DOCUMENT RESUME

02506 - [A1672673]

[Planned Hospital Construction by Indian Health Service]. HRD-77-112; B-164031(5). May 31, 1977. 4 pp.

Report to Sen. Robert C. Byrd, Chairman, Senate Committee on Appropriations: Interior Subcommittee; by Elmer B. Staats, Comptroller General.

Issue Area: Health Programs: Health Facilities (1203); Health Programs: Access to Health Care (1204).
Contact: Human Resources Div.
Budget Function: Health: Health Planning and Construction (554).
Organization Concerned: Department of Health, Education, and Welfare; Indian Health Service.
Congressional Relevance: Senate Committee on Appropriations: Interior Subcommittee.

The appropriateness of the planned number of acute care beds in certain hospital construction projects proposed for funding by the Indian Health Service (IHS) was questioned. Findings/Conclusions: The methodology used by the IHS to determine the bed sizes of the planned hospitals would result in the construction of too many beds. The IHS failed to take into account the declining trends in the use of inpatient hospital facilities. Although limited to the Navajo area, the analysis indicated that similar conditions may exist in other IHS areas where major hospital construction is planned. Recommendations: The Subcommittee should delay recommending appropriations for any IHS hospital project not currently under construction. Funding should be contingent on receiving adequate justification from the Department of Health, Education, and Welfare explaining why expansion of underutilized facilities is necessary. (DJM)

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

B-164031(5)

MAY 31 1977

The Honorable Robert C. Byrd
Chairman, Subcommittee on the
Department of the Interior
and related agencies
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

In response to your May 9, 1977, request, we have reviewed certain hospital construction projects proposed for funding by the Indian Health Service, Department of Health, Education, and Welfare (HEW). Although our analysis, which has been limited to the Navajo Area, is not complete, we have developed sufficient information to question the appropriateness of the planned number of acute care beds. Our work indicates that the methodology the Indian Health Service used to determine the bed sizes of the planned hospitals would result in the construction of too many beds. Because the Indian Health Service uses the same methodology for planning hospitals throughout its system, we believe that similar problems may exist elsewhere.

BACKGROUND

The Navajo Area has eight service units covering 25,000 square miles on and off the Navajo Reservation. Six of these units have hospitals: Crownpoint, Fort Defiance, Gallup, Shiprock, Tuba City, and Winslow. The Kayenta and Chinle units are served only by outpatient clinics.

The six hospitals range in size from the 207-bed medical center at Gallup to Winslow's 40-bed hospital, with no surgical facilities, which was formerly a tuberculosis hospital. The Fort Defiance, Gallup, Shiprock, and Tuba City hospitals are accredited by the Joint Commission on Accreditation of Hospitals. The Indian Health Service has not sought accreditation of the Crownpoint and Winslow hospitals because they are considered physically obsolete.

The 8 Navajo Area service units are supported by 10 health centers, 11 school health centers, and 22 health stations, located throughout the reservation, which provide outpatient services.

The Indian Health Service has requested $104,860,000 for six hospital projects involving the planning and design, renovation or complete replacement of existing hospitals, and construction of new hospitals. Details of the individual projects follow:

--Modernizing and expanding the 75-bed Shiprock Hospital to 150 beds with provision for eventual expansion to 210-bed: estimated cost--$30,900,000.

--Replacing Winslow's 40-bed hospital with a 60-bed hospital: estimated cost--$17,400,000.

--Constructing a new 125-bed hospital at Chinle, which has no hospital: estimated cost--$28,000,000.

--Replacing Crownpoint's 50-bed hospital with a 64-bed hospital: estimated cost--$18,000,000.

--Modernizing the 109-bed hospital at Fort Defiance to provide 100 beds: estimated cost--$10,060,000.

--Designing and planning a hospital at Kayenta which has no hospital: estimated cost--$500,000.

None of these hospitals are presently under construction.

PRELIMINARY RESULTS OF OUR REVIEW

In evaluating the planned hospital projects for the Navajo Area, we compared the current capacity of the six hospitals, as measured by (1) constructed beds and (2) staffed and available beds 1/ with the trend in hospital use from 1966 to

---

1/Under Indian Health Service criteria, a constructed bed is one for which bed space has been assigned for inpatient care, including space originally designed or remodeled for inpatient beds even though temporarily not used for such purposes. An available bed is one that is or can be used by a patient with adequate staffing and support service.

Indian Health Service officials stated that constructed beds were not available in the Navajo Area because of (1) renovation of facilities, (2) conversion of bed space to administrative offices, and (3) in one case, staff shortage.

1976. 2/ We found that HEW plans to build facilities which will result in 253 more beds than are currently constructed even though:

--There are now over 150 constructed beds and 100 staffed and available beds in excess of beds needed to meet peak patient demands.

--Patient use of hospitals declined from 489 a day in 1966 to 329 a day in 1976, despite a 41-percent increase in population over the same period.

--The combined occupancy rate of the hospitals declined from 86 percent in 1966 to 59 percent in 1976. Federal regulations for Public Health Service grants, loans, and loan guarantees for construction and modernization of general hospitals provide for an 85-percent occupancy rate.

Although Indian Health Service hospital planning criteria state that 10-year historical trends be developed on hospital use, the Indian Health Service has not considered the declining trend in the use of inpatient hospital facilities. Further, we noted that in practice Indian Health Service planning methodology is based on estimates of future need for hospital services, which are usually guesses made without any recognition of long-range historical trends. For example, the 10-year historical trends were not developed for any of the hospital construction projects we reviewed. When we developed trends on hospital use, we found the Indian Health Service planning for hospital construction and modernization contradicted the trends. Although the Indian Health Service assumes that patient use of hospitals will increase as the population increases, we noted that patient use of hospitals has dropped as population increased. Indian Health Service officials attribute this drop to improvements in the health status of Indians as a result of Indian Health Service programs.

Our preliminary data indicates that similar conditions may exist in other Indian Health Service Areas, particularly the Aberdeen, Anchorage, Oklahoma, and Phoenix Areas where major hospital construction is planned.

2/Data is based on fiscal year periods.

We discussed our review with Indian Health Service officials who acknowledged the accuracy of the data in this report.

PRELIMINARY CONCLUSIONS AND RECOMMENDATIONS

Your letter stated it would be helpful to have our preliminary conclusions and recommendations. We have found that present inpatient facilities serving the Navajo Area are significantly underused, yet most hospital construction projects involve expansion of those facilities. Indications are that this problem exists elsewhere.

Based on this information, we believe that the Subcommittee should delay recommending appropriation of funds for any Indian Health Service hospital project not currently under construction. Appropriation of funds for Indian Health Service hospital construction and modernization projects should be contingent on receiving adequate justification from the Secretary of HEW explaining why expansion of existing underused facilities is necessary. The justification should include, as a minimum, recognition of the trend in use of inpatient services.

We believe that our data and concerns about the direction the Indian Health Service is taking in its hospital construction projects will help the Subcommittee in its consideration of the fiscal year 1978 appropriations for construction projects.

Sincerely yours,

Comptroller General
of the United States