REPORT TO THE
SUBCOMMITTEE ON HOUSING AND URBAN DEVELOPMENT, SPACE, SCIENCE, AND VETERANS
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES

Review Of The Administration Of A Special Provision Contained In The Appropriation Act, 1972, Public Law 92-78, For The Veterans Administration

B 160299

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

MARCH 16, 1972

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

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Dear Mr Chairman

In accordance with your request of November 11, 1971, we examined into the administration of a special provision of the Veterans Administration medical care appropriation, contained in the Department of Housing and Urban Development, Space, Science, Veterans, and certain other Independent Agencies Appropriation Act of 1972, Public Law 92-78, August 10, 1971, to determine whether the administration of this law was in full accord with the intent of the Congress The language of the special provision of Public Law 92-78 stated

> "*** That the foregoing appropriation shall not be apportioned to provide for less than an average of 97,500 operating beds in Veterans Administration hospitals or furnishing inpatient care and treatment to an average daily patient load of less than 85,500 beneficiaries during the fiscal year 1972 *** "

Our review was made at the Veterans Administration Central Office (VACO) and at seven Veterans Administration (VA) hospitals San Francisco, California, Houston, Texas, Miami, Florida, Denver, Colorado, Salisbury, North Carolina, Augusta, Georgia, and Washington, D.C

On the basis of our review of the legislative history of Public Law 92-78, we believe that the intent of the Congress was made clear to have VA operate at an average daily patient census (ADPC) of 85,500, with 97,500 operating beds during fiscal year 1972 This intent was clearly established in the language of the bill, House bill 9382, passed by the House of Representatives on June 30, 1971, and by the Senate on July 20, 1971 The identical language of the bill, pertaining to operating levels, was contained in Public Law 92-78, as enacted Since the Appropriation Act was not enacted until August 10, 1971, VA, under its spending authority as provided for by the continuing resolution (Pub L 92-38 dated July 1, 1971), could have made funds available without an

apportionment by the Office of Management and Budget (OMB) to operate at these levels upon passage of the bill by the Senate We found that, starting November 1, 1971, VA made funds available to operate at these levels We believe, therefore, that, because of the delay in making funds available, the administration of Public Law 92-38, and Public Law 92-78 by VA was not in accord with the intent of the Congress

Summarized below is information concerning the allocation of funds provided by Public Law 92-78 to the hospitals and the actual operating levels achieved during the first 6 months of fiscal year 1972 Also we have summarized below the data that you requested concerning the ratio of the number of employees funded by the medical care appropriation to the number of patients in the hospitals

ALLOCATION OF FUNDS TO HOSPITALS

The special provision of Public Law 92-78 required that the appropriated funds be apportioned to provide for the stated minimum average number of operating beds and for the patient load during fiscal year 1972 OMB apportioned the appropriated funds on September 22, 1971 Prior to this date, however, OMB had informed VA that it would have to apply for a reapportionment to comply with the President's new economic program VA requested the reapportionment on October 14, 1971, and OMB reapportioned the appropriated funds, less $63 9 million held in reserve, on November 8, 1971 (See table on p 10)

In October 1971 VACO issued a directive to the hospitals instructing them to increase their ADPC to a level of 85,500 patients with 97,500 operating beds for the last 8 months of the fiscal year, November 1, 1971, through June 30, 1972. VA estimated that, by operating at a 85,500 ADPC for the last 8 months of the fiscal year, its cumulative ADPC for the entire fiscal year 1972 would be 83,300 VACO allocated additional funds to the hospitals to cover only the incremental costs (food, drugs, and supplies) that would be incurred to support the increased ADPC level

AVERAGE PATIENT CENSUS

The actual monthly census in hospitals decreased from 86,320 in March 1971 and 79,111 in December 1971, as shown in the following table Most of the decrease occurred in the psychiatric census

Monthly ADPC
by VA Hospital Bed Section (note a)

Month	Psychiatric	Medical	Surgical	Total VA hospital ADPC
March (note b)	38,366	31,478	16,476	86,320
April	37,102	30,610	15,814	83,526
May	36,308	29,752	15,467	81,527
June	35,784	29,008	15,183	79,975
July	32,313	31,610	14,837	78,760
August	31,893	32,246	15,337	79,476
September	31,668	32,582	15,312	79,562
October	31,694	32,906	15,418	80,018
November	32,026	33,446	15,460	80,932
December	31,582	33,255	14,274	79,111

[a]Data obtained from VA's automated management information system

[b]We used March as the starting point to show the trend for the last several months of fiscal year 1971

Of the seven hospitals we visited, none had reached their revised ADPC levels as of December 31, 1971 Also officials at several hospitals advised us that it was unlikely that they would reach their revised census levels by June 30, 1972.

