



Department of Veterans Affairs Office of Inspector General

Combined Assessment Program Review of the Clement J. Zablocki VA Medical Center Milwaukee, Wisconsin

Office of Inspector General Combined Assessment Program Reviews

Combined Assessment Program (CAP) reviews are part of the Department of Veterans Affairs (VA) 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 purposes 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 VA policies, assist management in achieving program goals, and minimize vulnerability to fraud, waste, and abuse.
- Conduct fraud and integrity awareness training for facility employees.

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 January 6-10, 2003, the Office of Inspector General (OIG) conducted a Combined Assessment Program (CAP) review of the Clement J. Zablocki, VA Medical Center Milwaukee, Wisconsin (MVAMC). The purpose of the review was to evaluate selected medical center 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 about 175 employees.

Results of Review

MVAMC managers implemented an effective Performance Improvement/Quality Management (PI/QM) Program to monitor the quality of care. Data were analyzed to detect trends, and actions were taken to address system and individual issues. Managers also implemented a team-approach that has enhanced problem identification and decision-making across services and disciplines. Agent cashier funds were properly accounted for and pharmacy security was adequate. In addition, contract award processes were satisfactory and contracts were properly administered. To improve operations, the Veterans Integrated Service Network (VISN) 12 and MVAMC Directors needed to:

- Follow up on outstanding insurance billings by VISN 12 Medical Care Collections Fund (MCCF) employees.
- Complete background investigations of without compensation (WOC) employees.
- Improve clinical laboratory physical security.
- Improve operations at one of the community-based outpatient clinics (CBOCs).
- Correct information technology (IT) security system access, and other IT control deficiencies.
- Correct discrepancies in medical supply inventory levels.
- Improve completion of non-routine consultation requests.
- Improve documentation of violent incidents in patients' medical records and improve employee work area security and safety.
- Complete minor physical plant repairs.

VISN 12 and MVAMC Directors' Comments

The VISN and MVAMC Directors agreed with all recommendations and suggestions, and provided acceptable implementation plans (See Appendices B and C, pages 12-19, for the full text of the Directors' comments). We will follow up on planned actions until they are completed.

*(original signed by
Michael G. Sullivan for:)*

RICHARD J. GRIFFIN
Inspector General

Introduction

VA Medical Center Profile

Organization. Located in Milwaukee, Wisconsin, the MVAMC is a tertiary care hospital that provides a broad range of inpatient and outpatient healthcare services. Outpatient care is also provided in a mobile clinic in Milwaukee and at three CBOCs located in Appleton, Union Grove, and Cleveland, Wisconsin. The MVAMC is part of VISN 12 and serves a population of 251,257 veterans in a primary service area that includes 19 counties.

Programs. The MVAMC provides medical, surgical, mental health, geriatric, and spinal cord injury services. The MVAMC has 176 acute hospital beds, 10 Psychiatric Residential Rehabilitation Treatment Program beds, 127 Nursing Home Care Unit beds, and 356 domiciliary beds. It operates regional referral and treatment programs, including a Spinal Cord Injury Unit. The MVAMC also has medical clinical sharing agreements with the Medical College of Wisconsin.

Affiliations. The MVAMC is affiliated with the Medical College of Wisconsin and the Marquette University School of Dentistry, and supports more than 132 medical resident positions. The medical center also supports 773 students in 21 allied health sciences programs affiliated with 40 additional colleges and universities.

Research. In fiscal year (FY) 2002, the MVAMC research program had 393 projects and a budget of \$3,956,915 from VA Central Office, and \$874,763 in the participating Research Foundation. Important areas of research include anesthesiology, allergy, cancer, cardiovascular disease electrophysiology, cardiology, cholesterol and lipid studies, crystal-related diseases, endocrinology, gastrointestinal motility, geriatrics, hypertension, immunology, infectious disease, mental health and behavioral sciences, kidney stones and nephrology, neurologic physiology, rheumatology, spinal cord injury, trauma, prostate and bladder disease, prosthetics, and adaptive device design.

Resources. In FY 2001, MVAMC medical care expenditures totaled \$166,613,650, not including capital expenditures. The FY 2002 appropriated budget was \$166,672,099 plus \$11,181,582 in MCCF collections for a total of \$177,853,681, 6.7 percent more than FY 2001 expenditures. At the time of our review MVAMC staffing was 1,755.7 full-time equivalent employees (FTEE), including 118.9 physician and 579.5 nursing FTEE.

Workload. In FY 2002, the MVAMC treated 44,754 unique patients, a 10.3-percent increase over FY 2001. In FY 2002, the inpatient workload totaled 6,146 discharges and the average daily census, including nursing home and domiciliary patients, was 533. The outpatient workload was 443,351 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 facility 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 the need to refer suspected fraud to the OIG.

