



Department of Veterans Affairs Office of Inspector General

Combined Assessment Program Review of the El Paso VA Health Care System, El Paso, Texas

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

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 12-16, 2004, the Office of Inspector General (OIG) conducted a Combined Assessment Program (CAP) review of the El Paso VA Health Care System (referred to as the System). The purpose of the review was to evaluate selected 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 281 employees. The System is under the jurisdiction of Veterans Integrated Service Network (VISN) 18.

Results of Review

This CAP review focused on 11 areas. As indicated below there were no concerns identified in two of the areas. The remaining nine areas resulted in recommendations or suggestions for improvement.

The System complied with selected standards in the following areas:

- Environment of Care
- Means Testing to Determine Eligibility

Based on our review of these two areas, we identified accurate means testing as an organizational strength.

We identified nine areas which needed additional management attention. To improve operations, the following recommendations were made:

- Ensure QM data is critically analyzed to identify opportunities to improve patient satisfaction, appoint a formal Process Action Team that uses the performance improvement process to address patient satisfaction, and ensure the Quality Leadership Board provides oversight for all quality activities.
- Improve Medical Care Collections Fund (MCCF) billing of fee-basis care, establish timeliness requirements for physician documentation, and negotiate timeliness requirements or penalties for late billings in the joint venture sharing agreement with the Department of Defense (DoD) William Beaumont Army Medical Center (WBAMC).
- Improve automated information systems (AIS) security over Veterans Health Information Systems and Technology Architecture (VISTA) accounts of non-VA employees.

Suggestions for improvement were made in the following areas:

- Improve the accuracy of medical supply inventory records and reduce stock levels to adhere to the 30-day supply goal.
- Separate duties within the Government purchase card program and emphasize in annual cardholder training that cardholders must verify supply sources, promote competition, and reconcile transactions after goods and services are received.
- Improve controlled substances accountability by decreasing the number of employees with access to storage areas and appointing inspectors for not more than 3 years.
- Ensure contracts are properly documented and verify that invoices comply with contract terms.
- Improve accounting procedures for equipment.
- Ensure patient transportation drivers receive annual safe driver training and document it in their training records.

This report was prepared under the direction of Ms. Linda G. DeLong, Director, Dallas Regional Office of Healthcare Inspections, and Ms. Marnette Dhooghe, CAP Review Coordinator, Dallas Regional Office of Healthcare Inspections.

VISN 18 and System Director Comments

The VISN 18 and System Directors concurred with the CAP review findings and provided acceptable improvement plans. (See Appendices A and B, pages 13-20, for the full text of the Directors' comments.) We will follow up on the implementation of recommended improvement actions until they are completed.

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

Introduction

Health Care System Profile

Organization. Located in El Paso, Texas, the System provides primary and specialized ambulatory care to 81,000 veterans residing in 6 counties. The System is open Monday through Friday during the day and is closed nights, weekends, and holidays. The System obtains inpatient care, ancillary services, and night, weekend, and holiday emergency room services from the WBAMC through a VA/DoD sharing agreement. At the time of our review, the System and the WBAMC were renegotiating the agreement. The System also operates a community-based outpatient clinic in Las Cruces, New Mexico. Consultants and fee-basis specialists supplement the medical staff.

Programs. The System provides primary and behavioral health care, as well as ambulatory surgery and specialty services. Special programs include the Visual Impairment Service Team, Substance Abuse Treatment Program, Physical Therapy, Audiology, Post Traumatic Stress Disorder Program, and Geriatric Evaluation and Management. The System has an eight room ambulatory surgical suite.

Affiliations. Affiliation agreements for residency programs in internal medicine and psychiatry are administered through a group agreement with Texas Tech University and the WBAMC. In addition, the System has affiliations with New Mexico State University, New Mexico Highlands University, El Paso Community College, and the University of Texas at El Paso. The System provides administrative support to the El Paso Veterans Outreach Center and to the Fort Bliss and Fort Bayard National Cemeteries.

Resources. The Fiscal Year (FY) 2003 medical care budget was \$57 million, 15 percent more than FY 2002 expenditures. In FY 2002, medical care expenditures totaled \$49.6 million. FY 2003 staffing was 352.7 full-time equivalent employees (FTEE), including 37.7 physicians and 55.9 nursing FTEE.

