

**The U.S. Coast Guard Travel to  
Obtain Health Care Program  
Needs Improved Policies and  
Better Oversight**





# HIGHLIGHTS

## *The U.S. Coast Guard Travel to Obtain Health Care Program Needs Improved Policies and Better Oversight*

February 9, 2015

### Why We Did This

The U.S. Coast Guard's Travel to Obtain Health Care program is intended to ensure U.S. Coast Guard (Coast Guard) members and their dependents have access to proper medical care while stationed in locations where access to specialty care may not be readily available.

From October 2010 through June 2014, the Coast Guard spent almost \$4.5 million on this program. We received allegations that unnecessary travel had been approved. As a result, we conducted this audit to determine if the program has sufficient controls to ensure travel is necessary.

### What We Recommend

We made three recommendations to standardize the evaluation and documentation of requests; review regional standard operating procedures and records; and establish a training program for approving officials. These recommendations, when implemented, should improve the efficiency and effectiveness of the program.

#### **For Further Information:**

Contact our Office of Public Affairs at (202) 254-4100, or email us at [DHS-OIG.OfficePublicAffairs@oig.dhs.gov](mailto:DHS-OIG.OfficePublicAffairs@oig.dhs.gov)

### What We Found

The program did not have sufficient controls to ensure that travel for medical purposes was necessary. The Coast Guard did not establish, distribute, or ensure implementation of clear policies and procedures for reviewing, approving, and maintaining program requests. Local offices were not provided criteria or training on how to evaluate the requests, did not document that travel was necessary, and did not adequately justify that the location for medical care was appropriate.

Ninety-four percent of the records tested were missing essential information, such as physicians' referrals and cost estimates. Without this information, approving officials may not have been able to evaluate whether the travel was necessary and cost effective. As a result, the Coast Guard may have approved requests for inappropriate health care travel, incurring unnecessary costs and lost productivity.

### U.S. Coast Guard Response

In its response to our draft report, the Coast Guard concurred with the report's three recommendations. The Coast Guard has fully implemented one of the recommendations and is working to complete implementation on the remaining two recommendations. The Coast Guard reported that it is pursuing active program improvement and has taken actions to improve policies and provide better program oversight.



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Washington, DC 20528 / [www.oig.dhs.gov](http://www.oig.dhs.gov)

FEB 9 2015

MEMORANDUM FOR: Rear Admiral Maura Dollymore  
Director of Health, Safety, & Work Life Directorate  
United States Coast Guard

FROM: Mark Bell *Mark Bell*  
Assistant Inspector General for Audits

SUBJECT: *The U.S. Coast Guard Travel to Obtain Health Care  
Program Needs Improved Policies and Better  
Oversight*

Attached for your action is our final letter report, *The U.S. Coast Guard Travel to Obtain Health Care Program Needs Improved Policies and Better Oversight*. We incorporated the formal comments from the U.S. Coast Guard in the report.

The report contains three recommendations aimed at improving the U.S. Coast Guard's (Coast Guard) Travel to Obtain Health Care program. Your office concurred with all of the recommendations. Based on information provided in your response to the draft report, we consider recommendation 1 resolved and closed and recommendations 2 and 3 resolved and open. Once your office has fully implemented the recommendations, please submit a formal closeout letter to us within 30 days so that we may close the recommendations. The memorandum should be accompanied by evidence of completion of agreed-upon corrective actions and of the disposition of any monetary amounts.

Please call me with any questions, or your staff may contact Don Bumgardner, Acting Deputy Assistant Inspector General for Audits, at (202) 254-4100.

### **Background**

Coast Guard's Travel to Obtain Health Care program is intended to ensure Coast Guard members (active and reserve) and their dependents have access to proper medical care while stationed outside the contiguous United States (OCONUS). When the Coast Guard stations some of its members and their families in OCONUS areas, access to specialty health care, such as orthopedics or oncology, may not be readily available locally. Travel to obtain health care (health care travel) is government-funded travel for medically necessary, non-emergency, specialty health care that is not available within 100 miles of a patient's health care provider.<sup>1</sup>

<sup>1</sup> For purposes of this report, the phrase "health care travel" refers to travel funded through the U.S. Coast Guard's Travel to Obtain Health Care Program.



