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United States
General Accounting Office

European Office

c/o American Consulate General
APO New York 09213

September 9, 1986

B-223889

General Glen K. Otis
Commander in Chief
United States Army, Europe
and Seventh Army
ATTN: AEAGX-IA
APO U.S. Forces 09403



Subject: Medical Readiness: The U.S. Army Can Improve Its
Management of POMCUS Hospital Equipment In Europe
(GAO/NSIAD-86-197)

Dear General Otis:

As part of our overall review of DOD's plans to acquire, reposition, and use Deployable Medical Systems (DEPMEDS), we have recently completed a review of the management of Prepositioned Overseas Materiel Configured To Unit Sets (POMCUS) hospital equipment in Europe. During our review of POMCUS hospital equipment, we found that:

- U.S. Army, Europe and Seventh Army (USAREUR) may be requisitioning unnecessary equipment for 11 POMCUS hospitals that will continue to have minimal capabilities until they receive DEPMEDS,
- USAREUR cannot effectively manage its POMCUS medical equipment because of systemic weaknesses in the requisitioning procedures,
- USAREUR's five POMCUS general hospitals are capable of providing only limited wartime medical support, and
- USAREUR needs to more closely monitor the equipment status of its POMCUS hospitals.

Information regarding each of these findings is summarized below, and details on our findings, conclusions, and recommendations are provided in the appendix. A separate report on the results of our overall review is in process, and will be addressed to the Chairman, House Armed Services Committee.

BACKGROUND

In 1982, the Assistant Secretary of Defense for Health

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Affairs established a steering committee to achieve maximum standardization of the military services' medical treatment facilities. The standardized design that evolved out of this effort is called DEPMEDS. Each of these DEPMEDS will contain both the medical and non-medical materiel a hospital will need to be fully operational. The DEPMEDS medical materiel will be incorporated into standardized medical materiel sets.

Replacement Of POMCUS Hospital Equipment

The Army plans to replace all of its pre-DEPMEDS hospital equipment sets with DEPMEDS between fiscal years 1987 and 1993. The DEPMEDS fielding is being centrally managed by the Office of the Army Surgeon General and by the U.S. Army Medical Materiel Agency (USAMMA).

Each pre-DEPMEDS hospital is currently authorized varying types and quantities of medical and non-medical equipment. Most of the medical equipment is included in various types of medical equipment sets that are packed for long-term storage.

The approach the Army is using to field DEPMEDS medical equipment is different than the approach it is using for the DEPMEDS non-medical equipment. For medical equipment, everything currently on hand in pre-DEPMEDS hospitals will be replaced with DEPMEDS equipment, even though much of the pre-DEPMEDS equipment is identical to the DEPMEDS equipment. For non-medical equipment, however, items will not be replaced if they are common to both the DEPMEDS and pre-DEPMEDS hospitals.

Since all POMCUS hospitals and all but four forward deployed hospitals are scheduled to receive DEPMEDS, there is a limited need for the pre-DEPMEDS medical equipment that will be replaced when DEPMEDS are fielded. As a result, the Army has decided not to assemble any additional pre-DEPMEDS medical equipment sets after it completes the Fiscal Year 1983 Combat Zone Hospital Assemblage Build Program.

Management Of POMCUS Hospitals

The U.S. Army Seventh Medical Command (7th MEDCOM) has overall responsibility for medical readiness in USAREUR. Management responsibility for POMCUS hospital equipment, however, is divided among the following:

- U.S. Army Combat Equipment Group, Europe (CEGE);
- U.S. Army Medical Materiel Center, Europe (USAMMCE); and
- U.S. Army Medical Materiel Agency (USAMMA).

CEGE, as the USAREUR command responsible for managing and maintaining all POMCUS equipment, stores, requisitions, and

maintains accountability for all medical and non-medical equipment for POMCUS hospitals. Equipment requisitions for these hospitals are based on the POMCUS Authorization Document which is developed by the Department of the Army with USAREUR input. Because the medical equipment sets are packed for long-term storage, CEGE does not have the authority to open the sets, and does not have responsibility for managing the equipment items inside each set.

