DOCUMENT RESUME

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[Summary of Issued GAO Reports Relating to Health Care for Veterans]. HRD-77-138; B-133044. August 25, 1977. 1 pp. + enclosure (12 pp.).

Report to Sen. Alan Cranston, Chairman, Senate Committee on Veterans' Affairs; by Robert F. Keller, Acting Comptroller General.

Issue Area: Health Programs (1200); Health Programs: Health Providers (1202).
Contact: Human Resources Div.
Budget Function: Health: Health Care Services (551); Health: Health Planning and Construction (554).
Organization Concerned: Veterans Administration.
Congressional Relevance: House Committee on Veterans' Affairs; Senate Committee on Veterans' Affairs.
Authority: Physician and Dentist Pay Comparability Act of 1974 (P.L. 94-123). OMB Circular A-95.

Previous GAO reports on health care for veterans dealt with Veterans Administration facilities, staffing, hospital care, and medical school affiliations. Findings/Conclusions: In a review of VA contracts with architect-engineering firms, recommendations were made to better determine a firm's responsibility for deficiencies. In a report on methodology for determining needs for beds in hospitals, it was recommended that a GAO model be used. In a review of problems in recruiting and retaining physicians and dentists, some recruiting problems were noted, but a surplus was found to exist in some agencies. No widespread problems were found in staffing of health care workers, but problems were noted relating to different pay systems. Better use of outpatient services and improvements in management of specialized medical services were recommended. Reevaluation was suggested of services relating to open heart surgery and cardiac catheterization laboratories. New criteria were recommended for the use of drugs for psychiatric patients. Conversion of a VA hospital to a teaching hospital was examined from the point of view of compliance with regulations for disposal of federally owned land. (HTW)

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-133044

AUG 25 1977

The Honorable Alan Cranston
Chairman, Committee on Veterans' Affairs
United States Senate

Dear Mr. Chairman:

It is our understanding that the Committee plans to hold hearings soon on the National Academy of Sciences June 12, 1977, report on health care for veterans.

As you know, we have reported on areas similar to those covered by the Academy.

We believe that this summary of our findings and recommendations contained in prior reports may help your office during its deliberations. To facilitate comparison, we listed our findings under headings similar to those used in the Academy's report.

All of our reports contain recommendations to VA. We have performed some followup reviews to determine any corrective actions taken by the Veterans Administration, while in other instances, we are planning to conduct followup reviews.

We believe the report complements the Academy study and hope that it assists your office. If we can be of any further assistance, please let us know.

Sincerely yours,

Acting Comptroller General
of the United States

Enclosure

HRD-77-138

SUMMARY OF FINDINGS AND RECOMMENDATIONS CONTAINED IN PRIOR REPORTS ON VA RELATING TO AREAS SIMILAR TO THOSE IN THE NATIONAL ACADEMY OF SCIENCES' STUDY ON HEALTH CARE FOR VETERANS

VA FACILITIES

Architect-engineering firms

We were asked by the Chairman, Subcommittee on HUD-Independent Agencies, Senate Committee on Appropriations, to determine if the Veterans Administration's (VA's) contracts with architect-engineering firms (1) define the firm's responsibility for the quality of its work and (2) provide for the firm's liability if the work is unacceptable.

We reported 1/ that, although contracts do contain provisions holding firms responsible for the quality of their work and liable for damages caused by their negligence, only two or three cases had been referred to VA's Office of General Counsel for legal action since the late 1940s.

We told the Chairman that failing to initiate action against a firm for design deficiencies could be partly attributed to inadequate procedures for evaluating and documenting a firm's performance but was more a result of the close working relationship between architect-engineering firms and VA.

We recommended that VA better determine a firm's responsibility for design deficiencies. VA generally agreed with our recommendations.

Sizing of three VA hospitals

The Chairman also requested that we examine the methodology used by VA to determine the bed size and complement of new and replacement hospitals.

1/Letter report to the Chairman, Subcommittee on HUD-Independent Agencies, Senate Committee on Appropriations (MWD-75-100, June 20, 1975).

