



**Department of Veterans Affairs  
Office of Inspector General**

**Office of Healthcare Inspections**

**Report No. 12-00574-238**

**Community Based Outpatient  
Clinic Reviews  
Homestead and Key West, FL  
Hopkinsville, KY  
McMinnville, TN**

**August 23, 2012**

**Washington, DC 20420**

## Why We Did This Review

The VA OIG is undertaking a systematic review of the VHA's CBOCs to assess whether CBOCs are operated in a manner that provides veterans with consistent, safe, high-quality health care.

The Veterans' Health Care Eligibility Reform Act of 1996 was enacted to equip VA with ways to provide veterans with medically needed care in a more equitable and cost-effective manner. As a result, VHA expanded the Ambulatory and Primary Care Services to include CBOCs located throughout the United States. CBOCs were established to provide more convenient access to care for currently enrolled users and to improve access opportunities within existing resources for eligible veterans not currently served.

Veterans are required to receive one standard of care at all VHA health care facilities. Care at CBOCs needs be consistent, safe, and of high quality, regardless of model (VA-staffed or contract). CBOCs are expected to comply with all relevant VA policies and procedures, including those related to quality, patient safety, and performance.

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## Glossary

ADA	Americans with Disabilities Act
ADAAG	Americans with Disabilities Act Accessibility Guidelines
C&P	credentialing and privileging
CBOC	community based outpatient clinic
CLIN	contracting line item
CO	Contracting Officer
COTR	Contracting Officer's Technical Representative
CPRS	Computerized Patient Record System
DM	Diabetes Mellitus
EKG	electrocardiogram
EOC	environment of care
FPPE	Focused Professional Practice Evaluation
FTE	full-time employee equivalent
FY	fiscal year
HCS	Health Care System
HF	heart failure
IT	information technology
LCSW	licensed clinical social worker
MH	mental health
NP	nurse practitioner
OIG	Office of Inspector General
OPPE	Ongoing Professional Practice Evaluation
PCP	primary care provider
PTSD	Post-Traumatic Stress Disorder
TX	treatment
VHA	Veterans Health Administration
VISN	Veterans Integrated Service Network

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## Executive Summary

**Purpose:** We conducted an inspection of four CBOCs during the weeks of May 7 and May 21, 2012. We evaluated selected activities to assess whether the CBOCs operated in a manner that provides veterans with consistent, safe, high-quality health care. Table 1 lists the sites inspected.

VISN	Facility	CBOC
8	Miami VA HCS	Homestead
		Key West
9	Tennessee Valley HCS	Hopkinsville
		McMinnville

**Table 1. Sites Inspected**

**Recommendations:** The VISN and HCS Directors, in conjunction with the respective CBOC managers, should take appropriate actions to:

### Miami VA HCS

- Ensure that Homestead and Key West CBOC clinicians document a foot risk assessment in CPRS for diabetic patients.
- Ensure that patients are notified of mammography results within the defined timeframes at the Homestead and Key West CBOCs.
- Ensure that entrance door access is improved for disabled veterans at the Key West CBOC.

### Tennessee Valley HCS

- Ensure that Hopkinsville and McMinnville CBOC clinicians document foot care education in CPRS for diabetic patients.
- Ensure that Hopkinsville CBOC clinicians document a complete foot screening in CPRS for diabetic patients.
- Ensure that Hopkinsville and McMinnville CBOC clinicians document a foot risk assessment in CPRS for diabetic patients.
- Ensure that all fee basis mammography results are scanned into CPRS at the Hopkinsville CBOC.
- Ensure that radiology mammogram orders are entered into CPRS for all fee basis and contract mammograms and that all breast imaging and mammography results are linked to the appropriate radiology mammogram or breast study order at the Hopkinsville CBOC.
- Ensure that all providers are granted privileges that are facility, service, and provider specific at the Hopkinsville CBOC.

- Ensure that OPPEs be implemented and performance data are collected, maintained, and reviewed for each provider on an ongoing basis at the Hopkinville and McMinnville CBOCs.
- Ensure that emergency exits at the McMinnville CBOC are in compliance with ADAAG criteria.
- Require that the Contracting Office ensures that any pricing modification that involves a change in rate, particularly an increase in the capitated rate, requires supervisory approval so that all changes are properly executed and supported.
- Determine, with the assistance of the Regional Counsel, the extent and collectability of overpayments made since the inception of the contract.
- Ensure that the COTR has a complete copy of all contract documents to enable proper oversight and administration of the contract.

### **Comments**

The VISN and System Directors agreed with the CBOC review findings and recommendations and provided acceptable improvement plans. (See Appendixes B–E, pages 21-26, for the full text of the Directors' comments.) We will follow up on the planned actions until they are completed.



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## Objectives and Scope

**Objectives.** The purposes of this review are to:

- Evaluate the extent CBOCs have implemented the management of DM–Lower Limb Peripheral Vascular Disease in order to prevent lower limb amputation.
- Evaluate whether CBOCs comply with selected VHA requirements regarding the provision of mammography services for women veterans.
- Evaluate the continuity of care for enrolled CBOC patients discharged from the parent facility in FY 2011 with a primary discharge diagnosis of HF.
- Determine whether CBOC providers are appropriately credentialed and privileged in accordance to VHA Handbook 1100.19.<sup>1</sup>
- Determine whether CBOCs are in compliance with standards of operations according to VHA policy in the areas of environmental safety and emergency planning.<sup>2</sup>
- Determine whether primary care and MH services provided at contracted CBOCs are in compliance with the contract provisions and evaluate the effectiveness of contract oversight provided by the VA.