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The Health, Safety, and Work Life Service Center (service center) in Norfolk, VA, is responsible for ensuring and coordinating access to Health, Safety, and Work Life services for Coast Guard members and employees. One of its responsibilities is to provide oversight and guidance to Health, Safety, and Work Life field offices (field office) for health care travel. The field offices in OCONUS areas include Alaska, Hawaii, and Puerto Rico, which administer health care travel for local members and dependents.

According to service center guidance, members stationed OCONUS should submit travel requests for non-emergency medical care not available within 100 miles from their health care provider. The request must include a referral from the patient's health care provider. The field offices are responsible for ensuring eligibility, compliance with applicable regulations, and identifying the most economical means for obtaining necessary care. When a field office determines that the necessary care is not available within 100 miles, it is required to use a cascade of care process, which necessitates the selection of the most appropriate location for medical treatment.

From October 2010 through June 2014, the Coast Guard spent almost \$4.5 million on health care travel for members and dependents stationed OCONUS. Annual spending varies depending on medical needs. The Department of Homeland Security (DHS) Office of Inspector General (OIG) received allegations that Coast Guard officials were approving unnecessary health care travel. We conducted this audit to determine if the Coast Guard health care travel program has sufficient controls to ensure travel is necessary.

### **Results of Audit**

The Coast Guard health care travel program does not have sufficient controls to ensure travel is necessary. The Coast Guard did not establish, distribute, or ensure implementation of clear policies and procedures for reviewing, approving, and maintaining health care travel requests. Local offices were not provided criteria or training on how to evaluate health care travel requests, did not document that travel was necessary, and did not adequately justify that the location selected for medical care was appropriate. As a result, the Coast Guard may have approved requests for inappropriate health care travel, incurring unnecessary costs and lost productivity.

#### **Poor Oversight and Guidance**

The service center, which is responsible for administering and overseeing the health care travel program, did not establish and distribute clear guidance and directives on how local offices were to manage the program. This includes evaluating health care travel requests, documenting that travel was necessary, determining appropriate locations for medical care, and following records management requirements. Although the service center issued new guidance in



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May 2014, it did not sufficiently address these issues. The new guidance did not provide criteria for approving and documenting health care travel requests, such as the need to verify the physician's referral and how to determine whether the medical treatment location selected was appropriate.

In its oversight role, the service center is responsible for reviewing and approving OCONUS field offices' health care travel policies and procedures to ensure they are consistent and in accordance with Federal travel regulations. The service center did not review or approve local policies and procedures used by the three OCONUS field offices. Additionally, the service center has not provided training on its guidance.

OCONUS field offices had either inadequate or inconsistent local policies for administering health care travel to ensure travel was necessary. For example, Hawaii and Puerto Rico did not have local cascade of care policies. Alaska and Hawaii required health care travel request forms while Puerto Rico did not. Further, none of the three OCONUS field offices had policies outlining health care travel document retention requirements.

### **Inadequate Documentation**

Documentation maintained at OCONUS field offices was either missing or insufficient to demonstrate health care travel was necessary. OCONUS field offices did not consistently maintain health care travel requests, cost estimates, signed travel authorizations, and other supporting documentation to show travel was allowable and cost effective. According to General Records Schedule 9, travel documentation must be maintained for 6 years.<sup>2</sup>

In order to determine whether OCONUS field offices were maintaining required documentation, we conducted testing of Alaska's health care travel records. The Alaska field office spent 93 percent of all the health care travel funds between October 2010 and June 2014. We reviewed records to determine if health care travel officials had adequate information to assess whether health care travel was necessary and files were complete. Out of 80 records tested, 75 (94 percent) were missing at least 1 of the following key elements:

- health care travel request (44 percent missing)
- signed travel order (28 percent missing)
- cost estimates (64 percent missing)
- verification of the physician's referral (93 percent missing)

In our sample, we found health care travel was approved for Coast Guard members from Alaska to places such as:

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<sup>2</sup> The General Records Schedules are issued by the Archivist of the United States to provide agencies with disposition authority for records common to the Federal Government. These schedules authorize, after specified periods of time, the destruction of temporary records.