USAMMCE is 7th MEDCOM's executive agent responsible for managing all medical materiel in USAREUR. In this capacity, USAMMCE (1) screens all CEGE requisitions for medical equipment before forwarding them to the appropriate national inventory control point, (2) submits requisitions to replace Potency and Dated items that have passed their expiration date, and (3) opens, inventories, and refurbishes each medical equipment set in USAREUR every 5 years.

Finally, USAMMA is the organization that has overall responsibility for managing medical equipment for the Army, and is the inventory control point that receives most of CEGE's medical materiel requisitions.

USAREUR MAY BE REQUISITIONING UNNECESSARY EQUIPMENT

We found that CEGE is required to requisition medical and non-medical equipment for all hospitals on the POMCUS Authorization Document, even though 11 of these hospitals will continue to have minimal medical capabilities until they receive DEPMEDS. Because these 11 hospitals are not expected to receive any additional medical equipment sets prior to receiving DEPMEDS, requisitioning other types of equipment will not significantly improve their limited capabilities. As explained in the next paragraph, CEGE officials said that their inventory records do not accurately reflect the status of outstanding medical equipment requisitions. As a result, we were unable to determine the dollar value of the outstanding requisitions for these hospitals. We believe, and 7th MEDCOM officials agree, that CEGE should only requisition items for these hospitals if the items (1) are common to both DEPMEDS and pre-DEPMEDS hospitals and (2) will not be included in the DEPMEDS fielding package.

SYSTEMIC WEAKNESSES WITH REQUISITIONING PROCEDURES

Our review of CEGE's property book records for POMCUS medical equipment disclosed numerous instances where POMCUS hospitals appeared to have too many or too few items either on hand or on requisition. More specifically, the property books records showed that (1) CEGE was requisitioning items for some hospitals while other hospitals had more of the same items on hand than they were authorized, (2) the quantity on hand for some items plus the quantity on requisition was greater than

the quantity authorized, and (3) requisitions had not been submitted to fill shortages of other equipment.

We did not do sufficient audit work to determine whether (1) CEGE's property books are inaccurate, or (2) CEGE is not properly managing the stockage of POMCUS hospital equipment. CEGE officials stated, however, that their property books do not accurately reflect the stock status of POMCUS medical equipment because systemic weaknesses with the current requisitioning procedures prevent CEGE from obtaining reliable information on the status of its outstanding medical equipment requisitions. These officials stated that they cannot effectively manage POMCUS hospital equipment without more reliable information on the status of their medical equipment requisitions.

USAREUR'S POMCUS GENERAL
HOSPITAL CAPABILITY IS LIMITED

USAREUR has five 1000-bed POMCUS general hospitals that are capable of providing only limited wartime medical support because (1) they are missing about half of their authorized medical equipment, and (2) they could not be activated quickly in wartime. While actions are being taken to correct both of these problems, USAREUR is experiencing additional problems with the management of these hospitals. Specific problem areas include the following.

- USAMMA, USAMMCE, and Burtonwood Army Depot have conflicting information on how much medical equipment the hospitals have on hand.
- USAREUR does not know what medical equipment has already been requisitioned for these hospitals because the fielding of the equipment is being centrally managed by USAMMA, and because USAMMA has not yet given USAREUR a complete list of the equipment that is still due in.
- To reduce the amount of time it will take to activate these hospitals during wartime, 7th MEDCOM plans to set them up in a semi-operational or "warm-based" configuration during peacetime. However, as of May 1986, 7th MEDCOM had identified only two sites, site preparation requirements were still being identified, and funding for this site preparation work was uncertain.
- The Department of the Army has not developed a Table of Organization and Equipment for these hospitals. As a result, USAREUR does not know what non-medical equipment and personnel will be needed for the hospitals to be fully operational. The Department of the Army has used the Table of Organization and Equipment designed for a conventional general hospital as the basis for the non-medical equipment requirements shown on the POMCUS Authorization Document. While some of these items may

not be appropriate to support the medical equipment set configuration for the general hospitals, CEGE is required to requisition the authorized equipment. Furthermore, USAREUR has not determined whether any of the equipment is available at the warm-base sites or through host nation support.