Using a GAO computer-based model for determing the number of acute care beds needed in hospitals, we estimated that the total number required for the three hospitals and VA's proposed number were nearly equal. 1/ However, our analysis showed that the mix of beds was improper--VA is planning on too many acute care beds and too few nursing home care beds. There are significant cost differences in constructing acute care beds instead of nursing home care beds. We reported that the cost could be reduced if the mix of beds was determined on the basis of our analyses. Furthermore, operating costs could be reduced over the life of the facilities.

We recommended that VA

--revise the bed mix of the three proposed facilities as developed by our model, and

--withdraw VA's current methodology and adopt GAO's model.

We also recommended that the Congress explore to what extent authorized VA hospitals should be able to treat veterans with nonservice-related illnesses.

VA STAFFING

Recruiting and retaining federal physicians and dentists

The Veterans' Administration Physician and Dentist Pay Comparability Act of 1975 (Public Law 94-123, Oct. 22, 1975) required us to review problems facing Federal agencies in recruiting and retaining physicians and dentists. We reported 2/ that Federal agencies, particularly VA, Department of Defense, and the Public Health Service were having some problems recruiting physicians. We reported, however, that Defense and the Public Health Service may have a surplus of physicians in the next several years.

1/Letter report to the Chairman, Subcommittee on HUD-Independent Agencies, Senate Committee on Appropriations (HRD-77-104, May 20, 1977).

2/"Recruiting and Retaining Federal Physicians and Dentists: Problems, Progress, and Actions Needed for the Future" (HRD-76-162, Aug. 30, 1976).

We could not identify major retention problems since the agencies have not established goals for which success or failure can be measured. Also, most of the programs established to help alleviate recruitment and retention problems have not been operating long enough to measure their long-range impact.

Except for an undocumented need for certain specialties, we found no significant dentist recruitment or retention problems.

We reported that Federal physicians and dentists are employed under a number of different pay systems and are distributed throughout numerous agencies. We recommended that the Congress require the Director of the Office of Management and Budget to develop a uniform compensation plan for all physicians and dentists.

As part of this review, we sent questionnaires concerning employee satisfaction and job intention to those VA physicians and dentists who left and to those who had declined employment.

Physicians and dentists responding to our questionnaire who were employed by VA at the time of our review were generally satisfied with their compensation and assignment or career possibilities. Another factor which exemplified this satisfaction was that almost 70 percent of the respondents planned on continuing their careers in VA. The most frequent reasons for leaving VA were job characteristics, salary and benefits, job assignment location, and better opportunities elsewhere. This latter reason was also a major reason for rejecting VA's offers of employment. About 74 percent of these respondents believed that better opportunities, such as better salaries, utilization of training, and opportunities for private practice, existed outside VA.

Recruitment and retention of VA health care workers

The Veterans' Administration Physician and Dentist Pay Comparability Act of 1975 (Public Law 94-123, Oct. 22, 1975) required us to review the problems facing VA's Deparment of Medicine and Surgery in recruiting and retaining health care workers other than physicians and dentists.

ENCLOSURE I

We reported 1/ that VA does not have widespread problems in recruiting and retaining health care workers. However, there are problems arising because of the three different pay systems, which are used to employ hospital workers.

Two of the three pay systems, General Schedule and Department of Medicine and Surgery, determine pay on a nationwide base, while the third, Federal Wage System, determines pay based on local rates.

Because of this and other differences, unskilled workers covered by the Federal Wage System were often paid more than skilled and college-trained workers covered by the other systems. Other problems noted were that General Schedule supervisors were sometimes paid less than their Federal Wage System subordinates, and some employees transferred to Federal Wage System positions for higher pay.

We recommended that the Congress not enact special pay legislation dealing only with VA hospital workers. The pay problems exist throughout the Federal Government and should be dealt with as such.

We previously recommended changes to the Federal pay system, as has the President's Panel on Federal Compensation. These earlier recommendations are sound and should be enacted. Legislative proposals submitted to the Congress to bring about these changes should be implemented.