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- Vail, CO;
- Orlando, FL;
- Savannah, GA; and
- Scottsdale, AZ.

The documentation in the files did not support or demonstrate that care was not available locally or in a closer location such as Anchorage or Seattle, WA, which could be more cost effective. When health care travel is approved for more distant locations, there may be increased travel costs and additional costs including paid time off. Coast Guard also incurs costs from reduced productivity due to absent personnel. The new guidance issued in 2014 clarifies exceptions to Coast Guard policy, such as a high-risk pregnancy or long recovery periods, but did not fully specify documentation requirements for exceptions.

Hawaii and Puerto Rico field offices did not always maintain health care travel records. For example, a Puerto Rico health care travel official reported destroying travel records after only 12 months. Hawaii and Puerto Rico health care travel officials verified during the audit that they did not maintain all of the required supporting documentation for health care travel requests. We did not test records in Puerto Rico and Hawaii because they comprised only seven percent of the health care travel program's expenditures from October 2010 through June 2014.

### Recommendations

We recommend that the Director, Coast Guard Health, Safety, and Work Life Directorate:

**Recommendation 1:** Revise Health, Safety, and Work Life Service Center policies and procedures including:

- a. Specifying how the health care travel approving official is to evaluate the legitimacy of health care travel requests.
- b. Clarifying what documentation is required for health care travel requests, review, and approval:
  - the health care travel request;
  - signed travel orders;
  - cost estimates;
  - verification of the physician's referral;
  - determination of whether the travel was within the cascade of care; and
  - justification of any exceptions to policy.
- c. Specifying document retention requirements.
- d. Establishing recurring reviews of health care travel records to ensure compliance with policies and procedures.



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**Recommendation 2:** Require Health, Safety, and Work Life Service Center to review and document approval of OCONUS field offices' standard operating procedures to ensure local policies are consistent with the Coast Guard policy and Federal requirements.

**Recommendation 3:** Provide training to all health care travel approving officials on revised policies and procedures.

### **Actions Taken by the U.S. Coast Guard**

The Coast Guard Health, Safety, and Work Life Service Center officials stated they are revising health care travel policies and procedures to address these recommendations. These revisions are intended to standardize the evaluation and documentation of health care travel requests and establish a review process of local procedures and health care travel records.

### **Objective, Scope, and Methodology**

The DHS OIG was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the Department.

We conducted an audit of the Coast Guard health care travel program to determine if there were sufficient controls to ensure travel was necessary. To achieve our audit objective, we identified and reviewed applicable Federal laws, regulations, and the Coast Guard policies and procedures regarding health care travel. The audit covered the health care travel program from October 2010 through June 2014.

We interviewed Coast Guard headquarters officials within the Office of the Deputy Commandant for Mission Support; Human Resources; the Office of Military Personnel; and the Health, Safety, and Work Life Directorate, including the Office of Health Services, and the Office of Health, Safety, and Work Life Business Operations. In addition, we interviewed offices responsible for oversight, management, and administration of the health care travel program at the Health, Safety, and Work Life Service Center in Norfolk, VA, and the Health, Safety, and Work Life field offices in Alameda, CA; Kodiak, AK; Honolulu, HI; and San Juan, PR.

The Pay and Personnel Center in Topeka, KS, provided financial data, which we used to determine program costs and frequency of health care travel for October 2010 through June 2014. We performed validation testing to ensure



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the accuracy and completeness of data used in this audit. For this period, the Coast Guard spent almost \$4.5 million on this program and approximately \$4.2 million (93 percent) of this was for the Coast Guard members and their dependents stationed in Alaska. Due to Alaska incurring the majority of the costs, we used the financial data to select a judgmental sample of its health care travel to determine if the Coast Guard has effective controls to ensure health care travel was necessary. Specifically, we reviewed a sample of files from the Kodiak, AK, Health, Safety, and Work Life field office. Files were reviewed to determine if they contained health care requests, cost estimates, signed travel authorizations, and other supporting documentation to show travel was necessary and cost effective.

