



Department of Veterans Affairs Office of Inspector General

Combined Assessment Program Review of the VA Pittsburgh Health Care System Pittsburgh, Pennsylvania

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 February 28–March 4, 2005, the Office of Inspector General (OIG) conducted a Combined Assessment Program (CAP) review of the VA Pittsburgh Health Care System. The purpose of the review was to evaluate selected health care system operations, focusing on patient care administration, quality management (QM), and financial and administrative controls. During the review, we provided six fraud and integrity awareness briefings for health care system employees and four shorter, more focused fraud briefings for Pharmacy Service employees. These briefings were attended by 261 employees. The health care system is part of Veterans Integrated Service Network (VISN) 4.

Results of Review

This CAP review covered 13 operational activities. The health care system complied with selected standards in seven activities:

- Emergency Preparedness
- Environment of Care
- Information Technology Security
- Pharmacy Security
- Purchase Card Program
- Quality Management
- Unliquidated Obligations

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

- Request required preaward audits for sole source contracts.
- Ensure that procurement staff uses the Veterans Health Administration (VHA) purchasing hierarchy, verify the accuracy of contracts and prices, monitor purchasing activity, and maintain accurate contract and pricing information.
- Reduce excess supply inventories and ensure inventory records in the Generic Inventory Package (GIP) match the actual quantities on hand.
- Increase Medical Care Collections Fund (MCCF) collections by improving physician documentation of resident supervision and clinical care provided.
- Strengthen controls over controlled substances by including all items in the pharmacy vaults in the 72-hour inventories, including the 72-hour inventories in the monthly inspections, and printing discrepancy reports for the Omnicell dispensing units at the end of each shift.

- Train nurses on the assessment and documentation requirements for pressure ulcer management.

This report was prepared under the direction of Mr. William H. Withrow, Director, and Ms. Lynn A. Scheffner, CAP Review Coordinator, Kansas City Audit Operations Division.

VISN 4 and Health Care System Directors Comments

The VISN 4 and the Health Care System Directors agreed with the findings and recommendations and provided acceptable improvement plans. (See Appendixes A and B, pages 12–17, for the full text of the Directors’ comments.) We will follow up on planned actions until they are completed.

(original signed by:)
JON A. WOODITCH
Acting Inspector General

Introduction

Health Care System Profile

Organization. The health care system consists of three divisions located in Pittsburgh, PA. The University Drive Division is a major medical and surgical tertiary care facility and a referral center for the Cardiac Surgery Center and the National Liver and Renal Transplant, Oncology, Radiation Therapy, and Geriatric Care programs. The division also provides primary backup to the Department of Defense Health Care System in time of national emergency. The Highland Drive Division is an acute care, tertiary neuropsychiatric facility. The H. John Heinz III Progressive Care Center, or Heinz Division, is a modern nursing home care unit and geriatric center of excellence. Outpatient care is also provided at five community-based outpatient clinics in Aliquippa, Greensburg, Washington, and Fayette County, PA, and St. Clairsville, OH. The health care system is part of VISN 4 and serves a veteran population of about 360,000 in a primary service area that includes 13 counties in western Pennsylvania, northern West Virginia, and eastern Ohio.

Programs. The health care system provides medical, surgical, mental health, and long term care services and has 146 general medicine and surgery beds at the University Drive Division, 180 neuropsychiatric care beds at the Highland Drive Division, and 336 nursing home and domiciliary beds at the Heinz Division. In addition, the health care system has sharing agreements with the University of Pittsburgh, the University of Pittsburgh Physicians Service, and Allegheny General Hospital that cover such areas as physician services, research contracts, and kidney transplants.

Affiliations and Research. The health care system is affiliated with the University of Pittsburgh School of Medicine and School of Dental Medicine and supports 122 medical resident positions in 35 training programs. Approximately 500 medical school residents, interns, and students are trained each year. The health care system also has 200 nursing students and 120 other affiliations. In fiscal year (FY) 2004, the health care system's research program had 246 projects and a budget of \$27 million.

