Department of Veterans Affairs
Office of Inspector General

Combined Assessment Program Review of the Edward Hines, Jr. VA Hospital Hines, Illinois

Report No. 04-02499-63 **January 6, 2005**

VA Office of Inspector General
Washington, DC 20420

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 July 19–23, 2004, the Office of Inspector General (OIG) conducted a Combined Assessment Program (CAP) review of the Edward Hines, Jr. VA Hospital Hines, Illinois (the hospital). The purpose of the review was to evaluate selected hospital operations focusing on patient care administration, quality management (QM), and financial and administrative controls. During the review, we provided 4 fraud and integrity awareness briefings to 350 employees. The hospital is under the jurisdiction of Veterans Integrated Service Network (VISN) 12.

Results of Review

This CAP review covered 13 areas. The hospital complied with selected standards in the following eight areas:

- Contract Administration
- Environment of Care
- Geriatrics and Extended Care
- Implementation of Prior CAP Recommendations and Suggestions
- Moderate Sedation Practices
- Purchase Card Program
- Quality Management
- Timekeeping for Part-time Physicians

Based on our review of these eight areas, we identified an organizational strength for Geriatrics and Extended Care.

We identified five areas that needed additional attention. To improve operations, the following recommendations were made:

- Improve controls over the bulk oxygen system.
- Improve information technology (IT) security.
- Improve the monthly inspection program and inventory controls over controlled substances.
- Recoup duplicate payments made to contract nursing homes.
- Improve controls over supply inventory management.

This report was prepared under the direction of Mr. James R. Hudson, Director, and Mr. Floyd C. Dembo, CAP Review Coordinator, Atlanta Audit Operations Division.

VISN 12 Director and Hospital Director Comments

The VISN 12 Director and the Hospital Director agreed with the findings and recommendations and provided acceptable implementation plans. (See pages 13–21 for the full text of the Directors' comments.) We will follow up on planned actions until they are completed.

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

Introduction

Hospital Profile

Organization. The Edward Hines, Jr. VA Hospital is a tertiary care referral center that provides a broad range of inpatient and outpatient health care services. Outpatient care is also provided at seven community-based outpatient clinics located in Joliet, Elgin, LaSalle, Aurora, Oak Park, Manteno, and Oak Lawn, Illinois. The hospital is part of VISN 12 and serves a veteran population of about 300,000 in a primary service area that includes 9 counties in Illinois.

Programs. The hospital provides a full spectrum of health care and clinical services. The hospital has 260 hospital beds and 199 nursing home beds. The hospital operates several regional referral and treatment programs, including a spinal cord injury residential care facility, post-traumatic stress disorder program, homeless chronically mentally ill program, an extended care center, and a Reactivation Center donated by the Illinois American Veterans of World War II (AMVETS). The hospital serves as the VA primary medical center to coordinate the VA/Department of Defense contingency hospital system response for the Chicago area.

Affiliations and Research. The hospital is affiliated with the Loyola University of Chicago and supports 164 medical resident positions in 33 training programs. Other affiliations include the Stritch School of Medicine and the University of Illinois College of Medicine. In Fiscal Year (FY) 2003, the hospital's research program had 458 projects and a budget of $19 million. Important areas of research include stroke and neuroplasticity, infectious disease, and spinal cord regeneration.

Resources. In FY 2003, the hospital's medical care expenditures totaled $265 million. The FY 2004 medical care budget is $260 million. FY 2003 staffing totaled 2,128 full-time equivalent (FTE) employees, including 145 physician and 696 nursing FTE.

Workload. In FY 2003, the hospital treated 50,045 unique patients. The hospital provided 69,405 inpatient days of care in the hospital, and 61,435 inpatient days of care in the nursing home. The hospital's inpatient care workload totaled 7,103 discharges, and the nursing home workload totaled 788 discharges. The hospital's average daily census was 192 for the hospital and 168 for the nursing home. The total outpatient workload was 491,901 visits.

