



**DEPARTMENT OF VETERANS AFFAIRS**  
**Veterans Health Administration**  
**Washington DC 20420**

**AUG 08 2013**

In Reply Refer To:

The Honorable Carolyn N. Lerner  
Special Counsel  
U.S. Office of Special Counsel  
1730 M Street, NW, Suite 300  
Washington, DC 20036

RE: OSC File No. DI-11-3558 Supplemental Report

Dear Ms. Lerner:

This letter responds to the Office of Special Counsel (OSC) request that the Department of Veterans Affairs provide a status report on six recommendations made in the Department's Report to OSC File Number DI-11-3558. Enclosed is a Fact Sheet with the requested updates.

The Veterans Health Administration will monitor the issues in this report. Thank you for the opportunity to provide this information.

Sincerely,

A handwritten signature in black ink, appearing to read "William Schoenhard".

William Schoenhard, FACHE  
Deputy Under Secretary for Health  
for Operations and Management

Enclosure

**Department of Veterans Affairs (VA)**  
**Fact Sheet**  
**For the Office of Special Counsel (OSC)**  
**Supplement to OSC File No. DI-11-3558**

**Recommendation 1:** As new surgical procedures begin at the Ambulatory Surgery Center (ASC), surgeons without recent surgical experience should undergo focused professional practice evaluation while operating to ensure competencies.

**Response:** VA Texas Valley Coastal Bend Health Care System (VATVCBHCS) follows local Policy Memorandum 11-10-58 regarding FPPE/OPPE monitoring in order to ensure surgeons without recent surgical experience are operating with competence. To ensure all appropriate individuals are aware of the expected timeframes for FPPE and/or OPPEs, the Medical Staff Office sends recurring reports to the Chief of Staff, Chief of Quality Management, Clinical Service Chiefs, and Chief Medical Officers. Newly appointed surgeons are reviewed in accordance with VHA guidelines and local policy to determine if additional proctoring or supervision is needed before they perform surgeries independently. VATVCBHCS assigns local VA providers, if available, to proctor or assist the newly appointed surgeons. Additionally, VATVCBHCS has the ability to reach out to VA facilities throughout Veterans Integrated Service Network (VISN) 17 in San Antonio, Temple, or Dallas to assist with proctoring or reviewing the newly appointed surgeons.

**Recommendation 2:** Future physician pay should be decided using pay tables consistent with the privileges they request.

**Response:** VATVCBHCS follows physician pay setting practices in accordance with VA Handbook 5007, Part IX, Paragraph 13. The Chief of Staff serves as the Chair for all compensation panels and Human Resources Management Service serves as the technical advisor to the compensation panel. Both the Chief of Staff and Human Resources Management Service verify that the appropriate table, tier, and specialty are documented consistent with the privileges requested.

**Recommendation 3:** The VATVCBHCS leadership indicated during interviews that they are working on a more comprehensive coordination of care process for fee-basis appointments and provider notification. It is recommended that this new process be implemented as soon as possible, and be coordinated with the national VHA effort to improve fee-basis processing.

**Response:** VATVCBHCS has implemented the Non-VA Care Coordination Center which utilizes processes set forth by the Chief Business Office (CBO) Non-VA Care Coordination initiative. Implementation of these processes was phased in over the last year with completion on July 1, 2013. All consultations for Non-VA care are processed by the Non-VA Care Coordination Center. This includes the review and approval of the consultations from VA providers, appointment management with pre and post calls to

ensure compliance with the consultation and obtaining clinical documentation from the consultant for VA provider review.

**Recommendation 4:** Renewed efforts should be made to decrease the backlog of outstanding claims for fee-basis services.

**Response:** VATVCBHCS and VISN 17 Fee offices have jointly developed systems redesign initiatives to decrease the backlog of outstanding claims for fee-basis services. These improvement initiatives were designed to ensure claims processing is completed timely in the future. Our goal is to pay 80 percent of valid claims within 30 days of receipt. At the time of this site visit in February 2012, VATVCBHCS had a total of 44,991 claims pending payment with 33,945 of those claims pending greater than 30 days (75%). As of July 5, 2013, VATVCBHCS now has 5,327 claims pending payment with 1,080 claims pending greater than 30 days (20%).

**Recommendation 5:** Communication with community providers and health care systems should be continued/increased including face-to-face meetings, status reports and development of a dispute resolution process to address, among other things, long standing debts.

**Response:** The VATVCBHCS Fee Office continues to collaborate with vendors on a case-by-case basis to assist in solving their claims payment issues. In addition, VATVCBHCS created a Non-VA Care provider handbook to disseminate to physicians in the community which provides an explanation of the Non-VA Care process specifically focusing on claims processing and payment.

**Recommendation 6:** VHA's Office of Compliance and Business Integrity should, in concert with the Integrated Ethics program, conduct a Focused Review of the facility and, if necessary and as appropriate, assist in implementing any identified corrective or improvement measures.

**Response:** VATVCBHCS is in the process of scheduling a consultative visit by VHA's Office of Compliance and Business Integrity in conjunction with the National Center for Ethics in Healthcare. This visit will focus on the nine elements of the CBI Program which includes Non-VA Care, as well as a review of the ethics framework of the organization.

Veterans Health Administration  
August 2013