



**Department of Veterans Affairs
Office of Inspector General**

**Combined Assessment Program
Review of the
Samuel S. Stratton VA Medical Center
Albany, New York**

Office of Inspector General Combined Assessment Program Reviews

Combined Assessment Program (CAP) reviews are part of the Office of Inspector General's (OIG's) efforts to ensure that high quality health care and benefits services are provided to our Nation's veterans. CAP reviews combine the knowledge and skills of the OIG's Offices of Healthcare Inspections, Audit, and Investigations to provide collaborative assessments of VA medical facilities and regional offices on a cyclical basis. The purpose of CAP reviews are to:

- Evaluate how well VA facilities are accomplishing their missions of providing veterans convenient access to high quality medical and benefits services.
- Determine if management controls ensure compliance with regulations and agency policies, assist management in achieving program goals, and minimize vulnerability to fraud, waste, and abuse.
- Conduct fraud and integrity awareness briefings for facility staff.

In addition to this typical coverage, CAP reviews may examine issues or allegations referred by VA employees, patients, members of Congress, or others.

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Executive Summary

Introduction

During the week of August 6–10, 2001, the Office of Inspector General (OIG) conducted a Combined Assessment Program (CAP) review of the Samuel S. Stratton VA Medical Center, Albany, New York [referred to as the Stratton VA Medical Center (VAMC) in this report]. The purpose of the review was to evaluate selected health care system operations, focusing on patient care administration, quality management (QM), and financial and administrative controls. During the review, we also provided fraud and integrity awareness training to 145 employees.

Results of Review

Stratton VAMC patient care and QM activities reviewed were generally operating satisfactorily. Management actively supported quality patient care and performance improvement. The QM program was comprehensive and provided effective oversight of the quality of care. Financial and administrative activities were generally operating satisfactorily, and management controls were generally effective. To improve operations, management needed to:

- Improve controlled substances inspection controls and physical security.
- Improve procurement practices by avoiding conflicts of interest, improve contract administration, improve Government Purchase Card Program controls, and obtain supplies and services from sources most favorable to the Government.
- Fill physician vacancies in primary care clinics.
- Reduce medical services coding and insurance billing errors and improve provider documentation in medical records.
- Develop contingency and recovery plans for major automated information systems.
- Provide training to employees on how to report breaches of security of medical records information.
- Document assessments of medical problems and Prevention Disease Indexes in the medical records of all behavioral health patients.
- Strengthen time and attendance controls for part-time physicians.

Stratton VAMC Acting Director Comments. The Acting Director concurred with the CAP review findings, recommendations, and suggestions and provided acceptable plans to take corrective actions. We consider all CAP review issues to be resolved, but may follow up on implementation of planned corrective actions.

(original signed by:)
RICHARD J. GRIFFIN
Inspector General

Introduction

Medical Center Profile

Organization. Located in Albany, New York, the Samuel S. Stratton VAMC is a tertiary care facility that provides a broad range of inpatient and outpatient health care services. Outpatient care is also provided at 12 community-based outpatient clinics (CBOCs) located in Glens Falls, Sidney, Elizabethtown, Schenectady, Troy, Kingston, Plattsburgh, Malone, Clifton Park, Fonda, and Catskill in New York and Bennington, Vermont. The Stratton VAMC is part of Veterans Integrated Service Network (VISN) 2 and serves a veteran population of about 28,000 in a primary service area that includes 22 counties in New York and 1 county in Vermont.

Programs. The Stratton VAMC provides medical, surgical, mental health, geriatric, and advanced rehabilitation services. The medical center has 134 hospital beds and 50 nursing home beds and operates several regional referral and treatment programs, including the CBOCs and the Center of Excellence. The Stratton VAMC also has sharing agreements with the Department of Defense and seven community hospitals.

Affiliations and Research. The Stratton VAMC is affiliated with the Albany Medical College and supports 66 medical resident positions in 23 training programs. In Fiscal Year (FY) 2001, the Stratton VAMC research program had 15 projects and a budget of \$1.9 million. Important areas of research included cancer, advanced illnesses, neurology, cardiology, and atherosclerosis.

Resources. In FY 2001, Stratton VAMC's medical care budget totaled \$115.7 million. The FY 2000 medical care budget was \$113.8 million. FY 2000 staffing was 1,121 full-time equivalent employees (FTEE), including 68 physician and 341 nursing FTEE. FY 2001 staffing through July 2001 was 1,148 FTEE, including 70 physician and 353 nursing FTEE.

Workload. In FY 2000, the Stratton VAMC treated 34,465 unique patients, a 15.5 percent increase from FY 1999. The inpatient care workload totaled 3,545 discharges and the average daily census, including nursing home patients, was 99.2. The outpatient workload totaled 229,231 visits.

