



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

**Combined Assessment Program
Review of the
North Chicago VA Medical Center
North Chicago, Illinois**

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 October 3–7, 2005, the Office of Inspector General (OIG) conducted a Combined Assessment Program (CAP) review of the North Chicago VA Medical Center (referred to as the medical center). The purpose of the review was to evaluate selected medical center 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 65 medical center employees. The medical center is a part of Veterans Integrated Service Network (VISN) 12.

Results of Review

This CAP review focused on 13 areas. The medical center complied with selected standards in six activities.

- Agent Cashier
- All Employee Survey
- Government Purchase Cards
- Part-Time Physician Timekeeping
- Quality Management
- Unliquidated Obligations

Based on our review, the following organizational strengths were identified:

- Customer Service
- Discharge Summary Process

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

- Improve reconciliation and review of accounts receivable.
- Correct identified environmental deficiencies.
- Clarify procedures for management of violent patients.
- Enforce compliance with sharing agreement terms.
- Improve accuracy of inventory data and reduce stock levels.
- Improve timeliness of payments to providers of medical services.
- Improve information technology (IT) security controls.

This report was prepared under the direction of Ms. Verena Briley-Hudson, Director, and Ms. Wachita Haywood, Associate Director, Chicago Office of Healthcare Inspections.

VISN Director Comments

The VISN Director agreed with the CAP review findings and provided acceptable improvement plans. (See Appendix A, beginning on page 15 for the full text of the Director's 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. Located in North Chicago, IL, the medical center provides a broad range of inpatient and outpatient health care services. Outpatient care is also provided at three community-based clinics (CBOCs) located in McHenry and Evanston, IL, and Kenosha, WI. The medical center is part of VISN 12 and serves a veteran population of about 25,000 unique veterans in a primary service area that includes Lake, McHenry, and Cook Counties in Illinois, and Kenosha County in Wisconsin.



Programs. The medical center provides medical, ambulatory surgery, mental health, and long-term care services. The medical center has 592 hospital beds and 204 nursing home beds and operates several regional referral and treatment programs, including post-traumatic stress disorder. The medical center also has sharing agreements with Great Lakes Naval Training Center (NTC) and Naval Hospital Great Lakes.

Affiliations and Research. The medical center is affiliated with the Rosalind Franklin University of Medicine and Science, Chicago Medical School, and provides training in audiology/speech pathology, biomedical engineering, dental assisting, medical technology, pharmacy, nursing, physical therapy, podiatry, psychology, social work, and other areas. Over 440 residents, interns, and students were trained at the medical center in fiscal year (FY) 2004. In FY 2004, the medical center research program had 54 projects and a budget of \$127,152 million. Important areas of research include diabetes mellitus and the complications of diabetes, chronic obstructive pulmonary disease, infectious diseases, gastrointestinal diseases, diabetic foot infections and ulcers, anticoagulation management, and diseases involving critical care including sepsis, severe community-acquired pneumonia, and cardiopulmonary resuscitation.

Resources. In FY 2004, medical care expenditures totaled \$143.7 million and in FY 2005 totaled \$156.8 million. The FY 2005 medical care budget was \$152.1 million, 10 percent more than FY 2004 expenditures. FY 2005 staffing was 1,255 full-time employee equivalents (FTE), including 62.16 physician and 371 nursing FTE.

Workload. In FY 2005, the medical center treated 24,938 unique patients, a 0.3 percent increase from FY 2004. The inpatient workload totaled 4,307 discharges, and the average daily census, including nursing home patients, was 405. The outpatient workload was 214,938 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, quality management, benefits, and financial and administrative controls.
- Provide fraud and integrity awareness training to increase employee understanding of the potential for program fraud and the requirement to refer suspected criminal activity to the OIG.