Resources. The health care system's FY 2004 medical care budget was \$302 million, a 5 percent increase over the FY 2003 budget of \$288 million. FY 2004 staffing was 2,449 full-time equivalent employees (FTE), including 81 physician FTE and 573 nursing FTE. FY 2003 staffing was 2,447 FTE, including 85 physician FTE and 579 nursing FTE.

Workload. In FY 2004, the health care system treated 55,231 unique patients, with an inpatient care workload totaling 9,013 discharges. The average daily census, including nursing home patients, was 550. The outpatient workload was 450,710 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 health care system (*Combined Assessment Program Review VA Pittsburgh Health Care System*, Report No. 00-02022-17, November 30, 2000).

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:

Contract Award and Administration	Pressure Ulcer Clinical Practices
Controlled Substances Accountability	Procurement
Emergency Preparedness	Purchase Card Program
Environment of Care	Quality Management
Information Technology Security	Supply Inventories Management
Medical Care Collections Fund	Unliquidated Obligations
Pharmacy Security	

The review covered facility operations for FY 2004 and FY 2005 through 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 health care system employees, and 277 employees

responded. We also interviewed 15 inpatients and 17 outpatients during the review. The survey and interview results were provided to health care system management.

During the review, we presented six fraud and integrity awareness briefings for health care system employees and four shorter, more focused fraud briefings for Pharmacy Service staff. These briefings, attended by 261 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.

An activity that was particularly effective or otherwise noteworthy is recognized in the Organizational Strength section of this report (page 4). Activities needing improvement are discussed in the Opportunities for Improvement section (page 5–11). 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

Organizational Strength

Chest Pain Team. We identified this organizational strength during our QM review. Nationwide studies of patients who present to emergency rooms with chest discomfort show that up to 5 percent are inadvertently released from the hospital with acute myocardial infarction (heart attack). In an effort to improve care for veterans experiencing chest pain and in accordance with American College of Cardiology guidelines for timely electrocardiograms (EKGs), blood tests, and reperfusion, the health care system investigated the barriers to providing appropriate treatment and created a Chest Pain Team. The team's goals were to promptly evaluate and treat veterans experiencing chest pain at the health care system's three divisions. Specifically, such veterans were to have EKGs within 10 minutes of reporting chest pain; have blood drawn, tested, and results reported for Troponin (an enzyme that is produced in the heart during a heart attack) within 60 minutes; and receive definitive treatment in the cardiac catheterization laboratory within 120 minutes.

The team immediately investigates episodes of care that do not meet guidelines and recommends solutions to remedy the causes of the delays. When the team was formed in early FY 2004, statistics showed that only 40 percent of patients with chest pain had EKGs within 10 minutes and only 57 percent had blood drawn, tested, and results reported for Troponin within 60 minutes. Seven months after the team was formed, 98 percent of veterans with chest pain were receiving EKGs within 10 minutes and 95 percent of Troponin tests were returned within 60 minutes, demonstrating the team's effectiveness and marked improvement in the quality of care provided to veterans.

Opportunities for Improvement

Contract Award and Administration – Contract Process Needed Strengthening

Condition Needing Improvement. VHA policy requires a preaward audit by the OIG Contract Review and Evaluation Division for all contract proposals valued at \$500,000 or more, inclusive of option years, awarded to affiliated institutions on a sole-source basis. We reviewed contract award and administration for a sample of 10 contracts with an estimated total value of \$11.7 million. The health care system awarded three sole-source contracts that required preaward audits.

Contracting staff sent two of the contracts to the OIG for preaward audits but did not send the Vascular Surgery Services contract, which had an estimated value of about \$1.4 million. They did not obtain a preaward audit because VHA Medical Office Sharing staff erroneously advised them that the audit was not necessary if the contract pricing was procedure based.