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, QM, 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 patient care administration, QM, and general management controls. Patient care administration is the process of planning and delivering patient care. QM is the process of monitoring the quality of patient care to identify and correct harmful or potentially harmful practices or conditions. Management controls are the policies, procedures, and information systems used to safeguard assets, prevent errors and fraud, and ensure that organizational goals are met. We also followed up on the recommendations and suggestions included in our previous CAP report on the hospital *(Combined Assessment Program Review Edward Hines, Jr. VA Hospital, Report No. 99-00173-18, November 22, 1999)*. The review covered hospital operations for FY 2003 and FY 2004 through July 23, 2004, and was done in accordance with OIG standard operating procedures for CAP reviews.

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

Bulk Oxygen System
Contract Administration
Controlled Substances Accountability
Duplicate Payments
Environment of Care
Geriatrics and Extended Care
Implementation of Prior CAP Recommendations and Suggestions
Information Technology Security
Moderate Sedation Practices
Purchase Card Program
Quality Management
Supply Inventory Management
Timekeeping for Part-time Physicians

As part of the review, we used questionnaires and interviews to survey patient and employee satisfaction with the timeliness of service and the quality of care. The survey results were provided to hospital management.

During the review, we also presented four fraud and integrity awareness briefings to hospital employees. A total of 350 employees out of 2,100 employees attended these briefings, which 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.

Activities needing improvement are discussed in the Opportunities for Improvement section (pages 5–12). For these activities, we make recommendations for improvement. Recommendations pertain to issues that are significant enough to be monitored by the OIG until corrective actions are implemented. For the activities not discussed in the Opportunities for Improvement or Organizational Strength sections, there were no reportable conditions.

Results of Review

Organizational Strength

Geriatrics and Extended Care – The Reactivation Center Enhanced Patients' Recoveries and Promoted Their Return To Community Living

The Reactivation Center promotes patients' return to community living by allowing them to practice activities of daily living in realistic settings, while in a protected hospital environment. The Reactivation Center features a healing garden, a 30-bed Reactivation Unit, an Outpatient Geriatric Clinic, and "Easy Street" (a simulated home and outdoor environment). The Illinois AMVETS donated $3.5 million to create the center. "Easy Street" serves as a stimulating area for physical, occupational, speech, and cognitive therapy, or as a respite for patients to experience a non-institutional setting. "Easy Street" was designed to provide real experiences that rehabilitation patients face in the outside world. It is a short street, complete with five different flooring surfaces, a crossing light, and an apartment with carpeting, throw rugs, and other challenges likely to be in the patient's home. The garage has a full size car used for transfer training. Also, there is an area used for horticultural therapy, and a convenience store with shopping carts and items to select and purchase. The challenges simulated by "Easy Street" are significantly more comprehensive than we have seen at other VA medical facilities.

AMVETS recently honored the Associate Chief of Staff for Geriatrics and Extended Care with the "Silver Helmet" award, one of the most prestigious awards given by veterans' organizations, for her efforts in developing new treatment and rehabilitation programs that help veterans return to the highest possible level of independence.

Opportunities for Improvement

Bulk Oxygen System – Oversight Needed Improvement

Condition Needing Improvement. Hospital staff did not adequately monitor the bulk oxygen system. We were informed that the hospital had never experienced a loss of oxygen supply, and we know of no instance where patient safety was compromised due to an oxygen supply-related issue. However, key safety and invoice certification issues require management attention:

- Oxygen tanks were not monitored.
- Bulk oxygen system signage did not promote safety.
- Contractor oxygen delivery invoices were paid without receiving reports from hospital staff certifying the delivery of bulk oxygen.

Oxygen Tank Monitoring. Hospital staff were not observing the contractor filling the oxygen tanks to ensure proper procedures were followed and were not checking oxygen tank pressure or oxygen levels for the main or reserve oxygen tanks, as required.

Prior to our visit in July 2004, hospital staff had not observed the contractor filling the oxygen tanks, according to Facility Management Service staff. A Patient Safety Alert issued by VA Central Office on April 5, 2004, required that by April 30, 2004, facilities ensure that "qualified and trained technical staff" observes the contractor when tanks are being filled to ensure proper procedures are followed.

