



Department of Veterans Affairs Office of Inspector General

Combined Assessment Program Review of the VA Medical Center Hampton, Virginia

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 10-14, 2005, the Office of Inspector General (OIG) conducted a Combined Assessment Program (CAP) review of the VA Medical Center Hampton Virginia (referred to as the medical center), which is part of the Veterans Integrated Service Network (VISN) 6. The purpose of the review was to evaluate selected 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 164 employees.

Results of Review

The CAP review focused on 10 areas. The medical center complied with selected standards in the following four areas:

- Quality Management
- Emergency Preparedness
- Pressure Ulcer Treatment
- Contract Award and Administration

Based on our review, the following organizational strength was identified:

- Emergency Preparedness Program

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

- Reduce excess medical supply inventory levels.
- Enhance Medical Care Collections Fund (MCCF) program collections by strengthening billing procedures and improving provider documentation.
- Strengthen accountability for controlled substances.
- Properly segregate purchase card responsibilities.
- Strengthen procedures to ensure means tests are current, signed, and dated.
- Correct environment of care deficiencies.

This report was prepared under the direction of Mr. Nelson Miranda, Director, and Mr. Randall Snow, Associate Director, Washington, DC Regional Office of Healthcare Inspections.

VISN 6 and Medical Center Directors Comments

The VISN and Medical Center Directors concurred with the CAP review findings and provided acceptable improvement plans. (See appendix A, beginning on page 12 for the full text of the Director's comments.) We consider all review issues to be resolved but may follow up on implementation of planned improvement actions.

(original signed by:)

RICHARD J. GRIFFIN
Inspector General

Introduction

Medical Center Profile

Organization. Located in Hampton, Virginia, the Hampton VA Medical Center is a secondary care system that provides a broad range of inpatient and outpatient health care services. The medical center is part of VISN 6 and serves a veteran population of about 227,000 in a primary service area that includes 15 counties in Eastern Virginia and 10 counties in Northeastern North Carolina with a Fiscal Year (FY) 2004 enrollment of 41,128.

Programs. The medical center provides medical, surgical, mental health, geriatric, palliative care, spinal cord injury and domiciliary care. The medical center has 186 hospital beds, 130 nursing home beds and 200 domiciliary beds. It also operates several regional referral and treatment programs; including long term spinal cord injury, palliative care, and homeless chronic mental illness care. Tertiary care patients are referred to VA Medical Center, Richmond, Virginia. Outpatient diagnostic and therapeutic services are offered in an ambulatory care addition that was dedicated in April 2001. The medical center has a sharing agreement with Portsmouth Naval Medical Center for inpatient surgery.

Affiliations and Research. In FY 2004, the medical center research program had 14 projects and a budget of \$310,000, including a grant totaling \$1.1 million over 4 years. Important areas of research include smoking cessation, prostate cancer, and spinal cord injury. In addition, the Medical Center is finalizing a Sharing Agreement with NASA Langley Research Center that will initiate a program of shared research in human factors engineering. The medical center has an affiliation with Eastern Virginia Medical Authority, and approximately 26 teaching institutions. In FY 2004, approximately 400 students completed a portion of their clinical training at this facility.

Resources. In FY 2004, medical care expenditures totaled \$134.8 million. The FY 2005 medical care budget is \$138.9 million, 3 percent more than FY 2004 expenditures. FY 2004 staffing was 1092 full-time equivalent employees (FTE), including 67 physician and 287 nursing FTE.

Workload. In FY 2004, the medical center treated 25,668 unique patients, a 5.5 percent increase from FY 2003. The inpatient care workload totaled 3,991 discharges, and the average daily census, including nursing home and domiciliary patients, was 354.56. The FY 2004 outpatient workload was 241,235 visits.

Decisions Relating to Recommendations of the Commission on Capital Asset Realignment for Enhanced Services (CARES).

