Department of Veterans Affairs
Office of Inspector General

Combined Assessment Program Review of the Oklahoma City VA Medical Center Oklahoma City, Oklahoma

Report No. 05-01661-72 **February 2, 2006**

VA Office of Inspector General
Washington, DC 20420

Office of Inspector General

Combined Assessment Program Reviews

Combined Assessment Program (CAP) reviews are part of the Office of Inspector General's (OIG's) efforts to ensure that high quality health care and benefits services are provided to our Nation's veterans. CAP reviews combine the knowledge and skills of the OIG's Offices of Healthcare Inspections, Audit, and Investigations to provide collaborative assessments of VA medical facilities and regional offices on a cyclical basis. The purposes of CAP reviews are to:

- Evaluate how well VA facilities are accomplishing their missions of providing veterans convenient access to high quality medical and benefits services.
- Determine if management controls ensure compliance with regulations and VA policies, assist management in achieving program goals, and minimize vulnerability to fraud, waste, and abuse.
- Provide fraud and integrity awareness training to increase employee understanding of the potential for program fraud and the requirement to refer suspected criminal activity to the OIG.

In addition to this typical coverage, CAP reviews may examine issues or allegations referred by VA employees, patients, Members of Congress, or others.

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Executive Summary

Introduction

During the week of June 20–24, 2005, the Office of Inspector General (OIG) conducted a Combined Assessment Program (CAP) review of the Oklahoma City VA Medical Center, Oklahoma City, OK. 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 307 employees. The medical center is under the jurisdiction of Veterans Integrated Service Network (VISN) 16.

Results of Review

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

- Controlled Substances Accountability
- Environment of Care
- Government Purchase Card Program
- Laboratory and Radiology Review

To improve operations, the following recommendations were made:

- Improve compliance data for length of stay and admission appropriateness in intensive care units (ICU).
- Improve diagnostic screening, timeliness of diagnostic procedures, and documentation of patient notification of colorectal cancer.
- Improve supply inventory management by maintaining accurate inventory records and reducing stock levels.
- Strengthen controls over contract administration for service contracts.
- Increase Medical Care Collections Fund (MCCF) collections by improving fee-basis billing procedures and medical record documentation.
- Strengthen timekeeping controls for part-time physicians.

This report was prepared under the direction of Ms. Linda DeLong, Director of the Dallas Regional Office of Healthcare Inspections.

VISN 16 and Medical Center Director Comments

The VISN 16 and Medical Center Directors agreed with the findings and recommendations and provided acceptable implementation plans. (See Appendixes A and B, pages 13-25 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
Deputy Inspector General

Introduction

Medical Center Profile

Organization. The medical center provides inpatient and outpatient healthcare services for an estimated veteran population of 224,696 residing in 48 counties in Oklahoma and 2 counties in north central Texas. The medical center also operates a VA-staffed community-based outpatient clinic (CBOC) in Lawton, OK; and contract CBOCs in Ardmore, Clinton, Konawa, and Ponca City/Newkirk, OK; and Wichita Falls, TX.

Programs. The medical center is a tertiary care facility, classified as a Clinical Referral Level III Facility, with 169 operating beds. It is a teaching hospital, providing a full range of patient care services, with state-of-the-art technology as well as education and research. The medical center provides comprehensive health care, including medicine, surgery, psychiatry, physical medicine and rehabilitation, neurology, oncology, dentistry, geriatrics, and extended care.

Affiliations and Research. The medical center is actively affiliated with the University of Oklahoma Medical School. There are also affiliations involving nursing, dentistry, pharmacy, social work, audiology and speech pathology, and psychology.

Resources. In fiscal year (FY) 2004, the medical center's medical care expenditures totaled $220 million. The FY 2004 staffing was 1,514.9 full-time employee equivalents (FTE), including 103.25 physician FTE and 442.58 nursing FTE.

Workload. In FY 2004, the medical center treated 47,882 unique patients, a 3.75 percent increase from FY 2003. The patient workload for FY 2004 totaled 6,377 inpatients treated and 390,183 outpatient visits. These numbers represented 11 percent and 7 percent increases respectively over the previous year.

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 management controls. Patient care administration is the process of planning and delivering patient care. QM is the process of monitoring the quality of care to identify and correct harmful and potentially harmful practices and 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.

The review covered facility operations for FY 2004 through June 24, 2005, and was done in accordance with OIG standard operating procedures for CAP reviews.

In performing the review, we inspected work areas; interviewed managers, employees, and patients; and reviewed clinical, financial, and administrative records. The review covered the following 10 activities:

- Colorectal Cancer Management
- Controlled Substances Accountability
- Environment of Care
- Government Purchase Card Program
- Laboratory and Radiology Review
- Medical Care Collections Fund
- Quality Management
- Service Contracts
- Supply Inventory Management
- Time and Attendance for Part-Time Physicians

As a part of the review, we used questionnaires and interviews to survey employee and patient satisfaction with timeliness of service and the quality of care. We made electronic survey questionnaires available to all medical center employees, and 245 responded. We also interviewed 30 patients during the review. The survey results were shared with medical center managers.

Activities needing improvement are discussed in the Opportunities for Improvement section (pages 4–12). For these activities, we made recommendations for improvement. Recommendations pertain to issues that are significant enough to be monitored by the OIG until corrective actions are implemented.