Scope. We reviewed selected clinical, financial, and administrative activities to evaluate the effectiveness of QM, patient care administration, and general management controls. QM is the process of monitoring the quality of patient care to identify and correct harmful or potentially harmful practices or conditions. Patient care administration is the process of planning and delivering patient care. 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	IT security
Agent cashier	Inventory management
CBOC operations	Management of violent patients
Contracts	Medical Care Collections Fund
Controlled substances	PI/QM Program
Enrollment and resource utilization	Pharmacy security
Environment of care	Supply inventory management
Laboratory security	

We received 401 responses to our electronic survey of MVAMC employees. We also surveyed 15 inpatients' and 15 outpatients' satisfaction with the timeliness of services and quality of care. We provided the survey results to MVAMC management.

The review covered MVAMC operations for FYs 2001 and 2002, and the first quarter of FY 2003, and was done 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 should be monitored by MVAMC and VISN 12 management until corrective actions are completed.

Results of Review

Organizational Strengths

The PI/QM Program was Comprehensive and Effective. The MVAMC had implemented an effective PI/QM program to monitor the quality of care using national VA, VISN, and local performance measures, and patient safety improvement and utilization management indicators. PI/QM monitoring results from all clinical product lines providing care on the VAMC campus and at the CBOCs were analyzed to detect trends, and actions were taken to address system and individual issues. MVAMC Long-Term Care Product Line managers were planning to implement, within the 3rd quarter FY 2003, a VISN-wide PI program that included trending and analysis of both Home Care and Contract Community Nursing Home indicators. The results will be reported to appropriate MVAMC committees. MVAMC managers implemented a program that allows employees to have immediate computer access to providers' privileges at all inpatient and outpatient locations. Under a VISN-wide program, MVAMC PI/QM managers aggregated all medical center deaths by shifts, wards, and providers. The results were reported to the VISN and the data was analyzed and compared with other VISN medical centers.

MVAMC managers had implemented a team approach that enhanced problem solving and decision making across product lines and disciplines. These performance improvement teams (PITs) were highly structured and required approval by the Operations/PI Council. The innovative results from one of the PITs should be shared as a "Best Practice" among other VAMCs. In response to patient safety findings from a root-cause analysis, a PIT coordinated the development of a patient identification bracelet that incorporates warnings for patients with elevated risk conditions such as allergies, swallowing difficulties, and "wandering" from their treatment areas.

Agent Cashier Operations Were Adequate. An OIG unannounced audit of agent cashier funds identified no discrepancies, as did the last five MVAMC audits. The amount of the agent cashier advance was appropriate, and physical security for employees and funds was adequate.

Controlled Substances Accountability and Security Were Adequate. MVAMC employees properly conducted monthly controlled substances inspections. Pharmacy employees maintained perpetual inventories of controlled substances and conducted required Drug Enforcement Administration biennial inventories. Controls over drugs stored in Research Service functioned properly. Ward stocks of controlled substances were secured in locked cabinets. Since April 2002, pharmacy employees had conducted the required quarterly destructions of outdated and unusable drugs and had obtained credits for drugs returned to manufacturers. Security of pharmacy space was adequate. Employee access to the pharmacy vault was properly controlled.

Contracts Were Properly Administered. VISN 12 employees at the Great Lakes Acquisition Center (GLAC) provided contracting support for the MVAMC. Reviews of MVAMC contracts managed by GLAC employees showed that solicitations, negotiations, and award processes were satisfactory. Contracts were properly administered, and contracting officer warrants were appropriate.

Opportunities for Improvement

Medical Care Collections Fund – Follow-Up on Outstanding Insurance Billings Needed To Be Improved

Conditions Needing Improvement. All VISN 12 MCCF employees are located at the VAMC Madison, WI. These employees did not consistently follow up on insurance billings. As of December 31, 2002, the MVAMC had 68,395 medical care-related receivables with an outstanding balance of about \$10 million including both third-party insurance and patient co-payment receivables. There were 41,046 insurance receivables that were over 90 days old, with a total value of about \$5 million. For the first 3 quarters of FY 2002, the collection rate for MVAMC receivables was 27 percent. VISN 12 policy requires that MCCF employees follow up on insurance bills 45 days after the initial billing. If no response is received, a second follow-up notice should be sent in 2 weeks. VA policy also encourages the use of telephone follow-up and requires these actions to be documented.

To determine compliance with follow-up requirements, we sampled 30 billings with a total value of \$20,447 from insurance receivables over 90 days old and with balances of at least \$200. VISN 12 MCCF employees did not aggressively pursue 17 (57 percent) of the 30 receivables. There were no records of follow-up actions for 13 receivables valued at \$5,656. For the other four receivables, valued at \$2,066, there was no collection activity after the initial follow-up. In addition, available documentation did not show whether VISN 12 MCCF employees had attempted to telephonically contact debtors on any of these receivables.

