviations

CARES	Capital Asset Realignment for Enhanced Services
IG	Inspector General
VA	Department of Veterans Affairs

GAO
Accountability * Integrity * Reliability

United States General Accounting Office
Washington, DC 20548

January 30, 2004

The Honorable Charles Taylor
The Honorable Zach Wamp
House of Representatives

The Department of Veterans Affairs (VA) operates a nationwide health care system that is organized into 21 integrated health care networks comprising over 160 hospitals and 600 community-based outpatient clinics. Over 7 million veterans are enrolled nationwide; during fiscal year 2002, almost 4.3 million veterans received VA health care, at a cost of $22.6 billion. Generally, VA assigns each enrolled veteran to a primary care provider who manages his or her care, including making referrals for hospital admission or consultation with specialists on an outpatient basis.

Veterans residing in Chattanooga, Tennessee, have encountered difficulties accessing VA inpatient and outpatient health care services. For example, in a 1999 report,[1] VA's Inspector General (IG) cited waiting times for outpatient specialty care that frequently exceeded 90 days, which raised concern about VA's capacity to meet veterans' health care needs at the Chattanooga clinic and the nearest VA hospitals located in Murfreesboro and Nashville, Tennessee. The report also highlighted long distances between VA's Chattanooga clinic and those hospitals—110 and 125 miles, respectively. Following the 1999 report, VA took several steps specifically designed to enhance veterans' access to health care, including expanding service capacity at the Chattanooga clinic and contracting for inpatient hospital care and outpatient primary and specialty care with local providers in Chattanooga, including the Erlanger Medical Center.

To enhance services for veterans across its entire health care system, VA began a nationwide strategic planning initiative in October 2000, known as Capital Asset Realignment for Enhanced Services (CARES). We support the goals of this initiative, which was undertaken in response to our 1999 recommendation that VA restructure its delivery of health care to reduce spending on underutilized or inefficient buildings and, in turn, reinvest the

[1]Department of Veterans Affairs, Office of Inspector General, Office of Healthcare Inspections, *Inspections of Alleged Substandard Patient Care and Administrative Discrepancies, Chattanooga Outpatient Clinic, Chattanooga, Tennessee* (Washington, D.C.: July 30, 1999).

savings in enhanced health care resources closer to where veterans live.[2] The CARES process is designed to address, among other things, veterans' access to health care and the cost and quality of health care. As part of this initiative, VA conducted analyses of needs and alternatives at both the national and local levels, using the 77 designated health care markets in VA's health care networks. In August 2003, VA released its draft CARES plan, which presented a wide range of health care service enhancement proposals based on veterans' projected health care needs and related capacity requirements.[3] After reviewing the plan and collecting additional information,[4] an independent CARES Commission will, in February 2004, make specific recommendations to the Secretary of Veterans Affairs for restructuring VA's health care system; the Secretary is expected to make a final decision within 30 days of receiving the Commission's recommendation.

To measure the accessibility of its health care services, VA established guidelines for travel times and waiting times. As part of its CARES initiative, VA established national travel time guidelines to help define reasonable access to health care. Specifically, VA defines reasonable access to inpatient hospital care to be a travel time—from a veteran's residence to the nearest appropriate VA hospital—of no more than 60 minutes for those residing in urban counties and 90 minutes for rural county residents. VA defines reasonable access to outpatient primary care to be a travel time of no more than 30 minutes from a veteran's residence to the nearest VA primary care clinic in urban and rural counties. Prior to its CARES initiative, VA had already established 30 days or less as a reasonable waiting time for initial primary care and outpatient specialty care appointments.

At your request, we assessed how (1) Chattanooga-area veterans' access to inpatient hospital and outpatient primary and specialty care compared to VA's established travel time and appointment waiting time guidelines and

[2]See U.S. General Accounting Office, *VA Health Care: Improvements Needed in Capital Asset Planning and Budgeting*, GAO/HEHS-99-145 (Washington, D.C.: Aug. 13, 1999). See the Related GAO Products section at the end of this report for products related to federal capital asset management and veterans' health care issues.

[3]The draft national CARES plan is available at VA's CARES Web site, http://www.va.gov/cares/.

[4]The CARES Commission has conducted over 40 public hearings nationwide, including one in Nashville on September 10, 2003, that discussed proposals in the draft CARES plan that involve veterans in the Chattanooga area.

(2) VA's draft CARES plan, if implemented, could affect Chattanooga-area veterans' access to such care.

To perform our work, we discussed the provision of VA-financed health care services with officials of VA's Chattanooga Clinic, the Mid South Network office[5] located in Nashville, the IG's office, and VA headquarters, as well as representatives of the Erlanger Medical Center. To assess travel and waiting times, we defined Chattanooga-area veterans to be those residing in Hamilton County, which includes the city of Chattanooga, and 17 surrounding counties; those 18 counties are all closer (as measured by travel time) to the VA clinic and non-VA hospitals in Chattanooga than to VA hospitals and clinics in Murfreesboro and Nashville. Using VA's CARES databases, we analyzed demographic and workload information for 16,379 veterans from those 18 counties who were enrolled in VA's health care system as of fiscal year 2001. Our analyses of travel times focused on hospital services and outpatient primary care because VA did not have guidelines for outpatient specialty care travel times. Also, we examined fiscal year 2002 data on inpatient hospital admissions for medicine and surgery services as well as primary care and specialty care scheduling data for Chattanooga-area veterans. Regarding the impact of VA's draft national CARES plan, we reviewed the plan and a wide array of supporting documents and discussed those documents with VA officials. As agreed with your office, we focused on access to care for Chattanooga-area veterans. We performed our work from November 2002 through December 2003 in accordance with generally accepted government auditing standards. For additional details of our scope and methodology, see appendix I.

Results in Brief

Chattanooga-area veterans faced travel and waiting times that frequently exceeded VA guidelines. Almost all (99 percent) of the 16,379 Chattanooga-area enrolled veterans, as of September 2001, faced travel times that exceeded VA's guidelines for accessing inpatient hospital care. Almost two-thirds of the Chattanooga-area veterans whose travel times exceeded VA's guidelines lived in five urban counties to which the 60-minute travel guideline applied. However, their travel time to the nearest VA hospital in Murfreesboro exceeded 90 minutes and, for most of them,

[5]Officials of the Mid South Network, also known as Veterans Integrated Service Network 9, are responsible for making basic budgetary, planning, and operating decisions concerning the delivery of health care to Chattanooga-area veterans.

was well beyond 120 minutes. Few veterans, however, had their travel times reduced through admissions to non-VA hospitals in Chattanooga, due in part to VA's restrictive referral practices; about 5 percent of Chattanooga-area enrolled veterans' inpatient workload was purchased locally during fiscal year 2002. In addition, about 8,400 (over 50 percent) of all Chattanooga-area enrolled veterans faced travel times that exceeded VA's 30-minute guideline for outpatient primary care. Also, Chattanooga-area veterans' waiting times for initial outpatient primary care and specialty care appointments frequently exceeded VA's 30-day guidelines. For example, during fiscal year 2002, less than 7 percent of the approximately 1,850 veterans awaiting their initial primary care visits at the Chattanooga clinic received appointments within VA's 30-day guideline. During fiscal year 2003, VA officials took several steps to shorten appointment waiting times for initial outpatient primary care and specialty care, although waits generally remained longer than 30 days.

