

GAO

Report to the Honorable
Charles B. Rangel, House of
Representatives

February 1987

HEALTH FACILITIES

Problems at Harlem Hospital in Complying With Medicare Standards



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United States
General Accounting Office

New York Regional Office

Room 4112, 26 Federal Plaza
New York, NY 10278

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February 20, 1987

The Honorable Charles B. Rangel
House of Representatives

Dear Mr Rangel.

In your July 14, 1986, letter and in conversations with your office, concerns were expressed about the Harlem Hospital Center's compliance with the Medicare program's standards. We agreed to (1) obtain information on the hospital's compliance with Medicare standards and (2) determine what actions the New York State Department of Health and the Health Care Financing Administration (HCFA), in the U.S. Department of Health and Human Services, have taken in response to deficiencies at the hospital.

These deficiencies have been persistent and serious, particularly from 1981 to 1986, with many involving actual or potential patient harm. As a result, in June 1986 the state fined the hospital for violating state hospital standards; the hospital agreed to a plan of corrective action. In addition, HCFA, which administers Medicare, (1) concluded that the hospital was not meeting Medicare standards and (2) in September 1986 directed the state, which serves as HCFA's agent, to monitor the actions the hospital had taken to correct its deficiencies.

The state's monitoring reports showed that although some serious deficiencies remained, by November 1986 most of the deficiencies that resulted in the state and HCFA actions had been, or were being, corrected. The deficiencies remaining as of December 1986, according to state inspectors, were primarily in the areas of nursing care and the building's cleanliness and safety.

In January 1987 the state informed the hospital that it had not fully complied with the terms of the June 1986 agreement requiring the hospital to review the medical staff's credentials and to have complete medical records for all patients. Further, a recent state study concluded that there were unusually high death rates at the hospital. As a result, the state plans to cite the hospital's medical staff and nursing department for providing unacceptable care.

The state plans to continue, indefinitely, regular monitoring of the hospital to determine whether it corrects the remaining deficiencies and whether it complies with state hospital standards. HCFA will keep the

hospital under state monitoring until HCFA determines that the hospital meets Medicare standards.

Objectives, Scope, and Methodology

Our objectives were to obtain information on Harlem Hospital Center's compliance with Medicare standards and to determine what actions HCFA and the state have taken in response to deficiencies at the hospital (which is 1 of 11 municipal hospitals operated by the New York City Health and Hospitals Corporation).

We examined reports about the hospital prepared by the Joint Commission on the Accreditation of Hospitals (a private, nonprofit organization that conducts voluntary accreditation of hospitals), the state, and HCFA. These reports deal with the hospital's compliance with Medicare and state hospital standards, particularly during the years 1977 through 1986

In addition, we discussed the hospital's compliance history and its efforts to correct deficiencies with the following: HCFA Region II representatives, state staff responsible for monitoring the hospital's activities, and representatives of the hospital and the New York City Health and Hospitals Corporation.

In completing this report, we considered the views of officials of HCFA, the state, the hospital, and the Health and Hospitals Corporation. As requested by your office, we did not obtain written agency comments on this report. With that exception, our work was performed in accordance with generally accepted government auditing standards, and was done during October 1986 to February 1987

Harlem Hospital Center's Compliance With Medicare and State Standards

To receive Medicare reimbursement, hospitals must meet standards—called “conditions of participation”—prescribed in the Social Security Act and its implementing regulations. Hospitals in New York State must also meet State Public Health Law hospital standards to be licensed. The state standards generally mirror the Medicare conditions of participation.

Joint Commission Accreditation Inspections

The Social Security Act provides that hospitals inspected and accredited by the Joint Commission on the Accreditation of Hospitals are “deemed” to have met the Medicare conditions of participation. The hospital was accredited by the Joint Commission before 1966; in this year it began

participating in the Medicare program, and has been accredited ever since. It was last accredited, for 3 years, in January 1985. This most recent accreditation was contingent on the hospital's complying with the Joint Commission's recommendations: to correct inadequate monitoring and evaluation of the quality and appropriateness of care provided by the hospital's special care units. According to the state, the hospital subsequently complied with these recommendations. Although not a prerequisite for accreditation, the Joint Commission also made recommendations to correct deficiencies in other areas, including

- building and grounds safety;
- sanitation;
- dietetic, medical record, nursing, pathology and medical laboratory, pharmaceutical, and social work services; and
- quality assurance.

In earlier accreditation reports, the Joint Commission had made some of the same recommendations in all of the above areas except dietetic and social work services.

State Inspections

Because the Joint Commission has been accrediting the hospital, neither HCFA nor the state was required to regularly inspect the hospital for compliance with the Medicare conditions of participation. However, to determine whether hospitals, including Harlem Hospital Center, comply with state hospital standards, the state (1) conspects the hospital with the Joint Commission, (2) performs other inspections when there are indications of noncompliance with state health standards, and (3) investigates complaints at the hospital. In addition, under an agreement with the Department of Health and Human Services, the state is to report indications of hospital noncompliance to HCFA and, at HCFA's request, inspect hospital compliance with the conditions of participation.

