

PATHOLOGY AND LABORATORY MEDICINE PRODUCTIVITY AND STAFFING

1. SUMMARY OF MAJOR CHANGES: Major changes are as follows:

a. Updates definitions in paragraph 6 to:

(1) Replaces “Clinical Administrative Time” terminology with “Administrative Time” for Pathology.

(2) Updates Clinical Full Time Equivalent Employee (FTEE).

(3) Replaces Estimated Clinical FTEE terminology with Estimated Total Pathologist FTEE.

b. Adds responsibilities in paragraph 2 for the National Pathology and Laboratory Medicine (PLM) Quality Compliance Officer.

c. Removes Appendices A, B, and C to create two new standard operating procedures VHA Procedures for Standard Pathology Workload Capture and Standard Coding Tables for Pathologist Workload Reporting available on the PLM SharePoint at: <https://dvagov.sharepoint.com/sites/VHADiagnosticservices/PLMS/edcen/SitePages/PLM-Coding-Resources.aspx>. **NOTE:** This is an internal VA website that is not available to the public.

2. RELATED ISSUES: VHA Directive 1065(1), Productivity and Staffing Guidance for Specialty Provider Group Practice, dated December 22, 2020; VHA Directive 1106, Pathology and Laboratory Medicine Service, dated January 24, 2024.

3. POLICY OWNER: PLM, Diagnostic Services (11DIAG2) is responsible for the content of this directive. Questions may be directed to the PLM Program Office at: VHAPLMSPprogramoffice@va.gov.

4. RESCISSIONS: VHA Directive 1064, Pathology and Laboratory Medicine Service (P&LMS) Productivity and Staffing, dated September 17, 2018, is rescinded.

5. RECERTIFICATION: This Veterans Health Administration (VHA) directive is scheduled for recertification on or before the last working day of November 2029. This VHA directive will continue to serve as national VHA policy until it is recertified or rescinded.

6. LOCAL DOCUMENT REQUIREMENTS: There are no local document requirements in this directive.

7. IMPLEMENTATION SCHEDULE: This directive is effective upon publication.

November 27, 2024

VHA DIRECTIVE 1064

**BY DIRECTION OF THE OFFICE OF THE
UNDER SECRETARY FOR HEALTH:**

/s/ Erica Scavella, M.D., FACP, FACHE
Assistant Under Secretary for Health
for Clinical Services and Chief Medical
Officer

NOTE: *All references herein to Department of Veterans Affairs (VA) and VHA documents incorporate by reference subsequent VA and VHA documents on the same or similar subject matter.*

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PATHOLOGY AND LABORATORY MEDICINE PRODUCTIVITY AND STAFFING

1. POLICY

It is Veterans Health Administration (VHA) policy to ensure correct workload captures specific to Pathology administrative Full Time Equivalent Employee (FTEE) as necessary to operate a Clinical Laboratory Improvement Amendments (CLIA) compliant laboratory. **NOTE:** *This VHA directive complements VHA Directive 1065(1), Productivity and Staffing Guidance for Specialty Providers Group Practice, dated December 22, 2020, and includes a specific formula to calculate estimated Total Pathologist FTEE to satisfy the requirement for VHA Directive 1106, Pathology and Laboratory Medicine Service, dated January 24, 2024. This directive does not address specific research, education, and clinical labor mapping allocations, and administrative time elements as specified in VHA Directive 1065(1).* **AUTHORITY:** 38 U.S.C. §§ 1706, 8110(a)(3)(C); 38 C.F.R. § 17.3500.

2. RESPONSIBILITIES

a. **Under Secretary for Health.** The Under Secretary for Health is responsible for ensuring overall VHA compliance with this directive.

b. **Assistant Under Secretary for Health for Clinical Services.** The Assistant Under Secretary for Health for Clinical Services is responsible for:

(1) Supporting Pathology and Laboratory Medicine (PLM) with implementation and oversight of this directive.