VA's draft CARES plan proposes a major realignment of inpatient hospital care that would shorten travel times for some Chattanooga-area veterans but lengthen travel times for others. Under the proposal, an estimated 29 percent of Chattanooga-area veterans' inpatient care would be purchased from non-VA hospitals in Chattanooga—a more than fivefold increase over the fiscal year 2002 level. On the other hand, the draft CARES plan proposes to shift inpatient workload from VA's Murfreesboro hospital to its Nashville hospital resulting in an estimated 54 percent of Chattanooga-area veterans' inpatient care being provided in Nashville. Travel times for those veterans affected—already more than 90 minutes to the Murfreesboro hospital—would increase by 20 minutes or more in order to reach the Nashville hospital. Regarding outpatient care, the draft CARES plan calls for a range of actions, including opening four new community-based clinics and using telemedicine,[6] that could shorten both travel and appointment waiting times for Chattanooga-area veterans seeking outpatient primary and specialty care. Once opened, approximately 2,700 more Chattanooga-area enrolled veterans would have travel times for outpatient primary care that meet VA's 30-minute guideline, leaving about 5,700 enrolled veterans with travel times for such care that exceed VA's guideline. However, veterans would not immediately realize the benefits of these clinics as they would not likely open before fiscal year 2011, given priorities specified in the plan.

[6]The use of telecommunications equipment to transmit patients' video images, X rays, electronic medical records, and laboratory results from distant sites.

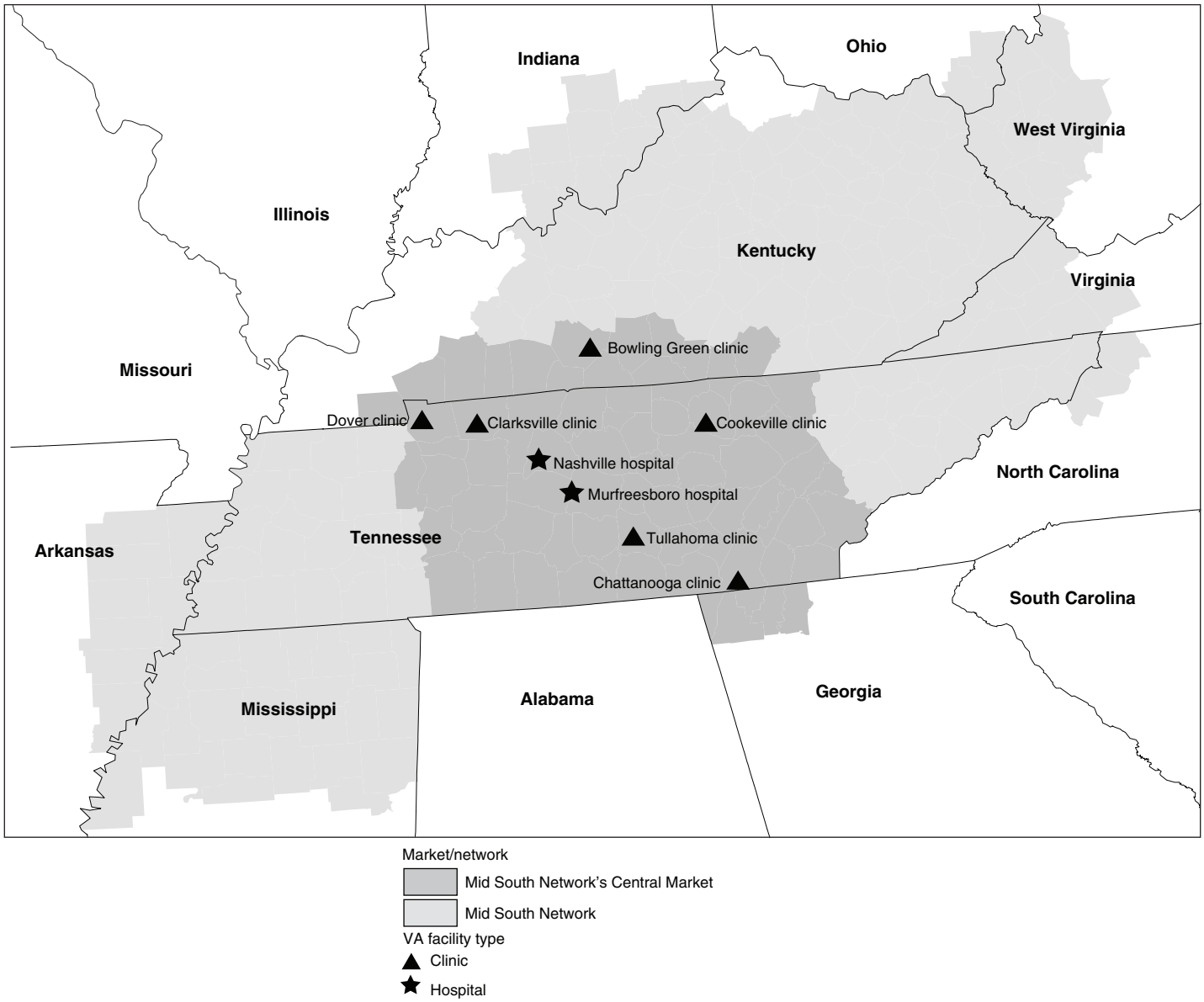
In making nationwide CARES decisions, we recognize that the Secretary of Veterans Affairs will need to make trade-offs regarding the costs and benefits of alternatives for better aligning VA's capital assets and services. As part of this process, the Secretary will need to decide whether additional improvements to access, beyond those in the draft national CARES plan, are warranted in the Chattanooga area. We are recommending that when considering the trade-offs regarding the costs and benefits of alternatives for better aligning assets and services in Chattanooga, the Secretary of Veterans Affairs explore alternatives such as (1) purchasing inpatient care locally for a larger proportion of Chattanooga-area veterans' workload, particularly focusing on those veterans who may experience longer travel times as a result of the proposed shift of inpatient workload from Murfreesboro to Nashville; (2) opening the four proposed community-based clinics in the Chattanooga area on an expedited basis; and (3) providing primary care locally for more of those veterans whose access will remain outside VA's travel guidelines despite the opening of the four new clinics.