VISN 12 MCCF managers agreed that more aggressive follow up would likely increase collections, but they believed that this increase would be less than 5 percent. In our opinion, a 2.5 percent increase is reasonably achievable if employees aggressively pursue receivables by mail and telephonically. A 2.5 percent increase in insurance collections would equate to about \$125,000 (\$5 million in billings more than 90 days old times 2.5 percent = \$125,000).

Recommended Improvement Action 1. We recommended that the VISN 12 Director ensure that MCCF employees take action to: (a) issue follow-up demand letters on outstanding insurance receivables at intervals established in VISN policy; and (b) follow up with telephone contacts when necessary.

The VISN and MVAMC Directors agreed with the findings and recommendations, and the VISN Director concurred with the MVAMC Director's corrective action plan. The MVAMC Director provided acceptable improvement plans. We will follow up on the planned actions until they are completed.

Laboratory Security – WOC Physicians’ Background Investigations and Laboratory Physical Security Needed To Be Improved

Conditions Needing Improvement. Veterans Health Administration (VHA) regulations require that human resource management (HRM) employees conduct background investigations including fingerprinting and citizenship/visa checks of employees before issuing them appointments. This requirement includes employees issued WOC appointments, such as those frequently working in, or having access to, VA clinical and research laboratories. VHA regulations also require that clinical and research laboratories, particularly those with BioSafety Level (BSL) II and III laboratories, have high levels of physical security. MVAMC managers needed to improve controls in these two areas.

Background Investigations for WOC Research Employees. The MVAMC had approximately 154 WOC employees working in both Animal and Clinical Research Laboratories. There were an additional 131 WOC physicians working throughout the VAMC. We found that neither the MVAMC nor the affiliate hospital obtained background investigations for any of the 285 WOC employees. During our review, the WVAMC Director concurred with our finding and agreed to create an action plan to do background investigations on all WOC employees.

Laboratory Physical Security. We found that non-laboratory employees and patients participated in conferences and training in conference rooms located near BSL Level II and Level III laboratories within the clinical laboratory, and that existing space configurations required non-laboratory employees to pass by the BSL laboratories to attend meetings and to get to other areas of the clinical laboratory. We also noted that during the day, employees propped the main doors to the clinical laboratory open, thereby inviting free access to the laboratory area. The Director agreed that access to these heightened security areas needed better control.

Recommended Improvement Action 2. We recommended that the VISN 12 Director ensure that the MVAMC Director takes actions to: (a) monitor HRM managers’ actions to conduct background investigations on all WOC employees; and (b) monitor appropriate MVAMC managers’ actions to improve the Clinical Laboratory’s physical security.

The VISN and MVAMC Directors agreed with the findings and recommendations, and the VISN Director concurred with the MVAMC Director’s corrective action plan. The MVAMC Director provided acceptable improvement plans. We will follow up on the planned actions until they are completed.

Community-Based Outpatient Clinic Operations – Certain Appleton CBOC Operations Needed To Be Improved

Conditions Needing Improvement. Financial and administrative activities at the Appleton, WI CBOC were generally operating satisfactorily, and management controls were generally effective. Means test certifications were consistently obtained from patients, and pharmacy inventory levels were monitored to ensure that appropriate stock levels were maintained. However, selected aspects of Appleton CBOC operations needed improvement.

Pharmacy Access Security Controls. Appleton CBOC pharmacy security could be improved by periodically changing electronic access codes, requiring four-digit codes, and revising MVAMC policy to include requirements for changing codes. The CBOC pharmacy supervisor estimated that the electronic access codes that allowed entry to the pharmacy and to the pharmacy's vault had not been changed in at least 5 years. In addition, the pharmacy used three-digit codes instead of the four-digit codes used at the parent facility. MVAMC policy did not require that access codes be changed periodically, and the policy was ambiguous regarding its applicability to the Appleton CBOC.

Access codes can be compromised over time. Changing codes periodically and increasing the number of digits required from three to four reduces this risk. During the CAP review, MVAMC managers revised the pharmacy access policy to specifically include the Appleton CBOC and to change access codes annually both at the Appleton CBOC and at the Milwaukee parent facility. The revised policy also requires four-digit pharmacy access codes at both sites.

Government Purchase Card Training and Practices. Training could improve employees' compliance with VA policies on the use of government purchase cards. During FY 2002, there were 170 purchase card transactions at the Appleton CBOC. Three purchase cardholders accounted for 140 (82 percent) of these transactions. Interviews with these cardholders and reviews of their transactions showed that none of the cardholders had performed required comparisons of vendor prices before reordering items and all had consistently purchased items from the same vendors. One cardholder was not familiar with basic purchasing guidelines such as the use of Federal Supply Schedule contracts to obtain competitive prices. In addition, this cardholder stated that she had not received any training in purchase card use, although there was a training record showing that she had read and understood the purchase card program manual. Purchase cardholders need to be trained to seek competitive pricing before making purchases.