During this review, we also presented fraud and integrity awareness briefings for 307 employees. These briefings covered procedures for reporting suspected criminal activity to the OIG and included case-specific examples illustrating procurement fraud, false claims, conflicts of interest, and bribery.

Follow-Up on Prior CAP Review Recommendations

As part of this review, we followed up on the recommendations resulting from a prior CAP review of the medical center (*Combined Assessment Program Review of the Oklahoma City VA Medical Center*, Report No. 01-00079-104, July 2, 2001). In the report of that CAP review, we made recommendations to improve controls over supply

inventory management, service contracts, MCCF, and timekeeping for part-time physicians. During this CAP review, we determined that the medical center continues to need improvement in all four of these areas.

Results of Review

Opportunities for Improvement

Quality Management – Compliance Data for Length of Stay and Admission Appropriateness in Intensive Care Units Needed To Be Improved

Condition Needing Improvement. To evaluate the QM program, we interviewed key employees and reviewed policies, plans, committee minutes, reports, credentialing and privileging files, performance improvement data, and other pertinent documents. We concluded that the program was comprehensive and generally provided appropriate oversight of patient care.

The medical center has a process in place for reviewing clinical appropriateness of admissions; however, compliance data for length of stay and admission appropriateness continue to be outliers in ICU. Veterans Health Administration (VHA) policies and Joint Commission on Accreditation of Healthcare Organizations standards require critical analysis of utilization review data.

Recommendation 1. We recommended that the VISN Director ensure that the Medical Center Director implements procedures to (a) consistently analyze QM data and identify opportunities to improve the quality of patient care and (b) determine appropriateness of patient admission and length of stay.

The VISN and Medical Center Director agreed with the findings and recommendations to consistently analyze QM data that determines appropriateness of patient admissions to and lengths of stay in intensive care units.

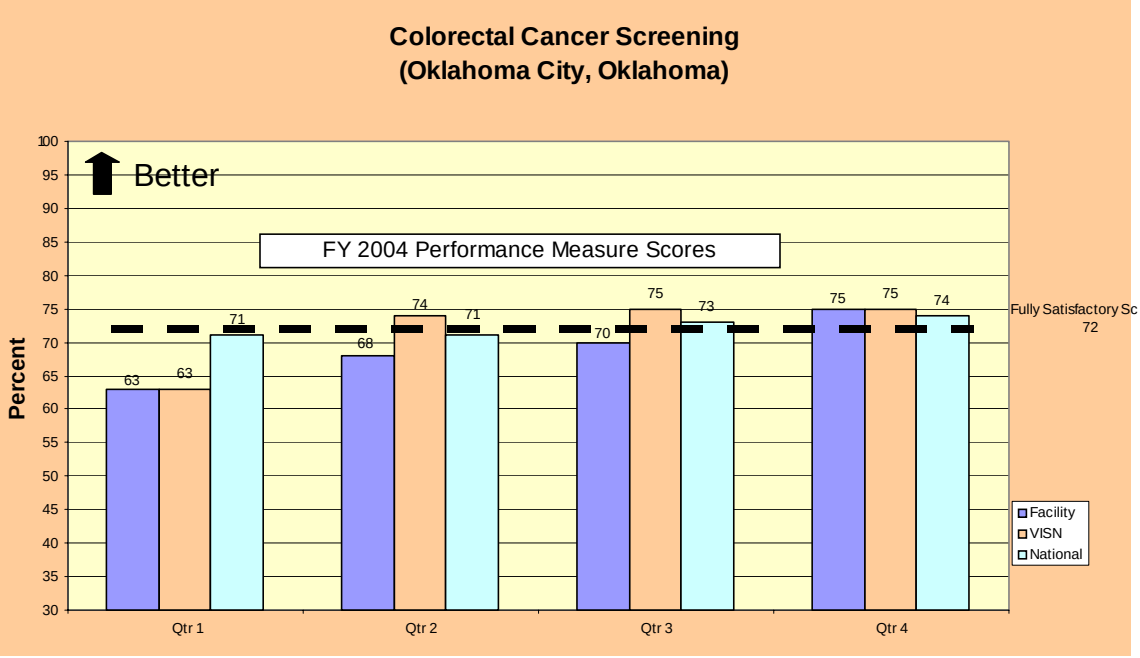
Colorectal Cancer Management – Diagnostic Screening, Timeliness of Diagnostic Procedures, and Documentation of Patient Notification Needed To Be Improved

Condition Needing Improvement. Clinicians needed to improve the timeliness of colorectal cancer diagnosis by increasing the percent of patients routinely screened and reducing the time from presentation of symptoms or positive screening results to completion of diagnostic procedures. After diagnosis, clinicians needed to inform patients of results in a timely manner.

Criteria. The VHA colorectal cancer screening performance measure assesses the percent of patients screened according to prescribed timeframes. Timely diagnosis, notification, interdisciplinary treatment planning, and treatment are essential to early detection, appropriate management, and optimal patient outcomes. We assessed these items in a

review of 10 patients who were diagnosed with colorectal cancer during FY 2004. To determine reasonableness, we used the medical center's internal policy, implemented in January 2005, that requires completion of diagnostic consults within 30 days (taking into consideration factors outside the medical center's control).

Findings.



