**About this Module**

This module is designed to introduce basic concepts and identify common misconceptions about ethical aspects of business and management practices. It is intended to stimulate discussion and reflection rather than to present comprehensive knowledge in the subject area.

After learning about the ethical aspects of business and management practices through **Definitions**, **Your Responsibility** and **Foundations**, you will be presented with a series of **Case Studies** that illustrate scenarios in which a staff person is faced with a situation that raises an ethical concern. Each case study ends with a decision that needs to be made and a choice of four options. After you choose the option you think is most appropriate, review the feedback provided at the end of this document that explains the ethical aspects that inform the decision.

After working through all the cases, please review the document summary of **Key Points**, resources for finding out **More Information**, and suggestions for further **Discussion** with colleagues.

This module is part of a larger VHA initiative, IntegratedEthics, which aims to help facilities create effective ethics in health care programs to improve ethics quality nationwide.

### Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tr>
<td>Accountable</td>
<td>Responsible for actions and decisions within the scope of your job and having the obligation to report, explain and be answerable for resulting consequences</td>
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<td>Conflict of interest</td>
<td>A situation in which a professional’s duty to patients and/or the organization is influenced, or appears to be influenced, by personal interests</td>
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<td>Professionalism in health care</td>
<td>Staff adherence to professional norms and expectations for behavior, such as those described in professional guidelines and codes of ethics</td>
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<td>Steward</td>
<td>A person who has a responsibility to take care of something he or she does not own</td>
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<td>Transparent</td>
<td>Refers to clear visibility or awareness of how processes occur (e.g., who was involved, how was a decision made, what were the reasons underlying the outcome)</td>
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Your Responsibility

As VHA staff, you are bound by various laws and regulations including those that apply specifically to government employees. You have an obligation to know what the law requires and to comply with all legal requirements.

You also have ethical responsibilities that go beyond your legal responsibilities. IntegratedEthics recognizes the importance of compliance with laws, regulations, and institutional policies, while promoting a values-oriented approach to ethics that looks beyond rules to inspire excellence. In other words, it is not enough for employees to meet minimal legal standards; instead, they are expected to make well-considered judgments that translate organizational values into action—especially in the "ethical gray areas" i.e., areas for which there are no clear laws or guidelines but for which ethical behavior is needed and expected.

High quality delivery of health care requires that clinical and administrative staff have a responsibility to protect the welfare of patients and the organization by:

- supporting business and management practices that sustain a positive ethics environment
- supporting VHA mission and values
- reporting truthfully
- promoting transparent and fair processes in business and management decisions
- treating all patients respectfully including safeguarding their information
- being accountable and acting as a steward of VHA resources and the public’s trust in government
- avoiding conflicts of interest that may compromise objectivity and fairness

The cases in this module sometimes reflect the decisions made by a particular staff member, but the principles are important for all.

Foundations

The responsibilities underlying ethical practices in business and management come from two ethical obligations:

1. **Your obligation to serve as a public servant.**
   Through law, regulation and Executive Order, society has created an organization that requires its staff to assume an ethical responsibility as public servants. This responsibility requires truthful reporting, efficient and cost-effective practices, and transparent and fair processes in order to maintain the public trust.

2. **Your obligation to support the mission and values of the organization.**
   As VHA employees you have a duty to support the provision of quality care to the
nation’s veterans and not to place your own interests ahead of theirs. This is the foundation for trust in the relationship between the veteran population and VHA. These ethical obligations are the basis for legal standards and VHA policies on ethical practices in business and management.

One very important set of legal standards that you must know about are the criminal code provisions and the Standards of Conduct that apply to government employees. If you have questions about these legal requirements, you should contact an ethics counselor in either your local Regional Counsel office or in the Office of General Counsel (http://www.va.gov/ogc/) (023).

**Case Study 1**

Compliance and Business Integrity (CBI) Officer Jeff Wilson has been notified that CBI's monthly screening of employees against the List of Excluded Individuals and Entities (LEIE) found that Dr. Alison Baker, one of his facility's preferred providers, has been excluded from participation in any federal healthcare program because she hasn’t kept up with her student loan payments. Mr. Wilson works with HR to verify that Dr. Baker is an actual match and then informs the facility director.

What should the Director do?

A. Inform Dr. Baker that he has no other choice but to terminate her, effective immediately
B. Meet with Dr. Baker in person, tell her she is a valued employee, and express concern about her overdue loan payments
C. Encourage Dr. Baker to speak with Mr. Wilson as soon as possible about how to get off the list
D. All of the above

(See end of document for feedback.)