On February 12, 2004, the CARES Commission issued a report to the Secretary of Veterans Affairs describing its recommendations for improvement or replacement of VA medical facilities and the Secretary published his decisions relative to the Commission's recommendations in May 2004. With regard to VA Medical Center Hampton, the Secretary concluded that the VA needed to address current and projected space deficiencies at Hampton with the development of a Community Based Outpatient Clinic in Norfolk, Virginia. For more information, access the following website: <http://vaww1.va.gov/cares/>.

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 ensure that the 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:

Contract Award and Administration	Medical Care Collections Fund
Controlled Substances Accountability	Pressure Ulcer Management
Emergency Preparedness	QM Program
Environment of Care	Supply Inventory Management
Government Purchase Card Program	Means Testing

The review covered facility operations for October 1, 2002 - December 31, 2004, and was done in accordance with OIG standard operating procedures for CAP reviews.

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. Questionnaires were sent to all medical center employees, 419 of whom responded. We also interviewed 15 inpatients and 19 outpatients. The survey results were provided to the medical center management.

During the review, we presented six fraud and integrity awareness briefings for medical center employees. These briefings, attended by 164 employees, covered procedures for reporting suspected criminal activity to the OIG and included case-specific examples illustrating procurement fraud, false claims, conflict of interest, and bribery.

Activities that were particularly effective or otherwise noteworthy are recognized in the Organizational Strengths section of this report (page 4). Activities needing improvement are discussed in the Opportunities for Improvement section (pages 5-11). For these activities, we make recommendations. 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 Organizational Strengths or Opportunities for Improvement sections, there were no reportable deficiencies.

Follow Up to Previous CAP Recommendations. As part of this review, we followed up on the recommendations and suggestions resulting from a prior CAP review of the facility (Combined Assessment Program Review of the VA Medical Center, Hampton, Virginia, Report No. 00-01225-109, August 31, 2000). System managers adequately addressed most of the recommendations made in the prior CAP report; however, improvements were still needed to properly segregate Government Purchase Card responsibilities and Means Test Certifications needed current information.

Results of Review

Organizational Strengths

Emergency Preparedness Program Improves Campus Security. Since September 11, 2001, the medical center has significantly improved campus security and emergency preparedness. Initial disaster preparedness training for staff members took place at Bay Pines VA Medical Center in Florida and soon thereafter the staff was tested during Hurricane Isabel, in September 2003. Although implementation of the security plan was hampered by the natural disaster, the medical center proceeded with a multi-faceted security program, which improved physical security through the use of 360 degree cameras, controlled key card entrances, 8 foot high barbed wire fencing, and parking lot gates, giving police greater awareness and control of campus security. The medical center continues to work closely with the local military, university, and civilian communities to maintain security and prepare for future emergencies.

Opportunities for Improvement

Medical Supply Inventory Management – Inventory Should Be Reduced

Condition Needing Improvement. The medical center needed to reduce excess Medical Supply Inventory. Veterans Health Administration (VHA) policy mandates that facilities use the Generic Inventory Package (GIP) to manage inventories and establishes a 30-day stock level goal. The GIP automated inventory control system assists inventory managers in monitoring inventory levels, analyzing usage patterns, and ordering supply quantities necessary to meet current demand.

As of November 30, 2004, the medical supply inventory consisted of 1,301 items valued at \$207,319. To test the reasonableness of inventory levels, we reviewed a judgment sample of 21 items valued at \$31,281. For 17 of the items, the stock on hand exceeded 30 days of supply. For 11 of these items, inventory levels ranged from 31 days to 1 year of supply, and for the remaining 6 items, inventory levels ranged from more than 1 year to several years of supply. For all 17 items, the value of stock exceeding 30 days was \$15,251, or 49 percent of the total value of the 21 sampled items. Applying the 49 percent sample result to the total medical supply inventory of \$207,319, we estimated that the value of excess stock was \$101,586. According to the Chief of Logistics Service, employees responsible for maintaining the medical supply inventory had not made it a priority to reduce stock levels to meet the 30-day supply goal.