The medical center did not meet the VHA performance measure for colorectal cancer screening in 3 of 4 quarters for FY 2004. Clinicians had not screened 3 of the 10 patients we reviewed. Six of the 10 patients could have been diagnosed earlier if colonoscopies had been performed following primary care provider referral of patients with positive screens for colorectal cancer. It was difficult to follow the consult process to determine where the breakdown in scheduling occurred. Fee-basis procedures were performed in a timely manner once the referrals were initiated.

Once patients were diagnosed with cancer, physicians referred them to gastrointestinal (GI) medicine, surgery, and hematology/oncology for timely treatment. However, physicians did not document that patients had been informed of their diagnoses in 6 of 10 cases. A GI medicine log included some documentation that patients were notified of their diagnoses, but this was not documented in the patients' permanent medical records. Clinicians provided timely surgery, radiation, or chemotherapy as indicated, and there were clearly defined interdisciplinary treatment plans.

Cause. Clinicians documented preventive care progress notes in the computer template, but the field for cancer screening was not consistently completed. GI notified some

patients of their diagnoses but did not document in the medical record. Educational initiatives have been implemented to correct documentation problems, and FY 2005 medical center performance measures have increased to the fully successful level.

Diagnostic GI procedures were not performed as quickly as intended because of increased workload and limited resources. In FY 2004, the medical center reported that it had reached maximum capacity for the existing space, equipment, and personnel and, despite fee-basis referrals to the private sector, continued to have a backlog of procedures. Medical center and VISN managers have supported fee-basis funding to decrease waiting times. The current goal is to complete diagnostic procedures within 30 days of consult. If this cannot be done at the medical center, patients are referred to the private sector for fee-basis care.

Medical center managers agreed with our findings from the reviews but stressed the improvements they had made to improve efficiency in FY 2005.

Recommendation 2. We recommended that the VISN Director ensure that the Medical Center Director takes action to: (a) improve colorectal cancer screening, (b) decrease the waiting time from positive screening to diagnostic procedure, and (c) improve medical record documentation when notifying patients of their diagnoses.

The VISN and Medical Center Director agreed with the findings and recommendations to improve the timeliness of colorectal cancer diagnosis by increasing the percent of patients routinely screened, reducing the time from positive screening until completion of diagnostic procedure, and including documentation of patient notification of diagnosis in the medical record.

Supply Inventory Management – Inventory Controls Needed To Be Strengthened and Stock Levels Needed To Be Reduced

Conditions Needing Improvement. The medical center needed to maintain accurate inventory records and reduce stock levels of supplies. VHA policy establishes a 30-day supply goal and requires that medical facilities use the automated Generic Inventory Package (GIP) and the Prosthetics Inventory Package (PIP) to manage inventories. At the time of our review, the medical center's supply inventory included 3,608 line items valued at $1,043,848.

Inaccurate Inventory Records. The medical center was not maintaining accurate inventory records. To assess the accuracy of GIP and PIP data, we inventoried 15 medical, 10 engineering, and 11 prosthetics line items with a combined recorded value of $77,951. The stock levels recorded in GIP and PIP were inaccurate for 4 (11 percent) of the 36 line items, with 1 shortage valued at $93 and 3 overages valued at $1,439. The inaccurate inventory records occurred primarily because medical center personnel did not

promptly record receipts and distributions of supplies. Inaccurate inventory records hinder efforts to maintain appropriate stock levels.

Excess Stock. The medical center needed to reduce stock levels of supplies. We compared the quantities on hand to usage data for the 36 line items that we inventoried to determine if stock levels exceeded the 30-day supply goal. Our review showed that the medical center needed to reduce stock levels for 6 (17 percent) of the 36 line items. The value of the excess stock was $15,561, which was 19.6 percent of the total actual value ($79,297) of the 36 items we inventoried. Based on the results of our inventory, we estimated that the value of the excess stock was $204,594 ($1,043,848 x 19.6 percent).

Recommendation 3. We recommended that the VISN Director ensure the Medical Center Director requires that: (a) differences are reconciled and inventory records are corrected as appropriate, (b) receipts and distributions are recorded promptly, and (c) stock levels are reduced to meet the 30-day supply goal.

The VISN and Medical Center Directors agreed with the finding and recommendations and reported that personnel are conducting inventories on a weekly basis. Discrepancies discovered during the inventories are corrected immediately, and medical center personnel are also verifying that all receipts and distributions are being recorded promptly. In addition, stock levels are reviewed during the weekly inventories and adjustments are made to meet the 30-day supply requirement. The medical center is developing standard operating procedures to standardize these practices. The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

Service Contracts – Contract Administration Needed To Be Strengthened

Conditions Needing Improvement. To evaluate contracting activities, we reviewed 13 noncompetitive and 4 competitive service contracts valued at about $10.9 million. Our review showed that contracting officers (COs) had appropriate warrant authorities and contract files were generally well organized. However, we identified five issues requiring management attention.

Preaward Audit Not Requested. VHA policy requires that all noncompetitive contracts with affiliated medical schools valued at $500,000 or more be sent to the OIG for preaward audits. The primary purpose of a preaward audit is to determine whether the prices are fair and reasonable in accordance with VA regulations and policy. Our review included one contract with a total value of $550,000 that required a preaward audit.

