



Department of Veterans Affairs Office of Inspector General

Healthcare Inspection

Vet Center Contracted Care Program Review

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Executive Summary

The VA Office of Inspector General (OIG) Office of Healthcare Inspections completed an inspection of the Readjustment Counseling Service's (RCS) Vet Center Contract for Fee Program, which ensures the provision of counseling services to eligible veterans who do not have access to counseling services at Vet Centers. The purpose of our inspection was to assess if Vet Center contracted counseling services were managed in accordance with Veterans Health Administration (VHA) Handbook 1500.01.

The objectives were to: (1) determine if VA required contractors to complete specific components of client documentation in accordance with RCS policy, (2) determine if managers provided appropriate oversight for the contracted clinicians' required client documentation, (3) assess the management and oversight of contracted care based on compliance with the contract, and (4) determine if invoicing practices complied with RCS contract requirements. We found that referrals to contract providers were not consistently implemented by RCS staff and identified opportunities for improvement in the Contract for Fee Program.

We found that contractors provided the required documents for review and approval by the Team Leaders (TLs) prior to the reauthorization of additional sessions in 76.4 percent of the client records. The TLs also authorized additional counseling sessions with updated treatment plans in 25.8, 31.0, and 30.0 percent of the records reviewed during each respective quarter. We estimated that only 13.7 percent had the applicable treatment plans submitted in accordance with VHA policy to the TLs during the study period.

We found that the extension approval process for 52.5 percent of the existing clients occurred more than 30 days after the 1-year eligibility date. We also found that 70.0 percent of the TLs completed an annual onsite quality review of the respective contract provider.

We found a 71.0 percent RCS compliance rate for complete and signed contracts due to missing elements in the statement of work and the lack of a contract for counseling services. The terms and conditions of the contracts need to be consistent with VHA policy, and TLs must maintain a copy of the complete contract with all relevant provisions prescribed by RCS Guidelines and Instructions. Additionally, we noted that 73.4 percent of the authorization forms with the required signature and date and 53.1 percent were signed prior to the session date.

We recommended that the Under Secretary for Health, in conjunction with the RCS Chief Officer:

- Ensure that Team Leaders receive, review, and approve psychosocial assessments and counseling plans prior to authorizing contracted counseling services.
- Ensure that Team Leaders conduct and document client assessments after 1 year of eligibility for contracted client services.
- Ensure that Team Leaders conduct annual onsite quality reviews for contractors who participate in the Contract for Fee Program.
- Ensure that Readjustment Counseling Service uses a standard template that includes terms and conditions that are consistent with those in the Readjustment Counseling Service policy.
- Ensure that Readjustment Counseling Service maintains and monitors counseling service contracts in accordance with Readjustment Counseling Service and Veterans Health Administration policy.
- Ensure that Team Leaders authorize contracted counseling services in accordance with Readjustment Counseling Service and Veterans Health Administration policy.

Comments

The Under Secretary for Health concurred with our findings and recommendations. See Appendix B (pages 14–24) for the full text of his comments. We will follow up on the corrective actions until all recommendations have been fully implemented.



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

Introduction

Purpose

The purpose of our inspection was to assess if Vet Center contracted counseling services were managed in accordance with Veterans Health Administration (VHA) policy.¹ The objectives were to: (1) determine if VA required contractors to complete specific components of client documentation in accordance with Readjustment Counseling Service (RCS) policy, (2) determine if managers provided appropriate oversight for the contracted clinicians' required client documentation, (3) assess the management and oversight of contracted care based on compliance with the contract, and (4) determine if invoicing practices complied with RCS contract requirements.

Background

In 1981, VA initiated a new organizational element, the RCS, to oversee Vet Centers in the provision of readjustment counseling services. The goal of the RCS Vet Center program is to provide a broad range of counseling, outreach, and referral services to eligible veterans needing post-war readjustment to civilian life. This includes assistance with basic needs, therapeutic counseling for drug and alcohol abuse, and treatment for military sexual trauma and Post-Traumatic Stress Disorder (PTSD).

RCS has the authority to contract with private clinicians to provide counseling services to eligible veterans.² RCS Vet Center program officials determine the locations for these services. The primary criterion for consideration is the level of unmet needs among the eligible veteran population where existing Vet Centers are not capable of furnishing the needed services due to geographical distances.

RCS contract programs are designed to improve rural veterans' access to counseling for military-related social and psychological readjustment problems. Of the 300 Vet Centers, 67 have contracts with 115 private providers for counseling services.³ At each Vet Center, the Team Leader (TL) is the contracting officer's technical representative (COTR)⁴ and local manager. Contract administration is the responsibility of the TL and includes authorizing

¹ VHA Handbook 1500.01, *Readjustment Counseling Services (RCS) Vet Center Program: Guidelines and Instructions for Vet Center Contract for Fee Program*. September 8, 2010.

² 38 U.S.C., Part II, Chap. 17, Subchap. II, Sec. 1712A - Eligibility for readjustment counseling and related mental health services.

³ RCSnet data query performed on April 24, 2012.

