



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

**Combined Assessment Program
Review of the VA Medical Center
Cincinnati, Ohio**

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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Contents

	Page
Executive Summary	i
Introduction	1
Medical Center Profile.....	1
Objectives and Scope of the CAP Review	1
Results of Review	4
Opportunities for Improvement	4
Contract Award and Administration	4
Supply Inventories Management.....	5
Medical Care Collections Fund.....	6
Unliquidated Obligations	8
Information Technology Security	9
Environment of Care	10
Appendixes	
A. VISN 10 Director Comments	11
B. Acting Medical Center Director Comments	12
C. Monetary Benefits in Accordance with IG Act Amendments	19
D. OIG Contact and Staff Acknowledgments	20
E. Report Distribution.....	21

Executive Summary

Introduction

During the week of November 15–19, 2004, the Office of Inspector General (OIG) conducted a Combined Assessment Program (CAP) review of the VA Medical Center Cincinnati, OH. 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 provided fraud and integrity awareness briefings to 125 employees. The medical center is part of Veterans Integrated Service Network (VISN) 10.

Results of Review

This CAP review covered 13 areas. The medical center complied with selected standards in the following seven areas:

- Accounts Receivable
- Controlled Substances Accountability
- Means Test Certifications
- Pharmacy Security
- Pressure Ulcer Clinical Practices
- Purchase Card Program
- Quality Management

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

- Forward contracts for OIG preaward audits as required, ensure contract files contain necessary documentation, and verify contracted services are provided before payments are made.
- Reduce excess supply inventories and fully implement the Generic Inventory Package (GIP).
- Improve Medical Care Collections Fund (MCCF) program results by strengthening coding procedures, ensuring physician documentation of patient care, and billing for resident care.
- Thoroughly review and cancel unneeded obligations.
- Prepare information technology (IT) security and contingency plans in accordance with guidelines.
- Ensure patient information is safeguarded.

This report was prepared under the direction of Mr. William H. Withrow, Director, and Mr. Robert C. Zabel, CAP Review Coordinator, Kansas City Audit Operations Division.

VISN 10 and Acting Medical Center Directors Comments

The VISN 10 Director and the Acting Medical Center Director agreed with the CAP review findings and recommendations and provided acceptable improvement plans. (See Appendixes A and B, pages 11–18, 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

Medical Center Profile

Organization. The medical center operates two campuses—Cincinnati, OH and Fort Thomas, KY—and provides primary and secondary care and a broad range of inpatient and outpatient health care services. Primary care is also provided at three community-based outpatient clinics (CBOCs) located in Bellevue, KY, Lawrenceburg, IN, and Clermont County, OH. The medical center is part of VISN 10 and serves a veteran population of about 172,300 in a primary service area that includes 16 counties in southwestern Ohio, southeastern Indiana, and northern Kentucky.

Programs. The medical center provides medical, surgical, and mental health services and maintains 133 acute care beds. It also maintains 64 nursing home care beds and 62 domiciliary beds at its Fort Thomas, KY campus.

Affiliations and Research. The medical center is affiliated with the University of Cincinnati College of Medicine and supports 79 medical resident positions in 32 training programs. The medical center also has nursing student affiliations with the University of Cincinnati, Northern Kentucky University, Xavier University, Wright State University, St. Louis University, College of Mount St. Joseph, Cincinnati State Technical and Community College, Great Oaks Institute of Technology and Career Development, and Indiana University, as well as other affiliations in fields such as pharmacy, psychology, social work, and optometry. In fiscal year (FY) 2005, the medical center research program had 22 projects and a budget of \$2.1 million.

Resources. The medical center's FY 2004 medical care budget was \$138 million, an 8.7 percent increase over the FY 2003 budget of \$127 million. FY 2004 staffing was 1,347 full-time equivalent employees (FTE), including 87 physician FTE and 229 nursing FTE. FY 2003 staffing was 1,301 FTE, including 82 physician FTE and 228 nursing FTE.

