



Department of Veterans Affairs Office of Inspector General

Combined Assessment Program Review of the VA Medical Center Wilmington, Delaware

Office of Inspector General

Combined Assessment Program Reviews

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

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

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

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Contents

	Page
Executive Summary	i
Introduction	1
Medical Center Profile	1
Objectives and Scope of the CAP Review	1
Results of Review	3
Opportunities for Improvement	3
Supply Inventory Management	3
Unliquidated Obligations	4
Medical Care Collections Fund	5
Colorectal Cancer Management	6
Information Technology Security	8
Contract Administration	9
Appendixes	
A. VISN 4 Director Comments	10
B. Medical Center Director Comments	11
C. Monetary Benefits in Accordance with IG Act Amendments	17
D. OIG Contact and Staff Acknowledgments	18
E. Report Distribution	19

Executive Summary

Introduction

During the week of June 6–10, 2005, the Office of Inspector General (OIG) conducted a Combined Assessment Program (CAP) review of the VA Medical Center Wilmington, DE. The medical center is part of Veterans Integrated Service Network (VISN) 4. The purpose of the review was to evaluate selected operations, focusing on patient care administration, quality management (QM), and financial and administrative controls. During the review, we also provided fraud and integrity awareness training to 190 employees.

Results of Review

The CAP review focused on 13 areas. The medical center complied with selected standards in the following seven areas:

- Controlled Substances Accountability
- Environment of Care
- Government Purchase Card Program
- Laboratory Wait Times
- Pharmacy Security
- Quality Management
- Radiology Wait Times

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

- Reduce supply levels to the 30-day supply goal and ensure that supply levels are accurate by correctly recording supply transactions. Implement the Generic Inventory Package (GIP) for engineering supplies and complete the required annual inventories.
- Review all unliquidated obligations and promptly cancel unnecessary obligations.
- Identify all potentially billable episodes of care and issue bills for the care identified in our review. Train medical care providers regarding medical record documentation, and provide refresher training to billers and coders to keep them up to date with policy changes.
- Implement a tracking method for abnormal anatomic pathology reports that show the presence of colorectal cancer.
- Ensure contingency plans contain information required to recover from an emergency or system disruption. Require that all system users complete computer security awareness training and that only information technology (IT) support personnel have access to communication closets.

- Ensure Contracting Officer's Technical Representatives (COTRs) do not delegate their responsibilities, and make sure the laundry services contractor complies with the contract terms before the COTR certifies invoices for payment.

This report was prepared under the direction of Mr. William Withrow, Director, and Mr. Larry Reinkemeyer, CAP Review Coordinator, Kansas City Audit Operations Division.

VISN 4 and Medical Center Directors Comments

The VISN and Medical Center Directors agreed with the CAP review findings and provided acceptable improvement plans. (See Appendixes A and B, pages 10-16, for the full text of the Directors' comments.) We will follow up on the planned improvement actions until they are completed.

(original signed by:)

JON A. WOODITCH
Acting Inspector General

Introduction

Medical Center Profile

Organization. The medical center provides primary and secondary care in medicine and surgery and tertiary care in psychiatry. Outpatient care is also provided at community-based outpatient clinics in Ventnor and Vineland, NJ, and Millsboro, DE. The medical center is part of VISN 4 and serves a veteran population of about 23,000 in a primary service area that includes 3 counties in Delaware and 3 counties in New Jersey.

Programs. The medical center provides medical, surgical, and mental health services and has 58 hospital beds and 60 nursing home beds.

Affiliations. The medical center supports 31 medical resident positions in 6 training programs and is affiliated with the Thomas Jefferson University, the University of Medicine and Dentistry of New Jersey, and the University of Maryland.

Resources. The medical center's fiscal year (FY) 2005 medical care budget was \$76 million. FY 2005 (as of March 31, 2005) staffing was 704 full-time equivalent employees (FTE), which included 40 physician FTE and 211 nursing FTE.