- According to USAMMA records, these hospitals had about \$2.9 million worth of excess materiel on hand as of October 1985.
- The list of required medical equipment for each of these hospitals includes about \$3.4 million worth of materiel that is not authorized for prepositioning because it is considered to be too expensive, too sophisticated, too technologically advanced, too difficult to install, or too difficult and expensive to maintain. We believe, and 7th MEDCOM officials agree, that some of this materiel may be essential to the effective operation of the hospitals.
- Until recently, USAMMCE, a subordinate of 7th MEDCOM, was routinely replacing expired Potency and Dated items for these hospitals. However, USAMMCE officials have subsequently adopted our suggestion to defer the replacement of these items until the hospitals (1) receive most of their authorized equipment and (2) are warm-based. We believe, and USAMMCE officials agree, that it is an inappropriate use of resources to replace Potency and Dated items in these hospitals, until their medical capability improves.
- The medical equipment in these hospitals is scheduled to be replaced with DEPMEDS equipment in fiscal year 1993. We believe, and 7th MEDCOM officials agree, that on-going efforts to enhance these hospitals' wartime medical support capabilities will eliminate the need for these hospitals to receive DEPMEDS.

CLOSER MONITORING OF EQUIPMENT STATUS IS NEEDED

We also found that USAREUR does not have effective procedures for monitoring the equipment status of its POMCUS hospitals and that, as a result, it can not take timely and appropriate action to correct critical equipment readiness problems. A 1982 Defense Audit Service report concluded, and we agree, that USAREUR can not effectively manage its POMCUS hospital equipment unless it develops and installs a medical equipment management information system at USAMMCE.

RECOMMENDATIONS

To ensure that USAREUR makes the most effective use of its medical resources and properly plans for its wartime medical

mission, we recommend that you:

- Cancel all outstanding equipment requisitions for the 11 hospitals that currently have very little, if any, of their authorized medical equipment sets, and not requisition any additional equipment for these hospitals until the Department of the Army determines which items (1) are common to both DEPMEDS and pre-DEPMEDS hospitals, and (2) will not be included in the DEPMEDS fielding package;
- Improve the requisitioning procedures and coordination among CEGE, USAMMCE, and USAMMA to ensure that CEGE receives timely and continuous information on the status of outstanding requisitions for POMCUS hospitals;
- Improve the operational capability of USAREUR's five POMCUS general hospitals by (1) eliminating the equipment shortages, and (2) expediting efforts to acquire and develop warm-base sites;
- Advise the Department of the Army that the general hospital medical equipment sets should not be replaced with DEPMEDS; and
- Develop more effective procedures for monitoring the equipment status of POMCUS hospitals.

More specific recommendations are listed on pages 17 through 19 of the appendix.

AGENCY COMMENTS

We have discussed these issues with 7th MEDCOM, 21st Support Command, and CEGE officials, and they agreed with our findings and recommendations. These officials said that corrective actions are either in process or planned to address the specific problems discussed in this report. CEGE officials believe that many of the inventory discrepancies and lack of coordination problems identified in this report could be alleviated by transferring the accountability and requisitioning authority for POMCUS medical equipment from CEGE to USAMMCE. We believe, however, that USAMMCE is not currently staffed to perform these functions; and that these problems can be corrected through better coordination among CEGE, USAMMCE, and USAMMA. Other specific comments have been considered and incorporated, as appropriate, in preparing this report.

This report recognizes corrective actions planned or initiated by USAREUR subordinate commands. While we support these efforts, we believe that our conclusions and recommendations need to be addressed at the USAREUR headquarters level to ensure that proper corrective actions are implemented. We request that you advise us of actions taken or planned regarding these issues.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of our review were to determine whether USAREUR is (1) properly coordinating its efforts to fill equipment shortages in pre-DEPMEDS POMCUS hospitals with the Department of the Army's plans to replace existing equipment with DEPMEDS and (2) effectively managing equipment and supplies for pre-DEPMEDS POMCUS hospitals. We performed our audit work during the period July 1985 through July 1986.

During our review, we met with Army officials, analyzed POMCUS inventory records, and obtained and reviewed other pertinent documents. We performed our work at the following USAREUR commands:

- U.S. Army Seventh Medical Command in Heidelberg, West Germany;
- U.S. Army 21st Support Command in Kaiserslautern, West Germany;
- U.S. Army Medical Materiel Center, Europe in Pirmasens, West Germany; and
- U.S. Army Combat Equipment Group, Europe in Mannheim, West Germany.

