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WASHINGTON, D.C. 20548

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SEP 17 1976

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The Honorable Claude Pepper  
Chairman, Subcommittee on Health  
and Long-Term Care  
Select Committee on Aging  
House of Representatives

Dear Mr. Chairman:

On May 11, 1976, you asked us to review the health facilities surveyor training program funded by the Department of Health, Education, and Welfare (HEW), particularly in view of HEW's plans to discontinue support of a health facilities surveyor training project at Tulane University.

Based on discussions with your office in June and July 1976, we focused our review on determining (1) why HEW did not extend the surveyor training contract with Tulane University and (2) the direction HEW plans to take in administering the surveyor training program.

FUNDING OF THE SURVEYOR TRAINING PROGRAM

In support of the President's message expressing the need to improve the general conditions of the Nation's nursing homes and extended care facilities, \$1.5 million was appropriated in 1972 to meet his goal of training 2,000 State health facilities surveyors under a program of university-based training courses for surveyors. This supplemental appropriation supported the Tulane project as well as several other university-based training projects in 1972. Additional funds were appropriated in 1973 to continue the surveyor training program, including the Tulane project. HEW officials informed us that support for the Tulane project from 1974 through July 31, 1976, came from Bureau of Quality Assurance general contract funds. HEW data shows that funds were not available to extend the contract with Tulane University for the surveyor training project beyond July 31, 1976.

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The Bureau of Quality Assurance--the component of the Health Services Administration responsible for administering the surveyor training program--originally requested \$2 million to continue surveyor training activities in its fiscal year 1977 budget submission to the Health Services Administration. This was revised by the Health Services Administration to \$0.3 million, which was included in a "high allowance" figure in the Public Health Service budget request to the Office of the Secretary, HEW. A "low allowance" figure, which was calculated by adjusting the previous year's budget for built-in changes such as pay raises, was also submitted to the Secretary.

HEW officials informed us that provision had not been made for general contract funds in the "low allowance" figure for 1977 because general contract funds in the medical care standards program, of which surveyor training is a part, had been gradually diminished during the period 1974-1976. This was caused by the need for additional funds to absorb mandatory costs, such as pay raises and in-grade increases, for which funds had been requested each year but were not received. Therefore, the budget estimate for general contract funds upon which the calculation of the 1977 "low allowance" figure was based was zero. Despite a Health Services Administration appeal for funds for the surveyor training program, HEW submitted the "low allowance" figure to the Office of Management and Budget.

FUTURE DIRECTION OF THE  
SURVEYOR TRAINING PROGRAM

HEW will continue to participate in the training of State agency health facility surveyors. Current plans provide for a university or college, with technical assistance from HEW, to develop, administer, and present a 2-week basic course. State survey agencies will continue to be responsible for the salary, travel, and per diem costs of surveyors undergoing training and in addition will be required to pay the university or college a tuition fee for each surveyor enrolled. In a June 16, 1976, HEW memorandum from the Associate Director, Office of Nursing Home Affairs, Public Health Service, the regional officers were told to request State

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agencies to include in their budgets for the Medicare and Medicaid programs sufficient funds to cover tuition costs for surveyor training.

Bureau of Quality Assurance officials told us that a surveyor training center in the Washington, D.C., metropolitan area is necessary to insure (1) increased Federal participation in modifying the curriculum, (2) the availability of Federal officials as instructors, and (3) continuous monitoring of the training program.

Ten metropolitan Washington universities received requests for proposals for a 1-year contract with HEW to develop and conduct six 2-week basic surveyor training courses on a pilot basis. The first course is scheduled to begin in October 1976. Five of the 10 universities expressed interest in responding to the request, but only two proposals were submitted. One of these was submitted too late to be considered. The other proposal, submitted by the University of Maryland, was technically evaluated by HEW officials and found to be acceptable. The contract for a surveyor training project was awarded to the University of Maryland on August 24, 1976. D-301050

When the pilot project is completed, offers may be made to universities in other parts of the country to contract with HEW under the State tuition-based approach, provided the pilot project demonstrates that the course meets the needs of the surveyors.

In a separate offer on April 2, 1976, Tulane University was given the opportunity to participate in the tuition-based approach. Under the offer Tulane would provide four 2-week basic surveyor training courses with reimbursement on a tuition basis. As of August 16, 1976, HEW has not received a reply from Tulane. The Tulane official responsible for the surveyor training activities at the university informed us on June 8, 1976, that he would not accept HEW's offer because the four basic training courses would not provide enough income to cover his program expenses.

In an August 24, 1976, telephone conversation, however, he informed us that he would formally reply to HEW's offer. He said that the offer did not allow any flexibility as to when and how the

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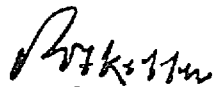
courses were to be conducted and that therefore he would either reject the HEW offer or propose an alternative for a surveyor training project at Tulane University.

COST OF DEVELOPING NEW  
SURVEYOR TRAINING PROGRAM

In a June 16, 1976, letter to you, the Administrator of the Health Services Administration noted that the total developmental costs of the new approach to health surveyor training cannot be determined until the curriculum development process, called for as part of the training center contract, is completed. While the letter contained an estimate of \$37,000 for developmental costs, we found little documentation to support this figure. The contract with the University of Maryland establishes a tuition rate of \$489 per student. However, we could not determine at this time what part of the tuition is attributable to the recovery of program development costs.

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Sincerely yours,

  
DEPUTY Comptroller General  
of the United States