Scope. We reviewed selected clinical, financial, and administrative activities to evaluate the effectiveness of 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. 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	Information Technology Security
Agent Cashier	Management of Violent Patients
All Employee Survey	Part-Time Physician Timekeeping
Enhanced Sharing Agreements	Quality Management
Environment of Care	Supply Inventory Management
Fee Basis Care Program	Unliquidated Obligations
Government Purchase Cards	

We also followed up on recommendations in our previous CAP Report of the medical center (*Combined Assessment Program Review of the North Chicago VA Medical Center*, Report No. 02-02171-89, April 30, 2003). The following areas complied with selected standards:

- Controlled Substances Accountability
- Equipment Management
- Government Purchase Card Program
- Physician Time and Attendance
- Sharing Agreements
- Unliquidated Obligations

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

As a part of the review, we interviewed 30 patients to determine their satisfaction with the timeliness of service and the quality of care. The interview results were shared with medical center management.

In this report we make recommendations for improvement. Recommendations pertain to issues that are significant enough to be monitored by the OIG until corrective actions are implemented.

Results of Review

Organizational Strengths

Customer Service is a Part of the Culture at the Medical Center. Leadership at the medical center has been successful in building a culture of employee and patient satisfaction. To accomplish customer service goals, the medical center instituted the following initiatives: (1) mandatory customer service training for approximately 1,300 staff members; (2) mandatory monthly “customer service updates;” (3) quick cards (customer responses) to obtain feedback from patients at the medical center and the CBOCs; (4) patient education calendars and notebooks; (5) quarterly patient satisfaction posters; (6) awards programs including individual, team, and “On-the-Spot Customer Assistance Recognition”; (7) bulletin boards in patients rooms for staff to relate on a personal level according to patient’s interests; (8) ready reference phone number magnets; and (9) patient advocate makes scheduled rounds with staff and patients. The medical center’s *Survey of Healthcare Experiences of Patients* data reflects a consistent increase in patient satisfaction scores during the first three quarters of FY 2005.

Discharge Summary Process Changes Resulted in Improved Medical Record Quality and Accuracy. During a Periodic Performance Review of the Joint Commission on the Accreditation of Healthcare Organizations standards on Management of Information, medical center managers identified a lack of completeness and quality in discharge summaries completed by medical residents. Health Information Management Section (HIMS) employees worked with the Performance Improvement nurse and Medicine program leader to address accuracy and completeness issues associated with resident rotations every 30 days. Medicine employees revised the dictation guide and focused on discharge summary content during initial resident orientation. HIMS employees collaborated with the transcription vendor to add content headers to discharge summaries when residents failed to dictate these required fields. The content headers became mandatory prompts to force completion of the required fields before discharge summaries could be electronically signed. A review of 16 3rd quarter FY 2005 Medicine discharge summaries revealed the following significant improvements over the initial 2nd quarter review of 15 discharge summaries:

- Listings of operations and procedures that might impact diagnosis-related group assignments for billing increased from 0 to 100 percent.
- Listings of all secondary diagnoses increased from 0 to 94 percent.
- Documentation of family histories increased from 27 to 100 percent.
- Documentation of follow-up instructions increased from 38 to 86 percent.

- Documentation of significant past histories increased from 67 to 100 percent.

Although Medicine residents were the focus of this initiative, other clinical areas also implemented these changes to the discharge summary process for their residents. Improvements in quality and accuracy of resident-dictated discharge summaries are expected to continue throughout the medical center.

Focused Inspection Outcome Review

All Employee Survey

The *Executive Career Field (ECF) Performance Plan* for FY 2005 directs that the VISN will ensure that results from the 2004 All Employee Survey (AES) are widely disseminated throughout the network by, at a minimum, conducting a town hall meeting open to all employees at each facility during the rating period. VISNs are to have analysis of the 2004 AES results completed by September 30, 2004, with formulation of action plans to address items identified for improvements. Plans must demonstrate milestones that include timelines and measures that assess achievement. The medical center met all requirements of the *ECF Performance Plan* for FY 2005. AES survey results and the action plan were disseminated to employees through scheduled town hall meetings with the Director, an all-employee electronic message, the medical center newsletter and website, and bulletin boards. Medical center managers developed an additional survey tool to address areas that were identified as "low scoring areas" on the AES. This additional survey tool was completed by employees on September 26, and managers were anticipating the survey results. The medical center's AES Coordinator is a member of the VISN 12 Customer Service Council, and this tool was shared with the Council for use at all VISN 12 facilities.