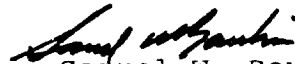
We also obtained information from the Department of the Army in Washington, D.C.; and the U.S. Army Medical Materiel Agency at Fort Detrick, Maryland.

We conducted this review in accordance with generally accepted government auditing standards.

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We are sending copies of this report to the Office of the Army Surgeon General, USAMMA, 7th MEDCOM, 21st Support Command, USAMMCE, and CEGE. We are also sending copies to the Department of Defense and appropriate congressional committees, and making copies available to others upon request. If there are any questions regarding this report, the European Office points of contact are David Schmitt and Karl Gustafson. They can be reached on Frankfurt ETS 320-7511 or Frankfurt Civilian (069) 74-00-71, extension 326.

Sincerely,


Samuel W. Bowlin
Director

C o n t e n t s

	<u>Page</u>
MEDICAL READINESS: THE U.S. ARMY CAN IMPROVE ITS MANAGEMENT OF POMCUS HOSPITAL EQUIPMENT IN EUROPE	9
Background	9
USAREUR May Be Requisitioning Unnecessary Equipment	9
Improved Requisitioning Procedures Needed	10
Inventory Discrepancies	11
USAREUR's POMCUS General Hospital Capability Is Limited	12
Equipment Shortages Limit The Hospitals' Wartime Capabilities	12
These Hospitals Could Not Be Activated Quickly In Wartime	13
Other Management Weaknesses	14
Verification And Monitoring Of Equipment Status Is Needed	15
Equipment Status Is Uncertain	15
A Medical Equipment Management Information System Is Needed	16
Recommendations	17

ABBREVIATIONS

CEGE	U.S. Army Combat Equipment Group, Europe
DEPMEDS	Deployable Medical Systems
POMCUS	Prepositioned Overseas Materiel Configured To Unit Sets
USAMMA	U.S. Army Medical Materiel Agency
USAMMCE	U.S. Army Medical Materiel Center, Europe
USAREUR	U.S. Army, Europe and Seventh Army
7th MEDCOM	U.S. Army Seventh Medical Command

MEDICAL READINESS: THE U.S. ARMY CAN IMPROVE
ITS MANAGEMENT OF POMCUS HOSPITAL EQUIPMENT IN EUROPE

BACKGROUND

USAREUR is currently authorized to acquire and store pre-DEPMEDS equipment for 34 POMCUS hospitals. However, only 23 of these hospitals currently have, or are expected to receive, the majority of their authorized medical equipment sets prior to the fielding of DEPMEDS. These 23 hospitals include:

- Fourteen hospitals that, according to property book records, had most of their authorized medical equipment sets on hand as of April 1986;
- Five general hospitals that the Congress funded between fiscal years 1980 and 1983 and that, according to Army officials, are expected to have most of their authorized medical equipment by the end of fiscal year 1986; and
- Four hospitals that are scheduled to receive equipment under the Army's Fiscal Year 1983 Combat Zone Hospital Assemblage Build Program.

The remaining 11 POMCUS hospitals currently have very little, if any, medical equipment sets and are not programmed to receive any additional medical equipment sets until they receive DEPMEDS.

USAREUR MAY BE REQUISITIONING
UNNECESSARY EQUIPMENT

USAREUR is not coordinating its equipment requisitions for POMCUS hospitals with the Army's plans to field DEPMEDS. As a result, the POMCUS Authorization Document requires CEGE to requisition equipment for the 11 POMCUS hospitals that are expected to have little, if any, of their authorized medical equipment sets prior to receiving DEPMEDS. As of April 1986, CEGE had outstanding requisitions totalling millions of dollars for these hospitals. Because CEGE's inventory records do not accurately reflect the status of outstanding requisitions, we were unable to determine the exact dollar value of outstanding requisitions for these hospitals.

We believe that requisitioning this equipment would be appropriate if (1) the receipt of the materiel would improve these hospitals' limited medical capabilities during the interim period until DEPMEDS are fielded, or (2) the equipment will be required with DEPMEDS and will not be included in the DEPMEDS fielding package. 7th MEDCOM officials stated, however, that acquiring additional equipment for these

hospitals will not substantially improve their limited capabilities. Furthermore, the Office of the Army Surgeon General has not yet identified the non-medical items that are common to both DEPMEDS and pre-DEPMEDS hospitals and will not be included in the DEPMEDS fielding package.

