

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



Veterans Health Administration

*Audit of
the Community Nursing
Home Program*

March 29, 2013
11-00331-160

ACRONYMS AND ABBREVIATIONS

CMS	Centers for Medicare and Medicaid Services
GEC	Office of Geriatrics and Extended Care Strategic Healthcare Group
MLI	Medical Liability Insurance
OIG	Office of Inspector General
VA	Veterans Affairs
VHA	Veterans Health Administration

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Report Highlights: Audit of the Community Nursing Home Program

Why We Did This Audit

We evaluated the Veterans Health Administration's (VHA) community nursing home (nursing home) program to determine if nursing homes met eligibility requirements. VHA's Office of Finance reported nursing home program expenditures totaled \$614 million in FY 2012 and were estimated to grow to \$767 million in FY 2013.

What We Found

Weaknesses and untimely VA healthcare facility eligibility reviews of 30 nursing homes resulted in the renewal of five ineligible nursing homes' contracts. Three healthcare facilities placed 110 patients at a cost of about \$2.5 million in these five ineligible nursing homes. The healthcare facilities' nursing home review teams did not properly identify exclusionary criteria that made the nursing homes ineligible. We projected that VHA annually places about 6,700 patients in ineligible nursing homes at a cost of \$59.3 million.

This occurred because VA healthcare facility and Office of Geriatrics and Extended Care Strategic Healthcare Group officials did not effectively monitor the nursing home program and did not provide guidance needed to ensure the proper completion of eligibility reviews. Further, VA review teams did not always obtain and evaluate required operational information about the nursing homes when they performed their initial and subsequent annual reviews. Review teams performed 7 of the 30 reviews, 8 to 27 months after they were required. Over the next 5 years,

VHA will place about 33,500 patients at a cost of about \$296.5 million in ineligible nursing homes if VHA does not strengthen program oversight and improve its eligibility reviews. This amount is not a "cost savings," as veterans need these vital services, but future payments should be provided to eligible nursing homes that provide the quality of care our veterans deserve.

What We Recommended

We recommended the Under Secretary for Health update community nursing home policies, conduct a national review to ensure veterans are not currently in ineligible nursing homes, and strengthen nursing home program oversight and monitoring.

Agency Comments

The Under Secretary for Health concurred with our findings and recommendations and plans to complete all corrective actions by February 28, 2014. We consider these planned actions acceptable and will follow up on their implementation.

A handwritten signature in black ink that reads "Linda A. Halliday".

LINDA A. HALLIDAY
Assistant Inspector General
for Audits and Evaluations

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INTRODUCTION

Objective	This audit assessed whether VA healthcare facilities ensured community nursing homes (nursing homes) met Federal and Veterans Health Administration (VHA) eligibility requirements.
Nursing Home Program Description	Under the nursing home program, patients receive short- and long-term institutional care services at inpatient nursing facilities in the community. Patients who reside in these facilities receive a full range of care including rooms, meals, nursing care, medical provider visits, and medications.
Program Office and Healthcare Facility Nursing Home Program Responsibilities	The Office of Geriatrics and Extended Care Strategic Healthcare Group (GEC) is responsible for establishing national policy and monitoring the operation of VA healthcare facility nursing home programs. Specifically, GEC requires healthcare facilities to perform annual eligibility reviews of nursing homes to ensure they meet VHA nursing home operation and quality of care standards. Healthcare facility staff are required to review various Federal and State reports, certifications and licenses, and other documents related to the nursing home's operations before they recommend the award or renewal of a nursing home contract.
Program Magnitude	Expenditures for the nursing home program totaled about \$614 million in FY 2012. VA estimates the program's expenditures will increase to \$767 million in FY 2013.
Other Information	<ul style="list-style-type: none">• See Appendix A for background information.• See Appendix B for information on the audit's scope and methodology.• See Appendix C for the audit's statistical sampling methodology.

RESULTS AND RECOMMENDATIONS

Finding **VHA Allowed Ineligible Nursing Homes To Participate in the Community Nursing Home Program**

VHA renewed contracts for nursing homes that were ineligible to participate in VHA's community nursing home program. Specifically, inadequate healthcare facility reviews of the 30 nursing homes' eligibility resulted in the renewal of five ineligible nursing homes' contracts. Three VHA healthcare facilities placed 110 patients at a cost of about \$2.5 million in these five ineligible nursing homes. We project that VHA annually places about 6,700 patients in ineligible nursing homes at a cost of \$59.3 million. This occurred because VA healthcare facility and GEC officials did not effectively monitor responsible healthcare facility staff to ensure only eligible nursing homes participated in the nursing home program.

