



Department of Veterans Affairs Office of Inspector General

Audit of the Veterans Health Administration's Part-Time Physician Time and Attendance

Veterans Health Administration's management controls were not effective in ensuring that part-time physicians met their employment obligations and that physician staffing was aligned properly with workload requirements.

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Memorandum to the Under Secretary for Health (10)

Audit of the Veterans Health Administration's Part-Time Physician Time and Attendance

1. At the request of the Secretary of Veterans Affairs, we audited the Veterans Health Administration's (VHA) management of part-time physician time and attendance, physician productivity in meeting employment obligations, and physician staffing requirements. The audit objectives were to determine if (1) timekeeping and other management controls were effective in ensuring that part-time physicians worked the hours required by their Department of Veterans Affairs (VA) appointments; and (2) VHA used effective procedures to align physician staffing with workload requirements.

2. VA medical center managers did not ensure that part-time physicians met employment obligations required by their VA appointments. Although VHA had established time and attendance policy and procedures to account for part-time physicians, neither VHA headquarters officials nor VA medical center managers enforced the policy. VHA management at many levels told us they were generally satisfied with physician productivity and believed VA received more value than it paid for from the services provided by part-time physicians, despite apparent timekeeping violations. Results of audit clearly showed that part-time physicians were not working the hours established in their VA appointments and as a result part-time physicians were not meeting their employment obligations to VA. Specifically, we found:

- There was no documented evidence of any patient care workload (patient encounters, operating room time, progress notes, physician orders, or network log on times) for 33 percent of all days where 223 part-time physicians were scheduled for at least 4 hours of duty.
- Part-time physicians did not complete a minimal amount of patient care time (at least 1 hour in surgery or at least 2 progress notes, doctors orders, or encounters per hour worked) on 53 percent of days the physicians were scheduled to work at least 4 hours. This includes the time part-time physicians spent on patient care on their days off and time without compensation (WOC) physicians spent providing direct patient care as substitute physicians.
- Surgeons spent 38 percent of their available time on patient care obligations – patient encounters and operating room time. Of the 153 surgeons reviewed, 122 (80 percent) spent less than 50 percent of their available time and 70 (46 percent) spent less than 25 percent of their available time in direct patient care.
- Part-time surgeons at six VA medical centers reviewed were performing surgery at the

affiliated medical schools during their scheduled VA tours of duty.

- Attending physicians¹ at 4 VA medical centers reviewed were not present to supervise the residents' treatment of patients in 6 of 29 clinics reviewed.

3. VHA does not have effective procedures to align physician-staffing levels with workload requirements. VA medical centers did not perform any workload analysis to determine how many full time employee equivalents (FTEE)² were needed to accomplish the medical centers' workload. In addition, VA Medical Centers did not evaluate their hiring alternatives (such as part-time, full-time, intermittent, or fee basis). VA medical center managers responsible for staffing decisions did not fully consider the physicians' other responsibilities – such as medical research, teaching, and administration – when they determined how many physicians the VA medical centers needed. VHA officials told us the determination of the number of part-time physician FTEEs needed has more to do with the financial needs of the affiliated university in meeting physician pay packages, than the number of hours needed by VA to meet patient workload requirements. In addition, only one of the managers at the five VA medical centers we visited had informed their part-time physicians of what was expected of them to meet their VA employment responsibilities. We believe communication of expectations and responsibilities would significantly improve operations at the VA medical centers.

4. To address these conditions we recommended that the Under Secretary for Health take the following actions:

- Require that Veterans Integrated Services Network (VISN) and medical center directors ensure part-time physicians meet their employment obligations and hold field managers accountable for compliance.
- Determine what reforms are needed to ensure VA physician timekeeping practices are effective in an academic medicine environment and VA physicians are paid only for time and service actually provided. Recommend statutory or regulatory changes needed to implement the reforms and publish appropriate policy and guidance.
- Establish performance monitors to measure VISN and medical center enforcement of physician time and attendance; ensure desk audits are conducted of timekeeping functions; provide continuing timekeeping education to supervisors, physicians, and timekeepers; require medical center managers to certify compliance with applicable policies and procedures to VHA's Deputy Under Secretary for Operations and Management annually; and hold VHA managers accountable for successful implementation of time and attendance requirements.
- Apprise all part-time physicians of their responsibilities regarding VA timekeeping requirements.

¹ An attending physician is a staff physician responsible for the patient care provided by resident physicians in training.

² The FTEE needed to accomplish medical center workload is equal to the total number of hours worked by the physician (including hours used for patient care, non-patient care, and leave) divided by 2,087.

- Evaluate appropriate technological solutions that will facilitate physician timekeeping.
- Develop comprehensive guidance for medical centers to use when conducting desk audits.
- Establish appropriate training modules, making the best use of technological solutions for training VHA managers, VA physicians, and timekeepers in timekeeping requirements, responsibilities, and procedures.
- Publish policy and guidance that incorporates the use of workload analysis to determine the number of physicians needed to provide timely, cost effective, and quality service to veterans seeking care from VA.
- Require medical centers to review their staffing structures (such as part-time, full-time, intermittent, or fee basis) and determine if these appointments are appropriate to the needs of the medical center.
- Require that VISN and medical center directors reassess staffing requirements annually and certify their staffing decisions to VHA's Deputy Under Secretary for Operations and Management.
- Evaluate alternative methods to acquire physician services and publish national guidance to assist VISN and medical center directors in determining the best strategies for their regional, academic, and patient care circumstances.
- Publish guidance describing how VISN and medical center managers should determine, monitor, and communicate the allocation of physician time among patient care, administrative duties, academic training, and medical research.

5. The Under Secretary for Health agreed with the findings and recommendations, except for the recommendation requiring the medical center directors to perform an annual staffing assessment and provide a certification of their staffing decision; and, the recommendation requiring national guidance on strategies to determine physician services. For each of the recommendations that he did not agree to, he provided acceptable alternative action plans. The Under Secretary provided an acceptable alternative implementation plan for the recommendation concerning the need for staffing assessments and certification of the medical center directors staffing decision. For the recommendation to require national guidance on strategies to determine physician services, the Under Secretary indicated guidance was currently available for acquiring physician services through a number of different means. However, the referenced current guidance does not assist VISN and medical center directors in making the best choices in acquiring physician services. Since the Under Secretary indicated that staffing guidelines are under development, we will hold this recommendation open

pending issuance of the staffing guidance and VHA's new policy on procuring clinical services under Section 8153 of Title 38, United States Code. We consider the Under Secretary's implementation plans to be acceptable and will follow up on implementation of the planned corrective actions.


MICHAEL SLACHTA, JR.
Assistant Inspector General for Auditing

Results and Recommendations

1. Management Controls Were Not Effective In Ensuring That Part-Time Physicians Met Their Employment Obligations

VA medical center managers did not ensure that part-time physicians met employment obligations required by their VA appointments. We found that:

- During a 2-week period preceding our site visits, there was no evidence of the accomplishment of any patient care workload (patient encounters, operating room time, progress notes, physician orders, or network log on times) for 33 percent of all days where 223 part-time physicians were scheduled to work for at least 4 hours.
- During a 2-week period preceding our site visits, part-time physicians did not complete a minimal amount of patient care time (at least 1 hour in surgery or at least 2 progress notes, doctors orders, or encounters per hour worked) on 53 percent of days the physicians were scheduled to work at least 4 hours. This includes the time part-time physicians spent on patient care on their days off and WOC physicians spent providing patient care as substitute physicians.
- For the 10-week period (January 13 through March 23, 2002), surgeons spent only 38 percent of their available time on patient encounters and in the operating room. Of the 153 surgeons reviewed, 122 (80 percent) spent less than 50 percent of their available time and 70 (46 percent) spent less than 25 percent of their available time on patient encounters and in the operating room.
- Part-time surgeons at six VA medical centers reviewed were performing surgery at the affiliated medical schools during their scheduled VA tours of duty.
- Attending physicians at 4 VA medical centers reviewed were not present to supervise the residents' treatment of patients in 6 of 29 clinics reviewed.