We also found that prior to July 15, 2004, hospital staff had not checked oxygen tank levels and pressure, as required. The National Fire Protection Association (NFPA) Standard on Gas and Vacuum Systems, 2002 Edition, states that staff of the facility should check the supply system daily to ensure that oxygen is ordered when the contents gauge drops to the reorder level. NFPA also requires that hospital staff check the pressure gauges to ensure the continued presence of the desired pressure. In July 2004, after notification of our visit, hospital managers began requiring designated employees to monitor the main and reserve oxygen tank gauges.

Oxygen Valve Signage. We identified improper oxygen valve signage in two instances. In one case, an emergency oxygen source connection was incorrectly labeled as a shut-off valve. In another case, a sign with an arrow pointing to the "Main Oxygen Shut-Off Valve" included instructions for shutting off the oxygen. The valve was easily accessible behind an unlocked panel, and was located in an unmonitored hallway adjacent to an elevator and stairwell. Unrestricted and unmonitored access to oxygen shut-off valves leaves the facility vulnerable to inappropriate or inadvertent oxygen system shutdowns.

We also identified unimplemented recommendations related to a Medical Piped Gas Inspection conducted in June 2003 by a private consulting firm. One of the six unimplemented recommendations was in dispute. The remaining five were signage issues.

Receiving Reports for Oxygen Deliveries. Between October 1, 2003, and June 25, 2004, the Supply Processing and Distribution (SPD) Purchasing Agent paid about $59,300 for an estimated 219,600 standard cubic feet of bulk oxygen. We found that contractor invoices were paid without a hospital employee verifying the amount of oxygen that had been delivered. This occurred because no one had been assigned to monitor oxygen deliveries. In addition, we were told that some deliveries occurred after regular business hours or on weekends, which did not comply with contract terms, and the vendor often came by between regular deliveries to "top off" the tanks. We further found that the Contracting Officer's Technical Representative (COTR) for this contract retired on June 28, 2002, and a new COTR was not appointed until just prior to our site visit in July 2004.

Hospital management informed us that: (i) bulk oxygen deliveries are now being observed and certified, (ii) employees have been assigned to monitor the oxygen tank pressure and level gauges; and (iii) employees are monitoring completion and documentation of corrective actions taken to implement recommendations in the Medical Piped Gas Inspection report. Signage was corrected while we were on site. The Chief, Facilities Management Service told us that a comprehensive policy is being drafted to address the issues outlined above and will include specific assignment of responsibilities.

Recommended Improvement Action(s) 1. The VISN Director should ensure that the Hospital Director requires that hospital staff:

a. Observes the filling of oxygen tank and monitors tank pressure and level gauges.

b. Certifies the amount of bulk oxygen delivered prior to paying invoices.

The VISN 12 Director and the Hospital Director agreed with the findings and recommendations, and the VISN 12 Director agreed with the Hospital Director's corrective action plan. Procedures are being revised to monitor oxygen tanks and ensure that oxygen deliveries are in accordance with contract requirement and the oxygen supply is safe. Deliveries are being observed and documented; and data is being used to certify invoices before paying them. The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

Information Technology – Security Needed Improvement

Condition Needing Improvement. The following IT security conditions required management attention:

- The Veterans Health Information Systems and Technology Architecture (VistA) System Security Plan (SSP) was not comprehensive.
- The alternate processing site plan had not been established and tested.
- Appropriate background investigations had not been requested.
- User access reviews were not effectively completed.
- Administration of VistA access controls and audit trail functions were not sufficiently separated.

VistA SSP. The Information Security Officer (ISO) developed a VistA SSP prior to our visit in July 2004. However, the SSP was not comprehensive in the areas of system identification, management controls, operational controls, and technical controls. The VA Office of Cyber and Information Security SSP Guidance Template provides the necessary instructions and the required format for completion of the SSP.

Alternate Processing Site. The hospital's contingency plan identified the Jesse Brown VA Medical Center (Chicago Westside) as the alternate processing site. However, the plan did not identify how each site would be able to support the other, in addition to its own workload, in the event of a disaster. The plan also did not address testing at the partnering sites to evaluate the extra processing thresholds, compatible system and backup configurations, sufficient telecommunications connections, compatible security measures, the sensitivity of data that might be accessible, and the functionality of the recovery strategy. The National Institute of Standards and Technology (NIST) policy outlines specific guidance in this area. The VISN Director stated that the alternate processing site plans being developed would address each of these areas as part of the VISN's continuity operation plan.