Workload. In FY 2004, the medical center treated 28,881 unique patients, a 1 percent increase from FY 2003 (28,514). The patient care workload for FY 2004 totaled 5,704 inpatients treated and 291,160 outpatient visits. These numbers represented 2 percent decreases from the FY 2003 workload of 5,806 inpatients treated and 298,134 outpatient 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 recommendations and suggestions in our previous CAP report on the medical center (*Combined Assessment Program Review VA Medical Center Cincinnati, Ohio*, Report No. 00-02010-113, August 15, 2001).

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 13 activities:

Accounts Receivable	Pharmacy Security
Contract Award and Administration	Pressure Ulcer Clinical Practices
Controlled Substances Accountability	Purchase Card Program
Environment of Care	Quality Management
Information Technology Security	Supply Inventories Management
Means Test Certifications	Unliquidated Obligations
Medical Care Collections Fund	

The review covered medical center operations for FYs 2002, 2003, and 2004 through August 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 and 411 employees responded. We also interviewed 10 inpatients and 17 outpatients during the review. The survey results were provided to medical center management.

During the review, we presented three fraud and integrity awareness briefings for medical center employees. These briefings, attended by 125 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 needing improvement are discussed in the Opportunities for Improvement section (pages 4–10). 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 section, there were no reportable conditions.

Results of Review

Opportunities for Improvement

Contract Award and Administration – Contracting Process Needed Strengthening

Condition Needing Improvement. Medical center management could improve contract award and administration by:

- Ensuring sole source contracts that meet monetary thresholds are sent to the OIG for preaward audits.
- Maintaining documentation of all contracting actions.
- Ensuring contract invoices are certified prior to payment.

We reviewed contract award and administration for 17 contracts with an estimated total value of \$8.7 million. Overall, contract award and administration was adequate, but we identified three areas that needed improvement.

Preaward Audits of Sole Source Contracts. The medical center had awarded 11 sole source contracts to the University of Cincinnati or a physician practice group located at the University. Veterans Health Administration (VHA) policy requires that all sole source contracts valued at \$500,000 or more be sent to the VA OIG Contract Review and Evaluation Division for preaward audits. The primary purpose of the audits is to determine whether the prices are fair and reasonable in accordance with VA regulations and policy. One contract (Administrative Officer of the Day), awarded August 25, 2004, with an estimated total value of \$4.9 million, met the dollar threshold but was not sent for a preaward audit as required by VHA. The contracting officer decreased the cost of the contract through negotiations by over \$200,000 to the \$4.9 million total. However, the contracting officer did not believe that a preaward audit was required for this type of contract—a sharing agreement with an affiliate. We estimated that a preaward audit would have resulted in potential cost savings of \$636,170.¹

Contract Documentation. Contracting officers are required to establish files containing documentation of all contracting actions, including contracting officer's technical representative (COTR) letters that delegate and describe duties and responsibilities, price negotiation memorandums, and market research. We found documentation deficiencies in 6 of the 17 contract files:

¹ The OIG has determined that preaward audits resulted in potential average savings of 21 percent of the total value of proposed contract prices and that 62 percent of the potential cost savings were sustained during contract negotiations. Applying these percentages to the total estimated value of the contract resulted in estimated cost savings of \$636,170 (\$4,886,100 x 21 percent x 62 percent).

- The file for the Immunology Services contract (estimated total value of \$612,690) could not be located by contracting management. Therefore, we could not determine if the contract was properly processed and awarded.
- VA policy requires that the contract file contain a COTR letter signed by the employee designated to monitor contract performance and ensure that services are provided in accordance with contract terms. As a result of an internal audit about 2 years ago, all contracts now contain a signature block for acknowledgement of the COTR delegation and are filed in the official contract files. Although employees were performing monitoring duties, five contract files did not contain COTR letters signed by the employees. The five contracts were Window Washing (estimated total value of \$135,540), Electromyography Technician (estimated total value of \$47,900), Acrylic Intraocular Lens Consignment (estimated total value of \$125,000), Grounds Maintenance (estimated total value of \$516,900), and Maintenance of VITEK and VIDAS Equipment (estimated total value of \$26,240).

