



Department of Veterans Affairs Office of Inspector General

Healthcare Inspection

Alleged Issues in Fee Basis Care Martinsburg VA Medical Center Martinsburg, West Virginia

To Report Suspected Wrongdoing in VA Programs and Operations:

Telephone: 1-800-488-8244

E-Mail: vaoighotline@va.gov

(Hotline Information: <http://www.va.gov/oig/contacts/hotline.asp>)

Executive Summary

The purpose of this review was to determine the validity of an allegation that the Interim Chief of Staff (COS) denied Fee Basis Service (FB) consults because of cost at the Martinsburg VA Medical Center (medical center), Martinsburg, WV. We did not substantiate the allegation.

However, during our review, we identified a process needing improvement. We found from interviews that primary care providers (PCPs) and other staff were not aware of the revised medical center FB policy and guidelines. Although the Interim COS made and documented FB care decisions based on VHA policy, we did not find evidence that the Interim COS discussed the cases with the PCPs. As a result, staff developed misperceptions that the Interim COS denied FB services for the benefit of cost savings. We recommended that staff receive communication or education on the medical center's process for FB approval.



DEPARTMENT OF VETERANS AFFAIRS
Office of Inspector General
Washington, DC 20420

TO: Director, VA Capitol Health Care Network (10N5)

SUBJECT: Healthcare Inspection–Alleged Issues in Fee Basis Care, Martinsburg
VA Medical Center, Martinsburg, West Virginia

Purpose

The VA Office of Inspector General (OIG) Office of Healthcare Inspections reviewed allegations that the Interim Chief of Staff (COS) denied Fee Basis Service (FB) consults because of cost. The purpose of the review was to determine whether the allegations had merit.

Background

The Martinsburg VA Medical Center (medical center) is located in Martinsburg, West Virginia, and provides a broad range of inpatient and outpatient health care services. Six community based outpatient clinics (CBOCs) provide care in Cumberland and Hagerstown, MD; Harrisonburg and Stephens City, VA; and Franklin and Petersburg, WV. The Medical Center is part of Veterans Integrated Service Network (VISN) 5 and serves a veteran population of about 123,000 veterans residing in 23 counties in western Maryland, south central Pennsylvania, northwestern Virginia, and West Virginia. In fiscal year (FY) 2009, medical care expenditures totaled \$217 million. The FY 2010 medical care budget is \$220 million.

According to the Veterans Health Administration (VHA) directive, if a service cannot be provided in a timely manner by VHA due to capability, capacity, or accessibility, the service may, with approval, be provided outside of the VA through FB.¹ The medical center allows FB care for several services that the medical center does not provide, such as dialysis and mammograms. To initiate FB care, policy requires that primary care providers (PCPs) order FB consults. Historically, the medical center policy required Service Chiefs to review FB consults, and they approved most FB consults. However, the medical center's FB policy recently changed to comply with VHA policy. The new

¹ VHA Directive 2008-056, *VHA Consult Policy*, September 16, 2008.

policy requires that the Interim COS review all FB consults and approve those that meet specific guidelines. According to the guidelines, the Interim COS will evaluate the FB consults and recommend one of the following:

- Approval.
- Denial for “more information”, evaluation by a specialist, or redirected for alternative care at the medical center or other facilities in VISN 5.
- Denial for other justification.

The complainant alleged that the Interim COS may have abused his authority by denying medically required FB care because of cost and, subsequently, delayed diagnosis and patient care.

Scope and Methodology

We conducted a site visit April 15–16, 2010, and interviewed the complainant, the Interim COS, PCP, FB staff, and other key staff. We reviewed FB consults and the associated electronic medical records for evidence of care provided, VHA policies and procedures, and other pertinent documents.

We conducted the inspection in accordance with *Quality Standards for Inspections* published by the President’s Council on Integrity and Efficiency.

Case Summaries

The complainant provided the names of three patients that the Interim COS allegedly denied FB care.