Background

Chattanooga is located in VA's Mid South Healthcare Network, which comprises Tennessee and portions of nine other states. For CARES purposes, the Mid South Network designated a 75-county area as a health care delivery market—referred to as the Central Market. In fiscal year 2001, 78,656 enrolled veterans resided in this market.[7] As figure 1 shows, Chattanooga, Tennessee, is located in the southeastern part of the Central Market, which serves veterans residing in the central portion of Tennessee, as well as veterans in southern Kentucky and northern Georgia. Within this market, VA currently operates hospitals located in Murfreesboro and Nashville, Tennessee, and six community-based clinics (including one located in Chattanooga).

[7]VA used fiscal year 2001 as its base year for CARES planning purposes.

Figure 1: VA Mid South Network's Central Market and Hospitals and Clinics, Fiscal Year 2004



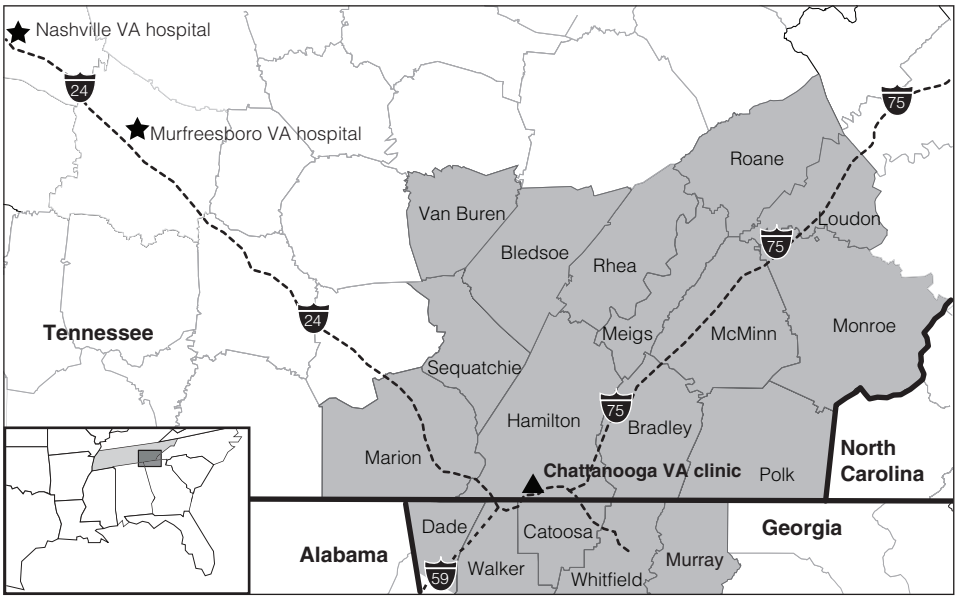
Source: VA.

Although VA does not operate a hospital in the Chattanooga area, a broad range of non-VA medical services and providers is available in the Chattanooga area, including 16 hospitals. Of 5 hospitals located in the city itself, the largest is the Erlanger Medical Center—a tertiary care referral

center and the region's only Level One trauma center. In addition, there is a wide variety of specialty care, such as cardiology and rheumatology, provided by non-VA physicians in the Chattanooga area. Imaging, diagnostic, and laboratory services, such as endoscopy, colonoscopy, or nuclear medicine scanning, are also available. The range of inpatient medicine and surgery services available at Chattanooga-area hospitals is comparable to services provided at VA hospitals in Nashville and Murfreesboro, according to VA Mid South Network officials.

For purposes of our study, we defined the Chattanooga area as Hamilton County, which includes the City of Chattanooga, and 17 surrounding counties.[8] In fiscal year 2001, 21 percent (16,379 enrolled veterans) of all enrolled veterans in the Central Market resided in this area. Figure 2 highlights the 18-county Chattanooga area.

Figure 2: Eighteen-County Chattanooga Area

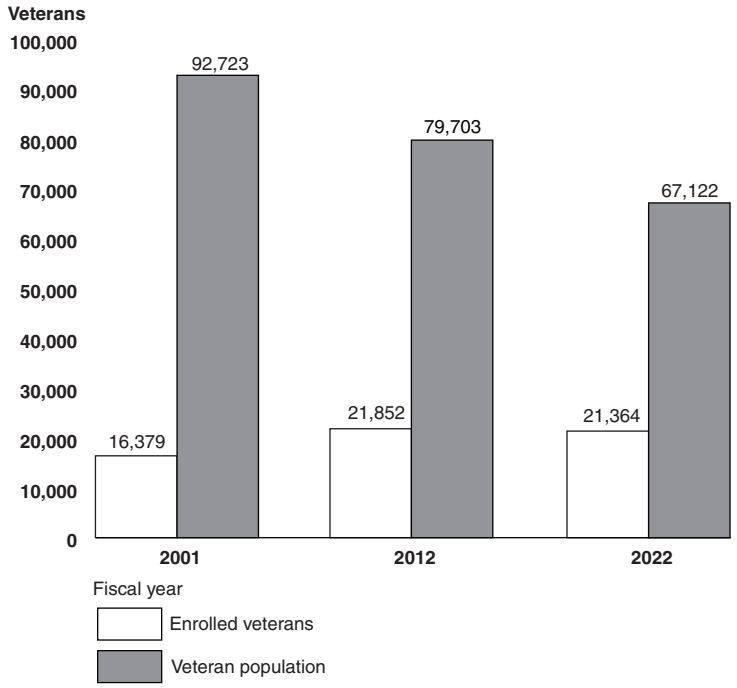


Source: GAO.

[8]As part of its CARES planning activities, VA defined 27 counties as a submarket, within the Central Market, based on the assumption that the Chattanooga clinic serves as VA's core health care delivery location. This submarket contained the 18 counties that we define as the Chattanooga area and 9 other counties that are west and north of that 18-county area; we did not consider those 9 counties to be Chattanooga-area counties for purposes of this study because they are closer (measured by travel time) to VA's hospitals and clinics in Murfreesboro than to non-VA hospitals and other providers in Chattanooga.

As figure 3 shows, VA estimates that the veteran population in the Chattanooga area will decline by about 25,600 veterans from fiscal year 2001 through fiscal year 2022—a decrease of almost 27 percent. During that same period, however, VA projects that Chattanooga-area veterans enrolled in VA's health care system will rise by about 5,000—an increase of more than 30 percent.

Figure 3: Estimated Changes in Veteran Population and Enrollment in the Chattanooga Area from Fiscal Years 2001 through 2022



Source: GAO analysis of VA data.

Moreover, within the Central Market, VA expects the enrolled veterans' workload[9] for inpatient hospital and outpatient primary and specialty care to double through fiscal year 2022, in large part, as a result of the

[9]VA measures hospital workload in "bed days of care," which constitute the total number of hospital days in a medical, surgical, or psychiatric bed used by patients during a given period. For example, hospital workload for a veteran who has a 7-day hospital stay would be counted as 7 bed days of care. To measure outpatient workload, VA uses the number of encounters that a patient has with care providers during a clinic visit.

projected growth in the Chattanooga-area enrolled population as well as the aging of that population. For example, 43 percent of the 16,379 enrolled veterans were 65 years of age or older as of September 2001.