However, the required audit was not requested. We estimated that a preaward audit would have resulted in cost savings of $71,610.[1]

Legal and Technical Reviews Not Requested. The VA Acquisition Regulation requires facilities to request legal and technical reviews for contract modifications costing $100,000 or more or for modifications that extend a contract by more than 60 days. We found that the medical center did not request required legal and technical reviews when it issued contract modifications to extend a contract for transcription services initially valued at about $322,000. Although the medical center used contract modifications to extend this contract by more than 60 days on eight different occasions, it did not request any of the required legal and technical reviews. Six of the individual modifications also increased the value of the contract by more than $100,000.

Pricing Controls Not Effective. The medical center did not have effective controls in place to ensure that it paid agreed-upon rates. We found four contracts where the medical center may have been paying incorrect rates. For example, the medical center paid $550 for continuous renal replacement therapy, which matched the rate on the contracting officer's technical representative's (COTR's) copy of the contract. However, the CO's copy of the contract contained a rate of $500, which matched the rate in the price negotiation memorandum (PNM). We also found three community nursing home contracts where the medical center was paying a rate of $118.68 per day instead of the negotiated rate of $124.46, which was documented in the PNMs. The COs could not explain why the discrepancies existed.

Contract Documentation Not Complete. The Federal Acquisition Regulation (FAR) requires that COs ensure contract files contain all relevant contract documentation. However, 8 of the 17 files we reviewed did not contain all of the required documents. For example:

- The files for six noncompetitive and two competitive contracts did not include evidence of reviews of the Excluded Parties List (a list of debarred or suspended contractors who are excluded from receiving Government contracts).
- The files for four sole source contracts did not contain adequate justifications for awarding sole source contracts. Two files did not contain justifications, and two files contained justifications that did not address all of the elements required by the FAR.
- The files for eight contracts did not include proper COTR designation letters. Two contract files did not include current COTR designation letters, while two other contract files contained letters that designated position titles as COTRs rather than

[1] The OIG has determined that preaward audits have resulted in potential average savings of 21 percent of the total value of proposed contract prices. The OIG has also determined that 62 percent of the potential cost savings has been sustained during contract negotiations. Applying these percentages to the total estimated value of the contract ($550,000 x 21 percent x 62 percent) resulted in estimated cost savings of $71,610.

naming specific individuals as required by VHA policy. Four other contract files contained designation letters that were not signed by the COTRs.

- The file for one contract did not include a copy of a contract modification that the medical center used to exercise a second option year of the contract.
- The file for one contract did not include a PNM.

Training Not Received. VHA policy requires that COs ensure that COTRs receive initial acquisition training. We reviewed the training records for 10 COTRs and found that 4 had not received the required initial acquisition training.

Recommendation 4. We recommended that the VISN Director ensure the Medical Center Director requires that: (a) preaward audits and legal and technical reviews are requested when required, (b) controls are established to ensure that only agreed-upon rates are paid, (c) contract files include all required documentation, and (d) each COTR receives required training.

The VISN and Medical Center Directors agreed with the findings and recommendations and reported that the Chief of Purchasing and Contracting is responsible for reviewing new and modified contracts to ensure that all required reviews are accomplished. Contracting personnel are being trained on the rules and expectations regarding contract reviews. COTRs will receive mandatory training on billing and invoice review procedures biannually. Monthly meetings between COs and COTRs will be held to ensure that contract terms are being met. COs will use a contract checklist to ensure that contract files include all required documentation. The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

Medical Care Collections Fund – Fee-Basis Billing Procedures and Clinical Documentation Needed Improvement

Conditions Needing Improvement. The medical center could increase MCCF collections by strengthening billing procedures for fee-basis care and improving documentation of medical care and resident supervision. Under the MCCF program, VA is authorized to bill health insurance carriers for certain costs related to the treatment of insured veterans. During FY 2004, the medical center collected $13.6 million, which was 91 percent of its collection goal of $14.9 million. The medical center collected $12.2 million during the first 9 months of FY 2005, which was 77 percent of its FY 2005 collection goal of $15.9 million.

Fee-Basis Billings. From October through December 2004, the medical center paid 2,819 fee-basis claims totaling $333,206 to non-VA clinicians for the care of veterans with health insurance. To determine if the medical center had billed the insurance carriers for this care, we reviewed a random sample of 19 fee-basis claims totaling $21,116. The medical center properly issued a bill for 1 claim, while 11 of the claims

were not billable to the insurance carriers because the fee-basis care was for service-connected conditions, the veterans did not have insurance coverage on the dates of care, or the care provided was not billable under the terms of the insurance plans. The remaining seven fee-basis claims totaling $9,933 should have been billed.

- In six cases, MCCF personnel had not received the documentation that was needed to bill the insurance carriers from the Fee-Basis Unit.
- In one case, MCCF personnel could not bill the insurance carrier because the physician's order for physical therapy was not documented in the medical records.

Medical Record Documentation. Medical care providers needed to improve the documentation of care. VHA policy requires medical care providers to enter documentation into medical records at the time of each encounter so that MCCF personnel can bill insurers for the care provided. The policy also requires that medical records clearly demonstrate attending physicians' supervision of residents in each type of resident-patient encounter. The "Reasons Not Billable Report" for the 3-month period ending December 31, 2004, listed 972 potentially billable cases totaling $125,612 that were not billed for 1 of 3 reasons—insufficient documentation, no documentation, or non-billable provider (care provided by a resident physician). We reviewed a random sample of 50 potentially billable cases and found 41 (82 percent) missed billing opportunities totaling $4,687 (an average of $114.32 per missed billing opportunity) that MCCF personnel could have billed if medical documentation had been complete.

