



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

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**UNDER SECRETARY FOR HEALTH'S INFORMATION LETTER  
COMPLIANCE AND BUSINESS INTEGRITY (CBI) PROGRAM**

1. The Veterans Health Administration (VHA) Office of Compliance and Business Integrity (CBI) serves as the principal VHA advisor in all matters relating to compliance and organizational integrity in the business arena and promotes standards of excellence and ethical behavior in business practices. Their mission provides reasonable assurance that VHA's business operations follow all laws, regulations, and policies that apply to its business operation and ensures that it meets reasonable expectations of its business partners. CBI conducted its first annual report survey of field operations based upon Fiscal Year (FY) 2004 activity. All medical centers participated in responding to the FY 2004 Annual Report. The findings from the CBI FY 2004 Annual Report were used in preparing an annual report to the Under Secretary for Health.

2. Several of the program strengths and accomplishments which have occurred since the inception of the CBI program are:

a. The establishment of a CBI Officer in all network offices as well as within each medical center. The report indicates that 80 percent of CBI Officers are unencumbered with collateral duties that could conflict with or impair their ability to perform primary program requirements.

b. Field employees are receiving compliance training at rates which clearly shows due diligence on the part of VHA in educating a wide-range of employees in compliance-related matters.

c. The Compliance Incident Report Tracking System (CIRTS) tool is well maintained and used by a majority of facilities in an effective manner, allowing documentation of corrective action to flow to all levels of the organization. In addition, the CBI Helpline is well publicized in virtually all VHA locations.

d. Through a centralized monitoring process, CBI identified and notified facilities of a number of employees who were listed on the Office of Inspector General (OIG) List of Excluded Individuals and Entities (LEIE) and who are therefore prohibited from participation in any Federal health care program, including VHA.

3. CBI has identified several programs which will be pursued in future years as reflected in their report. Support in assisting to achieve these recommendations is essential and encouraged. Several of the recommendations include:

a. Encouraging CBI Officers to become certified in compliance through a professional organization.

b. Defining an expectation that CBI Officers maintain the appearance of independence and responsibilities consistent with clear separation of duties whereby CBI Officers are removed from potentially-conflicting roles, and emphasize the importance of the CBI Officer reporting to the senior executive at all levels of the organization.

c. Validating internal monitors (CBI Indicators) with independent, external reviews. This is a necessary step to ensuring that internal monitors accurately measure the quality of business output.

d. Developing Senior Leadership education programs focusing on improved understanding of the role CBI plays in improving business cycle effectiveness and accountability.

e. Conducting site visits to facilities with a track record of leadership in compliance program development or those seeking to diagnosis and improve challenged programs in transition.

f. Facilitating the roll-out of the monitoring procedures developed in the CBI laboratories while collaboratively working with other program offices in their efforts to re-design operational procedures.

g. Developing new CBI laboratories with the focus on improving internal controls, measuring program effectiveness, and developing automated monitoring systems.

4. It is clear that VHA has made significant progress in implementing the CBI Program and enhancing this critical program. Continued support for the program and the support of the staff within each network and medical center that perform the CBI functions are encouraged. Open and available access to management officials is a key element for the continued success of this program. The CBI Office remains committed to the belief that improved internal controls and measurement is directly linked to effective business outcomes.

5. The CBI annual report submission for FY 2005 includes a number of “mandatory program elements” that are critical elements for each program. A close review the 2005 Annual Report criteria and taking steps to improve local programs in accordance with the reporting

requirements is strongly encouraged. The results will further identify the accomplishments, strengths, and recommendations for improvement for the CBI Program.

6. Questions may be directed to the Office of Compliance and Business Integrity at 202-501-1831.

s/ Jonathan B. Perlin, MD, PhD, MSHA, FACP  
Under Secretary for Health

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