Objectives and Scope of CAP Review

Objectives. CAP reviews are one element of the OIG's efforts to ensure that our Nation's veterans receive high quality VA health care services. The objectives of the CAP review program are to:

- Conduct recurring evaluations of selected health care system operations, focusing on patient care, QM, and financial and administrative controls.

- Provide fraud and integrity awareness training to increase employee understanding of the potential for program fraud and of the need to refer suspected fraud to the OIG.

Scope. We reviewed selected clinical, financial, and administrative activities to evaluate the effectiveness of patient care administration, QM, and management controls. Patient care administration is the process of planning and delivering patient care. QM is the process of monitoring the quality of patient care to identify and correct harmful and potentially harmful practices and conditions. Management controls are the policies, procedures, and information systems used to safeguard assets, prevent errors and fraud, and ensure that organizational goals are met.

In performing the review, we inspected work areas; interviewed managers, employees, and patients; and reviewed clinical, financial, and administrative records. The review covered the following activities:

Accounts Receivable	Information Technology Security
Acute Medical-Surgical Units	Insurance Billing and Collections
Background Investigations	Laboratory and Radiology Test Results
Behavioral Health Care	Medical Records
Clinical Services Contracts	Part-Time Physician Time and Attendance
CBOCs	Primary Care Clinics
Controlled Substances Accountability	QM
Government Purchase Card Program	Rehabilitation and Extended Care

As part of the review, we used questionnaires and interviews to survey patients' and employees' satisfaction with the timeliness of service and the quality of care. Survey results were discussed with Stratton VAMC management.

During the review, we also conducted 3 fraud and integrity awareness training sessions for 145 Stratton VAMC employees. These briefings covered procedures for reporting suspected criminal activity to the OIG and included case-specific examples illustrating procurement fraud, false claims, conflicts of interest, and bribery.

The review covered Stratton VAMC operations for FYs 2000 and 2001 (through August 31, 2001) and was conducted in accordance with OIG standard operating procedures for CAP reviews.

In this report we make recommendations and suggestions for improvements. Recommendations pertain to issues that are significant enough to be monitored by the OIG until corrective actions are implemented. Suggestions pertain to issues that need corrective actions and should be monitored by VAMC management until such actions are completed.

Results of Review

Organizational Strengths

Stratton VAMC management created an environment that supported quality patient care and performance improvement. The patient care administration, QM, financial, and administrative activities reviewed were generally operating satisfactorily, and management controls were generally effective.

The QM Program Was Comprehensive and Provided Effective Oversight. The Stratton VAMC had an effective QM program to monitor quality of care using national and local performance measures, patient safety management, and utilization reviews. Comprehensive QM monitors were in place to improve patient care. QM findings were properly analyzed to detect trends, and actions were taken to address individual issues. QM investigations and focused reviews were conducted properly, and corrective actions were implemented.

Clinical Oversight of CBOCs Was Effective and Consistent. The Stratton VAMC's CBOC Operations Manager and coordinators were performing effective and consistent clinical oversight of operations at the eight contract and four VA-operated CBOCs. Established contracts required that non-VA CBOCs adhere to the same performance measures, quality of care indicators, and use of VA's computerized patient medical record system (CPRS) as VA-operated CBOCs. Managers also implemented a continuous patient satisfaction feedback program at each clinic.

During the past 2 years, contract CBOCs significantly increased their completion rate for Prevention Disease Indexes and use of clinical practice guidelines consistent with VA-operated CBOC levels in the following categories: tobacco and alcohol screening, prostate cancer education, and cholesterol screening. At the Glens Falls contract CBOC, 10 of 11 patients interviewed responded that the care received was very good to excellent. Five patients described traveling to Stratton VAMC for referrals to specialty clinics as inconvenient, however, three of the five patients used VA-furnished transportation and described it as dependable. All interviewed staff at Glens Falls stated that care provided to patients was very good or excellent.

Abnormal Test Results Were Communicated Promptly to Providers. Documentation in 30 medical records indicated that pathologists and radiologists promptly communicated abnormal diagnostic and therapeutic results to patients' providers. The 30 medical records included 10 results from each of the following areas: clinical laboratory, anatomical pathology, and radiology. Pathologists who communicated the abnormal clinical and anatomical results to the patients' providers documented these communications in the medical records. Radiologists documented 9 of 10 abnormal imaging results. However, in the one result not documented the physician was notified of the result by the radiologist and the physician documented communication of the result to the patient. Patients received appropriate follow-up care, whenever necessary. Diagnostics and therapeutics staffs, primary care providers, and patients confirmed these results.