⁴ A business communications liaison between the federal government and a private contractor.

client referrals and number of treatment modalities and performing verifications that veterans received services as invoiced.⁵

The RCS contracts must describe the nature of services provided, frequency of sessions, location, and timeframe for providing services. Contracts can also address special requirements, which may differ among individual Vet Centers. Consistent with VHA policy, the contracts authorize three initial visits for the completion of a clinical assessment that includes the psychosocial assessment and military history, and development of a corresponding treatment plan for counseling care. Contract providers must submit clinical assessments and treatment plans that adhere to the standard protocols used internally by Vet Centers. After review of the treatment plan, the TL can authorize up to 15 visits with the contract provider.

RCS staff interview clients to ensure their eligibility for services before they refer clients to a contract provider. These clients are considered Vet Center clients even if they are referred to a contract provider for counseling services. Referrals to readjustment contract providers may only be made by qualified Vet Center or RCS staff, such as: (1) COTR; (2) other Vet Center counselors designated by the COTR; and/or (3) the Regional Manager (RM), Deputy RM, and the Associate RM for Counseling.

The treatment modality is based upon the provider's treatment plan. The modality options include individual, group, family, or substance abuse counseling. Quality indicators in the treatment plan describe clinically desired cognitive, behavioral, or emotional changes, which are anticipated as treatment progresses.

Authorizations are generated in RCSnet utilizing the electronic *VA Form 10-5565b, Readjustment Counseling Services Contract Services Authorization*, which documents the number and type of visits. If additional visits are needed, the contract provider submits a required treatment plan, documenting the rationale, to the TL for review and approval.

The TL also conducts a required case review when the client has received contract counseling services for more than a year. This involves a client interview, in person or by telephone, and an updated psychosocial assessment to assess the continuing need for readjustment counseling. The RM or designee must approve all extension requests for contract counseling and document this in the client's electronic record.

⁵ VHA Handbook 1500.01.

To ensure that services are in accordance with RCS policy, the TL conducts an annual onsite quality review of clinical and administrative operations for each contract program assigned to the respective Vet Center. Quality reviews provide TLs the opportunity to review the operational processes of the contractor and conduct a detailed review of the clients' files to ensure compliance with RCS policy. The TL utilizes standardized criteria developed by RCS when conducting onsite quality reviews; these include the timeliness and completeness of clinical assessments and treatment plans.⁶

When the TL finds a deficiency, the criteria element is documented as "Needing Development." The TL is required to document a corrective action plan, which is then reviewed and approved by the RM or designee. Deficiencies are logged into RCSnet and then tracked and trended until resolved.

Scope and Methodology

We conducted pilot reviews at two Vet Centers⁷ to test our review plans and gain insight of the Contract for Fee program at an operational level during the week of February 6, 2012. We also learned about electronic data management processes and systems at the RCSnet data warehouse during the week of March 18, 2012.

We performed onsite inspections for 27 of a random sample of 30 Vet Centers during the weeks of June 11 and 18, 2012, and reviewed psychosocial assessments and initial treatment plans for clients who received contracted counseling services during the study period from April 1, 2011, through March 31, 2012. For the three remaining sampled Vet Centers, we performed remote reviews of contract counseling documentation and conducted telephone interviews with their respective TLs due to their low volume of clients.

We reviewed VHA policy related to the RCS administration and oversight of the Contract for Fee Program and interviewed senior managers. We reviewed documentation from RCSnet,⁸ which included client demographics, assessments,

⁶VHA Handbook 1500.01, *Readjustment Counseling Services (RCS) Vet Center Program, Guidelines and Instructions for Vet Center Administration, Appendix 13: Readjustment Counseling Service Contract Fee Quality Review Form*, September 8, 2010.

⁷ Harrisburg and Tampa Vet Centers.

⁸ RCSnet is a web-based application that serves as a repository for clinical, demographic, and administrative data for eligible Veterans and their family members. RCSnet creates an electronic system of records that enhances the delivery of RCS services to Veterans providing counselors the ability to access Veteran client records from any Vet Center location. RCSnet provides numerous tools to VHA RCS management and staff to track workload and to help them manage the day to day operation of their Vet Centers. The system is designed with restricted access through use of electronic authentication methods and controlled by role-based permissions to Vet Center information ensuring the confidentiality of Veteran records to comply with the mandated separate system of records.

authorizations, extension of contracted counseling services, and contractor deficiency reporting.

We reviewed documentation for the extension of contracted services for clients who had received contracted counseling services for at least 1 year during our study period. We reviewed the Quality Review Reports for onsite reviews conducted by the respective TLs. We gave a grace period of 30 days before and after the study to allow the TLs the opportunity to complete the annual review.

We reviewed contracts and supporting documents in the VA Electronic Contract Management System (eCMS) to assess for compliance with RCS directives, consistency of invoices with statements of work and price schedules, and proper authorizations of therapeutic sessions. We also reviewed completed VA Forms 10-5565b, *Readjustment Counseling Services Contract Services Authorization*, to determine if TLs had completed the authorization before counseling services were provided and evaluated service VA invoice payment records in the Document Management System (DMS).^{9,10}

Population and Sample Design

The two pilot sites were removed from the original list of 67 Vet Centers that utilized contracted counseling services. Using a two-stage sample design, we first selected a random sample of 30 Vet Centers. From each of these 30 Vet Centers, we then randomly selected 30 clients who utilized at least one contracted counseling service during the study period. For the three Vet Centers with 30 or fewer clients, we reviewed all 16 of their clients' records remotely.¹¹ This resulted in a statistical sample of 650 clients.