**Case Study 2**

An employee reports to Felicia Martinez, motor pool section chief, that she has witnessed the Chief of Staff’s secretary use a government vehicle to transport family members to a wedding over the weekend. The employee knows that this willful misuse of a government vehicle is a serious administrative violation (31 U.S.C. §§ 1344, 1349(b)). She wants to report what she saw but fears reprisal – that is, the negative consequences that might result from reporting.
What should Ms. Martinez do?

A. Report the incident to the appropriate authorities
B. Reassure the employee that reprisal for reporting of criminal violations is illegal
C. Make the facility Director aware that some employees fear reprisal for reporting violations
D. All of the above

(See end of document for feedback.)

Case Study 3

To whom should Ms. Martinez report the potential criminal violation involving VA programs and operations described in the previous case?

A. Her supervisor
B. Any management official
C. The Inspector General
D. Any of the above

(See end of document for feedback.)

Case Study 4

Desmond Morris, a supervisor in ambulatory care, is trying to track down the reason for a decline in the number of flu shots given to the facility’s veteran patients. The Medical Center has a performance measure that requires that a certain percentage of veterans receive an annual flu shot. At the current rate, the facility will not meet its performance measure. In investigating the problem, Mr. Morris discovers that the flu shots were actually given and documented in the medical record, but in many instances were incorrectly coded as venipunctures. As a result, the insurance company was billed incorrectly.
What should Mr. Morris do?

A. Report the inaccuracies to his supervisor, the service chief, so that he can create a corrective action plan
B. Do nothing as there is no significant problem
C. Go back and recode the records on his own
D. Do nothing about the existing records but be sure that it’s done correctly from now on

(See end of document for feedback.)

Case Study 5

Hank Amoretti, a Network Director, has received a communication from VACO instructing him to sign a form certifying 100% compliance of his staff with a new training directive by a particular date. The communication makes it clear that there will be severe penalties for failure to report 100% compliance. Mr. Amoretti believes that it is unrealistic to expect that facilities can achieve 100% compliance by the date the certification is due. But Mr. Amoretti also realizes that VACO leadership needs Network Directors to certify 100% compliance in order to satisfy VSOs, Congress, and the press.

What should Mr. Amoretti do?

A. Sign the form certifying 100% compliance because this will ultimately benefit VHA
B. Instruct each facility director in the network to sign a form certifying 100% compliance of their staff and make it clear that there will be severe penalties for failure to report 100% compliance
C. Report facility directors who did not achieve 100% compliance to VACO as an explanation for why the network did not achieve 100% compliance
D. Make VACO leadership aware that 100% compliance by the due date is unachievable

(See end of document for feedback.)

Case Study 6

Shabnam Sarkar, a senior executive in VACO, receives a communication from a Network Director suggesting that the certification requirement relating to a new training directive is ethically problematic in that it is unachievable and therefore creates an incentive to report false information.
What should Ms. Sarkar do?

A. Thank the Network Director for raising the concern and promise to follow up
B. Raise the concern for discussion at a staff meeting and develop an action plan
C. Both of the above, plus recognize the Network Director publicly for his efforts to support an ethical environment and culture
D. Acknowledge the communication and wait to see if others raise similar concerns

(See end of document for feedback.)

Case Study 7

Anna Podholtz, supervisor of the ophthalmology department, receives a call from her counterpart in another facility in the same VISN, asking for a reference for one of Ms. Podholtz’s employees, Ben Gillis. Mr. Gillis is a long-term employee who is eligible for retirement in five years, but has actually been a low-performing employee, with frequent absences and difficult relationships with his peers. Ms. Podholtz is tempted by the opportunity to help Mr. Gillis move on to another facility without overtly addressing his performance issues.

How should she respond to her colleague’s question?

A. Relay her concerns about Mr. Gillis to her colleague
B. Give Mr. Gillis a positive review – he may well be more successful in a different facility
C. Don’t return the call
D. Give Mr. Gillis a neutral review

(See end of document for feedback.)

Case Study 8

Ann Allen, an accounts receivable technician, is reviewing a claim that has been denied and has a question about coding. She wants to communicate with staff in Health Information Management Service (HIMS) via Outlook to confirm if the claim has been denied because of an invalid procedure code.
Which of the following information can she put in an unencrypted email?

A. Patient’s name and procedure code
B. Last four digits of the patient’s social security number
C. Insurance claim number and date
D. None of the above

(See end of document for feedback.)