Opportunities for Improvement

Controlled Substances – Inspection Procedures and Pharmacy Security Need to Be Strengthened

Conditions Needing Improvement. Stratton VAMC management needed to ensure that controlled substances inspections were conducted regularly and security was effective. Veterans Health Administration (VHA) policy requires an adequate and comprehensive system to include safety and control of stocks for all Schedule II-V controlled substances. Controls needed to be strengthened in the following areas:

- Monthly unannounced controlled substances inspections were not conducted during the period of December 2000 through June 2001.
- Documentation to confirm orientation and training of inspectors was not maintained.
- Management did not trend inspection results to identify potential problem areas needing improvement.
- Former employees and individuals whose credentials were never verified by the Chief, Pharmacy Service were included on the Stratton VAMC's Drug Enforcement Agency Provider List of persons authorized to write controlled substances prescriptions.
- Controlled substances held for destruction were not inventoried monthly.
- Outdated and unwanted controlled substances had not been destroyed on a quarterly basis since September 2000.
- Envelopes containing mail-out prescriptions of controlled substances were left unsecured in the VA mailroom for up to 24 hours, pending pick-up by the United States Postal Service.
- Unauthorized entry into the pharmacy could occur because of electronic access control system deficiencies associated with using various combinations of swipe and key cards.
- Security over controlled substances was compromised because pharmacy keys were issued to employees who did not have appropriate access clearance levels.

Recommended Improvement Action 1. We recommended that the Acting Director, Stratton VAMC: (a) establish a comprehensive system to ensure adequate control of controlled substances and, (b) correct each deficiency described above.

The Acting Director concurred with the recommendation and reported that monthly controlled substances inspections are currently being conducted. New inspectors have also been appointed and trained and records of training will be maintained. In October 2001, the Director reported that management will trend monthly inspection results, and the credentialing office will ensure

individuals authorized to write controlled substances prescriptions are current employees who are properly credentialed. Controlled substances held for destruction will be inventoried monthly, outdated, and unwanted controlled substances will be destroyed on a quarterly basis; and, a locked cabinet for storage of certified mail prescriptions for controlled substances will be constructed. A new access system has been installed for all pharmacy areas to include a swipe card followed by numeric entry. Pharmacy employees will be issued new keys based on position and need for specific level of access. The implementation actions are acceptable and we consider the issues resolved. (The Acting Director's comments to the recommendations are shown in detail in Appendix A, pages 14-15.)

Procurement Practices – Controls Need To Be Strengthened To Avoid Conflicts of Interest, Improve Contract Administration, Effectively Administer the Government Purchase Card Program, and Require Obtaining Competition in Purchasing Supplies and Services

Conditions Needing Improvement. Stratton VAMC management needed to ensure that conflicts of interest did not occur with its affiliate during contract negotiations and subsequent oversight monitoring, contracting officers complied with Federal contract administration policies and procedures, the Government Purchase Card Program was administered effectively, and competition was sought in obtaining supplies and services.

Conflicts of Interest. Controls needed to be strengthened to ensure that officials developing, soliciting, awarding, and administering contracts comply with conflict of interest statutes and contract administration procedures. Federal criminal statutes prohibit a Government employee from participating personally and substantially in a matter in which the employee, to the employee's knowledge, has a financial interest.

Potential conflicts of interest were identified in a sample of five current Stratton VAMC clinical services contracts. These cases were referred to OIG's Office of Investigations for further review and the investigations are pending.

Contract Administration. Contracting officers did not always administer current clinical services contracts according to the Federal Acquisition Regulation (FAR) and VA policies and procedures. For example:

- Required legal reviews were not obtained on two contracts with a combined cost of \$2.5 million.
- Required details on invoices were not submitted on three contracts with a combined cost of \$981,000.
- Required technical review was not obtained for a \$806,000 contract.
- Required price negotiation memorandum was not prepared for a \$720,000 contract.

- Required contract monitoring clause was not included in a \$271,000 contract.

In addition, the Contracting Officer's Technical Representative (COTR) did not verify the accuracy of invoices for three contracts with a combined cost of \$981,000. Specifically, the COTR:

- Certified 11 invoices totaling \$368,000 without validating the accuracy of the invoices submitted by the contractor. The invoices did not include properly signed time and attendance sheets.
- Relied on operating room and clinic reports to verify hours billed on a \$203,000 contract when the hours recorded on operating room reports were far less than billed, the clinic reports did not identify the physicians staffing the clinics, and no documentation existed to corroborate time and attendance reports.
- Verified the accuracy of billed hours on a \$294,000 contract using time and attendance reports that were prepared in advance of actual work performed by the contractor.

Government Purchase Card Program. VA facilities are required to use Government purchase cards for small purchases of goods and services (usually \$2,500 or less). The FAR also permits the Government to use purchase cards for the acquisition of supplies and services, including construction, the aggregate amount of which does not exceed \$100,000. The Government Purchase Card Program at the Stratton VAMC had 132 cardholders and 55 approving officials. From October 2000 through June 2001, cardholders processed 9,861 transactions totaling approximately \$5.3 million. Program controls for the use of Government purchase cards were generally effective except that cards were not deactivated in a timely manner and Fiscal Service and Acquisitions and Materiel Management Service (A&MMS) did not conduct joint quarterly reviews of accounts.