Although VHA had established time and attendance policy and procedures to account for part-time physicians, neither VHA headquarters officials nor facility managers enforced the policy. VHA management at all levels told us they were generally satisfied with physician productivity and they believed VA received more than it paid for from the services provided by part-time physicians, despite apparent timekeeping violations.

Physicians' Patient Care Workload

We reviewed 2 weeks of patient care workload data, related to 382 part-time physicians, at the 5 medical centers where we conducted site visits. We limited our analysis of physician productivity to those days where the physicians were scheduled to work at least 4 hours. The results of this analysis showed that 223 part-time physicians had no patient care workload

(patient encounters, operating room time, progress notes, physician orders, or network log on times) on 33 percent of the days reviewed.

Description	VA Medical Center					
	Birmingham	Nashville	Kansas City	St. Louis	New Orleans	Total
Total Physicians	91	117	14	65	95	382
Number of Physicians With No Workload on at Least 1 Day	73	73	7	33	37	223
Percent	80%	62%	50%	51%	39%	58%
Number of Days (4 Hours or More)	513	695	51	347	579	2185
Number of Days With No Workload	265	277	12	78	98	730
Percent	52%	40%	24%	22%	17%	33%

We interviewed 69 of the 223 part-time physicians for whom no patient care workload was documented to determine the reasons for the absence of evidence of patient care. Of the 69 physicians, 58 said they were performing VA work such as making rounds, attending committee meetings, or supervising residents. However, we could not validate their claims because physicians could not provide us with documentation of the work performed.

The remaining 11 physicians told us that they were not working at their respective VA medical centers on the days in question. For example:

- One surgeon said he did not come to work unless surgery was scheduled and the surgery was of a type he wanted to perform.
- One surgeon worked every other Wednesday, though scheduled and paid to work every Wednesday.
- Three urologists were scheduled to work Tuesdays and Thursdays of each week, but covered for each other allowing them to only work every 3rd shift.
- A psychiatrist said she did not have enough workload.

Minimal Patient Care Provided

During a 2-week period preceding our site visits, 382 part-time physicians, at the 5 sites we visited, completed less than a minimal amount of patient care workload on 67 percent of the days they were scheduled to work for 4 or more hours. Based on discussions with clinical and

management representatives of VHA, we defined minimally acceptable workload as 1 hour of operating room time during the 4 or more hour shift or 2 progress notes, doctors' orders, or encounters per hour worked.

VHA personnel at VA's Central Office and medical centers told us that physicians work many hours outside of their normal tours of duty – on their days off or during their on-call shifts. To attempt to account for this unscheduled time, we identified workload completed by the physicians on their days off and work completed by substitute WOC physicians during the same 2-week period. While we found that physicians worked on their days off and WOC physicians provided substitute services, work performed outside of normal duty hours and work performed by WOC physicians only reduced the percentage of time that physicians had no patient care workload from 67 percent to 53 percent, as shown below.

Description	VA Medical Center					Totals
	Kansas City	New Orleans	St. Louis	Nashville	Birmingham	
Number of Physicians Reviewed	14	95	65	117	91	382
Number of Physicians With Less Than Minimal Workload on at Least 1 Day	8	38	26	57	44	173
Percent of Physicians With Less Than Minimal Workload	57%	40%	40%	49%	48%	45%
Total Days (At Least 4 Hours)	51	579	347	695	513	2,185
Days With Less Than Minimal Activity	27	318	193	515	402	1,455
Percent of Days With Less Than Minimal Activity	53%	55%	56%	74%	78%	67%
Days Off With More Than Minimum Workload	3	70	37	86	52	248
Days With More Than Minimum Workload by WOC Physicians	4	17	6	4	19	50
Total Days With Less Than Minimal Activity	20	231	150	425	331	1,157
Percent of Days With Less Than Minimal Activity	39%	40%	43%	61%	65%	53%

VA medical center managers provided us the following reasons for the apparent low patient care productivity:

- Attending physicians supervise the residents in the clinics. In most cases, the residents document the care provided and the attending physicians do not enter progress notes.
- Physicians were allowed time to conduct medical research. However, we could not determine how much time physicians spent conducting medical research because VA medical centers did not account for the time.
- Physicians performed administrative duties such as attending committee meetings and conferences. Our interviews with part-time physicians led to the conclusion that administrative duties did not require a significant amount of time.

Surgeons' Workload

We found that in aggregate, surgeons spent about 38 percent of their time on documented patient care. The workload of two surgeons helps illustrate the problem:

- A surgeon had a 5/8th appointment (25 hours weekly). During a 10-week period, he was paid for 250 hours, reported no leave, and had no medical research projects. However, during this 10-week period he performed only one surgical procedure and had one other documented patient encounter, totaling 3 hours.
- A neurosurgeon had a 3/8th appointment (15 hours weekly). During a 10-week period, he was on duty for 127.5 hours (150 paid hours less 22.5 hours of leave) and had no medical research projects. During this 10-week period, he performed only 5 surgical procedures and had 13 documented patient encounters. The time for these activities totaled 23 hours, or 18 percent of his 127.5 paid duty hours.

We calculated the time surgeons spent on patient care at five VA medical centers by (1) identifying all the operating room time, (2) allocating 1 hour for pre- and post-operation time, and (3) allotting 15 minutes for each patient encounter by each part-time surgeon (including WOCs). At the five VA medical centers we visited, we analyzed workload data for the 10-week period January 13 through March 23, 2002. We included workload regardless of whether it occurred during the surgeons' scheduled tours or off-duty time.

VA Medical Center	Total Hours Scheduled	Hours Provided by:		Total Hours Provided	Percent Spent on Patient Care
		Paid Surgeons	WOC Surgeons		
New Orleans	2,954	1,255	19	1,274	43%
Birmingham	4,305	1,476	356	1,832	43%
Nashville	8,351	3,242	151	3,393	41%
Kansas City	2,046	785	10	795	39%
St. Louis	6,660	1,942	38	1,980	30%
Totals	24,316	8,700	574	9,274	38%

Audit results showed that 122 of the 153 surgeons (80 percent) spent less than 50 percent of their time in documented patient encounters or in the operating room, and 70 of the 153 surgeons (46 percent) spent less than 25 percent of their time in documented patient encounters or in the operating room.

VA Medical Center	Number of Surgeons	Number of Surgeons With Documented Workload Less Than 50 Percent	Number of Surgeons With Documented Workload Less Than 25 Percent
Nashville	49	37	25
St. Louis	37	33	18
Birmingham	31	26	15
Kansas City	16	14	6
New Orleans	20	12	6
Totals	153	122	70
Percent		80%	46%

Physicians Are at the Medical School

Surgeons worked at their affiliated medical schools when they were scheduled to be on duty at the VA medical centers. We compared the part-time physicians' scheduled VA medical center tours of duty to six affiliated medical schools' operating room logs and identified 1,893 hours (279 of the 1,893 hours were identified as core hours³) where surgeons were scheduled to work at the VA medical centers, but instead were conducting surgery at the medical schools.

³ Core hours are the times in the biweekly pay period when the employee must be present at the VA medical center unless granted an appropriate form of leave or excused absence.

VA Medical Center	Time Period Reviewed	Number of Surgeons	Hours at Medical School During VA Tour of Duty	Hours Spent at Medical School During Core VA Duty Hours
Nashville	Jan - Mar 2002	31	822	178
St. Louis	Jan - Mar 2002	23	526	81
Birmingham	Feb - Mar 2002	18	277	*
Hines	Jan 1 - 8, 2002	9	38	6
Hines	Feb 3 - 9, 2002	13	74	3
San Diego	Jan - Mar 2002	11	97	*
Little Rock	Jan 2 -12, 2002	13	59	11
Total		118	1,893	279
* Surgeons had not established core hours.				

Resident Supervision

At 4 VA medical centers (St. Louis, Birmingham, Nashville, and New Orleans) we attempted to locate attending physicians in 29 clinics to determine if there was adequate resident supervision. We found that the attending physicians were not present to supervise the residents' treatments of patients in 6 of the 29 clinics (see page 25). One resident told us that the attending physician would occasionally come to the clinic to see how things were going, but usually would not stay. Another resident said that the attending physician rarely came to the clinic, but made a brief appearance a couple of weeks ago. Generally, the attending physician returned pager messages within an hour. Another resident told us that the attending physician did not come to the clinic unless there was a case the resident decided the attending needed to review, but the attending was always available by phone or pager.