The state's inspections—including one in January 1986—showed a pattern of state hospital standard deficiencies, particularly from 1981 to 1986. The state found persistent deficiencies in the hospital's building cleanliness and safety, with the medical staff, and in the nursing, medical records, dietary, and social work departments ("services" in the Joint Commission recommendations). The deficiencies included the following:

- Bags of garbage and trash were stored in corridors in patient areas, roaches and flies infested the building

- The automatic fire alarm system did not work
- Interns and residents were not supervised in their care of patients: for example, an intern, without consultation, discharged one feverish patient who was experiencing shortness of breath and lung congestion; another patient, with multiple infections, did not receive an antibiotic for 5 consecutive days because a physician did not review and renew a medication order
- Registered professional nurses did not plan, supervise, or evaluate the nursing care for each patient, care plans were absent or did not indicate the patient's most important problems and needs: for example, for one patient with a bowel obstruction, eliminations were not recorded, and a suppository was administered 2 days after it was ordered.
- Patients' medical records did not contain sufficient information to justify the diagnosis and treatment provided, and did not adequately document outcomes

Because of the recurrent nature of the hospital's problems, with many involving actual or potential patient harm, the state initiated enforcement action against the hospital in August 1985, fining it \$125,000 in June 1986. The state had increased enforcement action statewide in 1985 to bring about improved compliance of chronically deficient hospitals

Among the matters cited in the enforcement action was a surgical error during routine knee surgery that led to complications, resulting in the patient's leg being amputated. The physicians involved were not licensed and the anesthesiologist—a dentist—was not licensed to administer anesthesia in general surgery. The state also cited widespread nursing department deficiencies, including (1) nursing plans for individual patients not being developed or kept daily to reflect current patient medical problems, (2) nursing notes for patients not being informative and not including significant observations, such as patients' vital signs and fluid intake and output, and (3) nursing notes not documenting patient medications as to times administered, type, and quantity

As part of the June 1986 enforcement action, the hospital agreed to develop, implement, and maintain an acceptable plan of corrective action within specified time frames. Of the \$125,000 fine, the hospital paid \$39,000 to the state, \$86,000 was suspended, pending the hospital's compliance with the agreement.

HCFA-Directed Inspections

In May 1986, HCFA had received the state's January inspection report for the hospital, and concluded that the hospital may not have been complying with the Medicare conditions of participation. Therefore, in May, HCFA requested that the state inspect the hospital. The state agreed and, during the period June 23 to July 2, 1986, it inspected the hospital for compliance with the Medicare conditions.

The state reported the results of the June/July inspection to HCFA in August 1986. Based on these results, HCFA concluded that the hospital was not complying with the following six conditions of participation: physical environment (building cleanliness and safety), medical staff, emergency service, and nursing, dietary, and social work departments. The deficiencies reported were similar to those identified in earlier state inspections and included the following:

- Areas of the hospital were dusty and had dirt build-up, floors were soiled and littered with debris; fire doors were in disrepair.
- Patients did not get medications because intravenous tubes were impaired or naso-gastric tubes were not working properly. For example, one patient with a perforated appendix and peritonitis did not receive needed antibiotic medication.
- Nursing care plans did not indicate what nursing care patients needed and received. For example, there was no plan to treat a patient with decubitus ulcers (bed sores); nursing notes in the care plan did not address the depth or the extent of the ulcers or changes in the condition; and medication that should have been administered three times daily was documented no more than once daily.
- The charts of high-risk patients, for example, substance abusers, did not contain evidence of social work intervention, such as referring the patient for detoxification, counseling, and rehabilitation.

The June/July 1986 inspection of the hospital, formally called a complaint survey, was the first such inspection done by or at the request of HCFA. Similar inspections had not been made previously because HCFA was not aware of deficiencies at the hospital, according to the director of HCFA's Region II Survey and Certification Review Branch. Until June 1985, the state did not routinely comply with the requirement to provide HCFA with the results of inspections and investigations that disclosed noncompliance with the conditions of participation. Providing such

results to HCFA is required under the state's agreement with the Department of Health and Human Services.¹ Although HCFA criticized the state's noncompliance with the agreement, HCFA could have obtained this information in other ways, for example, examining inspection files during evaluation visits to state offices

In September 1986, because of the deficiencies found by the state in the June/July 1986 inspection, HCFA revoked the hospital's deemed compliance with the Medicare conditions of participation. This compliance, as mentioned earlier, is certified by the Joint Commission's accreditation, the revocation transferred Medicare certification authority from the Joint Commission to HCFA. The hospital, however, was allowed to continue its participation in the Medicare program. HCFA also directed the state to monitor the hospital, advising the hospital that it would remain under state monitoring until HCFA concluded that compliance with the Medicare conditions was achieved. HCFA also required the hospital to submit a plan of correction.