Contract Invoice Certification. The invoice verification process for the Fort Thomas Grounds Maintenance contract (estimated total value of \$516,900) needed improvement. Engineering Service staff were not contacting the COTR to verify that monthly services were satisfactorily provided prior to certifying the invoices for payment. The Chief of Acquisition and Materiel Management (A&MM) Service took immediate action to require Engineering Service staff to contact the COTR. In addition, he assigned the employee who certifies the invoices as an alternate COTR.

Recommended Improvement Action 1. We recommended that the VISN Director ensure the Acting Medical Center Director requires that: (a) all sole source contracts valued at \$500,000 or more are sent to the OIG for preaward audits, (b) documentation of contracting actions is maintained in contract files as required, and (c) Grounds Maintenance contract invoices are certified by the COTR prior to payment.

The VISN and Acting Medical Center Directors agreed with the findings and recommendations. They stated that all sole source contracts that meet the threshold will be sent to the OIG for preaward audits. Also, they will obtain signatures from the COTRs and place the documents in the files. Further, they took corrective action to ensure the Grounds Maintenance contract invoices are certified by the COTR prior to payment. The improvement actions taken are acceptable, and we will follow up on the planned actions until they are completed.

Supply Inventories Management – Inventory Controls Needed Improvement

Condition Needing Improvement. A&MM Service staff needed to reduce excess supply inventories and fully implement GIP. We reported these same conditions in our August 2001 CAP report. VHA policy establishes a 30-day stock level goal and

mandates that facilities use GIP to manage inventories. GIP assists inventory managers in monitoring inventory levels, analyzing usage patterns, and ordering supply quantities necessary to meet current demand.

As of August 31, 2004, inventory in the 21 supply primary control points consisted of 2,897 line items valued at \$471,814. To test the reasonableness of inventory levels, we reviewed a judgment sample of 30 line items valued at \$29,769. For 14 of the 30 items, the stock on hand exceeded 30 days of supply, with inventory levels ranging from 31 days to 400 days of supply. Another 13 items showed no usage. For these 27 items, the value of stock exceeding 30 days was \$20,243, or 68 percent of the total value of the 30 sampled items. Applying the 68 percent sample result to the total supply inventory of \$471,814, we estimated that the value of excess stock was \$320,834.

We also found that staff responsible for one primary control point, Engineering Service, had not fully implemented GIP. According to the Chief of A&MM Service, he did not have sufficient staff to reduce stock levels to the 30-day supply goal or to fully implement GIP.

Recommended Improvement Action 2. We recommended that the VISN Director ensure the Acting Medical Center Director requires that: (a) supply stock levels are reduced to the 30-day goal and (b) GIP is fully implemented.

The VISN and Acting Medical Center Directors agreed with the findings and recommendations. They are coordinating with using services both to reduce stock levels to 30 days and to fully implement GIP. They have established a target completion date of FY 2006. The improvement 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

Condition Needing Improvement. Medical center management could improve the MCCF program results by:

- Ensuring staff code all patient care.
- Training attending physicians to adequately document the care provided.
- Billing for care provided by residents.

The medical center increased MCCF collections from \$8.6 million in FY 2003 to \$11.1 million in FY 2004, exceeding its collection goal of \$9.9 million by \$1.2 million. As discussed below, we found additional opportunities to bill veterans' insurance companies that could increase collections by \$14,773.

Coding of Patient Care. The “Unbilled Care Report” for the 35-month period October 2001–August 2004 listed 83 outpatient visits that had occurred at least 6 months earlier, with potential billable care totaling \$15,948. We reviewed 10 of these visits and found that the care for 5 visits was not billable under the terms of the insurance plans. However, we found additional billing opportunities totaling \$6,681 for the remaining five visits. MCCF managers explained that these visits were not billed because the care had never been coded. They immediately coded the care and issued the bills.

Physician Documentation of Care. The “Reasons Not Billable Report” for the 11-month period October 2003–August 2004 listed 226 potential billings totaling \$104,676 that were unbilled because of insufficient or no documentation. We reviewed a judgment sample of 20 potential billings totaling \$47,627 and found 18 missed billing opportunities totaling \$35,269. There was no billable treatment for the other two cases.