The attending physicians at one VA medical center told us that attending physicians saw every patient at the university because Medicare and private medical insurance carriers would not pay for care provided only by residents. The residents at another VA medical center told us they ran clinics at the VA medical center but at the university they only ran clinics for the indigent population.

From FY 1997 through the second quarter of FY 2002, the Federal Government paid, on behalf of VA, at least \$21 million for 63 malpractice cases where VA's peer review panel found that the attending VA physicians provided substandard resident supervision. Based on our review of available documentation, the attending physicians were not present to supervise the residents during the performance of a procedure or the provision of a treatment to a veteran in at least eight cases resulting in malpractice settlements totaling \$4.7 million. An additional pending case involves an attending surgeon who could not provide needed assistance to a VA medical center patient because he was operating on a non-veteran patient at the affiliated medical school.

Time and Attendance Controls

VHA has established policy and procedures to account for part-time physician time and attendance. VHA policy requires:

- Part-time physicians use the Subsidiary Time and Attendance Report – Part-Time Physicians (VA Form 4-5631a) to record their actual hours worked.
- VA medical center management to establish tours of duty for each part-time physician.
- VA medical center management to establish core duty hours each biweekly pay period for part-time physicians on adjustable work schedules.
- Employee Accounts Section complete semi-annual desk audits to monitor part-time physician time and attendance.
- Employee Accounts Section to provide timekeepers annual time and attendance training.

Although VHA had established time and attendance policy and procedures to account for part-time physicians, neither VHA headquarters officials nor VA medical center managers enforced the policy. VHA management at all levels told us they were generally satisfied with physician productivity and they believed VA received more than it paid for from the services provided by part-time physicians, despite apparent timekeeping violations.

Conflict of Interest

Management's controls were compromised in part, because of inherent conflicts of interest that exist for the part-time physician with a dual appointment with the affiliated medical school. Most VA supervisors of part-time physicians were also faculty members at the same university medical school as their subordinates. At one VA medical center, the service chiefs told us they did not consider themselves to be supervisors with any direct authority over their subordinate physicians – rather they were colleagues and served in a liaison role between VA medical center management and the physicians. From our discussions with managers and physicians at five VA medical centers and VA's Central Office, universities generally pay their physicians a base salary plus additional compensation based on the number of procedures or the level of productivity they achieved in their clinical practices. This compensation package provides a strong incentive for physicians to maximize the time they spend at the university medical schools. When the physician's supervisor has the same incentive based compensation package – as is apparently the case at affiliated VA medical centers – the integrity of the supervisory role is compromised.

Locating Physicians

With the assistance of the physicians' supervisors and other medical center staff, we attempted to

locate 448 part-time physicians at 22 VA medical centers (see page 23) during their scheduled VA tours of duty. We found that 50 of 448 part-time physicians (11 percent) were not at the VA medical center during their scheduled tours of duty. For example:

- The location of 13 physicians was never determined while we were at the VA medical center.
- Eleven physicians were located at their respective universities.
- Three physicians were located at their private practices.
- Two physicians were conducting medical research, but not on approved VA projects.

Supervisors told us that most part-time physicians worked adjustable schedules that allowed them to deviate from their scheduled tours. However, even on an adjustable schedule the part-time physician is required to obtain supervisory approval before deviating from their scheduled tour of duty.

Subsidiary Time and Attendance Report

VA medical center management at 16 of 21 medical centers reviewed (see page 24) did not ensure that part-time physicians completed Subsidiary Time and Attendance Reports or completed them accurately. VHA policy requires that part-time physicians record their time and attendance daily on the Subsidiary Time and Attendance Report and biweekly certify the information as correct. For example, two physicians at a medical center worked a total of 65 hours, but were paid for their scheduled 220 hours of duty during the first four pay periods of calendar year (CY) 2002. A review of the first four pay periods of CY 2002 identified two problems: (1) physicians certified hours they did not work and (2) timekeepers inappropriately recorded physicians as present for hours they did not record on their Subsidiary Time and Attendance Reports.

We spoke with the Deputy Director, Office of Health Information Security Service about tests of electronic monitoring systems (such as smart cards or proximity readers) within VHA facilities – he told us he was not aware of any electronic monitoring system currently used to monitor time and attendance. However, our review of manufacturers' literature showed that most electronic monitoring systems could be used to monitor and report the time and attendance of employees.

Tours of Duty

VHA policy requires that part-time physicians establish tours of duty schedules prior to the beginning of each biweekly pay period. We found at 10 of 14 VA medical centers reviewed (see page 24), physician schedules were frequently inaccurate. For example, a physician told us he was the attending for a Tuesday clinic, but VHA's Veterans Health Information Systems and Technical Architecture showed Tuesday as his regularly scheduled day off.

At one VA medical center, part-time physicians did not work fixed or adjustable tours of duty.

Instead, the physicians worked alternating monthly rotations – 1 month at the VA medical center and the next at the medical school. VA medical center management told us that they generally knew which physicians were responsible for VA patients because the school provided them a monthly physician assignment schedule showing coverage for both the medical school and the VA medical center. However, they acknowledged that this schedule did not necessarily reflect actual physician coverage at the VA medical center.

Core Hours

Of the 321 physicians' schedules we reviewed to validate their tours of duty (see page 25), 109 part-time physicians (34 percent) had not established at least 25 percent of their schedule as core hours. We could not identify any core hours for 40 of the 109 physicians.

VA Manual MP-5 requires that physicians working adjustable hours identify at least 25 percent of their total hours as core hours. Core hours are the times in the biweekly pay period when the employee must be present at the VA medical center unless granted an appropriate form of leave or excused absence. Part-time physicians are not required to be present for the entire non-core portion of their tours of duty, provided the total work requirements are met. Hours may be worked outside the tour in lieu of scheduled non-core periods and credited to meeting the regular part-time tour of duty requirement, if supervisory approval is obtained.

VA physicians told us that core hours were the hours they generally spent on patient care activities at the VA medical center. Accordingly, VA medical center management should ensure that physicians designate and comply with minimum core hour requirements to help ensure that physicians meet their employment obligations to VA. Additionally, medical center management should understand that the 25 percent core hour requirement is the minimum obligation and can and should be increased to ensure that part-time physicians are at the medical center when needed.

Desk Audits

Semiannual desk audits of timekeepers were not performed as required by VA policy MP-6, Part V. This policy states that the medical center's Employee Accounts Section will complete semiannual desk audits – but does not provide specific guidance on how the audits should be conducted. Desk audits were not conducted at 12 of 16 VA medical centers reviewed (see page 24). Management at these medical centers told us that desk audits were too time-consuming and they did not have the resources to conduct desk audits.

In addition, at the four medical centers that conducted desk audits, inconsistent procedures were used. For example, we reviewed two of the most recent desk audits at different medical centers and found that one only examined instances where posted hours of attendance did not match approved hours. The other desk audit used a comprehensive checklist that included a review of subsidiary time sheets, leave, and payroll documents.

Annual Timekeeper Training

Management at 11 of 18 VA medical centers reviewed (see page 24) did not provide timekeepers annual training. VHA policy MP-6, Part V requires that medical centers provide timekeepers initial training and annual continuing education to maintain proficiency in timekeeping and leave recording. Management at 16 of 21 VA medical centers reviewed (see page 24) did not ensure that part-time physicians completed the Subsidiary Time and Attendance Reports or completed the reports accurately. For example, one physician was inappropriately paid \$19,808 for 268 on-call hours. VA policy MP-6, Part V does not allow payment for on-call coverage. At another VA medical center, supervisors and timekeepers certified part-time physicians time cards for payment even though they knew the physicians were not working at the medical center as scheduled.

Physician Training

VHA policy does not require, and medical center management did not provide, time and attendance training to physicians or their supervisors. However, results of our interviews with VA physicians showed that not all physicians understood VA time and attendance requirements. For example, one physician told us he thought it was acceptable to take sick leave to work at the medical school and several physicians told us they believed that they did not have to be at the VA medical center during their tours of duty as long as they were available.