Historically, OIG preaward audits have resulted in final contract prices that are significantly below the contractor's proposed prices. During the period FY 2000 through October 15, 2004, the OIG completed 54 preaward audits of sole-source contracts with affiliated institutions. These audits recommended price reductions that lowered total contract costs by an average of about 13 percent. Based on these results, we estimate that had an OIG preaward audit been requested for the Vascular Surgery Services contract, costs could have been reduced by \$176,735 (\$1,359,500 x 13 percent).

Recommended Improvement Action 1. We recommended that the VISN Director ensure that the Health Care System Director requires that all proposed sole-source contracts with affiliated institutions valued at \$500,000 or more be sent to the OIG Contract Review and Evaluation Division for preaward audits.

The VISN and Health Care System Directors agreed with the finding and recommendation. They stated that all proposed sole-source contracts with affiliated institutions, valued at \$500,000 or greater, would be sent for OIG pre-award audits, and that contracting staff reviewed the OIG report entitled *Evaluation of VHA Sole-Source Contracts with Medical Schools and Other Affiliated Institutions*. The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

Procurement of Medical and Prosthetic Supplies – Strengthen Compliance with VHA’s Purchasing Hierarchy

Condition Needing Improvement. Management needed to ensure that medical and prosthetic supplies are purchased in compliance with VHA’s purchasing hierarchy. VHA policy requires medical facilities to purchase supplies according to the hierarchy, which organizes vendors from the most to least preferred sources as follows: national contracts and Blanket Purchase Agreements (BPAs), local BPAs, Federal Supply Schedule (FSS) contracts, local non-FSS contracts, and open market purchases. Medical facilities are required to follow the purchasing hierarchy even if local open market prices are lower in order to maintain VA's leveraging power and keep national contract prices for all VA medical facilities lower.

For the 6-month period July–December 2004, we reviewed 827 purchases for 20 items (10 medical/surgical and 10 prosthetic) totaling \$387,790. Procurement employees made 232 (28 percent) of the 827 purchases, totaling \$35,658, from the open market. If the purchases had been made from national, BPA, or FSS contract sources as required, the health care system could have saved \$4,882 on these purchases.

This problem occurred because the inventory management specialists in the GIP section did not update the Item Master File¹ with the most current contracts and price information for all products, resulting in procurement employees purchasing products from incorrect sources and for higher prices. Procurement employees did not verify contract and price information before making purchases, or they made open market purchases because local vendors provided additional services such as installation or patient education at no additional cost. In one instance, the open market price of \$13 per item was lower than the contract price of \$22, but the health care system did not obtain the required VA Central Office waiver authorizing making purchases from this source.

Recommended Improvement Action 2. We recommended that the VISN Director ensure that the Health Care System Director requires that: (a) procurement staff comply with VHA’s purchasing hierarchy and verify the accuracy of contract and price information before making purchases and (b) inventory management specialists in the GIP section update and maintain accurate contract and pricing information in the Item Master File.

The VISN and Health Care System Directors agreed with the finding and recommendations. They stated that they stressed to contracting staff the importance of complying with the VHA purchasing hierarchy and verifying contract price information prior to making purchases. They also provided employees with contract hierarchy training on April 29, 2005, and limited access to the Item Master File to three employees

¹ The Item Master File is a computer based file used for repetitive purchase items containing all pertinent ordering data, such as the complete description, stock number, order multiple, vendor, and last purchase price.

who will be responsible for updating the file. The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

Supply Inventories Management – Inventories Should Be Reduced and Controls Strengthened