Background Investigations. Appropriate background investigations had not been requested for designated key hospital staff and contractor employees with access to sensitive data. VA policy requires that background investigations be requested prior to granting access to sensitive system data, and during the employment application process, to ensure that each employee or incumbent in a sensitive or public trust position, receives an appropriate investigation, commensurate with the position's designated sensitivity level. VA policy also requires that contract performance shall not commence prior to initiation of the background investigation process.

Appropriate background investigations had not been requested timely for the ISO; Chief, Information Resource Management (IRM); and 26 other IT specialists. The majority of the background investigation requests for these individuals were made within 90 days of our visit in July 2004. These individuals had been in their positions from 37 days to 46 months without appropriate background investigations.

We further found that background investigations had not been requested for 21 of 64 (33 percent) current contractor employees with access to sensitive system data. Background investigations for 10 other contractor employees were requested after work on the contract commenced.

User Access Reviews. Quarterly reviews of the continued need for non-hospital employee VistA access were not effective. As of July 12, 2004, 45 VistA accounts of non-hospital employees had not been accessed in over 90 days, ranging from 95 days to 16 years. Although reviews of VistA user access were conducted, they did not effectively identify accounts that were no longer needed. At our request, the ISO reviewed the 45 accounts and terminated 31 that were no longer needed.

Segregation of Duties. Responsibilities for the administration of system access controls and audit trails were not sufficiently segregated. Eighteen IT specialists had both administrative rights to VistA's access controls and audit trail functions. The hospital's AIS Security Policy did not delineate guidelines to separate the duties of IT personnel who administer access controls to the hospital's critical resources from those who administer the audit trails. VA policy requires that hospitals establish policies and procedures to prevent individuals from being responsible for both system access controls and system audit trails. VA policy also states that procedural checks and balances must be defined and enforced so that accountability is established and security violations are detectable. The ISO agreed to limit audit trail administration to the Chief, IRM; senior managers; and the ISO, and to develop policies and procedures to effectively manage administration of system access controls and audit trails.

Recommended Improvement Action(s) 2. The VISN Director should ensure that the Hospital Director requires that:

a. A comprehensive VistA SSP is developed.

b. The alternate processing site plan is developed.

c. Background investigations for designated key staff and contractor employees with access to sensitive information are requested timely.

d. VistA user accounts are terminated when access is no longer needed.

e. Separation of duties for individuals who administer access controls and those that administer the audit trail functions are delineated and documented in the hospital's system security policy.

The VISN 12 Director and the Hospital Director agreed with the findings and recommendations, and the VISN 12 Director agreed with the Hospital Director's corrective action plan. Hines and Jesse Brown VAMC staffs are developing the VistA SSP; the alternate site processing plan is being developed; procedures have been developed to monitor background investigations; and user accounts are being reviewed and terminated when appropriate. Also, Hospital management has revised policy to separate the duties of individuals with access control responsibilities and those with audit trail functions. The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

Controlled Substances Accountability – The Monthly Inspection Program and Inventory Controls Needed Improvement

Condition Needing Improvement. The Controlled Substances Monthly Inspection Program and inventory controls needed improvement.

Monthly Inspections. All controlled substances locations were not inspected each month. During the period June 1, 2003, through May 31, 2004, only 621 of the required 801 (78 percent) monthly inspections were performed. The Controlled Substances Coordinator conducted a review of inspection procedures in January 2004 and implemented changes that significantly improved the inspection process. As a result, during the period February 1, 2004, through May 31, 2004, 208 of the required 220 (95 percent) monthly inspections were performed.

Expired Drugs. During our observations of unannounced controlled substances inspections, we found that the controlled substances inspectors were not checking the expiration dates on the drugs being counted. After questioning the inspectors, they re-inspected the areas and found 8 expired drugs in 3 locations. Prior to our visit, controlled substances inspectors had not been instructed or trained to identify expired drugs.