- In 27 cases, MCCF personnel did not issue bills for the care provided by residents because the attending physicians' supervision of the residents was not adequately documented in the medical records.
- In nine cases, MCCF personnel did not issue bills because the credentials for three medical care providers had not been updated in the Veterans Health Information Systems and Technology Architecture (VistA) system. These providers were entered into VistA as fellows or residents when they were actually board certified physicians.
- In the five remaining cases, MCCF personnel simply overlooked the billing opportunities.

Based on our sample results, we estimated that 797 (972 potentially billable cases x 82 percent) additional bills totaling $91,113 (797 estimated billable cases x $114.32) could have been issued if the medical documentation had been complete and MCCF personnel had identified all of the billing opportunities.

Potential Collections. Improved billing procedures for fee-basis care and better clinical documentation would enhance revenue collections. We estimated that additional billings totaling $101,046 ($9,933 + $91,113) could have been issued. Based on the medical center's FY 2004 collection rate of 36 percent, MCCF personnel could have increased collections by $36,377 ($101,046 x 36 percent).

Recommendation 5. We recommended that the VISN Director ensure the Medical Center Director requires that: (a) the Fee-Basis Unit promptly forward the documentation needed for billing insurance carriers to MCCF personnel, (b) medical care providers adequately document resident supervision and the care provided in veterans' medical records, (c) credentials for medical care providers are promptly updated in the VistA system, and (d) all billable VA care is identified and billed.

The VISN and Medical Center Directors agreed with the finding and recommendations and reported that procedures have been established to ensure that the Fee-Basis unit promptly forwards documentation required for billing insurance carriers to MCCF personnel. The medical center has established a process for monitoring resident supervision and reporting missed billing opportunities on a monthly basis. An individual has been assigned the responsibility of updating the credentials of medical care providers in the VistA system. Procedures have been established to ensure that all billable VA care is identified and billed. The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

Time and Attendance for Part-Time Physicians – Timekeeping Controls Needed To Be Strengthened

Condition Needing Improvement. The medical center needed to strengthen controls over timekeeping for part-time physicians. All of the medical center's 95 part-time physicians had signed agreements describing VA's expectations and the physicians' responsibilities and had designated at least 25 percent of their total biweekly work hours as core hours. In addition, we verified that all 13 of the physicians we selected for an unannounced roll call on June 20–21, 2005, were performing VA duties during scheduled core hours or had submitted appropriate leave requests. However, we identified two issues that required management attention.

Time and Attendance Records Not Properly Prepared. VHA policy states that part-time physicians will record their hours of duty and leave each week on subsidiary time sheets and sign the time sheets. We reviewed all of the subsidiary time sheets for 16 part-time physicians for the period February 20 through May 28, 2005, and determined that 3 (19 percent) of the 16 part-time physicians were not using subsidiary time sheets at all. In addition, nine part-time physicians were writing "as scheduled" on the subsidiary time sheets instead of recording the hours they worked.

Timekeeper Training Not Completed. VA policy requires that all timekeepers receive annual refresher training. Our review of timekeepers' training records showed that 8 of the 13 timekeepers responsible for recording the medical center's part-time physicians' time and attendance did not receive refresher training in FY 2004. In addition, as of June 23, 2005, the same eight timekeepers had not received refresher training in FY 2005.

Recommendation 6. We recommended that the VISN Director ensure the Medical Center Director requires that (a) part-time physicians record their hours worked on subsidiary time sheets and (b) all timekeepers receive required annual refresher training.

The VISN and Medical Center Directors agreed with the finding and recommendations and reported that training covering the requirement that physicians fill out their subsidiary timesheets was given to all timekeepers immediately following the OIG CAP visit. Physicians are trained on this requirement during new employee orientation. Random monthly reviews will be conducted to ensure that subsidiary timesheets are properly completed. When timesheets are not filled out properly, the information will be forwarded to the medical center leadership. Procedures have been established to ensure all timekeepers receive annual refresher training. The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

Appendix A

VISN 16 Director's Comments

Department of Veterans Affairs **Memorandum**

Date: December 2, 2005

From: Director, VISN 16

Subject: **Combined Assessment Program Review of the Oklahoma City VA Medical Center**

To: Assistant Inspector General for Healthcare Inspections (54HQ)

Management Review Service (1085)

1. The South Central VA Health Care Network (VISN 16) has reviewed the response from the Oklahoma City VA Medical Center regarding the subject Draft Report – CAP Review and concurs with the response and the Draft Report.

2. Electronic Word Document copies of the responses from the Medical Center Director (00/635) and the Network Director (1 ON16) are being forwarded for your review.

3. If you have any questions, please contact Donna Delise, Chief, Office of Performance and Oklahoma City VAMC, at 405-270-5179.

(original signed by)
Robert Lynch, M.D.