IT Security. The MVAMC did not include the CBOC in tests of the IT security contingency plan. This is necessary to help ensure that critical CBOC data is protected in an emergency or disaster. In addition, we observed two unattended computer terminals in the patient examination areas that were logged on to the IT system. This represented a potential compromise of data security.

Suggested Improvement Action 1. We suggested that the VISN 12 Director ensure that the MVAMC Director takes actions to: (a) implement revised policies on pharmacy access security controls; (b) provide purchase cardholders with refresher training to help ensure consistent application of purchase card policies; (c) include the Appleton CBOC in IT contingency plan testing; and (d) emphasize to CBOC employees the need to secure unattended computers.

The VISN and MVAMC Directors agreed with the findings and suggestions, and the VISN Director concurred with the MVAMC Director's corrective action plan. The MVAMC Director provided acceptable improvement plans.

Information Technology Security – System Access and Other Control Deficiencies Needed To Be Corrected

Conditions Needing Improvement. We reviewed MVAMC IT security controls to determine if they adequately protected automated information system resources from unauthorized access, disclosure, modification, destruction, or misuse. The MVAMC Information Security Officer (ISO) was proficient in the performance of system audit functions, and physical security for the computer room was adequate. However, five IT security deficiencies needed to be corrected.

VISTA Access. Thirty-three individuals had inappropriate password access to the VISTA system. These included former employees, current employees whose positions no longer required the level of VISTA access granted, and non-employees (such as medical residents) who no longer needed VISTA access. VHA policy requires that VISTA access is revoked when a user no longer needs it. However, controls were not sufficient to ensure that this was always done. MVAMC managers revised employee clearance procedures to require coordination with the ISO and canceled VISTA access for the 33 individuals immediately after we notified them of this problem.

IT Contingency Plan. Testing of unplanned system downtime had only occurred on weekends rather than on each shift as required by MVAMC policy. An important purpose of IT system downtime testing is to familiarize users with procedures needed to ensure continuity of patient care and integrity of patient medical records during an unplanned loss of computer functions. Emergency system downtime testing should be performed on weekdays so that weekday employees can benefit from the tests.

Backup Data Storage. IT employees stored computer system backup tapes in the same building complex where the main computer was located. Backup tapes should be stored in another building or at another site at sufficient distance from the computer room to survive a disaster that might disable the facility.

Background Investigations. MVAMC HRM Service employees did not consistently follow up on requests for background investigations sent to the VA Personnel Security Office. For example, on March 16, 2001, HRM Service employees sent a request to the Office of Personnel Management for a background investigation on a MVAMC police officer. As of January 9, 2003, the investigation still had not been completed. HRM Service employees did not check on the status of the request. As of January 9, 2003, 50 requests for background information were pending, with 16 (32 percent) of these submitted before September 2002, and the oldest submitted on August 24, 1999. HRM Service managers agreed to follow up on all pending background investigation requests quarterly.

Separation of Duties. VA policy requires that certain IT-related duties be separated to provide for security checks and balances. The ISO reported to the Chief Information Officer (CIO) who had supervisory responsibility for both Information Resources Management (IRM) Service and ISO functions. This organizational alignment compromised the ISO's independence. The ISO should report to the MVAMC Director or a designee who does not report to the CIO.

Suggested Improvement Action 2. We suggested that the VISN 12 Director ensure that the MVAMC Director takes actions to: (a) implement revised procedures to ensure that VISTA access is removed when appropriate; (b) test the IT security contingency plan during all shifts; (c) store system backup tapes at a location at sufficient distance from the computer room to survive a disaster; (d) follow up on requests for background investigations; and (e) require that the ISO report to the MVAMC Director or a designee outside of the IRM Service.

The VISN and MVAMC Directors agreed with the findings and suggestions, and the VISN Director concurred with the MVAMC Director's corrective action plan. The MVAMC Director provided acceptable improvement plans.

Supply Inventory Management – Discrepancies in Reported Medical Supply Inventory Levels Needed To Be Corrected

Conditions Needing Improvement. Controls over medical supplies were generally adequate. MVAMC Acquisition and Materiel Management Service (A&MMS) employees maintained a perpetual medical supply inventory that helped ensure appropriate stock levels and appropriate turnover rates. Nevertheless, although stock levels were appropriate for most medical supplies, inventory levels of some items needed to be reconciled with data contained in VA's automated inventory control system, the Generic Inventory Package (GIP).

Our physical inventory of 10 items identified 7 (70 percent) items that had stock levels that did not match GIP inventory records. Four of these discrepancies were minor and attributable to normal delays in posting inventory changes to the GIP, but three others represented significant differences. A physical count showed 31 more pneumatic compresses on hand, valued at \$643, than GIP records showed. There were also 162 fewer utility basins valued at \$104, and 57 fewer moisturizers, valued at \$50, on hand than GIP records indicated. A&MMS employees could not account for the discrepancies.