Accountable Officer. The Chief, Acquisition and Materiel Management Service (A&MMS) had not designated an accountable officer in writing as required to witness the receipt and posting of controlled substances into inventory. We found that controlled substances were delivered directly to the Pharmacy Service controlled substances vault, and were opened and counted by the controlled substances vault pharmacist without being witnessed by an accountable officer. The Veterans Health Administration (VHA) requires that the receipt and posting of controlled substances be witnessed by a designated accountable officer. An accountable officer was appointed in June 2004.

Recommended Improvement Action(s) 3. The VISN Director should ensure that the Hospital Director require that:

a. All locations with controlled substances are inspected monthly.

b. Controlled substances inspectors are trained to check the expiration dates on drugs being counted.

c. An accountable officer designated by the Chief, A&MMS witnesses the receipt and posting of controlled substances.

The VISN 12 Director and the Hospital Director agreed with the findings and recommendations, and the VISN 12 Director agreed with the Hospital Director's corrective action plan. Procedures were revised to ensure that all areas with controlled substances are inspected; controlled substances inspectors check for expiration dates; and the accountable officer is witnessing the receipt and posting of controlled substances. The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

Duplicate Payments – Payments Needed To Be Recovered

Condition Needing Improvement. We identified 11 duplicate fee-basis payments that were made to community nursing homes (CNHs) in November 2003. Ten CNHs were overpaid about $29,300 because VA's Austin Automation Center Financial Management System processed a batch payment that should have been canceled. Prior to our review, one CNH notified the hospital staff of a $1,204 overpayment. However, there was no evidence that the overpayment was collected. As a result of our review, Fiscal Service staff issued bills of collection for the 11 duplicate payments totaling about $29,300.

Recommended Improvement Action(s) 4. The VISN Director should ensure that the Hospital Director requires that duplicate payments made to CNHs are recovered.

The VISN 12 Director and the Hospital Director agreed with the findings and recommendations, and the VISN 12 Director agreed with the Hospital Director's corrective action plan. Hospital staff issued Bills of Collection to the 11 contract nursing homes for duplicate payments made in November 2003. The Hospital Director provided acceptable improvement plans. We will follow up on the planned actions until they are completed.

Supply Management – Inventory Controls Needed Improvement

Condition Needing Improvement. Inventory balances were not accurate and exceeded a 30-day supply. VHA policy requires medical facilities use the Generic Inventory Package (GIP) to manage inventories, which includes establishing inventory levels,

setting reorder points, and tracking usage of supplies. We found the following conditions that required management attention:

Inventory Balances. We sampled 60 stock items, 20 each in the Cardiac Catheterization Lab, Gastrointestinal (GI) Clinic, and SPD to determine if inventory records were accurate. The total value of the stock items sampled was $156,017. GIP inventory balances were either overstated or understated for 52 of 60 (87 percent) stock items; 39 were overstated by $74,269 (less stock on-hand than recorded in GIP) and 13 were understated by $4,270 (more stock on-hand than recorded in GIP), as shown in the following table.

Physical Inventory of Three Inventory Points

Inventory Points	Number of Items Sampled	Sample Value	Number of Items Overstated	Overstated Value	Number of Items Understated	Understated Value
Cardiac Catheterization Lab	20	$91,271	13	$45,134	5	$2,143
GI Clinic	20	40,331	14	19,614	3	1,371
SPD	20	24,415	12	9,521	5	756
Total	**60**	**$156,017**	**39**	**$74,269**	**13**	**$4,270**

Hospital management should review the items to determine the reasons for the out-of-balance conditions and take appropriate action.

Excess Stock-on-Hand. We also reviewed the 40 stock items sampled from the Cardiac Catheterization Lab and SPD to determine if quantities on-hand exceeded a 30-day supply. We could not determine if the GI Clinic had excess stock because GIP did not contain usage data for the clinic. Using the adjusted stock item balances obtained during our physical inventory count, we determined that 25 of 40 stock items (63 percent) sampled exceeded a 30-days stock level. The total value of the 25 stock items was about $52,500, and the excess value was about $35,500. Hospital management should ensure that the appropriate usage data are entered into GIP for inventory points and stock item balances are reduced to 30-day stock levels.