Additionally, we randomly selected one contractor from each of the 30 sampled Vet Centers to evaluate VA's oversight of the Contract for Fee Program. From each of the 30 contractors, we then randomly selected 50 client sessions for contractual components review. For the contractors with less than 50 client sessions, we reviewed all of their client sessions. This resulted in a statistical sample of 1,318 client sessions.

⁹ The VA Electronic Contract Management System (eCMS) is a VA intranet tool used by VA Acquisition staff to create and manage VA acquisitions and contracts. The eCMS is used to manage the full acquisition lifecycle, including pre-award solicitations, awarded contracts, and post-award modifications and contract monitoring.

¹⁰ The VA Financial Services Center utilizes a records management system called Document Management System (DMS) to image, store, and retrieve VA financial documents. DMS interfaces with VA financial and administrative systems to provide the rapid retrieval of VA payment records based on customer-defined searches.

¹¹ Casper, WY; Kalispell, MT; and Salt Lake City, UT Vet Centers.

Statistical Analysis

We estimated the VA compliance rates for each of the review criteria. We used Horvitz-Thompson sampling weights (the reciprocals of sampling probabilities) to account for unequal probability sampling and the Taylor expansion method to obtain the sampling errors for the estimates. We set the desired levels at 90 percent.

We presented 95 percent confidence intervals (95% CI) for the true values (parameters) of the study population. A confidence interval gives an estimated range of values (being calculated from a given set of sample data) that is likely to include an unknown population parameter. The 95% CI indicates that among all possible samples that we could have selected of the same size and design, 95 percent of the time the population parameter would have been included in the computed intervals.

Percentages can take only non-negative values from 0 to 100, but their logits can have unrestricted range so that the normal approximation can be used. Thus, we calculated the confidence intervals for percentages on the logit scale and then transformed them back to the original scale to ensure that the calculated confidence intervals contained only the proper range of 0 to 100 percent.

All data analyses were performed using SAS statistical software.¹²

We conducted the review in accordance with *Quality Standards for Inspection and Evaluation* published by the Council of the Inspectors General on Integrity and Efficiency.

¹² SAS Institute, Inc., Cary, NC. Version 9.3 (TS1M0).

Review Results

Issue 1: Client Documentation

New Clients

For our review, we defined a new client as a veteran who began contracted services during the study period. We evaluated TL reviews of applicable assessments and authorizations of additional services after the initial assessment period.

We found 181 new client referrals for contracted counseling services at 25 of the 30 Vet Centers. There were exceptions for certain indicators; therefore, denominators may vary in the reported results. A summary of the results are listed in Table 1.

Table 1. New Client Compliance Rates

Compliance Measure	Number of Sampled Clients		Estimated VA Compliance 95 Percent Confidence Interval Limits		
	Compliant	Total Number	Percent	Lower	Upper
Clinical Assessments	148	181	89.3	80.01	94.52
Treatment Plans	149	181	88.4	79.73	93.62
Authorization of Additional Sessions	118	157	76.4*	56.37	89.01
Quality Indicators	135	149	94.4	84.85	98.04

*This is statistically significantly lower than the 90 percent benchmark.

Clinical Assessments. We estimated that 89.3 percent of client records included a completed psychosocial assessment, and we are 95 percent confident that the true compliance rate is somewhere between 80.01 to 94.52 percent. Thus, the RCS compliance rate was not statistically significantly different from the 90 percent benchmark.

Treatment Plans. We estimated that 88.4 percent (95% CI: 79.73–93.62) of client records included a treatment plan for readjustment counseling. The RCS compliance rate was not statistically significantly different from the 90 percent benchmark.

Authorization of Additional Sessions. We estimated that in 76.4 percent (95% CI: 56.37–89.01) of the client records, the contract provider submitted the required documents for review and approval by the TL prior to the reauthorization of additional sessions. The RCS compliance rate is statistically significantly lower than the 90 percent threshold.

Quality Indicators. We found that 94.4 percent (95% CI: 84.85–98.04) of the client records with treatment plans included quality indicators. The RCS compliance rate was not statistically significantly different from the 90 percent benchmark.

Existing Clients

For our review, we defined an existing client as a veteran whose contracted counseling services began prior to and continued for one or more quarters. Existing clients must have reauthorizations for contracted counseling care based on review of submitted treatment plans prior to the beginning of each quarter.¹³ Our study period of April 1, 2011, through March 31, 2012, included review of the quarters which began July 2011, October 2011, and January 2012.

For our sample of 469 existing clients, we reviewed a total of 1,033 treatment plans submitted during the 3 quarters to determine compliance with VHA policy. The total number of quarterly treatment plans decreased to 329 and 235 during the October 2011 and January 2012 quarters, respectively, as further sessions for some sampled existing clients were not reauthorized. A summary of our results by quarter is listed in Table 2.

