



UNITED STATES GENERAL ACCOUNTING OFFICE

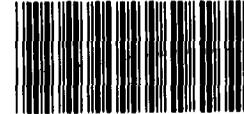
WASHINGTON, D.C. 20548

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HUMAN RESOURCES
DIVISION

September 28, 1982

Lieutenant General Bernhard T. Mittermeyer
Surgeon General
Department of the Army



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Dear General Mittermeyer:

Subject: The Armed Forces Institute of Pathology Should
Consider Limiting and/or Charging User Fees
for Civilian Consultations (GAO/HRD-82-129)

In June 1982, we undertook a general survey of policies and procedures at the Armed Forces Institute of Pathology (AFIP). We limited the scope of our survey to policies pertaining to consultations submitted by civilian pathologists to AFIP for study and/or diagnosis because the Army Inspector General had completed an inspection of AFIP in July 1981, and the Army Audit Agency plans a survey at AFIP in the fall of 1982. During our survey we met with AFIP officials, both managers and pathologists, and reviewed records and policies of AFIP and the Army as well as the Department of Defense.

As you know, the mission of AFIP is one of education, research and consultation in the field of pathology for the military, other Federal agencies and the civilian sector (non-Federal). Although AFIP staff time, according to one AFIP official, should be divided evenly among these three areas, in recent years consultation has absorbed the greatest share of staff time. Of the consultations last year, more than half were provided to civilian pathologists.

According to AFIP officials, the Institute needs consultations for its registries in order to carry out its education and research mission. However, our survey work indicated that (1) the large number of consultations leaves little time for pathologists to pursue education and research projects, and (2) many of the consultations are routine cases, poorly documented, and of little value to the registries.

Diagnostic services are currently provided free of charge. Charging fees for civilian consultations could possibly improve the quality of cases submitted and help reduce the number of

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consultations--especially routine cases--with the potential of providing additional revenue to AFIP. Although the charging of fees has been discussed by AFIP officials over the years, no detailed cost/benefit study has been conducted to determine the effects of such a move. We believe AFIP should look into the effects of charging fees, both from a program and economic standpoint. Another alternative--rejecting requests for routine consultations--needs to be evaluated in light of the apparently unsuccessful results of the recent attempt to place a voluntary restraint on civilian submissions.

CIVILIAN CONSULTATIONS INCREASING

During fiscal year 1981, pathologists submitted 55,000 consultations to AFIP as compared to 35,000 in fiscal year 1971. While military consultations lessened slightly during this 10 year period, civilian consultations more than doubled, from 15,000 in 1971 to 31,000 in 1981--56 percent of total consultations for last year. Although the number of consultations greatly increased, staff assigned to AFIP has not increased to handle the additional workload, and has actually decreased from the fiscal year 1971 level.

Since this consultation service is free, and civilian consultations account for the majority of consultations, we tried to determine whether this service was being used excessively by the private sector. We found that only 10 of the civilian contributors submitted over 100 specimens during fiscal year 1981, and most contributors submitted only one or a few specimens. Thus, it appears that civilian pathologists are not overusing AFIP's free consultation services. However, most AFIP officials agreed that the increasing number of civilian consultations and the poor quality of cases submitted was creating problems. Specifically, AFIP pathologists said that:

- Poorly documented cases are inefficient to process, take extra staff hours, and produce problems out of proportion to their value to AFIP.
- Turnaround time to complete consultations is increased.
- Time spent on education and research projects is lessened.
- Potential for legal involvement in medical malpractice cases is increased.

The majority of the consultations involved only a few of the 24 pathology departments, such as Dermatopathology, Genitourinary Gynecologic and Breast, and Soft Tissue. AFIP pathologists we spoke with believed that limitations on civilian consultations in some departments would reduce workload considerably. However, some of the smaller departments which do not receive many

specimens, such as the Departments of Environmental and Drug-Induced, and Cellular Pathology could be adversely affected by limiting civilian consultations.

