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

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HUMAN RESOURCES
DIVISION

B-133044

OCTOBER 25, 1979

The Honorable Harold Brown
The Secretary of Defense

Dear Mr. Secretary:

Subject: Implementation of a Civilian-Military Contingency Hospital System Should be Suspended (HRD-80-21)

During the past several months, we have been reviewing DOD's plans to use nonmilitary hospitals to provide medical care to wartime casualties. While we have not finished our review, we have a number of concerns about these plans that we want to bring to your attention before a specific plan is implemented.

On March 15, 1979, Maximus, Inc., issued a final report to the Office of Assistant Secretary of Defense (Health Affairs) entitled "Study of the Problems Associated with Reliance on Civilian Medical Manpower and Non-DOD Facilities During Periods of National Emergency, Mobilization and War." We understand that this study represents the foundation for the Civilian-Military Contingency Hospital System (CMCHS) to be implemented beginning this month under the Assistant Secretary's direction.

Based on our work to date, we have identified several basic problems in the Maximus report which DOD has not resolved and which, therefore, tend to weaken its validity as a foundation for CMCHS. Some of our concerns are:

1. The report identified excess acute care beds in 41 U.S. metropolitan areas. The excess capacity was determined by taking 15 percent of the total bed capacity of certain hospitals, as shown in the 1976 issue of the American Hospital Association's hospital guide. However, only six hospitals located in 2 of the 41 metropolitan areas were visited.

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Therefore, little is known about whether those beds are actually available or whether there is equipment and staff to operate them. Similarly, the impact that rapid population growth in certain areas has had on excess capacity has not been analyzed.

2. Even if the excess acute care beds identified in the Maximus report were available and staffed, no analysis has been made of the impact of divesting non-active-duty patients from military hospitals to civilian hospitals during mobilization. Our preliminary analysis showed that, in several major metropolitan areas, the divesting process would use much of the excess bed capacity believed available for the implementation of the system. Because of this consideration, DOD may not be able to fully rely on the areas identified by Maximus to have the capability to treat casualties.

3. The CMCHS as recommended by Maximus will concentrate on obtaining acute care beds, but not convalescent beds. However, some military officials we talked to believe that many convalescent beds will also be needed.

4. The Maximus study did not determine whether civilian hospitals in general would participate in CMCHS. A Maximus official told us that hospitals' willingness to participate in the system will be tested as part of the system's implementation. Although Maximus coordinated its study with the American Hospital Association, the Association had reservations about many aspects of the CMCHS concept. Also, according to a Maximus official, there has been no coordination with the American Medical Association, the American College of Surgeons, or the American Association of Medical Colleges. We believe these groups--because of their influence on the physicians needed to staff the beds in civilian hospitals--would play a major role in determining the ultimate success or failure of the CMCHS concept's implementation.

5. The Maximus report left various issues unresolved concerning how the Selective Service System, the Federal Emergency Management Agency, and the Department of Health, Education, and Welfare would influence the use of civilian medical resources during wartime. These agencies have responsibilities which would affect the same resources that CMCHS, if implemented, would rely on during wartime.

6. CMCHS as described by Maximus would be a new organization with responsibility for carrying out various functions that may duplicate those of existing military organizations. The military services raised this objection when the CMCHS draft implementation directive was circulated for comment.

7. The Maximus study was limited to assessing civil sector capability for DOD's use during wartime. Through another contract with DOD, Maximus is assessing what wartime capability the Veterans Administration could provide to DOD. In our opinion, DOD ought to determine the full extent of available Federal resources before beginning to contract for private sector capability.

We are summarizing in another document the results of our work to date concerning the above issues and others relating to DOD's use of nonmilitary medical facilities to care for wartime casualties. As you know, the Chairmen of the Subcommittees on Military Personnel and Military Compensation of the House Armed Services Committee, in a July 17, 1979, letter, stated their intention to hold hearings on the development and implications of a DOD draft report on the wartime medical posture. We understand that the issues raised during our work will also be discussed during those hearings, which are expected to be held in the near future.

RECOMMENDATION

Because many basic questions have not yet been resolved concerning the use of nonmilitary hospitals to provide medical care to wartime casualties, we believe it is premature to establish a new organization to interface with civilian hospitals and begin contracting for medical care capability. Accordingly, we recommend that you suspend actions to establish CMCHS at least until the Subcommittee Chairmen have held their planned hearings.

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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 the 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 four above-mentioned Committees and the House and Senate Committees on Armed Services and to the Director, Office of Management and Budget. We are also sending copies to the Chairmen of the Military Personnel and Military Compensation Subcommittees and to Congressman Robin Beard, who requested our review.

We appreciate the cooperation and assistance provided by DOD personnel during our ongoing review. We will be glad to discuss any questions with you or your representatives.

Sincerely yours,

Gregory J. Ahart
Director