**Scope.** The review topics discussed in this report include:

- Management of DM–Lower Limb Peripheral Vascular Disease
- Women's Health
- HF Follow-up
- C&P
- EOC and Emergency Management
- Contracts

For detailed information regarding the scope and methodology of the focused topic areas conducted during this inspection, please refer to Report No. 11-03653-283 *Informational Report Community Based Outpatient Clinic Cyclical Report FY 2012*, September 20, 2011. This report is available at <http://www.va.gov/oig/publications/reports-list.asp>.

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

<sup>1</sup> VHA Handbook 1100.19, *Credentialing and Privileging*, November 14, 2008.

<sup>2</sup> VHA Handbook 1006.1, *Planning and Activating Community-Based Outpatient Clinics*, May 19, 2004.

## CBOC Characteristics

We formulated a list of CBOC characteristics that includes identifiers and descriptive information. Table 2 displays the inspected CBOCs and specific characteristics.

	Homestead	Key West	Hopkinsville	McMinnville
VISN	8	8	9	9
Parent Facility	Miami VA HCS	Miami VA HCS	Tennessee Valley HCS	Tennessee Valley HCS
Type of CBOC	VA	VA	Contract	Contract
Number of Uniques, <sup>3</sup> FY 2011	2,467	1,832	2,294	1,484
Number of Visits, FY 2011	15,162	11,310	8,850	6,014
CBOC Size <sup>4</sup>	Mid-size	Mid-size	Mid-size	Small
Locality <sup>5</sup>	Urban	Rural	Rural	Rural
FTE PCP	2	3	2	1
FTE MH	4.5	3	1.9	2.1
Types of Providers	LCSW NP PCP Psychiatrist	LCSW NP PCP Psychiatrist	LCSW NP PCP Psychiatrist Psychologist	LCSW NP PCP Psychiatrist Psychologist
Specialty Care Services Onsite	Yes	Yes	No	No
Tele-Health Services	Tele-Dermatology Tele-Mental Health Tele-MOVE Tele-Neurology Tele-Pharmacy Tele-Retinal Imaging	Tele-Endocrine Tele-Mental Health Tele-MOVE Tele-Neurology Tele-Podiatry Care Coordination Home Tele-health	Tele-Mental Health	Tele-Mental Health
Ancillary Services Provided Onsite	EKG Laboratory	EKG Laboratory Pharmacy Physical Medicine Radiology	EKG Laboratory	EKG Laboratory

**Table 2. CBOC Characteristics**

<sup>3</sup> <http://vssc.med.va.gov>

<sup>4</sup> Based on the number of unique patients seen as defined by VHA Handbook 1160.01, *Uniform Mental Health Services in VA Medical Centers and Clinics*, September 11, 2008, the size of the CBOC facility is categorized as very large (> 10,000), large (5,000-10,000), mid-size (1,500-5,000), or small (< 1,500).

<sup>5</sup> <http://vaww.pssg.med.va.gov/>



## Mental Health CBOC Characteristics

Table 3 displays the MH Characteristics for each CBOC reviewed.

	Homestead	Key West	Hopkinsville	McMinnville
<b>Provides MH Services</b>	Yes	Yes	Yes	Yes
<b>Number of MH Uniques, FY 2011</b>	749	475	516	320
<b>Number of MH Visits</b>	4,053	1,864	3,326	1,525
<b>General MH Services</b>	Diagnosis & Treatment Plan Medication Management Psychotherapy PTSD Military Sexual Trauma	Diagnosis & Treatment Plan Medication Management Psychotherapy PTSD Military Sexual Trauma	Medication Management Psychotherapy PTSD	Medication Management Psychotherapy PTSD
<b>Specialty MH Services</b>	Consult & TX Psychotherapy Social Skills Training PTSD Teams	Consult & TX Psychotherapy Peer Support PTSD Teams Homeless Program Substance Use Disorder	Consult & TX Psychotherapy PTSD Teams	Psychotherapy PTSD Teams
<b>Tele-Mental Health</b>	Yes	Yes	Yes	Yes
<b>MH Referrals</b>	Another VA Facility Sharing Agreement with Department of Defense	Another VA Facility Fee-Basis Sharing Agreement with Department of Defense	Another VA Facility Fee-Basis	Another VA Facility Fee-Basis
<b>Table 3. MH Characteristics for CBOCs</b>				

## Results and Recommendations

### Management of DM–Lower Limb Peripheral Vascular Disease

VHA established its Preservation-Amputation Care and Treatment Program in 1993 to prevent and treat lower extremity complications that can lead to amputation. An important component of this program is the screening of at-risk populations, which includes veterans with diabetes. Table 4 shows the areas reviewed for this topic. The facilities identified as noncompliant needed improvement. Details regarding the findings follow the table.

Noncompliant	Areas Reviewed
	The parent facility has established a Preservation-Amputation Care and Treatment Program. <sup>6</sup>
	The CBOC has developed screening guidelines regarding universal foot checks.
	The CBOC has developed a tracking system to identify and follow patients at risk for lower limb amputations.
	The CBOC has referral guidelines for at-risk patients.
Hopkinsville McMinnville	The CBOC documents education of foot care for patients with a diagnosis of DM. <sup>7</sup>
Hopkinsville	There is documentation of foot screening in the patient's medical record.
Homestead Key West Hopkinsville McMinnville	There is documentation of a foot risk assessment in the patient's medical record.
	There is documentation that patients with a risk assessment Level 2 or 3 received therapeutic footwear and/or orthotics.
<b>Table 4. DM</b>	

### VISN 8, Miami VA HCS – Homestead and Key West

**Risk Assessment.** The Homestead CBOC clinicians did not document a foot risk assessment in CPRS for 17 of 26 diabetic patients. The Key West CBOC clinicians did not document a foot risk assessment in CPRS for 22 of 23 patients.