Opportunities for Improvement

Accounts Receivable – Reconciliation and Review of Accounts Receivable Needed To Be Improved

Condition Needing Improvement. Fiscal Service staff followed appropriate follow-up and collection procedures for current employee accounts receivable and used appropriate procedures for clearing employees who terminated their employment. However, Fiscal Service staff needed to improve the reconciliation and review of accounts receivable.

Fiscal Service staff were not reconciling and reviewing delinquent accounts receivable as required by VA policy. As a consequence, initial and follow-up collection letters were not being generated. According to the Assistant Fiscal Officer, reconciliations and reviews had not been completed due to a staffing shortage of two accounting technicians. Two new technicians were hired in October 2005.

Because Fiscal Service staff were not reconciling and reviewing delinquent accounts receivable, they were not aware that initial and follow-up collections letters were not being automatically generated by the medical center's Integrated Funds Distribution, Control Point Activity Accounting and Procurement (IFCAP) system. VA policy requires initial notifications be sent to debtors within 30 days of the establishment of debts and second and third letters be sent at 30-day intervals. A review of 25 accounts receivable, totaling \$127,893, that were over 90 days old identified 15, totaling \$60,308, where no collection letters had been generated because of a software malfunction in IFCAP. These 15 accounts receivable represented debts owed by vendors and former employees and were established between November 22, 2002, and February 25, 2005. Had Fiscal Service staff reviewed these accounts, they could have identified the software problem and acted to correct it.

In addition, Fiscal Service staff did not prepare collection letters for debts owed by five other former employees for Federal Employee Health Benefits paid on their behalf while they were in Leave Without Pay status. These debts totaled \$7,760 and were incurred between September 30, 2002, and March 26, 2004. Although the debts were recorded in VA's automated Financial Management System, they were not recorded in the medical center's IFCAP system because, for these kinds of debts, there was no requirement to do so. However, as a consequence, the IFCAP system could not automatically generate collection letters. Fiscal Service staff should have reviewed the accounts receivable periodically and prepared collection letters manually. In August 2005, VISN 12 officials changed VISN policy to require that such debts be recorded in IFCAP. This action should result in the automatic generation of collection letters for such debts in the future.

Recommended Improvement Action 1. We recommended that the VISN Director ensure that the Medical Center Director takes action to ensure that reconciliations and

reviews of accounts receivables are performed and that appropriate actions are completed when indicated.

The VISN Director agreed with the findings and recommendations. The Assistant Fiscal Officer (AFO) prepared an assignment board to ensure that reconciliations would be completed timely. The AFO scheduled a series of training for the fiscal staff including specific accounting task-related training for the Accounting Technicians, Accountants, Purchase Card Coordinator, and Payroll Technicians. The VISN 12 Payroll group along with accounting staff formed a task group to review the standardized procedures currently developed for outstanding Health Benefit bills and will present their proposed standards at the next Great Lakes Fiscal Service meeting. The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

Environment of Care – Identified Deficiencies Needed To Be Corrected

Condition Needing Improvement. Medical center employees maintained a clean and sanitary environment for patients. We inspected a sample of patient rooms and restrooms on four patient care units and identified five conditions that required management attention.

Light Covers in Patient Restrooms. Burned light covers were noted in two patient restrooms in Building 7CD. Since the condition presented a potential fire hazard, we requested that the lights be immediately inspected. This condition was identified during unit environmental rounds in October 2004 and was addressed; however, managers believed that as light bulbs in these fixtures burned out they were replaced with bulbs with incorrect wattage, causing the light covers to overheat and melt. We re-inspected these restrooms and noted that all light fixtures were replaced, and the problem was corrected.