Chattanooga-Area Veterans Faced Travel and Waiting Times That Frequently Exceeded VA Guidelines

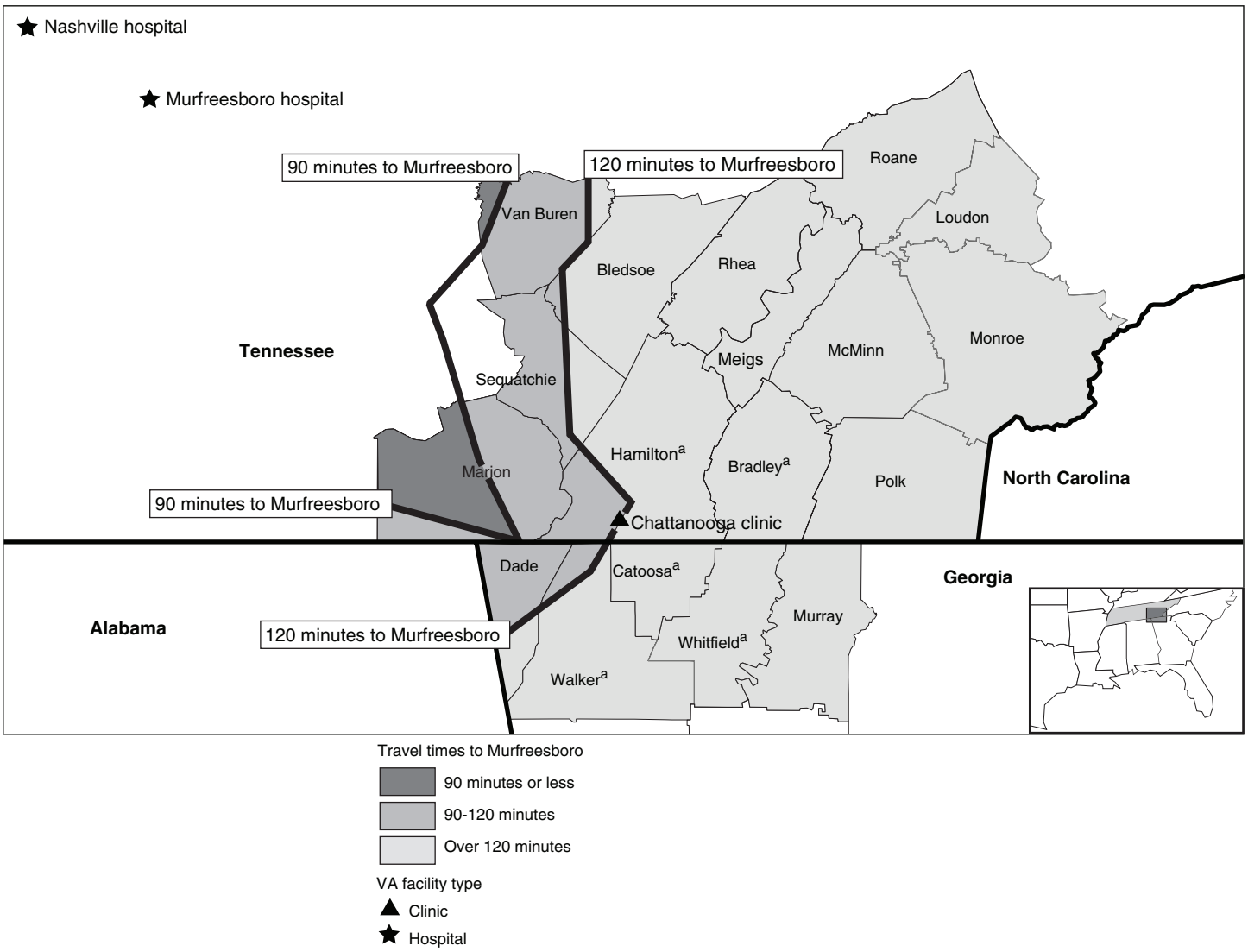
Almost all Chattanooga-area veterans faced travel times that exceeded VA's travel time guidelines for accessing inpatient hospital care. Also, about half faced travel times that exceeded VA's guideline for outpatient primary care. In addition, appointment waiting times for initial outpatient primary care and specialty care consultations exceeded VA's guidelines, although VA officials recently have taken several steps to shorten appointment waiting times.

Travel Times for Most Chattanooga-Area Veterans to VA Hospitals in Murfreesboro and Nashville Exceeded VA's Guidelines

Almost all (99 percent) of the 16,379 Chattanooga-area enrolled veterans, as of September 2001, faced travel times that exceeded VA guidelines for travel to the nearest VA hospitals in Murfreesboro and Nashville. Almost two-thirds of Chattanooga-area veterans whose travel times exceeded VA guidelines lived in five urban counties to which the 60-minute guideline applies—Hamilton and Bradley counties in Tennessee and Catoosa, Walker, and Whitfield counties in Georgia. The rest (36 percent) lived in rural counties to which the 90-minute guideline applies. As figure 4 shows, Chattanooga is about 120 minutes by car from Murfreesboro, the nearest VA hospital. Therefore, those veterans residing in the five urban counties faced travel times to Murfreesboro or Nashville that were double VA's 60-minute urban travel guideline; veterans living in most of the 13 rural counties also faced travel times well beyond VA's 90-minute rural guideline.[10]

[10]The Nashville VA hospital provides complex surgical procedures in the Mid South Network's Central Market. VA's access guideline for such care is 240 minutes. Chattanooga-area enrolled veterans are within the access guideline for this care.

Figure 4: Chattanooga-Area Veterans' Travel Times to VA's Murfreesboro Hospital, Fiscal Year 2001



Source: GAO analysis of VA data.

[a]Urban county.

Moreover, VA provided over 95 percent of its inpatient hospital workload for Chattanooga-area veterans at VA hospitals in Murfreesboro and Nashville during fiscal year 2002, with less than 5 percent provided by non-VA hospitals in Chattanooga. During that fiscal year, Chattanooga-area veterans had a total of 685 admissions that resulted in a total workload of

7,213 bed days of care. Of these admissions, 580 (6,895 bed days of care) were to the VA hospitals in Murfreesboro or Nashville; the remaining 105 admissions (318 bed days of care) were to Chattanooga hospitals, primarily the Erlanger Medical Center.