As a result, we believe that CEGE should be directed to cancel all outstanding requisitions for these hospitals, and should be instructed to defer submitting any additional requisitions until the Department of the Army has determined which of the DEPMEDS non-medical equipment items will not be included in the DEPMEDS fielding package because they are already authorized for pre-DEPMEDS hospitals. Once this determination has been made, we believe CEGE should be directed to requisition the common non-medical equipment items if they are not already on hand.

IMPROVED REQUISITIONING
PROCEDURES NEEDED

Our review of CEGE's property book records disclosed numerous instances where POMCUS hospitals appeared to have too many or too few items either on hand or on requisition. We could not determine the magnitude of this problem, however, primarily because CEGE's property book records do not accurately reflect the status of outstanding medical equipment requisitions.

CEGE officials acknowledged that they do not have adequate visibility over the status of POMCUS medical equipment requisitions. These officials attributed this problem, in part, to the fact that POMCUS medical equipment requisitions must be submitted manually. As a result, the Army's standard automated supply system does not provide status information on POMCUS medical equipment requisitions.

These manual requisitioning procedures require that CEGE submit requisitions to USAMMCE, where the requisitions are screened and matched against USAMMCE's inventory records. USAMMCE determines which requisitions it believes are required, and forwards them to USAMMA. CEGE officials said, however, that USAMMCE does not inform CEGE of the requisitions it submits to USAMMA. In addition, these officials stated that USAMMA does not provide timely information on the status of the requisitions it receives. For example, CEGE officials said that the most recent information they had received from USAMMA regarding the status of outstanding medical equipment requisitions was almost 10 months old.

These officials further stated that, without visibility over outstanding requisitions, CEGE's property book records are

not accurate and cannot be used to manage the stock status of POMCUS medical equipment.

Inventory Discrepancies

According to CEGE officials, the amount of equipment on hand and on requisition for a POMCUS hospital should equal the amount of equipment authorized on the POMCUS Authorization Document. However, during our review of CEGE's property book records for POMCUS hospitals we identified numerous examples of inventory discrepancies. CEGE's inventory records for medical equipment as of April 2, 1986, showed that some units had excess medical equipment valued at about \$2.3 million, and other units had shortages valued at a minimum of \$5.2 million that were not on requisition. We believe that the excess equipment could be used to alleviate critical shortages in other units, and the apparent shortages could have a detrimental impact on USAREUR's medical readiness.

A review of the stock status of the resuscitator-aspirator (line item number R88696) illustrates the problem. As of April 2, 1986, CEGE's property book records indicated the following:

- The total USAREUR POMCUS authorization for this item was 901. The number on hand was 610, but the number shown on requisition was only 87.
- Two units had more of this item on hand than they were authorized while 35 other units that were authorized stockage did not have any of the item either on hand or shown on requisition.
- One other unit was authorized 10 of this item, had 10 on hand, and had an additional 8 shown on requisition.

In July 1986, CEGE officials stated that the property book records we reviewed in April 1986 did not accurately reflect the stock status of this item. These officials were able to document that (1) all but 18 of the quantity short had been on requisition since June 1985, and (2) the excesses we identified have subsequently been used to fill shortages of this item in other medical units.

CEGE officials were able to provide valid explanations for many of the excesses and were able to document that many of the apparent shortages had been requisitioned. They were unable to reconcile all of the inventory discrepancies, however, because an audit trail through 7th MEDCOM does not exist.

At the completion of our fieldwork, some corrective actions were being implemented. For example, as of July 1986, CEGE inventory managers were reviewing the stock status of medical

lines, cross leveling the excess items to fill shortages, reconciling their inventory records with those of USAMMCE, and ensuring that all authorized items were either on hand or on requisition. While these corrective actions are a step in the right direction, CEGE officials agreed with our assessment that these actions will not alleviate the systemic problems discussed above. We believe that USAREUR needs to improve the requisitioning procedures and coordination among CEGE, USAMMCE, and USAMMA to ensure that CEGE receives timely and continuous information on the status of outstanding medical equipment requisitions.