When GIP records show more units of an item than are actually in stock, the MVAMC could unexpectedly run out of the item, potentially compromising the ability to properly treat patients. When GIP records show fewer units of an item than are actually in stock, supply employees could order replenishment stock prematurely, thus tying up resources in unneeded stock.

Suggested Improvement Action 3. We suggested that the VISN 12 Director ensure that the MVAMC Director requires A&MMS employees to reconcile the inventory discrepancies identified in the review, determine why such discrepancies occurred, and develop procedures to prevent recurrences.

The VISN and MVAMC Directors agreed with the findings and suggestion, and the VISN Director concurred with the MVAMC Director's corrective action plan. The MVAMC Director provided acceptable improvement plans.

Enrollment and Resource Utilization – Scheduling Non-Routine Consultation Requests Needed To Be Improved

Condition Needing Improvement. MVAMC procedures for monitoring and controlling waiting times were satisfactory. The average waiting time to the next available routine appointment in primary care had been reduced from 70 days in December 2001, to 8.4 days in November 2002. Primary care physicians' and nurse practitioners' workloads were appropriately distributed, and new patients received appointments as vacancies occurred. However, the timeliness of completing non-routine patient consultation requests needed to be improved.

We reviewed a judgment sample of 20 patient consultation referrals from primary care physicians to specialty clinics. The referrals were made from December 1, 2001, through November 30, 2002. Among the 20 cases were 5 non-routine referrals made with the expectation that the patients would be seen within specified and relatively short periods of time. Three of these were not completed within the time frames requested by the primary care physicians. One referral to the Cardiology Clinic asked that the patient be seen within 48 hours, but the appointment did not occur until 8 days after the request. Another referral to the Cardiology Clinic requested that the patient be seen within 1 month, but the appointment did not occur for 36 days. A 1-month consultation referral to the Orthopedic Clinic took 40 days to complete. MVAMC clinical managers needed to improve the scheduling of non-routine consultation requests.

Suggested Improvement Action 4. We suggested that the VISN 12 Director ensure that the MVAMC Director takes action to improve the timeliness of scheduling appointments for non-routine consultation requests.

The VISN and MVAMC Directors agreed with the findings and suggestion, and the VISN Director concurred with the MVAMC Director's corrective action plan. The MVAMC Director provided acceptable improvement plans.

Management of Violent Patients – Documentation and Safety Needed To Be Improved

Conditions Needing Improvement: Medical Center Memorandum PI-248 required that when patient incidents occur, including violent patient incidents, employees must initiate Reports of Special Incidents Involving a Beneficiary (VA Form 1026-33), and they must also document the incidents in the patients' medical records. VA regulations also require that VAMC managers provide employees with a reasonably safe and secure environment. We found that both of these issues needed to be improved.

Medical Record Documentation of Violent Patient Incidents. In 2 (20 percent) of 10 medical records reviewed, we found that MVAMC employees had not completed entries in the patients' progress notes when they filed confidential violent patient incident reports. During our visit, the MVAMC Risk Manager notified responsible employees of our findings. The Risk Manager submitted documentation showing that in September 2002, a sub-group of the VISN 12 Patient

Safety Committee had been charged with creating a new computerized patient incident reporting system that will create a progress note on every patient incident report entered into the system. The timeframe for completion is by the 1st quarter of FY 2004.

Security and Safety of Employees. Results of a September 2002 Physical Security Survey, conducted by the MVAMC Chief of Police, showed the following deficiencies: unsecured doors and windows with outside access (Bldg. 111, 6, 7, 102); broken door and window locks (Bldg. 111, Radiology Department); and security deficiencies in MVAMC clinics. Also, employees working in areas with high risks of violent behavior reported the following deficiencies: a lack of panic buttons or alarms; not feeling safe in their work environments 80 [20 percent] of 401 respondents); and broken locks on doors. They cited as an example the fact that the domiciliary alarm system for all doors had been broken for several months.

We discussed these findings with the Chief of Police who provided a written plan with corrective actions. The plan indicated work orders were submitted to correct the deficiencies.

Suggested Improvement Action 5. We suggested that the VISN 12 Director ensure the MVAMC Director monitors compliance with: (a) implementation of the new VISN-wide patient incident reporting system with inclusion of automatic corollary progress notes; and (b) completion of work orders and projects designed to improve MVAMC employees' safety and security.

The VISN and MVAMC Directors agreed with the findings and suggestions, and the VISN Director concurred with the MVAMC Director's corrective action plan. The MVAMC Director provided acceptable improvement plans.