A November 1981 report to the Director, AFIP, entitled, "Center for Advanced Pathology (CAP) Consultation Committee Report" also identified the problems noted above. One of the suggested solutions in the report was to use AFIP's newsletter to define what type of case should be sent to AFIP. Another suggested solution was to add a statement to AFIP's consultation letters specifying the various departments' needs so that the contributors are made aware that certain types of cases are not needed as well as reminded of their obligation to send in only well documented cases.

In its April 1982 newsletter AFIP made an attempt to cut back the number of civilian consultations by requesting that pathologists be more selective in cases they submit to AFIP. The Director, AFIP, stated in the newsletter that "submissions by civilian contributors of straightforward cases of little diagnostic or research interest must now be discouraged", and that AFIP can provide timely consultations of high quality only if its case load does not exceed available resources. The notice went on to request voluntary restraint in case submissions to prevent more drastic methods of limiting the number of consultations. As of July 30, 1982, this request appears to have had little effect upon submissions. Submissions for the three months prior to the April newsletter were 8,452 and for the three months after the newsletter, 8,590.

While we did not determine the number of routine cases being submitted, pathologists we spoke with said that the number varied among the departments, but could range from 20-50 percent of their consultation workload.

We were informed that other suggestions for corrective action in the November 1981 report have not been implemented.

CHARGING USER FEES MAY REDUCE CIVILIAN CONSULTATIONS

Charging user fees has the potential of discouraging some civilian consultations, and ultimately reducing the pathologists' workload, as well as benefiting AFIP in other ways. Opinions of pathologists and other AFIP officials were mixed as to whether a user fee would reduce the number of civilian consultations. However, most pathologists and other AFIP officials did not support the idea of charging a user fee for all civilian consultations for the following reasons:

- AFIP may become no more than a commercial laboratory requiring quicker completion turn-around time, and denying AFIP the opportunity to turn down cases.
- Consultations may increase causing more of an overload than presently exists.
- Consultations may decrease, and AFIP would not receive the types of cases needed for its education and research programs.
- User fees would create additional administrative work.
- Consultations for a fee would likely initiate additional legal problems requiring AFIP pathologists to spend more time involved in medical malpractice cases.
- Any fees collected must be paid into the U.S. Treasury which represents a disincentive for AFIP to impose user charges.

Although the above arguments against user fees may have merit, we were told that (1) no detailed cost/benefit study has ever been undertaken to determine if charging user fees could benefit AFIP, (2) while no specific data is available as to what consultations cost, they could cost as much as \$500 in the private sector, and (3) AFIP does not know what administrative costs would be involved in collecting user fees.

One AFIP official told us he might be more interested in collecting fees for civilian consultations if AFIP could keep the funds collected. The User Charge Statute (31 U.S.C. 483a), requires that fees collected must be paid into the U.S. Treasury as miscellaneous receipts rather than returned to the agency. However, OMB Circular A-25 permits an agency to seek relief from this requirement. The OMB Circular provides guidance by which an agency can seek legislative authority for retaining user charges for program use.

The Director of the Budget Division, Army Surgeon General's Office, told us that user fees for civilian consultations had been discussed in 1974 when the Army Audit Agency conducted an audit at AFIP. This official said at that time civilian consultations did not appear to be numerous enough to warrant the administrative work associated with collecting user fees. Therefore, no cost/benefit study was conducted. Because of the increase in civilian consultations in recent years, this official agreed that a cost/benefit study should now be considered.

We believe a cost/benefit study should be made to determine whether user fees could benefit AFIP while not adversely affecting its mission. It is possible that user fees could both help alleviate the overload of routine civilian consultations while also bringing in additional revenue to AFIP.

RECOMMENDATIONS TO THE SURGEON GENERAL

We recommend that you conduct a cost/benefit study to determine the feasibility of charging user fees for civilian consultations.

In the event that the cost/benefit study does not support the charging of user fees, we recommend that you instruct the Director, AFIP, to follow up on the suggestions contained in the November 1981 CAP Consultation Committee Report for ways to improve the quality of cases submitted and to limit the number of civilian consultations.

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We would appreciate being advised of any actions taken or planned on the matters discussed in this report.

We appreciate the cooperation given to our staff during this survey.

Sincerely yours,



George D. Peck
Group Director