Condition Needing Improvement. Facilities Management Service staff needed to reduce excess supply inventories and improve the accuracy of inventory records. We also found excess supplies and inaccurate inventory records during our 2000 CAP review of the health care system. VHA policy establishes a 30-day stock level goal and mandates that facilities use GIP to manage inventories. 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 December 31, 2004, inventory in the health care system's 15 supply primary control points consisted of 3,372 line items valued at about \$1.1 million. To test the reasonableness of inventory levels, we reviewed a judgment sample of 25 items valued at \$23,194. For 9 (36 percent) of the 25 items, the stock on hand exceeded 30 days of supply, with inventory levels ranging from 31 to 340 days of supply. One other item was not being used, so the entire stock of this item was excess. For these 10 items, the value of stock exceeding 30 days was \$4,872, or 21 percent of the total value of the 25 sampled items. Applying the 21 percent sample result to the value of the total supply inventory, we estimated that the value of all excess stock was \$222,862.

We also found that GIP inventory balances did not agree with our physical counts for 9 of the 25 sampled items. Five of the line items were overreported (less stock on hand than reported in GIP) by \$4,512, while the other four were underreported (more stock on hand than reported in GIP) by \$300. These inaccuracies occurred because staff did not always record the number of line items taken out of inventory and in some instances misreported the number of line items received into inventory.

Recommended Improvement Action 3. We recommended that the VISN Director ensure that the Health Care System Director requires that: (a) supply stock levels be reduced to the 30-day goal and (b) inventory levels in GIP match the actual stock on hand.

The VISN and Health Care System Directors agreed with the finding and recommendations. The Supervisory Inventory Specialist set all stock levels at 30 days or less and had all staff review inventory processes, including recording items removed from or received into inventory. 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. Health care system management could improve MCCF collections by training physicians to better document resident supervision and clinical care provided in the medical records. The health care system increased collections from \$14.6 million in FY 2003 to \$16.2 million in FY 2004, exceeding its goal of \$15.5 million by \$0.7 million. As discussed below, we found additional billing opportunities that could increase collections by an estimated \$48,134.

The “Reasons Not Billable Report” for the 3-month period ending December 31, 2004, listed 1,102 potential billings totaling \$206,763 that were coded as care provided by non-billable providers (residents) or were not billed because of insufficient or no documentation in the medical records. We reviewed a random sample of 30 potential billings, totaling \$3,332, and found 29 missed billing opportunities. MCCF staff had properly billed the remaining episode of care before we began our review of the sample.

Bills had not been issued in 16 of the 29 cases because physicians did not adequately document resident supervision in the medical records. In the remaining 13 cases, bills were not issued because there was insufficient or no documentation of the clinical care provided in the medical records. We found instances of late entries, missing orders, and lack of care plans. MCCF staff agreed with our findings and issued bills totaling \$90 for 2 of the cases. The other 27 cases totaling \$3,154 were no longer billable because the insurance filing deadlines had expired.

We determined that additional bills totaling \$3,154 could have been issued for the sample cases. Based on an error rate of 29 (97 percent) of 30 potentially billable episodes of care from our sample and the historical collection rate of 24 percent, we estimated that the health care system could have increased collections by about \$48,134 ($\$206,763 \times 97 \text{ percent} \times 24 \text{ percent}$).

Recommended Improvement Action 4. We recommended that the VISN Director ensure that the Health Care System Director requires physicians to adequately document resident supervision and clinical care provided in the medical records.

The VISN and Health Care System Directors agreed with the finding and recommendation. They plan to audit cases with insufficient documentation monthly, so that they could notify clinicians of documentation problems or refer resident care progress notes that failed to meet billing guidelines to the appropriate practitioner of record. They also plan to provide additional training to clinical staff on billing guidelines, and have the Medical Executive Board and the Executive Leadership Board review compliance reports regularly. The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

Controlled Substances Accountability – Controls Needed Strengthening

Conditions Needing Improvement. Health care system managers could improve accountability by ensuring that all controlled substances stored in the pharmacy vaults are included in the 72-hour inventories, controlled substances inspectors review the 72-hour inventories during the monthly-unannounced inspections, and the Omnicell discrepancy report printouts are included in the discrepancy logs that are completed at the end of each nursing shift. VHA policy requires medical facility staff to manage medications, particularly controlled substances, to ensure patient safety and prevent diversion. Each facility is required to have a controlled substances inspections program to certify the accuracy of records and inventory.