OPERATING BEDS

As of December 31, 1971, VA had 97,136 operating beds in its hospitals, 364 fewer than the 97,500 average operating

beds specified by the special provision As shown in the following table, the number of operating beds started to increase in October 1971

Number of Operating Beds in VA Hospitals (note a)

Month	Operating beds
March	96,649
April	96,692
May	96,645
June	96,685
July	95,857
August	95,707
September	95,596
October	96,728
November	96,950
December	97,136

[a]As shown in VA's monthly report entitled "Summary of Medical Programs "

Of the seven hospitals we visited, all had reported reaching their revised operating bed levels as of December 31, 1971 One hospital, however, had included in its reported operating level 41 beds which were actually on a closed ward The hospital was unable to open this ward due to a shortage of available staff

HOSPITAL APPLICATIONS AND ADMISSIONS

The percentage of veterans applying for hospital admission that were deemed to be eligible for admission and in need of hospitalization remained relatively constant during the 10-month period from March through December 1971 Of those deemed eligible and in need of care, however, the percentage admitted to hospitals generally showed a decline from March to December 1971 despite slight increases in October and November

The decrease in hospital admissions resulted in an increase in the number of applicants on the hospital's waiting list VA, in its monthly report, "Summary of Medical Programs," to the House Committee on Veterans Affairs included only those applicants determined to be in need of hospitalization but not scheduled for admission as being on the waiting list. In our analysis, however, we included those applicants who were scheduled for admission but not yet admitted as being on the waiting list

A consolidated VA report which shows the number of applicants scheduled for admission plus those on the waiting list showed that the number of veterans in these categories had increased from 13,436 at the end of February 1971 to 16,897 at the end of November 1971, an increase of 3,461 The following table shows the number of applications processed, veterans on waiting lists, and veterans admitted to hospitals during the period March to December 1971

Hospital Applications, Admissions, and Waiting List Data for Period March through December 1971 (note a)

Month	Applications processed	Eligible and in need of care		Waiting list at end of prior month (note b)	Total determined to be in need of care	Admitted	
		Total	Percent			Total	Percent
March	112,962	68,889	61 0	13,436	82,325	58,066	70.5
April	107,029	64,158	59 9	13,920	78,078	54,052	69 2
May	100,755	61,233	60 8	13,876	75,109	51,880	69 1
June	109,259	65,832	60 3	13,539	79,371	53,870	67 9
July	109,272	66,136	60 5	14,814	80,950	53,401	66 0
August	115,762	70,211	60 7	15,776	85,987	55,529	64.6
September	109,681	66,148	60 3	17,058	83,206	53,086	63 8
October	104,787	64,422	61 5	18,071	82,493	52,889	64 1
November	108,211	67,327	62 2	17,905	85,232	55,684	65 3
December	102,967	65,541	63 6	16,897	82,438	51,932	63 0

[a]The statistics in this table were furnished by VACO

[b]Includes veterans scheduled for admission plus those on the hospital waiting list

On January 7, 1972, the VA Chief Medical Director sent a letter to VA hospital Directors stating, in part, that

> "At this time it appears that the admission policy at some hospitals may not be adopting to the progressive increase in applications for hospitalization This is indicated by the trend in the number of applications received and in the rejection rate Both have increased It must be concluded that this has been accomplished at the expense of the chronically ill patient *** "

Physicians at the seven hospitals we visited generally informed us that there was always a bed available for the emergency patient and the urgent patient The term "urgent" describes a condition which does not necessitate immediate admission but one for which there is a pressing need for hospitalization to prevent deterioration of the condition They also stated that the type of patient who was generally put on a waiting list was a patient whose condition would not deteriorate, for example, a patient in need of a hernia operation or a patient with a chronic heart ailment

HOSPITAL STAFFING AND STAFF TO PATIENT RATIOS

VA records show that total actual monthly full-time employment equivalents (FTEE) funded by the medical care appropriation increased from 139,710 in June 1971 to 143,966 in December 1971, an increase of 4,256 FTEE During this 6-month period, however, the number of full-time permanent (FTP) medical care employees increased from 132,209 in June 1971 to 133,782 in December 1971, an increase of only 1,573 FTP employees The medical care appropriation provides funds for the professional, administrative, and other hospital-based employees The difference between the FTEE and FTP employee statistics was primarily the inclusion in FTEE of overtime and part-time employees

The following table shows that the actual monthly ratio of FTEE to patients decreased from 1 84 in July to 1 82 in

December If VA had reached an 85,500 census level in December, however, the staffing ratio would have been 1 68 An analysis of the following table also shows that

1 The 1 84 July staffing ratio reflects the full impact of the additional employees hired in June and the relatively low July ADPC of 78,760 In May 1971 VA received a supplemental appropriation of $8 million to be used for the expressed purpose of acquiring additional staff VA hired 8,645 full-time employees in May and June of 1971 with this supplemental funding

2. The actual monthly staffing ratio is higher than it would have been if the hospitals had attained their revised census levels.