USAREUR'S POMCUS GENERAL
HOSPITAL CAPABILITY IS LIMITED

USAREUR has five 1000-bed POMCUS general hospitals that are not yet fully operational even though they were funded between fiscal years 1980 and 1983. The medical equipment for these hospitals is currently being shipped piecemeal to Burtonwood Army Depot where it is being consolidated for POMCUS storage. During testimony before the House Appropriation Committee in August 1982, the Army projected that three of these hospitals would be operationally ready by September 1983. However, as of May 1986, each of these five hospitals was capable of providing only limited wartime medical support because (1) they had only about half of their authorized medical equipment, and (2) even if they had their authorized equipment, Army officials said that these hospitals could not be activated quickly in wartime. While the Army is taking action to alleviate these problems, we identified other weaknesses, as discussed below, in USAREUR's management of these hospitals.

Equipment Shortages Limit The
Hospitals' Wartime Capabilities

As of May 1986, USAMMCE officials estimated that these five general hospitals are still missing about half of their authorized medical equipment. According to Army officials, these shortages are due primarily to difficulties experienced by the Defense Personnel Support Center in awarding contracts for purchase of the equipment.

A related problem is that the actual equipment shortages at these hospitals is unknown. While we did not determine exactly how much medical equipment is on hand for these hospitals, we were given conflicting stock status information by the various Army organizations that have a role in managing the equipment. The magnitude of the discrepancies is illustrated in the following table, which compares information provided by USAMMA and USAMMCE.

STATUS OF MEDICAL EQUIPMENT
FOR FIVE POMCUS GENERAL HOSPITALS

	<u>USAMMCE</u> <u>ESTIMATE</u> (As of 9/85)	<u>USAMMA</u> <u>ESTIMATE</u> (As of 10/85)
Equipment Required	\$72,112,165	\$62,140,954
Equipment On hand	70,571,169	16,857,750
Excess Equipment On Hand	---	(2,878,787)
Required Equipment On Hand	70,571,169	13,978,963
Equipment Short	1,600,996	48,161,991
Percent of Required Equipment On Hand	97.9%	22.5%

In February 1986, Burtonwood Army Depot reported that about \$19 million worth of medical equipment was on hand for these hospitals.

The Army is currently attempting to identify the actual equipment shortages. For example, at our request, USAMMA, USAMMCE, and Burtonwood Army Depot are in the process of reconciling the inventory discrepancies. In addition, Army officials estimate that the hospitals will receive the remainder of their authorized medical equipment by the end of fiscal year 1986.

These Hospitals Could Not Be
Activated Quickly In Wartime

Even if these five general hospitals had all of their authorized equipment, 7th MEDCOM officials estimate that it would take as much as 120 days to activate them during wartime. In an attempt to reduce this activation period, 7th MEDCOM intends to set up these hospitals in a semi-operational, or "warm-base", configuration during peacetime. As of May 1986, however, only two warm-base sites had been identified, and only minimal site preparation work had been completed. In addition, funding requirements and the source of required funds for site development had not yet been identified. Furthermore, only one hospital's medical equipment set had been moved to its warm-base site, and much of the equipment in this set was still

packed in shipping crates. 7th MEDCOM officials said that they are attempting to acquire the remaining three sites.

Other Management Weaknesses

While we agree with the Army's efforts to alleviate the equipment shortages, and we support 7th MEDCOM's efforts to warm-base these five general hospitals, we believe that more thorough planning and better coordination are needed if USAREUR is to develop the operational capability of these hospitals in a cost effective manner. Specific areas of concern are discussed below.

- Although the Army has identified the medical equipment that these hospitals are authorized, it has not determined what non-medical equipment or personnel are needed. 7th MEDCOM officials are aware of this problem, and have stated that they intend to coordinate with other Army organizations to ensure that a valid Table of Organization and Equipment is developed.
- While the non-medical equipment requirements have not yet been determined, the POMCUS Authorization Document requires CEGE to requisition non-medical equipment for these hospitals. CEGE had outstanding requisitions for non-medical equipment for these hospitals as of April 1986 valued at about \$2.0 million. We do not believe that requisitions should be submitted for non-medical equipment until these requirements have been validated. Furthermore, since each of these hospitals is not expected to be moved once it is warm-based, we believe that the non-medical equipment should be deleted from the POMCUS Authorization Document and that CEGE should defer requisitioning non-medical equipment until 7th MEDCOM has determined whether the items are available at the site or through host nation support.
- Each of these hospitals' equipment requirements include about \$3.4 million worth of medical equipment that is not authorized for prepositioning because it is considered to be too expensive, too sophisticated, too technologically advanced, too difficult to install, or too difficult and expensive to maintain. 7th MEDCOM officials agree with our observation that some of these items appear to be essential to the effective operation of the hospitals. These officials indicated that they plan to (1) review the list of items that are not authorized for prepositioning and (2) take appropriate action to obtain all essential items.