Workload. In FY 2003, the System treated 21,553 unique patients, a 4 percent increase over FY 2002. The outpatient care workload in FY 2003 totaled 202,183 patient visits, a 6 percent increase over FY 2002.

Objectives and Scope of the 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 and benefits services. The objectives of the CAP review are to:

- Conduct recurring evaluations of selected health care facility and regional office operations focusing on patient care, quality management, benefits, and financial and administrative controls.

- Provide fraud and integrity awareness training to increase employee understanding of the potential for program fraud and the requirement to refer suspected criminal activity 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:

Automated Information Systems	Government Purchase Card Program
Security	Means Testing to Determine Eligibility
Contract Administration	Medical Care Collections Fund
Controlled Substances Accountability	Medical Supply Inventory Management
Environment of Care	Patient Transportation Services
Equipment Inventory Management	Quality Management

As part of the review, we used questionnaires and interviews to survey employee and patient satisfaction with the timeliness of service and the quality of care. Questionnaires were sent to all System employees and 86 responded. We also interviewed 30 patients during the review. The survey results were shared with System management.

We also presented four fraud and integrity awareness training sessions for System employees. These sessions, attended by 281 employees, 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 System operations for FY 2002 through January 16, 2004, and was done in accordance with OIG standard operating procedures for CAP reviews.

In this report, we make recommendations and suggestions for improvement. 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 VISN and System managers until corrective actions are completed. For the activities not discussed in the Organizational Strength or Opportunities for Improvement sections, there were no reportable findings.

Results of Review

Organizational Strength

The System Accurately Accomplished Means Testing. The Veterans Health Administration (VHA) uses means tests to determine certain veterans' eligibility for VA health care for nonservice-connected medical conditions. Veterans whose income and net worth are above the means test threshold must agree to pay a co-payment. The System accomplished 6,058 means tests during the 12-month period ending October 31, 2003. We examined a judgment sample of 30 means tests and found that all were signed, medical expenses were appropriately considered when determining income levels, and veterans were placed in proper categories based upon income levels.

Opportunities for Improvement

Quality Management – Data Should Be Critically Analyzed and the Performance Improvement Process Should Be Utilized to Improve Patient Satisfaction

Condition Needing Improvement. System management needed to ensure data was analyzed and that performance improvement processes defined in the facility QM policy were used to improve patient satisfaction. According to VHA performance measures, all patient satisfaction scores were lower than VHA and VISN averages. We found that trends from the Patient Advocate’s reports, patient surveys conducted during the CAP review, and hotline complaints received during the CAP review validated the need to improve patient satisfaction. To evaluate the QM program, we interviewed key employees and reviewed policies, committee minutes, credentialing and privileging files, performance improvement data, and other appropriate documents. Our review included evaluations of performance improvement teams assigned to high priority problems. The System chose the Veterans’ Satisfaction Workgroup for us to review. The workgroup had not analyzed data that was available and did not make recommendations that would improve processes. Although the Quality Leadership Board (QLB) was responsible for performance improvement oversight and had assigned the workgroup, no reports were given to the QLB.

We found improvements were needed in the following areas:

Data Analysis. The System had not critically analyzed data specific to patient satisfaction. Results from the national performance measures for patient satisfaction were less than fully satisfactory for clinic waiting times and provider waiting time of less than 20 minutes. Our survey of patients during the CAP review validated those results. We also reviewed Patient Advocate data reported to the QLB on a quarterly basis. There was no evidence the QLB critically analyzed the data or made recommendations based on that data. For example, in a 6-month period, out of 255 complaints, there were 70 requests to change providers and 117 complaints regarding coordination of care. Fifty-four percent of the coordination of care complaints related to rescheduled appointments. We reviewed clinic cancellation rates and found that some physicians had canceled over 30 percent of their monthly appointments.