It should be noted that the ratios shown in this table may not compare exactly to the staffing ratios generally referred to by VA We have computed the ratios on the basis of the average FTEE for each month VA reports FTEE on the basis of fiscal year cumulative statistics Cumulative statistics reflect the results of all employment activity which occurred during all previous months of the fiscal year We have used noncumulative FTEE data to provide a comparison of monthly activity

Actual and Planned FTEE to Patient Ratios

Month	Total medical care FTP employees	Total medical care FTEE (note a)	Actual ADPC	FTEE ratio to ADPC	FTEE ratio based on ADPC to 85,500
March	123,523	132,761	86,320	1 54	1 55
April	123,545	132,762	83,526	1 59	1 55
May	125,350	133,690	81,527	1 64	1.56
June	132,209	139,710	79,975	1 75	1 63
July	131,720	144,737	78,760	1 84	1 69
August	131,687	144,093	79,476	1 81	1 69
September	132,017	141,486	79,562	1.78	1.65
October	132,676	142,130	80,018	1 78	1 66
November	133,670	142,882	80,932	1 77	1 67
December	133,782	143,966	79,111	1 82	1 68

[a]This data includes FTEE paid from VA's medical care appropriation

We believe that, if ADPC is increased to the desired level during the January 1, 1972, to June 30, 1972, period and if OMB does not release funds to hire additional employees to meet the increased patient load, the staffing ratio will decline further during the last 6 months of the fiscal year Preliminary data available for January shows that ADPC has increased to 83,150 and that the FTEE ratio to ADPC has decreased to 1 74

Analysis of fiscal year 1972 funds made available to VA as of December 31, 1971, is shown in the following table

VA Medical Care Appropriation

		Amount (millions)
President's budget request as amended		$2,124 6
Appropriated by the Congress		2,307 7
Additional funds appropriated by the Congress		$ 183.1
Analysis of funding provided in excess of budget request		
Full-year cost of employees hired in May and June 1971	$76 7	
Increase in outpatient program	26.6	
Increase ADPC and improve quality of care	79 7[a]	$ 183 0

[a]Held in reserve by OMB (estimated savings in personal services costs) $63 9[b]
Made available for improved patient care and increased ADPC 8 5
Made available for other cost increases 7 3
$79 7

[b]OMB released $981,000 on January 13, 1972, to cover VA's increased costs under the Government-wide Health Benefits Program On February 25, 1972, VA requested OMB to release $35 3 million for pay increases authorized by Public Law 92-210 and $802,000 for within grades, as of March 7, 1972, OMB had not yet released the funds

STAFF SHORTAGES

On September 21, 1971, OMB established employment ceilings for FTP employees These ceilings must be met as of June 30, 1972 Several hospital officials advised us that, to stay within the established ceilings, they were having to hire employees whose employment could be terminated by June 30, 1972

Discussion with hospital employees at several of the hospitals we visited revealed that staffing problems existed Specifically

--The Chief of Staff at one hospital stated in a letter to the VA Regional Medical Director that the revised census for his hospital would, under normal circumstances, require opening of ward areas presently closed, which would necessitate increased staffing, specifically nursing staff His instructions from VACO stated, however, that "ward openings will be accomplished if required within available funds and employment " He advised the Regional Medical Director that, without additional funding, any additional beds would have to be placed in areas presently in service

--The hospital Director at another hospital, which was allocated a full-time permanent employment ceiling of 800, advised VACO that the hospital would have to reallocate 24 FTP employees from their existing hospital duties to staff two specialized medical units He also advised VACO in a letter dated November 11, 1971, that

"*** Our projection of 824-FTP and 297-Other was felt to be very realistic as absolute minimums *** To the on-duty FTP as of September 30th, we were obliged to add 22 for the Drug Abuse Program that was officially activated October 1, 1971, and 19 for the Intensive Care Unit to be activated approximately April 1, 1972 This makes a total increase

of 41 over our on-duty headcount as of September 30, 1971 We deducted what we considered to be 4 excess positions from our on-duty headcount to make a net increase of 37 which, when added to our on-duty as of September 30th, gave us a minimum requirement of 824-FTP *** "

--At one hospital the evening head nurse of a 40-bed surgical ward with 32 patients, advised us that she and her staff had difficulty completing all of the patient-care instructions written by physicians during their evening visits with patients She also stated that frequently it was impossible to administer analgesic drugs when requested by patients because of the heavy load of other ward duties The evening nurse supervisor at the same hospital stated that, in her opinion, more nursing employees were needed She stated that, due to the current evening nurse staff level, patient instructions left by physicians were not carried out in some cases

--At one hospital a physician advised us that staff problems in the hospital's radiology service contributed to delays in the processing of patients' X-rays

--The opinion of some physicians was that the availability of medical care employees to care for patients was substantially greater than it was in past years but that it should be further increased

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We trust that the above information will serve the purpose of your inquiry. We plan to make no further distribution of this report unless copies are specifically requested,

and then we shall make distribution only after your agreement has been obtained or public announcement has been made by you concerning the contents of the report

Sincerely yours,

/Deputy/ Comptroller General
of the United States

The Honorable Edward P Boland
Chairman, Housing and Urban Development-
Space-Science-Veterans Subcommittee
Committee on Appropriations
House of Representatives