The purchase card coordinator did not always deactivate Government purchase cards in a timely manner because the coordinator was unaware that the cardholders no longer worked at the Stratton VAMC. During the CAP review, the purchase card coordinator deactivated six cards of former employees. Although the cards of the six former employees were active from 2 to 12 months after they left the Stratton VAMC, no purchases were made using these cards. Prior to the completion of our onsite review, A&MMS revised the VAMC's clearance procedures to include mandatory sign-off through A&MMS for all employees responsible for Government purchase cards before issuing final salary payments.

VHA policy requires monthly audits of cardholder accounts statistically selected from the facility's Government purchase card purchases, and quarterly joint reviews of all cardholders accounts not included in monthly audits. The Stratton VAMC performed monthly audits, but not quarterly reviews. According to the purchase card coordinator, the Stratton VAMC intends to comply with VHA Government Purchase Card Program policy regarding the conduct of quarterly reviews of accounts.

Competition. The FAR requires purchasing agents to promote competition to the maximum extent practicable in order to obtain supplies and services from the sources whose offers are most favorable to the Government. For a 22-month period ending July 31, 2001, acquisition personnel, including 2 purchase cardholders, placed 96 orders totaling approximately \$357,000 for hip and knee implants and accompanying components without soliciting competition. Data obtained from the National Acquisition Center showed that Federal Supply Schedule (FSS) vendors offered comparable items at lower prices.

The following example illustrates the benefit of seeking competition. In September 2000, a Stratton VAMC A&MMS purchasing agent purchased both a hip and a knee implant with accompanying components on the open market for \$5,532 and \$5,038, respectively. The prices for a comparable prosthetic hip and knee implant and accompanying components from a FSS vendor would have been \$3,427 and \$3,325, respectively. As a result, VA paid \$3,818 (36 percent) more on the open market. If the purchasing agent had used the FSS vendor for the 96 orders, the Stratton VAMC could have saved approximately \$128,520 (\$357,000 x 36 percent).

Recommended Improvement Action 2. We recommended that the Stratton VAMC Acting Director ensure that controls are implemented to: (a) eliminate conflicts of interest during contract negotiations, (b) comply with Federal contract administration policies and procedures, (c) deactivate Government purchase cards when cardholders separate or terminate, (d) conduct quarterly reviews of cardholders' accounts, and (e) require purchasing agents to obtain supplies or services from FSS vendors or seek competition to the maximum extent practicable.

The Acting Director concurred with the recommendation and reported that necessary steps will be taken to eliminate conflicts of interest during the contract negotiation process, ensure contracting officers receive refresher training on Federal contract administration policies and procedures, provide clearance procedures upon separation or termination that will include purchase card deactivation, conduct quarterly reviews for each purchase cardholder, and VISN 2 will solicit competition for a hip and knee standardization contract. The implementation actions are acceptable, and we consider the issues resolved. (The Acting Director's comments to the recommendations are shown in detail in Appendix A, pages 15-16. The monetary benefits associated with recommendation 2e are shown in Appendix B, page 18.)

Primary Care Clinics – Management Needs to Fill Physician Vacancies

Conditions Needing Improvement. Stratton VAMC primary care physicians staff inpatient services, train and advise 32 ambulatory care residents, provide emergency room services, and also provide inpatient internal medicine services. Workload data from February through August 2001, for one Stratton VAMC primary care clinic reflected staffing shortages. The Blue Team did not meet the VISN 2 standard for physician staffing levels based on workload. In addition, the monthly provider statistics for this clinic showed that the total patient panel (number of unique patients assigned) exceeded expected panel size. The two recent physician vacancies on the Blue Team adversely impacted upon the delivery of primary care, inpatient attending care, and ambulatory residency training. A VISN 2 hiring freeze prevented management from filling the two vacancies.

Recommended Improvement Action 3. We recommended that the Stratton VAMC Acting Director request VISN 2 approval to fill the two physician vacancies.

The Acting Director concurred with the recommendation and reported that the Albany Medical VA Care Line (MVAC) will continue pursuing FTEE hiring approval through the VISN MVAC. The implementation plan is acceptable, and we consider the issue resolved. (The Acting Director's comments to the recommendation are shown in detail in Appendix A, page 16.)

Insurance Billing and Collections – Improved Medical Coding and Medical Record Documentation Could Increase Accuracy of Billing

Conditions Needing Improvement. The Stratton VAMC needed to improve coding accuracy to ensure accurate billing of medical services. VA policy requires that medical records contain documentation describing all physician-patient encounters in order to assign accurate Current Procedural Terminology (CPT) codes. CPT codes are used for insurance billings and for analysis of clinical and workload data. VHA policy requires facilities to implement compliance programs to ensure accurate documentation, coding, and billing.