**Recommendation 1.** We recommended that Homestead and Key West CBOC clinicians document a foot risk assessment in CPRS for diabetic patients.

<sup>6</sup> VHA Directive 2006-050, *Preservation Amputation Care and Treatment (PACT) Program*, September 14, 2006.

<sup>7</sup> VA/DoD Clinical Practice Guideline, *Management of Diabetes Mellitus (DM)*, August 2010.

## VISN 9, Tennessee Valley HCS – Hopkinsville and McMinnville

**Foot Care Education.** The Hopkinsville CBOC clinicians did not document foot care education in CPRS for 14 of 25 diabetic patients. The McMinnville CBOC clinicians did not document foot care education in CPRS for 20 of 27 diabetic patients.

**Foot Screening.** The Hopkinsville CBOC clinicians did not document in CPRS that a foot screening (foot inspection, circulation check, and sensory testing) was performed for 12 of 25 diabetic patients.

**Risk Assessment.** The Hopkinsville CBOC clinicians did not document a foot risk assessment in CPRS for 24 of 25 diabetic patients. The McMinnville CBOC clinicians did not document a foot risk assessment in CPRS for 20 of 27 diabetic patients.

**Recommendation 2.** We recommended that Hopkinsville and McMinnville CBOC clinicians document foot care education in CPRS for diabetic patients.

**Recommendation 3.** We recommended that Hopkinsville CBOC clinicians document a complete foot screening in CPRS for diabetic patients.

**Recommendation 4.** We recommended that Hopkinsville and McMinnville CBOC clinicians document a foot risk assessment in CPRS for diabetic patients.

## Women’s Health

Breast cancer is the second most common type of cancer among American women, with approximately 207,000 new cases reported each year.<sup>8</sup> Each VHA facility must ensure that eligible women veterans have access to comprehensive medical care, including care for gender-specific conditions.<sup>9</sup> Timely screening, diagnosis, notification, interdisciplinary treatment planning, and treatment are essential to early detection, appropriate management, and optimal patient outcomes. Table 5 shows the areas reviewed for this topic. The facilities identified as noncompliant needed improvement. Details regarding the findings follow the table.

Noncompliant	Areas Reviewed
	Patients were referred to mammography facilities that have current Food and Drug Administration or State-approved certifications.
	Mammogram results are documented using the American College of Radiology’s Breast Imaging Reporting and Data System code categories. <sup>10</sup>

<sup>8</sup> American Cancer Society, Cancer Facts & Figures 2009.

<sup>9</sup> VHA Handbook 1330.01, *Healthcare Services for Women Veterans*, May 21, 2010.

<sup>10</sup> The American College of Radiology’s Breast Imaging Reporting and Database System is a quality assurance guide designated to standardize breast imaging reporting and facilitate outcomes monitoring.

Noncompliant	Areas Reviewed (continued)
	The ordering VHA provider or surrogate was notified of results within a defined timeframe.
Homestead Key West	Patients were notified of results within a defined timeframe.
	The facility has an established process for tracking results of mammograms performed outside the VA.
Hopkinsville	Fee Basis mammography reports are scanned into CPRS.
Hopkinsville	All screening and diagnostic mammograms were initiated via an order placed into the Veterans Health Information Systems and Technology Architecture radiology package. <sup>11</sup>
	Each CBOC has an appointed Women's Health Liaison.
	There is evidence that the Women's Health Liaison collaborates with the parent facility's Women Veterans Program Manager on women's health issues.
<b>Table 5. Mammography</b>	

### VISN 8, Miami VA HCS –Homestead and Key West

There were 23 patients who had mammograms done on or after June 1, 2010, including 19 patients at the Homestead CBOC and 4 patients at the Key West CBOC.

Result Notification. We determined that 16 patients at the Homestead CBOC and 4 patients at the Key West CBOC did not receive notification of mammography results within the defined timeframe.

**Recommendation 5.** We recommended that managers ensure that patients at the Homestead and Key West CBOCs are notified of mammography results within the defined timeframes.

### VISN 9, Tennessee Valley HCS – Hopkinsville

There were 14 patients who had mammograms done on or after June 1, 2010, including 7 patients at the Hopkinsville CBOC and 7 patients at McMinnville CBOC.

Scanned Reports. We determined that three of seven patients at the Hopkinsville CBOC did not have fee basis mammography results scanned into CPRS.

Mammography Orders and Access. We determined that three of seven patients at the Hopkinsville CBOC received mammograms through fee basis authorization, however, none of the mammograms were ordered as required. Requests for fee basis and contract mammograms must be electronically entered in CPRS as a radiology order, and breast imaging and mammography results must be linked to the appropriate order.

<sup>11</sup> VHA Handbook 1330.01.

**Recommendation 6.** We recommended that managers at the Hopkinsville CBOC ensure that fee basis mammography results are scanned into CPRS.

**Recommendation 7.** We recommended that radiology mammography orders are entered into CPRS for all fee basis and contract mammograms and that all breast imaging and mammography results are linked to the appropriate radiology mammogram or breast study order at the Hopkinsville CBOC.

## C&P

We reviewed C&P folders to determine whether facilities had consistent processes to ensure that providers complied with applicable requirements as defined by VHA policy.<sup>12</sup> Table 6 shows the areas reviewed for this topic. The facilities identified as noncompliant needed improvement. Details regarding the findings follow the table.