Emergency Call System Cords. In three patient restrooms, emergency call system cords near the commodes were tied to adjacent handrails, and did not activate the system when pulled from under the handrails. Call system cords near the showers in two restrooms were tied at a height approximately 5 feet from the floor. Emergency call systems cords need to be functional when pulled and accessible to a person at floor level.

Floors in Common Areas. We identified areas of damaged floor surfaces in tramways (public corridors connecting buildings) and a stairwell, creating a potential tripping hazard. We recommended that these damaged surfaces be repaired.

Privacy Curtains. Privacy curtains were inspected in patient rooms, and some curtains were getting stuck in the ceiling tracks, preventing them from closing around the patient bed. We recommended that the privacy curtains be inspected in patient care areas and corrective action be initiated to ensure they are functional.

Sprinkler Heads and Air Ventilation System Covers. Sprinkler heads had a buildup of cobwebs in two rooms and a shower area that were inspected in Building 7CD. Dust accumulation on air ventilation system covers was observed in Building 134 (four areas in unit 2B) and Building 7 (one restroom in 7CD). Since dust accumulation was previously identified as a problem during environmental rounds, managers requested the Great Lakes Acquisition Center pursue a service contract to “provide the necessary equipment, labor, materials and supervision to clean ductwork systems in several buildings at the VAMC, North Chicago.” Managers needed to ensure that sprinkler heads and air ventilation system covers are routinely cleaned.

Recommended Improvement Action 2. We recommended that the VISN Director ensure that the Medical Center Director takes action to ensure: (a) routine inspections of light fixtures and light bulbs to verify that the correct wattages are used, (b) emergency call systems cords activate the system when pulled and are accessible to a person at floor level, (c) damaged floor surfaces in common areas are repaired, (d) privacy curtains are functional in patient care areas, and (e) sprinkler heads and air ventilation system covers are routinely cleaned.

The VISN Director agreed with the findings and recommendations. A survey of light fixtures was performed in all patient care areas and light bulbs were replaced in two fixtures. A policy will be implemented to ensure incandescent bulbs do not exceed wattage requirements for light fixtures. All nurse call systems are now planned for inspection on a semi-annual basis. All systems will be inspected to ensure they are functional and inpatient care areas will be re-assessed to ensure cord lengths align with original risk assessments. Damaged floor tiles will be removed and replaced with floor tile or other suitable material, and non-functional privacy curtains will be repaired as they are identified, or a work order will be placed and tracked until repairs are completed. A duct cleaning contract is in place to clean diffusers and duct work in clinical and patient care areas. The air ventilation system and sprinkler heads will be added as an area of focus with housekeeping staff to ensure they are cleaned on a routine basis. The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

Follow-Up of Management of Violent Patients – Procedures Needed Clarification

Condition Needing Improvement. Medical center managers had fully implemented three of the four recommendations in our previous CAP Review Report to improve the management of violent patients at the medical center. The three recommendations included: providing annual prevention and management of disturbed behavior training to all employees, establishing processes for the Psychiatric Crisis Team to conduct debriefing sessions following their responses to violent patient emergencies, and establishing computer alerts for violent patient behavior. The fourth recommendation to

establish an interdisciplinary committee to review violent patient incidents and recommend management actions was not fully implemented. Although management had established an interdisciplinary Management of Disturbed Behavior (MDB) committee, procedures to review patient-perpetrated incidents of violence were not clearly defined by policies, and committee minutes did not reveal a consistent process to review incidents. Criteria to evaluate the severity of violent incidents that would require initiation of management actions, including computer alerts in patients' medical records, were lacking. At the time of this review, members of the MDB committee were revising a medical center policy that would clarify review procedures and ensure standardized criteria are used to evaluate all violent patient incidents.

Recommended Improvement Action 3. We recommended that the VISN Director ensure that the Medical Center Director requires that the MDB committee establishes standardized criteria to review, evaluate, and take necessary management actions following all incidents of patient violence.