As a result, VHA cannot ensure it is effectively preventing ineligible nursing homes from participating in the program and lacks assurance that veterans are receiving consistent, quality nursing home care. Over the next 5 years, VHA will place about 33,500 patients at a cost of \$296.5 million in nursing homes that do not meet VHA eligibility requirements, if it does not strengthen program controls.

Nursing Home Eligibility Reviews

Community Nursing Home Review Teams (review teams) recommended the renewal of 5 of the 30 reviewed nursing homes' contracts even though the nursing homes did not meet VHA eligibility standards. Three VA healthcare facilities placed 110 patients at a cost of about \$2.5 million in these five ineligible nursing homes. We found no indications that the review teams' recommendations to renew the five ineligible nursing homes' contracts were influenced by patient placement problems at their area nursing homes. To evaluate the eligibility of nursing homes, VHA requires review teams to assess:

- Centers for Medicare and Medicaid Services (CMS) profiles and certifications;
- State Survey Reports;
- State licenses;
- Medical liability insurance (MLI);
- Completed informational visits;
- Information from ongoing monitoring activities for each nursing home.

CMS profiles provide data for certified Medicare and Medicaid nursing homes such as quality measures, health inspection information, staffing, and

fire safety inspection results. The State Survey Reports provide the results of nursing home inspections and State complaint investigations. A nursing home is ineligible for the program if the review team's evaluation of the CMS profile information and State Survey Report discloses that the nursing home meets four or more of the following VHA "exclusionary criteria."

- The nursing home has three deficiencies that caused actual harm to one or a small number of patients;
- The nursing home's total number of health requirement deficiencies is twice the State average;
- The nursing home has a deficiency in the area of restraints, abuse, staff treatment of patients, dignity, or licensure that has the potential to cause minimal harm to a small number of patients;
- The nursing home's registered nurse hours per resident per day are below the State average;
- The nursing home's total nursing staff hours per resident per day are below the State average;
- The nursing home has a deficiency in the area of nursing services, nursing aide training, regular in-service training, and proficiency of nursing aides or staff qualifications that has the potential to cause minimal harm to a small number of patients;
- The nursing home exceeds the State averages for six or more CMS quality measures.

**Exclusionary
Criteria**

We found review teams did not adequately review CMS profile information and State Survey Reports and apply VHA exclusionary criteria when they assessed nursing home eligibility. Review teams at all six VA healthcare facilities did not properly review this information and identify applicable VHA exclusionary criteria for 23 of the 30 reviewed nursing homes. Review teams did not select the correct exclusionary criteria and/or identify all of the applicable exclusionary criteria. This allowed the continued participation of the five ineligible nursing homes in the program and increased the risk of patient safety and quality of care problems.

For example, a review team recommended the renewal of one contract after it identified only two applicable exclusionary criteria in a summarized CMS profile. Our review of the detailed CMS profile information disclosed that the review team did not identify all of the applicable exclusionary criteria.

The nursing home met the following five exclusionary criteria and was ineligible for the program:

- Number of health requirement deficiencies was twice the State average;

- The nursing home had a deficiency in the area of restraints that had the potential to cause minimal harm to a small number of patients;
- Registered nurse hours per resident per day was below the State average;
- Total nursing staff hours per resident per day was below the State average;
- The nursing home exceeded State averages for six or more CMS quality measures.

Table 1 provides a summary of all of the applicable exclusionary criteria that the review teams at the six healthcare facilities did not properly identify for the 23 nursing homes.