Coding and Billing. Coding errors resulted in inaccurate FY 2001 1st and 2nd quarter outpatient visit billings based on a review of documentation for 20 outpatient visits. Medical Care Collection Fund staff incorrectly billed 9 out of the 20 (45 percent) visits reviewed. Billing errors included:

- 4 visits over-billed at \$221.
- 2 visits under-billed at \$61.
- 3 visits valued at \$1,105 billed in error (i.e., 2 were for visits associated with unbillable non-service-connected conditions and 1 had no documentation to support the claim).

Third-party insurers made payments on 7 of the 9 claims. Stratton VAMC management notified the insurers of the billing errors and made the necessary corrections to bills. Errors occurred because coders assigned codes with higher or lower reimbursement values than justified by documentation in medical records. Under-billing errors also occurred because examination and medical decision-making documentation associated with physician-patient encounters was incomplete.

The Stratton VAMC's compliance program needed improvement. The facility had no compliance officer, although recruitment efforts to fill the position were ongoing. In addition, trained coders were not verifying the accuracy of codes for all ambulatory care visits. Coders were only verifying all ambulatory surgical procedures and all emergency room visits, but only 25 of approximately 19,000 outpatient visits per month.

Suggested Improvement Actions. We suggested that the Stratton VAMC Acting Director ensure that: (a) CPT codes are accurate and insurance billings are correct, (b) the compliance

program is fully operational, and (c) physicians receive additional training to improve documentation of physician-patient encounters.

The Acting Director concurred and stated that a compliance officer has been hired to ensure medical documentation and coding compliance, audits of clinics to ensure coding accuracy are ongoing, and providers received training to improve documentation of encounters. The implementation plan is acceptable, and we consider the issue resolved. (The Acting Director's comments to the suggestion are shown in detail in Appendix A, page 17.)

Automated Information Systems – Controls Need to Be Strengthened

Conditions Needing Improvement. Stratton VAMC management needed to designate a full-time Information Security Officer (ISO) whose responsibility would be to develop, implement, and monitor station-specific information security policy and procedures, and develop and establish periodic testing of an emergency preparedness and contingency plan for all critical automated information systems.

VA policy requires that the Director of each medical facility designate an ISO knowledgeable in information technology and security matters. The ISO position should be a full-time position in larger and consolidated facilities and the primary responsibility for part-time ISOs in smaller facilities. At the Stratton VAMC, the ISO was not technically knowledgeable and had other primary responsibilities. Stratton VAMC management had not developed and established periodic testing of an emergency preparedness and contingency plan for all critical automated information systems.

Suggested Improvement Actions. We suggested that the Stratton VAMC Acting Director: (a) consider designating a full-time ISO, and (b) ensure that an emergency preparedness and contingency plan is developed and periodically tested for all critical automated information systems.

The Acting Director concurred and responded that ISO support will be increased for the Network and a Network-wide system recovery and contingency plan will be developed and tested for all critical systems. The implementation plan is acceptable, and we consider the issue resolved. (The Acting Director's comments to the suggestion are shown in detail in Appendix A, page 17.)

Medical Records Privacy – Management Needs to Strengthen Controls for Safeguarding Medical Record Information

Conditions Needing Improvement. VA policy requires medical facilities to have written procedures in place to monitor unauthorized access to restricted or sensitive medical records. Stratton VAMC policy did not include written procedures to monitor access to restricted medical records. Employees were not contacted by the ISO to explain why they accessed restricted records. Fifteen of the 20 employees interviewed could not explain the procedure for reporting computer security incidents covered in a VISN 2 policy. In addition, VAMC personnel did not have access to a shredder in 6 of the 10 patient care areas inspected in case of needed disposal of confidential documents.

Stratton VAMC management provided training on automated information systems security to its employees as corroborated by a review of 10 training records. All of the 20 employees interviewed contended that they had not shared passwords or access codes and felt comfortable reporting breaches of medical record privacy. Our compliance inspection of the clinical computer sites showed that terminals were closed when not in use, public bulletin boards contained no confidential patient information and confidentiality signs were posted in elevators.

Suggested Improvement Actions. We suggested that the Stratton VAMC Acting Director ensure that: (a) written procedures are in place for monitoring breaches in security on medical record privacy, (b) employees are aware of the VISN 2 security incident reporting policy, and (c) patient care areas with computers and printers are equipped with shredders.

The Acting Director concurred and responded that written procedures for monitoring security breaches on medical record privacy will be developed, employee education training on procedures will be scheduled and patient care areas with computers and printers will be equipped with shredders. The implementation plan is acceptable, and we consider the issue resolved. (The Acting Director's comments to the suggestion are shown in detail in Appendix A, page 17.)