VISN 16 Director's Comments to Office of Inspector General's Report

The following VISN Director's comments are submitted in response to the recommendations in the Office of Inspector General's report:

OIG Recommendations

Recommendation 1. We recommend that the VISN Director ensure that the medical center Director implements procedures to (a) consistently analyze QM data and identify opportunities to improve the quality of patient care and (b) to determine appropriateness of patient admission and length of stay.

Concur **Target Completion Date:** May 30, 2006

The network Director concurs with the OIG CAP recommendations. The Network Director will continually monitor progress on the completion of outstanding OIG Recommendations as part of the network quarterly performance report.

Recommendation 2. We recommend that the VISN Director ensure that the Medical Center Director takes action to: (a) improve colorectal cancer screening, (b) decrease the waiting time from positive screening to diagnostic procedure, and (c) improve medical record documentation when notifying patients of their diagnoses.

Concur **Target Completion Date:** March 30, 2006

The network Director concurs with the OIG CAP recommendations. The Network Director will continually monitor progress on the completion of outstanding OIG Recommendations as part of the network quarterly performance report.

Recommendation 3. We recommend that the VISN Director ensure the Medical Center Director requires that: (a) differences are reconciled and inventory records are corrected as appropriate, (b) receipts and distributions are recorded promptly, and (c) stock levels are reduced to meet the 30-day supply goal.

Concur **Target Completion Date:** March 30, 2006

The network Director concurs with the OIG CAP recommendations. The Network Director will continually monitor progress on the completion of outstanding OIG Recommendations as part of the network quarterly performance report.

Recommendation 4. We recommend the VISN Director ensure the Medical Center Director requires that: (a) preaward audits and legal and technical reviews are requested when required, (b) controls are established to ensure that only agreed-upon rates are paid, (c) contract files include all required documentation, and (d) each COTR receives required training.

Concur **Target Completion Date:** March 30, 2006

The network Director concurs with the OIG CAP recommendations. The Network Director will continually monitor progress on the completion of outstanding OIG Recommendations as part of the network quarterly performance report.

Recommendation 5. We recommend that the VISN Director ensure the Medical Center Director requires that: (a) the Fee-Basis Unit promptly forward the documentation needed for billing insurance carriers to MCCF personnel, (b) medical care providers adequately document resident supervision and the care provided in veterans' medical records, (c) credentials for medical care providers are promptly updated in the VistA system, and (d) all billable VA care is identified and billed.

Concur **Target Completion Date:** March 30, 2006

The network Director concurs with the OIG CAP recommendations. The Network Director will continually monitor progress on the completion of outstanding OIG Recommendations as part of the network quarterly performance report.

Recommendation 6. We recommend the VISN Director ensure the Medical Center Director requires that (a) part-time physicians record their hours worked on subsidiary time sheets and (b) all timekeepers receive required annual refresher training.

Concur **Target Completion Date:** December 30, 2006

The network Director concurs with the OIG CAP recommendations. The Network Director will continually monitor progress on the completion of outstanding OIG Recommendations as part of the network quarterly performance report.

Appendix B

Medical Center Director's Comments

Department of Veterans Affairs **Memorandum**

Date: November 21, 2005

From: Director, Oklahoma City VA Medical Center

Subject: **Combined Assessment Program Review of the Oklahoma City VA Medical Center, Oklahoma City, OK**

To: Director, Dallas Audit Operations Division, Office of the Inspector General (52DA)

1. We appreciate the opportunity to work with the Office of Inspector General as we continuously strive to improve the quality of healthcare for America's Veterans.

2. I concur with the findings and recommendations of the OIG CAP Survey Team. The importance of this review is acknowledged as we continually strive to provide the best possible care. The specific actions taken for the recommendations are on the following pages.

3. If you have any questions, please contact Donna Delise, Chief, Office of Performance and Quality at (405) 270-5194.

(original signed by:)
STEVEN GENTLING

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

The following Medical Center Director's comments are submitted in response to the recommendations in the Office of Inspector General's report:

OIG Recommendations

Recommendation 1. We recommend that the VISN Director ensure that the medical center Director implements procedures to (a) consistently analyze QM data and identify opportunities to improve the quality of patient care and (b) to determine appropriateness of patient admission and length of stay.

Concur **Target Completion Date:** May 30, 2006

1(a) In order to ensure consistent analysis of QM data (specifically Utilization Review data) and identify opportunities to improve the quality of patient care, data is collected on admission and continued stay appropriateness each day and entered into a database. Aggregated data is analyzed for effectiveness of implemented corrective actions and opportunities for improvement. In FY 05, Utilization Management data analysis identified opportunities for improvement in admission and continued stay appropriateness. Utilization Management staff provide appropriate education, daily feedback/dialog via staff meetings, phone and e-mail, as well as review individual compliance issues with the Chief of Staff when appropriate. All services benefit from these interventions. As a specific example, Psychiatry Service has shown an increase in compliance by 32% for continued stay reviews. This process is on-going and reported to the Safety and Performance Improvement Clinical Executive Committee and Medical Center Executive Board. This process will continue in order to ensure appropriate identification and improvements in the quality of patient care.