Bills had not been issued in these 18 cases because physicians did not adequately document (using written diagnoses or progress notes) the care provided. During our review, MCCF staff obtained sufficient documentation for five cases and issued bills totaling \$4,803. They were unable to obtain documentation to bill for the remaining 13 cases totaling \$30,466.

Billing for Resident Care. The “Reasons Not Billable Report” for the 11-month period October 2003–August 2004 listed 269 potential billings totaling \$39,342 that were coded as care provided by “nonbillable providers” (residents). We reviewed 10 potential billings totaling \$6,712 and found 7 missed billing opportunities. This problem occurred because guidance regarding documentation requirements for billing resident care was changed by VA during 2004. As a result, MCCF staff were unsure what level of physician supervision and documentation was necessary in order to bill for resident care. MCCF staff reviewed the seven cases, agreed with our findings, and issued bills totaling \$2,817. The other three cases were not billable under the terms of the veterans’ insurance plans.

Potential Collections. MCCF staff can enhance revenue collections by strengthening coding procedures, ensuring physicians adequately document care provided, and billing for care provided by residents. We determined that additional bills totaling \$44,767 (\$6,681 + \$35,269 + \$2,817) could have been issued. Based on the medical center’s historical collection rate of 33 percent, MCCF staff could have increased collections by \$14,773 (\$44,767 x 33 percent).

Recommended Improvement Action 3. We recommended that the VISN Director ensure the Acting Medical Center Director requires: (a) patient care to be properly coded and billed, (b) physicians to adequately document care provided, and (c) care provided by residents to be billed.

The VISN and Acting Medical Center Directors agreed with the findings and recommendations. They reviewed the remaining outpatient visits that we identified and billed as indicated. They established procedures to identify encounters that lack adequate physician documentation and are following up with providers as necessary and conducting additional education. In addition, coders are conducting ongoing resident supervision monitors to help ensure proper documentation so that resident care can be billed. The improvement actions taken are acceptable, and we will follow up on the planned actions until they are completed.

Unliquidated Obligations – Controls Needed Strengthening

Condition Needing Improvement. We identified three unliquidated obligations, valued at \$3,020, that were no longer necessary and should have been cancelled. We reported a similar finding in our August 2001 CAP report. Unliquidated obligations (undelivered orders and accrued services payable) are funds that have been designated for supplies and services that have been ordered but not received. VA policy requires Fiscal Service staff to review undelivered orders and accrued services payable reports each month to identify outstanding obligations and to contact the requesting services to determine whether the obligations are still needed. If an obligation is not needed, Fiscal Service staff should cancel it and reprogram the funds.

As of October 15, 2004, the medical center had 324 undelivered orders totaling \$13.8 million and 341 accrued services payable totaling \$7.5 million. Of these, 44 undelivered orders totaling \$1.2 million and 18 accrued services payable totaling \$10,853 were delinquent (over 90 days past due date). We reviewed 33 of the 62 delinquent obligations and found that 3 obligations totaling \$3,020 were no longer needed and should have been canceled. Although Fiscal Service staff reviewed the obligations monthly as required, the three obligations were either inadvertently overlooked or not thoroughly reviewed. The Acting Chief of Fiscal Service agreed with our findings and canceled the obligations.

Recommended Improvement Action 4. We recommended that the VISN Director ensure the Acting Medical Center Director requires that unliquidated obligations are thoroughly reviewed and unnecessary obligations are promptly canceled.

The VISN and Acting Medical Center Directors agreed with the findings and recommendations. They cancelled the three unliquidated obligations that we identified and implemented procedures to identify future obligations that should be cancelled. The improvement actions taken are acceptable, and we will follow up on the planned actions until they are completed.

Information Technology Security – Improvements Were Needed To Comply with Guidelines

Condition Needing Improvement. IT security and contingency plans did not contain all necessary safeguards. We reviewed the medical center’s IT security to determine if controls were adequate to protect automated information system resources from unauthorized access, disclosure, modification, destruction, or misuse. Annual security awareness training was provided, system environmental and access controls were adequate, and critical information was backed up on a regular basis. However, we identified two areas that required management attention.