Workload. In FY 2005 (as of March 31, 2005), the medical center treated 22,287 unique patients. The medical center provided 9,177 inpatient days of care and 11,562 days of care in the nursing home. The medical center reported 1,205 inpatient discharges and 97,550 outpatient visits. The average daily census, including nursing home patients, was 97.8.

Objectives and Scope of the CAP Review

Objectives. CAP reviews are one element of the OIG's efforts to ensure that our Nation's veterans receive high quality VA health care and benefits services. The objectives of the CAP review are to:

- Conduct recurring evaluations of selected health care facility and regional office operations focusing on patient care, QM, benefits, and financial and administrative controls.
- Provide fraud and integrity awareness training to increase employee understanding of the potential for program fraud and the requirement to refer suspected criminal activity to the OIG.

Scope. We reviewed selected clinical, financial, and administrative activities to evaluate the effectiveness of QM, patient care administration, and general management controls. QM is the process of monitoring the quality of patient care to identify and correct harmful, or potentially harmful, practices or conditions. Patient care administration is the

process of planning and delivering patient care. Management controls are the policies, procedures, and information systems used to safeguard assets, prevent errors and fraud and ensure that the organizational goals are met. In performing the review, we inspected work areas; interviewed managers, employees, and patients; and reviewed clinical, financial, and administrative records. The review covered the following activities:

Colorectal Cancer Management	Medical Care Collections Fund
Contract Administration	Pharmacy Security
Controlled Substances Accountability	Quality Management
Environment of Care	Radiology Wait Times
Government Purchase Card Program	Supply Inventory Management
Information Technology Security	Unliquidated Obligations
Laboratory Wait Times	

The review covered facility operations for October 1, 2002, through May 31, 2005, and was done in accordance with OIG standard operating procedures for CAP reviews.

As part of the review, we used questionnaires and interviews to survey patient satisfaction with the timeliness of service and the quality of care. We also interviewed 15 inpatients and 19 outpatients. The survey results were provided to medical center management.

During the review, we presented five fraud and integrity awareness briefings for medical center employees. These briefings, attended by 190 employees, covered procedures for reporting suspected criminal activity to the OIG and included case-specific examples illustrating procurement fraud, false claims, conflict of interest, and bribery.

Activities needing improvement are discussed in the Opportunities for Improvement section (pages 3–9). For these activities, we make recommendations for improvement. Recommendations pertain to issues that are significant enough to be monitored by the OIG until corrective actions are implemented. For the activities not discussed in the Opportunities for Improvement section, there were no reportable conditions.

We also followed up on the recommendations from our prior CAP review of the facility (*Combined Assessment Program Review of the VA Medical & Regional Office Center, Wilmington, Delaware*, Report No. 01-00222-7, October 5, 2001). The report included recommendations to improve management of the Medical Care Collections Fund (MCCF), supply inventories, and IT security.

Results of Review

Opportunities for Improvement

Supply Inventory Management – Supplies Should Be Reduced and Controls Strengthened

Condition Needing Improvement. Acquisition and Materiel Management (A&MM) Service staff needed to reduce excess supplies, improve the accuracy of inventory records, and use GIP to manage engineering supplies. We reported these same conditions in our October 2001 CAP report. Veterans Health Administration (VHA) policy established a 30-day supply goal and mandated that facilities use GIP to manage supplies. The GIP automated inventory control system assists managers in monitoring supply levels, analyzing usage patterns, and ordering supply quantities necessary to meet current demand.

Excess Supplies. As of March 31, 2005, supplies in the 7 primary inventory points under GIP consisted of 1,594 line items valued at \$705,704. To test the reasonableness of supply levels, we reviewed a sample of 19 line items valued at \$15,819. For 13 of the 19 line items reviewed, the stock on hand exceeded 30 days of supply, ranging from 41 days to 400 days of supply. GIP data showed no usage for three other line items during the period April 1, 2004, through May 31, 2005. For these 16 line items, the value of stock exceeding 30 days was \$12,991, or 82 percent of the total value of the 19 sampled line items. Applying the 82 percent sample result to the value of the total supply inventory of \$705,704, we estimated that the value of excess stock was \$578,677.