Table 1

Summary of Exclusionary Criteria Found at the VA Healthcare Facilities Reviewed							
Exclusionary Criteria Not Identified	VA Healthcare Facility						Number of Cases
	1	2	3	4	5	6	
1) Three deficiencies that caused actual harm to one or a small number of patients.	0	0	1	0	0	0	1
2) Total number of health requirement deficiencies is twice the State average.	0	0	1	0	0	0	1
3) Deficiency in the area of restraints, abuse, staff treatment of patients, dignity, or licensure that has the potential to cause minimal harm to a small number of patients.	1	0	2	1	0	0	4
4) Registered nurse hours per resident per day are below the State average.	0	0	0	2	3	2	7
5) Total nursing staff hours per resident per day are below the State average.	1	0	0	0	2	1	4
6) Deficiency in the area of nursing services, nursing aide training, regular in-service training, and proficiency of nursing aides or staff qualifications that has the potential to cause minimal harm to a small number of patients.	0	0	0	0	0	0	0
7) Exceeds the State averages for six or more of the listed CMS quality measures.	3	0	2	2	2	3	12
Total	5	0	6	5	7	6	29

Source: OIG.

**Lack of Timely
and Thorough
Eligibility
Reviews**

Review teams did not always perform timely and thorough eligibility reviews in accordance with VHA policy. We found review teams performed 7 reviews, 8 to 27 months after their due date. As a result, VHA contracting officers lacked timely review team recommendations regarding the eligibility of nursing homes when they renewed contracts. This increased the risk of ineligible nursing homes participating in the program and not being promptly identified.

Review teams did not always obtain and evaluate required operational information about the nursing homes when they performed their initial and subsequent annual eligibility reviews. For example, review teams recommended the award and renewal of nursing home contracts even though they did not check nursing homes' State licenses and MLI, or complete required informational visits, or perform any ongoing monitoring of the reviewed nursing homes. VHA's policy states contracts are not to be established with nursing homes that do not have current State licenses and MLI. Further, information from nursing home visits, reviews of CMS profiles and State Survey Reports, and any other nursing home information gathered throughout the year, should be considered during eligibility reviews.

**Causes for
Inadequate
Eligibility
Reviews**

GEC did not provide healthcare facility staff adequate eligibility review guidance. GEC had not updated nursing home eligibility policies that expired in January 2009, and was using informal emails to provide healthcare facility program staff advice and policy guidance. Consequently, healthcare facility nursing home program staff indicated that it was difficult obtaining specific policy guidance from GEC.

In addition, GEC and healthcare facility officials did not provide the monitoring and guidance needed to ensure the proper completion of eligibility reviews. VHA requires GEC to review VHA's Nursing Home Certification Report to assess the appropriateness of healthcare facility eligibility reviews, monitor the quality of nursing home care, and identify high-risk nursing homes. According to the GEC Program Director, GEC had not reviewed the certification report since 2007 due to higher priorities, such as program budgeting and the development of handbooks for other programs.

Finally, healthcare facility officials did not effectively monitor the performance of the eligibility reviews even though they had controls, such as Community Nursing Home Oversight Committees. VHA requires each healthcare facility director to appoint a multidisciplinary committee to oversee review team activities and ensure the completion of nursing home reviews in accordance with VHA policy. However, these committees did not identify problems where the review teams misinterpreted review requirements, did not thoroughly review all required documentation, and lacked sufficient knowledge of VHA nursing home eligibility review processes.

**Effects of
Inadequate
Eligibility
Reviews**

Inadequate eligibility reviews and the lack of current and clear program policy resulted in the placement of patients in nursing homes that did not meet VHA operational and quality standards. GEC's lack of monitoring left VHA with no effective means to identify problems in the operation of healthcare facility nursing home programs.

Based on our audit results, we projected that VA healthcare will place about 33,500 patients and pay about \$296.5 million to ineligible homes over the next 5 years, if it does not strengthen nursing home program management.

Conclusion

VHA cannot ensure that participating nursing homes meet VHA operational and quality care standards without strengthening its oversight and monitoring. Breakdowns in the GEC's and healthcare facilities' monitoring processes prevented VHA from identifying and addressing problems in the performance of eligibility reviews. At the same time, GEC's inadequate dissemination of guidance made it more difficult for healthcare facility staff to adhere to VHA program requirements and ensure the use of eligible nursing homes. The placement of patients in ineligible nursing homes increases the patients' risk for quality of care problems. We consider the placement of patients in ineligible nursing homes a significant program risk to patient safety and quality of care.