Local admissions were few, in part, because Mid South Network officials imposed restrictions on the VA Chattanooga clinic's referral practices. For example, when purchasing care on a fee-for-service basis, providers were to refer veterans to local hospitals only when care was not available at VA hospitals in Murfreesboro or Nashville or the veterans' medical conditions precluded travel to those sites. Also, in implementing a contract with the Erlanger Medical Center,[11] network officials instructed VA clinic providers to limit referrals to Erlanger to only veterans with less severe medical conditions, such as those who did not require surgery or hospital stays longer than 5 days. Network officials stated that restrictions were not related to the availability of local care, in that the array of services available at Chattanooga-area hospitals was comparable to services provided at VA hospitals in Murfreesboro and Nashville. Rather, they said that such restrictions were necessary to manage resources effectively, as well as to ensure the patient workload needed to support medical education activities at VA's Murfreesboro hospital.

We estimate that during fiscal year 2002, these referral restrictions applied to 246 admission decisions that were recommended by Chattanooga clinic providers.[12] Of these admissions, almost 60 percent were to VA hospitals in Murfreesboro or Nashville rather than non-VA hospitals in Chattanooga and were generally consistent with the restrictions imposed by the Mid South Network. The remaining 40 percent (101 admissions)[13] were to non-VA hospitals in Chattanooga, with about two-thirds financed on a fee-for-service basis and the rest through the VA-Erlanger contract.

[11]The VA-Erlanger contract was in effect from September 2000 through August 2002.

[12]Chattanooga clinic providers were not directly involved in the remaining 439 admissions during fiscal year 2002; rather, 236 were made by VA specialists at the Murfreesboro or Nashville hospitals and 203 resulted from veterans' self-referrals or transfers from other hospitals.

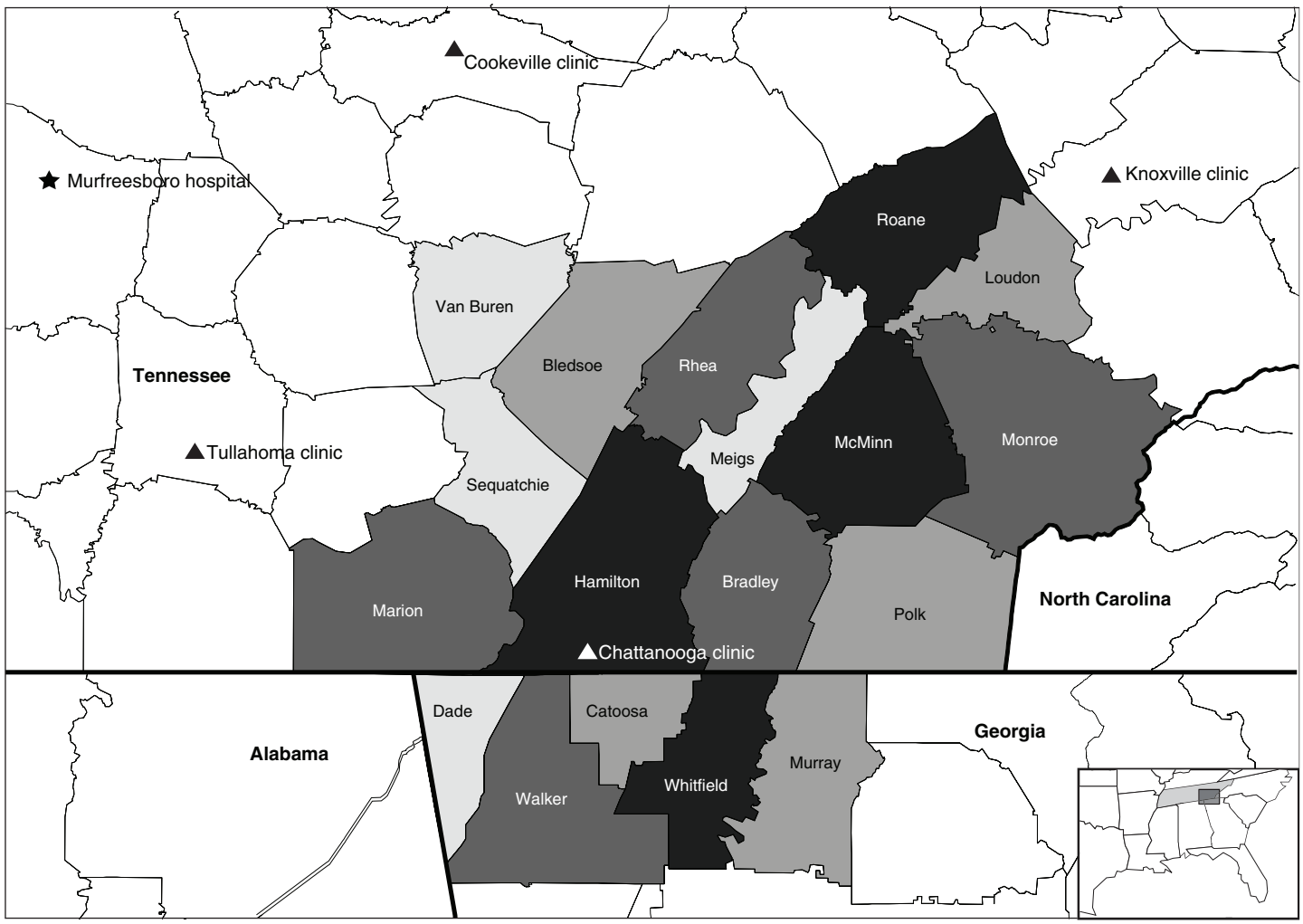
[13]Another 4 admissions involved veterans who self-referred to non-VA hospitals in Chattanooga on an emergency basis, bringing the local admissions total to 105.

Travel Times to Obtain Outpatient Primary Care Frequently Exceeded VA Guidelines

In fiscal year 2001, more than half (about 8,400) of the 16,379 Chattanooga-area enrolled veterans faced travel times that exceeded VA's 30-minute travel guideline for accessing care at VA's nearest primary care clinic. The remaining 8,000 Chattanooga-area enrolled veterans lived within 30 minutes of VA community-based clinics in Chattanooga, Tullahoma, or Knoxville. Although VA also operates outpatient primary care clinics in its hospitals in Murfreesboro and Nashville, these clinics are all considerably farther than the 30 minutes travel time from the Chattanooga-area veterans' residences.

Of the 8,400 enrolled veterans who faced travel times to a VA primary care clinic that were longer than 30 minutes, about 3,375 (40 percent) were in four counties, each of which had from 775 to 884 such enrolled veterans. The remaining 5,030 enrolled veterans were in 14 other Chattanooga-area counties, each of which had from 117 to 608 enrolled veterans who faced travel times that exceeded VA's guideline. As figure 5 shows, 4 counties had fewer than 250 such veterans.

Figure 5: Enrolled Veterans Living More Than 30 Minutes from VA Primary Care Clinics, by County (Fiscal Year 2001)



Source: GAO analysis of VA data.