Recommended Improvement Action 1. We recommend that the VISN Director ensure that the Medical Center Director requires that medical supply stock levels be reduced to meet the 30-day goal.

The VISN and Medical Center Directors agreed with the findings and recommendations. The medical center formed a Logistics Service eliminating the decentralized oversight of inventory management. Inventory reduction and improvement of accuracy is on going. The medical center is recruiting three permanent managers to consolidate the inventory/GIP oversight to Logistics Service. Due to the recentralization, the facility will complete a staffing study to ensure appropriate staffing to meet inventory demands due to the recentralization, and they will initiate immediate hiring actions for recruitment of identified staffing shortfalls. In addition they plan to conduct a wall-to-wall inventory of medical stock to verify minimum 90% accuracy, and develop a plan for reduction of current medical supply stock to meet and maintain the 30-day goal. The improvement actions and plans are acceptable, and we will follow up on the planned actions until they are completed.

Medical Care Collections Fund – Improved Procedures Could Increase Cost Recoveries from Insurance Carriers

Condition Needing Improvement. The medical center increased MCCF collections from \$5.0 million in FY 2003 to \$5.75 million in FY 2004, which was just short of its \$5.8 million goal. However, medical center management could further improve MCCF program results by:

- Strengthening billing procedures for fee-basis care.
- Training attending physicians and residents to adequately document the care provided.
- Ensuring resident-provided care is properly documented and billed.

As discussed below, we found additional billing opportunities totaling \$35,475, with collection potential of \$11,352.

VA Fee-Basis Care. The medical center approves the fee-basis care and sends the information to VAMC Salem, where the fee-basis files are maintained. Following completion of the care, VAMC Salem pays the medical providers. The fee-basis information should be provided to the VISN Central Revenue Unit (CRU) at VAMC Asheville for veterans with potentially billable health care.

During fiscal year 2004, VAMC Hampton staff paid 4,151 fee-basis claims totaling \$677,850 to non-VA medical providers who provided medical care to patients with health insurance. Payments included claims for inpatient and outpatient care and for ancillary services. To determine whether the fee-basis care was billed to patients' insurance carriers, we reviewed a judgment sample of 30 claims totaling \$81,691. Of these 30 claims, 18 were not billable to the insurance carriers because the care was for service connected-conditions or the services provided were not covered.

Prior to our review, MCCF staff appropriately issued bills totaling \$16,390 for three claims. However, we found additional billing opportunities totaling \$30,484 for the other nine claims. MCCF staff stated that two of these claims totaling \$2,419 could have been billed to the insurance carriers, but the filing deadline had passed when these claims were identified. The remaining seven claims were not billed because the VAMC Salem Fee Care Unit did not submit the claim information to the CRU. We requested that MCCF staff bill these seven claims. However, the MCCF Chief stated that they attempted to obtain the documentation required to prepare the bills, but the Fee Care Unit staff were not responsive to this request. Therefore, the MCCF staff were unable to bill the insurance carriers for an additional \$28,065.

Physician Documentation of Care. The “Reasons Not Billable Report” for the 6-month period ending October 2004 listed 35 episodes of care totaling \$5,508 that were unbilled because of insufficient or no documentation. We reviewed a judgment sample of 18 episodes of care totaling \$4,812:

- Nine episodes of care were not billable because the treatment was not covered by insurance or because the episode had been billed and collected but incorrectly listed on the “Reasons Not Billable Report.”
- Nine episodes of care totaling \$1,632 were billable. MCCF staff had not previously issued bills for these episodes because physicians did not adequately document the care provided or they failed to sign the medical notes. During our review, MCCF staff obtained sufficient documentation for two cases and issued bills totaling \$317. However, they were unable to obtain documentation to bill for the other seven cases totaling \$1,315.

Billing for Resident Care. The “Reasons Not Billable Report” for the period May–October 2004 listed 50 episodes of care totaling \$8,099 that were coded as care provided by “non-billable providers” (residents). We reviewed a judgment sample of 32 episodes totaling \$6,855 and found 25 missed billing opportunities totaling \$3,359. This problem occurred because documentation requirements for billing resident care changed during 2004 or because coding staff did not identify and code the care provided. MCCF staff reviewed the 25 cases, agreed with our findings, and issued 16 bills totaling \$2,022. At the time of our review medical documentation was still not sufficient to bill for the other nine episodes of care.