Recommended Improvement Action(s) 5. The VISN Director should ensure that the Hospital Director requires that:

a. Items are reviewed to determine the reasons for the out-of-balance conditions and appropriate action is taken.

b. Inventory balances are adjusted to ensure that the inventory records accurately show the quantities of stock items that are on-hand.

c. Usage data is entered into GIP for all inventory points and stock levels are reduced to a 30-day stock level.

The VISN 12 Director and the Hospital Director agreed with the findings and recommendations, and the VISN 12 Director agreed with the Hospital Director's corrective action plan. Hospital management requested that the VISN conduct a review of the inventory management process to identify issues with the inventory controls. Hospital staff is conducting cyclic inventories to ensure that inventory records show accurate quantities of stock items on hand and is inputting usage data into GIP to adjust stock levels when sufficient historical data is available. The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

Appendix A

VISN Director's Comments

Department of Veterans Affairs **Memorandum**

Date: October 29, 2004

From: Director, (10N12)

Subject: **Edward Hines, Jr. VA Hospital Hines, Illinois**

To: Director, Atlanta Audit Inspections Division (52AT)

Thru: VHA Management Review Services (10B5)

1. In response to the Draft Report of the Combined Assessment Review of Edward Hines, Jr. VA Hospital, attached please find comments, corrective action plans and completion or proposed completion dates, for each recommendation, as provided by the Hospital Director.

2. I have reviewed and concur with the attached response.

(original signed by:)

Joan E. Cummings, M.D.

Network Director VISN 12

Appendix B

Hospital Director's Comments

Department of Veterans Affairs **Memorandum**

Date: October 28, 2004

From: Director, Edward Hines, Jr. VA Hospital (578/00)

Subject: **Edward Hines, Jr. VA Hospital Hines, Illinois**

To: Director, Atlanta Audit Inspections Division (52AT)

THRU: Network Director, VISN 12 (10N12)

THRU: VHA Management Review Service (10B5)

1. This is to acknowledge receipt and thorough review of the findings and recommendations of the Office of the Inspector General Combined Assessment Program Review conducted July 19-23, 2004. Hines VAH concurs with the IG findings and appreciates the opportunity to review the draft report. Actions taken along with planned actions are included in our response.

2. We want to thank all of the people involved in the CAP review. The team members required us to take a critical look at our systems and processes and we do appreciate the very thorough review and the opportunity to further improve the quality care we provide for our veterans.

(original signed by:)

Jack G. Hetrick

Hospital Director's Comments to Office of Inspector General's Report

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

OIG Recommendation(s)

Recommended Improvement Action(s) 1. The VISN Director should ensure that the Hospital Director requires that hospital staff:

a. Observes oxygen tank filling and monitors tank pressure and level gauges.

b. Certifies the amounts of bulk oxygen delivered prior to paying invoices.

Concur **Target Completion Date:** Completed

a. Hines Policy 578-04-138A-042 Medical Gas System is undergoing final revision/review and includes management of all medical gases, including bulk oxygen. Since 7/16/04, a log has been in use to monitor the levels and pressure of both the main tank and the reserve tank on a regular basis. This is monitored by the COTR for the contract for Medical Grade Liquid Bulk Oxygen. STATUS: Completed

b. Delivery times during working hours are being enforced, staff are observing the deliveries and signing the delivery tickets. Levels for "before" and "after" filling are included on the bulk delivery ticket for comparison with the log prior to certification and payment of the invoice. STATUS: Completed

Recommended Improvement Action(s) 2. The VISN Director should ensure that the Hospital Director requires that:

a. A comprehensive VistA SSP is developed.

b. The alternate processing site plan is developed.

c. Background investigations for designated key staff and contractor employees with access to sensitive information are requested timely.

d. VistA user accounts are terminated when access is no longer needed.

e. Separation of duties for individuals who administer access controls and those that administer the audit trail functions are delineated and documented in the hospital's system security policy.