Noncompliant	Areas Reviewed
	(1) There was evidence of primary source verification for each provider's license.
	(2) Each provider's license was unrestricted.
	(3) New Provider:
	a. Efforts were made to obtain verification of clinical privileges currently or most recently held at other institutions.
	b. FPPE was initiated.
	c. Timeframe for the FPPE was clearly documented.
	d. The FPPE outlined the criteria monitored.
	e. The FPPE was implemented on first clinical start day.
	f. The FPPE results were reported to the medical staff's Executive Committee.
	(4) Additional New Privilege:
	a. Prior to the start of a new privilege, criteria for the FPPE were developed.
	b. There was evidence that the provider was educated about FPPE prior to its initiation.
	c. FPPE results were reported to the medical staff's Executive Committee.
	(5) FPPE for Performance:
	a. The FPPE included criteria developed for evaluation of the practitioners when issues affecting the provision of safe, high-quality care were identified.

<sup>12</sup> VHA Handbook 1100.19.

Noncompliant	Areas Reviewed (continued)
	b. A timeframe for the FPPE was clearly documented.
	c. There was evidence that the provider was educated about FPPE prior to its initiation.
	d. FPPE results were reported to the medical staff's Executive Committee.
	(6) The Service Chief, Credentialing Board, and/or medical staff's Executive Committee list documents reviewed and the rationale for conclusions reached for granting licensed independent practitioner privileges.
Hopkinsville	(7) Privileges granted to providers were facility, service, and provider specific. <sup>13</sup>
Hopkinsville McMinnville	(8) The determination to continue current privileges were based in part on results of OPPE activities.
Hopkinsville McMinnville	(9) The OPPE and reappraisal process included consideration of such factors as clinical pertinence reviews and/or performance measure compliance.
	(10) Relevant provider-specific data was compared to aggregated data of other providers holding the same or comparable privileges.
	(11) Scopes of practice were facility specific.
<b>Table 6. C&amp;P</b>	

### VISN 9, Tennessee Valley HCS – Hopkinsville and McMinnville

**Scope of Practice.** We found that one NP at the Hopkinsville CBOC had been granted clinical privileges that were inappropriate for an outpatient setting, including removal of central venous intravenous lines, dictation of discharge summaries, and administration of intravenous medications. VHA policy<sup>14</sup> requires that privileges granted to providers are to be facility, service, and provider specific.

**OPPE.** We did not find evidence that OPPEs had been implemented or performance data collected for one physician at the Hopkinsville CBOC and one physician at the McMinnville CBOC. In addition, we noted that FPPEs had not been initiated for these two providers. VHA policy<sup>15</sup> requires that data consistent with service-specific competency criteria, which includes clinical pertinence reviews and/or performance measure compliance, be collected, maintained in each provider's profile, and reviewed on an ongoing basis.

**Recommendation 8.** We recommended that processes are strengthened to ensure that all providers at the Hopkinsville CBOC be granted privileges that are facility, service, and provider specific.

<sup>13</sup> VHA Handbook 1100.19, *Credentialing and Privileging*, November 14, 2008.

<sup>14</sup> VHA Handbook 1100.19.

<sup>15</sup> VHA Handbook 1100.19.

**Recommendation 9.** We recommended that OPPEs are implemented and performance data is collected, maintained, and reviewed for each provider on an ongoing basis at the Hopkinsville and McMinnville CBOCs.

## Environment of Care and Emergency Management

### EOC

To evaluate the EOC, we inspected patient care areas for cleanliness, safety, infection control, and general maintenance. Table 7 shows the areas reviewed for this topic. The facilities identified as noncompliant needed improvement. Details regarding the findings follow the table.

Noncompliant	Areas Reviewed
	There is handicapped parking, which meets the ADA requirements.
	The CBOC entrance ramp meets ADA requirements.
Key West	The entrance door to the CBOC meets ADA requirements.
Homestead	The CBOC restrooms meet ADA requirements.
	The CBOC is well maintained (e.g., ceiling tiles clean and in good repair, walls without holes, etc.).
	The CBOC is clean (walls, floors, and equipment are clean).
	The patient care area is safe.
	The CBOC has a process to identify expired medications.
	Medications are secured from unauthorized access.
	There is an alarm system or panic button installed in high-risk areas as identified by the vulnerability risk assessment.
	Privacy is maintained.
	IT security rules are adhered to.
	Patients' personally identifiable information is secured and protected.
	There is alcohol hand wash or a soap dispenser and sink available in each examination room.
	The sharps containers are less than $\frac{3}{4}$ full.
	There is evidence of fire drills occurring at least annually.
	There is evidence of an annual fire and safety inspection.
McMinnville	Means of egress from the building are un-obstructed.
	Fire extinguishers are easily identifiable.
	The CBOC collects, monitors, and analyzes hand hygiene data.
	Staff use two patient identifiers for blood drawing procedures.
	The CBOC is included in facility-wide EOC activities.
<b>Table 7. EOC</b>	

**VISN 8, Miami VA HCS – Homestead and Key West**

Physical Access. The Homestead CBOC handicapped accessible restroom had standard twist knobs to control the faucet. The ADA requires that sink faucets be operable without tight grasping, pinching, or twisting of the wrist, and require less than five pounds of force. Appropriate faucet controls were installed during the week of our review; therefore, we made no recommendations.

The Key West CBOC entrance door handle required a tight grasp or twisting of the wrist and required greater than five pounds of resistance to open. The ADA requires that facility doors be equipped with handles that are easy to grasp with one hand and do not require tight grasping, pinching, or twisting of the wrist to operate.

**Recommendation 10.** We recommended that entrance door access is improved for disabled veterans at the Key West CBOC.

**VISN 9, Tennessee Valley HCS – McMinnville**

Emergency Exit. We found that the designated alternate emergency exit at the McMinnville CBOC did not meet ADAAG criteria.<sup>16</sup> The designated alternate emergency exit had exterior stairs from the CBOC building to the ground. According to the ADAAG, stairs, steps, and escalators cannot be part of a designated emergency exit.