Recommendations

1. We recommended the Under Secretary for Health ensure Veterans Health Administration community nursing home policies are updated and reissued.
2. We recommended the Under Secretary for Health conduct a comprehensive national review of nursing homes to ensure veterans are not placed in any nursing homes deemed ineligible by Veterans Health Administration policy, and take appropriate remedial action where necessary.
3. We recommended the Under Secretary for Health implement a formal oversight and communication process to ensure healthcare facilities comply with Veterans Health Administration nursing home policy and perform proper eligibility reviews.
4. We recommended the Under Secretary for Health establish a monitoring mechanism to ensure the Office of Geriatrics and Extended Care Strategic Healthcare Group, and healthcare facilities, use the Community Nursing Home Certification Report to monitor the nursing home program and identify high-risk nursing homes.

**Management
Comments
and OIG
Response**

The Under Secretary for Health agreed with our findings and recommendations and plans to address our recommendations by February 28, 2014. VHA's Offices of Geriatrics and Extended Care Policy (GEC Policy) and Operations (GEC Operations) will utilize the Community Nursing Home National Education and Policy Committee to revise nursing home policies. In addition, VHA will conduct a comprehensive quarterly review of nursing homes contained in the Certification Report to identify nursing homes that do not meet VHA eligibility requirements. Healthcare facilities that do not input their nursing homes in a timely manner will be notified and provided technical assistance to ensure timely entry.

On a quarterly basis, GEC Policy and GEC Operations will review the Community Nursing Home Certification Report. A sample of nursing homes will be reviewed for accuracy by comparing information in the Certification Report with information contained in the CMS Web site for discrepancies. Veterans Integrated Service Networks will report back to VHA with exceptions and plans for any corrective actions needed.

Furthermore, GEC Policy and GEC Operations will update the nursing home program Web site and Certification Report based on outcomes of the quality review process and revisions to nursing home policies. Lastly, GEC Policy will summarize the findings of the quarterly review process, including identified recommendations and follow-up actions, and report to VHA on a semi-annual basis.

The Under Secretary for Health provided a responsive action plan to address our recommendations. In addition, the Under Secretary commented that VHA would still have the requirement for the provision of care for veterans in approved nursing facilities, and wants to ensure that the \$296.5 million identified as better use of funds is not considered projected "cost savings," as veterans need these vital services. We agree with the Under Secretary that this amount is not a "cost savings," but the \$296.5 million should be provided to eligible nursing homes that provide the quality of care our veterans deserve. We will monitor the Department's progress and follow up on its implementation until all proposed actions are completed. Appendix E provides the full text of the Under Secretary's comments.

Appendix A Background

Purpose of the Nursing Home Program

The purpose of the nursing home program is to provide eligible patients short- and long-term nursing home care in communities close to their families. Veterans residing in nursing homes at VHA expense receive a full range of care including rooms, meals, nursing care, and routine medical provider visits. Nursing home residents may also receive medications, minimal laboratory and radiology services, and other special services and supplies.

Eligibility Review Process

VHA policy requires VA healthcare facilities to evaluate nursing homes at the time of contract award, and annually at renewal, to ensure they can provide VA patients an acceptable standard of care. VHA policy requires healthcare facilities to implement interdisciplinary review teams, generally consisting of social workers, nurses, dietitians, and safety officers to perform eligibility reviews. VHA requires these review teams to:

- Obtain current CMS profiles and State Survey Reports to assess quality of care deficiencies;
- Ensure either Medicare or Medicaid has certified that the nursing home is compliant with Federal health and safety standards, financially stable, and operating in accordance with Federal and State regulations;
- Check the nursing home's State license to ensure it operates in accordance with applicable State and local laws. State licensure checks evaluate characteristics of the nursing home's operating structure, such as whether it is a sole proprietorship or Limited Liability Corporation, and legal aspects such as past or present issues with the clinical staff's professional licensures;
- Review the nursing home's MLI to ensure it has adequate coverage against bodily injury claims related to alleged negligence or inappropriate action or inaction;
- Perform informational visits to assess the nursing home's leadership, special programs, and ability to meet patient needs;
- Review the healthcare facility's VA Safety Officer Inspection Report to ensure the nursing home meets national fire safety code requirements. VHA policy requires safety officers to conduct an initial and thereafter triennial safety survey for each nursing home;
- Continuously monitor the nursing home's CMS profile, State Survey Report, and other related nursing home information inbetween the annual eligibility reviews.