(2) Supporting the development of mitigation or corrective actions to address noncompliance with this directive.

c. **Assistant Under Secretary for Health for Operations.** The Assistant Under Secretary for Health for Operations is responsible for:

(1) Communicating the contents of this directive to each of the Veterans Integrated Services Networks (VISNs).

(2) Assisting VISN Directors to resolve implementation and compliance challenges in all Department of Veterans Affairs (VA) medical facilities within that VISN.

(3) Overseeing VISNs to ensure the effectiveness of and compliance with this directive.

d. **Executive Director, National Pathology and Laboratory Medicine.** The Executive Director, National PLM, is responsible for:

(1) In conjunction with the National PLM Quality and Compliance Officer and the VA medical facility PLM Service Chief, ensuring that the policy standards specified by this directive are being implemented as intended and that corrective action is taken when

non-compliance is identified.

(2) Providing consultation on productivity standards to VA medical facility PLM services based on the size and complexity of the service; depth and breadth of services offered; extent of Community Based Outpatient Clinic oversight and staffing.

e. **National Pathology and Laboratory Medicine Quality and Compliance Officer, National Enforcement Office.** The National PLM Quality and Compliance Officer, National Enforcement Office, is responsible for providing oversight in conjunction with the Executive Director, National PLM, and VA medical facility PLM Service Chief to ensure that this directive is being implemented as intended and that corrective action is taken when noncompliance is identified.

f. **Veterans Integrated Service Network Director.** The VISN Director is responsible for:

(1) Ensuring that all VA medical facilities within the VISN comply with this directive and informing the Assistant Under Secretary for Clinical Services and the Assistant Under Secretary for Operations when barriers to compliance are identified.

(2) Overseeing corrective actions to address noncompliance at the VISN and VA medical facilities within the VISN.

g. **VA Medical Facility Director.** The VA medical facility Director is responsible for:

(1) Ensuring overall VA medical facility compliance with this directive and that corrective action is taken if non-compliance is identified.

(2) Ensuring that the VA medical facility measures, monitors, reviews, and improves provider productivity and staffing levels at the group practice level in PLM. This includes but is not limited to reviewing and approving plans provided by the VA medical facility PLM Service Chief.

h. **VA Medical Facility Chief of Staff and VA Medical Facility Associate Director of Patient Care Services.** The VA medical facility COS and VA medical facility Associate Director of Patient Care Services (ADPCS) are responsible for:

(1) Ensuring that the VA medical facility PLM Service Chief assesses and measures service level productivity on an annual basis, including performing needs assessments for the hiring or contracting of additional VA health care providers.

(2) Approving and certifying labor mapping by the VA medical facility PLM Service Chief and CLIA Laboratory Director.

(3) Approving any administrative PLM physician FTEE allocation above 60%.

i. **VA Medical Facility Pathology and Laboratory Medicine Service Chief**. The VA medical facility PLM Service Chief is responsible for:

(1) In conjunction with the Executive Director, National PLM, and the National PLM Quality and Compliance Officer, ensuring that this directive is being implemented as intended and that corrective action is taken when non-compliance is identified.

(2) Assigning workload and acquiring pathology professional services (e.g., diagnostic, consultative, interpretative and/or treatment planning services that are performed by licensed physicians and that are required in connection with the provision of Laboratory Services) as necessary to ensure PLM service needs for patient care and quality laboratory operation are met.

(3) Coordinating with the VA medical facility CLIA Laboratory Director to ensure that proper Managerial Cost Accounting (MCA) labor mapping is performed for laboratory staff and submitting to the VA medical facility COS and VA medical facility ADPCS to approve and certify.

(4) Developing plans for adjusting VA health care provider productivity and staffing, timeliness of care, telehealth, and patient access, as needed, and submitting the plans to the VA medical facility Director for approval.