Inaccurate Inventory Records. Information recorded in GIP did not accurately reflect inventories on hand. To test the accuracy of inventory balances, we inventoried the 19 sampled line items. GIP balances did not agree with our inventory counts for 5 (26 percent) of the 19 sampled line items. Two of the five line items were overreported (the quantity reported in GIP exceeded the quantity on hand), while three line items were underreported (the quantity reported in GIP was less than the quantity on hand). A&MM Service staff indicated that this occurred because they did not accurately record the number of items received or the number of items taken out of inventory.

Inadequate Controls Over Engineering Supplies. A&MM Service staff had not implemented GIP, or any other inventory method, to ensure that engineering supplies were controlled and stock levels were adequate to meet demands. In addition, A&MM Service staff stated that the required 100 percent annual inventory of engineering supplies has never been completed. A&MM Service management stated that their staff had not had time to implement GIP for the engineering supplies but will do so and conduct a physical inventory by September 30, 2005.

Recommendation 1. We recommended that the VISN Director ensure that the Medical Center Director takes action to: (a) reduce inventory levels to the 30-day supply goal, (b) ensure that transactions are correctly recorded and that recorded levels are accurate, and (c) implement GIP for engineering supplies and conduct annual inventories.

The VISN and Medical Center Directors agreed with the findings and recommendations and stated that GIP staff liaisons for each primary inventory point will monitor monthly inventory reports and take corrective actions to reduce current stock. Until inventories are accurate, monthly inventory counts will be accomplished and a monthly report provided to the Director. Implementation of GIP for engineering supplies and a wall-to-wall inventory will be completed by September 30, 2005. The improvement actions and plans are acceptable, and we will follow up on the planned actions until they are completed.

Unliquidated Obligations – Undelivered Orders and Accrued Services Payable Should Be Reviewed for Continued Need

Condition Needing Improvement. Fiscal Service controls to monitor unliquidated obligations needed strengthening. We identified \$88,147 in unliquidated obligations that were no longer needed by Engineering Service. Fiscal Service employees reviewed obligations monthly as required by VA policy and worked with the services to identify unnecessary obligations. However, Engineering Service personnel did not respond to these inquiries, and Fiscal Service staff did not follow up with them to make sure unnecessary obligations were canceled.

Undelivered Orders. Undelivered orders are obligations established to pay for supplies and certain types of services that have been ordered but not yet delivered. As of April 30, 2005, the medical center had 394 undelivered orders totaling \$8 million. Of these, three undelivered orders totaling \$68,783 were over 90 days past due. Our review of these orders found that one of the three orders totaling \$5,641 was no longer needed and should have been canceled. Fiscal Service managers agreed and canceled this order.

Accrued Services Payable. Accrued services payable are obligations established to pay the estimated cost of services contracted for but not yet received. As of April 30, 2005, the medical center had 399 accrued services payable totaling \$2.9 million. Of these, 49 accrued services payable totaling \$369,861 were over 90 days past due. We reviewed a judgment sample of 30 payables and found that 13 payables totaling \$82,506 were no longer needed and should have been canceled. Fiscal Service managers agreed and canceled these payables.

Recommendation 2. We recommended that the VISN Director ensure that the Medical Center Director makes certain (a) all unliquidated obligations are reviewed and (b) unnecessary obligations are promptly canceled.

The VISN and Medical Center Directors agreed with the findings and recommendations and stated that Fiscal Service personnel have implemented procedures to ensure that all unliquidated obligations are reviewed and unnecessary obligations are promptly canceled. The improvement actions and plans are acceptable, and we will follow up on the planned actions until they are completed.

Medical Care Collections Fund – Clinical Documentation and Third Party Billing Procedures Needed Improvement

Condition Needing Improvement. MCCF managers needed to improve procedures for recovering health care costs by ensuring billing staff and coders identify all opportunities to bill insurance carriers and providers adequately document care provided. We also discussed opportunities to increase MCCF collections in our October 2001 CAP report.