Concur **Target Completion Date:** 5/31/05

a. A comprehensive VistA SSP has been developed utilizing the format detailed by the NIST 800-18 Guide for Developing Security Plans for Information Technology Systems dated December 1998. It includes all of the requirements detailed in VHA Directive 6210, dated March 7, 2000 and the "Medical Information Security Service's (MISS) "System Security Plan" guidance document. STATUS: Completed

b. Hines staff and staff at Jesse Brown VAMC are working jointly on strategies that will be included in the contingency plan that will address testing at the partnering sites to evaluate the extra processing thresholds, compatible system and backup configurations, sufficient telecommunications connections, compatible security measures, and the sensitivity of data that might be accessible, and the functionality of the recovery strategy.

STATUS: In progress with a projected completion date of 5/31/05.

c.(1.) In April 2004, dedicated staff was identified within GLHRMS and processes were developed to assure compliance. Monthly reports will be provided by GLHRMS to the Hines ISO who will monitor the status to track compliance and delays will be brought to the attention of the Associate Director and the Chief, GLHRMS. Status: In progress with a projected completion date of 11/30/04.

c.(2.) For those current contractor employees with access to sensitive system data for whom background investigations had not been requested the GLAC has either already initiated requests or will do so prior to 11/3/04. For contracts that have not yet commenced or contractor employees who have not yet been given access, a process has been implemented. The GLAC is providing the ISO with hard copies of the requests for the background investigations and requests for accounts are not approved/created until such documentation is available and the appropriate security training has been completed. Hines will work with the staff at the Great Lakes Acquisition Center to implement the approved recommendations recently made by the VHA National Leadership Board for all contractor employees with access to sensitive system data. A mechanism to ensure ongoing monitoring of this will be established. STATUS: In progress with a projected completion date of 11/31/04.

d. Occasionally accounts are created and then are never activated; for instance, the case of a resident who is scheduled to start a rotation at Hines and then has a last minute change to go to another facility. It is important to note that the account created is useless and is not a security vulnerability since the access and verify codes were never issued; however, based on the feedback during the CAP visit, the ISO is monitoring the accounts and they have further been placed in a DISUSER status. An email is then sent to the appropriate ADPAC and if it is determined that the account is no longer needed, it is terminated. STATUS: Completed

e. Separation of duties for individuals who administer access controls and those that administer the audit trail functions are delineated and documented in the hospital's system security policy. Section 3.1.5, Separation of Duties, was rewritten and wording was reviewed by the OIG staff during the site visit. The revised section clearly indicates that position descriptions and day-to-day responsibilities do not allow IRM staff to perform both system access control functions and system audit functions. Review of system audit function capabilities is currently limited to the Chief, IRM, the ISO and two other IT staff who do not have administrator functions. The facility has a plan in place to perform monthly audits of the access to the audit menu to ensure continued compliance. STATUS: Completed

Recommended Improvement Action(s) 3. The VISN Director should ensure that the Hospital Director require that:

a. All locations with controlled substances are inspected monthly.

b. Controlled substances inspectors are trained to check the expiration dates on drugs being counted.

c. An accountable officer designated by the Chief, A&MMS witnesses the receipt and posting of controlled substances.

Concur **Target Completion Date:** 12/31/04

a. With the changes in the monthly inspection process implemented in January 2004, compliance for all of FY04 was 94%, i.e., 594 out of 633. The routine review of the trended data showed recurrent problems with completing the inspections in the Veterinary Medical Unit in Research. Based on this, an additional vault has been installed in this area and processes are being implemented to utilize the VistA software to document inventory control in this area. STATUS: In progress with a projected completed date of 12/31/04

b. All controlled substance inspectors have been instructed to include a check of the expiration date as part of the inspection process. The form used to record the inspection findings was modified to allow the inspector to document expired drugs and positive findings are now included in the monthly report to the Director. Status: Completed

c. The process implemented in July 2004 involves impounding deliveries (unwrapped packages) in the vault, contacting the designated accountable officer to witness the receipt and conducting the count. The inventory is then immediately posted into the VistA with the designated accountable officer as the witness. STATUS: Completed

Recommended Improvement Action(s) 4. The VISN Director should ensure that the Hospital Director requires that duplicate payments made to CNHs are recovered.