(5) Certifying, at a minimum, an annual assessment and measurement of productivity and staffing levels at the service level, including the Estimated Total Pathologist FTEE needed to cover PLM needs and reporting the assessment annually to the Executive Director, National PLM and National PLM Quality and Compliance Officer, National Enforcement Office. **NOTE:** *As indicated by 42 C.F.R. Part 493, certain supervisory and technical activities may be delegated to qualified non-physicians or divided between physicians. Categories of Administrative Time are considered to represent a total time involvement at the service level regardless of whether an individual category is delegated or not. Delegation of duties to non-physician staff should result in corresponding labor mapping changes to the workload for those individuals. A delegated non-physician is a non-physician subordinate to whom clinical administrative duties are delegated. A delegated non-physician may include Doctor of Philosophy, Physician Assistant, Medical Technologist, or a Medical Laboratory Scientist and refers to an individual who is not a Medical Doctor or Doctor of Osteopathy.*

(6) Updating the VA medical facility-specific data within the National Labor Mapping Tool (NLMT) and evaluating and negotiating labor mapping of physician hours to Administrative, Research and Education with VA medical facility staff pathologists on an ongoing basis to fairly represent the needs of the PLM service and to validate that the time identified to each activity is reasonable. The NLMT is available at: <https://dvagov.sharepoint.com/sites/vhamcao/SitePages/National-Labor-Mapping-Tool-Support-Page.aspx>. **NOTE:** *This is an internal VA website that is not available to the public.*

(7) Verifying correct physician taxonomy and Person Class Codes in the Electronic Health Record (EHR) for PLM health care providers.

(8) Ensuring correct Current Procedural Terminology (CPT) codes are present on patient encounters to accurately reflect the workload being performed.

j. VA Medical Facility Clinical Laboratory Improvement Amendments Laboratory Director. The VA medical facility CLIA Laboratory Director is responsible for:

(1) Coordinating with the VA medical facility PLM Service Chief to ensure that proper MCA labor mapping is performed for laboratory staff.

(2) Maintaining and reporting delegated administrative duties within the laboratory to the VA medical facility PLM Service Chief for use in MCA labor mapping.

(3) Calculating Estimated Total Pathologist FTEE on an annual basis or whenever there is a change of pathologist assignment and leave approvals to present to the VA medical facility PLM Service Chief to certify in the MCA NLMT.

(4) Ensuring that the VA medical facility Laboratory Information Manager (LIM) reviews and updates EHR laboratory files to be consistent with the standard workload coding for pathology identified in Standard Coding Tables for Pathologist Workload Reporting, available on the PLM SharePoint: <https://dvagov.sharepoint.com/sites/VHADiagnosticservices/PLMS/edcen/SitePages/PLM-Coding-Resources.aspx>. **NOTE:** This is an internal VA website that is not available to the public.

(5) Ensuring that the VA medical facility LIM implements any necessary file changes in the EHR to capture pathology-performed workload as outlined in VHA Procedures for Standard Pathology Workload Capture, available on the PLM SharePoint: <https://dvagov.sharepoint.com/sites/VHADiagnosticservices/PLMS/edcen/SitePages/PLM-Coding-Resources.aspx>. **NOTE:** This is an internal VA website that is not available to the public.

k. VA Medical Facility Laboratory Information Manager. The VA medical facility LIM is responsible for:

(1) Maintaining and implementing any changes to EHR laboratory files that support pathology workload reporting as outlined in the guidance document VHA Procedures For Standard Pathology Workload Capture, available on the PLM SharePoint at: <https://dvagov.sharepoint.com/sites/VHADiagnosticservices/PLMS/edcen/SitePages/PLM-Coding-Resources.aspx>. **NOTE:** This is an internal VA website that is not available to the public.

(2) Reviewing and updating EHR laboratory files to be consistent with standard workload coding for pathology as outlined in the guidance document Standard Coding Tables for Pathologist Workload Reporting, available at:

<https://dvagov.sharepoint.com/sites/VHADiagnosticservices/PLMS/edcen/SitePages/PLM-Coding-Resources.aspx>. **NOTE:** This is an internal VA website that is not available to the public.