VHA Management Concerns

VHA managers, at all levels, did not ensure physicians followed the required time and attendance procedures because they believed the clinical output provided by the physicians was satisfactory and that too much management emphasis on time and attendance could cause physicians to resign. They told us that most time and attendance problems were found in Surgical Service, where they also have the most difficulty in recruiting physicians and where most physician supervisors also work part-time at the medical school.

VHA headquarters managers told us they believed that VA gets much more than it pays for from part-time physicians because:

- They put in more hours than they are required to provide by their appointments.
- VA salaries are much less than what the physicians could make in the private sector.
- VA part-time physicians are some of the most respected in their specialty areas.

VHA management stated that they have no specific measures or monitors in place to oversee part-time physician time and attendance, as a result they only become aware of problems through reports such as our Combined Assessment Program (CAP) reviews. Additionally, VISN Directors have generally not been proactive in requiring compliance with VA time and attendance requirements.

One Chief of Staff at a VA medical center told us that because of our findings and the possibility that part-time physicians would have to work more hours at the VA medical center (their full tours of duty), his part-time neurologists and urologists decided to terminate their employment with the VA medical center. The physicians told the Chief of Staff that they did not need to work their non-core hours because they considered the non-core part of their schedules to be compensation for time spent on-call.

In March 2002, the director of the VA medical center in New Orleans took the initiative to make time and attendance an area of emphasis and enforce current VHA policies. Actions were taken to:

- Train physicians regarding time and attendance responsibilities.
- Train timekeepers in current procedures.
- Require part-time physicians to complete Subsidiary Time and Attendance Reports daily.
- Reestablish physician tours of duty, stipulating appropriate core and adjustable hours.

During our on-site review at the VA medical center in New Orleans, we found that part-time physicians were either working at the medical center as required by their scheduled tours of duty or on leave. Part-time physicians who did not work the hours required by their scheduled tours of duty and had not taken leave, were put on leave without pay for the periods of their absences. The Director and medical center supervisors told us that the medical school and part-time physicians generally accepted the VA timekeeping requirements. Compliance benefited medical center management by providing them additional assurance that part-time physicians provided the services required by their appointments. Part-time physicians benefited by being compensated for worked performed outside their normal tours of duty.

Recommendation 1

To improve physician timekeeping, we recommend that the Under Secretary for Health:

- a. Require that VISN and medical center directors ensure part-time physicians meet their employment obligations and hold field managers accountable for compliance.

Under Secretary for Health's Comments

Concur. On January 3, 2003, VHA issued VHA Directive 2003-001, Part-Time Physician Time and Attendance. The directive requires that medical center directors ensure that policies and procedures are in place to implement and monitor compliance with this directive; the types of appointment and tour of duty given to each physician are reviewed and a determination made that both the appointment and tour meet VA's needs; the affiliate is involved and its cooperation obtained. VHA will verify that these actions were completed by April 30, 2003.

Office of the Inspector General's Comments

The Under Secretary for Health's comments and implementation plans are acceptable. We will follow up on the planned actions until they are completed.

- b. Determine what reforms are needed to ensure VA physician timekeeping practices are effective in an academic medicine environment and VA physicians are paid only for time and service actually provided. Recommend statutory or regulatory changes needed to implement the reforms and publish appropriate policy and guidance.

Under Secretary for Health's Comments

Concur. To address this issue in the near term, the Deputy Under Secretary for Health for Operations and Management issued guidance to the field on best practices used to effectively monitor time and attendance of part-time physicians. VHA issued VHA Directive 2003-001 (Part-Time Physician Time and Attendance) and mandated network certification that all timekeepers receive refresher training and that part-time physicians certified that they understand VA policy on time and attendance.

VHA is also in the process of restructuring the current system and plans to implement a requirement for the negotiation of annual employment agreements based on VA work requirements. VA managers will be responsible for scheduling and monitoring the time and attendance of part-time physicians each pay period. The schedules will be eventually based on established staffing and productivity monitors. Physicians will also be required to either take leave or provide a properly credentialed and privileged substitute in the event they cannot meet their obligation to VA. In the long term, VA will use the findings of two workgroups established in the last six months as a framework for future deliberation and evaluation of revised approaches to time and attendance and any subsequent statutory or regulatory changes required.

Office of the Inspector General's Comments

The Under Secretary for Health's comments are acceptable, however, no target date for completion of corrective actions was provided. We will follow up on the planned actions until they are completed.

- c. Establish performance monitors to measure VISN and medical center enforcement of physician time and attendance; ensure desk audits are conducted of timekeeping functions; provide continuing timekeeping education to supervisors, physicians, and timekeepers; require medical center managers to certify compliance with applicable policies and procedures to the Deputy Under Secretary for Operations and Management annually; and hold VHA managers accountable for successful implementation of time and attendance requirements.

Under Secretary for Health's Comments

Concur. Potential performance monitors will be included in the restructuring effort. In December 2002, the Deputy Under Secretary for Health for Operations and Management required that timekeepers receive refresher training and that all part-time physicians certify that they understand VA policy on time and attendance. Medical center directors were to certify to network directors by March 31, 2003, that these activities were completed. As provided in *VA Manual MP-6, Part V, Supplement 2.2*, timekeepers will receive training annually. Certification to network directors of compliance with this requirement and for part-time physician continued awareness of VA policies would continue to be required. Network directors will report compliance to the Deputy Under Secretary for Health for Operations and Management.

Office of the Inspector General's Comments

The Under Secretary for Health's comments are acceptable, however, no target date for completion of corrective actions was provided. We will follow up on the planned actions until they are completed.

- d. Apprise all part-time physicians of their responsibilities regarding VA timekeeping requirements.

Under Secretary for Health's Comments

Concur. In December 2002, the Deputy Under Secretary for Health for Operations and Management required all part-time physicians certify that they understand VA policy on time and attendance. These certifications have been completed.

Office of the Inspector General's Comments

The Under Secretary for Health's comments and implementation plans are acceptable. We will follow up on the planned actions until they are completed.

- e. Evaluate appropriate technological solutions that will facilitate physician timekeeping.

Under Secretary for Health's Comments

Concur. VHA recently received the findings of two workgroups considering the part-time physician time and attendance issue. This work will serve as the basis for future VHA deliberations on technological solutions, including, but not limited to, the use of time banks, electronic badge readers or other automated aids. Based on the success of near term activities outlined in VHA's response elsewhere in this action plan, these solutions may or may not be pursued.

Office of the Inspector General's Comments

The Under Secretary for Health's comments and implementation plans are acceptable, however, no target date for completion of corrective actions was provided. We will follow up on the planned actions until they are completed.

- f. Develop comprehensive guidance for medical centers to use when conducting desk audits.

Under Secretary for Health's Comments

Concur. VHA will charge a workgroup to review the activities of those facilities noted in the report that conducted acceptable desk audits and prepare guidance for use by all facilities. VHA will complete this task by July 31, 2003.

Office of the Inspector General's Comments

The Under Secretary for Health's comments and implementation plans are acceptable. We will follow up on the planned actions until they are completed.

- g. Establish appropriate training modules, making best use of technological solutions, for training VHA managers, VA physicians, and timekeepers in timekeeping requirements, responsibilities, and procedures.

Under Secretary for Health's Comments

Concur. VHA's Management Support Office will work with the Employee Education Service to prepare these training modules by October 1, 2003.

Office of the Inspector General's Comments

The Under Secretary for Health's comments and implementation plans are acceptable. We will follow up on the planned actions until they are completed.

See Appendix D on pages 26 – 35 for the full text of the Under Secretary's comments.

2. Effective Procedures Are Needed To Align Physician Staffing With Workload Requirements

VHA does not have effective procedures to align physician staffing levels with workload requirements. VHA has not established or provided guidance to VA medical centers to determine appropriate physician staffing levels. In addition, VHA has not provided field managers guidance on alternative ways to acquire physician services.

Physician Staffing Guidelines

VA medical center management did not have a consistent, documented process to determine the appropriate number of physician FTEEs needed to meet patient care workload. We interviewed managers at five VA medical centers and found that all five prepared written justifications when requesting additional physicians for their staff. Except for primary care physicians, where they used panel size⁴ to determine need, their staffing justifications were generally based on the need to replace someone.