Behavioral Health Care – Documentation on Assessment of Medical Conditions Results Needs Improvement

Conditions Needing Improvement. Stratton VAMC management needed to ensure that assessments of behavioral health patients' medical conditions were documented in medical records. In addition, management needed to ensure that Prevention Disease Indexes results were documented consistently in the medical records.

Stratton VAMC management integrated behavioral health and primary care services in its clinics as part of its October 2000 Behavioral Health Plan for the Delivery of Care. Behavioral Health Care Line (psychiatric) patients were generally satisfied with the care provided by their primary care providers after the integration. However, 4 of 10 medical records prepared after the integration did not contain assessments of psychiatric patients' primary medical conditions or components of Prevention Disease Indexes as required by VHA policy. In addition, 1 of 10 medical records did not contain documentation of prostate cancer screening and 2 of 10 records did not contain documentation of colorectal cancer screenings.

Suggested Improvement Action. We suggested that the Stratton VAMC Acting Director ensure that providers document assessments of medical conditions and components of the Prevention Disease Index for Behavioral Health Care Line patients.

The Acting Director concurred and responded that providers received refresher training on Prevention Disease Index and documentation requirements. Charts will be randomly audited on a monthly basis. The implementation plan is acceptable, and we consider the issue resolved. (The Acting Director's comments to the suggestion are shown in detail in Appendix A, page 17.)

Part-Time Physician Timekeeping – Training and Desk Audits Need To Be Conducted

Conditions Needing Improvement. Stratton VAMC management needed to ensure that part-time physician timekeepers received initial and refresher training and that semi-annual desk audits of part-time physician timekeepers were regularly conducted as required by VA policy.

Timekeeper training records showed that 2 of 8 part-time physician timekeepers did not receive initial, formal timekeeping training. There was no documentation to corroborate that the Stratton VAMC provided annual refresher training. Fiscal Service had not conducted semi-annual desk audits of timekeepers for several years.

Suggested Improvement Action. We suggested that the Stratton VAMC Acting Director ensure that: (a) all part-time physician timekeepers receive initial and refresher training, and (b) Fiscal Service conducts semi-annual desk audits of part-time physicians timekeepers.

The Acting Director concurred and responded that all timekeepers responsible for part-time physician timecards will have received refresher training, and Fiscal Service will be conducting semi-annual desk audits of part-time physician timekeepers. The implementation plan is acceptable, and we consider the issue resolved. (The Acting Director's comments to the suggestion are shown in detail in Appendix A, page 17.)

Other Observations

Patient and Employee Survey Results

Most Patients Were Satisfied With The Quality Of Care Provided by Clinicians, Except For Obtaining Prescriptions from the Outpatient Pharmacy. We interviewed 15 inpatients and 26 outpatients to obtain perceptions of the quality and timeliness of care. Patients did not respond to all of the questions. Twenty-four outpatients (92 percent) said their treatment needs were being addressed to their satisfaction and that one physician was in charge of their care. All outpatients would recommend the facility to eligible friends or family members. Of 9 outpatients having prescriptions filled by Outpatient Pharmacy, 5 (55 percent) did not receive their prescriptions within 30 minutes. However, all reported receiving refills in the mail before running out of medicine. Of 12 outpatients receiving new prescriptions, 4 (33 percent) reported that a pharmacist did not provide medication counseling. Eleven (61 percent) of 18 respondents did not see a specialist within 30 days of referral. All inpatients interviewed said that clinicians explained how to use the medications prescribed, 9 of 10 patients (90 percent) stated that their call lights were answered within 5 minutes, and 13 (87 percent) were generally satisfied with the care received.

Employees Expressed Relatively Good Opinions of the Facility While Identifying Areas Needing Improvement. Responses were received from 268 of 300 employee surveyed (89 percent); however, employees did not respond to all questions. Two hundred and ten (78 percent) rated the quality of patient care they delivered as good, very good, or excellent, and 177 (66 percent) would recommend the facility to eligible family members or friends. However, 55

percent indicated dissatisfaction with limited career advancement opportunities; 51 percent indicated dissatisfaction that work orders were not addressed in a timely manner; 24 percent stated they were not comfortable using the CPRS system; and 23 percent indicated they were not comfortable reporting patient care errors. Furthermore, 55 percent indicated that staffing levels were insufficient to provide safe patient care, and 44 percent were often asked to work beyond their tours of duty because of insufficient staff.

Samuel S. Stratton VA Medical Center Acting Director Comments

Department of
Veterans Affairs

Memorandum

Date: October 25, 2001

From: Director (00/528A8), Samuel S. Stratton VA Medical Center

Subj: OIG Combined Assessment Program (CAP) Review-VAMC Albany, NY, August 2001

To: Assistant Inspector General for Auditing (52)

1. Enclosed please find our response and action plan regarding the recent OIG CAP Team's observations and recommendations resulting from your review August 6 – 10, 2001. We have reviewed the report findings and concur with the eight recommendations. We also concur with the "Monetary Benefits" noted for recommendation two.
2. In addition, we have reviewed the "Suggestions for Management Attention" and appreciate your comments. Appropriate action is currently under consideration.
3. If you require any additional information or further assistance, please do not hesitate to contact Barbara Englisbe, RN, Performance Manager, at (518) 626-6927.