HOSPITAL CARE-GENERAL

Use of outpatient services

We found that VA spent about $311 million operating outpatient clinics in fiscal year 1971.2/ We reported to the Congress that at the hospitals visited, about 146,000 or 15 percent, of the 1 million hospital days

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1/"Recruitment and Retention of VA Health Care Workers Are Not Major Problems" (HRD-77-57, Mar. 31, 1977).

2/"Better Use of Outpatient Services and Nursing-Care Bed Facilities Could Improve Health Care Delivery to Veterans" (B-1676656, Apr. 11, 1973).

furnished patients during fiscal year 1971, could have been avoided by better use of VA's outpatient services. We reported that less than 10 percent of the patients admitted to VA's hospitals received outpatient care for diagnostic testing before being hospitalized. We also said that many patients could have received earlier discharges if greater use had been made of outpatient facilities or if nursing facilities had been available, and that poor planning and coordination of hospital admissions with available surgical facilities lengthened the hospitalization.

We reported that the productivity and efficiency of dental operations could be improved. For example, dental clinics would be more productive if more personnel and more than one chair per dentist were used where possible. Also, we said that the number of veterans referred to private dentists could be reduced if dental resources among neighboring VA stations were better coordinated.

VA generally agreed with the recommendations we made concerning improving outpatient services.

Spinal cord injury treatment center

We reported 1/ to the Congress that spinal cord injury patients, particularly servicemen, were not being transferred to VA specialized treatment centers as soon as possible, and that delays could result in medical complications. These patients were often detained at military hospitals for administrative processing. Also, VA had done little to advise non-Federal hospital officials on availability or need to obtain specialized care promptly. We found that only 24 of 177 patients were admitted to 4 spinal cord treatment centers within 30 days of being injured.

We recommended that VA (1) require hospitals to justify, in writing, all cases taking longer than 30 days to transfer, (2) be required to work with the military to expedite transfers, and (3) inform the non-Federal hospital officials and veterans of the

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1/"Complications Incurred Because of Delays in Transferring Patients to Spinal Cord Injury Treatment Centers at Veterans Administration Hospitals" (B-133044, Mar. 20, 1974).

medical advantages and availability of this type of specialized care. VA agreed with our recommendations.

Management of specialized medical services

We reported 1/ to the Congress that VA has allowed its hospitals to establish and operate specialized medical service programs, supervoltage therapy, kidney transplants, and hemodialysis, even though many are underused and duplicate exisiting facilities. We said that VA could improve the management and operation of these programs. We recommended that they establish, maintain, and periodically review criteria and guidelines for development of specialized programs; enforce the criteria and guidelines; and provide necessary information to periodically evaluate the programs' effectiveness. VA agreed with our recommendations.

Alcohol treatment units

About 3 million veterans suffer from alcoholism, the number one diagnosed health problem in VA hospitals. We reported 2/ to the Congress that VA (1) had not established program goals nor had provided central direction to its alcohol treatment units; (2) had not made the necessary commitment to develop a comprehensive program--the program was inadequately publicized, did not meet working veterans' needs, had inconsistent admission criteria, and little emphasis was placed on supportive services; (3) had not developed a performance evaluation system; and (4) does not have alcohol treatment units in many metropolitan areas.

We recommended that VA act to correct these deficiencies. VA agreed with our recommendation.

Pharmacy system

We found that new pharmacy systems and procedures have evolved in the general medical community to provide

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1/"Better Planning and Management Needed to Improve Utilization and Quality of Specialized Medical Services" (B-133044, June 19, 1974).

2/"Veterans Administration Program for Alcoholism Treatment Often Is Insufficient: More Action Needed" (MWD-76-16, Sept. 2, 1975).

better control over dispensing drugs.1/ The unit dose system has been widely accepted as providing better control than the traditional ward stock system. In this system, the pharmacy delivers drugs to the ward just before time of administration. In the ward stock system, the ward is stocked with most drugs. The unit dose system may provide better patient care by reducing medication errors and freeing nursing time from medication preparation.