Table 2. Treatment Plan Review by Quarter

		Number of Existing Clients' Treatment Plans Reviewed	Estimated VA Compliance 95 Percent Confidence Interval Limits		
			Percent	Lower	Upper
July 2011	Compliant	79	25.8*	12.66	45.46
	Non-compliant	255	54.1	38.88	68.56
	Cannot Be Determined	135	20.1	10.13	36.03
	Total	469	100.0	----	----
October 2011	Compliant	75	31.0*	17.24	49.31
	Non-compliant	179	53.0	39.35	66.25
	Cannot Be Determined	75	15.9	6.67	33.45
	Total	329	100.0	----	----
January 2012	Compliant	48	30.0*	16.00	48.97
	Non-compliant	89	44.2	31.77	57.33
	Cannot Be Determined	98	25.9	10.93	49.85
	Total	235	100.0	----	----

*This is statistically significantly lower than the 90 percent benchmark.

Treatment Plans. We found that TLs authorized additional counseling sessions prior to reviewing the documentation in 523 treatment plans. The compliance

¹³ VHA Handbook 1500.01.

rates were 25.8 (95% CI: 12.66–45.46), 31.0 (95% CI: 17.24–49.31), and 30.0 (95% CI: 16.00–48.97) percent, respectively, for the 3 quarters reviewed, and these were statistically significantly lower than the 90 percent threshold. In the review of treatment plans for evidence of documentation to support the authorization of additional counseling sessions, we found 308 treatment plans with incomplete documentation such as missing dates and approval signatures. Thus, we were unable to determine if these treatment plans were approved by the TLs.

Based on the sample of 469 clients reviewed, we estimated that only 13.7 percent (95% CI: 7.95-22.46), had treatment plans completed and submitted to the TLs as required for the study period. For example, if a client received care from July 2011 for 3 quarters, then 3 treatment plans were required to be submitted to the TL for review; likewise, if a client received care for 1 quarter, then 1 treatment plan should have been submitted to the TL. All treatment plans also had to be dated and signed by the COTR in order to be deemed compliant. Our results over the entire study period of 3 quarters are listed in Table 3.

Table 3. Existing Clients’ Treatment Plans Over 3 Review Quarters

Existing Clients’ Treatment Plans Received by Team Leaders		Estimated VA Compliance 95 Percent Confidence Interval Limits		
	Number of Clients	Percent	Lower	Upper
Compliant	56	13.7*	7.95	22.46
Non-compliant	301	69.7	57.38	79.72
Cannot Be Determined	112	16.6	8.01	31.38
Total	469	100.0	----	----

*This is statistically significantly lower than the 90 percent benchmark.

Additionally, at three Vet Centers, we found that although the treatment plans had different dates, the documentation appeared to have been copied and pasted from previous quarters.

Extensions. We found 340 clients at the 29 Vet Centers who received counseling beyond 1 year. We assessed whether the TL interviewed the client and assessed the need for continued readjustment counseling. We also accessed RCSnet records to determine the date the extensions were approved. We reported our findings in increments of 5 days for approval times between 1 and 30 days. The extension approval process occurred as early as 111 days prior to and as late as 1,289 days after the expiration date. A summary of our results is listed in Table 4.

Table 4. Extension Approval Times

Time Periods	Extension Approvals	Estimated VA Compliance 95 Percent Confidence Interval Limits		
	Number	Percent	Lower	Upper
Prior to Expiration Date	41	9.1	4.85	16.36
On Expiration Date	21	6.0	3.34	10.63
1 to 5 Days After	24	5.2	2.20	11.64
6 to 10 Days After	17	4.2	2.31	7.58
11 to 15 Days After	19	4.7	1.81	11.91
16 to 20 Days After	38	9.4	3.29	23.88
21 to 25 Days After	20	5.5	2.85	10.23
26 to 30 Days After	8	3.4	1.78	6.39
More Than 30 Days After	152	52.5	38.31	66.37
Total	340	100.0	----	----

We estimated that 52.5 percent (95% CI: 38.31–66.37) of the extension approvals were processed more than 30 days after the 1-year eligibility date. In addition, we found that the TLs requested extensions for readjustment counseling without contacting the clients at three Vet Centers. In lieu of interviewing the client, TL and/or office support staff utilized information from the treatment plan to determine if the client needed an extension. The information was then submitted to the RM for approval. This practice limited the opportunity for clients to communicate their experiences, perceptions, and concerns related to contract counseling with Vet Center staff.

Issue 2: Annual Onsite Quality Reviews

Of the 30 Vet Centers reviewed, we found that 9 TLs did not complete an annual onsite quality review of the respective contract provider during the time period of March 1, 2011, through April 30, 2012. The compliance rate of 70 percent (95% CI: 55.95–81.08) is statistically significantly lower than the 90 percent threshold.

Of the 21 Vet Centers that completed onsite quality reviews, 3 reports noted areas “Needing Improvement.” Corrective action plans were developed; however, target dates were not established for completion in 60 days, as required, in one of the three reports.

The areas noted as “Needing Improvement” were not entered into the RCSnet Deficiency Tracking Log for two quality review reports. Therefore, managers were not able to track and trend the noted deficiencies. Additionally, we found that the deficiencies had not been resolved at the time of our review.