Performance Improvement Process. The System’s performance improvement process was not used in evaluating patient satisfaction, and, as a result, the evaluation was fragmented and ineffective. The QLB had assigned a workgroup in the prior 12 months but did not follow their progress. The QM policy states that the QLB approves and charters all Process Action Teams, reviews the progress of those teams, and evaluates and approves or disapproves all recommendations. Even though the workgroup was not

designated a Process Action Team, it was assigned as a team to “enhance customers’ views of services.”

Recommended Improvement Action(s) 1. We recommended the VISN Director ensure that the System Director takes action to: (a) critically analyze QM data to identify opportunities to improve patient satisfaction, (b) appoint a Process Action Team that uses the performance improvement process to address patient satisfaction, and (c) ensure that the QLB provides effective oversight for all quality activities.

The VISN and System Directors concurred with the findings and recommendations and submitted plans for improvement, which are acceptable. We will follow up on planned actions until they are completed.

Medical Care Collections Fund – Billing of Fee-Basis Care Should Be Improved, Physician Documentation Should Be Timely, and Timeliness Requirements Should Be Included in the Sharing Agreement with the WBAMC

Condition Needing Improvement. The System could enhance MCCF collections by improving billing of fee-basis care, ensuring timely physician documentation of services provided, and including timeliness requirements in the sharing agreement with the WBAMC.

Billing of Fee-Basis Care. The System needed to place more emphasis on fee-basis care billing opportunities and improve the timeliness of the billings. Insurance carriers impose time limits for submitting claims. Since the System does not receive fee-basis bills until after treatments, sometimes several months after treatments, MCCF staff must recognize fee-basis care billing opportunities and promptly prepare billings to meet the time limits. During October 2003, the System paid 298 fee-basis claims totaling \$46,576 to non-VA providers who provided medical care to patients with health insurance. To determine whether the fee-basis care was billed to patients’ insurance carriers, we selected a judgment sample of 10 of these fee-basis payments totaling \$7,362. We found three claims totaling \$6,829 that had not been billed to the insurance carriers. MCCF staff had not identified one claim as billable, and two claims were on the desks of MCCF staff waiting to be billed. We brought these claims to the attention of the MCCF Coordinator to ensure that they would be billed.

Physician Documentation. The System needed to ensure timely physician documentation of services provided in veterans’ medical records. The *Reasons Not Billable Report* for the 90 days ending September 30, 2003, listed 85 cases totaling \$8,841 with no documentation by physicians of services provided. We examined a judgment sample of eight of these cases totaling \$4,616. In January 2004, services provided in three of the eight cases, totaling \$1,634, still had not been documented in the medical records.

Timely physician documentation is crucial to the billing process, but the System had not established physician documentation timeliness requirements in local policy.

Inpatient Care. The System obtains inpatient care from the WBAMC through a sharing agreement that was being renegotiated at the time of our review. The most recent negotiated agreement stated that the WBAMC would bill the System within 30 days of the end of the month in which services were provided, but it did not include measurable timeliness standards or penalties for late billings. We examined the medical records of a judgment sample of five inpatients with insurance that were discharged from the WBAMC in October 2003. The System was unable to bill insurance companies for care provided to the five inpatients because the WBAMC had not billed the System. System management stated that WBAMC officials attributed billing delays to yearly DoD software updates.

Potential Collections. Improving billing procedures for fee-basis care and documentation of physicians' services will enhance revenue collections. We estimated that additional billings totaling \$8,463 (\$6,829 + \$1,634) could have been issued for the cases discussed above. Based on the System's January 2004 collection rate of 38.1 percent, MCCF staff could have increased collections by \$3,224 (\$8,463 x 38.1 percent).

Recommended Improvement Action(s) 2. We recommended the VISN Director ensure that the System Director: (a) requires MCCF staff to develop a process to identify fee-basis care billing opportunities and promptly bill for fee-basis care, (b) establishes timeliness requirements for physician documentation of services provided in veterans' medical records, and (c) negotiates measurable WBAMC billing timeliness requirements or penalties for late billings in the WBAMC sharing agreement.

The VISN and System Directors concurred with the findings and recommendations and made plans for improvement, which are acceptable. We will follow up on planned actions until they are completed.