3. OVERSIGHT AND ACCOUNTABILITY

a. **Internal Controls.** The internal controls in this directive are oversight responsibilities for the Assistant Under Secretary for Health for Clinical Services; Assistant Under Secretary for Health for Operations; Executive Director, National PLM; National PLM Quality and Compliance Officer, National Enforcement Office; VISN Directors; and VA medical facility Directors as outlined in paragraph 2 of this directive.

b. **Metrics.** The metrics in this directive that assess the directive or program effectiveness are:

(1) VA medical facility compliance with pathology and laboratory specialty productivity standards.

(2) 100% of VA medical facility PLM Service Chiefs provide annual certification, at minimum, of an assessment and measurement of productivity and staffing levels at the service level.

(3) Annual reporting of the certified assessment from the VA medical facility PLM Service Chief to the Executive Director, National PLM and National PLM Quality and Compliance Officer, National Enforcement Office.

4. TRAINING

There are no formal training requirements associated with this directive.

5. RECORDS MANAGEMENT

All records regardless of format (for example, paper, electronic, electronic systems) created by this directive must be managed as required by the National Archives and Records Administration (NARA) approved records schedules found in VHA Records Control Schedule 10-1. Questions regarding any aspect of records management can be addressed to the appropriate Records Officer.

6. DEFINITIONS

a. **Administrative Time.** Administrative time accounts for the Administrative FTEE portion of physician labor mapping that includes activities such as scheduling employees, completing performance reviews, fulfilling hospital or national reporting requirements, managing a clinical program, and participating on VA medical facility or national committees, advisory boards, or professional societies, as well as supervisory, non-supervisory, and any quality management activity related to direct patient care and indirect clinical care. The recommended target for administrative time must be no more than 60% of the total labor map per pathologist (including the VA medical facility PLM

Service Chief and the CLIA Laboratory Director), unless there is approval by the VA medical facility COS and ADPCS.

b. **Clinical Full Time Equivalent Employee.** Clinical FTEE is the percentage of FTEE not devoted to administrative, research, or education. This portion of FTEE is used in productivity calculations.

c. **Clinical Laboratory Improvement Amendments.** CLIAs are regulations that include Federal standards applicable to all U.S. VA medical facilities or sites that test human specimens for health assessment or to diagnose, prevent, or treat disease. CMS gives the VA National Enforcement Office deemed status to regulate all laboratory testing (except research) performed on humans through CLIAs.

d. **Electronic Health Record.** EHR is the digital collection of patient health information resulting from clinical patient care, medical testing, and other care-related activities. Authorized VA health care providers may access EHR to facilitate and document medical care. ***NOTE: EHR comprises existing and forthcoming VA software. The purpose of this definition is to adopt a short, general term to use in VHA national policy in place of software-specific terms while VA transitions platforms.***

e. **Estimated Total Pathologist Full-Time Equivalent Employee.** The estimated total pathologist FTEE is a calculation of the total pathologist FTEE required to support daily clinical, administrative, education, and research activities in a VA medical facility laboratory. The estimate is calculated using the following equation: Estimated Total Pathologist FTEE = (Administrative FTEE + Research FTEE + Education FTEE) + (Annual Total Service work relative value unit (wRVU)/Current Facility Complexity Level Median Pathology wRVU per Clinical FTEE). ***NOTE: The Facility Complexity Level Median Pathology wRVU per Clinical FTEE value is supplied in the Office of Productivity, Efficiency, and Staffing (OPES) Specialty Provider Productivity Standards Performance Report that is available on the OPES website at: https://reports.vssc.med.va.gov/ReportServer/Pages/ReportViewer.aspx?%2fOPES%2fSpecialtyProductivityReport%2fProd_Stats&rs:Command=Render. This is an internal VA website that is not available to the public.***