Potential Collections. MCCF staff can enhance revenue collections by strengthening billing procedures for fee-basis care, ensuring physician documentation of care, and billing for resident care. We determined that additional bills totaling \$35,475 (\$30,484 + \$1,632 + \$3,359) could have been issued. Based on the medical center’s historical collection rate of 32 percent, MCCF staff could have increased collections by \$11,352 (\$35,475 x 32 percent).

Recommended Improvement Action 2. We recommend the VISN Director ensure the Medical Center Director requires that MCCF staff: (a) strengthen the billing process for fee-basis care by implementing procedures to identify veterans with reimbursable insurance, (b) issue bills for fee-basis care identified by our review, (c) train physicians and residents to adequately document the level of supervision and the care provided, and (d) train coding staff to better recognize and identify whether care is billable.

The VISN and Medical Center Directors concurred with findings and recommendations. VISN 6 is implementing a Consolidated Patient Account Center. They will process inpatient and outpatient fee basis encounters. The Consolidated Patient Account Center in Asheville is currently in the process of developing a VISN-wide policy to identify

these cases with the Consolidated Fee Center in Salem. The Revenue Office has processes in place for all contract fee care with the various services throughout the medical center. In addition, the Hampton medical center has a pre-certification process in place for patients transferred to a non-VA facility.

The medical center will continue to monitor the potential cost recovery report in the Fee Package to strengthen the billing process. In addition, Hampton medical center will continue to request appropriate documentation from the Consolidated Fee Center in Salem, Virginia for additional fee billing potential as the medical center awaits the implementation of the VISN 6 Consolidated Patient Account Center.

The medical center will review the names of the veterans identified during the review and initiate the billing process. The medical center will review current administrative processes and collaborate with clinical staff to correct any deficiencies in documentation. In addition, the medical center will review the Reasons Not Billable Report on a quarterly basis to identify any cases not billed due to insufficient documentation. In December 2004, the medical center identified that the Resident Supervision Billing Guidelines on the VHA Chief Business Office Reasonable Charges Website, which coders were using, did not correspond with the Resident Supervision VHA Handbook 1400.1. This discrepancy was brought to the attention of the Chief Business Office in VA Central Office. The medical center adjusted the processes to correspond with VHA Handbook 1400.1. The improvement actions and plans are acceptable, and we will follow up on the planned actions until they are completed.

Controlled Substances Accountability – Selected Controls And Prescription Dispensing

Condition Needing Improvement. The Chief of Pharmacy Service needed to strengthen controls to fully comply with VHA policy and improve dispensing procedures. The following deficiencies were identified.

72-Hour Inventories of Controlled Substances. VHA policy requires that pharmacy service staff perform an inventory of all controlled substances a minimum of every 72 hours and these inventories be maintained for 3 years. Our review of the 72-hour inventory records for the period September 20–December 14, 2004, found that there was no documentation to support three of the required inventories. The Chief of Pharmacy Service stated that the inventory records were frequently destroyed following the monthly controlled substance inspections.

Multiple Prescriptions. During FY 2004, 9,540 prescriptions were written for selected controlled substances. We reviewed a judgment sample of 13 instances in which veterans received multiple prescriptions and the total amounts of controlled substances received appeared to be excessive. We concluded that in two instances the prescriptions were

appropriate. However, for four instances pharmacy service staff agreed the prescriptions exceeded the veterans' needs and were filled in error. For three of these instances, the Chief could not determine why pharmacy staff had dispensed duplicate prescriptions issued by multiple providers since the staff should have monitored this. Based on our review, the Chief of Pharmacy Service had concerns about the prescription levels for one veteran and placed this veteran on a watch list as a potential drug seeker. The Chief stated that pharmacy staff had previously identified the fourth instance as an error and, as a result, had improved dispensing procedures prior to our review.