Automated Information Systems Security – Security Over Accounts of Non-VA Employees Should Be Improved

Condition Needing Improvement. The System needed to disable inactive VISTA accounts of non-VA employees and require that non-VA employees using VISTA receive annual computer security training. The System's VISTA System Security Plan states that inactive accounts will be disabled within 90 days. VHA policy requires that any individuals given access to Federal AIS must receive a security awareness briefing as part of their orientation training and must attend annual refresher training.

Inactive VISTA Accounts. We identified 33 WBAMC employees and 22 contract radiologists with VISTA accounts. Twelve of the 33 WBAMC employees had never accessed VISTA, although their accounts were established from 11 months to more than

5 years prior to our review. Of the 22 contract radiologists, 13 had never accessed VISTA, although their accounts had been established from 1 to 4 years prior to our review.

Annual AIS Security Training. The System did not provide annual AIS security training for the WBAMC employees and contract radiologists using VISTA.

Recommended Improvement Action(s) 3. We recommended the VISN Director ensure that the System Director requires that: (a) inactive VISTA accounts of non-VA employees be disabled, and (b) non-VA employees using VISTA attend orientation and annual refresher training on AIS security awareness.

The VISN and System Directors concurred with the findings and recommendations and submitted plans for improvement, which are acceptable. We will follow up on planned actions until they are completed.

Medical Supply Inventory Management – Inventory Records Should Be Accurate and Stock Levels Should Be Reduced

Condition Needing Improvement. The System needed to maintain accurate inventory records and reduce stock levels. VHA policy requires that medical facilities use VA's automated Generic Inventory Package (GIP) to manage inventories and establishes a 30-day supply goal. Managers should use GIP to establish stock levels, analyze usage patterns, and determine order quantities. At the System, Acquisition and Material Management (A&MM) staff in the Facility Support Service (FSS) are responsible for ordering supplies and coordinating supply inventories.

At the time of our review, GIP showed that the System stocked 145 line items of medical supplies valued at \$27,416. We reviewed quantities on hand and usage rates for a judgment sample of 30 line items valued at \$5,126 to determine whether managers were using accurate data to manage System inventories.

Reported Stock Quantities. Our review showed that the quantities recorded in GIP were inaccurate for 7 of the 30 line items, with 6 overages totaling \$827 and 1 shortage totaling \$491. Without accurate inventory records, managers cannot readily establish reorder points and maintain appropriate supply levels.

Excess Stock. Nine of the 30 line items with a value of \$1,429 had stock levels that exceeded a 30-day supply. Five had stock levels ranging from 67 to 150 days, two had stock levels of 200 days, one had a stock level of 600 days, and one had a stock level of 9,999 days.

Suggested Improvement Action(s) 1. We suggested the VISN Director ensure that the System Director requires A&MM staff to: (a) emphasize the need to maintain accurate

inventory records, (b) reconcile differences and correct inventory records as appropriate, and (c) reduce stock levels to more closely adhere to the 30-day supply goal.

The VISN and System Directors concurred with the findings and suggestions and submitted plans for improvement. The planned improvement actions are acceptable.

Government Purchase Card Program – Controls Should Be Strengthened

Condition Needing Improvement. The System needed to separate Government purchase card program duties, promote competition when required, and wait until goods were received to reconcile transactions. During the 6-month period ending September 30, 2003, System cardholders made 6,250 purchases totaling \$1.7 million.

Separation of Duties. The Dispute Coordinator was an Approving Official for two cardholders. VA policy specifies that the Dispute Coordinator cannot be an Approving Official.

Competitive Procurements. The Federal Acquisition Regulation (FAR) directs purchase cardholders to promote competition for transactions exceeding \$2,500 to the maximum extent possible by soliciting quotations from at least three sources when supply needs cannot be met from Government supply sources. We reviewed a judgment sample of 10 purchase card transactions exceeding \$2,500 each. The transactions in our sample totaled \$140,591 and occurred during the 6-month period ending September 30, 2003. One transaction of \$3,078 was made without obtaining quotations from three sources. The cardholder referenced a VA National Acquisition Center (NAC) contract as the Government supply source and did not consider competing sources. However, the referenced NAC contract did not include the items purchased. As a result, System managers did not have assurance that fair and reasonable prices were obtained.