Medication Management Controls. VHA policy requires that Pharmacy Service staff conduct inventories of controlled substances stored in the pharmacy vaults every 72 hours. They should document, investigate, and determine the cause of any discrepancies identified during the counts. The health care system has four pharmacy vaults—two at the University Drive Division and one each at the Highland Drive and Heinz Divisions. We reviewed the 72-hour inventories for the 3-month period ending December 31, 2004, and found that Pharmacy Service staff did not count all of the controlled substances stored in one of the vaults at the University Drive Division or in the vault at the Heinz Division. At the University Drive Division, 37 of the 43 inventory counts did not include some of the controlled substances stored in the outpatient vault, with the number of excluded items ranging from 1 to 67. At the Heinz Division, 15 of the 47 inventory counts excluded some of the controlled substances in the vault, with the number of excluded items ranging from 1 to 5.

Unannounced Controlled Substances Inspections. VHA policy requires that controlled substances inspectors review the completed 72-hour inventories during the monthly-unannounced inspections to determine whether Pharmacy Service staff performed the inventories as required. The inspectors documented that Pharmacy Service staff met the 72-hour inventory requirements, but they did not note that some controlled substances were not counted. The Controlled Substances Coordinator agreed that the inspectors should ensure that all controlled substances stored in the vaults are included in the 72-hour inventories.

Omnicell Discrepancy Report Printouts. Omnicell is an automated, electronically monitored dispensing unit used on inpatient units for storage and security of stock medications, including controlled substances. VHA and local policies require that nursing staff print a discrepancy report for the Omnicell dispensing unit at the end of each shift. The printout should become part of the discrepancy log, which documents the counts of all drugs in the unit at the change of each shift. The Omnicell discrepancy report printouts were not included in the discrepancy logs in 2 inpatient units inspected

for 27 of 81 shift changes. During our review, managers took immediate steps to correct deficiencies.

Recommended Improvement Action 5. We recommended that the VISN Director ensure that the Health Care System Director requires that: (a) Pharmacy Service staff count all controlled substances stored in the pharmacy vaults during the 72-hour inventories, (b) controlled substances inspectors verify that all items were included in the 72-hour inventories during the monthly-unannounced inspections, and (c) nursing staff attach the discrepancy report printouts for the Omnicell dispensing units to the discrepancy logs at the end of each nursing shift.

The VISN and Health Care System Directors agreed with the findings and recommendations. They planned to have the 72-hour inventories include all controlled substances stored in the pharmacy vaults and to include the 72-hour inventories in their monthly controlled substances inspections. They also planned for the Charge Nurse to print the discrepancy reports for Omnicell units each shift, resolve pertinent discrepancies during weekly inventories, and verify completion of the discrepancy reports. The improvement plans are acceptable, and we will follow up on planned actions until they are completed.

Pressure Ulcer Management – Nurses Should Be Trained on Assessment and Documentation Requirements

Condition Needing Improvement. Health care system management needed to ensure that nurses are properly trained on pressure ulcer management and on documentation of assessment and treatment of patients with pressure ulcers. The Agency for Healthcare Research and Quality has published clinical guidelines for pressure ulcer prevention and treatment.

VISN and local policies require that nurses document the assessments and treatments of patients with pressure ulcers in the medical records. The VISN published a “Pressure Ulcer Resource Book” for nurses to use in managing patients with pressure ulcers, but none of the four nurse managers or three staff nurses we interviewed were familiar with this book. As a result, documentation of pressure ulcer management was inconsistent. Our review of the medical records of 10 inpatients with pressure ulcers found that in all 10 cases the admissions nurses had completed the initial assessments using the Braden scale (a method to assess risk of pressure ulcer development), but had completed the wound care nurse consultations in only 8 cases.