For the remaining 7 of the 13 instances, pharmacy staff had inadvertently over reported the amounts of controlled substances dispensed. When a controlled substance prescription is edited, for example a change in the quantity or strength, the pharmacy software package automatically creates a new prescription. This prescription is filled, and the original prescription is left unfilled. Pharmacy staff inadvertently included both filled and unfilled prescriptions in dispensed prescription reports. The Chief agreed to ensure that edited prescriptions are not included on the dispensed prescription reports.

Recommended Improvement Action 3. We recommend the VISN Director ensure that the Medical Center Director requires that: (a) all documentation for the 72-hour inventories is maintained for 3 years, (b) pharmacy service staff are reminded about the importance of not dispensing similar prescriptions from multiple providers that may exceed veteran needs, and (c) pharmacy service staff eliminate edited prescriptions from dispensed prescription reports.

The VISN and Medical Directors agreed with the findings and recommendations. The medical center developed new procedures for maintaining pharmacy documentation. Pharmacists will review all new and renewing prescriptions for medication overlaps. Procedures were implemented to ensure no "edited" prescriptions are marked as dispensed. The improvement actions and plans are acceptable, and we will follow up on the planned actions until they are completed.

Government Purchase Card Program – Improvements Were Needed To Comply with VA Policy

Condition Needing Improvement. Controls for segregating Government Purchase Card responsibilities needed improvement in three areas. We reported this same condition in our August 2000 CAP report. VA policy states that cardholders are responsible for reconciling payment charges and approving officials are responsible for certifying reconciliations. This prevents the approving official from reconciling and certifying the same transactions. First, for 553 of the 23,613 transactions completed during the 15-month period ending December 2004 the same employees performed the approving and reconciliation duties. This occurred because cardholders were on leave or not

available to perform the reconciliations promptly, so the approving official reconciled and certified the transactions.

Second, the purchase card coordinator was an approving official, and third, the dispute officer was a cardholder. VA policy states that dispute officers and purchase card coordinators cannot be cardholders or approving officials. These responsibilities should be reassigned.

Recommended Improvement Action 4. We recommend the VISN Director ensure the Medical Center Director requires that cardholder, approving official, purchase card coordinator, and dispute officer duties are properly segregated.

The VISN and Medical Center Directors agreed with the findings and recommendations. To ensure proper segregation of duties Purchase Card Coordinator responsibilities will be transitioned from the Business Office to Logistics Service. The improvement actions and plans are acceptable and we will follow up on the planned actions until they are completed.

Means Test Certifications – Improvement Was Needed To Ensure Current Means Test Information

Condition Needing Improvement. We reviewed administrative records for 30 veterans and found 3 records that did not contain current signed means test certification forms. We reported this same problem in our August 2000 CAP report. Medical center staff administer means tests to obtain income information from certain veterans in order to determine whether they are subject to medical co-payments. VHA facilities are required to retain signed means test certification forms in patient administrative records. The Chief of Patient Registration Section told us that the forms could not be located in the patients' administrative records in the file room and she could not explain how this occurred.

Recommended Improvement Action 5. We recommend that the VISN Director ensure that the Medical Center Director (a) strengthens patient registration procedures to ensure means test information is current and (b) obtains current means test certification forms for the three veterans cited in our review.

The VISN and Medical Center Directors agreed with the findings and recommendations. The medical center implemented a Fileman routine to monitor the transmission of scanned means tests to the Health Eligibility Center. The medical center requested signed means tests from the three veterans identified in the OIG review with responses received from two of these veterans. Follow up with the third veteran is continuing. The improvement actions and plans are acceptable, and we will follow up on the planned actions until they are complete.

Environment of Care - Areas Needed Management Attention

Condition Needing Improvement. VHA regulations require that the hospital environment present minimal risk to patients, employees, and visitors, and that infection control practices are employed to reduce the risk of hospital-acquired infections. We inspected inpatient units, outpatient primary care and specialty clinic areas, the operating room, the nursing home unit, the domiciliary, and the grounds of the medical center. The following areas required management attention.