The VISN Director agreed with the findings and recommendations. Criteria from the Portland VAMC was reviewed and adopted by the Disruptive Behavior Committee. The criteria will be included in a new medical center memorandum and used to evaluate all violent patient incidents. The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

Enhanced Sharing Agreements – Compliance with Sharing Agreement Terms Needed To Be Enforced

Condition Needing Improvement. As part of our follow-up on prior CAP Review Report recommendations, we reviewed enhanced sharing agreements. Previously, we noted that the medical center was overpaying for fire protection services provided by the NTC. We re-examined that sharing agreement during this review. Although the medical center had taken appropriate action to correct the condition, there were four new issues related to NTC failure to comply with other terms of the contract. The agreement requires that the NTC:

- Respond to fire alarms with at least two pieces of fire equipment (fire engines). On October 11, 2005, we observed that the NTC responded to a fire alarm in Building 37 with only one engine.
- Conduct annual inspections of all medical center fire hydrants. According to the medical center Safety Officer, the NTC had not performed these inspections since at least 2003.
- Update the medical center's fire plan annually. According to the Safety Officer, the NTC had not updated the fire plan since 2003.

- Conduct training and provide consultations on fire safety annually. Also according to the Safety Officer, the NTC had not done either since 2003.

The fire protection sharing agreement with the NTC expired on September 30, 2005, but had been temporarily extended until a replacement agreement could be negotiated. At the time of our review, negotiations for a replacement fire protection agreement were underway. We believe that, to best serve medical center interests, any resulting agreement should include mechanisms to monitor and enforce the terms of the agreement.

Recommended Improvement Action 4. We recommended that the VISN Director ensures that the Medical Center Director establishes mechanisms to monitor the performance of and ensure compliance with the terms of the fire protection contract with the NTC.

The VISN Director agreed with the findings and recommendations. The Safety Officer is currently reviewing past terms and is in process of writing a new contract which identifies current needs. The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

Supply Inventory Management – Accuracy of Inventory Data Needed To Be Improved and Stock Levels Reduced

Condition Needing Improvement. VHA policy mandates the use of the Generic Inventory Package (GIP) and the Prosthetics Inventory Package (PIP) to manage supply inventories. These automated inventory control systems assist staff in monitoring inventory levels, analyzing usage patterns, and facilitating orders. Policy also requires maintenance of 30-day stock levels for supply items to control inventory costs. Medical center inventory management staff needed to ensure the accuracy of GIP inventory data and needed to reduce excess medical and engineering supply inventories.

Accuracy of GIP. Inventory levels reported in GIP were not accurate. Among 25 sampled medical supply items valued at \$27,757, inventory management staff under reported stock levels for 1 item and over reported stock levels for 7 others, which resulted in a net overstatement of \$4,332 in GIP inventory levels. The Chief of Supply, Processing, and Distribution stated that the errors were likely due to incorrect entries into GIP when items were placed into inventory and to time lags of 2 to 4 weeks for some inventory points, between the time an item was taken from inventory and the time GIP was updated.

Engineering supply inventory levels reported in GIP were also inaccurate. Among 11 sampled engineering supply items valued at \$18,303, inventory management staff under reported stock levels for 1 item and over reported stock levels for 7 others resulting in a net overstatement of \$13,322 in GIP inventory levels. The engineering supply supervisor

stated that the errors were likely due to three factors: incorrect entries into GIP when items were placed into inventory, supply staff not always reporting when they took stock from inventory, and a physical reorganization of engineering supplies that was underway at the time of our review.

Medical and Engineering Supply Inventory Levels. Based on recorded GIP data, sampled medical and engineering supply items exceeded a 30-day supply. Eleven of the 25 sampled medical supply items exceeded a 30-day supply by from 58 to 4,800 days. The excessive stock was worth \$11,877. Six of the 11 sampled engineering supply items exceeded a 30-day supply by from 730 days to 49 years. The excessive engineering supply stock was worth \$2,825. Excess inventory resulted from staff not adequately monitoring supply inventory levels and adjusting reorder points when usage demand changed. Excessive supply inventory levels expend medical center funds that could be better used elsewhere.

Recommended Improvement Action 5. We recommended that the VISN Director ensure that the Medical Center Director requires that inventory management staff (a) accurately enter data into GIP and (b) reduce medical and engineering inventories to 30-day stock levels.