VA medical centers did not perform any workload analysis to determine how many FTEEs were needed to accomplish the medical centers' workload. In addition, VA Medical Centers did not evaluate their hiring alternatives (such as part-time, full-time, intermittent, or fee basis). We asked the VA medical center managers responsible for staffing decisions whether they considered the physicians' other responsibilities – such as medical research, teaching, and administration – when they determined how many physicians the VA medical center needed. While they all stated they did, none of them could clearly articulate the process they used. For example, VA medical center managers could not tell us how much time their physicians actually spent conducting medical research.

The Chief of Staff at one VA medical center stated that patient care workload is not the only rationale for hiring a part-time physician. He stated that even though the part-time physician may not complete a high number of procedures, the cost to contract out for the work performed would be more costly than paying their part-time salary. In addition, as a part-time employee, the VA medical center has access to them when they need them.

VHA management officials told us that the determination of part-time physician FTEE requirements has more to do with the financial needs of the affiliated universities than the number of clinical hours needed by VA. They told us that the university mindset is to provide the VA medical center with the physicians needed to treat veterans – regardless of the hours established in the VA appointments. Therefore, VA medical centers may hire physicians as 4/8^{ths} based on a financial arrangement between the university and the VA medical center even though the workload only supports the need for physicians as 2/8^{ths} employees.

⁴ Panel size is the number of unique patients assigned to a medical care provider. For example, the standard panel size for a primary care physician is 1,200 patients.

Without a staffing process that includes an analysis of workload, VA medical center managers cannot be assured that the appropriate type and numbers of physicians are hired. Enacted in January 2002, Public Law 107-135 requires the Secretary of Veterans Affairs, in consultation with the Under Secretary for Health, to establish a policy on the staffing of medical facilities to ensure that staffing is adequate to provide veterans appropriate, high-quality care and services. VHA should take advantage of past physician staffing studies as well as established staffing models in other government agencies in establishing their policy on the staffing of medical facilities. In 1987, VHA contracted with the Institute of Medicine to create a model that medical centers could use to determine their physician staffing requirements. VHA rejected this model deciding it was too complicated and promoted centralized control of physician staffing. The Army, Navy, and Air Force have recognized that manpower is one of their most significant expenses and have developed models to determine their staffing requirements.

We believe VA policy should require that VA medical center managers support their staffing decisions with an analysis of workload. This would include guidelines concerning the amount of time physicians should devote to non-patient care activities such as medical research and education.

Allocation of Part-Time Physicians' Time

Only one of the managers at the five VA medical centers we visited, had informed their part-time physicians of what was expected of them to meet their VA employment responsibilities. For example, medical center service line chiefs could not tell us with any certainty what their subordinate part-time physicians' responsibilities were for the week. They could generally tell us if the physician was assigned to a clinic or had operating room time, but could not tell us what they were supposed to be doing the rest of the week. Generally, clinic and operating times made up a small part of the physician's week.

During our interviews with physicians, we found that some physicians either did not know what was expected of them or that supervisors had understated their employment responsibilities. Several physicians told us that they were informed they didn't have to work all of their scheduled hours. Instead, they only had to be at the VA medical centers for their core time.

Another area in which medical centers did not have a clear understanding of how their physicians spend their time is in conducting medical research. VA medical centers allowed their part-time physicians substantial amounts of time to conduct medical research (both approved and unapproved projects) but could not show us how much time physicians actually spent on medical research. We found that each VA medical center had established its limits for allowable medical research time. For example, at one VA medical center, surgeons were allowed up to 4/8^{ths} of their scheduled hours for medical research and Medical Service physicians were allowed up to 3/8^{ths} of their time for medical research. However, none of the VA medical centers could tell us how many hours physicians actually spent on medical research because there was no mechanism in place to track time. VA medical center personnel told us that allowing sufficient time for medical research is critical because surgeons achieve career advancements primarily on their medical research accomplishments. However, controls are needed to ensure that medical

research time is not increased at the expense of other activities such as patient care. For example, we found one physician that was scheduled to provide clinic supervision but was actually preparing medical research papers in his office.

Managers at the VA medical center in St. Louis developed a written schedule for some of their physicians showing when each physician was scheduled for clinic, medical research, operating room, and administrative time. The medical center planned to develop a similar document for each of their physicians. We believe that physician communication – such as the document used by the VA medical center in St. Louis – would significantly improve operations at the VA medical centers. By requiring that all VA medical centers document their expectations of their physicians, it would help ensure that (1) VA medical center managers are cognizant of how each physician is allocating their time – patient care, medical research, or administrative activities and (2) physicians clearly understand what is expected of them as part-time physicians at the VA medical centers.

Recommendation 2

To better align physician staffing with patient care workload we recommend that the Under Secretary for Health:

- a. Publish policy and guidance that incorporates the use of workload analysis to determine the number of physicians needed to provide timely, cost effective, and quality service to veterans seeking care from VA.

Under Secretary for Health's Comments

Concur. VHA is in the process of developing a physician productivity model for four key outpatient areas: primary care, urology, cardiology and ophthalmology. From this work VHA plans to develop productivity standards and identify staffing levels that accurately address workload demands. The model will apply to full-time and part-time physicians, and may be applied beyond the four areas at a future date.

Office of the Inspector General's Comments

The Under Secretary for Health's comments and implementation plans are acceptable, however, no target date for completion of corrective actions was provided. We will follow up on the planned action until they are completed.

- b. Require medical centers to review their staffing structures (such as part-time, full-time, intermittent, or fee basis) and determine if these appointments are appropriate to the needs of the medical center.

Under Secretary for Health's Comments

Concur. VHA Directive 2003-001, Part-Time Physician Time and Attendance, requires that medical center directors review the types of appointment and tour of duty of each part-time physician to determine if the appointment and tour meet VA's needs for patient care and other workload requirements. Medical center directors were to complete this review by March 31, 2003. We will advise network and medical center directors that documentation of such a review should be completed for all physician-staffing vacancies as they arise.

Office of the Inspector General's Comments

The Under Secretary for Health's comments and implementation plans are acceptable. We will follow up on the planned actions until they are completed.

- c. Require that VISN and medical center directors reassess staffing requirements annually and certify their staffing decisions to VHA's Deputy Under Secretary for Operations and Management.

Under Secretary for Health's Comments

Nonconcur. Annual certification that staffing levels are assessed does not mean that action to reallocate staff can be immediately taken. Rather than an annual assessment, it seems more feasible to assess needs as vacancies arise and thus be able to reallocate staff immediately as needs require. As stated in recommendation 2.b., network and medical center directors will be advised that documentation of a review assessing whether or not the position meets VA's needs will be required. In addition, once the physician productivity model is finalized, this tool will be available for assessing needs in primary care, cardiology, urology and ophthalmology, four key components in outpatient care. Additional components can be added, if needed.

Office of the Inspector General's Comments

The intent of our recommendation was to implement a control that would require medical center management to assess their staffing needs on a regular periodic basis. By maintaining the current position management system, in which each vacancy is assessed at the time they arise, VHA will maintain the status quo and the staffing problems identified during the audit will not be addressed. However, with the implementation and application of physician productivity model the intent of our recommendation will be met. We will follow up on VHA's planned actions until they are completed.

- d. Evaluate alternative methods to acquire physician services and publish national guidance to assist VISN and medical center directors in determining the best strategies for their regional, academic, and patient care circumstances.

Under Secretary for Health's Comments

Nonconcur. Guidance is currently available for acquiring physician services through a number of different means, such as part-time physicians, fee-basis, and scarce medical specialist contracts. VISN and medical directors currently use these means to determine the most effective means of securing physician services in particular circumstances. We will ensure, however, that this report is distributed to each network for distribution to each medical center to review when considering future physician service needs.

Office of the Inspector General's Comments

The intent of our recommendation was to ensure that VHA's staffing guidance was formulated to assist VISN and medical center directors regarding how to make the best choices in acquiring physician services. The referenced current guidance does not assist VISN and medical center directors in making the best choices in acquiring physician services. However, we will hold this recommendation open pending issuance of VHA's new policy on procuring clinical services under Section 8153 of Title 38, United States Code. We consider the implementation plan to be acceptable and will follow up on the planned actions until they are completed.