The nurses also expressed confusion about proper use of the health care system’s “Pressure Ulcer Flow Sheet.” The presence of pressure ulcers including location, size, stage, depth, presence of drainage, color, odor, and condition of surrounding tissue should be accurately documented at least once a week on the “Pressure Ulcer Flow Sheet.” This was not done in 8 of the 10 cases reviewed.

Recommended Improvement Action 6. We recommended that the VISN Director ensure that the Health Care System Director requires that nursing staff be trained on pressure ulcer management policies to include completing wound care nurse consultations for all patients who meet the Braden criteria and documenting assessments and treatments on the “Pressure Ulcer Flow Sheet.”

The VISN and Health Care System Directors agreed with the finding and recommendation. They provided training on policies, documentation, and wound care consultations on May 31 and June 1, 2005, and put the VISN’s “Pressure Ulcer Care Resource Book” on-line and placed hardcopies on each unit as a reference. The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

VISN 4 Director Comments

**Department of
Veterans Affairs**

Memorandum

Date: June 15, 2005

From: Network Director, VA Pittsburgh Health Care System,
VISN 4 (10N4)

Subject: **CAP Review of the VA Pittsburgh Health Care System
Pittsburgh, Pennsylvania**

To: Director, Kansas City Audit Operations Division

As provided by the Facility Director of the VA Pittsburgh Healthcare System, I concur with the recommendations and responses provided.

(original signed by:)

CHARLEEN SZABO

Health Care System Director Comments

**Department of
Veterans Affairs**

Memorandum

Date: June 13, 2005

From: Health Care System Director

Subject: **CAP Review of the VA Pittsburgh Health Care System
Pittsburgh, Pennsylvania**

To: Network Director, VA Pittsburgh Health Care System,
VISN 4 (10N4)

Listed below are the completed Planned Improvement Actions for the six recommendations received for the Office of Inspector General from the recently completed Combined Assessment Program review.

(original signed by:)
Michael E. Moreland

Health Care System 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 1. We recommended that the VISN Director ensure that the Health Care System Director requires that all proposed sole-source contracts with affiliated institutions valued at \$500,000 or more be sent to the OIG Contract Review and Evaluation Division for preaward audits.

Concur

Target Completion Date: Completed

- The Acquisitions Program Manager informed the contracting staff that all proposed sole-source contracts with affiliated institutions, including per procedure contracts, valued at \$500,000 or greater must be sent in for OIG pre-award audit.
- All contracting staff reviewed the OIG report entitled *Evaluation of VHA Sole-Source Contracts with Medical Schools and Other Affiliated Institutions*.
- The Acquisitions Program Manager will monitor compliance.

Recommended Improvement Action 2. We recommended that the VISN Director ensure that the Health Care System Director requires that (a) procurement staff comply with VHA's purchasing hierarchy and verify the accuracy of contract and price information before making purchases and (b) the inventory management specialists in the GIP section update and maintain accurate contract and pricing information in the Item Master File.

Concur

Target Completion Date: Completed

- The Acquisitions Program Manager has stressed the importance of complying with the VA contract hierarchy and verifying contract price information prior to making purchases at several staff meetings and in writing.
- VA contract hierarchy training provided to staff that had not previously taken the training on April 29. The Acquisitions Program Manager will continue to provide training as needed.
- Access to the Item Master File was limited to three employees, who will be responsible for accurate updates.
- The Supervisory Inventory Specialist will complete monthly monitoring.

Recommended Improvement Action 3. We recommended that the VISN Director ensure that the Health Care System Director requires that (a) supply stock levels be reduced to the 30-day goal and (b) inventory levels in GIP match the actual stock on hand.