Security Plans. The Veterans Health Information Systems and Technology Architecture (VistA) and Local Area Network (LAN) security plans did not meet National Institute of Standards and Technology (NIST) guidelines. These plans should include items such as assignment of security responsibility, system environment, security awareness and training, continuation of operations (contingency planning), software controls, and personnel security. Neither security plan addressed security awareness and training or contingency planning. Further, the plans did not fully address all areas discussed in the “NIST Major Application – Operational Controls” section, such as personnel security, physical and environmental protection, and documentation. Until recently, Information Resources Management Service staff had received no guidance from either the VISN or the VA Office of Cyber Security regarding the preparation of the system security plans. The Information Security Officer is now part of a VISN effort to rewrite station security plans to meet NIST guidelines.

Contingency Plans. The contingency plans for the VistA, LAN, and Private Branch Exchange (PBX) systems did not meet NIST guidelines in three areas. First, NIST guidelines require contingency planning coordinators to identify internal contacts and their responsibilities for continuity of business operations. Internal contacts were not identified for the VistA and PBX systems.

Second, NIST guidelines require contingency planning coordinators to identify an alternate facility to perform system operations in case of major disruption. The LAN and PBX system contingency plans did not identify an alternate facility.

Third, NIST guidelines require that the contingency plan include detailed lists of equipment needs and requirements. The LAN and PBX contingency plans did not include computer equipment listings.

Recommended Improvement Action 5. We recommended that the VISN Director ensure the Acting Medical Center Director requires that VistA, LAN, and PBX system security and contingency plans are prepared in accordance with NIST guidelines.

The VISN and Acting Medical Center Directors agreed with the findings and recommendations. They are currently updating the security and contingency plans in accordance with NIST guidelines. The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

Environment of Care – Patient Information Should Be Safeguarded

Condition Needing Improvement. During our inspection of patient care areas, we found documentation of patient-specific medical test results in plain view and sensitive patient information displayed on unattended computers in violation of VHA policy. Federal law and VHA policy require that hospitals safeguard confidential patient information. Managers took immediate steps to correct the deficiencies we identified. However, the need to safeguard patient information should be emphasized to all medical center employees.

Recommended Improvement Action 6. We recommended that the VISN Director ensure the Acting Medical Center Director requires staff to: (a) secure documents containing private patient information and (b) lock unattended computer screens to prevent disclosure of patient information.

The VISN and Acting Medical Center Directors agreed with the findings and recommendations. Each year employees must acknowledge that they are responsible for protecting sensitive information. Website information is also published to remind employees about protecting sensitive information. Also, computer users have been trained on their responsibility to sign off computers when leaving them unattended. The improvement actions taken are acceptable, and we will follow up on the planned actions until they are completed.

VISN 10 Director Comments

**Department of
Veterans Affairs**

Memorandum

Date: March 21, 2005

From: Network Director, VA Healthcare System of Ohio, VISN 10 (10N10)

Subject: **CAP Review of the VA Medical Center Cincinnati, Ohio**

To: Director, Kansas City Audit Operations Division

Thru: Director, Management Review Office (10B5)

Please find attached the comments from the Acting Director, VA Medical Center Cincinnati, Ohio on pages 13–18.

I concur with the Acting Medical Director comments and actions taken or to be taken.

(original signed by:)

CLYDE L. PARKIS

Acting Medical Center Director Comments

**Department of
Veterans Affairs**

Memorandum

Date: March 21, 2005

From: Acting Director, VA Medical Center Cincinnati, Ohio
(539/00)

Subject: **CAP Review of the VA Medical Center Cincinnati,
Ohio**

To: Director, Kansas City Audit Operations Division

Thru: Director, Management Review Office (10B5)

Please find attached our comments regarding the CAP review of Cincinnati VA Medical Center on pages 13–18.