The VISN Director agreed with the findings and recommendations. GIP inventories are monitored on a monthly basis for accurate data entry and out of line indicators. Program officials responsible for GIP inventories will be required to document instances of non-compliance and develop action plans designed to effect corrective action. The Medical Center Director will ensure action is initiated to include proactive replenishment order monitoring, possible returns to vendors, excess processes, and small lot and scrap sales to reduce stock levels. The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

Fee Basis Care Program – Timeliness of Payments to Providers of Medical Services Needed To Be Improved

Condition Needing Improvement. Fee basis payments to private providers of medical services were not always timely. Under the Fee Basis Care Program, a medical center may authorize eligible veterans to obtain healthcare services from non-VA providers at VA expense. Federal law requires that payments to providers be made within 30 days of receiving an invoice and documentation that the services were provided. If payment is not made within 30 days, the law also requires automatic inclusion of an interest penalty in the payment. Records of eight sampled fee basis cases showed that the veterans to whom the fee basis services were provided were eligible for those services and that the services were needed. However, two of the eight payments were not timely.

In mid-May 2005, Fee Basis staff received invoices and medical documentation from a provider for dialysis services provided to two veterans. Fee Basis staff promptly

determined that VA owed the provider \$4,002. However, due to an oversight, they did not send payment approval to Fiscal Service staff until the end of September 2005. As of October 12, 2005, the invoices were still unpaid. The Assistant Fiscal Officer (AFO) stated that the payments were delayed, in part, because another invoice among a batch of invoices was not electronically authorized, thus delaying payment of the entire batch. Neither Fiscal Service nor Fee Basis staffs requested reports (Open Batch Report or Fee Basis Search Report) from the medical center's Veterans Health Information Systems and Technology Architecture automated information system that could have informed them of the still-pending payments because they were not aware of their availability. Subsequent to our review, on October 25, 2005, Fee Basis and Fiscal Service staffs processed the two payments.

Recommended Improvement Action 6. We recommended that the VISN Director ensure that the Medical Center Director requires that Fee Basis and Fiscal Service staff review reports of unpaid invoices weekly to ensure prompt payment of fee basis invoices.

The VISN Director agreed with the findings and recommendations. Fee Basis and Finance Service staff will review reports of unpaid invoices weekly to ensure prompt payment of fee basis invoices. An action plan has been initiated to send the Open Batch Report to the Fee Section for their review and for North Chicago Finance Section to print, review action, and maintain a permanent file of this report. The North Chicago AFO will monitor the finance side to ensure that this becomes standard operating procedure and the Chief of Patient Administration will monitor the Fee Basis Section. The North Chicago AFO will schedule training in February 2006 for Fee Basis and Finance personnel on Fee Basis fund control point management. Follow-up of the procedures implemented will be accomplished after the first month of training to monitor the progress. An additional follow-up will be conducted during the 3rd quarter. The improvement plans are acceptable, and we will follow-up on the planned actions until they are completed.

Information Technology Security – Security Controls Needed To Be Improved

Condition Needing Improvement. VA policy requires that VA facilities monitor and protect IT data and equipment. IT security controls were adequate in the areas of risk assessment, backup and recovery of essential data, and computer room security. The medical center had a security plan, and the Information Security Officer (ISO) wrote and implemented security policies. However, signs identifying sensitive IT hardware locations needed to be removed.

Some medical center closets containing sensitive IT hardware were identified as such by hallway signage. VHA policy prohibits identification of IT and IT-related locations because identifying them increases their vulnerability to destruction or misuse. Among a judgment sample of 12 closets, 8 were identified by signage as either electrical, telephone, or communication closets. Medical center staff began removing the signs

during our review, and medical center management stated that there was a planned signage replacement project that would include the removal of signs from these and other sensitive locations.

Recommended Improvement Action 7. We recommended that the VISN Director ensure that the Medical Center Director takes action to remove signs identifying electrical, telephone, or communication closets.