Environment of Care – Minor Repairs Needed To Be Completed

Conditions Needing Improvement. We inspected all clinical and administrative areas of the MVAMC physical plant and found the cleanliness, appearance, and maintenance of the facilities and equipment in these areas to be generally acceptable. Inspection of the main kitchen showed the area to be clean and supplies, both food and tools, were well organized. We observed that public restrooms were clean throughout the day. We found minor environment of care deficiencies, including removable hinges on the door of a medication room, dusty heat grates, and dirty or worn refrigerator gaskets. In those areas where we found problems, management concurred with our suggestions and submitted immediate action plans to correct the deficiencies.

Suggested Improvement Action 6. We suggested that the VISN 12 Director ensure that the MVAMC Director monitors compliance with managers' action plans for addressing minor environment of care issues found during our review.

The VISN and MVAMC Directors agreed with the findings and suggestion, and the VISN Director concurred with the MVAMC Director's corrective action plan. The MVAMC Director provided acceptable improvement plans.

Monetary Benefits in Accordance with IG Act Amendments

Report Title: Combined Assessment Program Review of the Clement J. Zablocki VA Medical Center Milwaukee, Wisconsin

Report Number: 03-00445-173

<u>Recommendation</u>	<u>Explanation of Benefit</u>	<u>Better Use of Funds</u>
1	Improved follow-up on Medical Care Collections Fund accounts receivable would increase collections.	\$125,000

VISN 12 Director Comments

Department of Veterans Affairs

MEMORANDUM

Date: June 27, 2003

From: Network Director, VISN 12 (10N12)

Subj: Response to OIG CAP Review of Milwaukee VAMC

To: Office of Healthcare Inspections/IG

Thru: Director, Management Review and Administration Service (105E)

1. In response to the Draft Report of the Combined Assessment Program Review of the Milwaukee VA Medical Center, attached please find comments provided from the Director of the Milwaukee VAMC, Glen Grippen.
2. I concur with the attached response.

\\s\\

(Original signed by)

Joan E. Cummings, M.D.

Attachments

MVAMC Director Comments

Combined Assessment Program (CAP) Review of the Clement J. Zablocki VA Medical Center, Milwaukee, Wisconsin

The Clement J. Zablocki VA Medical Center response to this OIG report is as follows:

Recommended Improvement Action 1: We recommend that the VISN 12 Director ensure that VISN 12 MCCF employees take action to: (a) issue follow-up demand letters on outstanding insurance receivables at intervals established in VISN policy; and (b) follow-up with telephone contacts when necessary.

Comments: Concur. VISN 12 recognizes that the benefits gained from consolidating collection activities to a central location are somewhat offset by the delays we have experienced in recruiting, training, and retaining a sufficient number of employees to complete all account receivable functions. This weakness was noted in April of 2002 when VISN 12 opted to participate in a Revenue Office funded initiative to contract out outstanding receivables to an external collection agency. Based on the successful outcome of that initiative, VISN 12 continued to work with this firm. They complete aggressive follow up actions on all outstanding accounts receivable in VISN 12 over 70 days old. The firm has incorporated VHA policy into their process ensuring that their actions meet established standards and are in line with sound business practices. On June 15th, 2002, Patient Financial Services implemented a new procedure that requires account receivable technicians to call insurance carriers for outstanding accounts between 30 and 45 days old.

The VISN 12 policy addressing follow up on outstanding accounts receivable will be finalized to accurately reflect the current follow up procedures implemented with contracting out of collection activities on third party bills. [Target date for completion: July 31, 2003]

Recommended Improvement Action 2a: We recommend that the VISN 12 Director ensure that the Milwaukee VAMC Director monitors HRM managers' compliance with action plans to conduct background investigations on all WOC employees.

Comments: Concur. An action plan to conduct background investigations on current and future WOC employees was developed on January 9th during the OIG review. The action plan was written to be consistent with 5 CFR Part 731. To ensure a comprehensive listing

of WOC employees, medical center divisions (departments) submitted lists of such employees, who were then entered into the Great Lakes HR Management Service “Suitability/Security Clearance Tracking System.” This was completed on 2/28/03. HR then developed information packets for the WOCs that described the requirement for the National Agency Check with Written Inquiries (NACI) investigation, completion deadlines, and a schedule for fingerprinting.

The packets were distributed to all WOC’s by 4/1/03. Submission of completed NACI investigation forms by WOC’s to HR, along with completion of fingerprinting, was completed on 6/27/03. HR has been reviewing NACI forms and sending them forward to OPM when certified complete. HR must complete its review of any remaining NACI forms and the employee must submit any outstanding information by 7/18/03. Employees who fail to provide needed additional information by this deadline will have their WOC appointment terminated. The process that has been developed will be described in a HR policy that will be developed by 8/15/03. This policy will document the continuing requirements for background investigations of WOC employees, and be consistent with 5 CFR Part 731. [Target date for completion: August 15, 2003]

Recommended Improvement Action 2b: We recommend that the VISN 12 Director ensure that the Milwaukee VAMC Director monitors appropriate managers’ compliance with action plans designed to improve the Clinical Laboratory’s Physical Security.