f. **Labor Mapping.** Labor mapping is a process of assigning labor resources to the work areas where they belong. Labor hours are mapped to the areas where the employees work and are paid. Labor mapping assigns labor costs to the Account Level Budgeter Cost Center (ALBCC) where the work occurred. Services are asked to distribute their employees' labor time (based on percentages) to the various ALBCCs where they work. For pathology specialty, there is a significant amount of non-RVU generating activity involving the day-to-day management of clinical laboratories. ***NOTE: This workload must be mapped as administrative time using the MCA's labor mapping rules and must not be included in the calculation for pathologist clinical FTEE. See Table 2 in the VHA Procedures For Standard Pathology Workload Capture to determine pathologist labor mapping and FTEE allocations, available on the PLM SharePoint at: <https://dva.gov.sharepoint.com/sites/VHADiagnosticservices/PLMS/edcen/SitePages/PLM-Coding-Resources.aspx>. The MCA Labor Mapping provides information on proper***

mapping for Direct Care, Administrative, Research, and Education accessible at: <https://dvagov.sharepoint.com/sites/vhamcao/SitePages/National-Labor-Mapping-Tool-Support-Page.aspx>. These are internal VA websites that are not available to the public.

g. **Managerial Cost Accounting.** MCA is the process of accumulating, measuring, analyzing, interpreting, and reporting cost information useful to both internal and external groups concerned with the way the organization uses, accounts for, safeguards, and controls its resources to meet its objectives. MCA assists budgeting, financial accounting, and reporting and provides useful information to leadership.

h. **Pathologist Clinical Full Time Equivalent Employee.** Pathologist clinical FTEE is the total amount of Pathologist worked hours expressed as FTEE that is assigned to clinical duties, excluding administration, education, and research time as defined in the MCA databases. Annual Leave, Sick Leave, and Leave Without Pay hours are excluded from the reported Pathologist Clinical FTEE.

i. **Relative Value Unit.** An RVU is a measure of the difficulty and expense of a professional service. The RVU associated with each CPT code is determined by CMS as published in the CMS Medicare Fee Schedule. RVU are primarily designed for reimbursement purposes but have been widely employed to measure workload as well. The total RVU of a professional service consists of three components: physician work, practice expense, and malpractice expense.

j. **Work Relative Value Unit.** wRVU is the principal measure of workload for purposes of provider productivity measurement. The value of the work RVU associated with each CPT code is determined by CMS and published annually in the CMS Medicare Fee Schedule. A zero wRVU assigned by CMS to a CPT code indicates there is no third-party physician work reimbursement for that service. Several CPT codes used in pathology are assigned a zero wRVU by CMS but reflect services that are valued within VHA. OPES has imputed wRVU values that reflect physician work provided regardless of CMS reimbursement.

7. REFERENCES

- a. 38 U.S.C. §§ 1706 and 8110.
- b. 38 C.F.R. § 17.3500.
- c. 42 C.F.R. Part 493.
- d. VHA Directive 1065(1), Productivity and Staffing Guidance for Specialty Provider Group Practice, dated December 22, 2020.
- e. VHA Directive 1106, Pathology and Laboratory Medicine Service, dated January 24, 2024.

f. PLM Workload Capture and Reporting Resources.

<https://dvagov.sharepoint.com/sites/VHADiagnosticservices/PLMS/edcen/SitePages/PLM-Coding-Resources.aspx>. **NOTE:** This is an internal VA website that is not available to the public.

g. VHA NLMT and Labor Mapping Guidelines.

<https://dvagov.sharepoint.com/sites/vhamcao/SitePages/National-Labor-Mapping-Tool-Support-Page.aspx>. **NOTE:** This is an internal VA website that is not available to the public.

h. OPES Specialty Provider Productivity Standards Performance Report.

https://reports.vssc.med.va.gov/ReportServer/Pages/ReportViewer.aspx?%2fOPES%2fSpecialtyProductivityReport%2fProd_Stats&rs:Command=Render. **NOTE:** This is an internal VA website that is not available to the public.