Concur **Target Completion Date:** May 30, 2006

1(b) In order to ensure appropriateness of patient admission and length of stay, the OKC VAMC has implemented the new National Utilization Management directive, (VHA Directive 2005-040, "Utilization Management Policy") which includes regular data collection with reports/analysis and mandatory reporting variables. This information is collected and aggregated in a database to facilitate ease of analysis/tracking/trending of all required Utilization Management directive requirements. This information is reported/discussed in the Safety and Performance Improvement Clinical Executive Committee and Medical Center Executive Board to ensure continued improvement. In addition, the OKC VAMC Utilization Management Coordinator was recently selected to serve on the National Utilization Management Committee, and QM received approval for and is actively recruiting an additional Utilization Management position.

Recommendation 2. We recommend that the VISN Director ensure that the Medical Center Director takes action to: (a) improve colorectal cancer screening, (b) decrease the waiting time from positive screening to diagnostic procedure, and (c) improve medical record documentation when notifying patients of their diagnoses.

Concur **Target Completion Date:** March 30, 2006

2(a) In order to improve colorectal screening, the process for screening was evaluated. The outcome was that, even though screening was offered and fecal occult blood cards were given to patients, there was a low return rate. An algorithm was developed and implemented to ensure that follow-up occurs for all patients who do not return the fecal occult blood cards as instructed. Monitoring of the process will continue.

Concur **Target Completion Date:** March 30, 2006

2(b) In order to decrease the waiting time from positive screening to diagnostic procedure, a consult is placed once the patient agrees to a colonoscopy. If the patient cannot be scheduled within 30 days in-house, a referral is made to a contract facility by MAS Fee Service. All pathology from Fee colonoscopies is performed at the Medical Center Surgical Pathology Service. To monitor the process, a representative from the Gastroenterology Department meets with MAS and representatives from the contract facilities to address patients not scheduled and determine the best course of action to complete the colonoscopy. Also, MAS monitors the consults to ensure timely scheduling/completion.

Concur **Target Completion Date:** March 30, 2006

2(c) In order to improve medical record documentation when notifying patients of their diagnoses, a provider from the Gastroenterology Department reviews all pathology reports. Patients with adenocarcinoma or other abnormal pathology are notified by a provider, and a note is placed in the electronic medical record. If the patient or family cannot be contacted by phone, a certified letter is sent as notification, and a note is placed in the electronic medical record. This completion of notification is being monitored by Medicine Service Quality Management staff.

Recommendation 3. We recommend that the VISN Director ensure the Medical Center Director requires that: (a) differences are reconciled and inventory records are corrected as appropriate, (b) receipts and distributions are recorded promptly, and (c) stock levels are reduced to meet the 30-day supply goal.

Concur **Target Completion Date:** March 30, 2006

3(a) In order to ensure differences are reconciled and inventory records are corrected as appropriate, inventories in all primaries are conducted at least weekly. Corrective action is taken immediately for noted discrepancies.

Concur **Target Completion Date:** March 30, 2006

3(b) In order to ensure receipts and distributions are recorded promptly, receipts to and from inventories are made at the time of the transaction. This is monitored during the weekly inventories of primaries.

Concur **Target Completion Date:** March 30, 2006

3(c) In order to ensure stock levels are reduced to meet the 30-day supply goal, a wall-to-wall inventory is conducted as follows: weekly in Dental, Imaging, Laboratory, EMS, and Office Supply primaries; monthly in the Engineering primary; biannually in the Med/Surg primary. Stock levels are reviewed during the inventories, and appropriate levels adjusted to meet the 30-day supply requirement. In addition, weekly reviews of long and inactive supplies will be conducted, and a determination made concerning the disposition of these supplies. An SOP will be developed to standardize practices regarding the GIP program to include the control and disposal of supplies.

Recommendation 4. We recommend the VISN Director ensure the Medical Center Director requires that: (a) preaward audits and legal and technical reviews are requested when required, (b) controls are established to ensure that only agreed-upon rates are paid, (c) contract files include all required documentation, and (d) each COTR receives required training.

Concur **Target Completion Date:** March 30, 2006

4(a) In order to ensure preaward audits and legal and technical reviews are requested when required, the Chief, Purchasing and Contracting reviews new and modified contracts to assure transactions receive the appropriate reviews. In addition, the Chief, P&C will conduct training with the Contracting Staff to assure they understand the rules and expectations regarding contract reviews.

Concur **Target Completion Date:** March 30, 2006

4(b) In order to ensure controls are established to ensure that only agreed-upon rates are paid, a process was developed to improve communication between the Contracting Officers and COTRs. Monthly meetings are held to review the terms of the contract and ensure terms are being met. In addition, mandatory training sessions for COTRs will be conducted biannually with an emphasis on billing and invoice review.

Concur **Target Completion Date:** March 30, 2006

4(c) In order to ensure contract files include all required documentation, the Contracting Officers use a contract checklist to ensure contract actions and files fully comply with the Federal Acquisition Regulations (FAR). A process for monitoring is in place with Contracting Officers reviewing each other's contract files. In addition, the checklist posted on each contract will contain the training records of the Contracting Officer administering the contract.

Concur **Target Completion Date:** March 30, 2006

4(d) In order to ensure each COTR receives required training, a process is in place to provide initial acquisition training. In addition, training records for each COTR are reviewed biannually to determine if mandatory initial training has been completed and to assess if additional training is required.

