



Highlights of [GAO-12-622](#), a report to the Subcommittee on Military Construction, Veterans Affairs, and Related Agencies, Committee on Appropriations, U.S. Senate

Why GAO Did This Study

Landstuhl Regional Medical Center (LRMC) is DOD's only tertiary medical center in Europe that provides specialized care for servicemembers, retirees, and their dependents. Wounded servicemembers requiring critical care are medically evacuated from overseas operations to the 86th Medical Group clinic at Ramstein Air Base to receive stabilization care before being transported to LRMC for intensive care. According to DOD, both facilities were constructed in the 1950s and are undersized to meet current and projected workload requirements. DOD plans to consolidate both facilities into a single medical center at an estimated cost of \$1.2 billion. In this report, GAO (1) describes how DOD considered changes in posture and the beneficiary population when developing facility requirements, (2) assesses DOD's process for determining facility requirements, and (3) reviews DOD's process to develop the facility's cost estimate. GAO examined posture planning documentation, beneficiary demographic data, plans for the replacement medical center, and relevant DOD guidance, as well as interviewed relevant DOD officials.

What GAO Recommends

GAO recommends that DOD provide clear and thorough documentation of how it determined the facility's size and cost estimate, correct any calculation errors, and update its cost estimate to reflect these corrections and recent posture changes. In commenting on a draft of this report, DOD concurred with GAO's recommendations and stated that it has conducted a reassessment of the project that will be released once approved by the Secretary of Defense.

View [GAO-11-622](#). For more information, contact James R. McTigue, Jr. at (202) 512-7968 or mctiguej@gao.gov or Debra A. Draper at (202) 512-7114 or draperd@gao.gov.

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DEFENSE INFRASTRUCTURE

Documentation Lacking to Fully Support How DOD Determined Specifications for the Landstuhl Replacement Medical Center

What GAO Found

Department of Defense (DOD) officials considered current beneficiary population data, contingency operations, and most of the expected changes in troop strength when planning for the replacement medical center. However, recently announced posture changes in January 2012 have yet to be assessed for their impact on the facility. DOD estimates that the replacement medical center will provide health care for nearly 250,000 beneficiaries. A majority of those who are expected to receive health care from the center come from within a 55-mile radius of the facility. DOD officials told us that because the replacement medical center was designed for peacetime operations—with the capacity to expand to meet the needs of contingency operations—reductions in ongoing contingency operations in Afghanistan would not have an impact on facility requirements. At the time of this review, DOD officials said they were in the process of assessing proposed changes in posture to better understand their possible impact on the sizing of the replacement medical center.

DOD officials incorporated patient quality of care standards as well as environmentally friendly design elements in determining facility requirements for the replacement medical center. DOD also determined the size of the facility based on its projected patient workload. Internal control standards require the creation and maintenance of adequate documentation, which should be clear and readily available for examination to inform decision making. However, GAO's review of the documentation DOD provided in support of its facility requirements showed (1) inconsistencies in how DOD applied projected patient workload data and planning criteria to determine the appropriate size for individual medical departments, (2) some areas where the documentation did not clearly demonstrate how planners applied criteria to generate requirements, and (3) calculation errors throughout. Without clear documentation of key analyses—including information on how adjustments to facility requirements were made—and without correct calculations, stakeholders and decision makers lack reasonable assurances that the replacement medical center will be appropriately sized to meet the needs of the expected beneficiary population in Europe.

DOD's process for developing the approximately \$1.2 billion cost estimate for the replacement medical center was substantially consistent with many cost estimating best practices, such as cross-checking major cost elements to confirm similar results. However, DOD minimally documented the data sources, calculations, and estimating methodologies it used in developing the cost estimate. Additionally, DOD anticipates that the new facility will become the hub of a larger medical-services-related campus, for which neither cost estimates nor time frames have yet been developed. Without a cost estimate for the facility that includes detailed documentation, DOD cannot fully demonstrate that the proposed replacement medical center will provide adequate health care capacity at the current estimated cost. Further, DOD and Congress may not have the information they need to make fully informed decisions about the facility.