The VISN Director agreed with the findings and recommendations. Signs identifying electrical, telephone, or communication closets will be removed and replaced with signs that read "Authorized Personnel Only." The improvement plans are acceptable, and we will follow up on the planned actions until they are completed.

VISN Director Comments

**Department of
Veterans Affairs**

Memorandum

Date: January 20, 2006

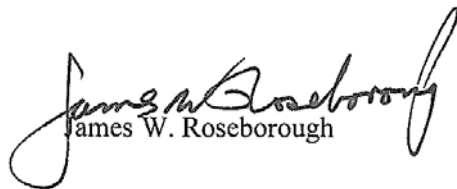
From: VISN 12 Director (10N12)

Subject: **North Chicago VA Medical Center, North Chicago, Illinois**

To: Director, Chicago Regional Office of Healthcare Inspections

Thru: Director, Management Review Service (10B5)

Attached please find the Combined Assessment Program Review response from North Chicago VAMC. If anything additional is needed, please contact my office at (708) 202-8400. Thank you.


James W. Roseborough

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

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

OIG Recommendations

Recommended Improvement Action 1. We recommend that the VISN Director ensure that the Medical Center Director takes action to ensure that reconciliations and reviews of accounts receivables are performed and that appropriate actions are completed when indicated.

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

ACTION PLAN: Concur that reconciliations and follow up on Accounts receivable are a concern and a priority in Fiscal. As an action item to correct those deficiencies, the Assistant Fiscal Officer (AFO) prepared an assignment board to ensure that reconciliations would be completed timely. In addition, the AFO scheduled a series of training for the North Chicago Fiscal staff. Northern Tier (NT) staff of VISN 12 conducted specific accounting (WIP, AR, Reconciliation) task related training via several venues (site visits, hands on, VISN conference calls and individual one-on-one) to the Accounting Technicians, Accountants, Purchase Card Coordinator and Payroll technicians (Suspense accounts).

The Finance Staff received additional one-on-one training on accounts receivable tracking and reconciliations from Northern Tier staff throughout the Summer and first quarter FY 06.

To further address accounts receivable and reconciliation concerns, the VISN 12 Payroll group along with Accounting staff, formed a task group to review the standardized procedures currently developed for outstanding Health Benefit bills. The group will present their proposed SOP at the next GLFS meeting in May, 2006.

The network Deputy Financial Manager will ensure that the network Accounting Manager continues to monitor and follow up on any delinquent reconciliations at the facility level, and ensures timely completion.

Recommended Improvement Action 2. We recommend that the VISN Director ensure that the Medical Center Director takes action to ensure:

(a) routine inspections of light fixtures and light bulbs to verify that the correct wattages are used,

Concur **Target Completion Date:** February 15, 2006

ACTION PLAN: A survey of light fixtures was performed in all patient care areas and two fixtures light bulbs were replaced. A policy will be implemented to ensure incandescent bulbs do not exceed wattage requirement for light fixtures.

(b) emergency call systems cords activate the system when pulled and are accessible to a person at floor level,

Concur **Target Completion Date:** February 15, 2006

ACTION PLAN: All of our nurse call systems are inspected on a semi-annual basis. We will inspect all systems to ensure all points (beds and restrooms) are functional. In addition, we will re-assess all inpatient care areas to discuss the lengths of the cords to ensure they align with our original risk assessments.

(c) damaged floor surfaces in common areas are repaired,

Concur **Target Completion Date:** February 15, 2006

ACTION PLAN: A survey will be performed to identify floor tile that needs to be replaced mainly around expansion joints in the tramway. Damaged floor tile will be removed and replaced with floor tile or other suitable material.

(d) privacy curtains are functional in patient care areas, and

Concur **Target Completion Date:** February 15, 2006

ACTION PLAN: A survey will be performed to identify any non-functional privacy curtains. Curtains will be repaired as they are identified or a work order will be placed and tracked until repairs have been completed.

(e) sprinkler heads and air ventilation system covers are routinely cleaned.