Case Study 9

Beth Billings, a close personal friend of Ben Newcombe, a senior manager in the VACO Finance Office, applies for a position which reports directly to Mr. Newcombe. HR determines Ms. Billings is qualified for the position and forwards her name and resume in the pool of qualified candidates.

What should Mr. Newcombe do?

A. Interview everyone and pick the most qualified candidate
B. Recuse himself: convene a panel and ask them to interview the candidates and make the decision
C. Convene a panel to interview the candidates, but make the final decision himself
D. Don’t consider Ms. Billings for the position; there’s no way to avoid the appearance of conflict of interest

(See end of document for feedback.)
**Key Points**

Ethical practices in business and management is concerned with how well the facility promotes high ethical standards in its business and management practices. The ethical aspects of business and management include matters of leadership, human resources, and business integrity.

**Summary of key points:**

1. Make decisions based on rules AND values.
2. Report violations AND address underlying systems problems.
3. Know your obligations in responding to observed ethics violations.
4. When errors occur, act transparently and involve others in problem solving.
5. Provide honest and complete information, in accord with the fundamental VA value of public service.
6. Create a climate where there is no fear of reprisal for raising an ethical concern.
7. Be honest and transparent in making decisions about staffing and promotion.
8. Safeguard patient information even when this requires extra work.
9. Don’t use your position to improperly influence hiring or purchasing.

**Discussion**

Now that you understand some of the basic concepts and common misconceptions about ethical practices in business and management, consider this case:

You are a billing clerk and you suspect that your friend and colleague may be using unorthodox accounting practices in order to make your facility’s billing data appear more favorable than it is. How would you raise this topic in a way that both honors your friendship and also reflects your obligation to be accountable for the public’s trust?

- What would you ask your colleague?
- What else would you say?
- What else would you do?
- Whom could you consult for advice?
More Information

For more information or if you have questions or comments regarding the IntegratedEthics initiative, please contact:

National Center for Ethics in Health Care
Veterans Health Administration (10E)
810 Vermont Avenue, NW
Washington, DC 20420

Tel: 202–501–0364  
Fax: 202–501–2238

Email: IntegratedEthics@va.gov

Assistant General Counsel (023)/Designated Agency Ethics Official
810 Vermont Avenue NW
Washington, DC 20420

Tel: 202–461–7694  
Fax: 202–273–6403

Support

For additional support, contact the VA LMS Help Desk at VALMSHelp@va.gov or Monday through Friday between 8am and 10pm EST at 1(866) 496-0463.
Case Study Feedback

Case Study 1

The correct answer is: D. All of the above. This is the best option. The regulation is clear: if an individual is on the LEIE, VHA is not allowed to employ them, pay them for any services, or allow them to expend any VHA funds. The Director is therefore legally obligated to terminate Dr. Baker. However, the Director should also be guided by VHA’s core values of respect and compassion. He should meet with Dr. Baker in person, tell her that she is a valued employee, express concern, and encourage her to speak with Mr. Wilson about how to get off the list. Since her exclusion is not related to criminal activity, she may, for example, be able to negotiate an arrangement with Office of the Inspector General to be removed from the list, or apply for a waiver.

The bottom line: **Make decisions based on rules AND values.**

Case Study 2

The correct answer is: D. All of the above. This is the best choice. As a government employee, Ms. Martinez is legally required to report knowledge or information about possible waste, fraud, abuse or corruption to the appropriate authorities (5 C.F.R. § 2635.101(b)(11)). Willful misuse of a Government vehicle is a serious violation that carries a mandatory 30–day suspension. In addition, Ms. Martinez has addressed the employee’s fear of reprisal in two ways — first, by reassuring the employee that reprisal for reporting of criminal violations is illegal (under the Whistle Blower Protection Act (5 U.S.C. § 1213) and second, by making the facility Director aware that some employees fear reprisal for reporting violations. Such information might inspire the facility’s Director to take proactive steps to improve the facility’s ethical environment and culture.

The bottom line: **Report violations AND address underlying systems problems.**

Case Study 3

The correct answer is: D. Any of these is correct VA employee would satisfy his or her obligation to report knowledge or information about actual or possible criminal violations if s/he reported it to his or her supervisor, any management official or the IG (38 C.F.R. § 1.201). VA management officials also have the additional responsibilities of reporting possible violations which are felonies to the IG, Office of Investigations, and of reporting to VA police where the possible violation occurred on VA property ( §§ 1.203, 1.204). VA employees should **act** if they see something wrong and **ask** until they understand their obligations.