The medical center met its FY 2004 MCCF collection goal of \$6.3 million and is on track to meet its FY 2005 goal of \$7 million. However, as discussed below, we estimated an additional \$41,420 could have been billed for the 1st quarter of FY 2005, with estimated collections of \$8,698.

Missed Billing Opportunities. The “Reasons Not Billable Report” for the period October 1–December 31, 2004, listed 175 cases totaling \$57,959 that were unbilled for 1 of 3 reasons—insufficient documentation, no documentation, or care provided by a non-billable provider (resident). We reviewed 50 of the 175 cases totaling \$18,953 and found that 27 (54 percent) were billable as discussed below.

- In 19 cases totaling \$6,478, MCCF staff did not bill for the care provided because medical care providers did not promptly or sufficiently document the care provided in the medical records. In April 2005, MCCF staff provided training to some providers on the need to properly document patient care. MCCF staff should continue this emphasis on appropriate medical documentation. MCCF staff reviewed these cases, agreed that appropriate documentation was present for nine cases, and issued bills totaling \$5,049. The remaining cases could not be billed because either the documentation was insufficient or the insurance filing deadline had expired.
- In seven cases totaling \$5,198, MCCF staff did not bill for the care provided because they believed VA policy revisions required additional documentation to bill for the care. However, in all seven cases, we determined that the documentation was adequate to bill for the care provided in accordance with VA policy. MCCF staff agreed and issued bills for five cases totaling \$5,007, but they did not issue bills for the remaining two cases because the insurance filing deadline had expired.
- In one case totaling \$96, coding staff did not identify a follow-up visit for the veteran. A bill was not issued for the follow-up visit because the insurance filing deadline had expired.

Potential Collections. Improved billing procedures and medical record documentation would enhance revenue collections. We estimate that 95 bills (175 cases x 54 percent of cases that were billable) totaling \$41,420 (((\$6,478 + \$5,198 + \$96)/27 cases x 95 bills) could have been issued if the medical record documentation had been complete or documentation requirements had been interpreted appropriately. Based on the medical center's FY 2004 collection rate of 21 percent, we estimate additional collections of \$8,698 (\$41,420 x 21 percent) could have been achieved.

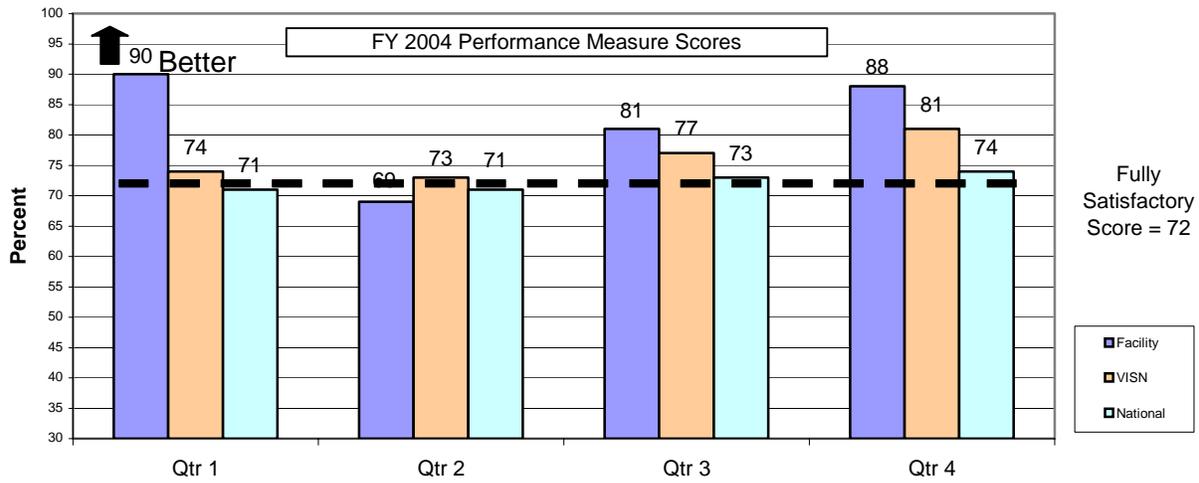
Recommendation 3. We recommended that the VISN Director ensure that the Medical Center Director takes action to: (a) identify all potentially billable episodes of care, (b) train medical care providers regarding medical record documentation, (c) provide refresher training to billers and coders to keep them up to date with policy changes, and (d) issue bills for the billable care identified in our review.