We reported to the Congress that large quantities of drugs, which may be greatly susceptible to loss, could not be accounted for at VA hospitals which used the ward stock system; and that the unit dose system provides better drug controls. Hospitals using this pharmacy system had significantly fewer drug losses. Despite VA's endorsement of the unit dose system, only 7 of 171 hospitals used it.

We recommended that VA establish a definite timetable for the systemwide conversion of ward stock hospitals to the unit dose system. Since conversion over a short period of time would not be economically feasible, we recommended that VA take interim action to strengthen controls over drugs in its ward stock hospitals.

VA agreed to enact our recommendations for strengthening drug controls in ward stock hospitals. It stated that developing a conversion timetable would depend on results of a fiscal year 1977 conversion study at six hospitals.

Automated clinical laboratories

In this report to the Administrator of Veterans Affairs, we noted that VA had developed an automated clinical laboratory reporting system.2/ This small computer system, designed to help diagnose and treat patients by providing prompt and accurate test reports to physicians does the following:

1/"Potentially Dangerous Drugs Missing In VA Hospitals--Different Pharmacy System Needed" (MWD-75-103, Sept. 30, 1975).

2/Letter report to the Administrator of Veterans' Affairs (HRD-77-2, Oct. 12, 1976).

--Maintains patients' administrative records.

--Permits patients' test results to be transmitted from hospital laboratories to patient wards for attending physicians' use.

--Produces administrative reports. and

--Generates reports showing cumulative patient tests to help physicians detect trends in patients' conditions.

We concluded that this system, the Honeywell model 316, had not greatly improved the timeliness and accuracy of patient laboratory test results and hospital administrative reports. We also concluded that it was not better than the manual system it had replaced. Therefore, we recommended that VA

--terminate further development of the clinical laboratory reporting system until it had evaluated (1) the reliability of the system and (2) whether it can produce timely and accurate patient test results and administrative reports, and

--study what role the computer should play in hospital laboratory and administrative operations.

In January 1977, VA notified the Chairman, Senate Committee on Veterans' Affairs of actions taken on our recommendations. In a July 1977, report 1/ we reported to the Chairman that VA's response did not address our recommendations. We stated that VA's response was mainly concerned with the issue of whether its planned advanced automated clinical laboratory system would save money. VA's response did not deal with the problems we noted in our previous report, namely, whether the new system would improve the timeliness and accuracy of test results and administrative reports.

1/Letter report to the Chairman, Senate Committee on Veterans' Affairs (HRD-77-122, July 12, 1977).

ENCLOSURE I

HOSPITAL CARE-SURGERY

Open heart surgery

In this report we informed the Congress that VA had established 23 oper heart surgery centers in its hospitals.1/ VA had adopted a minimum criteria of 52 operations a year for its open heart surgery centers.

We found that during fiscal year 1971 seven of 23 centers performed at least 52 operations a year, while during fiscal years 1965-71, only five centers averaged the minimum necessary. Eight centers had never performed more than 30 such procedures.

We recommended that VA evaluate this program to determine the number and locations needed for open heart surgery centers. This evaluation should consider VA patients' needs and the minimum workload necessary to permit surgical teams to retain the required technical skill.

VA agreed with us in principle and told us it was developing plans to carry out our recommendation. An advisory group was established to review the existing centers.

Cardiac catheterization laboratories

We reported 2/ to the Congress that many VA cardiac catheterization laboratories are underused. Of the 12 laboratories we reviewed, 11 did not meet VA's minimum workload standards of 150 procedures per year. Some of these laboratories provided this costly service unnecessarily, although it was available at other nearby VA and community hospitals. National medical associations told us that the quality of care is reduced when patients are catheterized in underused laboratories.

1/ "Low Use of Open Heart Surgery Centers at VA Hospitals" (B-133044, June 27, 1972).

2/"Many Cardiac Catheterization Laboratories Underused in VA Hospitals: Better Planning and Control Needed" (HRD-76-168, Feb. 28, 1977).

