

November 1992

# VETERANS' BENEFITS

## Availability of Benefits in American Samoa



147978

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**Human Resources Division**

B-249654

November 18, 1992

**The Honorable Lane Evans  
Chairman, Subcommittee on Oversight  
and Investigations  
Committee on Veterans' Affairs  
House of Representatives****The Honorable Neil Abercrombie  
The Honorable Eni Faleomavaega  
House of Representatives**

This report responds to your request that we review how well the Department of Veterans Affairs (VA) is meeting the needs of veterans living in American Samoa. To address this issue, we sought to determine how VA provides medical services and other benefits, such as pensions and home loans, to veterans in American Samoa. The scope and methodology of our review, which was conducted between April and June 1992, is included in appendix I.

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**Background**

American Samoa is an unincorporated, essentially self-governing territory of the United States located in the South Pacific about 2,300 miles southwest of Hawaii.<sup>1</sup> The territory consists of seven islands and has a population of about 47,000, approximately 95 percent of whom live on the island of Tutuila. The population is young, with over one-third being under 19 years of age. American Samoans have been eligible to serve in the U.S. armed forces since American Samoa became a U.S. territory in 1900. American Samoa government officials estimate that from 2,000 to 3,000 veterans live in American Samoa. However, the 1990 U.S. Census, based on a 100-percent household survey, found only 830 veterans living in American Samoa.

In 1951, the Secretary of the Interior assumed administrative responsibility for the territory; since then American Samoa has progressed toward greater self-government.<sup>2</sup> Although American Samoa's modern government is a constitutional democracy with executive, legislative, and judicial branches, the Department of the Interior maintains oversight and policy responsibilities for the territory.

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<sup>1</sup>The term "unincorporated" refers, in part, to the fact that the U.S. Constitution does not apply in full to American Samoa.

<sup>2</sup>Between 1900 and 1951, the islands were under the control of the Department of the Navy.

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In April 1992, we reported that poor financial management practices by the American Samoa government are the primary cause of American Samoa's deteriorating financial condition.<sup>3</sup> We found that the Department of the Interior's efforts to improve American Samoa's financial management have been ineffective. American Samoa has not fully complied with conditions attached to the operating assistance it receives, and Interior has been lenient in enforcing compliance. In addition, we reported that American Samoa has been slow to respond to recommendations by Interior's Office of the Inspector General. We made a series of recommendations to the Secretary of the Interior intended to ensure that the American Samoa government improves its financial management practices.

American Samoa has a limited economic base, and its health care system is highly dependent on federal subsidies. For example, in fiscal year 1991, about 84 percent of the territory's budgeted revenues for the Department of Health were provided by grants from the Department of the Interior and other federal agencies. The American Samoa government operates a Veterans Affairs office to answer questions and assist veterans in obtaining benefits.

Residents are entitled to essentially free medical care. Care is provided at the Lyndon Baines Johnson (LBJ) Tropical Medical Center, the only hospital in American Samoa. The LBJ medical center has 117 beds and an annual budget of about \$11 million. The LBJ medical center, operated by the American Samoa government, charges patients a nominal fee for outpatient and hospital care and provides free medications. All physicians in American Samoa work for the LBJ medical center.

Patients who cannot be treated at the LBJ medical center because of the lack of equipment or trained physicians are sent off-island for treatment. When this occurs, American Samoa pays the patient's transportation and medical costs. These patients are normally sent to the Tripler Army Medical Center in Honolulu, and Tripler bills the American Samoa government for the care provided. Twelve hospital beds were included in the construction planning of Tripler Army Medical Center to serve American Samoa and the Trust Territories. The patient is referred to another off-island hospital if Tripler cannot provide the needed care.

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<sup>3</sup>American Samoa: Inadequate Management and Oversight Contribute to Financial Problems, (GAO/NSIAD-92-64, Apr. 7, 1992).

VA last performed a formal assessment of the needs of veterans living in American Samoa as part of a 1987 study by the Hawaii Veterans' Health Care Task Force. The report concluded that the level of health care services available to veterans in American Samoa did not meet the standard available in the continental United States.