**Recommendation 11.** We recommended that emergency exits at the McMinnville CBOC are in compliance with ADAAG criteria.

Emergency Management

VHA policy requires each CBOC to have a local policy or standard operating procedure defining how medical and MH emergencies are handled.<sup>17</sup> Table 8 shows the areas reviewed for this topic.

Noncompliant	Areas Reviewed
	There is a local medical emergency management plan for this CBOC.
	The staff articulated the procedural steps of the medical emergency plan.
	The CBOC has an automated external defibrillator onsite for cardiac emergencies.
	There is a local MH emergency management plan for this CBOC.

<sup>16</sup> Americans with Disabilities Act Accessibility Guidelines (ADAAG), Scoping and Technical Standards, Egress, 4.1.3(9) and 4.3.10,

<sup>17</sup> VHA Handbook 1006.1.



Noncompliant	Areas Reviewed (continued)
	The staff articulated the procedural steps of the MH emergency plan.
<b>Table 8. Emergency Management</b>	

All CBOCs were compliant with the review areas; therefore, we made no recommendations.

## HF Follow Up

The VA provides care for over 212,000 patients with HF. Nearly 24,500 of these patients were hospitalized during a 12-month period during FYs 2010 and 2011. The purpose of this review is to evaluate the continuity of care for enrolled CBOC patients discharged from the parent HCS in FY 2011 with a primary discharge diagnosis of HF. The results of this topic review are reported for informational purposes only. After the completion of the FY 2012 inspection cycle, a national report will be issued detailing cumulative and comparative results for all CBOCs inspected during FY 2012. The results of our review of the selected CBOCs discussed in this report are found in Appendix A.

## CBOC Contract

We conducted reviews of primary and MH care at the Hopkinsville and McMinnville CBOCs to evaluate the effectiveness of VHA oversight and administration for selected contract provisions relating to quality of care and payment of services. MH services are provided by the contractors at both CBOCs.

Each CBOC engagement included: (1) a review of the contract, (2) analysis of patient care encounter data, (3) corroboration of information with VHA data sources, (4) site visits, and (5) interviews with VHA and contractor staff. Our review focused on documents and records for 3<sup>rd</sup> Quarter, FY 2011.

Noncompliant	Areas Reviewed
	(1) Contract provisions relating to payment and quality of care:
	a. Requirements for payment.
	b. Rate and frequency of payment.
	c. Invoice format.
	d. Performance measures (including incentives/penalties).
	e. Billing the patient or any other third party.
Hopkinsville McMinnville	(2) Technical review of contract, modifications and extensions.
Hopkinsville McMinnville	(3) Invoice validation process.
	(4) The COTR designation and training.
Hopkinsville McMinnville	(5) Contractor oversight provided by the COTR.

Noncompliant	Areas Reviewed (continued)
	(6) Timely access to care (including provisions for traveling veterans).
	a. Visiting patients are not assigned to a provider panel in Primary Care Management Module.
	b. The facility uses Veterans Health Information Systems and Technology Architecture's (VistA) "Register Once" to register patients who are enrolled at other facilities.
	c. Referral Case Manager assists with coordination of care for traveling veterans.
<b>Table 9. Review of Primary Care and MH Contract Compliance</b>	

### VISN 9, Tennessee Valley HCS – Hopkinsville and McMinnville

**Technical Review.** The Hopkinsville and McMinnville CBOC contracts were inappropriately modified, which resulted in substantial increases in cost to the VA. Both contracts were competitively awarded,<sup>18</sup> with three proposals received for Hopkinsville and four for McMinnville. Additional details about these issues are summarized below.

***Inappropriate Solicitation Amendment.*** Both solicitations were inappropriately amended to change the CLIN provided in the solicitation after the proposal submission deadline had passed.<sup>19</sup> The Contract Technical Evaluation Team recommended that the CO award the contract to vendor "A" based upon their price and performance record. After their recommendations, the CO in consultation with legal and technical staff reviewed the proposals and determined the CLIN structure provided in the solicitation "did not represent the best value to the government nor was it considered a true capitated rate as intended for the contract." The solicitations were amended after completion of the technical review, changing the schedule line items from three lines—1) primary care, 2) MH services, and 3) nurse-only visits—to one line item for a capitated rate combining primary and MH services.<sup>20</sup> The solicitation was not reissued and only the four vendors who had previously submitted a proposal were allowed to amend their pricing. After the offerors submitted new pricing proposals in response to the amendment, vendor "B" was awarded both contracts. Although vendor "B" was not technically superior to vendor "A," the award decision was based on a tradeoff for vendor "B's" lower offered price. The CO should have cancelled the solicitation because the time for submitting proposals had closed and VA had not reopened the solicitation process. The decision by the CO to amend the solicitation was significant and could have negatively impacted the competitive process.

<sup>18</sup> *Competitive Bidding* is a transparent purchasing method where bids are received from potential contractors, suppliers, or vendors to show their interest to provide the requested goods or services.

<sup>19</sup> *Contract Line Item(s) (CLIN)* specifies the product or services being purchased and the negotiated price for them.

<sup>20</sup> Both solicitations were issued in August 2008 with bids due in September 2008. No proposals were received by the deadline, so both were extended to November 2008. The technical review was conducted in December 2008. The CLIN change was done in January 2009.