- The medical equipment authorized for these hospitals has been revalidated several times during the procurement process, with changes generating additional requirements and causing other items to become excess. For example, USAMMA records indicated that these hospitals had about \$2.9 million worth of excess medical equipment on hand as of October 1985. 7th MEDCOM officials stated that, once the hospitals are warm-based, they intend to review the list of equipment on hand in an effort to identify and redistribute excess items.
- Until USAMMCE officials recently learned of the medical equipment shortages at these hospitals, USAMMCE was replacing the expired Potency and Dated items. Based on our suggestion, USAMMCE officials cancelled outstanding requisitions to replace expired Potency and Dated items in March 1986 valued at about \$104,000. We believe, and 7th MEDCOM officials agree, that USAMMCE should not replace the expired Potency and Dated items for these hospitals until the medical equipment shortages are filled, and the hospitals are warm-based.
- According to the December 1985 DEPMEDS fielding plan, the medical equipment authorized for these five hospitals is scheduled to be replaced with DEPMEDS in fiscal year 1993. Because the Department of the Army has already requisitioned all of the authorized medical equipment for these hospitals, and 7th MEDCOM is taking steps to enhance these hospitals' capabilities; we believe that the medical equipment at these hospitals should not be replaced with DEPMEDS. 7th MEDCOM officials agree, and indicated that they will recommend that DEPMEDS not be procured for these hospitals.

VERIFICATION AND MONITORING
OF EQUIPMENT STATUS IS NEEDED

USAREUR's wartime medical capability is uncertain because the various Army organizations responsible for managing POMCUS hospital equipment have conflicting information on the extent to which these hospitals have essential medical support equipment. In our opinion, USAREUR can neither properly manage its resources nor effectively plan for its wartime medical mission unless it (1) verifies the equipment status of its POMCUS hospitals, and (2) develops more effective procedures for monitoring this information.

Equipment Status
Is Uncertain

Although CEGE's and USAMMCE's inventory records do not

agree, both indicate that many POMCUS hospitals have critical shortages of medical support equipment. These records show that 14 POMCUS hospitals currently have most of their authorized medical equipment sets, but show that many of these sets are missing essential components such as anesthesia apparatuses and operating room tables. 7th MEDCOM officials agree that these apparent shortages of medical support equipment would seriously impair the hospitals' abilities to accomplish their wartime missions.

USAMMA inventory managers said, however, that their records indicate that most of this medical support equipment should be on hand, and that they believe that the problem is simply one of poor record keeping. As a result, these officials said that they do not intend to fill any of the medical support equipment requisitions submitted by CEGE unless they receive confirmation that the requisitions have been validated. These inventory discrepancies are illustrated in the following example.

CEGE property book records indicate that POMCUS hospitals did not have any of their required 152 anesthesia apparatuses as of April 1986. 7th MEDCOM officials acknowledged that, if these inventory records are accurate, USAREUR's POMCUS hospitals have very limited surgical capability.

The actual status of anesthesia apparatuses, however, is unclear. According to USAMMCE records, USAREUR POMCUS hospitals had 10 anesthesia apparatuses on hand as of May 1986 and an additional 41 apparatuses on hand in USAMMCE warehouses. According to USAMMCE officials, however, most of the 41 in USAMMCE warehouses were unserviceable items awaiting repair. Furthermore, as noted previously, USAMMA officials said that most of these items should be on hand and attributed the apparent shortages to poor record keeping.

A Medical Equipment Management Information System Is Needed

We believe that the inventory discrepancies identified during our review are due, in large part, to the fact that USAMMCE medical equipment managers do not have an automated management information system. At the present time, stock status data on medical equipment set components is maintained manually, and required reports are prepared on an ad hoc basis by manually extracting the data from voluminous files. During our review, we found no evidence to indicate that anyone was systematically monitoring the stock status of POMCUS medical support equipment or taking timely and appropriate action to remedy critical equipment shortages.