Comments: Concur. To provide physical security for the entire Clinical Laboratory (BioSafety Level-III and BioSafety Level-II), two proximity card readers will be installed on the main doors to the Laboratory, which will have an electronic strike plate. The reader will be linked to the medical center-wide security system, and programmed to allow entry only to approved employees. Employees not on the pre-approved list, but with a bona fide need to enter the lab, can be allowed access only after visual verification by a lab staff member.

Please note that the conference room/training area within the Clinical Laboratory is currently closed, thus significantly reducing outside traffic into the Laboratory. Leadership has always and will continue to emphasize with staff the importance of maintaining proper security measures. [Target date for completion: September 30, 2003]

Community Based Outpatient Clinic Operations – Certain Appleton Clinic Operations Needed To Be Improved

Suggested Improvement Action 1: The VISN 12 Director will ensure that the Milwaukee VAMC Director takes action to:

a. Implement revised policies on pharmacy access security controls.

Comments: Concur. The electronic access code to the Pharmacy was changed from a three-digit code to four-digit the week following the CAP review in January 2003. The Pharmacy policy, "Access Policy for Pharmacy Service at Milwaukee and Appleton" was also revised in January to indicate that access codes will be deleted for individuals who leave Pharmacy employment, or who no longer have need for access. The policy requires that all codes be changed annually during January. [Action complete with continued monitoring]

b. Provide government purchase cardholders with refresher training to help insure consistent application of purchase card policies.

Comments: Concur. Prior to the issuance of any purchase cards, cardholders are required to access the online GSA Smart Pay Purchase Card course and read through the rules and regulations of the purchase card. Cardholders complete the quiz at the end of the tutorial and forward a copy of the certificate to the Purchase Card Coordinator. One-on-one area specific training is then provided to each cardholder by the coordinator. After the training is complete, purchase cards are requested for the cardholder. Training records and follow-up documentation indicates that the initial training was provided to two Appleton cardholders in 1998 and 1999 and one cardholder in 2001. A reference Purchase Card Training binder was provided to each Milwaukee cardholder and Approving Official in September 2002. Annual refresher training is mandatory and completed through online tutorial. Monitors are in place to ensure that all cardholders and Approving Officials complete the annual training by September 30th of each year. The Purchase Card Coordinator reviewed competitive pricing regulations with all cardholders to ensure compliance of purchasing regulations and will continue to monitor during annual reviews. [Action complete with continued monitoring]

c. Include the Appleton CBOC in IT contingency plan testing.

Comments: Concur. The Appleton CBOC is included in the Medical Center-wide contingency plan. All CBOCs are nodes on the facility LAN and, therefore, are included in any contingency plans. The Medical Center-wide contingency plans are tested on a monthly basis during second shift. The Medical Center-wide contingency plans also will be tested on first and third shift by September 15, 2003. [Target date for completion: September 15, 2003]

d. Emphasize to CBOC employees the need to secure unattended computers.

Comments: Concur. Milwaukee has the same mandatory information security training requirements at the main medical center and the CBOC's. This training emphasizes the

need for all employees to secure unattended computers. Supervisors are expected to assist employees in maintaining compliance with this important requirement on a 365/24 basis. [Action complete with continued monitoring]

Information Technology Security – System Access and Other Control Deficiencies Needed To Be Corrected

Suggested Improvement Action 2: The VISN 12 Director will ensure that the Milwaukee VAMC Director takes action to:

a. Implement revised procedures to ensure that VISTA system access is removed when appropriate.

Comments: Concur. Corrected during the OIG CAP inspection in January 2003. IRM cancelled VISTA access for the 33 individuals identified after being notified of this problem. Milwaukee then revised employee clearance procedures to require coordination with the ISO so that all those who need to be removed from the VISTA system are canceled as a part of the clearance process. The new clearance process was fully implemented by February 28, 2003. [Action complete with continued monitoring]

b. Test the IT Security Contingency Plan during all shifts.

Comments: Concur. The Medical Center-wide contingency plans are tested on a monthly basis during second shift. The Medical Center-wide contingency plans also will be tested on first and third shifts by September 15, 2003. [Target date for completion: September 15, 2003]

c. Store System Back-up tapes at a location of sufficient distance from the computer room to survive a disaster.

Comments: Concur. Corrected during OIG CAP inspection. Deficiency corrected on Wednesday January 8, 2003 by transferring remote storage to Bldg. 5, approximately ½ mile from hospital. OIG Inspector Kevin Day approved this distance. [Action is complete]

d. Follow-up on requests for background investigations.