Cleanliness and Infection Control. Four patient rooms prepared for new admissions needed furniture and bathroom cleaning. Patient bathrooms in several clinics and inpatient units needed cleaning. Staff bathrooms and break rooms were dirty, with microwaves and refrigerators in need of cleaning. Furniture in the domiciliary common areas had dirty and torn upholstery. Numerous cigarette butts were found in posted non-smoking areas.

Expired Medications. Two anesthesia carts were unlocked and contained a total of 18 expired medications.

While we were onsite, managers took immediate steps to correct deficiencies and the Medical Center Director submitted a plan of action to address the unresolved issues.

Recommended Improvement Action 6. We recommend that the VISN Director ensure that the Medical Center Director requires that (a) patient and staff areas are clean; (b) domiciliary furniture is cleaned, repaired, or replaced; and (c) anesthesia carts are locked when not in use and expired medications are removed.

The VISN and Medical Center Directors agreed with our recommendations; they also reported retraining of housekeeping employees in methods and procedures for cleaning specific areas, initiated hiring of new housekeeping employees, replaced furniture in the domiciliary, removed anesthesia carts, and instituted new procedures in surgery whereby pharmacy delivers anesthesia medications to surgery and picks up unused medications at the end of the day. The improvement actions and plans are acceptable, and we will follow up on planned actions until they are complete.

VISN Director Comments

**Department of
Veterans Affairs**

Memorandum

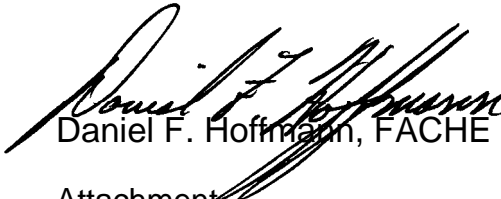
Date: March 31, 2005

From: Network Director, VA Mid-Atlantic Health Care Network,
VISN 6, (10N6)

Subject: **Response to Draft OIG CAP Report, VA Medical
Center Hampton, Virginia**

To: Randall Snow
Office of Inspector General (54DC)

1. I have reviewed and support the facility's responses to the CAP recommendations, which have been individually addressed and included in the attached MS Word document.
2. If you have any questions or require further clarification, please contact Joseph A Williams, Jr., Director, VAMC Hampton, via MS Exchange or at (757) 728-3100.


Daniel F. Hoffmann, FACHE
Attachment

Medical Center Director Comments

**Department of
Veterans Affairs**

Memorandum

Date: March 30, 2005

From: Director, Hampton VA Medical Center

Subject: **Response to Draft OIG CAP Report, VA Medical Center Hampton, Virginia**

To: Network Director, VA Mid-Atlantic Health Care Network, VISN 6

Attached, as requested, is Hampton's response to the OIG Combined Assessment Program Review recommendations from our January 10-14, 2005 visit.

(original signed by:)

JOSEPH A. WILLIAMS, JR.

Attachment

Medical Center Director 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. We recommend that the VISN Director ensure that the Medical Center Director requires that medical supply stock levels be reduced to meet the 30-day goal.

Concur

The following actions have been initiated:

a. Formation of a Logistics Service eliminating the decentralized oversight of inventory management between Facilities Management and Nursing Service.

Responsibility: Associate Director

Target Date: February 6, 2005

b. Inventory reduction and improvement of accuracy is on going. The Medical Center is recruiting three (3) permanent Item Managers in order to consolidate the inventory/GIP oversight to Logistics Service.

Responsibility: Chief, Logistics

Target Date: July 31, 2005

c. Complete Staff study to ensure appropriate staff mix to meet inventory demands due to recentralization.

Responsibility: Chief, Logistics

Target Date: March 31, 2005

d. Initiate immediate action for recruitment of staff determined through Staff study.