Exclusionary Criteria

Review teams must also apply VHA-prescribed "exclusionary criteria" when they evaluate a nursing home's CMS profile and State Survey Report

information. CMS profiles provide data for certified Medicare and Medicaid nursing homes such as quality measures, health inspection information, staffing, and fire safety inspection results. The State Survey Reports provide the results of nursing home inspections and State complaint investigations. If the review team's evaluation of this information discloses that a nursing home meets more than four of VHA's "exclusionary criteria," the nursing home is ineligible for the program.

Appendix B Scope and Methodology

Audit Scope

We conducted our audit work from October 2011 through January 2013. We determined if nursing homes met program eligibility requirements and provided services to eligible patients in accordance with Federal and VHA regulations.

We identified nursing homes for our universe using multiple data sets from the OIG Data Analysis Division. The OIG Data Analysis Division extracted the data from the Fee Basis Inpatient Payment Files, Financial Management System History Payments, and Financial Management System Vendor files. The data sets included payment transactions VHA made for nursing home services and medications for the 12-month period, July 1, 2010, through June 30, 2011.

In coordination with the OIG statistician, we developed a multiple-stage sampling methodology that required the review of five nursing homes at each of the six reviewed VA healthcare facilities. We visited the following healthcare facilities:

- VA Loma Linda Health Care System, Loma Linda, CA
- VA Greater Los Angeles Health Care System, Los Angeles, CA
- Jesse Brown VA Medical Center, Chicago, IL
- Minneapolis VA Health Care System, Minneapolis, MN
- VA Gulf Coast Veterans Health Care System, Biloxi, MS
- Huntington VA Medical Center, Huntington, WV

For each selected nursing home, we also evaluated whether it met VHA eligibility requirements to participate in the program. We coordinated with the OIGs' Office of Healthcare Inspections and Office of Investigations to determine if any nursing homes in our sample had a previously reported history of patient abuse or other adverse events.

Methodology

For each statistically selected VA healthcare facility and nursing home, we reviewed annual nursing home program eligibility documents and eligibility determinations. We reviewed the healthcare facility records for each nursing home to ensure the performance of a monthly social worker or registered nurse visit, and examined reports from the monthly visits to determine if they identified any serious deficiencies affecting the health or safety of veterans. We also interviewed GEC managers who oversee the nursing home program to gain an understanding of the program's management controls.

Fraud Detection

We included audit steps to identify potentially fraudulent activities. We developed specific audit steps to determine what management controls, if any, were in place to identify any potentially fraudulent transactions made by the nursing homes reviewed.

**Data
Reliability**

To achieve the audit's objectives, we relied on computer-processed data contained in the Veterans Health Information Systems and Technology Architecture Fee Basis Claims System. We assessed the reliability of this data by tracing invoices at our first two site visits to data provided by the system and found them to be adequate. We also conducted sufficient tests of the data. Additional data reliability tests included steps to identify any missing data in key fields, calculation errors, and data outside of our period of performance. Based on these tests and assessments, we concluded the data were sufficiently reliable for us to use to meet the audit's objective.

**Government
Standards**

Our assessment of internal controls focused on those controls related to our audit objective. We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence and to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusion based on our audit objective.

Appendix C Statistical Sampling Methodology

Sampling Methodology

We selected a statistical sample of nursing homes in two stages. In the first stage, we selected six VA healthcare facilities that received VHA payments of \$50,000 or more from July 1, 2010, through June 30, 2011. In the second stage, we selected five nursing homes from each of the selected healthcare facilities for a total of 30 nursing homes. The nursing home reviews included an examination of VHA's oversight of nursing home program eligibility at the time of the review and current program eligibility.

Population

Queries from VHA's Veterans Health Information Systems and Technology Architecture system reported payments of about \$524 million to 2,588 nursing homes for the annual period ending June 30, 2011. To ensure we reviewed healthcare facilities and nursing homes with substantial VHA procurement activity, we selected a universe of nursing homes with procurement activity of \$50,000 and greater as the population (audit universe) for this audit. As a result, the population included 1,650 nursing homes with procurement activity totaling \$502 million.