Recommendation 5. We recommend that the VISN Director ensure the Medical Center Director requires that: (a) the Fee-Basis Unit promptly forward the documentation needed for billing insurance carriers to MCCF personnel, (b) medical care providers adequately document resident supervision and the care provided in veterans' medical records, (c) credentials for medical care providers are promptly updated in the VistA system, and (d) all billable VA care is identified and billed.

Concur **Target Completion Date:** March 30, 2006

5(a) In order to ensure the Fee-Basis Unit promptly forwards documentation needed for billing insurance carriers to MCCF personnel, each clerk that pays fee bills runs the VISTA "Potential Cost Recovery Report" (located in the Fee package) on a daily basis. Patients with paid fee bills that have billable insurance are identified. The Fee Clerk then forwards the bills for those patients to MCCR. MCCR staff, on a weekly basis, generate the VISTA Potential Cost Recovery Report to determine if any potential billable cases have been missed by Fee Services. MCCR then notifies the Chief, MAS of any cases that have been missed. The Chief, MAS obtains the bills and forwards them to MCCR for processing.

Concur **Target Completion Date:** March 30, 2006

5(b) To ensure medical care providers adequately document Resident supervision, and the care provided, in Veterans' medical records, a process is in place for monthly monitoring of Resident supervision using standards established by VHA Handbook 1400.1, "Resident Supervision." Medical record reviews are conducted to evaluate identification of attending physician on admission, attending admission notes entered into the medical records within 24 hours of admission, pre-procedure attending notes and consents, attending involvement at the time of clinically significant changes in patient's status, attending involvement in consults, and appropriateness of Level E (Emergency) surgery by peer review. Data are regularly reviewed with medical staff and the Deans Committee and are reported to the VISN quarterly and to the Office of Academic Affiliations annually. In addition, EPRP reviews include elements of resident supervision during each visit. MCCF notifies the ACOS/Education of all potential instances of lost billing opportunities due to insufficient documentation of resident supervision for follow-up.

Concur **Target Completion Date:** March 30, 2006

5(c) To ensure credentials for medical care providers are promptly updated in the VISTA system, the responsibility of updating the credentials of any provider going from Resident status to a staff Physician has been assigned to one individual for completion. This update will occur following each meeting of the Professional Standards Board. Immediately following the CAP survey, updates were completed in VISTA to reflect current credentials.

Concur **Target Completion Date:** March 30, 2006

5(d) To ensure all billable VA care is identified and billed, a sample from the various portions of the Reasons Not Billable (RNB) report is reviewed by the Patient Accounts supervisor and Utilization Review Nurse each month. Also, a coding review of visits identified as not being billed due to inadequately documented Resident supervision has begun, and the ACOS/Education notified. Additionally, a review of RNB focusing on insufficient and no documentation will continue. Through these reviews, identified missed billing opportunities will be billed to the insurance carrier.

Recommendation 6. We recommend the VISN Director ensure the Medical Center Director requires that (a) part-time physicians record their hours worked on subsidiary time sheets and (b) all timekeepers receive required annual refresher training.

Concur **Target Completion Date:**
Completed, September, 2005

6(a) In order to ensure part-time physicians record their hours worked on subsidiary time sheets, all time keepers were provided training immediately following the OIG CAP visit. The training was provided by the Part Time Physician Audit Coordinator, and covered the policy requirements for filling out the subsidiary timesheet. The timekeepers were educated on the process to follow if the sheet was not filled out correctly by the provider. They were also reminded that no time sheet should be submitted if it was not filled out correctly by the provider. In addition, during new employee orientation, providers receive copies of national and local policies. An overview is also provided for each form to be completed as well as how to correctly complete the subsidiary

timesheet each week once they arrive at their service. The correct completion of subsidiary timesheets is monitored through a random review completed during monthly Part-Time Provider Roll-Calls. When timesheets are found to be noncompliant, this information is provided to Leadership for follow-up. A report is also generated to the Service for action to be completed within 15 days. During August and September, 2005, reviews completed during monthly Part-Time Provider Roll-Calls demonstrated 100% compliance with completion of subsidiary timesheets.

Concur **Target Completion Date:** December 30, 2005

6(b) In order to ensure that all time keepers receive required annual refresher training, a process has been established for Fiscal service to notify all timekeepers, the alternate time keeper, and their supervisors of the mandatory timekeeper training at the beginning of each fiscal year. All timekeepers and alternates are required to take the web based training and send their certificates to Fiscal for input into Tempo. The new web based training takes the place of the local Annual Training requirement. Fiscal will monitor completion at the end of the FY 1st quarter to determine compliance, and a list of individuals who have not complied is sent to the Service Chief with a reminder to complete training. Timekeepers that enter on duty after the 1st quarter deadline will have until the end of the 1st month (or within 30 days) of the new assignment to complete the training. If individuals do not complete the training as required, a message will go out from the Medical Center Director to the Service Chief requiring action. The service will also develop an action plan to ensure compliance with completing training within required timeframes the following year.

Appendix C

Monetary Benefits in Accordance with IG Act Amendments

Recommendation	Explanation of Benefit(s)	Better Use of Funds
3	Reducing stock levels would make funds available for other uses.	$204,594
4	Preaward audits would result in reduced contract prices.	71,610
5	Ensuring all billable VA and fee-basis care is billed would increase MCCF collections.	36,377
	Total	$312,581

OIG Contact and Staff Acknowledgments

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