*Inappropriate Contract Modifications.* Subsequent to award, both contracts were inappropriately modified to replace their pricing schedules. The first modification decreased the capitated rates by 1 to 2 percent for the base year and all 4 option years and added charges for IT services, which were already included in the original capitated rate. The additional payment for IT services totaled more than \$72,000 for Hopkinsville and \$137,000 for McMinnville over the 5-year contract periods. Even when offset by the decrease in the capitated rate, this still resulted in an overall increase in contract price.

A second modification, effective June 1, 2010, one year after the effective date of the contract, inappropriately increased the capitated rates for McMinnville by 60–80 percent for each of the four option years. We found that the CO provided contradictory accounts about the rate increase as follows:

- In an internal memorandum dated May 20, 2010, the CO notes receiving an alert from the contractor stating there was a pricing error in its proposal and requested a price correction. The memorandum cites Federal Acquisition Regulation 14.407-4(b) (3)<sup>21</sup> in concluding that no changes should be made to the contract since the contractor was responsible for the mistake. The CO states that the contractor did not submit original worksheets or contracts as support for the increase in capitated rates. Furthermore, the CO noted that the contractor would not have been awarded the contract because they were not technically superior to other bidders and “allowing such a correction would be a clear violation of procurement integrity and ethical behavior.”
- In a memorandum dated June 7, 2010 from the Deputy Senior Procurement Executive to the VISN 9 Contract Manager, the Deputy states that the increase was due to a calculation error made by the contractor in the proposal. This memo, which was reviewed and signed by the Regional Counsel, also stated, “The contract cannot be reformed” due to the contractor’s unilateral mistake.
- In an undated memorandum to support Modification 0005,<sup>22</sup> which was effective June 1, 2010, the CO stated that the increase was granted due to a miscalculation in VA’s estimated number of enrollees in the request for proposal. This statement was in response to complaints from the contractor that slow patient enrollment was causing them undue hardship. Furthermore, on June 8, 2010, the CO sent an email to the clinical COTR regarding the contractor’s request for rate increase which stated “we really need to amend the contract” and “put forth some effort to negotiate something.” The clinical COTR expressed concern about fairness to the initial bidders and the increased cost. The CO stated it was fair because there was a problem meeting minimum enrollment, contract adjustments were typical, and the dollar impact would have to be calculated; but, “I really don’t see how we cannot do this.” Despite the

<sup>21</sup> Federal Acquisition Regulation 14.407-4(b) (3) – Federal regulations governing contract law.

<sup>22</sup> Modification 0005 - Contract modification effective June 1, 2010, enacted to increase capitated rate payment amount and exercise the option to renew the contract for the period June 1, 2010, through May 31, 2011.

concerns raised by the COTR, the memorandum supporting the increase in pricing states that the COTR “concurred with the recommendation to increase the per patient per month rate while reducing the number of estimated patients to offset the inconsistencies.”

The inappropriate changes made to the contract resulted in a higher price than offered by the competitor who was deemed more technically capable during the award process and were not in VA’s best interest. We would recommend administrative action be taken against the CO, but the CO is no longer employed with VHA.

**Invoice Validation Process.** The contractor was paid for patients that did not have the required annual qualifying visit. The resulting overpayments for these patients were approximately \$3,600 for Hopkinsville and \$4,100 for McMinnville for the review period of April, May, and June 2011, with annualized overpayments estimated at \$14,400 and \$16,400, respectively.

**Oversight.** The facility did not have copies of all contract documents for either CBOC. The facility had a copy of the original contract but did not have a copy of all related contract modifications. Copies of all contract documents are needed to enable proper oversight and administration of the contract.

**Recommendation 12.** We recommended that the Contracting Office ensures that any pricing modification that involves a change in rate, particularly an increase in the capitated rate, requires supervisory approval so that all changes are properly executed and supported.

**Recommendation 13.** We recommended that the Facility Director determines, with the assistance of the Regional Counsel, the extent and collectability of the overpayments made since the inception of the contract.

**Recommendation 14.** We recommended that the Facility Director ensures the COTR has a complete copy of all contract documents to enable proper oversight and administration of the contract.

## HF Follow-Up Results

Areas Reviewed			
CBOC Processes			
<i>Guidance</i>	<i>Facility</i>	<i>Yes</i>	<i>No</i>
<b>The CBOC monitors HF readmission rates.</b>	<b>Miami VA HCS</b>		
	Homestead		X
	Key West		X
	<b>Tennessee Valley HCS</b>		
	Hopkinsville		X
	McMinnville		X
<b>The CBOC has a process to identify enrolled patients that have been admitted to the parent facility with a HF diagnosis.</b>	<b>Miami VA HCS</b>		
	Homestead	X	
	Key West	X	
	<b>Tennessee Valley HCS</b>		
	Hopkinsville		X
	McMinnville		X
Medical Record Review Results			
<i>Guidance</i>	<i>Facility</i>	<i>Numerator</i>	<i>Denominator</i>
<b>There is documentation in the patients' medical records that communication occurred between the inpatient and CBOC providers regarding the HF admission.</b>	<b>Miami VA HCS</b>		
	Homestead	2	2
	Key West	2	2
	<b>Tennessee Valley HCS</b>		
	Hopkinsville	6	8
	McMinnville	1	5
<b>A clinician documented a review of the patients' medications during the first follow-up primary care or cardiology visit.</b>	<b>Miami VA HCS</b>		
	Homestead	2	2
	Key West	2	2
	<b>Tennessee Valley HCS</b>		
	Hopkinsville	8	8
	McMinnville	5	5
<b>A clinician documented a review of the patients' weights during the first follow-up primary care or cardiology visit.</b>	<b>Miami VA HCS</b>		
	Homestead	0	2
	Key West	1	2
	<b>Tennessee Valley HCS</b>		
	Hopkinsville	2	8
	McMinnville	2	5