ENCLOSURE I

Eight of these twelve laboratories were not located at hospitals where cardiovascular surgery is regularly performed, even though both VA and the medical community agree that this should not be done. We told VA that it may be exposing patients to unnecessary risks by performing these catheterizations in hospitals without facilities to handle emergencies.

We recommended that VA (1) close its underused cardiac catheterization laboratories; (2) reevaluate its decision to perform this procedure at hospitals unable to provide cardiovascular surgery; (3) establish sharing or contractual arrangements to provide this service when labs are closed; and (4) revise procedures to require justifications for new labs to include data on patients to be served, disease incidence statistics, and number of patients referred elsewhere.

VA did not fully concur with our findings and recommendations but did act to some extent to increase its control of the program.

VA HOSPITAL CARE-PSYCHIATRY

Psychotherapeutic drugs

Because drugs have an important role in the care of psychiatric patients, we sought to determine whether VA had established proper controls of drugs in treating these patients.

We reported 1/ that VA was not adhering to medical authorities' and its own criteria in using these drugs. Furthermore, we found that VA officials were generally unaware that these drugs were being improperly used.

We recommended that VA

--establish uniform guidelines for using psychotherapeutic drugs.

--establish a uniform drug utilization review system to provide management with information on whether psychotherapeutic drugs are being used in accordance with the guidelines.

1/"Controls on Use of Psychotherapeutic Drugs and Improved Psychiatrist Staffing Are Needed in VA Hospitals" (MWD-75-47, Apr. 18, 1975).

--require hospitals using psychotherapeutic drugs to implement the drug utilization review system.

--design an effective, ongoing educational program to disseminate to hospital personnel the result and implications of current medical research on psychotherapeutic drugs.

--monitor the drug utilization review system and the educational program and require an evaluation of the system as part of future management reviews conducted by its central office.

VA concurred with GAO's recommendations and specified actions which, if effectively implemented, should help determine appropriate use of psychotherapeutic drugs. We have just begun a review that will determine the extent to whic. VA's actions were effectively implemented.

VA MEDICAL SCHOOL AFFILIATIONS

Land transfers

In July 1974, VA acted to transfer 87 acres of North Chicago VA Hospital's surplus land to the University of Health Sciences/The Chicago Medical School as a relocation site. We reported 1/ that, contrary to the established disposal procedures, VA attempted to restrict the future dispositon of its so-called "surplus" hospital land for use as the relocation site for the medical school.

When it became apparent to VA that the proposed restrictive transfer would not be accomplished through the established disposal procedures, it reclaimed its surplus property and initiated actions, including successful sponsorship of broadened legislative authority, to lease the hospital land on a long-term basis, to the university. This leasing arrangement, if accomplished, would preclude the Government, HEW, and GSA, from carrying out its responsibility for determining the appropriateness of conveyances of Federal surplus real property to educational or public health entities.

1/"Veterans Administration Land Transfer to Medical Schools: Propriety and Impact" (HRD-77-105, June 3, 1977).

ENCLOSURE I

The results of an ongoing HEW impact study could restrain the university's efforts to relocate adjacent to the North Chicago VA Hospital. Therefore, the value and scope of VA's affiliation with the school may also be adversly and, we believe, permanently affected.

If the university does not relocate to North Chicago, we believe VA should take prompt, effective action to protect its investments in facilities, equipment, and personnel; and its other efforts to convert the hospital into a teaching hospital.

We recommended that VA

--make a concerted effort to insure its compliance with the requirements of Federal regulations governing the disposal of federally owned land at VA hospital sites.

--establish regulations and procedures to guarantee that any long-term land leases between VA and its affiliated educational institutions are proper and reflect the highest and best use of otherwise excess Federal land.

--if the University of Health Sciences/The Chicago Medical School does not relocate, take necessary action to protect its investments in health care facilities, equipment, and personnel and its other efforts to convert the North Chicago VA Hospital into a teaching hospital.

--guarantee that VA-sponsored programs are properly coordinated with State and local planning agencies as required by OMB Circular A-95.

VA has not yet formally commented on this report. However, they have informally indicated that the information contained in the report was factually correct.