Issue 3: Contract Administration and Oversight

Contractual Requirements

We reviewed contracts to assess for completeness of documentation and to determine if key terms and conditions were included in accordance with RCS policy. The RCS compliance rate for having a complete and signed contract was 71 percent (95% CI: 54.67–83.40). Eighteen percent (95% CI: 9.66–30.41) were missing elements in the statement of work that describe performance and other requirements such as treatment modalities, number of sessions, eligibility, referral requirements, and prescribed invoice format. Eleven percent (95% CI: 3.30–31.41) of the Vet Centers did not have a contract for counseling services.

Contract Oversight

We assessed the management and oversight of contracted care based on compliance with the contract, and reviewed invoice and documentation records. VHA policy allows for the invoices to be billed individually per session or aggregated for all sessions performed during the month. These requirements were not consistently included in the contract.

We evaluated the documentation to determine whether sessions were properly authorized and invoices were accurate. We found that two of six compliance measures failed to meet the 90 percent threshold. The documents reviewed included VA Authorization Forms (10-5565b), veteran-signed service acknowledgements, contractor invoices, and VA payment records. A summary of our results can be found in Table 5.

Table 5. Invoiced Session Review

Compliance Measure	Invoiced Sessions (n=1318) Number Compliant	Estimated VA Compliance 95 Percent Confidence Interval Limits		
		Percent	Lower	Upper
Contract rates match invoice rates	1,171	94.3	85.21	97.96
Invoices are calculated accurately	1,251	96.4	88.35	98.97
VA payments match amounts invoiced	1,144	88.9	76.64	95.15
VA Authorization Forms (10-5565b) properly signed and dated	915	73.4*	65.37	80.20
10-5565b properly signed and dated prior to session date	611	53.1*	45.54	60.58
Veteran signed acknowledgement for receipt of service	1,073	89.8	80.13	95.05

*This is statistically significantly lower than the 90 percent benchmark.

We reviewed VA Authorization Forms (10-5565b) to ensure counseling was approved by the TL prior to counseling sessions. We found that 73.4 percent (95% CI: 65.37–80.20) of the authorization forms had a signature and date, and 53.1 percent (95% CI: 45.54–60.58) were signed prior to the session date. The compliance rates in these categories were significantly below the 90 percent threshold.

Conclusions

We found that contractors provided the required documents for review and approval by the TLs prior to the reauthorization of additional sessions in 76.4 percent (95% CI: 56.37–89.01) of the client records. The TLs also authorized additional counseling sessions with updated treatment plans in 25.8 (95% CI: 12.66–45.46), 31.0 (95% CI: 17.24–49.31), and 30.0 (95% CI: 16.00–48.97) percent of the records reviewed during each respective quarter.

We found that the extension approval process for 52.5 percent (95% CI: 38.31–66.37) of the existing clients occurred more than 30 days after the 1-year eligibility date. We also found that 70.0 percent (95% CI: 55.95–81.08) of the TLs completed an annual onsite quality review of the respective contract provider.

We found a 71.0 percent (95% CI: 54.67–83.40) RCS compliance rate for complete and signed contracts. This was primarily due to missing elements in the statement of work or the lack of a contract for counseling services. The terms and conditions of the contracts need to be consistent with VHA policy, and TLs must maintain a copy of the complete contract with all relevant provisions prescribed by RCS Guidelines and Instructions. Additionally, we noted that only 73.4 percent (95% CI: 65.37–80.20) of the authorization forms with the required signature and date and 53.1 percent (95% CI: 45.54–60.58) were signed prior to the session date.

Recommendations

We recommended that the Under Secretary for Health, in conjunction with the RCS Chief Officer:

Recommendation 1. Ensure that Team Leaders receive, review, and approve psychosocial assessments and counseling plans prior to authorizing contracted counseling services.

Recommendation 2. Ensure that Team Leaders conduct and document client assessments after 1 year of eligibility for contracted client services.

Recommendation 3. Ensure that Team Leaders conduct annual onsite quality reviews for contractors who participate in the Contract for Fee Program.

Recommendation 4. Ensure that Readjustment Counseling Service uses a standard template that includes terms and conditions that are consistent with those in the Readjustment Counseling Service policy.

Recommendation 5. Ensure that Readjustment Counseling Service maintains and monitors counseling service contracts in accordance with Readjustment Counseling Service and Veterans Health Administration policy.

Recommendation 6. Ensure that Team Leaders authorize contracted counseling services in accordance with Readjustment Counseling Service and Veterans Health Administration policy.

Randomized RCS Vet Center Sites

Station	Vet Center Name	RCS Region
0108V	Manchester Vet Center	1A
0116V	New Haven Vet Center	1A
0122V	White River Junction Vet Center	1A
0124V	Rochester Vet Center	1A
0202V	Louisville Vet Center	1B
0208V	Huntington Vet Center	1B
0217V	Richmond Vet Center	1B
0425V	Sioux Falls Vet Center	2
0433V	Saginaw Vet Center	2
0434V	Escanaba Vet Center	2
0438V	Pontiac Vet Center	2
0346V	Richmond County (Augusta) Vet Center	3A
0704V	Shreveport Vet Center	3B
0705V	Corpus Christi Vet Center	3B
0718V	Oklahoma City Vet Center	3B
0501V	Cheyenne Vet Center	4A
0509V	Billings Vet Center	4A
0510V	Spokane Vet Center	4A
0514V	Salt Lake Vet Center	4A
0519V	Casper Vet Center	4A
0520V	Santa Fe Vet Center	4A
0522V	Bellingham Vet Center	4A
0539V	Kalispell Vet Center	4A
0610V	Citrus Heights Vet Center	4B
0617V	Portland Vet Center	4B
0619V	San Luis Obispo Vet Center	4B
0626V	Eugene Vet Center	4B
0640V	Salem Vet Center	4B
0643V	Ventura Vet Center	4B
0649V	Chico Vet Center	4B