Responsibility: Chief, Logistics

Target Date: July 31, 2005

e. Conduct a wall-to-wall inventory of medical stock to verify minimum 90% accuracy.

Responsibility: Chief, Logistics

Target Date: March 31, 2005

f. Develop Plan for reduction of current medical supply stock to meet and maintain 30-day goal.

Responsibility: Chief, Logistics

Target Date: April 30, 2005

Recommended Improvement Action(s) 2. We recommend the VISN Director ensure the Medical Center Director requires that MCCF staff: (a) strengthen the billing process for fee-basis care by implementing procedures to identify veterans with reimbursable insurance, (b) issue bills for fee-basis care identified by our review, (c) train physicians and residents to adequately document the level of supervision and the care provided, and (d) train coding staff to better recognize and identify whether care is billable.

Concur

The following actions have been initiated:

a. VISN 6 is implementing a Consolidated Patient Account Center. One of the functions of this Center will be to process inpatient and outpatient fee basis encounters. The Consolidated Patient Account Center in Asheville is currently in the process of developing a VISN-wide policy to identify these cases with the Consolidated Fee Center in Salem. The Revenue Office has processes in place for all contract fee care with the various services throughout the medical center. In addition, Hampton has a pre-certification process in place for

those patients transferred from our facility to a non-VA facility for medical care.

The medical center will continue monthly monitoring of the potential cost recovery report in the Fee Package that identifies patients with insurance and patients requiring co-pays in order to strengthen the billing process. In addition, we will continue to request appropriate documentation from the Consolidated Fee Center in Salem, Virginia for additional fee billing potential as we await the implementation of the VISN 6 Consolidated Patient Account Center.

Responsibility: Chief, HAS and Chief, MCCF

b. We will review the names of the identified veterans from the review and initiate the billing process.

Responsibility: Chief, HAS and Chief, MCCF

Target Date: June 30, 2005

c. The medical center will review current administrative processes and collaborate with clinical staff to correct any deficiencies in documentation. In addition, the Reasons Not Billable Report will be reviewed on a quarterly basis to identify any cases not billed due to insufficient documentation.

Responsibility: Chief, HAS and Chief, MCCF

Target Date: May 31, 2005

d. In December 2004, the medical center identified that the Resident Supervision Billing Guidelines on the VHA Chief Business Office Reasonable Charges Website, which our coders were using for our process, did not correspond with the Resident Supervision VHA Handbook 1400.1. This discrepancy was brought to the attention of the Chief Business Office in VA Central Office. We have adjusted our processes to correspond with VHA Handbook 1400.1.

Responsibility: Chief, HAS

The Medical Center recommends closure on this item.

Recommended Improvement Action(s) 3. We recommend the VISN Director ensure that the Medical Center Director requires that: (a) all documentation for the 72-hour inventories is maintained for 3 years, (b) pharmacy service staff are reminded about the importance of not dispensing similar prescriptions from multiple providers that may exceed veteran needs, and (c) pharmacy service staff eliminate edited prescriptions from dispensed prescription reports.

Concur

The following actions have been initiated:

a. Effective 11 January 2005, Pharmacy Service is keeping all paper copies of the 72-hour inventories. In addition, Pharmacy Service is exploring the possibility of making this an electronic process via a TELEXON inventory manager unit and stored in VistA.

Responsibility: Chief, Pharmacy Service

The Medical Center recommends closure on this item.

b. Effective 11 January 2005 and ongoing, Pharmacy is reviewing all new prescriptions entered by providers and double-checking for medication overlap. Fill dates are extended into the future when noted to ensure that the patient is not overstocked with medication. A reminder to providers will be added in the Pharmacy Newsletter requesting providers to use the “renewal process” as much as possible.

Responsibility: Chief, Pharmacy Service

The Medical Center recommends closure on this item.

Effective 11 January 2005, the process has been implemented to ensure no “edited” prescriptions are being marked as dispensed.

Responsibility: Chief, Pharmacy Service

The Medical Center recommends closure on this item.