Additionally, we interviewed officials in OCONUS field offices (Alaska, Hawaii, and Puerto Rico) and reviewed their policies and procedures to determine if they complied with Coast Guard and Federal requirements. Furthermore, we determined whether the OCONUS field offices had established controls to ensure health care travel was necessary and cost effective.

We conducted this performance audit between May 2014 and September 2014, pursuant to the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards. Those 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 upon our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.

Office of Audits' major contributors to this report are Brooke Bebow, Director; Stephanie Christian, Audit Manager; Gary Crownover, Auditor-in-Charge; Ruth Gonzalez, Program Analyst; Matthew Noll, Program Analyst; Melissa Woolson Prunchak, Program Analyst; Kevin Dolloson, Communications Analyst; and Jacqueline Bear, Referencer.

### **Management Comments and OIG Analysis**

In its response to our draft report, the Coast Guard concurred with the reports three recommendations. The Coast Guard reported that it is pursuing active program improvement and has taken actions to improve polices and provide better program oversight.

**Recommendation #1: Concur.** The Coast Guard issued a revised Travel to Obtain Health Care (TTOHC) instruction on October 17, 2014. The amended instruction includes recommendations of the DHS OIG audit team. These changes have already been put into effect. The Coast Guard requests that OIG consider this recommendation resolved and closed.





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**OIG Analysis:** The Department's response to this recommendation addresses the intent of the recommendation. The Department provided supporting documentation on the implementation of the revised guidance issued. This documentation was sufficient to close this recommendation. This recommendation is resolved and closed.

**Recommendation #2: Concur.** Health, Safety, and Work-Life Service Center requested unit level TTOHC policies and is comparing those policies against Coast Guard Policy and Federal Requirements. This review will be conducted annually to ensure continued compliance. Additionally, annual inspections conducted at Coast Guard Military Treatment Facilities will now include an administrative review of the Travel to Obtain Health Care process. This corrective action is in progress and full implementation is expected by March 1, 2015.

**OIG Analysis:** The Department's response to this recommendation addresses the intent of the recommendation. This recommendation is resolved and will remain open until the Coast Guard provides a copy that it has completed its review of its policies and procedures and has amended its annual inspection process to include a review of the Travel to Obtain Health Care process. We will close this recommendation upon determining that the evidence provided meets the intent of this recommendation.

**Recommendation #3: Concur.** Health, Safety, and Work-Life Service Center will hold a teleconference/webinar to provide guidance to unit level approving officials, training will be offered on a recurring basis annually or more frequently as needed. Training will be administered by the Chief or Deputy Chief of the HSWL-SC Medical Administration Division. The initial training session is scheduled to occur prior to March 1, 2015.

**OIG Analysis:** The Department's response to this recommendation addresses the intent of the recommendation. This recommendation is resolved and will remain open until the Coast Guard provides a copy of the completed webinar and training developed and implemented annually for approving officials. We will close this recommendation upon determining that the evidence provided meets the intent of this recommendation.



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**Appendix A**  
**U.S. Coast Guard Comments to the Draft Report**



Commandant  
United States Coast Guard

2703 Martin Luther King, Jr. Ave SE  
Washington, DC 20593-7000  
Staff Symbol: CG-8  
Phone: (202) 372-3533  
Fax: (202) 372-4960

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**MEMORANDUM**

DEC 18 2014

From:   
T. A. Sokalzuk  
COMDT (CG-8)

Reply to Audit Manager  
Attn of: Mark Kulwicki  
(202) 372-3533

To: Anne L. Richards  
Assistant Inspector General for Audits

Subj: DHS OIG DRAFT REPORT: THE U.S. COAST GUARD TRAVEL TO OBTAIN  
HEALTH CARE PROGRAM NEEDS IMPROVED POLICIES AND BETTER  
OVERSIGHT