Under Secretary for Health Comments

**Department of
Veterans Affairs**

Memorandum

Date: July 22, 2013

From: Under Secretary for Health (10)

**Subject: Healthcare Inspection – Vet Center Contracted Care
Program Review**

To: Assistant Inspector General for Healthcare Inspections (54)

1. The Veterans Health Administration has revised its action plan based on Office of Inspector General's comments. Attached is the revised action plan.

2. Should you have additional questions, please contact Karen Rasmussen, M.D., Acting Director, Management Review Service, at (202) 461-6643, or by e-mail at karen.rasmussen@va.gov.

(original signed by)
Robert A. Petzel, M.D.

Attachment

Under Secretary for Health Comments to Office of Inspector General's Report

The following Under Secretary for Health's comments are submitted in response to the recommendations in the Office of Inspector General's report:

OIG Recommendations

Recommendation 1. We recommended that the Under Secretary for Health, in conjunction with the Readjustment Counseling Service Chief Officer, ensure that Team Leaders receive, review, and approve psychosocial assessments and counseling plans prior to authorizing contracted counseling services.

VHA Comments:

Concur

Team Leaders/Contracting Officer Technical Representatives (COTR) are required to receive, review, and approve psychosocial assessments and counseling plans prior to authorizing ongoing contracted counseling services as per VHA Handbook 1500.01, Section 7. The specific steps for this requirement are found in the Readjustment Counseling Service (RCS) Guidelines and Instructions for Contract for Fee Program, Section 4, Paragraphs b, c, d, and e. Compliance is monitored through the annual RCS Contract Fee Quality Review, Sections 4, Item f, Section 5, Items a-e. The OIG Vet Center Contracted Care Program Review estimated that in 76.4 percent (95% CI: 56.37-89.01) of the Veteran records, the contract provider submitted the required documents for review and approval by the Team Leader/COTR prior to the reauthorization of additional sessions. The RCS compliance rate is significantly lower than the 90 percent threshold.

Additionally, existing Contract for Fee Veteran cases require an updated treatment plan for every quarterly re-authorization of counseling sessions (up to 15 visits/quarter). The specific steps for this requirement are found in the Readjustment Counseling Service (RCS) Guidelines and Instructions for Contract for Fee Program, Section 4, Paragraphs e, f, and g. Compliance is monitored through

the annual RCS Contract Fee Quality Review, Sections 4, Item f, Section 5, Items e-h. The OIG Vet Center Contracted Care Program Review estimated that in 25.8 (95% CI: 12.66–45.46), 31.0 (95% CI: 17.24–49.31), and 30.0 (95% CI: 16.00–48.97) percent, respectively, for the three quarters reviewed the contract provider submitted an updated treatment plan for review and approval by the Team Leader/COTR prior to the re-authorization of additional sessions. The RCS compliance rate is significantly lower than the 90 percent threshold.

Actions to address this recommendation are:

- All Vet Centers that maintain a Contract for Fee Program will receive additional training and guidance by Regional staff to specifically address development, submission and approval of psychosocial assessments and counseling plans prior to authorizing ongoing contracted counseling services for new Veterans, and for existing Veterans the review and approval of updated treatment plans prior to each quarter (up to 15 visits) of services provided. A report identifying the specific date each site received its training and guidance to address this recommendation will be provided by the end of 2013.

Status: In progress

Target Date for Completion: December 31, 2013

- In order to improve compliance and meet the OIG identified 90 percent standard RCS will include the following specific performance measures in the RCS Team Leader and RCS Regional Manager Performance Appraisals:
 - **Team Leader Section 5 (Results Driven)**

Critical Element 5.1: **Goal/Objective:** Initial referral of a Veteran to a contract provider will consist of not more than three (3) visits for the contract provider to develop the psychosocial assessment and written treatment (counseling) plan and obtain Team Leader approval. **Target/Measurement:** In at least 90 percent of contracted cases, the contract provider utilizes not more than three visits to develop a written psychosocial assessment and

written treatment plan that is approved by the Team Leader prior to authorizing ongoing contracted counseling services.

Critical Element 5.2: **Goal/Objective:** For all Contract for Fee Veterans, an updated treatment plan will be developed by the contractor and approved by the Team Leader/COTR for each quarter prior to services being provided (up to 15 visits per quarter). **Target/Measurement:** In at least 90 percent of contracted cases, the contract provider submits an updated treatment plan and the Team Leader/COTR approves the update for the quarter prior to services being provided (up to 15 visits per quarter).

- **Regional Manager Section 5 (Results Driven)**

Critical Element 5.1: **Goal/Objective:** Regional Manager will insure that initial referral of a Veteran to a contract provider will consist of not more than three (3) visits for the contract provider to develop the psychosocial assessment and written treatment (counseling) plan and obtain Team Leader approval. **Target/Measurement:** Regional Manager will ensure that in at least 90 percent of contracted cases the contract provider utilizes not more than three visits to develop a written psychosocial assessment and written treatment plan that is approved by the Team Leader prior to authorizing ongoing contracted counseling services.