Waiting Times for Initial Outpatient Primary Care Appointments Frequently Exceeded VA's Guideline

Of 1,858 Chattanooga-area veterans awaiting initial visits with Chattanooga clinic outpatient primary care providers during fiscal year 2002, fewer than 7 percent (126) received appointments within VA's appointment waiting time guideline of 30 days or less from the time of the request. Chattanooga clinic officials explained that these scheduling delays were exacerbated by increased requests for outpatient primary care initial appointments—averaging 50 per week.

In response, Chattanooga clinic officials have taken a variety of actions to expedite the scheduling of initial outpatient primary care appointments. For example, they have increased the number of providers and necessary support personnel and extended the clinic's hours of operation to include Saturdays and evenings. Also, they made arrangements for a provider at VA's Tullahoma, Tennessee, clinic to see some Chattanooga-area enrolled veterans for initial outpatient primary care appointments, with subsequent outpatient primary care appointments scheduled with Chattanooga clinic providers.

As a result of these efforts, waiting times for many Chattanooga-area veterans were shorter than they otherwise would have been, although they continued to exceed VA's 30-day guideline. For example, in the first quarter of fiscal year 2002, 99 percent of veterans seeking initial primary care appointments waited longer than 6 months; by the fourth quarter of fiscal year 2002, 66 percent waited 6 months or longer. Moreover, Chattanooga clinic officials told us that appointments for enrolled veterans seeking initial outpatient primary care visits, as of July 2003, were generally scheduled within 60 days—a significant improvement but still twice as long as VA's 30-day appointment waiting time guideline. Clinic officials said that given the challenges involved in hiring providers and support staff at the clinic and the increasing workload, further waiting time reductions will be difficult to achieve.

Waiting Times for Outpatient Specialty Care Exceeded VA's Guideline

Waiting times for outpatient specialty care appointments that exceed VA's 30-day guideline have been a long-standing problem for Chattanooga-area veterans. For example, using data from VA's 1999 IG report on Chattanooga veterans' care,[14] we found that for veterans served at the Chattanooga clinic, only 9 percent of 353 sampled outpatient specialty consultation requests were scheduled within 30 days. Moreover, 45

[14]U.S. Department of Veterans Affairs, Office of Inspector General.

percent of Chattanooga-area veterans seeking outpatient specialty care appointments waited more than 60 days, including 16 percent who waited longer than 90 days.

Similarly, our analysis of 468 requests for outpatient specialty care appointments made by Chattanooga clinic providers during October 2002 found long waiting times. For example, 21 percent of these specialty care appointments took more than 90 days to be scheduled, compared to 16 percent in 1999, based on data from the IG report. However, a slightly higher percentage of the October 2002 requests for appointments were scheduled within 30 days—13 percent compared to 9 percent, based on the IG's data.

However, during fiscal year 2003, VA officials took several steps—such as expanded use of non-VA specialists in the Chattanooga area—that they said significantly shortened the long waiting times that enrolled veterans previously experienced to obtain outpatient specialty care appointments. Chattanooga clinic officials informed us that as of July 2003, providers' requests for outpatient specialty care appointments—with the exception of dermatology, neurology, and urology appointments—were generally scheduled within VA's 30-day waiting time guideline. Chattanooga clinic officials attributed the fiscal year 2003 reduction in the time necessary to obtain an outpatient specialty care appointment primarily to the expanded use of local specialists on a fee-for-service basis.

Other steps that VA officials took to reduce the time necessary to obtain outpatient specialty care appointments included increased use of telemedicine—a system that allows patients and providers physically located in a specially equipped Chattanooga clinic exam room to consult with VA specialists in Murfreesboro and Nashville without actually traveling to those locations. Also, support staff in the Chattanooga clinic was increased, including the addition of an administrator to coordinate the scheduling of local fee-basis specialty care. To emphasize the importance of VA's 30-day appointment waiting time guideline to clinic staff and the flexibility of obtaining care locally, the clinic manager said that when one provider could not schedule an appointment within 30 days, the manager contacted other local providers to determine who could meet the time frame, so that VA's waiting time guideline could be met as often as possible.

Draft CARES Plan Would Enhance Access for Some Veterans but Diminish Access for Others

VA's draft CARES plan includes a proposal to shorten Chattanooga-area veterans' travel times by purchasing inpatient care from non-VA hospitals in Chattanooga. However, it also proposes to shift inpatient workload from VA's Murfreesboro hospital to VA's Nashville hospital, which would lengthen travel times for Chattanooga-area veterans who are unable to receive care locally and who would have otherwise been served at the Murfreesboro hospital. Regarding outpatient care, the draft CARES plan calls for a range of actions, including opening new community-based clinics, that could shorten both travel and appointment waiting times for initial outpatient primary care and specialty care appointments.

Shifting Inpatient Workload Would Decrease Travel Times for Some Veterans but Increase Travel Times for Others

As a result of the draft CARES plan, travel times for inpatient care for some veterans would decrease while it would increase for others. The plan proposes increased purchasing of inpatient medicine and surgery from non-VA hospitals in Chattanooga, as well as shifting inpatient surgery and medicine workload not necessary to support the needs of long-term psychiatry and nursing home patients in the Murfreesboro facility to its hospital in Nashville. The plan, however, does not describe the extent to which these changes could affect veterans in the 18-county Chattanooga area.

To assess the potential impact of the proposed changes, we compared VA's workload data for Chattanooga-area veterans during fiscal year 2002 and Mid South Network officials' estimates of Chattanooga-area veterans' workload to be provided in Murfreesboro, Nashville, and non-VA hospitals as a result of the proposed workload shifts. During fiscal year 2002, about 5 percent of Chattanooga-area veterans' workload was purchased locally and 95 percent was provided in VA hospitals in Murfreesboro and Nashville.

The draft national CARES plan does not quantify the extent to which VA plans to contract locally for the inpatient medicine and surgery workload in Chattanooga. Based on our analysis of workload projections contained in the plan's supporting documents, we estimate that local purchases would amount to 29 percent of the inpatient medicine and surgery workload from the 18 Chattanooga-area counties, compared to 5 percent that VA purchased in fiscal year 2002—a fivefold increase. While this represents a significant improvement, it nonetheless means that over 70 percent of the inpatient medicine and surgery workload generated by Chattanooga-area veterans would continue to be served at the VA hospitals in Murfreesboro or Nashville. Furthermore, three-quarters of all local purchases are expected to benefit enrolled veterans in Hamilton and

Bradley counties, primarily because these two counties have the largest enrolled populations.

Mid South Network officials told us that as in the past, the inpatient workload to be purchased from non-VA hospitals in Chattanooga would be based on the severity of veterans' medical conditions. Chattanooga-area veterans with less severe conditions would be served in Chattanooga; those with more severe conditions would continue to travel to Nashville to receive inpatient care.[15] However, VA expects to place fewer restrictions on local purchases of hospital care than under the VA-Erlanger contract. For example, under the draft CARES plan, inpatient surgeries would be performed locally. All such surgeries were routinely referred to VA hospitals in Murfreesboro or Nashville during fiscal year 2002.