## HF Follow-Up Results

<b>Medical Record Review Results (continued)</b>			
<i>Guidance</i>	<i>Facility</i>	<i>Numerator</i>	<i>Denominator</i>
<b>A clinician documented a review of the patients' restricted sodium diet during the first follow-up primary care or cardiology visit.</b>	<b>Miami VA HCS</b>		
	Homestead	2	2
	Key West	0	2
	<b>Tennessee Valley HCS</b>		
	Hopkinsville	2	8
	McMinnville	0	5
<b>A clinician documented a review of the patients' fluid intakes during the first follow-up primary care or cardiology visit.</b>	<b>Miami VA HCS</b>		
	Homestead	0	2
	Key West	0	2
	<b>Tennessee Valley HCS</b>		
	Hopkinsville	1	8
	McMinnville	0	5
<b>A clinician educated the patient, during the first follow-up primary care or cardiology visit, on key components that would trigger the patients to notify their providers.</b>	<b>Miami VA HCS</b>		
	Homestead	0	2
	Key West	0	2
	<b>Tennessee Valley HCS</b>		
	Hopkinsville	2	8
	McMinnville	2	5

## VISN 8 Director Comments

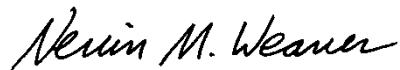
Department of  
Veterans Affairs

Memorandum

**Date:** July 11, 2012  
**From:** Director, VISN 8 (10N8)  
**Subject:** **CBOC Reviews: Homestead and Key West, FL**  
**To:** Director, Bay Pines Regional Office of Healthcare  
Inspections (54SP)

Director, Management Review Service (10AR)

1. The recommendations made during the Community Based Outpatient Clinic (CBOC) Review of the Homestead and Key West, FL have been reviewed and I concur with the recommendations. The facility implementation plan, to include target dates of completion, are provided as detailed below.



Nevin M. Weaver, FACHE

## Miami VA HCS Director Comments

Department of  
Veterans Affairs

Memorandum

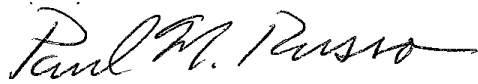
**Date:** July 10, 2012

**From:** Director, Miami VA HCS (546/00)

**Subject:** **CBOC Reviews: Homestead and Key West, FL**

**To:** Director, VISN 8 (10N8)

1. I have reviewed and concur with the findings and recommendations in the report of the CBOC Reviews: Homestead and Key West, FL.
2. Corrective action plans have been established with planned completion dates, as detailed in the attached report.



Paul M. Russo, MHSA, FACHE, RD



## Comments to Office of Inspector General's Report

The following Director's comments are submitted in response to the recommendations to the Office of Inspector General's report:

### **OIG Recommendations**

**Recommendation 1.** We recommended that Homestead and Key West CBOC clinicians document a foot risk assessment in CPRS for diabetic patients.

Concur

Target date for completion: September 1, 2012

Clinical and Clinical Application Coordinator (CAC) staff will work collaboratively to revise the Diabetic Foot Exam clinical reminder in CPRS to include assignment of risk level based on VHA Directive 2006-050. CBOC providers will be educated on the use of the revised clinical reminder.

**Recommendation 5.** We recommended that managers ensure that patients at the Homestead and Key West CBOCs are notified of mammography results within the defined timeframes.

Concur

Target date for completion: September 1, 2012

CBOC providers will be educated on Healthcare System Policy Memorandum 11-41-10 (Ordering and Reporting Test Results) and on correct template/note title use for the documentation of results communication in CPRS.

**Recommendation 10.** We recommended that entrance door access is improved for disabled veterans at the Key West CBOC.

Concur

Target date for completion: November 9, 2012

Miami VA is in the process of developing two options to pursue with the Department of the Navy.

1. Upon concurrence by the Department of the Navy, the Miami VA will procure a contract to install a handicap accessible door operating system.

2. The Department of the Navy will procure a contract to install a handicap accessible door operating system. In this case, the Miami VA engineering department will recommend to the Navy the type of system to be installed within 30 calendar days from the date of this response.

Miami VA will collaboratively work with the Navy to have a decision within 30 calendar days from the date of this response as to which option will be pursued. Since this facility is owned by the Navy and the Miami VA uses the space under the auspices of a Sharing Agreement, the VA must attain approval by the Navy to pursue Option 1.

## VISN 9 Director Comments

**Department of  
Veterans Affairs**

**Memorandum**

**Date:** July 20, 2012

**From:** Director, VISN 9 (10N9)

**Subject:** **CBOC Reviews: Hopkinsville, KY and McMinnville, TN**

**To:** Associate Director, Bay Pines Regional Office of Healthcare  
Inspections (54SP)

Director, Management Review Service (VHA 10AR)

1. I concur with the report and have no comments.
2. Should you need additional information, please contact Tammy Williams, VISN 9 Continuous Readiness Coordinator at (615) 695-2200.

*(original signed by:)*

John Dandridge, Jr.  
Director, VA Mid South Healthcare Network (10N9)

## Tennessee Valley HCS Director Comments

**Department of  
Veterans Affairs**

**Memorandum**

**Date:** July 20, 2012

**From:** Director, Tennessee Valley HCS (626/00)

**Subject:** **CBOC Reviews: Hopkinsville, KY and McMinnville, TN**

**To:** Director, VISN 9 (10N9)

1. I concur with the Office of Inspector General's inspection report and have no comments.

*(original signed by:)*

Juan A. Morales, RN, MSN

Director, Tennessee Valley Healthcare System (626/00)

## Comments to Office of Inspector General's Report

The following Director's comments are submitted in response to the recommendations to the Office of Inspector General's report:

### **OIG Recommendations**

**Recommendation 2.** We recommended that Hopkinsville and McMinnville CBOC clinicians document foot care education in CPRS for diabetic patients.

