

Highlights of [GAO-13-336](#), a report to the Chairman, Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

VHA's logistics program is responsible for the management of medical supplies and equipment in VAMCs' inventories and the standardization of such items throughout VHA. Previous reports have pointed to deficiencies in VHA's logistics program.

GAO assessed (1) the extent to which VAMCs and networks have complied with new VHA requirements to remedy known deficiencies in its logistics program and (2) VHA's progress in enhancing its logistics program. GAO reviewed documents and interviewed officials to identify new requirements affecting VHA's logistics program. GAO then visited a nongeneralizable sample of five VAMCs and verified the extent to which the VAMCs and corresponding networks, which oversee VAMCs, were complying with VHA's new requirements. GAO also reviewed documentation of VHA's plans for funding, implementing, and evaluating efforts it is undertaking to enhance its logistics program, examined the extent to which VHA was on track to execute those plans, and assessed VHA's efforts against criteria in GAO's standards for internal control in the federal government.

What GAO Recommends

GAO recommends that VHA take steps to assist VAMCs and networks in complying with VHA's new logistics requirements and develop plans for implementing and evaluating the performance of its efforts to improve its logistics program, which address the concerns—such as system interoperability issues—GAO identified. VA concurred with GAO's recommendations and provided an action plan to address them.

View [GAO-13-336](#). For more information, contact Randall B. Williamson at (202) 512-7114 or williamsonr@gao.gov.

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VETERANS HEALTH CARE

VHA Has Taken Steps to Address Deficiencies in Its Logistics Program, but Significant Concerns Remain

What GAO Found

To address deficiencies in its logistics program, the Veterans Health Administration (VHA) issued new requirements in 2011 regarding the management of medical supplies and equipment in Veterans Affairs medical centers' (VAMC) inventories, the standardization of these items, and the monitoring of VAMCs' logistics programs. These requirements, some of which apply to VAMCs and some of which apply to networks, are designed to improve veterans' safety and the cost-effective use of resources. GAO found that the five VAMCs GAO visited and their corresponding networks have partially complied with VHA's new requirements. Specifically, as of December 2012,

- none of the VAMCs GAO visited fully complied with all of VHA's new requirements for managing inventories;
- one VAMC GAO visited and two networks fully complied with VHA's new standardization requirements, and the remaining four VAMCs and three networks partially complied; and
- four of the five VAMCs GAO visited and three of the five corresponding networks fully complied with the new monitoring requirements.

Because VAMCs GAO visited and the associated networks have only partially complied with these requirements, potential risks to patient safety and the inefficient use of resources remain.

In addition to the new VAMC and network requirements, VHA has other efforts underway that—according to officials—will further improve the management and tracking of medical supplies and equipment in VAMC inventories and the standardization of such items across VHA. However, there are substantive uncertainties relating to implementation, funding, and operational issues that may impede their success, if not appropriately addressed. Specifically:

- VHA is piloting a new inventory management system that is intended to replace VHA's existing systems for managing medical supply and equipment inventories. However, VHA has not fully funded the pilot, staffing resources to implement it at VAMCs are limited, and VHA has yet to resolve technical issues to ensure that this new system can interface with legacy systems. Furthermore, VHA has yet to develop criteria and collect corresponding data to evaluate the performance of the pilot.
- VHA is also implementing a system for electronically tracking the location of certain medical supplies and equipment in VAMCs. However, there are uncertainties with respect to interoperability issues with other inventory management systems and resources to implement the system.
- Lastly, VHA is establishing a program executive office that will provide logistics support and manage the standardization of medical supplies and equipment VHA-wide. However, the office has not been fully staffed and uncertainty exists about its continued implementation, because VHA's efforts to hire additional staff are on hold pending its evaluation of the effectiveness of this office.