Ref: (a) DRAFT Report, OIG Project No. 14-120-AUD-USCG, of Nov 18, 2014

1. This memorandum transmits the Coast Guard's response to the draft report identified in reference (a).
2. The Coast Guard concurs with all the recommendations listed in the draft report and is actively pursuing program improvement. Our response in enclosure (1) demonstrates that the Coast Guard has taken action to improve policies and provide better oversight of the program. Accordingly, the Coast Guard requests that you consider all recommendations Closed and Implemented.
3. If you have any questions, my point of contact is Mr. Mark Kulwicki who can be reached at 202-372-3533.

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Enclosure: (1) USCG Response to OIG Draft Report on Travel to Obtain Health Care



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**UNITED STATES COAST GUARD STATEMENT ON DHS OIG DRAFT REPORT:  
*The U.S. Coast Guard Travel to Obtain Health Care Program Needs Improved Policies  
and Better Oversight*  
OIG Project No. 14-120-AUD-USCG**

**OIG Recommendation #1:** Revise Health, Safety, and Work Life Service Center policies and procedures including:

- a. Specifying how the health care travel approving official is to evaluate the legitimacy of health care travel requests.
- b. Clarifying what documentation is required for health care travel requests, review, and approval:
  - the health care travel request;
  - signed travel orders;
  - cost estimates;
  - verification of the physician's referral;
  - determination of whether the travel was within the cascade of care; and
  - justification of any exceptions to policy.
- c. Specifying document retention requirements.
- d. Establishing recurring reviews of health care travel records to ensure compliance with policies and procedures.

**Response: Concur.** A revised Travel to Obtain Health Care (TTOHC) instruction was signed and published on 17 October 2014 (attached). The amended instruction includes recommendations of the DHS OIG audit team. These changes have already been put into effect. The changes to the instruction/program include:

- a. Clarification of what documentation is required to obtain TTOHC funding; Part 13 (d) and (e) of the revised TTOHC instruction.
- b. Specification of record keeping and record retention requirements, see Part 10 of the revised TTOHC instruction.
- c. Establishment of an annual review and audit of the TTOHC issuing sites, see Part 18 (c) of the revised TTOHC instruction.
- d. Specification that the TRICARE referral numbers must be included in TTOHC requests and evaluation, and that TRICARE shall be contacted to ensure validity of the reference number, see Part 13(e) 14 of the revised TTOHC instruction.
- e. The Health Safety & Work Life Service Center will conduct regional compliance reviews of TTOHC Standard Operating Procedures to ensure that they are congruent with instruction, policy and program execution.

**OIG Recommendation #2:** Require the Health, Safety, and Work Life Service Center (HSWL-SC) to review and document approval of OCONUS field offices' standard operating procedures to ensure local policies are consistent with the Coast Guard policy and Federal requirements.

**Response: Concur.** Health, Safety, and Work- Life Service Center requested unit level TTOHC policies and is comparing those policies against Coast Guard Policy and Federal Requirements. This review will be conducted annually to ensure continued compliance. Additionally, annual inspections conducted at Coast Guard Military Treatment Facilities will now include an administrative review of the TTOHC process. This corrective action is in progress and full implementation is expected by 01 March 2015.

**OIG Recommendation #3:** Provide training to all health care travel approving officials on revised policies and procedures.



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**Response: Concur.** HSWL SC will hold a teleconference/webinar to provide guidance to unit level approving officials, training will be offered on a recurring basis annually or more frequently as needed. Training will be administered by the Chief or Deputy Chief of the HSWL-SC Medical Administration Division. The initial training session is scheduled to occur prior to 01 March 2015.



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**Appendix B**  
**Report Distribution**

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Department of Homeland Security  
Office of Inspector General, Mail Stop 0305  
Attention: Hotline  
245 Murray Drive, SW  
Washington, DC 20528-0305