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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

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MANPOWER AND WELFARE
DIVISION

JAN 15 1976

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The Honorable
The Secretary of Defense

Dear Mr. Secretary:

2 We surveyed the medical supply practices at six military hospitals on the east coast and noted that all the hospitals were procuring X-ray film from local supply sources rather than through the Defense Personnel Support Center (DPSC). Although the reasons for not procuring X-ray film from DPSC varied from hospital to hospital, the most important reason was the radiologists' concern about the quality of the X-ray film stocked by DPSC. 882

We believe the Department of Defense (DOD) needs to (1) establish quality standards for its X-ray film and (2) insure that DPSC stocks film that meets these standards. DOD may then save money through large, consolidated purchases of X-ray film.

PROBLEMS WITH FILM

Before November 1966, military hospitals were required to obtain X-ray film from DPSC. The minutes of several 1965 meetings of the Defense Medical Materiel Board discuss two principal problems with DPSC-stocked film:

--The film was of poor quality.

--Each time DPSC changed film manufacturers, hospitals had to use different chemicals and processing techniques, which made using the film difficult.

Because of these problems the board recommended that DPSC continue to supply X-ray film to customers that would accept it, but that military radiologists should have the option of purchasing film from local sources. Army and Air Force regulations allow radiologists to purchase X-ray film from DPSC or local sources. Navy regulations do not provide this option; however, Navy officials informed us that in practice Navy radiologists can use the film of their choice.

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Hospital comments

Our visits to six military hospitals between April and August of 1975 showed that none were obtaining X-ray film from DPSC for reasons explained below.

Bethesda Naval Medical Center

The chief of radiology said the hospital procures all X-ray film locally. He pointed out that DPSC X-ray film was once ordered and used for 3 weeks due to an error. He stated that during this time he received numerous complaints from his radiologists about the quality of the X-rays produced on the DPSC film. He believed DPSC film produced lower quality X-rays in less detail than the film regularly used at the hospital.

Philadelphia Naval Regional Medical Center

The chief radiologist said the locally purchased film used at the hospital assured the physicians of quality X-rays. The chief of professional services said that at times when DPSC changes film manufacturers, hospitals may have to use two different brands of film and chemicals simultaneously. The chief radiologist commented that if technicians who are responsible for cleaning and resetting processing machines do not distinguish between the two brands, a poor picture could result.

Malcolm Grow Air Force Medical Center

The chief of radiology said the hospital's X-ray film is purchased locally because doctors do not wish to change from a film that gives good results to an X-ray film with unknown qualities.

Dover Air Force Hospital

The chief radiologist told us that for the past year he had used a film his predecessor selected. He was satisfied and had not considered changing to DPSC-stocked X-ray film.

Walson Army Hospital

The chief radiologist had been in the service for about a month and was using the film he used throughout his training. He had no experience with the X-ray film stocked by DPSC.

Dewitt Army Hospital

Radiologists at the hospital said they had no experience with DPSC-stocked X-ray film. They said the best quality film available should be purchased to obtain the best results.

Other comments

We discussed the quality of the X-ray film stocked by DPSC with the radiology consultants to the Surgeons General of the Army, Navy, and Air Force. The Army consultant said he had tested various brands of X-ray film around March 1975 and found that the film stocked by DPSC was clearly inferior to certain other brands. According to the Air Force consultant, the DPSC film was of substandard quality and hampered the radiologists' ability to read the X-rays.

Both the Army and Navy consultants told us that in addition to quality, service provided by manufacturers was an important factor in choosing X-ray film. They pointed out that when hospitals use certain types of X-ray film they receive considerable advice and service from the manufacturer. This type of customer service is not available from suppliers of the film purchased by DPSC.

We also talked with the chief of diagnostic services, department of radiology, Walter Reed Army Hospital, who had been chief radiologist of an overseas command which was required to use DPSC film. He furnished (1) a letter he wrote in April 1973 to the Army radiology consultant and (2) a complaint he filed in May 1973 with the Commanding General, U.S. Army Medical Command, Europe.

The April letter pointed out that an X-ray taken in one of the Army dispensaries on DPSC film was "utterly unacceptable" and that using inferior film was neutralizing the millions of dollars invested in modern X-ray equipment.

The May 1973 complaint recommended that the film stocked by DPSC be removed from the supply catalog because of its inferior quality and pointed out that the poor quality of the X-ray film necessitated many repeat examinations, thus increasing radiation hazard to the patients.

Although we did not find this complaint in DPSC complaint files (see p. 4), the radiologist who filed the complaint said DPSC had reviewed it and found his concerns to be unsubstantiated and the film to be acceptable. As of September 1975, this radiologist still considered DPSC film unacceptable.

Since none of the hospitals we visited were obtaining X-ray film from DPSC, we contacted the Naval Regional Medical Center, Camp Lejeune, North Carolina. In 1974, this medical center changed to DPSC film because officials estimated they could save \$21,400 annually. The chief radiologist said that some problems were experienced during the changeover, which he attributed to (1) a shipment of obsolete film, (2) the use of one brand of developer with another brand of film, and (3) the failure to employ proper exposure and processing procedures required for the DPSC film. He told us that DPSC film was not comparable in quality and ease of use to the brand of film previously used; however, the hospital was obtaining acceptable results.

