

**DOCUMENT RESUME**

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[Veterans Administration Should Delay Hospital Construction Projects until GAO Completes Review]. B-133044; HRD-77-79. April 4, 1977. 2 pp.

Report to Max Cleland, Administrator, Veterans Administration; by Gregory J. Abart, Director, Human Resources Div.

Issue Area: Health Programs (1200); Health Programs: Health Facilities (1203).

Contact: Human Resources Div.

Budget Function: Veterans Benefits and Services: Hospital and Medical Care for Veterans (703).

Congressional Relevance: House Committee on Veterans' Affairs; Senate Committee on Veterans' Affairs.

The methodology the Veterans Administration (VA) used to determine the bed sizes of the eight hospitals the VA plans to build over the next several years will be examined as part of an evaluation of the process the VA uses to determine the bed size of new and replacement hospitals. The computer model to be used in the review is similar to the one used in a review of the need for a new naval hospital in San Diego, California. As a result of this review, the Department of Defense is now generally required to use this model in determining hospital size. Findings/Conclusions: Preliminary analysis of the bed requirements at the Richmond, Virginia, and Bay Pines, Florida, facilities raises questions concerning whether the number of acute care beds planned for these two facilities is appropriate. Permitting design work to proceed on the existing architect-engineering contract would be premature and costly, as would the award of any new contracts to initiate design work. Recommendations: To avoid incurring unnecessary costs, the VA Administrator should delay design work on the existing contract for the Richmond facility and delay awarding any additional contracts for other hospitals until the reviews at Bay Pines and Richmond are completed. (RRS)

00511



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

HUMAN RESOURCES  
DIVISION

APR 4 1977

B-133044

The Honorable Max Cleland  
Administrator of Veterans Affairs  
Veterans Administration

Dear Mr. Cleland:

As you may know, we are making a comprehensive evaluation of the process the Veterans Administration (VA) uses to determine the bed size of new and replacement VA hospitals. As part of this review, we plan to examine the methodology VA used to determine the bed sizes of the eight hospitals VA plans on building over the next few years. The planned construction of these hospitals was announced in May 1976.

The computer model we plan to use in this review is similar to the one used in our review of the need for a new Naval hospital in San Diego, California. A report was issued to the Congress on this matter in April 1976. On the basis of this review the Department of Defense is now generally required to use our model in determining hospital size. The model we will use and our review approach will, of course, be modified for use in VA facilities.

We understand that a contract has recently been awarded for architect-engineering (A&E) services for the Richmond, Virginia, hospital and that A&E contracts will be awarded in the next two weeks for the Bay Pines, Florida, and Martinsburg, West Virginia hospitals.

We have done some preliminary analysis of the bed requirements at the Richmond and Bay Pines facilities and made a site visit to Bay Pines. Our analysis to date raises serious questions as to

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<sup>1</sup>"Policy Changes and More Realistic Planning Can Reduce Size of New San Diego Naval Hospital" (MWD-76-111, April 1976).

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whether the planned number of acute care beds for these two facilities is appropriate. Although our analysis is not complete, we believe that permitting design work to proceed on the existing A&E contract or awarding any new A&E contracts to initiate design work would be premature and may prove to be very costly to the Government if significant changes are subsequently deemed necessary. To avoid incurring these unnecessary costs, we are recommending that you delay (1) design work on the existing A&E contract for Richmond and (2) awarding any additional contracts for design or construction for all other hospitals until we complete our review at Bay Pines and Richmond. We anticipate that our work at these two hospitals will be completed in 8 to 10 weeks.

During the review, we will work closely with VA officials to keep them abreast of our progress and to solicit any suggestions or concerns VA may want to express regarding our review.


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

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the Chairmen of the House and Senate Committees on Appropriations, House Committee on Government Operations, Senate Committee on Governmental Affairs, and House and Senate Committees on Veterans' Affairs; and to the Director, Office of Management and Budget.

Sincerely yours,

  
Gregory J. Ahart  
Director