



Highlights of [GAO-07-66](#), a report to congressional requesters

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 and its fiscal year 2006 allocations for plan initiatives by \$200 million above fiscal year 2004 levels.

GAO was asked to provide information on VA's allocation and use of funding for mental health strategic plan initiatives in fiscal years 2005 and 2006, and to examine the adequacy of how VA tracked spending and the extent of spending for plan initiatives.

GAO reviewed VA reports and documents on plan initiatives and conducted interviews with VA officials at headquarters, 4 of 21 health care networks, and seven medical centers. VA networks provide oversight of medical center operations and most medical center resources.

What GAO Recommends

GAO recommends that VA track the extent to which the resources allocated for strategic plan initiatives are spent for these initiatives. VA did not comment on the content of this report.

www.gao.gov/cgi-bin/getrpt?GAO-07-66.

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

Spending for Mental Health Strategic Plan Initiatives Was Substantially Less Than Planned

What GAO Found

In fiscal year 2005, VA headquarters allocated about \$88 million of the \$100 million above fiscal year 2004 levels that 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 proposals from networks for initiatives to be carried out at medical centers through requests for proposals (RFP). In addition, VA headquarters officials said that VA allocated \$35 million for plan initiatives through VA's general resource allocation system to its 21 health care networks on a retrospective basis, several months after resources had been provided to the networks though the general resource allocation system. VA did not notify network and medical center officials that these funds were to be used for plan initiatives. 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. 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 funds allocated for plan initiatives for new services and for enhancement of existing services. For example, two medical centers increased the number of mental health providers at community-based outpatient clinics. However, some medical center officials reported they did not use all funds allocated by the end of the fiscal year, due in part to the time it took to hire staff.

In fiscal year 2006, VA headquarters allocated about \$158 million of the \$200 million above fiscal year 2004 levels intended for mental health strategic plan initiatives directly to medical centers and certain offices. VA allocated about \$92 million of these funds to support new initiatives, using RFPs and other targeted funding approaches. VA also allocated about \$66 million to support recurring costs of continuing initiatives from the prior fiscal year. About \$42 million of the \$200 million for fiscal year 2006 was not allocated. Officials from seven medical centers GAO interviewed reported they had used funds for plan initiatives, such as the creation of a new case management program. Officials at some medical centers reported they did not anticipate problems using all of the funds allocated within the fiscal year; however, officials at other medical centers were less certain they would be able to do so.

VA tracking of spending for plan initiatives was inadequate. In fiscal year 2005, VA did not track such spending. In fiscal year 2006, VA tracked aspects of plan initiatives but not dollars spent. However, available information indicates that VA spending for plan initiatives was substantially less than planned. In fiscal year 2006, VA medical centers returned to headquarters about \$46 million of about \$158 million allocated for plan initiatives because they could not spend the funds that year. However, VA cannot determine to what extent the approximately \$112 million remaining was spent on plan initiatives because it did not track specifically how these funds were spent.