Critical Element 5.2: **Goal/Objective:** Regional Manager will insure that an updated treatment plan is developed by the contractor and approved by the Team Leader/COTR for each quarter prior to services being provided (up to 15 visits per quarter). **Target/Measurement:** In at least 90 percent of contracted cases the contract provider submits an updated treatment plan and the Team Leader/COTR approves the update each quarter, prior to services being provided (up to 15 visits per quarter).

Status: In progress

Target Date for Completion: November 30, 2013

- A quarterly report will be required from each RCS Region (beginning with the FY 2013, 4th Quarter) that identifies each new contract Veteran, the date authorizing up to three visits, and confirmation of the Team Leader approval prior to authorizing ongoing counseling services beyond three visits. The quarterly report will be required until the 90 percent compliance standard is reached; RCS's annual reports will continue to track this requirement.

Status: In progress

Target Date for Completion: January 15, 2014

Recommendation 2. We recommended that the Under Secretary for Health, in conjunction with the Readjustment Counseling Service Chief Officer, ensure that Team Leaders conduct and document client assessments after 1 year of eligibility for contracted client services.

VHA Comments:

Concur

Team Leaders/Contracting Officer Technical Representatives (COTR) are required to conduct and document updated Veteran assessments for all Veterans that exceed the authorized one year of contracted services as per VHA Handbook 1500.01, Section 7. The specific steps for this requirement are found in the Readjustment Counseling Service (RCS) Guidelines and Instructions for Contract for Fee Program, Section 4, Paragraph i. Compliance is monitored through the annual Readjustment Counseling Service (RCS) Contract Fee Quality Review, Section 5, Items g and h. The OIG Vet Center Contracted Care Program Review estimated that 52.5 percent (95% CI: 38.31 – 66.37) of the beyond 1-year extensions took place more than 30 days after the 1-year date. This results in an RCS compliance rate of 47.5 percent which is significantly lower than the 90 percent threshold.

Actions to address this recommendation are:

- All Vet Centers that maintain a Contract for Fee Program will receive additional training and guidance by Regional staff to specifically address documenting Veteran assessments and

regional approval of contracted services beyond 1-year. A report identifying the specific date each site received its training and guidance to address this recommendation will be provided by the end of calendar year 2013.

Status: In progress

Target Date for Completion: December 31, 2013

- In order to improve compliance and meet the OIG identified 90 percent standard, RCS will include the following specific performance measures in the RCS Team Leader and RCS Regional Manager Performance Appraisals for the FY 2014 performance cycle:

- **Team Leader Section 5 (Results Driven)**

Critical Element 5.3: **Goal/Objective:** In order to extend a Contract for Fee Veteran's eligibility for services beyond 1-year, Team Leader must interview the Veteran (in person or by telephone) to conduct an updated psychosocial assessment that demonstrates ongoing clinical need for contracted services. Each case must be reviewed and approved by the Regional Manager or designee and documented in the Veteran's file. **Target/Measurement:** Team Leader will ensure that in at least 90 percent of contracted cases exceeding the initial 1-year eligibility, the Veteran is interviewed, need for ongoing services is determined and approved, and actions are documented in the Veteran's file within 30 days of the 1-year anniversary date.

- **Regional Manager Section 5 (Results Driven)**

Critical Element 5.3: **Goal/Objective:** Regional Manager will review and approve all contracted cases that exceed the initial 1-year eligibility. **Target/Measurement:** Regional Manager will ensure that in at least 90 percent of contracted cases exceeding the initial 1-year eligibility, the Veteran is interviewed, need for ongoing services is determined and approved, and actions are documented in the Veteran's file within 30 days of the 1-year anniversary date.

Status: In progress

Target Date for Completion: November 30, 2013

- A quarterly report will be required from each RCS Regional Manager (beginning with the FY 2013, 4th Quarter) that identifies each contract Veteran that received services beyond 1-year, their yearly anniversary date, and the date and confirmation of the approval of the contracted services extension. The quarterly report will be required until the 90 percent compliance standard is reached; RCS's annual reports will continue to track this requirement.

Status: In progress

Target Date for Completion: January 15, 2014

Recommendation 3. We recommended that the Under Secretary for Health, in conjunction with the Readjustment Counseling Service Chief Officer, ensure that Team Leaders conduct annual onsite quality reviews for contractors who participate in the Contract for Fee Program.

VHA Comments:

Concur

Team Leaders/Contracting Officer Technical Representatives (COTR) are required to conduct an annual on-site quality review as per VHA Handbook 1500.01, Section 7. The specific steps for this requirement are found in the Readjustment Counseling Service (RCS) Guidelines and Instructions for Contract for Fee Program, Section 6, Paragraph b, Item 4. Compliance is monitored through the annual Readjustment Counseling Service (RCS) Contract Fee Quality Review, Section 8, Item b. The OIG Vet Center Contracted Care Program Review estimated that 70 percent (95% CI: 55.95 – 81.08) of Team Leaders conducted an on-site quality review. The RCS compliance rate is significantly lower than the 90 percent threshold.