Weights

We calculated estimates in this report using weighted sample data. Sampling weights are computed by taking the product of the inverse of the probabilities of selection for the first two stages of sampling. Since each VA healthcare facility had a different number of nursing homes and the sample sizes were the same across selected healthcare facilities, the sampling weights varied in size. This accounts for the percentages calculated from the raw sample numbers being different from the percentages calculated from the weighted projections.

Projections and Margins of Error

We used a 90 percent confidence interval and a proportion-dollar-amount sample to compute expected margins of error for the sample. The margins of error and confidence intervals are indicators of the precision of the estimates. If we repeated this audit with multiple samples, the confidence intervals would differ for each sample, but would include the true population value 90 percent of the time.

Table 2 provides the projections associated with ineligible nursing homes. We used the midpoint of the 90 percent confidence interval for each projection. For the number of patients placed in ineligible nursing homes, we projected that VHA places about 6,700 patients in ineligible nursing homes at a cost of about \$59.3 million annually. If program controls are not strengthened, VHA will place about 33,500 (6,700 x 5) patients in ineligible nursing homes at a cost of about \$296.5 million (\$59.3 million x 5) over the next 5 years.

Table 2

Summary of Annual Projections and Margins of Error					
Type of Exception	Projected Number	Margin of Error	90 Percent Confidence Interval		Sample Size
			Lower Limit	Upper Limit	
Patient Placements to Ineligible Nursing Homes	6,704	949	5,755	7,652	110
Payments Made to Ineligible Nursing Homes	\$59,300,332	\$15,064,563	\$44,235,768	\$74,364,895	110

Source: VA OIG statistical analysis of placements and payments made to ineligible nursing homes.

**Appendix D Potential Monetary Benefits in Accordance With
Inspector General Act Amendments**

Recommendation	Explanation of Benefits	Better Use of Funds	Questioned Costs
3	Strengthen nursing home program controls to ensure nursing homes' service contracts go to eligible nursing homes over the next 5 years.	\$296.5 million	\$0
Total		\$296.5 million	\$0

Appendix E Under Secretary for Health Comments

Department of Veterans Affairs

Memorandum

Date: March 11, 2013

From: Under Secretary for Health (10)

Subj: OIG Draft Report, Audit of Community Nursing Home Program
(VAIQ 7321016)

To: Assistant Inspector General for Audits and Evaluations (52)

1. The draft audit report on the Community Nursing Home Program (CNH) found a lack of timely and thorough reviews to ensure nursing homes under Veterans Affairs (VA) contract met Veterans Health Administration (VHA) policy requirements for quality of care and quality of life provided in nursing homes. The draft audit report made four recommendations to improve VHA's oversight of the CNH Program. The draft audit report estimated that without strengthened program controls, VHA could potentially expend approximately \$295 million in the next five years on care in homes which did not meet VHA's policy. VHA concurs that we must do a better job of ensuring that each contracted nursing home meets established VHA standards, or has a documented reason for a waiver (for example, a Veteran may prefer to live in a particular CNH that otherwise would not qualify by VHA policy and there are no other approved CNHs available in that area). In regard to the assertion that VHA could expend \$295 million over five years, VHA would like to make the point that VA would still have the requirement for the provision of care for Veterans in approved facilities regardless, and therefore wants to ensure the reader understands that this is not a projected "cost savings."
2. VHA concurs with the report's four recommendations. The Agency's comments and plans are outlined in the attachment. An updated handbook will be published, upgrading the content of the CNH review with the latest community standards. VHA will undertake more frequent and more rigorous reviews of the VA

Page 2

OIG Draft Report, Audit of Community Nursing Home Program
(VAIQ 7321016)

medical centers' CNH review process at the Veterans Integrated Service Network (VISN) and VA Central Office (VACO) levels. This should ensure timely and accurate reporting and minimize the number of nursing homes under contract which do not meet standards established by VA policy.

3. VACO's 2011 review of all CNHs, not just a sample, found fewer than 10 percent of the homes under contract had poor quality indicator scores. This percentage is lower than the audit's finding of 17 percent, which was drawn from a sample of the same data set.
4. Thank you for the opportunity to review the draft report. If you have any questions, please contact Dr. Karen Rasmussen, Acting Director, Management Review Service (10AR) at (202) 461-6643.



Robert A. Petzel, M.D.