The bottom line: **Know your obligations in responding to observed ethics violations.**
Case Study 4
The correct answer is: A. Report the inaccuracies to his supervisor, the service chief, so that he can create a corrective action plan.

While it may seem daunting, this is the right choice. Mr. Morris has identified a number of problems: inaccurate coding of medical treatment, inaccurate recording of flu shots, inaccurate recording of venipunctures, inaccurate billing of third party insurance carriers, and inaccurate performance measurement. Stewardship and accountability are fundamental VA values, and we have a legal and ethical obligation to give back money that is incorrectly billed and not ours. The service chief should work with the CBI Officer and business staff to create a corrective action plan which will have procedural, ethical and legal elements, including returning funds to insurance carriers, correctly coding the flu shots, administering disciplinary actions against staff, and training staff so it doesn’t happen again.

The bottom line: **When errors occur, act transparently and involve others in problem solving.**

Case Study 5
The correct answer is: D. Make VACO leadership aware that 100% compliance by the due date is unachievable.

This is the best choice. Reporting false information, even if it directly benefits VA, violates a VA employee’s ethical obligations as a public servant. Under 5 C.F.R. § 2635.101(b)(1), the first Principle of Ethical Conduct is that public service is a public trust. It is also ethically problematic to instruct your facility directors to certify that they have achieved something you believe to be unachievable, or to blame them for failing to follow such instructions. It creates an ethical conflict for your directors if the only way they can meet performance expectations is by gaming the system or misrepresenting results.

The bottom line: **Provide honest and complete information, in accord with the fundamental VA value of public service.**

Case Study 6
The correct answer is: C. Thank the Network Director for raising the concern and promise to follow up AND

Raise the concern for discussion at a staff meeting and develop an action plan PLUS

Recognize the Network Director publicly for his efforts to support an ethical environment and culture
This is a good start, but Ms. Sarkar needs to do more. As a senior leader, Ms. Sarkar’s behavior has a powerful impact on the organization’s ethical environment and culture, in part by recognizing and rewarding positive ethical practices. A better choice would be for Ms. Sarkar to address the concern raised by this Network Director and to publicly recognize the value of the Network Director’s efforts to support an ethical environment and culture. In so doing, Ms. Sarkar sends a powerful signal that she takes ethics seriously. She also reinforces the expectation that she needs to hear about ethical concerns in order to address them and that employees who raise such concerns do not need to fear reprisals.

The bottom line: **Create a climate where there is no fear of reprisal for raising an ethical concern.**

**Case Study 7**

The correct answer is: A. Relay her concerns about Mr. Gillis to her colleague.

Relaying her concerns about Mr. Gillis is the right thing to do, even if it’s difficult. Public service is a public trust, and this requires honesty. Dealing with this employee is Ms. Podholtz’s responsibility—it’s not fair to pass it along to another employer. Unless there is a general policy against giving any references, Ms. Podholtz should speak truthfully about Mr. Gillis’s performance.

The bottom line: **Be honest and transparent in making decisions about staffing and promotion.**

**Case Study 8**

The correct answer is: B. Last four digits of the patient’s social security number.

In order to respect patients’ rights to privacy, only the last four digits of the patient’s social security number, if not accompanied by any other patient identifiers, may be sent. No unique patient identifiers of any kind may be sent via an unencrypted email ([www1.va.gov/vapubs/viewPublication.asp?Pub_ID=56&FType=2](http://www1.va.gov/vapubs/viewPublication.asp?Pub_ID=56&FType=2)). If HIMS needs information in order to review the case and provide a response, Ms. Allen can ask the HIMS representative to call her and give her this information over the phone. (Alternatively, Ms. Allen can use encrypted email to request the data.) She shouldn’t work around the rule in order to facilitate processing the claim.

The bottom line: **Safeguard patient information even when this requires extra work.**

**Case Study 9**

The correct answer is: B. Recuse himself: convene a panel and ask them to interview the candidates and make the decision

In order to uphold his ethical and legal obligations and to avoid even the perception of favoritism, Mr. Newcombe must abstain from participating in the hiring process. This is
expressly required by the Principles of Ethical Conduct for Government Officers and Employees (http://www.usoge.gov/pages/laws_regs_fedreg_stats/lrfs_files/exeorders/EO12674.html). Mr. Newcombe should explicitly acknowledge to the panel that he knows one of the candidates but that this relationship should not be a factor in their decision. The panel should also seek advice from General Counsel or Regional Counsel, as appropriate, regarding how to manage the process given the relationship and the potential for appearance of a conflict of interest.

The bottom line: Don't use your position to improperly influence hiring or purchasing.