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

B-183256

FEBRUARY 28, 1979

The Honorable Jamie L. Whitten
Chairman, Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

On June 27, 1978, the Committee Chairman asked us to review the need for a replacement hospital at Ft. Lewis, Washington. At that time, the Subcommittee on Military Construction was considering including funds for the hospital in the Department of Defense's (DOD's) fiscal year 1980 budget request. However, because the Congress approved a modification of the existing hospital in the fiscal year 1979 appropriation, the planned total replacement of the Ft. Lewis facility was postponed for several years. Because of this change, we agreed with the Subcommittee's office in September 1978 to:

--Defer work specifically related to the replacement hospital at Ft. Lewis.

--Complete our work of incorporating improvements made to our hospital sizing model into DOD's methodology for sizing hospitals.

--Write a letter of inquiry to DOD concerning the status of its efforts to develop a planning methodology and construction policy for light care beds.

We have nearly finished incorporating our improvements into the DOD hospital sizing model. We will give DOD our finished product soon. The improvements will enable DOD to calculate not only the appropriate total bed size for a hospital, but also the appropriate size of each medical specialty service within the hospital. We anticipate that DOD will have no difficulty using the improved model in planning future hospitals.

HRD-79-53
(101011)

On October 19, 1978, we sent DOD a letter of inquiry concerning light care units. DOD responded on January 10, 1979. (See encs. I and II.) DOD's response shows that it is constructing 30 light care beds as part of the new Army hospital at Ft. Stewart, Georgia. However, the letter demonstrates that it has not yet fully resolved many important issues involved in sizing, constructing, and operating light care units.

The policy that DOD ultimately adopts concerning light care units could substantially affect (1) the way in which medical care is delivered in a hospital and (2) operating costs over the expected life of a hospital. Therefore, we believe it is important for DOD to develop criteria for sizing, constructing, and operating light care units before building additional military hospitals. Although the President's budget request for 1980 does not include any DOD hospital construction projects, there may be several in the planning stages. We therefore recommend that the Committee

--direct DOD to give high priority to fully resolving the light care issues raised in our letter of inquiry and

--withhold approval of future hospital construction projects until a policy on light care units has been developed and implemented.

As arranged with your office, we are sending copies of this report to the Secretary of Defense and the Director, Office of Management and Budget. Copies will also be available to other interested parties who request them.

Sincerely yours,

Comptroller General
of the United States

Enclosures - 2

ENCLOSURE I

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

HUMAN RESOURCES
DIVISION

October 19, 1978

Mr. Vernon McKenzie
Principal Deputy Assistant Secretary
of Defense for Health Affairs
The Pentagon
Washington, D. C. 20301

Dear Mr. McKenzie:

In June 1978 the Chairman, House Appropriations Committee asked us to review several aspects of the Department of Defense's (DOD) planning for new military hospitals. One aspect concerned what DOD was doing to develop a method for determining light care bed requirements, and an appropriate construction policy for such beds.

In September 1978 you sent a draft policy statement on light care to the military services for comment. This draft was quite comprehensive and addressed several of the issues relating to the construction and operation of light care beds that we were going to address during our review. In order to avoid duplicating your work, we thought the best course of action at this time would be for us to obtain a better understanding of the rationale behind some of the items in the draft policy statement. Therefore, we would appreciate it of you could respond to the following questions:

A. CONSTRUCTION OF LIGHT CARE UNITS

DOD's draft policy states the following with regard to light care units:

> "Because so many factors influence these units, there is wide latitude as to the location and configuration. At one extreme, these shall be separate, free-standing buildings distant from the main hospital. At other installations, they may consist of separate wings or wards, but still integrated into the main stream of hospital activities. At the other extreme and generally at smaller installations, it may follow the acute ward configuration but with minimal patient support features."

1. Which DOD hospitals contain a designated light care bed unit? Please show the number of acute care beds and light care beds. Also, please categorize the response by completed, under construction and planned hospitals and indicate the expected completion date for the latter two.

ENCLOSURE I

2. What factors influence the decision to locate light care facilities in free-standing buildings rather than in the main hospital?

3. Can construction costs be reduced because of less stringent fire, safety and structural requirements when light care beds are constructed in buildings which are separate from the acute care hospital rather than within it.

4. For each hospital under construction or planned which will have a designated light care bed unit, please describe (1) whether the unit will be located inside the main acute care hospital structure or in a separate building, (2) the basis for the location decision and (3) what physical design differences there are between the planned light care and acute care bed sections.

5. For one of the hospitals having a light care bed unit, under construction or planned, please provide us with the estimated construction and operating cost savings resulting from a light care/acute care configuration as opposed to a strictly acute care configuration.