Concur **Target Completion Date:** 12/31/04

Bills of Collection totaling $29,371.29 (including interest) were issued to the 11 contract nursing homes for duplicate payments made in November 2003. Since VISN12 converted to the On-line Certification System and Hines is no longer paying these bills, we are working with the staff at the Finance Service Center to offset these debts and the Fiscal Service staff will then modify the bills in order for the FSC to take this action on our behalf. In addition, Fiscal Service will work with appropriate staff to implement a process to verify that batches have not already been paid prior to resubmitting a batch.

Recommended Improvement Action(s) 5. The VISN Director should ensure that the Hospital Director requires that:

a. Items are reviewed to determine the reasons for the out-of-balance conditions and appropriate action is taken.

b. Inventory balances are adjusted to ensure that the inventory records accurately show the quantities of stock items that are on hand.

c. Usage data is entered into GIP for all inventory points and stock levels are reduced to a 30-day stock level.

Concur **Target Completion Date:** 4/30/05

a. Based on the results of the CAP review, Senior Management requested that a Team that included the VISN 12 Lead Logistics Officer conduct a review and assessment of IFCAP/GIP inventory management practices at Hines. Findings of the review are being utilized for purposes of determining best practices to optimize inventory management within designated mandated GIP program areas. Currently bar code scanning is taking place in SPD Primary, SPD Secondary, Dental, EMS, Imaging, Lab, Cardiology, GI, Respiratory, Hemodialysis, Anesthesia, Nuclear Med, Audiology, Blind Rehab and Physical Medicine. A list of the stock items reviewed during the CAP visit that were either overstated or understated has been requested/received so that it can be reviewed to determine if out-of-balance conditions were corrected in accordance to the action plan which was implemented. Status: In progress with a projected completed date of 11/30/04

b. Cyclic inventories accounting for 100% of stock on hand are ongoing and were implemented after the review. Spot check inventories will be accomplished by Material Management personnel to assure compliance. Ongoing training at the VISN and Station level are providing end users the expertise to track and monitor inventory stock levels and out-of-balance conditions. Inventory adjustments and monitoring (i.e., out-of-balance conditions, stock levels) have been implemented. Generic Inventory Package reports such as the days of stock on hand, the inactive item report, and others are being reviewed by individual program managers in an effort to avoid recurrence of significant discrepancies. Monthly Stock Status reports are forwarded to the VISN 12 Lead Logistics Officer and to the Hospital Associate Director. STATUS: In progress with a projected completion date of 4/30/05

c. Although implementation of IFCAP/GIP has been occurring throughout the Hines VAMC, the Assessment Program Review provided evidence that the need to develop better strategies for assuring consistent inventory maintenance and management was necessary. Nation-wide GIP training has been implemented and the Hines staff received training during the week of 10/18/04 and 10/25/04. In addition to the training provided by OA&MM, Hines has implemented hands on training to all GIP mandated program areas. Usage levels are established once GIP has been implemented and history can determine usage and a save level of stock. This normally takes 3 months of using the GIP prior to establishing an accurate level, in some cases even longer depending on the demand. Determining usage levels is an ongoing process and continued adjustment of levels may be necessary in light of the relatively recent implementation. STATUS: In Progress with a projected completed date of 4/30/05

Appendix C

Monetary Benefits in Accordance with IG Act Amendments

Recommendation	Explanation of Benefit(s)	Better Use of Funds	Questioned Costs
4	Recover duplicate payments to contract nursing homes.		$29,300
5	Reduce stock to 30-day levels.	$35,500	

Appendix D

OIG Contact and Staff Acknowledgments

OIG Contact	James R. Hudson, Director, Atlanta Audit Operations Division (404) 929-5921
Acknowledgments	Floyd C. Dembo, CGFM, Audit Manager (CAP Review Coordinator) Victoria Coates, Director, Atlanta Regional Office of Healthcare Inspections Harvey Hittner, Audit Team Leader Christa Sisterhen, Healthcare Inspections Team Leader George Boyer Bertie Clarke Melissa Colyn Earl Key Judy Lawhead Tina Mitchell Susan Zarter

Appendix E

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