Patient 1

On February 8, 2010, a PCP ordered a FB consult for a computerized tomography (CT) to evaluate left leg pain because the patient’s weight (441-pounds) exceeded the 340-pound capacity of the medical center’s machine. On February 18, the Interim COS denied the consult and requested that a specialist at the medical center see the patient. The following day, the PCP requested a Neurology consult. On April 9, Neurology Service evaluated the patient, determined that a CT scan was not necessary, and prescribed pain medication and weight loss.

Patient 2

On January 7, 2010, a PCP ordered a FB consult for a magnetic resonance imaging (MRI) study to evaluate abnormal uterine bleeding. The PCP thought the patient’s weight (315 pounds) exceeded the weight capacity of the medical center’s machine. On January 20, the Interim COS denied the consult and requested that the medical center complete the MRI because the patient’s weight did not exceed the 340-pound capacity of

the medical center's machine. On February 1, the patient's PCP ordered an MRI at the medical center. However, the patient failed to appear for an appointment on February 12, and the patient did not respond to follow-up telephone and mail messages.

Patient 3

On March 8, 2010, a PCP ordered a FB consult for an ankle-brachial index (ABI)² for a patient with decreased circulation to the feet. This service was not available at the medical center. On March 12, the Interim COS denied the consult and requested additional information for justification by the PCP. The patient already had an orthopedic appointment scheduled for March 18 and during that visit, the orthopedic surgeon ordered a second FB consult with justification for an ABI. The Interim COS approved the second FB consult and 3 weeks later, the patient had an ABI at a community hospital.

In addition to the cases described, we reviewed the medical records of 37 patients with FB consults that the Interim COS evaluated from November 2009 through April 2010. Of these FB consults:

- Nineteen were approved.
- Fifteen were denied for "more information," evaluation by a specialist, or redirected for alternative care at the medical center or other facilities in VISN 5.
- Three were denied because the services requested were already provided by previously approved FB care or were not permissible by VHA FB policy.

Inspection Results

Issue: Denial of FB care

We did not substantiate the allegation that the Interim COS may have abused his authority by denying medically required FB care because of cost and, subsequently, delayed diagnosis and patient care. We reviewed the medical records of the 3 patients named by the complainant and 37 additional patients with FB consults. We found, in all cases, that the Interim COS made decisions for FB care based on VHA policy.³ Further, we did not find evidence of significant delays in patient care or patient harm in the medical records we reviewed.

However, we found from interviews that PCPs and other staff were unaware of the revised medical center FB policy and guidelines. Although the Interim COS documented decisions regarding the FB consults, we did not find evidence that the Interim COS discussed the cases with the PCPs. As a result, staff developed misperceptions that FB services were denied for the benefit of cost savings.

²ABI is a vascular test used to assess lower extremity circulation.

³ VHA Directive 2008-056.

Conclusions

We did not find evidence that the Interim COS abused his authority by denying medically required FB care because of cost and, subsequently, delayed diagnosis and patient care. However, we identified that staff were not aware of the revised medical center FB policy and developed misperceptions regarding FB consults that were denied by the Interim COS.

Recommendation

Recommendation We recommend that the VISN Director ensure that the Medical Center Director requires that staff receive communication or education on the medical center's process for FB approval.

Comments

The VISN and Medical Center Directors agreed with the finding and recommendation (See Appendixes A and B, pages 5–8, for the Director's comments). Because the medical center addressed the issue identified in the recommendation, we consider this recommendation closed.

(original signed by:)

JOHN D. DAIGH, JR., M.D.
Assistant Inspector General for
Healthcare Inspections

VISN Director Comments

**Department of
Veterans Affairs**

Memorandum

Date: October 22, 2010

From: Director, VA Capitol Health Care Network (10N5)

Subject: **Healthcare Inspection – Alleged Issues in Fee Basis Care,
Martinsburg VA Medical Center, Martinsburg, West Virginia**

To: Director, Baltimore Office of Healthcare Inspections (54BA)

Thru: Director, Management Review Service (10B5)

1. Attached is the response to the OIG Draft Report: Healthcare Inspection – Alleged Issues in Fee Basis Care, Martinsburg VA Medical Center, Martinsburg, West Virginia.
2. I have reviewed the comments provided by the Medical Center Director, Martinsburg VA Medical Center and concur with the attached memo response.
3. Please refer questions to Anna Louise Scandiffio Patient Safety Officer at (410) 691-7301.