- e. Publish guidance describing how VISN and medical center managers should determine, monitor, and communicate the allocation of physician time among patient care, administrative duties, academic training, and medical research.

Under Secretary for Health's Comments

Concur. VHA is in the process of restructuring timekeeping based on the negotiation of annual employment agreements, described above. These agreements will take into account regular and recurring responsibilities associated with VA-related work. VISN Directors will be responsible for assuring that facility managers negotiate these agreements, and progress will be monitored through quarterly performance reviews. This action will be completed by December 31, 2003.

Office of the Inspector General's Comments

The Under Secretary for Health's comments and implementation plans are acceptable. We will follow up on the planned actions until they are completed.

See Appendix D on pages 26 - 35 for the full text of the Under Secretary's comments.

Background

An affiliation is an association between a VA medical center and a university medical school, established for mutual benefit. Through medical school affiliations, VA gains access to highly qualified physicians. Medical schools gain access to an expanded patient base to train medical students and graduate physicians (residents), and conduct medical research. VA affiliations have varying degrees of interaction and interdependence in patient care, medical education, medical research, and shared staff and other resources.

VA medical centers typically have a physician staff made up of full-time and part-time physicians. Part-time VA physicians play a major role in meeting each of VA's medical care missions by:

- Providing direct medical, surgical, and psychiatric care to VA patients.
- Supervising the patient care provided by residents and providing instruction to medical students through lectures, conferences, and clinical rounds.
- Conducting medical research involving clinical medicine, basic science, rehabilitation, and health services.

Part-time physicians at affiliated VA medical centers can hold dual appointments as faculty members at the affiliated medical school. These physicians are hired on VA appointments that pay them to work a specified number of hours during a 2-week, 80-hour pay period on VA activities. For example, a physician with a 4/8th time appointment would be required to work 40 hours per pay period on VA activities.

VA policy requires that physicians be present for their agreed upon tours of duty, unless they are on leave or authorized absences. VA policy allows part-time physicians to work either fixed or adjustable tours, but part-time physicians must be on duty at the VA medical center to meet patient care obligations when required by their schedules. If the part-time physician is authorized to work an adjustable schedule, the physician's VA tour of duty must designate a minimum of 25 percent of the physician's hours as core duty hours. During core duty hours, the physician must be present unless granted leave. Physicians may work non-core hours outside their regularly scheduled tours of duty with approval of supervisors. Physicians are required to record their time and attendance and certify time sheets for time worked, leave taken, and excused absences by completing a Subsidiary Time and Attendance Report - Part-Time Physicians.

Objectives, Scope, and Methodology

Objectives

At the request of the Secretary of Veterans Affairs, we audited VHA's management of part-time physician time and attendance, productivity in meeting employment obligations, and staffing. The audit objectives were to determine if:

- Timekeeping and other management controls were effective in ensuring that part-time physicians met employment obligations required by their VA appointments.
- VHA used effective procedures to align physician staffing with workload requirements.

Scope and Methodology

Our audit focused on part-time physician activities for fiscal years (FY) 2001 and 2002. As of December 31, 2001, VA employed 14,909 physicians equating to 12,387 FTEEs as shown below:

Category	Number of Physicians	FTEE	Estimated Annual Salary
Full-time	9,780	9,780	\$1.5 billion
Part-time	5,129	2,607	\$.4 billion
Total	14,909	12,387	\$1.9 billion

We assessed national policies, procedures, and operations related to part-time physician time and attendance, staffing determinations, and methods of acquiring physician services. We conducted on-site evaluations of local policies, procedures, and practices at five VA medical centers - Nashville, New Orleans, Birmingham, St. Louis, and Kansas City. As of December 31, 2001, these 5 medical centers employed 243 full-time and 414 part-time physicians as shown below:

VA Medical Center	Full-Time Physicians	Part-Time Physicians
Nashville	41	125
New Orleans	45	104
Birmingham	30	100
St. Louis	60	57
Kansas City	67	28
Totals	243	414

To answer the audit objectives at these facilities, we:

- Reviewed patient care data, including patient encounters, operating room records, electronic progress notes, physicians' orders, and network log on times for the 2-week period preceding each site visit.
- Analyzed surgical workload of selected physicians (patient encounters and operating room time) for the 10-week period January 13 through March 23, 2002.
- Reviewed employment information maintained in VA's Personnel and Accounting Integrated Data System.
- Reviewed cost data maintained in VA's Financial Management System.
- Interviewed key VHA staff at VA's Central Office and managers and staff at VA medical centers.
- Reviewed operating room logs at six medical centers – Nashville, St. Louis, Birmingham, Little Rock, San Diego, and Hines – and compared the physicians' VA tours of duty to the affiliated medical schools' operating room logs.
- Reviewed data on the number and value of tort claims paid during the period FY 1997 through the 2nd quarter of FY 2002 that resulted from improper resident supervision. Our purpose was to determine if there was a nexus between part-time physician time and attendance and improper supervision of residents.

We also reviewed findings from 22 CAP reviews completed during the period January 2001 through June 2002. The purpose of the CAP review is to evaluate selected medical facility operations, focusing on patient care, quality management, and financial and administrative controls.

We tested the reliability of data and data sources and used this information to form audit conclusions where we determined the data was reliable. When data was not available or reliable, we used alternative procedures to form audit conclusions. The audit was conducted in accordance with Generally Accepted Government Auditing Standards.

Scope by Location and Area Reviewed

Locating Physicians. We visited VA medical centers and used physician supervisors and administrative assistants to assist us in locating physicians during their scheduled tours of duty.

CAP Reviews	Date of Visit	Part-time Physicians	
		Absent	Total Reviewed
Bronx	May 20 - 25, 2002	0	15
Northern Arizona	May 13 - 17, 2002	0	2
Long Beach	Mar 25 - 29, 2002	1	15
West Palm Beach	Mar 18 - 22, 2002	1	9
Madison	Mar 11 - 15, 2002	4	5
San Juan	Feb 25 - Mar 8, 2002	0	10
Kansas City	Jun 25 - 29, 2001	3	15
Detroit	May 14 - 18, 2001	1	18
Southern Arizona	Apr 23 - 27, 2001	2	10
Tennessee Valley	Mar 12 - 16, 2001	3	10
New Jersey	Mar 5 - 9, 2001	2	9
Louisville	Feb 26 - Mar 2, 2001	3	9
VA Central Arkansas	Aug 13 - 17, 2001	0	10
Providence	Jun 25 - 29, 2001	0	10
Durham	Jun 18 - 22, 2001	0	10
Connecticut	Apr 9 - 13, 2001	0	10
Wilmington	Jan 8 - 15, 2001	0	10
Site Visits			
St. Louis	Mar 18 - 22, 2002	3	35
Kansas City	Apr 1 - 5, 2002	1	21
Birmingham	Apr 15 - 19, 2002	8	44
Nashville	May 6 - 10, 2002	11	83
New Orleans	May 6 - 10, 2002	7	88
Totals (22 sites)		50	448

Time and Attendance Controls. We reviewed subsidiary time and attendance reports, physicians' tours of duty, desk audits, and timekeeper training during 20 CAP reviews and site visits at 5 VA medical centers.