Recommended Improvement Action(s) 4. We recommend the VISN Director ensure the Medical Center Director requires that cardholder, approving official, purchase card coordinator, and dispute officer duties are properly segregated.

Concur

The following action has been initiated:

A plan is being developed to transition the Purchase Card Coordinator responsibilities from the Business Office to Logistics Service to ensure proper segregation of duties.

Responsibility: Chief, Business Office and Chief, Logistics

Target Date: May 31, 2005

Recommended Improvement Action(s) 5. We recommend that the VISN Director ensure that the Medical Center Director (a) strengthens patient registration procedures to ensure means test information is current and (b) obtains current means test certification forms for the three veterans cited in our review.

Concur

All means tests are being scanned into the Computerized Patient Record System (CPRS) for transmission to the Health Eligibility Center. A fileman routine has been reinstated to daily monitor the completion of this process.

Responsibility: Chief, HAS

The Medical Center recommends closure on this item.

Signed means tests were requested from the three veterans identified in the OIG review. Responses have been received from two of these veterans. Their applications were scanned into CPRS and placed in the veterans' administrative record. We will continue to request the information from the third veteran.

Responsibility: Chief, HAS

Target Date: April 30, 2005

Recommended Improvement Action(s) 6. We recommend that the VISN Director ensure that the Medical Center Director requires that (a) patient and staff areas are clean; (b) domiciliary furniture is cleaned, repaired, or replaced; and (c) anesthesia carts are locked when not in use and expired medications are removed.

Concur

The following actions have been initiated:

Facilities Management Service has altered existing processes through a three pronged approach including re-education of housekeeping staff, hiring of additional housekeeping staff, and conducting more frequent and direct inspections.

Re-education of staff, housekeeping aids, will be conducted by supervisors utilizing video tapes and providing direct hands on training.

Responsibility: Chief, Facilities Management

Target Date: April 30, 2005

Staffing issues are being addressed with the active recruitment of five (5) permanent housekeeping aids and five (5) temporary housekeeping aids at this time. Five (5) additional compensated work therapy employees will also be provided to augment staffing.

Responsibility: Chief, Facilities Management

Target Date: July 31, 2005

Inspections of patient and staff areas will be increased and intensified by housekeeping first line supervisors and the Environmental Management Program Manager to ensure proper cleaning procedures are being followed and all areas of the medical center (with emphasis on clinical areas) are maintained in a clean fashion. It should be noted that one of the primary locations of concern for the inspectors was in our Domiciliary, Building 148. The common areas in this

building are currently cleaned utilizing patients in the compensated work therapy program. Each patient residing in the domiciliary is expected to maintain cleanliness within their assigned living quarters (room). The clinical ramifications of altering the existing method of cleaning i.e. utilizing domiciliary residents to clean their specific living area will be weighed as well.

Responsibility: Chief, Facilities Management

Target Date: April 30, 2005

Chairs in the television viewing areas and the main support pod within the domiciliary building were evaluated and any chairs with torn covers were immediately removed from service. Replacement of these chairs has been identified as our first priority for furniture replacement in a patient care setting.

Responsibility: Chief, Facilities Management

Target Date: September 30, 2005

The Anesthesia carts, which were maintained by the Anesthesia personnel, have been emptied of all medications. The medications are now delivered on a daily basis to the Operating Room centralized medication area that is maintained by Pharmacy personnel. The Anesthesia personnel receive their narcotics and other anesthetic drugs on a daily basis from the centralized medication area and return unused medications to the same area at the end of each day.

Responsibility: Chief, Surgery, Chief, Pharmacy and OR Nurse Manager

The Medical Center recommends closure on this item.

Monetary Benefits in Accordance with IG Act Amendments

<u>Recommendation</u>	<u>Explanation of Benefit(s)</u>	<u>Better Use of Funds</u>
1	Reducing medical supply inventories to 30-day levels.	\$101,586
2	Enhancing MCCF billings and Collections	11,352
	Total	112,938

OIG Contact and Staff Acknowledgments

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