Reconciliation of Transactions. We compared reconciliation and receipt dates for a separate judgment sample of 10 purchase card transactions from the *Delinquent Reconciliation Exception Listing*. The purchases were made during the 6-month period ending September 30, 2003, and totaled \$7,290. Two transactions totaling \$5,920 were reconciled before the goods and services were received. VHA policy specifies that reconciliations should be performed upon receipt of goods and services and that vendors should not process charges in advance of shipment or performance. The Purchase Card Coordinator stated that cardholders were reconciling transactions prior to receipt to facilitate payments and avoid delinquent transactions. However, these are not acceptable reasons for reconciling transactions prior to receipt. Performing reconciliations only after receipt provides an important internal control that prevents VA from paying for goods or services that have not been received.

Suggested Improvement Action(s) 2. We suggested the VISN Director require the System Director to: (a) relieve the Dispute Coordinator of Approving Official duties, and (b) emphasize in annual cardholder training that cardholders citing Government supply sources must verify items being purchased are covered by those sources, promote competition by soliciting at least three quotations when Government supply sources are unavailable for transactions exceeding \$2,500, and perform reconciliations of transactions after goods and services are received.

The VISN and System Directors concurred with the findings and suggestions and submitted plans for improvement. The planned improvement actions are acceptable.

Controlled Substances Accountability – Fewer Employees Should Have Access to Storage Areas and Inspectors Should Be Appointed for Specified Terms

Condition Needing Improvement. System managers needed to ensure compliance with VHA policy concerning access to controlled substances storage areas and appointment of controlled substances inspectors.

Access to Controlled Substances. VHA policy specifies that less than 10 personnel should have access to controlled substances storage areas in any 24-hour period. Our review showed that 23 System employees had access. Excessive numbers of employees with access to controlled substances increases the risk of drug diversion.

Appointment of Controlled Substances Inspectors. VHA policy requires appointments of inspectors for terms not exceeding 3 years. The System memoranda dated January 13, 2003, listing the names of the controlled substances inspectors did not specify appointment terms.

Suggested Improvement Action(s) 3. We suggested the VISN Director ensure that the System Director improves controlled substances accountability by: (a) requiring that the number of employees with access to controlled substances storage areas in a 24-hour period is less than 10, and (b) specifying appointment terms not exceeding 3 years in the memoranda appointing controlled substances inspectors.

The VISN and System Directors concurred with the findings and suggestions and submitted plans for improvement. The planned improvement actions are acceptable.

Contract Administration – Contracts Should Be Properly Documented and Invoices Should Be Verified for Compliance with Contract Terms

Condition Needing Improvement. System managers needed to ensure that contracts were documented in accordance with the FAR and VA policy and that invoiced amounts

complied with contract terms. To evaluate System contracting activities, we reviewed 10 contracts with an estimated total value of \$1.4 million.

Contract Documentation. The FAR and VA policy require complete records of contracting actions. Four of the 10 contract files we examined lacked required documentation:

- One Price Negotiation Memorandum (PNM) did not mention or justify rates that exceeded Medicare rates.
- Another PNM insufficiently justified a sole source award and rates.
- One contract file did not contain, and System staff could not locate, a competitor's bid.
- A contractor had not signed a contract modification.

Contract Administration. Invoices submitted by one contractor were not sufficiently monitored by the Contracting Officer's Technical Representative to ensure that invoiced amounts complied with contract terms. The contract rates were higher than the rates the contractor billed. For example, the contract provided that the contractor would be paid \$270 for emergency ambulance transports during FY 2003. The contractor discounted the charges and billed amounts ranging from \$161.60 to \$209.80. As a result of our review, the contract is being modified to the lower rates.

Suggested Improvement Action(s) 4. We suggested the VISN Director ensure that the System Director requires that: (a) adequate documentation be maintained in contract files, including sufficient justifications in PNMs, copies of competitors' bids, and signed contract modifications, and (b) invoices be verified for compliance with contract terms before payments are made.

The VISN and System Directors concurred with the findings and suggestions and submitted plans for improvement. The planned improvement actions are acceptable.