All Vet Centers with an active Contract for Fee program will receive an on-site quality review in FY 2013. In addition, all deficiencies will be entered into the RCS Net Deficiency Tracking System with the established 60 day remediation period.

Status: In progress

Target Date for Completion: September 30, 2013

Recommendation 4. We recommended that the Under Secretary for Health, in conjunction with the Readjustment Counseling Service Chief Officer, ensure that Readjustment Counseling Service uses a standard template that includes terms and conditions that are consistent with those in the Readjustment Counseling Service policy.

VHA Comments:

Concur

The specific steps for initiating and awarding an RCS contract are found in the Readjustment Counseling Service (RCS) Guidelines and Instructions for Contract for Fee Program, Section 1. Compliance is monitored through the annual Readjustment Counseling Service (RCS) Contract Fee Quality Review, Section 3, Item a. The OIG Vet Center Contracted Care Program Review estimated that 71 percent (95% CI: 54.67 – 83.40) of contracts were complete and consistent with RCS policy and available on-site at each Vet Center. The RCS compliance rate is significantly lower than the 90 percent threshold.

Actions to address this recommendation are:

- A complete signed copy of all RCS contracts will be reviewed and maintained at each Vet Center. In addition, the RCS Regional Office will maintain a complete and signed copy of all contracts within their region. This will be documented by the Regional Managers and a national report will be submitted when complete.

Status: In progress

Target Date for Completion: January 1, 2014

- A standardized and consistent Performance Based Statement of Work (PBSW) will be developed and implemented for all new and renewed contracts.

Status: In progress

Target Date for Completion: January 1, 2014

Recommendation 5. We recommended that the Under Secretary for Health, in conjunction with the Readjustment Counseling Service Chief Officer, ensure that Readjustment Counseling Service maintains and monitors counseling service contracts in accordance with Readjustment Counseling Service and Veterans Health Administration policy.

VHA Comments:

Concur

The specific steps for monitoring RCS contracts are found in the RCS Guidelines and Instructions for Contract for Fee Program, Section 1. Compliance is monitored through the annual RCS Contract Fee Quality Review, Section 3, Item a.

A standardized and consistent PBSW will be developed and implemented for all new and renewed contracts. Each contract will be proactively reviewed annually with an action plan including the implementation of the standard PBSW for all contracts as they are initiated or renewed.

Status: In progress

Target date for completion: January 1, 2014

Recommendation 6. We recommended that the Under Secretary for Health, in conjunction with the Readjustment Counseling Service Chief Officer, ensure that Team Leaders authorize contracted counseling services in accordance with Readjustment Counseling Service and Veterans Health Administration policy.

VHA Comments:

Concur

Team Leaders/Contracting Officer Technical Representatives (COTR) are required to sign and date authorizations for contracted counseling (VA 10-5565b) prior to the counseling being provided by contractor as per VHA Handbook 1500.01, Section 7. The specific steps for this requirement are found in the Readjustment Counseling

Service (RCS) Guidelines and Instructions for Contract for Fee Program, Section 4, Paragraph a. Compliance is monitored through the annual Readjustment Counseling Service (RCS) Contract Fee Quality Review, Section 4, Item e. The OIG Vet Center Contracted Care Program Review estimated that 73.4 percent (95% CI: 65.37 – 80.20) of the authorization forms had appropriate signatures and that 53.1 percent (95% CI: 45.54 – 60.58) were signed prior to the session date. The RCS compliance rate is significantly lower than the 90 percent threshold.

Actions to address this recommendation are:

- All Vet Centers that maintain a Contract for Fee Program will receive additional training and guidance by Regional staff to specifically address the appropriate documentation authorizing contracted services for Veterans. A report identifying the specific date each site received its training and guidance to address this recommendation will be provided by the end of calendar year 2013.

Status: In progress

Target Date for Completion: December 31, 2013

- In order to improve compliance and meet the OIG identified 90 percent standard, RCS will include the following specific performance measures in the RCS Team Leader and RCS Regional Manager Performance Appraisals for the FY 2014 performance cycle:

- **Team Leader Section 5 (Results Driven)**

Critical Element 5.4: **Goal/Objective:** Authorizations for contracted counseling (VA 10-5565b) will be signed and dated by Team Leader prior to the session(s) authorized.
Target/Measurement: Team Leader will ensure that 90 percent of all authorizations (VA 10-5565b) are signed and dated prior to the session(s) authorized.

- **Regional Manager Section 5 (Results Driven)**

Critical Element 5.4: **Goal/Objective:** Authorizations for contracted counseling (VA 10-5565b) will be signed and dated by Team Leader prior to the session(s) authorized. **Target/Measurement:** Regional Manager will ensure that 90 percent of all authorizations (VA 10-5565b) are signed and dated by the Team Leader prior to the session(s) authorized.

Status: In progress

Target Date for Completion: November 30, 2013

- A quarterly report will be required from each RCS Region (beginning with the FY 2013, 4th Quarter) that identifies each contract Veteran authorization and documentation of the appropriate signatures and dates. The quarterly report will be required until the 90 percent compliance standard is reached; RCS's annual reports will continue to track this requirement.

Status: In progress

Target Date for Completion: January 15, 2014

OIG Contact and Staff Acknowledgments

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