(original signed by:)

CREIGHTON B. WRIGHT MD, MBA, FACS, FACC

Acting Medical Center Director's Comments to Office of Inspector General's Report

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

OIG Recommendation(s)

Recommended Improvement Action 1. We recommended that the VISN Director ensure the Acting Medical Center Director requires that: (a) all sole source contracts that meet the \$500,000 threshold are sent to the OIG for preaward audits, (b) contract files containing documentation of contracting actions are maintained as required, and (c) Grounds Maintenance contract invoices are certified by the COTR prior to payment.

Concur **Target Completion Date:** 7/1/05

(a) All contracts that meet the threshold will be sent in for VAOIG preaward audit. The cited contract was not submitted because the Contracting Officer did not believe that a preaward audit was required for this type of contract—a sharing agreement with an affiliate. The Contracting Officer received clarification on October 29, 2004, from the Office of Medical Sharing, that the contract should have been sent for preaward audit.

(b) The five contracts reviewed did not contain the COTR's signature as stated. The signatures will be obtained and placed in the contract files.

(c) This was corrected by the Chief of Acquisition Management Section and the Chief, Engineering Service immediately upon notification that proper procedures were not being followed.

Recommended Improvement Action 2. We recommended that the VISN Director ensure the Acting Medical Center Director requires that (a) supply stock levels are reduced to the 30-day goal and (b) GIP is fully implemented.

Concur

Target Completion Date: FY 06

A&MM Service is coordinating with using services both to reduce stock levels to 30 days and to fully implement the GIP. At our current staffing level the time frame to fully implement and maintain the GIP properly is unknown. The Engineering area is the most challenging to implement considering the latest guidance from VHA Logistics Office saying that all items (for example all screws, nuts, bolts etc.) that are used in Engineering be entered into the GIP. Although slowly, progress has been made in this area but still will require additional FTE and the assistance of the Engineering staff.

Recommended Improvement Action 3. We recommended that the VISN Director ensure the Acting Medical Center Director requires: (a) patient care to be properly coded and billed, (b) physicians to adequately document care provided, and (c) care provided by residents to be billed.

Concur

Target Completion Date: 3/10/05

(a) Coding of Patient Care:

Issue: The “Unbilled Care Report” was reviewed for a 35-month period resulting in identification of billable care not previously billed.

Action: We reviewed the remaining 73 outpatient visits and billed as indicated. We have initiated procedures to monitor these reports retrospectively on a routine basis as follows:

- The Outpatient Nonservice-Connected (ONSC) report is run daily, three days after the encounter date. Because patient encounters do not populate to the Unbilled Report until checkout is completed, this 3-day delay in printing the ONSC allows ample time to complete encounters and results in a more complete Unbilled Report.

- MCCF staff will continue to notify Health Information Management Section (HIMS) staff of un-coded, but potentially billable episodes of care that appear on the ONSC, Un-coded, and Coded reports. HIMS coders then code all billable outpatient care as identified as we have always coded 100% of inpatient care.

(b) Physician Documentation of Care:

Issue: The “Reasons Not Billable Report” review indicated that bills had not been issued for lack of provider documentation.

Action: We initiated procedures for the following regular review and continuing provider education:

- The “Unbilled Care Report” and “Reasons Not Billable Reports” are generated quarterly to identify all encounters with no documentation, insufficient documentation, and non-billable providers. We use these reports to code all encounters with late entry documentation.
- We identify encounters that were not billable due to lack of documentation. Within six business days of identification we initiate a personal contact with the provider to attempt to obtain the necessary documentation for coding and billing. All visits with delinquent documentation are forwarded to the Clinical Service Chief and Chief of Staff if not resolved. Findings are sent to the Director for review and discussion at executive staff meetings.
- We developed a 1-page handout for distribution detailing the minimum documentation required in any patient encounter and identifying key HIMS personnel available to respond to any documentation questions that may occur. The handout along with verbal guidance is presented regularly at Resident Orientations. We follow up with one-on-one contacts with Attending Physicians as necessary to continue to reinforce the need for adequate documentation for billing outpatient encounters.

- Education has been provided in the past three months to the following clinical specialty areas: Psychiatry, Cardiology, Emergency Department, Orthopedics, General Surgery, and Urology.
- Anesthesiology. We plan ongoing training to all clinical staff until significant improvement is achieved.
- Goal Sharing Teams are currently working on documentation improvement with nursing staff and CBOC physicians.