Also, we estimate that shifting inpatient workload from the VA hospital in Murfreesboro to Nashville would result in lengthened travel times for Chattanooga-area veterans who do not have care purchased locally and who otherwise would have been served at the Murfreesboro hospital. We estimate that 14 percent of the Chattanooga-area veterans' workload would be affected by the shift, given that an estimated 54 percent of the total workload would be handled in Nashville, compared to 40 percent in fiscal year 2002. Affected veterans would experience diminished access to inpatient care, in that their travel times, which already exceed VA's travel time guidelines, would be about 20 minutes longer than the travel times they would experience if care were provided in Murfreesboro.

Opening New Clinics Would Shorten Travel and Appointment Waiting Times for Outpatient Primary and Specialty Care

The draft CARES plan calls for opening new community-based clinics and other changes that would reduce travel and waiting times for enrolled veterans residing in the 18-county Chattanooga area. In fiscal year 2001, about 8,400 Chattanooga-area enrolled veterans faced travel times for primary care that exceeded VA's 30-minute guideline. The proposed clinics, to be located in McMinn, Roane, and Warren counties in Tennessee and Whitfield County in Georgia, would reduce travel times for about 2,700 (one-third) of those enrolled veterans so that they would be within the 30-minute guideline.[16] The remaining 5,700 enrolled veterans would continue

[15]VA plans to continue to perform complex surgical procedures and provide psychiatry and long-term care services at its own facilities.

[16]These enrolled veterans are concentrated in eight counties—Loudon, McMinn, Monroe, and Roane in Tennessee and Catoosa, Murray, Walker, and Whitfield in Georgia.

to face travel times longer than VA's 30-minute guideline. Figure 6 shows the distribution by county of those Chattanooga-area enrolled veterans who, as of September 2001, would have lived more than 30 minutes from a VA primary care clinic had the four proposed clinics been operational in that year.

Figure 6: Number of Enrolled Veterans Who Would Have Traveled More Than 30 Minutes to VA Facilities Had Four Proposed Clinics Been Operational in Fiscal Year 2001

Number of enrolled veterans who would have to travel more than 30 minutes to VA facilities

- Fewer than 250 (9 counties)
- 250 to 499 (4 counties)
- 500 to 749 (4 counties)
- 750 or more (1 county)

VA facility type

- Existing clinic
- Proposed clinic
- Hospital

Source: GAO analysis of VA data.

The draft CARES plan does not provide a target date for opening the Chattanooga-area clinics because VA did not classify them as the highest national priorities, and as such, did not include them on the list of clinics to be opened by the end of fiscal year 2010.[17] To be considered the highest priority, the number of enrolled veterans who do not meet access guidelines would have to be greater than 7,000 enrollees per clinic. The four proposed clinics are significantly smaller in that they are expected to provide 30-minute access for a total of about 2,700 additional Chattanooga-area enrolled veterans.

If opened, Mid South Network officials expect the four new community-based clinics to shift a portion of the outpatient primary and specialty care workload away from the Chattanooga clinic. Redistributing workload in this way would likely benefit many veterans whose outpatient primary and specialty care appointment waiting times exceed VA's guidelines. Moreover, these new clinics would be expected to complement other actions that could enhance outpatient primary and specialty care access, including reduced appointment waiting times for Chattanooga-area veterans. For example, the draft CARES plan proposes to expand capacity at existing community-based clinics and increase the use of telemedicine and purchases of specialty outpatient services from non-VA providers. The plan does not provide specifics or time frames for what, where, or when such actions would occur.

Conclusions

In making nationwide CARES decisions, we recognize that the Secretary of Veterans Affairs will need to make trade-offs regarding the costs and benefits of alternatives for better aligning VA's capital assets and services. As part of this process, the Secretary will need to decide whether additional improvements to access, beyond those in the draft national CARES plan, are warranted in the Chattanooga area.

Although the draft CARES plan proposes actions that could enhance Chattanooga-area veterans' access to VA health care, the majority of Chattanooga-area veterans are expected to continue to face travel times for inpatient medicine and surgery services that far exceed VA's inpatient

[17]Mid South Network officials, as part of their preliminary planning efforts in support of the CARES process, had tentatively identified the clinic in Warren County as their highest priority—targeting its opening for fiscal year 2007. That opening would have been followed by the opening of clinics in Roane and Whitfield counties in fiscal year 2008 and McMinn County in fiscal year 2009.

travel guidelines, even if VA purchases an estimated 29 percent of inpatient workload from non-VA, Chattanooga-area providers as the draft CARES plan proposes. Moreover, access to hospital care for some Chattanooga-area veterans could actually worsen because the proposed transfer of inpatient workload from VA's Murfreesboro hospital to its Nashville hospital would require some veterans previously served in Murfreesboro to drive farther for inpatient care, affecting an estimated 14 percent of Chattanooga-area veterans' workload. Given that the non-VA hospitals in Chattanooga can provide an array of inpatient medicine and surgery services comparable to VA's hospitals in Murfreesboro and Nashville, it seems possible that VA could purchase more than 29 percent of Chattanooga-area veteran's inpatient workload locally.

Moreover, even though the draft CARES plan proposes opening four community-based clinics, these clinics would likely not be opened before fiscal year 2011. Although they would enhance outpatient access for 2,700 Chattanooga-area veterans, about 5,700 enrolled veterans would continue to face travel times for outpatient primary care that exceed VA's guideline because existing and proposed clinics are more than 30 minutes from where they live.

Recommendations for Executive Action

We recommend that as part of his deliberations concerning whether additional access improvements for Chattanooga-area veterans beyond those contained in the draft CARES plan are warranted, the Secretary of Veterans Affairs explore alternatives such as

- purchasing inpatient care locally for a larger proportion of Chattanooga-area veterans' workload, particularly focusing on those veterans who may experience longer travel times as a result of the proposed shift of inpatient workload from Murfreesboro to Nashville;
- expediting the opening of the four proposed community-based clinics; and
- providing primary care locally for more of those veterans whose access will remain outside VA's travel guideline, despite the opening of the four clinics.

Agency Comments

In written comments on a draft of this report, VA's Under Secretary for Health thanked us for our recommendations and stated that he will provide them to the Secretary for consideration during his review of the CARES Commission's report and ask that he consider them in the final CARES decision-making process. VA also provided technical comments that we included, where appropriate, to clarify or expand our discussion.

We are sending copies of this report to the Secretary of Veterans Affairs and other interested parties. In addition, this report will be available at no charge on GAO's Web site at http://www.gao.gov. We will also make copies available to others upon request.

If you or your staff have any questions about this report, call me at (202) 512-7101. Other GAO staff who contributed to this report are listed in appendix II.