DONALD W. STUART

Acting Director

SAMUEL S. STRATTON VA MEDICAL CENTER

Action Plan

Topic: OIG CAP Review of August 6-10, 2001

Date: October 25, 2001

Recommendation/Suggestion	Action	Target Completion Date
1. Ensure that comprehensive systems establish to ensure adequate control of controlled substances and correct each deficiency described below:		Ongoing
(a.) monthly unannounced controlled substances inspections not conducted during the period December 2000-June 2001.	(a.) Pharmacy department has assisted the Performance Management office in reconstruction and reinstatement of the inspection process. Complete audit conducted for the period during which inspections had not been completed. Inspections currently being conducted. New inspectors appointed and trained.	Done Ongoing
(b.) documentation to corroborate orientation and training of inspectors was not maintained.	(b.) Performance Management office function has been implemented and coordinated with the Pharmacy. Records of training to be kept for all newly and subsequently trained inspectors.	October 2001
(c.) management did not regularly trend inspection results to identify potential problem areas needing improvement.	(c.) Trends to be reviewed through reports submitted to Medical Center Director after completion of monthly inspections.	October 2001
(d.) former employees and individuals whose credentials were never verified by the Chief, Pharmacy Service were included on the Stratton VAMC's Drug Enforcement Agency Provider list of persons authorized to write controlled substance prescriptions.	(d.) Credentialing office to provide sufficient information to ensure that persons listed in database are in fact credentialed to write prescriptions for controlled substances. New person file being built to remove inactive/ineligible or inappropriately credentialed providers. This is a network initiative derived from Network database integration. Plan to modify provider file which can differentiate classes of provider and classes of controlled substances individual provider is eligible to write for.	October 2001

Appendix A

<p>(e.) controlled substances held for destruction not inventoried monthly.</p>	<p>(e.) Inventory of controlled substances held for destruction to be added to inspection process.</p>	<p>October 2001</p>
<p>(f.) outdated, unwanted controlled substances were not destroyed on a quarterly basis since September 2000.</p>	<p>(f.) Regular quarterly scheduling will be implemented to comply with suggested time frames. Initial quarterly destructions are underway.</p>	<p>Ongoing</p>
<p>(g.) envelopes containing mail-out prescriptions of controlled substances were left unsecured in the mailroom for up to 24 hours pending pick-up by the US Postal Service</p>	<p>(g.) Plans are underway to have a substantially constructed, locked cabinet installed in the mailroom for storage of certified mail prescriptions for C-II controlled substances until pick-up by the US Postal Service. All other mail-out prescriptions will remain packaged and dispersed throughout regular mail. The certified mail log will be modified to require signature from mailroom personnel when transfer of those packages is made from the pharmacy to the mailroom.</p>	<p>October 2001</p>
<p>(h.) unauthorized entry into the pharmacy could occur because electronic access control system deficiencies associated with using various combinations of swipe and key cards.</p>	<p>(h.) The installation of upgraded electronic entry panels has been completed. Police unit has completed programming the system. New access system for all secure pharmacy areas requires swipe card followed by numeric entry prior to gain access to the pharmacy. This eliminates the potential for lost ID badge swipe cards or theft of numeric access codes resulting in unauthorized access to the pharmacy.</p>	<p>October 2001</p>
<p>(i.) access to controlled substances was vulnerable because the pharmacy keys were not issued to employees based on clearance levels or need.</p>	<p>(i.) Space mapping which includes all locks within the department has been compiled. Re-keying of all pharmacy areas will be conducted based upon several tiers of access ranging from master access for the Manager, to supervisor access, pharmacist access and technician access. Employees will be issued new keys based upon position and need for specific level of access.</p>	<p>October 2001</p>
<p>2. Ensure that controls are implemented to: (a) eliminate conflicts of interest during contract negotiations, (b) comply with Federal contract administration policies and procedures, (c) deactivate Government purchase cards when cardholders separate or terminate, (d) conduct quarterly reviews of cardholders' accounts, and (e) promote competition to the maximum extent practicable.</p>	<p>(a.) The Network Contracting Activity (NCA) will develop supplemental Contracting Officer Technical Representative (COTR) training for individuals who perform COTR duties which shall incorporate conflict of interest guidelines currently provided in the VA Directives 1660.1, "Enhanced Health Care Resources Sharing Authority – Selling" and 1660.3/1, "Conflict of Interest Aspects of Contracting for Scarce Medical Specialist Services and Health Care Sharing."</p>	<p>October 2001</p>