Concur **Target Completion Date:** February 15, 2006

ACTION PLAN: A duct cleaning contract is ongoing to clean diffusers and duct work in clinical and patient care areas. Both the air ventilation system and sprinkler heads will be added as an area of focus with housekeeping staff to ensure that these items are cleaned on a routine basis.

Recommended Improvement Action 3. We recommend that the VISN Director ensure that the Medical Center Director requires that the MDB committee establishes standardized criteria to review, evaluate, and take necessary management actions following all incidents of patient violence.

Concur **Target Completion Date:** February 3, 2006

ACTION PLAN: Criteria from Portland VAMC was reviewed at the January 12, 2006 Disruptive Behavior Committee meeting and the committee voted to adopt their criteria. This criteria will be included in a new MCM and then used to evaluate all violent patient incidents.

Recommended Improvement Action 4. We recommend that the VISN Director ensures that the Medical Center Director establishes mechanisms to monitor the performance of and ensure compliance with the terms of the fire protection contract with the NTC.

Concur **Target Completion Date:** February 28, 2006

ACTION PLAN: Safety Officer is currently reviewing past terms and is in process of writing a new contract which identifies current needs.

Recommended Improvement Action 5. We recommend that the VISN Director ensure that the Medical Center Director requires that inventory management staff (a) accurately enter data into GIP and

Concur **Target Completion Date:** January 31, 2006
(Ongoing)

ACTION PLAN: The Medical Center Director will ensure that GIP inventories are monitored on a regular recurring monthly basis for accurate data entry and out of line indicators such as turnover rates, inactive and long supply inventory, etc. Documented explanations, explaining instances of out of line situations, will be required of those program officials responsible for GIP inventories as well as action plans designed to effect corrective action.

(b) reduce medical and engineering inventories to 30-day stock levels.

Concur **Target Completion Date:** Ongoing as part of active/effective inventory management. Target completion date of July 31, 2006 for excessive stock, which has already been identified.

ACTION PLAN: The Medical Center Director will ensure action is initiated to include proactive replenishment order monitoring, possible returns to vendors, excess processes, and small lot and scrap sales to reduce stock levels.

Recommended Improvement Action 6. We recommend that the VISN Director ensure that the Medical Center Director requires that Fee Basis and Fiscal Service staff review reports of unpaid invoices weekly to ensure prompt payment of fee basis invoices.

Concur **Target Completion Date:** January 23, 2006

ACTION PLAN: Concur that Fee Basis and Finance Service staff review reports of unpaid invoices weekly to ensure prompt payment of fee basis invoices.

An action plan has been initiated to send the Open Batch Report, located in VISTA, to the Fee Section for their review, and for North Chicago Finance section to print, review action and maintain a permanent file of this report. Accounting is now tasked with auditing all Fee Batches for the proper amount of funds in each obligation. This should prevent rejects that happen due to insufficient funds in a particular obligation, which causes the entire batch to reject. Accounting will notify the Fee Section to make any increase adjustments necessary. These must be accomplished and received from the Fee Basis section within one work day in order to pay the batch timely. The North Chicago AFO will monitor the finance side to ensure that this becomes standard operating procedure. The Chief, Patient Administration will monitor the Fee Basis Section.

The North Chicago AFO will schedule training in February 2006 for Fee Basis and Finance personnel on Fee Basis fund control point management. The Accounting Program Manager of the Northern Tier and his staff will provide the training. The training will be documented and provided to management of both services. Follow-up of the procedures implemented will be accomplished after the first month of training to monitor the progress made in releasing the payment batches. An additional follow up will be conducted during the 3rd quarter Accounting and Voucher Audit Quality Assurance Review conducted by the Northern Tier staff to ensure the process set forth is in place.

Recommended Improvement Action 7. We recommend that the VISN Director ensure that the Medical Center Director takes action to remove signs identifying electrical, telephone, or communication closets.

Concur **Target Completion Date:** March 31, 2006

ACTION PLAN: Signs identifying electrical, telephone or communication closets will be removed and replaced with signs that read "Authorized Personnel Only".

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