(c) Billing for Resident Care:

Issue: The “Reasons Not Billable Report” review indicated that some care by resident physicians was not billed.

Action: Our procedure for indicating resident care was modified as follows:

- HIMS Staff assists MCCF in identifying care provided by residents with the application of the GC modifier entered into the Patient Care Encounter database. Since the OIG review, coders have had additional training in the correct use and application of the GC modifier.
- The coders conduct ongoing Resident Supervision monitors. Results of the monitors are distributed through the Medical Record Committee to the clinical services to communicate compliance with Resident Supervision documentation.
- MCCF staff will continue to bill for resident care when the documentation meets compliance guidelines and the treatment is billable under the veteran’s insurance plan. If the documentation does not support a professional bill, MCCF will make every effort to bill facility charges.
- If there is no documentation to support either professional fees or facility charges, MCCF will enter the appropriate non-billable reason code into VISTA. Monthly reports can then be generated to examine non-billable reasons and provide a basis for improving the process.

Recommended Improvement Action 4. We recommended that the VISN Director ensure the Acting Medical Center Director requires that unliquidated obligations are thoroughly reviewed and unnecessary obligations are promptly canceled.

Concur **Target Completion Date:** 3/10/05

The three unliquidated obligations should have been cancelled and were cancelled as soon as they were identified.

Action: In order to strengthen our controls and to avoid oversight of necessary cancellations, the accountants in the section are reviewing the unliquidated obligations. They have been instructed to cancel anything that is outstanding for 90 days unless there is documentation from the originating service to leave open. The review is conducted monthly. This process is being implemented into our processes and is adequate in this area. The Chief Accountant is responsible for follow-up and documentation.

Recommended Improvement Action 5. We recommended that the VISN Director ensure the Acting Medical Center Director requires that VistA, LAN, and PBX system security and contingency plans are prepared in accordance with NIST guidelines.

Concur **Target Completion Date:** 8/31/05

We are currently updating the security and contingency plans in accordance with NIST regulations. This is all part of the Certification and Accreditation process. We have an estimated completion date of August 31 2005. If this is approved prior to the completion date, the Chief of IRM will notify OIG.

Recommended Improvement Action 6. We recommended that the VISN Director ensure the Acting Medical Center Director requires staff to (a) secure documents containing private patient information and (b) lock unattended computer screens to prevent disclosure of patient information.

Concur **Target Completion Date:** 3/9/05

(a) Each year the end user must sign the Rules of Behavior, which covers protecting sensitive information. E-mails have been placed on our facility's website and via VistA to remind employees of protecting sensitive information.

(b) The computer system (VistA) does time out in 600 seconds and shuts off. The end-user is educated on the responsibility for signing off the computer when it is unattended. If it is noted that an end user is not following the guidelines, it is a supervisory responsibility to address and determine the disciplinary action to be taken.

Monetary Benefits in Accordance with IG Act Amendments

<u>Recommendation</u>	<u>Explanation of Benefit(s)</u>	<u>Better Use of Funds</u>
1a	Sending applicable sole source contracts for preaward audit.	\$636,170
2a	Reducing supply inventories to 30-day levels.	320,834
3	Enhancing MCCF coding, documentation, and billing.	14,773
4	Canceling unneeded obligations.	<u>3,020</u>
	Total	\$974,797

OIG Contact and Staff Acknowledgments

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Acknowledgments	Dennis A. Capps
	Robin M. Frazier
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	Randall Snow
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Report Distribution

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Non-VA Distribution

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Government Accountability Office
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U.S. Senate - Ohio: Mike DeWine, George V. Voinovich
U.S. Senate - Kentucky: Jim Bunning, Mitch McConnell
U.S. Senate - Indiana: Evan Bayh, Richard Lugar
U.S. House of Representatives - Ohio: John A. Boehner, Steve Chabot, Rob Portman,
Ted Strickland
U.S. House of Representatives - Kentucky: Ken Lucas
U.S. House of Representatives - Indiana: Mike Pence, Mike Sodrel

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