Equipment Inventory Management – Equipment Inventory Lists Should Be Accurate and Quarterly Spot Checks Should Be Conducted

Condition Needing Improvement. System managers needed to improve accounting procedures for equipment. A&MM staff in the FSS are responsible for coordinating equipment inventories and updating equipment inventory lists (EILs).

Accuracy of EILs. To verify the accuracy of EILs, we reviewed a judgment sample of 15 equipment items with a total value of \$249,596 assigned to 6 EILs. Inventory records were not accurate for one of the items reviewed. We were not able to locate the VA property tag for an X-ray system valued at \$54,929. However, we did locate an X-ray system without a property tag. Radiology staff explained that the component of the X-

ray system bearing the VA property tag, a television monitor, had malfunctioned. The contractor removed it from the System and replaced it with another monitor. The contractor did not provide documentation supporting the equipment replacement, and Radiology staff did not inform A&MM staff of the exchange. The EIL inaccurately reflected the property tag and serial number of the monitor that the contractor had removed.

EIL Spot Checks. VHA policy requires that A&MM staff perform quarterly spot checks of EILs to ensure that equipment is properly accounted for and recorded. A&MM staff had not conducted spot checks of EILs in 4 years.

Suggested Improvement Action(s) 5. We suggested the VISN Director ensure that the System Director requires that: (a) services notify A&MM staff when equipment is removed or replaced; (b) A&MM staff attach a VA property tag, prepare appropriate documentation, and correct the EIL for the identified replacement equipment; and (c) A&MM staff conduct quarterly spot checks of EILs.

The VISN and System Directors concurred with the findings and suggestions and submitted plans for improvement. The planned improvement actions are acceptable.

Patient Transportation Services – Annual Safe Driver Training Should Be Provided and Documented for All Drivers Who Transport Patients

Condition Needing Improvement. System management needed to ensure all drivers receive required annual safe driver training and document it in a training record. VA policy requires managers to develop and implement a Motor Vehicle Safety Program at VA facilities where motor vehicles are regularly operated on official business. This program provides drivers safe driving instruction, including the requirement to use safety belts, shoulder harnesses, and defensive driving techniques. VA facilities are required to present at least one annual formal safe driver training class for employees and volunteers who transport patients. The System uses three volunteer drivers to provide outpatient transportation services.

We reviewed the training records for these three volunteer drivers for the past 2 years and found that one driver had not received the required annual safe driver training. System managers need to ensure that all drivers who transport patients receive the required safe driver training by reviewing the drivers' training records and providing training as needed.

Suggested Improvement Action(s) 6. We suggested the VISN Director ensure that the System Director requires all applicable employees and volunteers to receive the required annual safe driver training and document the training in their training records.

The VISN and System Directors concurred with the finding and suggestion and submitted plans for improvement. The planned improvement actions are acceptable.

VISN 18 Director Comments

**Department of
Veterans Affairs**

Memorandum

Date: July 16, 2004
From: VISN 18 Director (10N18)
Subject: El Paso VA Health Care System, El Paso, Texas
To: Assistant Inspector General for Health Care Inspections
Thru: Peggy Seleski, Director, Management Review Service (10B5)

I concur with the attached facility response on the recommendations for improvement contained in the draft Combined Assessment Program review at the El Paso VA Health Care System. We are concurring with all of the recommendations and suggestions contained in the draft report. If you have any questions or concerns, please contact Joan Funckes, Executive Assistant to the Network Director, VISN 18, at 602-222-2692.



Patricia A. McKlem

Attachment

El Paso VA Health Care System Director Comments

**Department of
Veterans Affairs**

Memorandum

Date: June 29, 2004
From: Director, El Paso VA Health Care System (756/00)
Subject: El Paso VA Health Care System, El Paso, Texas
To: Network Director, VISN 18 (10N18)

Attached is the Director's response on the recommendations and suggestions for improvement contained in the draft Combined Assessment Program review at the El Paso VA Health Care System. If you have any questions or concerns, please contact Everett (Ray) Perdue, Executive Assistant to the Director, at 915.564.7902.