DPSC complaint file

Our review of DPSC's X-ray film complaint file revealed only three complaints about quality between January 1973 and July 1975. A DPSC official said the problems experienced were caused by careless processing of the film, such as

- using incorrect temperature and film-speed settings on a processor when switching from one brand of film to another,
- using inferior or outdated chemicals, and
- attempting to process one brand of film with another manufacturer's chemicals.

According to military service representatives, one reason only a few complaints had been filed with DPSC might be that radiologists have not been following established procedures for filing complaints. They pointed out that under current policies, if radiologists are dissatisfied with DPSC film they can easily switch to another film without filing a complaint.

LACK OF INPUT FROM RADIOLOGISTS IN DEVELOPING X-RAY FILM SPECIFICATIONS

DOD radiologists are not routinely involved in developing military X-ray film specifications and evaluating the quality of DPSC-stocked film. An official of the Defense Medical Materiel Board informed us that once the services have determined that an item will be stocked by DPSC, the board prepares a list of desired qualities. For X-ray film, these include dimensions, film speed, contrast, fog density, and packaging requirements. The board provides these characteristics to logistics representatives of each service for comment.

If the services agree, the characteristics are forwarded to DPSC, where procurement specifications are then prepared.

DPSC officials said that chemists, engineers, and pharmacists, but not radiologists, help them to write specifications. The board and the logistics representatives of each service said they have access to radiologists if they are needed.

The radiology consultants to the Surgeons General indicated they have had little to say about DPSC's stocking of X-ray film and said they do not comment on the films' acceptability when DPSC changes film manufacturers.

POTENTIAL SAVINGS THROUGH CENTRAL PROCUREMENT

We could not readily determine the amount of X-ray film purchased by all DOD hospitals, dispensaries, and clinics. The six hospitals we visited spent about \$424,000 for film in fiscal year 1975. DPSC recently purchased a 12-month supply of X-ray film for about \$1.4 million. Since there are about 190 military hospitals, the DPSC film purchases apparently represent only a small part of the total X-ray film needs of the military.

During our survey, the Air Force Audit Agency issued a report on the procurement of X-ray film at six Air Force hospitals. The report stated that radiologists cited the inferior quality of X-ray film obtained from DPSC as the reason for purchasing film locally. The report also pointed out that if acceptable X-ray film were stocked by DPSC, considerable savings would result. The report concluded:

"* * * Hospital radiologists were uniform in their comments that only the quality of film produced by * * * were acceptable. Therefore, we believe that perhaps there may be false economy in awarding the DPSC contract for X-ray film to the low bidder. The film supplied the DPSC by such a contract ultimately costs more since it is not used, becomes outdated, and must be destroyed. We believe that if an acceptable quality of film were provided by DPSC, the hospitals would not purchase the film locally. We further believe that the volume of film procured by the DPSC for all DOD hospitals would cost less than that procured by each hospital individually."

The report showed that if the six Air Force hospitals had obtained film from DPSC instead of locally, they could have saved about \$182,000 in fiscal year 1974.

The six hospitals we visited could have saved about \$139,000 in fiscal year 1975 had they purchased DPSC film. These savings were calculated by comparing the quantities and sizes of film procured by the hospitals with like sizes stocked by DPSC. The comparison was made solely between prices paid by the hospitals and prices quoted in the DPSC stock catalog; possible additional costs, such as warehousing, transportation, and potentially higher costs of better X-ray film, were not considered.

CONCLUSIONS

DOD needs to (1) establish quality standards for the X-ray film to be used in its medical delivery system and (2) insure that DPSC stocks film that meets the standards. Once DOD resolves the film quality issue, it should require military hospitals to submit their requirements for X-ray film to DPSC for consolidation into large-volume DOD procurement requirements, rather than allow each hospital to procure its film locally.

RECOMMENDATIONS TO THE SECRETARY, DOD

We recommend that DOD, with appropriate input from radiologists,

- establish quality standards for its X-ray film,
- insure that DPSC stocks film that meets the standards, and
- use large-volume, central procurement for X-ray film needs, if money can be saved.

AGENCY COMMENTS

We discussed our conclusions and recommendations with DOD's Special Assistant to the Deputy Assistant Secretary of Defense (Health Resources and Programs), and representatives of each service. They agreed that the Defense Medical Materiel Board, in consultation with radiologists, should determine the quality of X-ray film needed to meet professional medical requirements and then assess whether DPSC-stocked film meets these requirements. The special assistant said that he will ask the board to study this matter and consider whether money can be saved in procuring X-ray film.

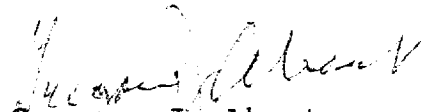
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We are sending copies of this report to the Chairmen, House and Senate Committees on Appropriations, Government Operations, and Armed Services, and to the Director, Office of Management and Budget.

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 action taken on our recommendations to the House and Senate Committees on Government Operations 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 appreciate the cooperation and assistance given by DOD personnel during our survey. We will be glad to discuss any questions with you or your representatives.

Sincerely yours,


Gregory J. Ahart
Director