CAP Reviews	Date of Visit	Accurate Time Reports	Correct Tour of Duty	Semi-annual Desk Audits	Annual Timekeeper Training
Lexington	Jun 3 - 7, 2002	No	No	*	*
Bronx	May 20 - 25, 2002	No	*	No	No
Northern Arizona	May 13 - 17, 2002	Yes	*	Yes	Yes
Alexandria	Jun 10 - 14, 2002	No	*	No	Yes
Long Beach	Mar 25 - 29, 2002	*	*	No	No
West Palm Beach	Mar 18 - 22, 2002	No	No	No	No
Madison	Mar 11 - 15, 2002	No	*	*	No
San Juan	Feb 25 - Mar 8, 2002	No	*	No	No
Albany	Aug 6 - 10, 2001	*	*	No	No
Kansas City	Jun 25 - 29, 2001	No	*	No	No
Boston	May 21 - 25, 2001	No	No	*	No
Detroit	May 14 - 18, 2001	No	*	*	*
Southern Arizona	Apr 23 - 27, 2001	No	*	No	No
New Jersey	Mar 5 - 9, 2001	*	No	*	*
Louisville	Feb 26 - Mar 2, 2001	No	*	*	*
Central Arkansas	Aug 13 - 17, 2001	Yes	No	Yes	Yes
Providence	Jun 25 - 29, 2001	*	No	Yes	Yes
Durham	Jun 18 - 22, 2001	Yes	Yes	Yes	Yes
Connecticut	Apr 9 - 13, 2001	Yes	Yes	*	*
Wilmington	Jan 8 - 15, 2001	Yes	Yes	*	*
Site Visits					
St. Louis	Mar 18 - 22, 2002	No	No	*	*
Kansas City	Apr 1 - 5, 2002	No	No	No	No
Birmingham	Apr 15 - 19, 2002	No	No	No	No
Nashville	May 6 - 10, 2002	No	No	No	Yes
New Orleans	May 6 - 10, 2002	No	Yes	No	Yes
Total Problems		16 of 21 sites	10 of 14 sites	12 of 16 sites	11 of 18 sites
* Did not review this area					

Core Hour Analysis. We reviewed compliance with VHA's core hour policy at five VA medical centers.

Site Visits	Time Period Reviewed	Number of Physicians with No Core Hours	Number of Physicians with Less Than 25% Core Hours	Number of Physicians with Adjustable Hours
St. Louis	Feb 24 - Mar 9, 2002	6	2	32
Kansas City	Mar 10 - 23, 2002	0	2	15
Birmingham	Apr 7 - 20, 2002	34	28	97
Nashville	Apr 7 - 20, 2002	0	13	120
New Orleans	Apr 7 - 20, 2002	0	24	57
Totals (5 sites)		40	69	321

Resident Supervision. We attempted to locate attending physicians in clinics at four VA medical centers to determine if there was adequate resident supervision.

Site Visits	Time Period Reviewed	Attending Not Present	Clinics Reviewed
St. Louis	Jul 9 - 10, 2002	1	8
Birmingham	Jul 8 - 10, 2002	2	7
Nashville	Jul 22, 24, & 25, 2002	3	6
New Orleans	Jul 22 - 24, 2002	0	8
Totals (4 sites)		6	29

**Department of
Veterans Affairs****Memorandum**

Date: April 18, 2003

From: Under Secretary for Health (10/105E)

Subj: OIG Draft Report, *Audit of the Veterans Health Administration's Part-Time Physician Time and Attendance*, Project No. 2002-01339-R5-0086 (EDMS Folder 216217)

To: Assistant Inspector General for Auditing (52)

1. Appropriate VHA program officials have carefully reviewed the referenced report. Your overall findings and recommendations appear reasonable; therefore, we concur with the recommendations, except for recommendation 2.c., requiring annual staffing assessments and certification, and recommendation 2.d., requiring national guidance on strategies to determine physician services. In those two instances, we believe acceptable alternatives are available and are outlined in our action plan. We are troubled by ongoing inconsistencies among our medical facilities in adhering to VA's stated policies and procedures on time and attendance oversight for part-time VA physicians. Summarized below are some of the actions we are taking to address issues raised in the report.
2. As you are aware, we have been grappling for many years with the myriad complexities and challenges that are involved with accurately accounting for productivity and workload of these clinicians, whose contributions often go far beyond direct patient care activities. We agree that lack of adequate documentation of these legitimate activities significantly hampers ability to credit this time.
3. VHA is in the process of developing a physician productivity model for four key outpatient areas: primary care, cardiology, urology and ophthalmology. The primary care staffing and productivity model will be available in June 2003 and other clinic models (cardiology and urology) will be ready for testing in the fall. Our objectives are to develop productivity standards and identify staffing levels that accurately address workload demands while reducing costs through productivity increases. The model, which is expected to be ready for testing by this fall, will be applied to part-time as well as full-time physicians. In developing the model, we are carefully considering such factors as VA/private sector productivity comparisons, management style, relationships between patient complexity and staffing assignments, physician incentives, availability of capital assets, scope of physician activities, and costs. Although not all of these factors will be in the model for initial testing, they will be incorporated once we get additional information from our surveys and data systems.
4. Since our initial briefings with you several months ago about preliminary audit findings, we have taken numerous actions, that are designed to strengthen awareness

2. Assistant Inspector General for Auditing (52)

and systematic compliance with existing time and attendance policy and process. To immediately address this challenge, on October 18, 2002, the Deputy Under Secretary for Health for Operations and Management, issued guidance to the field on best practices used to effectively monitor the time and attendance of part-time physicians. In December 2002, VHA also mandated network certification that all timekeepers had received refresher training and that all part-time physicians had certified that they understand VA policy on time and attendance. All physician certifications are now current, as are network certifications of timekeeper training. In addition, VHA issued VHA Directive 2003-001, *Part-Time Physician Time and Attendance*, dated January 3, 2003. This directive outlines the responsibilities of both VHA management officials and physicians involved in assuring compliance with time and attendance policy. It requires that medical center directors ensure that policies and procedures are in place to implement and monitor compliance with this directive, the types of appointment and tour of duty given to each physician are reviewed and a determination made that the appointment and tour meet VA's needs (including patient care and other workload requirements), appropriate involvement and cooperation of the affiliate is secured, and, that network directors are advised that these actions are completed. All actions were required by the directive to be completed by March 31, 2003. We are currently following up to verify that all actions were completed. In addition, during the recent quarterly performance reviews with the Network Directors, the issue of part-time physician monitoring was also discussed.

5. The themes that emerged from your report, particularly the dichotomy that frequently exists between current time and attendance reporting and the realities of clinical responsibility, have supported our belief that we need to develop a more viable accountability system. On November 1, 2002, a preliminary workgroup was charged to develop recommendations for more effective timekeeping attendance systems. Subsequently, another work group was charged on December 19, 2002, to provide an overview of possible long-term solutions to the issue. The information generated by these initial workgroups will provide a framework for future deliberation and evaluation of alternative or supplemental approaches to improving time and attendance compliance, including the use of time banks, electronic badge readers or other automated aids. In addition, we recognize that we must fully explore other long-term options such as legislative and administrative options that better relate our employment and compensation systems to patient care requirements and physician practice patterns.

6. In the near term, we plan to address the issue of accurate time and attendance of part-time physician staff through a restructuring of the eighths system of accounting for part-time physician time to one more consistent with VA patient care needs and the realities of physician schedules. This will be done through the negotiation of annual employment agreements based on VA work requirements. These agreements will outline the physicians' regular and recurring responsibilities (clinics, service as

3. Assistant Inspector General for Auditing (52)

attendings, scheduled meetings, teaching schedules, etc.), and physicians will be compensated based on those work requirements. However, VA managers will be required to schedule and monitor the time and attendance of such part-time physicians on a pay period by pay period basis and to eventually be able to relate such information to staffing and productivity measures. Progress will be monitored through our quarterly performance reviews with the Network Directors. All VA duty except on-call (which is not compensated by VA) will be deducted from the physicians' annual obligations, and all agreements will be reconciled at their termination or when the employees leave VA service. The employee or VA will be responsible for any variances. Accountability for physician time and attendance, including absences, will also be clearly explained, along with the requirement to provide substitute coverage by appropriately credentialed and privileged providers when physicians cannot meet their obligations to VA. Other issues, such as half-day surgery and record keeping requirements will also be clearly delineated and explained.

7. Accurate documentation of time and attendance of part-time physician staff is acknowledged by VHA as a critical area for improvement opportunity, and my office will continue to be personally involved in assuring that needed steps are taken to rectify egregious behavior by some of our part-time physicians, while, at the same time, maintaining the vital contributions of the vast majority of these clinicians. We appreciate your efforts in helping to prioritize our actions, and look forward to ongoing dialogue with you.

8. If additional information is needed, please contact Margaret M. Seleski, Director, Management Review and Administration Service (105E), Office of Policy and Planning, at 273-8360.

(Original signed by:)

Robert H. Roswell, M.D.