(original signed by:)

Fernando O. Rivera, MBA, FACHE
Acting Network Director, VISN 5

System Director Comments

**Department of
Veterans Affairs**

Memorandum

Date: October 20, 2010

From: Director, VA Medical Center Martinsburg, WV

Subject: **Healthcare Inspection – Alleged Issues in Fee Basis Care, Martinsburg VA Medical Center, Martinsburg, West Virginia**

To: Director, VA Capitol Health Care (10N5)

In response to the OIG Draft Report: Alleged Issues in Fee Basis Care – Martinsburg VA Medical Center, the Martinsburg VA Medical Center submits that the Chief of Staff (COS) met with the Clinical Service Chiefs on October 4, 2010, where he discussed the Medical Center Fee Basis policy and the approval or denial process of Fee Basis consults for their edification and that of their staff.

Additionally, the COS has electronically sent out the following guidance for off-station Fee requests to all physicians, physician assistants, nurse practitioners, and clinical service chiefs and expects all providers to be aware of this guidance no later than October 29, 2010:

- Please use the appropriate consultation request (please do not use this request for VISN facility consultations).
- Please include all appropriate history and physical examination findings, which will assist the authorizing person to make a determination.
- Please include any specific information as to why the service cannot be performed at this facility or within the VISN facilities.
- The authorizing person (the COS or designee in his absence) will review and approve/deny.

- The requesting provider will receive the notification of approval or denial electronically. Requests for further information may occur by telephone or electronically.
- For emergency authorizations, please contact Dr. Fierer directly at (304) 433-6952 or call the COS office at extension 4007.
- If additional information is provided, the request will be quickly reviewed and determination made for approval/denial.
- Please contact your service to confirm that you have read/acknowledged this email.
- Service chiefs please designate an individual who will be the point of contact (POC) and collect all replies. Please have the POC send the final list for your service to Mary Ann Holder, electronically, by October 29, 2010.

(original signed by:)

Ann R. Brown, FACHE

Director, Martinsburg VA Medical Center (613/00)

**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's report:

OIG Recommendation

Recommendation We recommend that the VISN Director ensure that the Medical Center Director requires that staff receive communication or education on the medical center's process for FB approval.

Concur

Target Completion Date: October 29, 2010

Facility's Response:

In response to the OIG Draft Report – Alleged Issues in Fee Basis Care – Martinsburg VA Medical Center; the Martinsburg VA Medical Center submits that the Chief of Staff (COS) met with the clinical service chiefs on October 4, 2010, where he discussed the Medical Center Fee Basis policy and the approval or denial process of Fee Basis consults for their edification and that of their staff.

Additionally, the COS sent out guidance for off-station Fee requests to all physicians, physician assistants, nurse practitioners, and clinical service chiefs.

OIG Contact and Staff Acknowledgments

OIG Contact	Nelson Miranda Director, Baltimore Office of Healthcare Inspections
-------------	--

Acknowledgments	Jennifer Christensen, Team Leader Melanie Cool Donna Giroux
-----------------	---

Report Distribution

VA Distribution

Office of the Secretary
Veterans Health Administration
Assistant Secretaries
General Counsel
Director, VA Capitol Health Care Network (10N5)
Director, Martinsburg VA Medical Center (613/00)

Non-VA Distribution

House Committee on Veterans' Affairs
House Appropriations Subcommittee on Military Construction, Veterans Affairs, and
Related Agencies
House Committee on Oversight and Government Reform
Senate Committee on Veterans' Affairs
Senate Appropriations Subcommittee on Military Construction, Veterans Affairs, and
Related Agencies
Senate Committee on Homeland Security and Governmental Affairs
National Veterans Service Organizations
Government Accountability Office
Office of Management and Budget
U.S. Senate: Joe Manchin, John D. Rockefeller, IV
U.S. House of Representatives: Shelley Moore Capito

This report is available at <http://www.va.gov/oig/publications/reports-list.asp>.