Appendix A

	<p>In addition, the NCA will develop a QA checklist that will incorporate tasks that VISN 2 Contracting Officers must follow to ensure that no conflict of interest occurs during the negotiation and contract administration process. Refresher training on these guidelines and use of the checklist will be presented to all Contracting Officers at the October 30th NCA Video Conference. Contracting Officers will also ensure that prior to designating an individual as a COTR, the individual has read and understands the requirements stated in VA Directive 1660.3/1 and a copy of the acknowledgement is in their Official Personnel Folder.</p> <p>(b.) Refresher training on Part 42 of the FAR and VAAR, Contract Administration and Audit Services, will be provided at the November 27th NCA Video Conference. This training will review the Legal/Technical review requirements established by OA&MM. A random review of contracts will also be conducted periodically to ensure polices and procedures are being followed.</p> <p>(c.) We are having the purchase card added on the clearance forms so that holders must have it signed before leaving the hospital. Human Resources now provide a paid employee list the second week of each month to verify if any employees holding purchase cards have separated or terminated. We will close holders cards in the registration (VISTA) field as soon as they depart and will close in Citibank, not to exceed thirty days, unless circumstances require otherwise.</p> <p>(d.) The audit system has been set up and will take affect beginning October 1st. Quarterly reviews will take place for each cardholder and a report will be submitted to A&MMS & FMS.</p> <p>(e.) VISN 2 is currently soliciting for a hip and knee standardization contract.</p>	<p>November 2001</p> <p>Done</p> <p>Ongoing</p> <p>October 2001</p> <p>Ongoing.</p>
<p>3. VISN 2 approval to fill the two physician vacancies.</p>	<p>Albany Medical VA Care Line (MVAC) will continue to pursue FTEE hiring approval via Network MVAC as soon as the hiring freeze is lifted.</p>	<p>Ongoing</p>

Appendix A

<p>4. Ensure that: (a) CPT codes are accurate and insurance billings are correct, (b) the compliance program is fully operational, and (c) physicians receive additional training to improve documentation of physician-patient encounters.</p>	<p>(a.) Hired new Compliance Officer after vacancy of 18 months to ensure medical documentation and coding compliance (b.) Audits of clinics to ensure accuracy of coding (once a month audits in 5 areas; reviewing 25 records) (c.) Providers receiving training to improve documentation of encounters</p>	<p>Done Ongoing Phase 1, Done</p>
<p>5. (a) Consider designating a full-time ISO and, (b) ensure that an emergency preparedness and contingency plan is developed and periodically tested for all critical automated information systems.</p>	<p>(a.) Increase ISO support 1 FTE for the Network. (b.) Develop a Network-wide system recovery and contingency plan to include all critical systems and periodically test the systems.</p>	<p>January 2002 March 2002</p>
<p>6. Ensure that: (a) written procedures are in place for monitoring breaches in security on medical record privacy, (b) employees are aware of the Network security incident reporting policy, and (c) patient care areas with computers and printers are equipped with shredders.</p>	<p>(a.) VISN 2 IS and HIMS will work together to write a procedure for monitoring breaches. (b.) New employee education training to be scheduled during orientation; annual updates to be assessed. HR Council is investigating instituting a written commitment to ensuring patient privacy by employees. (c.) Shredders for medical records to be purchased by the care lines and located in patient care areas</p>	<p>Ongoing December 2001 Ongoing</p>
<p>7. Ensure that providers document assessments of medical conditions and components of the Prevention Disease Index for Behavioral Health Care Line patients.</p>	<p>Educated providers on Prevention Index and documentation requirements. RN to randomly audit charts monthly (10%). Implementation of clinical reminder package and provider education.</p>	<p>Done November 2001 Done</p>
<p>8. Ensure that: (a) all part-time physician timekeepers receive initial and refresher training and (b) fiscal Service conducts semi-annual desk audits of part-time physicians timekeepers.</p>	<p>(a.) We have trained four timekeepers that are responsible for part-time physician timecards. The one remaining timekeeper that has not been trained will be scheduled for training by November 2, 2001. (b.) We are in the process of establishing a schedule to perform semi-annual desk audits of timekeepers that are responsible for part-time physician timecards. The schedule will be established by October 26, 2001. The desk audits will commence during the month of November, 2001.</p>	<p>November 2001 October 2001 November 2001</p>

Monetary Benefits in Accordance with IG Act Amendments

Report Title: Combined Assessment Program Review of the Samuel S. Stratton VA Medical Center Albany, New York

Report Number: 01-02123-43

<u>Recommendation</u>	<u>Explanation of Benefits</u>	<u>Better Use of Funds</u>
2e	Better use of funds by promoting competition to the maximum extent practicable.	<u>\$128,520</u>
	Total	<u>\$128,520</u>

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Appendix C

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