Concur **Target Completion Date:** Completed

- All stock levels are set at 30 days or less.
- Inventory processes reviewed with all staff including the recording of the number of items taken out of inventory as well as the number of items received into the inventory.
- The Supervisory Inventory Specialist will complete monthly monitoring.

Recommended Improvement Action 4. We recommended that the VISN Director ensure that the Health Care System Director requires physicians to adequately document resident supervision and clinical care provided in the medical records.

Concur **Target Completion Date:** Completed

- Health Information Management Service (HIMS) will perform monthly audits of insufficient and/or no documentation cases and send compliance e-mails to clinicians when documentation concerns are identified.
- Additional training of clinical staff will be provided and corrective action taken when issues are identified.

- Documentation of resident care will be continuously reviewed and progress notes that fail to meet VA Central Office guidelines will be referred to the appropriate practitioner of record.
- Billing will be occurring in a manner that supports these guidelines.
- There will be ongoing discussion between HIMS and Patient Accounts addresses documentation concerns, opportunities for improvement and potential areas of cost recovery related to resident care.
- Compliance reports will be regularly reviewed at both the Medical Executive Board and the Executive Leadership Board.

Recommended Improvement Action 5. We recommended that the VISN Director ensure that the Health Care System Director requires that: (a) Pharmacy Service staff count all controlled substances stored in the pharmacy vaults during the 72-hour inventories, (b) controlled substances inspectors verify that all items were included in the 72-hour inventories during their monthly unannounced inspections, and (c) nursing staff attach the discrepancy report printouts for the Omnicell dispensing units to the discrepancy logs at the end of each nursing shift.

Concur **Target Completion Date:** Completed

- Pharmacy staff informed to count all substances stored in the Pharmacy vaults during all 72-hour inventories.
- Inventories will be monitored by Pharmacy Program Leader
- Instructions were sent on June 8 to controlled substance inspectors to include this recommendation.
- Pharmacy inspection was form revised to incorporate change.
- Charge Nurse will print discrepancy report for Omnicell units each shift, resolve pertinent discrepancies during weekly inventory, and sign “Narcotic Inventory Sheet” to verify that the discrepancy report was completed.

Recommended Improvement Action 6. We recommended that the VISN Director ensure that the Health Care System Director requires that nursing staff be trained on pressure ulcer management policies to include completing wound care nurse consultations for all patients who meet the Braden criteria and documenting assessments and treatments on the Pressure Ulcer Flow Sheet.

Concur

Target Completion Date: Complete

- In-services on policies, documentation, and wound care consultations were completed on May 31 and June 1.
- Staff will use pressure ulcer assessment template for documentation.
- VISN Wound Care Resource book was sent to nursing staff on-line. There are also hardcopies located on each unit as a reference now.

Monetary Benefits in Accordance with IG Act Amendments

<u>Recommendation</u>	<u>Explanation of Benefit(s)</u>	<u>Better Use of Funds</u>
1	Sending sole-source contracts valued at \$500,000 or more to the OIG for preaward audits.	\$176,735
2	Purchasing supplies from proper contract sources.	4,882
3	Reducing supply inventories to 30-day levels.	222,862
4	Enhancing MCCF documentation.	<u>48,134</u>
	Total	\$452,613

OIG Contact and Staff Acknowledgments

OIG Contact	William H. Withrow, Director, Kansas City Audit Operations Division (816) 426-7100
Acknowledgments	<p>Timothy Barry</p> <p>Robin Frazier</p> <p>James Garrison</p> <p>Lynnette Gelles</p> <p>Donna Giroux</p> <p>Henry Mendala</p> <p>Michelle Porter</p> <p>Lynn Scheffner</p> <p>Randall Snow</p> <p>Carol Torczon</p> <p>Oscar Williams</p>

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This report will be available in the near future on the OIG's Web site at <http://www.va.gov/oig/52/reports/mainlist.htm>. This report will remain on the OIG Web site for at least 2 fiscal years after it is issued.