The VISN and Medical Center Directors agreed with the findings and recommendations and stated that since the CAP review, MCCF managers have instituted a monthly review of the "Reason Not Billable Report" to identify missed episodes of care. Medical center managers have also hired a consultant to provide documentation and coding training to medical care providers, and MCCF managers have attended medical staff meetings to discuss accuracy and timelessness of completing notes in the Veterans Health Information Systems and Technology Architecture (VistA) system. MCCF managers have reviewed coding and billing policies, especially those dealing with resident supervision, with Health Information Management Service (HIMS)/MCCF staff. Bills were issued for all billable episodes identified by the review. The improvement actions and plans are acceptable, and we will follow up on the planned actions until they are completed.

Colorectal Cancer Management – Evaluation Waiting Times Should Be Reduced

Condition Needing Improvement. Medical center managers needed to reduce evaluation waiting times for colorectal cancer management. VHA's colorectal cancer screening performance measure assesses the percent of patients screened according to prescribed time frames. Timely diagnosis, notification, interdisciplinary treatment planning, and treatment are essential to early detection, appropriate management, and optimal patient outcomes. We assessed these items in a random sample of 10 patients who were diagnosed with colorectal cancer during FY 2004, using a 90-day standard for accomplishing gastrointestinal (GI) evaluations (taking into consideration factors outside the medical center's control).

**Colorectal Cancer Screening
(General Population)**



Patients appropriately screened	Patients diagnosed within 90 days	Patients appropriately notified of their diagnosis	Patients with interdisciplinary treatment plans	Patients received timely initial treatment
9/10	7/10	9/10	6/10	6/10

The medical center met the overall VHA performance measure for colorectal cancer screening and showed a marked improvement in GI clinic wait times in FY 2005. In addition, Hematology/Oncology and Surgery Services provided timely services in three of three and six of seven cases, respectively. However, the medical center needed to improve the timeliness of colorectal cancer diagnosis by reducing the time from initial presentation to definitive diagnosis. Two high-risk patients waited 129 and 286 days, respectively, to get colonoscopies scheduled. Another high-risk patient was not notified of his cancer until 375 days after the definitive diagnosis was made.

Recommendation 4. We recommended that the VISN Director ensure that the Medical Center Director develops and implements a tracking method for abnormal anatomic pathology reports that show the presence of colorectal cancer to ensure timely diagnosis and treatment of cancer patients.

The VISN and Medical Center Directors agreed with the findings and recommendations and stated that medical center managers implemented a tracking method. Abnormal anatomic pathology reports that show the presence of colorectal cancer are identified and submitted to GI Service. GI Service staff have been assigned responsibility for ensuring follow-up care for patients with suspicious results from fecal occult blood tests (FOBT),

sigmoidoscopies, and/or colonoscopies. The improvement actions and plans are acceptable, and we will follow up on the planned actions until they are completed.

Information Technology Security – Improvements Were Needed To Comply with National Institute of Standards and Technology Guidelines and VA Policy

Condition Needing Improvement. The Information Security Officer and Information Resource Management Service management needed to improve IT security. We found adequate security plans, segregation of incompatible duties, risk assessments, virus protection, and critical data backups. However, we identified three areas that required management attention. We also discussed opportunities to improve IT security in our October 2001 CAP report.

