

February 2, 2001

**NATIONAL PROSTHETIC AND SENSORY AIDS SERVICE
STRATEGIC HEALTHCARE GROUP INVENTORY PACKAGE**

1. PURPOSE: This Veterans Health Administration (VHA) Directive mandates the implementation of the newly created Prosthetic and Sensory Aids Service (PSAS) Strategic Healthcare Group Inventory Package. The package establishes a valid prosthetic data inventory system that will provide accurate information on inventory items and dollar value at every facility, and will identify “common use items” for cost-effective, large quantity purchases.

2. BACKGROUND

a. There has not been a national standardized system for reporting and maintaining PSAS inventory on a local, Veterans Integrated Services Network (VISN), or national basis. Accurate inventory records for prosthetic items are essential to monitor cost, as well as to verify delivery of these appliances, analyze trends, and develop consistency across the system. Selected “common use items” will be considered for national or large quantity purchases for maximum economic benefit to all facility Prosthetic Services.

b. The current inventory systems used by Prosthetic Service are manual: VA Form 10-1210, Issue and Stock Control Record-Prosthetic Stock Items, various locally-created inventory methods, or the Generic Inventory Package (GIP). These systems are not adequate to manage and ensure quality in Prosthetics and Sensory Aids Programs.

c. The Prosthetic Inventory Package will be a valuable tool at the facility, VISN, and national levels for efficient and effective management, data validation, controlling inventories, developing cost savings, and simplifying record control. The Prosthetic Inventory Package utilizes standard nomenclature in all recording activities. Prosthetic inventory items are commonly linked by utilization of the existing Health Care Financing Administration Common Procedure Coding System (HCPC) and codes created by PSAS for items not covered by the HCPC such as the Home Improvements Structural Alterations (HISA) activities and the Automobile Adaptive Equipment (AAE) program. This universal linkage allows for facility, VISN, and national data comparison.

d. Facilities with Orthotic Laboratories are provided additional functionality through a “lab stock issue” process as an option in the Prosthetic Inventory Package. This option greatly reduces the use of the standard VA Form 10-2529-3, Request and Receipt for Prosthetic Appliances or Services.

3. POLICY: It is VHA policy that the PSAS Strategic Healthcare Group Inventory Package be used at all VA facilities; and that all PSAS items must have a value assigned to them to reflect whether they are salvageable parts on the shelf, or are going to be reissued as a whole to another veteran.

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THIS VHA DIRECTIVE EXPIRES FEBRUARY 28, 2006

4. ACTION: VA medical centers, Outpatient Clinics, and Community Based Outpatient Clinics were instructed to implement the GIP by April 1, 1999.

a. The process in determining value requires the program official, or designee, to make two determinations:

- (1) Whether the Home Medical Equipment (HME) and/or appliance is to be reissued; and
- (2) If yes, what is one-half of the present cost to replace the HME and/or appliance as new?

b. These two basic questions take into consideration all improvements to restore the HME and or appliance to reusable condition. Two illustrations are:

(1) An electric hospital bed is returned, the condition is excellent, and the bed is considered reusable. The current replacement cost is \$720 ($\$720 \div 2$); therefore, the inventory value is \$360.

(2) A wheelchair is returned and considered to be reusable with minor repairs and/or replacement parts. The current replacement cost of the wheelchair is \$480; and is to be added into the inventory at \$240 ($\$480 \div 2$). Any repair or replacement part(s) or costs associated with returning the wheelchair to a condition suitable for issuance must be recorded and/or charged to the veteran's record, VA Form 10-2319, Record of Prosthetic Service, from whom the wheelchair was received. Therefore, the costs are not to be added to the wheelchair's inventory value. ***NOTE:** This ensures all costs are recorded in the National Prosthetics Patient Database (NPPD) Prosthetic Inventory Package (PIP). In that rare instance when an item is returned new and/or never used, and found to be suitable for reissue, the item is to be assigned a used value in the PIP and reissued as such.*

c. Items routinely returned or donated for re-issue include, but are not limited to wheelchairs, walkers, patient lifts, hospital beds, canes, etc. Returned or otherwise acquired HME and /or appliances determined as not appropriate for issue are to be disposed of through established Office of Acquisition and Materiel Management procedure using VA Form 2237, Request, Turn-in and Receipt for Property or Services; or by contacting the facility Accountability Officer.

d. The options in this release are not connected to Integrated Funds Distribution, Control Point Activity, Accounting and Procurement (IFCAP). VA Form 10-2237, Request for Property or Services, must still be used when requesting items through IFCAP.

***NOTE:** Those facilities using GIP may continue to use GIP concurrently; however, use of the PSAS Strategic Healthcare Group Inventory Package is mandatory.*

5. REFERENCES: None.

6. FOLLOW UP RESPONSIBILITY: Chief Consultant, Prosthetic and Sensory Aids Service (PSAS) Strategic Healthcare Group (113), is responsible for the contents of this Directive.

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7. RESCISSIONS: This VHA Directive will expire on February 28, 2006.

S/ Frances Murphy, M.D. for
Thomas L. Garthwaite, M.D.
Under Secretary for Health

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