Attachment

Action Plan in Response to OIG and GAO Audits/Program Evaluations/Reviews

Name of Report: *Audit of the Veterans Health Administration's Part-Time Physician Time and Attendance*

Project No.: 2002-01339-R5-0086

Date of Report: Draft report, dated February 11, 2003

Recommendations/ Actions	Status	Completion Date
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Recommendation 1. To improve physician timekeeping, we recommend that the Under Secretary for Health:

a. Require that VISN and medical center directors ensure part-time physicians meet their employment obligations and hold field managers accountable for compliance.

Concur

On January 3, 2003, VHA issued VHA Directive 2003-001, Part-Time Physician Time and Attendance. The directive requires that medical center directors ensure that policies and procedures are in place to implement and monitor compliance with this directive; the types of appointment and tour of duty given to each physician are reviewed and a determination made that both the appointment and tour meet VA's needs; the affiliate is involved and its cooperation obtained; and, network directors are advised that these actions are completed by March 31, 2003. Verification is on going.

In-process

04/30/03

b. Determine what reforms are needed to ensure VA physician timekeeping practices are effective in an academic medicine environment and VA physicians are paid only for time and service actually provided. Recommend statutory or regulatory changes needed to implement the reforms and publish appropriate policy and guidance.

Concur

To address this issue in the near term, the Deputy Under Secretary for Health for Operations and Management issued guidance to the field on best practices used to effectively monitor time and attendance of part-time physicians. VHA also mandated network certification that all timekeepers receive refresher training and that part-time physicians certified that they understand VA policy on time and attendance. VHA also issued VHA Directive 2003-001. VHA is also in the process of restructuring our current system. We plan to implement a requirement for the negotiation of annual employment

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Action Plan in Response to OIG and GAO Audits/Program Evaluations/Reviews

Name of Report: *Audit of the Veterans Health Administration's Part-Time Physician Time and Attendance*

Project No.: 2002-01339-R5-0086

Date of Report: Draft report, dated February 11, 2003

Recommendations/ Actions	Status	Completion Date
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agreements based on VA work requirements. VA managers will be responsible for scheduling and monitoring the time and attendance of part-time physicians each pay period. The schedules will eventually be based on established staffing and productivity monitors, which, as described previously, are in the process of being implemented. Physicians will also be required to either take leave or provide for a properly credentialed and privileged substitute in the event they cannot meet their obligation to VA. In the long term, VA will use the findings of two workgroups established in the last six months as a framework for future deliberation and evaluation of revised approaches to time and attendance and any subsequent statutory or regulatory changes required.

In-process

Ongoing

c. Establish performance monitors to measure VISN and medical center enforcement of physician time and attendance; ensure desk audits are conducted of timekeeping functions, provide continuing timekeeping education to supervisors, physicians, and timekeepers; require medical center managers to certify compliance with applicable policies and procedures to the Deputy Under Secretary for Operations and Management annually, and hold VHA managers accountable for successful implementation of time and attendance requirements.

Concur

Potential performance monitors will be included in the restructuring effort. In December 2002, the Deputy Under Secretary for Health for Operations and Management required that timekeepers receive refresher training and that all part-time physicians certify that they understand VA policy on time and attendance. Medical center directors were to certify to network directors by March 31, 2003, that these activities were completed. All of these certifications are now completed. As provided in *VA Manual MP-6, Part V, Supplement 2.2*, timekeepers will receive training annually. Certification to network directors of compliance with this requirement and for part-time physician continued awareness of VA policies would continue to be required. Network directors

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Action Plan in Response to OIG and GAO Audits/Program Evaluations/Reviews

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Date of Report: Draft report, dated February 11, 2003

Recommendations/ Actions	Status	Completion Date
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will report compliance to the Deputy Under Secretary for Health for Operations and Management.

In-process

Ongoing

d. Apprise all part-time physicians of their responsibilities regarding VA timekeeping requirements.

Concur

In December 2002, the Deputy Under Secretary for Health for Operations and Management required all part-time physicians to certify that they understand VA policy on time and attendance. These certifications have been completed.

Completed

e. Evaluate appropriate technological solutions that will facilitate physician timekeeping.

Concur

VHA recently received the findings of two workgroups considering the part-time physician time and attendance issue. This work will serve as the basis for future VHA deliberations on technological solutions, including, but not limited to, the use of time banks, electronic badge readers or other automated aids. Based on the success of near term activities outlined in VHA's response and elsewhere in this action plan, these solutions may or may not be pursued.

In-process

To be
determined

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Action Plan in Response to OIG and GAO Audits/Program Evaluations/Reviews

Name of Report: *Audit of the Veterans Health Administration's Part-Time Physician Time and Attendance*

Project No.: 2002-01339-R5-0086

Date of Report: Draft report, dated February 11, 2003

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f. Develop comprehensive guidance for medical centers to use when conducting desk audits.

Concur

VHA will charge a workgroup to review the activities of those facilities noted in the report who conducted acceptable desk audits and prepare guidance for use by all facilities.

In-process

7/31/03

g. Establish appropriate training modules, making best use of technological solutions, for training VHA managers, VA physicians, and timekeepers in timekeeping requirements, responsibilities, and procedures.

Concur

VHA's Management Support Office will work with the Employee Education Service to prepare these training modules.

In-process

10/01/03

Recommendation 2: To better align physician staffing with patient care workload we recommend that the Under Secretary for Health:

a. Publish policy and guidance that incorporates the use of workload analysis to determine the number of physicians needed to provide timely, cost effective, and quality service to veterans seeking care from VA.

Concur

VHA is in the process of developing a physician productivity model for four key outpatient areas: primary care, urology, cardiology and ophthalmology. From this work,

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VHA plans to develop productivity standards and identify staffing levels that accurately address workload demands. The model will apply to full-time and part-time physicians, and may be applied beyond the four areas at a future date.

In-process 12/31/03 and Ongoing

b. Require medical centers to review their staffing structures (such as part-time, full-time, intermittent, or fee basis) and determine if these appointments are appropriate to the needs of the medical center.

Concur

VHA Directive 2003-001, *Part-Time Physician Time and Attendance*, dated January 3, 2003, requires that medical center directors review the types of appointment and tour of duty of each part-time physician to determine if the appointment and tour meet VA's needs for patient care and other workload requirements. Medical center directors were to complete this review by March 31, 2003. We will advise network and medical center directors that documentation of such a review should be completed for all physician staffing vacancies as they arise.

In-process Ongoing

c. Require that VISN and medical center directors reassess staffing requirements annually and certify their staffing decisions to VHA's Deputy Under Secretary for Operations and Management.

Nonconcur

Annual certification that staffing levels are assessed does not mean that action to reallocate staff can be immediately taken. Rather than an annual assessment, it seems

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more feasible to assess needs as vacancies arise and thus be able to reallocate staff immediately as needs require. As stated in recommendation 2.b., network and medical center directors will be advised that documentation of a review assessing whether or not the position meets VA's needs will be required. As also noted, annual employment agreements with all part-time physicians will be required, based on VA work requirements. Once the physician productivity model is finalized, this tool will be available for assessing needs in primary care, cardiology, urology and ophthalmology, four key components in outpatient care. Additional components can be added, if needed.

In-process

Ongoing

d. Evaluate alternative methods to acquire physician services and publish national guidance to assist VISN and medical center directors in determining the best strategies for their regional, academic, and patient care circumstances.

Nonconcur

Guidance is currently available for acquiring physician services through a number of different means; e.g., part-time physicians, fee-basis, scarce medical specialist contracts, etc. VISN and medical directors currently use these means to determine the most effective means of securing physician services in particular circumstances. We will ensure, however, that this report is distributed to each network for distribution to each medical center to review when considering future physician service needs.

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e. Publish guidance describing how VISN and medical center managers should determine, monitor, and communicate the allocation of physician time among patient care, administrative duties, academic training, and medical research.

Concur

VHA is in the process of restructuring timekeeping based on the negotiation of annual employment agreements, described above. These agreements will take into account regular and recurring responsibilities associated with VA-related work. VISN Directors will be responsible for assuring that facility managers negotiate these agreements, and progress will be monitored through quarterly performance reviews.

In-process

12/31/03

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