(original signed by:)

Byron Jaqua

Attachment

Health Care System Director's Comments to Office of Inspector General's Report

The following Director's comments are submitted in response to the recommendations and suggestions in the Office of Inspector General's Report:

OIG Recommendation(s)

Recommended Improvement Action(s) 1. We recommend the VISN Director ensure that the System Director takes action to: (a) critically analyze QM data to identify opportunities to improve patient satisfaction, (b) appoint a Process Action Team that uses the performance improvement process to address patient satisfaction, and (c) ensure that the QLB provides effective oversight for all quality activities.

Concur

Target Completion Date: Completed

a. The Patient Advocate report has been changed to include graphs on individual categories, which allows more in-depth analysis and identification of negative trends sooner. The QLB will use a significant variation point methodology based on a 12 month average to identify improvement opportunities. Deviation from variation point will be potential drivers for a focused review of a specific patient satisfaction category.

Target Completion Date: July 2004

b. The Veterans Satisfaction Sub-Committee, effective July 2004, will report to the QLB using the Process Action Team process. This sub-committee will be tasked to conduct patient satisfaction focused reviews using El Paso's performance review process (PDCA).

Target Completion Date: Completed

c. The Quality Leadership Board (QLB) discusses at each meeting three major areas relating to patient satisfaction: Patient Advocate Report, Veteran Satisfaction Sub-Committee, and our local monthly QM survey of patients. Record of discussion and actions directed were not adequately recorded. To ensure and improve effective oversight, the format of the QLB minutes was changed to a variation of the JCAHO documentation format; conclusions, recommendations, actions, evaluation/follow-up.

Recommended Improvement Action(s) 2. We recommend the VISN Director ensure that the System Director: (a) requires MCCF staff to develop a process to identify fee-basis care billing opportunities and promptly bill for fee-basis care, (b) establishes timeliness requirements for physician documentation of services provided in veterans' medical records, and (c) negotiates measurable WBAMC billing timeliness requirements or penalties for late billings in the WBAMC sharing agreement.

Concur

Target Completion Date: Completed

a. The national level routine "Potential Billable Report" is run on a regular basis to identify potential billables. This past March we added a VISN 18 developed DSS extract to our manual process to improve identification of fee basis care billing opportunities. A standard has been established that billables are to be submitted within 30 days.

Target Completion Date: September 2004

b. Clinician documentation is monitored using the Progress Note Monitor software, which monitors all encounters and reports all delinquent records and elapsed time to signature. The Compliance Officer has provided all-provider training on timeliness of documentation where each provider was also provided with his or her baseline evaluation. Clinicians identified with recurring delinquency patterns are reported to their service chief and to the Compliance Committee for corrective action. Facility Bylaws and our Management of Information Policy Memorandum are being changed to specify time standards for health record note completion as

established by VHA to include enforcement penalties identified in VHA Handbook 1907.1 by September 2004.

Target Completion Date: Completed

c. The sharing agreement with WBAMC now includes timeliness requirements and a formalized arbitration process that includes the senior leadership of both organizations to resolve issues such as timeliness of bills.

Recommended Improvement Action(s) 3. We recommend the VISN Director ensure that the System Director requires that: (a) inactive VISTA accounts of non-VA employees be disabled and (b) non-VA employees using VISTA attend orientation and annual refresher training on AIS security awareness.

Concur **Target Completion Date:** Completed

a. Inactive accounts of non-VA employees have been disabled.

b. Non-VA employees must attend VISTA orientation prior to being granted access and are scheduled for annual AIS training by the Information Security Officer.

OIG Suggestion(s)

Suggested Improvement Action(s) 1. We suggest the VISN Director ensure that the System Director requires A&MM staff to: (a) emphasize the need to maintain accurate inventory records, (b) reconcile differences and correct inventory records as appropriate, and (c) reduce stock levels to more closely adhere to the 30-day supply goal.

Concur **Target Completion Date:** Completed

a. El Paso VAHCS has added a new employee to work full time on the Generic Inventory Package (GIP). The GIP has been fully populated with appropriate inventory levels and reorder quantities. Spot inventory checks are being completed to ensure inventory records are accurate.

Target Completion Date: Completed

b. Spot inventory checks that identify line items that are out of balance are reconciled and adjustments to the inventory are made timely.