Attachment

**VETERANS HEALTH ADMINISTRATION (VHA)
Action Plan**

OIG Draft Report, Audit of the Community Nursing Home Program (VAIQ 7321016)

Date of Draft Report: January 29, 2013

Recommendations/ Actions	Status	Completion Date
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Recommendation 1: We recommend the Under Secretary for Health ensure Veterans Health Administration community nursing home policies are updated and reissued.

VHA Comments

Concur

VHA's Offices of Geriatrics and Extended Care Policy (GEC Policy) in collaboration with Geriatrics and Extended Care Operations (GEC Operations) will utilize the Community Nursing Home (CNH) National Education and Policy Committee in revising VHA Handbook 1143.2, VHA Community Nursing Home Oversight Procedures. A communication and education plan will be developed by the committee to ensure the field is informed about any significant revisions to the handbook.

In process

January 31,2014

Recommendation 2: We recommend the Under Secretary for Health conduct a comprehensive national review of nursing homes to ensure veterans are not placed in any nursing homes deemed ineligible by VHA policy, and take appropriate remedial action where necessary.

VHA Comments

Concur

The Assistant Deputy Under Secretary for Health for Clinical Operations (10NC) notified all Veterans Integrated Service Network (VISN) Quality Management Officers and Chief Medical Officers of the need to comprehensively review all CNHs at their facilities to ensure homes meet eligibility criteria as defined by VHA Handbook 1143.2, VHA Community Nursing Home Oversight Procedures.

Completed

VHA will conduct a comprehensive review of nursing homes by reviewing the complete CNH Certification Report to identify those CNH facilities not meeting VHA Policy Eligibility Standards as outlined in VHA Handbook 1143.2, which includes specific exclusionary criteria.

Once identified, respective host VISNs will be notified of such identified CNH facilities requiring remedial action and report back to VA Central Office (VACO) with documentation of exceptions or plan of corrective action. In addition, concurrent with the review of the CNH Certification Report, VA Medical Centers (VAMC) that are not entering their Certification Report information in a timely manner will be identified. Those VAMC's so identified will be notified of their delay and will be provided technical assistance to assure timely entry of the Certification Reports.

In process

September 30, 2013

Recommendation 3: We recommend the Under Secretary for Health implement a formal oversight and communication process to ensure healthcare facilities comply with Veterans Health Administration nursing home policy and perform proper eligibility reviews.

VHA Comments

Concur

On a quarterly basis, GEC Policy and GEC Operations will review the CNH Certification Report. CNHs which fail the exclusion review criteria, thus raising questions about the quality of the care provided, will be identified and referred to the VISNs for follow-up action. VISNs will report back to VACO with their findings, including documentation of exceptions or an action plan. In addition, concurrent with the quarterly review, a sample of facilities will be reviewed for the veracity of information entered into the certification report. Information in the certification report will be compared to information contained on the Centers for Medicare and Medicaid Services website, Nursing Home Compare. If a discrepancy is identified, a report of corrective action from the facility will be required.

In process

Quarterly, Starting
4th Quarter FY 2013

GEC Policy and GEC Operations will work collaboratively to update the CNH website and CNH Certification Report to reflect needs identified during the quality review process and/or to implement relevant revisions to the VHA Handbook. Updates to the website and CNH Certification Report will begin after the initial quarterly review results have been analyzed – expected Quarter 1 FY 2014. Updates based on policy revisions will occur after the policy is issued (after January 2014).

In process

February 28, 2014

Recommendation 4: We recommend the Under Secretary for Health establish a monitoring mechanism to ensure the Office of Geriatrics and Extended Care Strategic Healthcare Group and healthcare facilities use the Community Nursing Home Certification Report to monitor the nursing home program and identify high risk nursing homes.

VHA Comments

Concur

GEC Policy will summarize the findings of the quarterly review process including identified recommendations and follow-up actions and report its findings to VHA management on a semi-annual basis.

In process

Semi-Annually, Starting
4th Quarter FY 2013

Veterans Health Administration
March 2013

Appendix F Office of Inspector General Contact and Staff Acknowledgments

OIG Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
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Acknowledgments	Janet Mah, Director Andrea Chinchilla Gregory Gladhill John Panzullo Nelvy Viguera Butler Leslie Yuri
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Appendix G Report Distribution

VA Distribution

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Non-VA Distribution

House Committee on Veterans' Affairs
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