Contingency Plan Documentation. Local Area Network/Wide Area Network (LAN/WAN) and facility-level contingency plans did not include all information outlined in National Institute of Standards and Technology (NIST) guidelines. Contingency planning refers to interim measures to recover IT services following an emergency or system disruption. The LAN/WAN contingency plan did not include the locations, model identifications, serial numbers, and vendors for the identified servers. The facility-level contingency plan did not include the model identifications and specifications for personal computers and printers.

Computer Security Awareness Training. Computer system users did not complete the required computer security awareness training. VA policy requires all system users to have initial and annual refresher computer security awareness training. In FY 2004, 55 (5 percent) of the 1,006 computer users did not complete the required annual computer security awareness training. Of these, 49 were non-VA personnel (medical students, contractors, and residents) who were granted access to the computer systems.

Communication Closet Security. Access to one communication closet was not limited to IT support personnel. VA policy requires that physical access to network infrastructure components, such as communication closets, be limited to IT support personnel. Communication closets are secured rooms containing network and telecommunications equipment and wiring that support critical IT functions. Engineering Service staff and not IT personnel had the only keys to the communication closet located in building 10.

Recommendation 5. We recommended that the VISN Director ensure that the Medical Center Director requires that: (a) contingency plans contain all information required by NIST guidelines, (b) all system users complete the required annual computer security awareness training, and (c) access to communication closets is limited to IT support personnel.

The VISN and Medical Center Directors agreed with the findings and recommendations and stated that the contingency plans were revised to reflect NIST requirements. The Information Security Officer anticipates that all system users will complete Cyber Security Awareness training by September 30, 2005. The telecommunication closet in the Engineering Building has been re-keyed and only IT support personnel have access. The improvement actions and plans are acceptable, and we will follow up on the planned actions until they are completed.

Contract Administration – Contract Administration Should Be Strengthened

Condition Needing Improvement. Medical center management needed to strengthen contract administration procedures. To determine whether contracts were properly awarded and administered, we reviewed a judgment sample of 6 contracts (estimated value of \$1.1 million) from the medical center's 30 contracts (estimated value of \$4.9 million). Contracts were properly awarded, but we identified two contract administration areas that required management attention.

Delegation of Authority. A COTR is responsible for monitoring contractor performance and ensuring services are provided prior to certifying invoices and payments are made in accordance with contract terms prior to certifying invoices. VA policy prohibits the COTR from delegating this authority. The COTRs for the ambulance, blood, and magnetic resonance imaging contracts inappropriately delegated their authorities for certifying monthly invoices to other medical center personnel.

COTR Monitoring of the Laundry Services Contract. The COTR for the laundry services contract certified invoices for payment without determining if the invoices complied with contract terms. This contract, valued at \$150,000 per year, was billed at 30 cents per pound. The COTR stated that he believed housekeeping personnel weighed the laundry periodically to verify the billed invoices from the contractor. However, we determined that housekeeping personnel did not have the capability to weigh the laundry received from the contractor.

Recommendation 6. We recommended that the VISN Director ensure that the Medical Center Director makes sure that (a) COTRs do not delegate their authority and (b) controls are established to adequately monitor the laundry services contract to ensure compliance with contract terms.

The VISN and Medical Center Directors agreed with the findings and recommendations and stated that COTRs have been trained and corrected their processes to ensure duties are not delegated. Medical center managers are in the process of acquiring items necessary to adequately monitor the laundry services contract to ensure compliance with the contract terms. The improvement actions and plans are acceptable, and we will follow up on the planned actions until they are completed.

VISN 4 Director Comments

**Department of
Veterans Affairs**

Memorandum

Date: August 23, 2005

From: Network Director, Veterans Integrated Service Network 4
(10N4)

Subject: **CAP Review of the VA Medical Center Wilmington,
Delaware**

To: Director, Kansas City Audit Operations Division (52KC)

I have reviewed the responses to the draft OIG CAP report prepared by the VAMC, Wilmington, Delaware, and concur with information provided.

