



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

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B-133044

[Review of Travel Expenses Incurred By VA Beneficiaries]

APR 13 1979

The Honorable Max Cleland  
Administrator of Veterans Affairs  
Veterans Administration

R.C. 00016

Dear Mr. Cleland:

Reference is made to your letter of February 12, 1979, with enclosures, in which you request our review and comments in connection with the statutory requirement contained in 38 U.S.C. § 111(e) (1976) which requires you, in consultation with the Comptroller General and certain other heads of departments and agencies, to conduct periodic investigations of the actual cost of travel (including lodging and subsistence) to beneficiaries while traveling to or from a Veterans' Administration (VA) facility or other place, and the estimated cost of alternative modes of travel, including public transportation and the operation of privately owned vehicles. The statutory provision requires such investigation at least annually or more often if there has been any alteration in travel allowances for employees of the United States.

The last investigation was conducted in November of 1977 and a proposed report forwarded by you to this Office by letter dated January 10, 1978.

This year's proposed report contains two recommendations:

"RECOMMENDATION NO. 1: That the current \$30 per diem rate for three meals and one night's lodging be increased to \$35, effective April 1, 1979; and that Directors of VA field stations continue to have and actively use their authority to raise or lower this amount as required by the particular circumstances of lodging and meal costs in their service areas."

and

*the Medical Administration Service*

"RECOMMENDATION NO. 2: That an increase in the \$12 fee paid to nonemployee attendants is required and that a separate study be conducted by DMS and the Office of Management Services on nonemployee attendants in order to provide data to make a determination as to what fee amount should be established."

djb

*Letter*

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With respect to the recommended increase in the per diem rate from \$20 to \$35 per day, your report reveals that a survey of field station directors indicates that the current \$20 per diem is inadequate. It was further reported that very few hotels and motels or public restaurants (including so-called "fast food" outlets) provide discounts to veterans and beneficiaries. From this, and subsequent study by the representatives of interested Departments and Staff Offices in VA Central Office, agreement was reached that an increase in the beneficiary per diem rate was indicated.

Your report recommends a maximum rate of \$35 because it is also the maximum per diem rate allowed Federal employee travelers and that a lesser amount would be unsatisfactory. It is reported that beneficiaries must pay the same commercial lodging and meal costs to which Federal employees are subject. It is also noted that the rate recommended is based on the actual costs of meals and lodgings reported in the numerous, moderate-sized, urban and suburban areas in which VA field stations are located. The report further proposes that VA field station directors exercise their authority to raise or lower the per diem rate to suit the existing cost situations in their service areas. Upon approval of the \$35 per diem rate, VA Manual MP-1, Part II, Chapter 3, Beneficiary Travel Management, will be amended to more clearly outline not only the authority of directors to take action to establish equitable per diem rates, but also their responsibility to do so.

With regard to the second recommendation, your report revealed that an increase is needed in the nonemployee attendant fee area. This indication is supported by Medical Administration personnel in Veterans' Administration Central Office (VACO) based on their experience with this aspect of the program. However, no detailed data is available on conditions involved with nonemployee attendant travel on which to base a sound recommendation for an increase. It is noted that any amount that would be recommended at this time would be the result of arbitrary rate-setting action and, therefore, would be unsatisfactory. Accordingly, it is recommended that the Office of Management Services, in coordination with Medical Administration Service, M&S, conduct a special supplemental study on nonemployee attendants in order to obtain data on which an equitable rate may be established and submitted to the Administrator for approval.

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We feel that insufficient data has been supplied to substantiate an increase in the per diem from \$20 to \$35. Of the 29 VA field stations surveyed, 19 reported \$20 per diem was inadequate, yet none had exercised their authority to raise the existing cost situation in their area. Further, although five field stations responded that the \$20 per diem was adequate, there was no indication of whether a lesser amount would be sufficient and if so whether these stations had used their authority to lower the rate below \$20. In view of the fact that none of the stations have raised the rate or possibly lowered the rate as authorized, we are concerned that a per diem rate increase to \$35 would result in that rate becoming both the minimum and maximum for all stations.

In this connection, we observed in our comments on last year's recommendations the concern of the Congress that beneficiary travel reimbursement costs must be brought under control. This coupled with the fact that the Directors of VA facilities have been delegated the authority to increase or decrease the \$20 per diem rate based upon prevailing meal and lodging costs in the service areas of their facilities, caused us to concur in your recommendation that no increase be made in the \$20 per diem rate. The information presented in your report of February 12, 1979, does not make a sufficient showing to cause us to change our view. It is suggested that a study of the frequency of use of the authority to raise or lower the present \$20 per diem rate by Directors of VA facilities, and the amount of increases and decreases, would provide a more meaningful basis upon which to base a proper per diem rate.]

Accordingly we do not concur with your first recommendation. We do concur with the second recommendation.

Sincerely yours,

E. J. KELLER

[Deputy]

Comptroller General  
of the United States