Cynthia A. Bascetta
Director, Health Care—Veterans' Health and Benefits Issues

Appendix I: Scope and Methodology

Our objectives were to (1) assess how Chattanooga-area veterans' access to inpatient hospital and outpatient primary and specialty care compared to the Department of Veterans Affairs' (VA) established travel time and appointment waiting time guidelines and (2) determine how VA's draft Capital Asset Realignment for Enhanced Services (CARES) plan could affect Chattanooga-area veterans' access to such care. For purposes of our work, Chattanooga-area veterans comprise those residing in 18 counties—Hamilton County, which includes the city of Chattanooga, and 17 surrounding counties; the 18 counties are all closer (as measured by travel time) to the VA clinic and non-VA hospitals in Chattanooga than to VA hospitals and clinics in Murfreesboro and Nashville.

We obtained information from and interviewed officials at VA's Mid South Network and its Chattanooga clinic; VA headquarters, including the CARES National Program Office; the Erlanger Medical Center in Chattanooga, Tennessee; and the VA Inspector General's Office of Healthcare Inspections. Regarding travel times, we examined how Chattanooga-area veterans' access to VA health care compared to VA guidelines by using a model developed by the Department of Energy to calculate the time needed for enrolled veterans to travel from their residences to the nearest VA hospitals and clinics. This model takes into account key variables affecting travel times, including speed limits attainable on different types of roads, such as rural roads or interstate highways. We evaluated its methodology and assumptions and found them to be sufficiently accurate for our purposes. We used VA's CARES databases for demographic and workload information for the 16,379 veterans from those 18 counties who were enrolled in VA's health care system as of fiscal year 2001. We compared these results with the inpatient and outpatient primary care travel time guidelines that VA used in its CARES planning to determine the percentage of enrollees, by county, who lived within the inpatient and outpatient access guidelines. We did not analyze travel times for outpatient specialty care because VA did not have guidelines for such care.

In addition, we determined Chattanooga veterans' access to inpatient care at non-VA Chattanooga hospitals by obtaining inpatient admissions data and other information from officials of the Mid South Network; the VA Chattanooga clinic; the Erlanger Medical Center in Chattanooga; and VA's network data service centers in Atlanta, Georgia, Chicago, Illinois, Tuscaloosa, Alabama, and Durham, North Carolina. We used VA's Computerized Patient Record System to extract data from 60 of 580 medical records to compile a generalizable profile of all fiscal year 2002 admissions of Chattanooga-area veterans to VA hospitals in Murfreesboro

and Nashville. To evaluate information contained in the VA-Erlanger inpatient contract, we reviewed contract documents and conducted interviews with VA's clinic staff and network officials, including those in the network's business office, as well as legal and other officials from the Erlanger Medical Center.

Regarding waiting times, we interviewed Mid South Network and Chattanooga clinic staff and analyzed workload data compiled by clinic staff. For example, we analyzed the clinic's fiscal year 2002 waiting lists to identify the number of veterans who enrolled for primary care and the number of days they waited for their first appointment with a primary care provider. We compared these results to VA's 30-day appointment waiting time guideline.

In addition, using automated medical records and clinic data, we collected information on Chattanooga clinic providers' requests for specialty consultations. We used this information to determine the number of days needed to obtain an appointment with a specialist. In May 2003, we reviewed all such requests made by clinic providers in October 2002, selecting this time frame to ensure that VA staff had sufficient time to schedule the requested appointments by the time we conducted our review. We then analyzed the results from this review and compared these results to VA's 30-day waiting time guidelines and also to the waiting times reported by VA's Inspector General in his office's 1999 performance review of the Chattanooga clinic.

To determine how VA's draft CARES plan could affect Chattanooga-area veterans' access to VA inpatient health care services, we examined the draft national CARES plan;[1] the Mid South Network's CARES planning documents; and workload data produced by VA's CARES Program Office, the Mid South Network office, and the Chattanooga clinic. We also held discussions with VA officials. To evaluate effects of the CARES proposal to shift inpatient workload from VA's Murfreesboro hospital to Nashville and non-VA hospitals in Chattanooga, we analyzed Mid South Network data for Chattanooga-area veterans' inpatient workload at those locations during fiscal year 2002 and estimated the workload that would be served at those locations if the CARES proposal were implemented. In addition, we used the Department of Energy driving time model to analyze the

[1]We downloaded the draft CARES plan from www.va.gov/CARES on August 5, 2003, and revisions issued on August 15, 2003.

extent to which access would change if VA opened the additional primary care clinics proposed in the national draft CARES plan.

Also, we analyzed the reliability of key databases to ensure that there were no material errors or inconsistencies. For example, we used information obtained through our medical record review to cross-check inpatient workload data regarding admissions to Murfreesboro and Nashville during fiscal year 2002 and found those data to be sufficiently reliable. Also, we compared outpatient specialty consultation information with appointment scheduling information contained in VA's computerized record system. Lastly, we compared CARES demographic data on Chattanooga-area veterans with data in VA's national enrollment data file for fiscal year 2002.

Appendix II: Comments from the Department of Veterans Affairs

DEPARTMENT OF VETERANS AFFAIRS
UNDER SECRETARY FOR HEALTH
WASHINGTON DC 20420

JAN 12 2004

Ms. Cynthia A. Bascetta
Director
Health Care Team
U.S. General Accounting Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Bascetta:

The Department of Veterans Affairs (VA) has reviewed your draft report, ***VA HEALTH CARE: Access for Chattanooga-Area Veterans Needs Improvement*** (GAO-04-162). Your report deals with an issue critical to the future of the Department. At this time, the independent Commission on Capital Asset Realignment for Enhanced Services (CARES) is preparing a report on its comprehensive review of the future needs of our Nation's veterans and how best to align VA's services to meet those needs. Thank you very much for your recommendations. I have asked the Secretary to take them under advisement when he reviews the CARES Commission's report and to consider them in the decision process.

Enclosed are technical comments that should help clarify or correct some of the statements in your draft report. I appreciate your efforts as we cooperatively seek to align VA's resources in the best manner to serve those who have served our Nation.

Sincerely yours,

Robert H. Roswell, M.D.

Enclosure

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Frederick Caison, (202) 512-7269

Acknowledgments

Lisa Gardner, Julian Klazkin, John Mingus, Daniel Montinez, Keith Steck, and Paul Reynolds made major contributions to this report.

Related GAO Products

VA Health Care: Framework for Analyzing Capital Asset Realignment for Enhanced Services Decisions. GAO-03-1103. Washington, D.C.: August 18, 2003.

Department of Veterans Affairs: Key Management Challenges in Health and Disability Programs. GAO-03-756T. Washington, D.C.: May 8, 2003.

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VA Health Care: More National Action Needed to Reduce Waiting Times, but Some Clinics Have Made Progress. GAO-01-953. Washington, D.C.: August 31, 2001.

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