(original signed by:)

CHARLEEN R. SZABO, FACHE

Medical Center Director Comments

**Department of
Veterans Affairs**

Memorandum

Date: August 22, 2005

From: Director, VA Medical Center Wilmington, Delaware
(460/00)

Subject: **CAP Review of the VA Medical Center Wilmington,
Delaware**

To: Network Director, Veterans Integrated Service Network 4

The VAMC Wilmington, Delaware concurs with the recommendations provided in the OIG Draft Report with appropriate action plans in place to address the issues raised during the OIG CAP review. Thank you for the review of our facility.

(original signed by:)

RICHARD S. CITRON

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

The following Director's comments are submitted in response to the recommendations in the OIG's report:

OIG Recommendations

Recommendation 1. We recommend that the VISN Director ensure that the Medical Center Director takes action to: (a) reduce inventory levels to the 30-day supply goal, (b) ensure that transactions are correctly recorded and that recorded levels are accurate, and (c) implement GIP for Engineering Service supplies and conduct annual inventories.

Concur Target Completion Date: November 30, 2005

a. In order to reduce inventory levels to the mandated 30-day supply, the following action will be taken to reduce the stock on-hand in the primaries.

GIP staff liasons for each primary inventory will review the following reports with the GIP Coordinator on a monthly basis and take corrective action to reduce current stock:

- Stock Status Report
- Long Supply Report
- Inactive Report
- Availability Report
- Due-in Report
- Quantity Distribution Report
- Conversion Factor Report

b. Until the inventories are accurate, our plan will include monthly inventory counts of on hand supplies for each area. All receiving reports and distribution orders will be posted and verified for accuracy to each primary. As we work through this process and the reports, we will adjust par levels in the primaries to better reflect actual usage. Monthly reports will be provided to the Director.

c. The implementation of the GIP for Engineering Services supplies is underway. A manual wall to wall inventory conducted by GIP staff is currently underway. We have modified the electronic work order program in VistA to allow the Engineering staff to identify used items. This will improve the tracking of items used and allow for improved identification of par levels and ordering levels. We expect an improved implementation of Engineering's Inventory for both primary and secondaries by September 30, 2005.

We are in the process of recruiting for a Chief Logistics Officer who will take full responsibility for the GIP. This will enable us to ensure full compliance with the GIP.

Recommendation 2. We recommend that the VISN Director ensure that the Medical Center Director makes certain (a) all unliquidated obligations are reviewed and (b) unnecessary obligations are promptly canceled.

Concur **Target Completion Date: July 2005**

Fiscal Service has implemented procedures to ensure that all unliquidated obligations are reviewed and unnecessary obligations are promptly canceled. Our updated action plan is as follows:

a. The accounting technician reviews UDO and accrued services payable listing monthly after the first work day. The technician notifies fund control point clerks with obligations exceeding 90 days. The departments have five days to respond. If no response, then the accounting technician informs the accounting supervisor. The accounting supervisor then notifies the department leaders (advising them of a 2nd request) requesting that the unliquidated obligation be reviewed to see if it is still needed. If the accounting supervisor does not receive a response within three days, the fiscal officer is notified.

b. The fiscal officer will make a decision whether or not to close the obligation. In the event that the obligation is closed, and at a later date the department determines that the purchase order needs to be re-established, then the service will send a memo to the Director.

Recommendation 3. We recommend that the VISN Director ensure that the Medical Center Director takes action to: (a) identify all potentially billable episodes of care, (b) train medical care providers regarding medical record documentation, (c) provide refresher training to billers and coders to keep them up to date with policy changes, and (d) issue bills for the billable care identified in our review.