Comments: Concur. HR in Milwaukee is developing a practice to follow-up on moderate and high risk BI's that have been outstanding for greater than 180 days after the date the employee background information was forwarded to VACO. [HR's database is set up to

track this date]. HR will continue to follow-up with VACO every 3 months thereafter until the investigation is completed. This approach allows time for the investigative process to take place before follow-up inquiries begin. [Action complete with continued monitoring]

e. Require that the ISO report to the Milwaukee VA Medical Center Director or designee outside of the IRM Service.

Comments: Concur. The ISO was changed organizationally from reporting to the facility CIO to reporting to the Medical Center Director. This change occurred during the OIG CAP inspection in January 2003. [Action is complete]

Supply Inventory Management – Discrepancies in Reported Medical Supply Inventory Levels Needed To Be Corrected

Suggested Improvement Action 3: The VISN 12 Director will ensure that the Milwaukee VAMC Director takes action to require A&MMS employees to reconcile the inventory discrepancies identified in the review, determine why such discrepancies occurred, and develop procedures to prevent recurrences.

Comments: Concur. The inventory taken during the OIG visit in January 2003 occurred during the day, when minor discrepancies are to be expected due to employees' real time use of items. Milwaukee has improved inventory controls since the CAP review, first by gaining control via a monthly wall-to-wall inventory that compared actual inventory with that reported via GIP, for the months of March, April, and May. The monthly baseline inventories identified a sub-set of items that had recurring discrepancies. These items are now verified daily and any discrepancies tracked back to actual transactions on the register. For items not in the daily inventory, a quarterly cyclical inventory has been implemented in June 2003 that will provide for timely reconciliation of any discrepancies noted.

The SPD primary inventory location has been augmented with a proximity card reader that enables staff to identify who has accessed the inventory at night. The access is matched to the inventory control cards and if there is a discrepancy, those who gained access are contacted to identify what was taken and to reinforce the need for complete paperwork. This process of inventory management continues to evolve so that performance improves. [Action complete with continued monitoring]

Enrollment and Resource Utilization – Scheduling Non-Routine Consultation Requests Needed To Be Improved

Suggested Improvement Action 4: The VISN 12 Director will ensure that the Milwaukee VAMC Director takes action to improve the timeliness of scheduling appointments for non-routine consultation requests.

Comments: Concur. The Milwaukee VAMC Medical Executive Committee is reviewing the consult request policy and process. This review will allow the medical staff to better match the needs of patients with timely consultation service. An improvement plan will be developed and implemented. [Target date for completion: 1st Quarter, FY 04]

Management of Violent Patients – Documentation and Safety Needed to be Improved

Suggested Improvement Action 5: The VISN 12 Director will ensure that the Milwaukee VAMC Director takes action to:

a. Implement the new, VISN-wide patient incident reporting system with automatic progress note upon its completion.

Comments: Concur. Milwaukee has re-educated all involved staff to document a progress note on every patient incident reported. Milwaukee is going to evaluate all possible solutions to meet national policy requirements on patient incident reporting in the medical record. No computerized solution is currently available. Another VAMC outside of VISN 12 is developing a potential electronic solution. Once this application is completed and evaluated, Milwaukee will assess for local implementation. [Target date for completion: 2nd Quarter, FY 04]

b. Completion of work orders and projects designed to improve Milwaukee VAMC employees' safety and security.

Comments: Concur. The Chief, Police Section has completed work orders on all deficiencies noted in the Physical Security Survey as noted in Buildings 111, 6, 7, and 102 (unsecured doors and windows with outside access) and Buildings 111, and Radiology Department (broken door and window locks). All work orders will be completed by September 30, 2003, with the exception of those deficiencies noted in Building 6, as this building will be vacated. [Target date for completion: September 30, 2003]

The Domiciliary alarm system was immediately inspected during the CAP review in January 2003. Johnson Controls, the manufacturer of the parts needed to repair the system is currently locating the required parts. [Target date for completion: November 1, 2003]

To further provide for physical security of staff in high-risk areas, personal panic buttons has been selected and will be purchased to provide for a dependable means of summoning assistance when a patient threatens the security of a staff member or another patient. A team of mental health staff is in the process of finalizing their recommendations for the type of alert system to purchase. All Staff has been educated in increased surveillance and vigilance techniques to provide for improved security for all patients and staff. For example, staff notifies another team member before they begin 1:1 or group therapy sessions with high-risk patients. Scheduled rounds have been also implemented. [Target date for completion: September 30, 2003]

Environment of Care – Minor Repairs Needed To Be Completed

Suggested Improvement Action 6: The VISN 12 Director will ensure that the Milwaukee VAMC Director takes action and monitors compliance with managers' action plans for addressing minor environment of care issues found during our review.

Comments: Concur. Work orders were immediately entered into Milwaukee's electronic environment of care database to repair minor repairs noted during the CAP review in January 2003. An action plan was developed by January 9, 2003, including a prioritization of repairs based on patient safety and environment of care standards. [Target date for completion: September 30, 2003]

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