Target Completion Date: Completed

c. GIP implementation has been completed and we now use the automatic level setter; to ensure primaries carry the minimum inventory level on hand; and use of secondary inventory points to minimize inventory items exceeding the 30-day supply goal.

Suggested Improvement Action(s) 2. We suggest the VISN Director require the System Director to: (a) relieve the Dispute Coordinator of Approving Official duties and (b) emphasize in annual cardholder training that cardholders citing Government supply sources must verify items being purchased are covered by those sources, promote competition by soliciting at least three quotations when Government supply sources are unavailable for transactions exceeding \$2,500, and perform reconciliations of transactions after goods and services are received.

Concur

Target Completion Date: Completed

a. The Dispute Coordinator of Approving Official duties have been reassigned.

Target Completion Date: August 2004

b. Lesson plans for annual cardholder training now include increased emphasis on government supply sources and promotion of competition when purchases over \$2,500 are made. The training will be expanded to include the importance of reconciliation of transactions received. Training with the new material is scheduled for August 2004. Additionally, cardholders completed VHA developed "Required Sources of Supplies and Services Training" individually in March 2004.

Suggested Improvement Action(s) 3. We suggest the VISN Director ensure that the System Director improves controlled substances accountability by: (a) requiring that the number of employees with access to controlled substances storage areas

in a 24-hour period is less than 10 and (b) specifying appointment terms not exceeding 3 years in the memoranda appointing controlled substances inspectors.

Concur

Target Completion Date: Completed

a. The Pharmacy Chief has met with pharmacy staff and discussed with them that only 9 different people can access the vault in a 24-hour period. The Narcotics Pharmacist has responsibility to control access to the vault and ensure less than 10 staff access the vault in a 24 hour period.

b. A new memo of appointment was done to indicate the 3-year term for controlled substance inspectors.

Suggested Improvement Action(s) 4. We suggest the VISN Director ensure that the System Director requires that: (a) adequate documentation be maintained in contract files, including sufficient justifications in PNMs, copies of competitors' bids, and signed contract modifications and (b) invoices be verified for compliance with contract terms before payments are made.

Concur

Target Completion Date: Completed

a. The Head of the Contracting activity developed a Contract Checklist spreadsheet that lists contracts and whether adequate documentation for specific listed items are in the contract file. This checklist is being adapted for use as a checklist to be used by individual contracting officers and will become a part of the individual contract file.

b. Certification officials have been notified that all invoices received for less or more than the contract price will be referred to the contracting officer.

Suggested Improvement Action(s) 5. We suggest the VISN Director ensure that the System Director requires that: (a) services notify A&MM staff when equipment is removed or replaced, (b) A&MM staff attach a VA property tag, prepare appropriate documentation, and correct the EIL for the identified replacement equipment, and (c) A&MM staff conduct quarterly spot checks of EILs.

Concur

Target Completion Date: Completed

- a. EIL holders were notified that effective immediately they must provide written notification to the Property Manager whenever equipment is removed or replaced. The System policy on “Control of Property” has been revised.
- b. When notified of property removed or replaced, the Property Manager takes appropriate action to tag property and correct the EIL within five workdays.
- c. A&MM now conducts quarterly spot checks of EILs.

Suggested Improvement Action(s) 6. We suggest the VISN Director ensure that the System Director requires all applicable employees and volunteers to receive the required annual safe driving training and document the training in their training records.

Concur

Target Completion Date: Completed

Safe driver training is conducted twice a year for both DAV and applicable VA employees. The Chief of Voluntary Services ensures DAV drivers meet all VA requirements for volunteer drivers before releasing the volunteer to DAV to drive. All DAV driver records have been audited and found to be compliant. The Health Care System Safety Specialist provides individual training to DAV volunteer drivers who come on between scheduled trainings.

Monetary Benefits in Accordance with IG Act Amendments

<u>Recommendation</u>	<u>Explanation of Benefit(s)</u>	<u>Better Use of Funds</u>
2a	MCCF staff needed to develop a process to identify fee-basis care billing opportunities and promptly bill for fee-basis care.	\$2,601
2b	The System needed to establish timeliness requirements for physician documentation of services provided in veterans' medical records.	623
	Total	\$3,224

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