Concur **Target Completion Date: July 2005**

a. While we concur with the OIG findings, the OIG reviewed older episodes of care dating from October to December 2004. Since that time we instituted a provider training program which included evaluation and management documentation and coding provided by a consultant specializing in provider training and HIMS/MCCF staff meetings to communicate important compliance issues. Since the IG team visit we have instituted a monthly review of the reason not billable report to identify missed episodes that are still in the current billing time frame. In addition, one employee has been given responsibility to review the non-billable episodes via QuadraMed, for any potential billable episode.

b. In May 2005, we continued the training program for providers. In addition, we attended staff meetings to discuss accuracy and timelessness of completing notes in the Vista system and the importance to the revenue cycle. We are currently developing a process that will target these providers whose patient encounters are most often recorded by HIMS so that additional training can be provided to them.

c. Coding and billing policies, especially dealing with resident supervision, were reviewed with HIMS/MCCF staff. The revenue team attends all table topics provided by central office and reviews reasonable charges questioned and answered as they are distributed. In addition, meetings are being set up with the compliance officers and revenue team to discuss issues related to policies and changes as requested by the OIG.

d. Bills were issued for all billable episodes identified by the review. Total billing was \$10,514.02. As of this date one bill

is still pending, all others resolved with collections of \$1,071.32.

Recommendation 4. We recommend that the VISN Director ensure that the Medical Center Director develops and implements a tracking method for abnormal anatomic pathology reports that show the presence of colorectal cancer to ensure timely diagnosis and treatment of cancer patients.

Concur Target Completion Date: September 6, 2005

A tracking method has been implemented per OIG recommendations. Abnormal anatomic pathology reports that show the presence of colorectal cancer are identified by assigned laboratory computer applications coordinator who will be responsible for notifying a GI registered nurse.

A GI registered nurse has been assigned responsibility for maintaining tracking log and ensuring follow up care for patients with suspicious results from FOBTs, Sigmoidoscopies, and/or Colonoscopies. Additionally we are reviewing all positive FOBT from FY 2005 to ensure appropriate follow up has been taken.

We are also in the process of developing an memorandum of understanding with the state of Delaware who will provide a full-time social worker to our facility whose primary responsibility will be tracking all patients with positive results related to colorectal cancer and working with patients to ensure appropriate follow up care is received in a timely fashion.

Recommendation 5. We recommend that the VISN Director ensure that the Medical Center Director requires that: (a) contingency plans contain all information required by NIST guidelines, (b) all system users complete the required annual computer security awareness training, and (c) access to communication closets be limited to IT support personnel.

Concur Target Completion Date: September 30, 2005

(a) The contingency plans are being revamped to reflect the requirements in NIST 800-34, "Contingency Planning Guide for Information Technology Systems".

(b) The Information Security Officer is aggressively ensuring all system users complete Cyber Security Awareness training prior to the 9/30/05 date. This facility is currently at 80 percent completion for VA employees and anticipates 100 percent by all system users by 9/30/05.

(c) The telecommunication closet located in the engineering building has been re-keyed so that only IT staff has access to this closet. This was corrected on 06/09/05 during the OIG visit.

Recommendation 6. We recommend that the VISN Director ensure that the Medical Center Director makes sure that (a) COTRs do not delegate their authority and (b) controls are established to adequately monitor the laundry services contract to ensure compliance with contract terms.

Concur Target Completion Date: November 30, 2005

a. Those COTR's who were allowing others to review and sign on payments have been instructed to correct their processes. COTR's have received VISN training.

b. An appropriate scale has been identified for the laundry service. We are in the process of ordering it. The scale will improve monitoring of billing and services. The housekeeping supervisor is developing the standard operating procedure and working with staff to assure accountability. As soon as the scale arrives we will be able to implement the process.

Monetary Benefits in Accordance with IG Act Amendments

<u>Recommendation</u>	<u>Explanation of Benefit(s)</u>	<u>Better Use of Funds</u>
1	Reduce supply inventories to 30-day levels.	\$578,677
2	Cancel unneeded obligations.	88,147
3	Ensure all billing opportunities are realized.	<u>8,698</u>
	Total	\$675,522

OIG Contact and Staff Acknowledgments

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Acknowledgments	Gail Bozzelli
	Dennis Capps
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	Donna Giroux
	Henry Mendala
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U.S. House of Representatives: Robert E. Andrews, Michael N. Castle,
Frank A. LoBiondo, James Saxton, Chris Smith

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