Concur

Target date for completion: September 1, 2012

The Acting Chief, Community Based Outpatient Clinics, (Acting Chief – CBOC) will meet with all clinical CBOC staff and review importance of foot care education for patients with diabetes.

ACOS-CBOC will meet with all clinical CBOC staff and review importance of “foot care clinical reminder for patients with diabetes”.

ACOS-CBOC office will conduct monthly review of Clinic compliance with clinical reminder use of “foot care clinical reminder for patients with diabetes” until compliance reaches 90 percent for at least 2 consecutive months.

**Recommendation 3.** We recommended that Hopkinsville CBOC clinicians document a complete foot screening in CPRS for diabetic patients.

Concur

Target date for completion: August 15, 2012

Acting Chief - CBOC will meet with all clinical CBOC staff and review importance of foot care education for patients with diabetes.

Acting Chief - CBOC will meet with all clinical CBOC staff and review importance of “foot care clinical reminder for patients with diabetes”.

Acting Chief - CBOC office will conduct monthly review of Clinic compliance with clinical reminder use of “foot care clinical reminder for patients with diabetes” until compliance reaches 90 percent for at least 2 consecutive months.

**Recommendation 4.** We recommended that Hopkinsville and McMinnville CBOC clinicians document a foot risk assessment in CPRS for diabetic patients.

Concur

Target date for completion: September 1, 2012

Acting Chief - CBOC will meet with all clinical CBOC staff and review importance of foot care education for patients with diabetes.

Acting Chief - CBOC will meet with all clinical CBOC staff and review importance of "foot care clinical reminder for patients with diabetes".

Acting Chief - CBOC office will conduct monthly review of Clinic compliance with clinical reminder use of "foot care clinical reminder for patients with diabetes" until compliance reaches 90 percent for at least 2 consecutive months.

**Recommendation 6.** We recommended that managers at the Hopkinsville CBOC ensure that fee basis mammography results are scanned into CPRS.

Concur

Target date for completion: August 11, 2012

A Standard Operating Procedure (SOP) will be developed and implemented.

**Recommendation 7.** We recommended that radiology mammography orders are entered into CPRS for all fee basis and contract mammograms and that all breast imaging and mammography results are linked to the appropriate radiology mammogram or breast study order at the Hopkinsville CBOC.

Concur

Target date for completion: August 11, 2012

A Standard Operating Procedure (SOP) will be developed and implemented.

**Recommendation 8.** We recommended that processes are strengthened to ensure that all providers at the Hopkinsville CBOC be granted privileges that are facility, service, and provider specific.

Concur

Target date for completion: August 11, 2012

All CBOC providers at Hopkinsville CBOC will have their privileges reviewed for appropriateness given the provider's specific skills by ACOS-CBOC. Any and all changes will be submitted to the Professional Standards Board.

All CBOC providers at Hopkinsville CBOC will have their privileges reviewed for appropriateness given the provider's specific setting. Any and all changes will be submitted to the Professional Standards Board.

**Recommendation 9.** We recommended that OPPEs are implemented and performance data is collected, maintained, and reviewed for each provider on an ongoing basis at the Hopkinsville and McMinnville CBOCs.

Concur

Target date for completion: October 31, 2012

Acting Chief - CBOC will maintain a "mirror" 6 part folder for Hopkinsville and McMinnville CBOC providers. This "mirror" 6 part folder will reflect current VA standards for collection of performance data, using OPPE, FPPE and other TVH tools. This 6 part folder will "mirror" the contractors collection of this data as required by the current contract.

COR and CO will work together to amend contract to comply with VA performance monitoring standards and credentialing standards.

**Recommendation 11.** We recommended that emergency exits at the McMinnville CBOC are in compliance with ADAAG criteria.

Concur

Target date for completion: September 1, 2012

Will refer to contractor for correction.

**Recommendation 12.** We recommended that the Contracting Office ensures that any pricing modification that involves a change in rate, particularly an increase in the capitated rate, requires supervisory approval so that all changes are properly executed and supported.

Concur

Target date for completion: July 20, 2012

Any future modifications that involve a rate change will be required to not only have supervisory level approval; but will also require documented evidence of support from the program manager/medical center director.

**Recommendation 13.** We recommended that the Facility Director determines, with the assistance of the Regional Counsel, the extent and collectability of the overpayments made since the inception of the contract.

Concur

Target date for completion: September 30, 2012

The Staff Assistant to the Director in collaboration with the Administrative Officer for CBOCs will review the invoice validation process to determine the extent of any overpayments. The validation tool currently being used will be evaluated to determine if there is a missing element that may contribute to overpayments. Any validated

overpayments will be noted and guidance from Regional Counsel, contracting and fiscal service will be sought for the appropriate avenue to pursue recovery if warranted.

**Recommendation 14.** We recommended that the Facility Director ensures the COTR has a complete copy of all contract documents to enable proper oversight and administration of the contract.

Concur

Target date for completion: September 30, 2012

The Network Contracting Office is developing a process in which all Contracting Officers will share access to contract files with the assigned COTRs. The Administrative Officer for CBOCs, who is the current COTR, is working to ensure that all contracting documents located in the Contracting Office electronic database has been shared with the COTR and a process for ensuring that future contract documents are provided to the COTR or access to the new shared folder process is available.



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## OIG Contact and Staff Acknowledgments

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**OIG Contact** For more information about this report, please contact the Office of Inspector General at (202) 461-4720.

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