Similar problems were identified in a 1982 Defense Audit Service report entitled, Report on the Review of Materiel Readiness of Early Deploying Medical Units. This report identified numerous problems with the Army's management of medical equipment sets in Europe, and recommended that a medical equipment set management information system be developed and installed for USAMMCE. The Army agreed with the report's findings and recommendations, and indicated that such a system would be developed and made operational in fiscal year 1983. According to 7th MEDCOM officials, however, this system has not yet been developed. These officials said that they agree that such a system is needed, and that they intend to determine why this system was not previously developed.

With DEPMEDS fielding scheduled to begin in fiscal year 1987, USAREUR will be receiving hundreds of millions of dollars worth of DEPMEDS equipment. We believe that without a proper management information system, similar lack of equipment visibility problems will become exacerbated.

RECOMMENDATIONS

To ensure that CEGE's efforts to requisition equipment for pre-DEPMEDS POMCUS hospitals are properly coordinated with the Department of the Army's efforts to field DEPMEDS, we recommend that you direct the Commander, CEGE to:

- Request that the appropriate National Inventory Control Points cancel all outstanding requisitions for the 11 hospitals that currently have little, if any, of their authorized medical equipment sets and will not receive any additional medical equipment sets prior to receiving DEPMEDS.
- Not requisition any additional equipment for these 11 hospitals until the Department of the Army identifies which items of equipment are common to both DEPMEDS and pre-DEPMEDS hospitals.

In addition, we recommend that you direct the Commander, 7th MEDCOM to coordinate with the Department of the Army to determine which items (1) are common to both the pre-DEPMEDS and DEPMEDS hospitals and (2) will not be included in the DEPMEDS fielding package.

We also recommend that you improve the requisitioning procedures and coordination among CEGE, USAMMCE, and USAMMA to ensure that CEGE receives timely and continuous information on the status of outstanding requisitions for POMCUS medical equipment.

To ensure that the capabilities of the five pre-DEPMEDS POMCUS general hospitals are developed in an efficient and an effective manner, we recommend that you direct the Commander, 7th MEDCOM to:

- Verify the current equipment status of these hospitals.
- Determine the status of USAMMA's efforts to fill medical equipment shortages in these hospitals and take appropriate actions to ensure that all authorized medical equipment items are either on hand or being procured.
- Expedite efforts to acquire and develop warm-based sites.
- Coordinate with other appropriate Army organizations to ensure that non-medical equipment and personnel requirements are identified and that a Table of Organization and Equipment is developed.
- Identify and redistribute any excess items.
- Determine whether any of the equipment that is not authorized for prepositioning is essential to support these hospitals' missions and, if it is, take appropriate action to ensure that the equipment is added to the list of authorized equipment.
- Defer the replacement of Potency and Dated items until most of the equipment shortages are filled and the hospitals are warm-based.
- Determine what non-medical equipment is available at the warm-based sites or through host nation support.

We are also recommending that you direct the Commander, CECE to request cancellation of all equipment requisitions for these 5 general hospitals and defer submitting any additional requisitions until (1) the hospitals' equipment status and equipment requirements have been determined and (2) 7th MEDCOM has determined what non-medical equipment is available at the warm-based sites and/or through host nation support.

In view of ongoing efforts to enhance the readiness of the 5 general hospitals, we are also recommending that you advise the Department of the Army that it is not necessary to replace these equipment sets with DEPMEDS equipment.

Finally, to ensure that USAREUR can effectively manage its POMCUS hospital equipment and properly prepare for its wartime

medical mission, we are recommending that you direct the Commander, 7th MEDCOM to:

- Verify the medical equipment status of all POMCUS hospitals and provide the results to CEGE.
- Validate POMCUS hospitals' outstanding medical equipment requisitions and provide the results to CEGE and USAMMA.
- Coordinate the development and installation of a medical equipment set management information system for USAMMCE.
- Establish reporting requirements for USAMMCE that will ensure greater visibility over the equipment status of POMCUS hospitals' medical equipment and that will allow management to (1) identify equipment problems that have a critical impact on readiness and (2) take timely and appropriate action to correct these problems.