State Monitoring of Harlem Hospital Center

Since June 1986, inspectors from the state's New York City area office have made weekly unannounced visits to the hospital to determine the progress in implementing its plan of correction and in adhering to the June 1986 agreement. The state had initiated its monitoring efforts before HCFA asked it to. According to state officials and our review of the surveillance files, the hospital previously had never been subject to this level of state scrutiny. State officials told us that the recurrent nature of the hospital's deficiencies and the need to bring about prompt and sustained corrective action initiated the intense monitoring.

The state reported that although some serious deficiencies remained, as of November 1986 the hospital had corrected or implemented corrective action for most of the deficiencies cited by the state and HCFA.

The state inspectors we spoke to in December 1986 told us that (1) there have been continuing problems with the hospital's building cleanliness and safety, and (2) much of the plan of correction addressing nursing department deficiencies remained to be carried out. The inspectors noted that these are chronic problems; in part, they are due to the hospital's large size and its difficulties in recruiting and retaining staff. In

¹The state's noncompliance with its agreement with the Department of Health and Human Services is discussed in GAO's HEALTH FACILITIES: New York State's Oversight of Nursing Homes and Hospitals (GAO/HRD-87-24, Nov. 28, 1986).

addition, compliance with all building cleanliness and safety standards cannot be achieved within the immediate future since they are part of capital improvement projects. According to the director of the state's Bureau of Hospital Services, most of the projects are under way; however, some projects need state approval or are being developed.

On January 12, 1987, the state informed the hospital that it had not fully complied with two conditions of the June 1986 agreement—reviewing the medical staff's credentials and having complete medical records for all patients. The state advised the hospital it had until February 11, 1987, to comply with these conditions, or the state would move to reimpose a portion of the fine that had been suspended.

In a recent development, the state is examining findings of high death rates at the hospital. This is not related to the state's monitoring of the hospital's actions to correct the deficiencies and comply with the June 1986 agreement. The director of the Bureau of Hospital Services told us that a state study found that patient death rates for some procedures were higher than average by a statistically significant amount. According to the director, the state concluded that in some of these deaths unacceptable care was provided. As a result, the state expects to cite the hospital for deficiencies in its medical staff and nursing department.

Future State and HCFA Actions

The state expects to continue unannounced weekly monitoring of the hospital to determine whether (1) the corrective action plan is implemented, and (2) the hospital complies with the terms of the agreement resulting from the June 1986 enforcement action. After the hospital complies with state standards, the state also plans to continue some less frequent level of monitoring to determine whether compliance is sustained.

Until HCFA determines whether the hospital complies with the Medicare conditions of participation, HCFA will keep the hospital under state monitoring. To make this determination, HCFA must first receive and evaluate the hospital's corrective action plan. The hospital submitted the plan to the state in October 1986, the state in turn submitted the plan to HCFA in January 1987. There was some delay, partly because the state had requested the hospital to clarify some of the plan's elements.

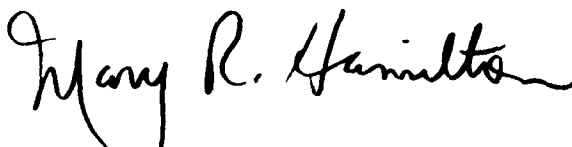
Once HCFA approves the plan, HCFA will request that the state again inspect the hospital for compliance with the Medicare conditions of participation. If HCFA determines that the hospital meets all the conditions of participation, it will be restored to the Joint Commission's jurisdiction; HCFA will not require further state monitoring visits of the hospital. If HCFA concludes that the hospital does not meet the conditions of participation and that it has not made a good faith effort to correct the major deficiencies, HCFA will be required to move to terminate the hospital from the Medicare program.

Harlem Hospital Center Comments

We discussed with the hospital's director and the vice president for facilities management of the New York City Health and Hospitals Corporation (which operates the hospital) the hospital's noncompliance with the Medicare conditions of participation and its actions to correct these deficiencies. These officials told us that numerous factors (principally, a large patient population with multiple illnesses or illness-related complications, difficulties in recruiting and retaining personnel, and a lack of continuity in the hospital's management) have contributed to the hospital's problems. They also told us that personnel issues are being addressed, and they stressed that the current hospital director, who has been in this position since February 1984, has had the longest tenure of any director at the hospital in the past 15 years.

As agreed with your office, unless you publicly announce the contents of this report earlier, we will not make further distribution for 3 days. At that time, we will send copies to the Secretary of Health and Human Services, the Commissioner of the New York State Department of Health, the President of the New York City Health and Hospitals Corporation, interested congressional committees, and other interested parties.

Sincerely yours,



Mary R. Hamilton
Regional Manager

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