6. Should light care beds be capable of being easily converted to acute care beds? If so, what provisions are being made to allow this to take place?

7. How does the inclusion of light care beds as compared to acute care beds affect the planning for and costs of ancilliary support facilities such as radiology, laboratory and pharmacy?

8. Have any criteria been developed for planning ancilliary support facilities when light care beds are programmed? If so, please provide us with a comparison of light care vs. acute care requirements for radiology, laboratory, pharmacy.

B. SIZE OF LIGHT CARE UNITS

DOD's draft policy statement says the following regarding light care units:

"The size of the unit will be determined on an individual basis during the planning process. The number of minimal care beds will range between 25 and 40 percent of the total bed capacity. These beds are not to be considered "in addition to" but part of the total bed capacity. Many factors may be weighted in determining the minimal care requirements."

ENCLOSURE I

1. On what basis was it determined that the number of light care beds should range between 25 and 40 percent of total bed capacity?

2. What factors are weighted in determining the minimal care requirements?

3. For each hospital either under construction or planned which will have a light care bed unit, please describe the methodology used to determine the number of light care beds required?

4. A DOD Health Services Demand Model is being developed to predict future demands for acute, light and outpatient care. Please describe the basic methodology used in this model to make light care requirement predictions.

C. OPERATION OF LIGHT CARE UNITS

DOD's draft policy statement indicates that:

"There will be some variation in staffing pattern because of facilities, patient mix organization, etc. However the predominant skill level will be at the corpsman -- medical technican -- licensed practical nurse level."

1. What criteria will be used to determine the number and type of staff required in light care units as compared to acute care units?

We would appreciate having your responses by December 15, 1978 so that we can complete our work by January 1979 as requested by the House Appropriations Committee.

Sincerely yours,

Stephen J. Varholy

Stephen J. Varholy
Associate Director

cc: Mr. Falkenau - OSD (C)

ENCLOSURE II

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

HEALTH AFFAIRS

January 10, 1979

Mr. Stephen J. Varholy
Associate Director
Human Resources Division
U. S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Varholy:

In your letter dated October 19, 1978, you asked a number of questions regarding our September 1978 policy statement on light care units. As noted in your letter, that statement as forwarded to the Military Services was in draft form. This office has just received all of the Military Services' responses to that draft, and has not published final policies in that area. Therefore, many of the issues which you raised have not been resolved as of this time. Please note, also, that several hospitals being planned are excluded from A. below since they have not received a final review or approval from this office. However, the following answers keyed to your questions are submitted.

A. Construction of Light Care Units

1.

Facility	Status	Beds Light/Acute	Expected Date of Completion
Tripler Army Medical Center Honolulu, HI	Planned	56/484	Not Finalized
Army Hospital Ft Stewart, GA	Under Constr.	30/135	Sept 82

2. Although some refinements are still being developed the following would apply:

   a. Size of the light care unit, and

   b. Projected savings, if separate.

ENCLOSURE II

3. Yes

4. Army Hospital, Ft Stewart, GA

   (1) Separate

   (2) To save building construction cost

   (3) Lighter frame and less total area for light care unit

   Tripler Army Medical Center, Honolulu, HI

   (1) Integral

   (2) Utilization of existing space

   (3) Reduced space and less equipment

5. For Ft Stewart Hospital, total estimated construction costs savings are $692,550 for a 30-bed, light care unit being built as a separate ground floor section as opposed to being provided as acute care beds in the nursing tower.

   Operating costs savings in the light care unit have been estimated using data from UCA (Uniform Chart of Accounts) test facilities. Although these facilities do not have light care units per se, they do have wards which operate under similar staffing arrangements using the progressive care concept. Experience to date across the three Army UCA test sites yields a difference of approximately $52 per bed day savings in the light care versus the acute care setting.

6. Not yet resolved.

7. We envision very little impact since those ancillary services are based on workload (not beds) which would not change.

8. In view of the considerations in 7 above no criteria was developed.

B. Size of Light Care Units

1. This figure was arbitrary and included to stimulate suggestions. No final decision has been made concerning an appropriate range.

ENCLOSURE II

2. These factors have not been specified to date.

3. For Ft Stewart and Tripler hospitals the methodology was simply to access the historical workload as to the number of patients requiring minimal or light care and projecting that requirement to the anticipated workload.

4. The model does not currently project light care bed requirements.

C. Operation of Light Care Units

1. Methodology not yet determined.

Sincerely,

Vernon McKenzie
Principal Deputy Assistant Secretary