Based upon the recommendations of the 1987 task force, VA began in 1988 to send staff to American Samoa on a quarterly basis. These traveling teams typically consist of a benefits counselor, an internist, a psychiatrist, and an administrative assistant. The teams spend 4 working days in American Samoa, operating out of the LBJ medical center. In addition to the quarterly team visits, VA sends a vocational rehabilitation counselor to provide counseling and other services twice a year in American Samoa.

VA refers veterans to VA and other medical facilities in Hawaii when they need specialized care. In such cases, VA pays the veteran's transportation to Hawaii and medical costs. In addition, VA will transport veterans to Hawaii for compensation and pension examinations if necessary to comply with a VA requirement to perform these examinations within 35 days of a veteran's application. Normally, these examinations are performed by the traveling VA teams during their quarterly visits.

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## Results in Brief

While American Samoa citizens, including veterans, are eligible for essentially free medical care, the medical facilities in American Samoa are limited, and financial problems have disrupted care at the only hospital. VA sends doctors to American Samoa on a quarterly basis but their primary purpose is to perform examinations for benefit claims—not to treat patients. Under this arrangement, the psychiatric needs of veterans with post-traumatic stress disorder (PTSD) are not being met, some veterans claim it is difficult to obtain needed medical referrals, and veterans who need drug and alcohol treatment or readjustment counseling are not being served.<sup>4</sup>

A greater percentage of veterans in American Samoa (20 percent) receive VA compensation or pension benefits than veterans in the rest of the nation (10 percent). VA home loans, however, are not available to veterans in American Samoa due to problems in administering the program on communally owned lands.

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<sup>4</sup>PTSD is a syndrome that a person may develop after having experienced a severely stressful or traumatic event, such as military combat.

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## Medical Services Are Being Provided, but Some Services Are Limited

The LBJ medical center provides veterans with most of their health care. However, the LBJ medical center has had supply shortages that have hurt patient care. While visiting VA doctors also provide care, the services provided by VA are limited and do not meet the needs of veterans with PTSD. VA and the American Samoa government both operate off-island medical referral programs. Drug and alcohol treatment and readjustment counseling are not offered.

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## The LBJ Medical Center Is the Primary Provider of Health Care to Veterans

The LBJ medical center is the primary provider of health care in American Samoa. It offers a broad range of medical care, including the areas of general medicine, surgery, psychiatry, pediatrics, and obstetrics. However, it does not offer specialty services, such as cardiology. The LBJ medical center does not identify whether patients are veterans or provide veterans with special treatment.

Veterans, like other residents of American Samoa, are provided essentially free medical care. Though VA and the LBJ medical center do not have a formal support agreement, the medical center provides free assistance to VA in treating veterans. The LBJ medical center provides support staff and facilities to visiting VA doctors, and medical center staff perform follow-up examinations for veterans treated by visiting VA doctors. VA is considering asking the LBJ medical center to further assist VA by performing certain types of benefit application (compensation and pension) examinations in order to avoid transporting veterans to Honolulu. VA does not reimburse the medical center for these services.

## Supply Shortages at the LBJ Medical Center

The LBJ medical center has had supply problems that have affected patient care. These problems are largely due to financial problems in the American Samoa government. In 1991, the VA Supply Depot—the primary supplier of drugs and medical supplies to the medical center—suspended shipments to American Samoa because its government had unpaid bills totaling nearly \$825,000.<sup>6</sup> The suspension of VA supply shipments to the medical center created serious shortages in medications. During the November 1991 visit, the traveling VA medical team found that 72 medications, including such basic medicines as nitroglycerine, Tylenol with codeine, and aspirin, were not available. In addition, routine X rays, such as chest X rays, could not be ordered by the traveling VA doctor due to a shortage of chemical solutions needed for development of radiographs. According to the director of the Department of Health, these

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<sup>6</sup>A 1978 supply agreement between VA and the American Samoa government provided for payment of invoices not later than 15 days after receipt of billing.

shortages had a significant impact on the welfare of patients at the medical center.

In July 1991, VA agreed to resume shipments of supplies if the American Samoa government paid for half of all new orders in advance and made regular payments on the previously unpaid balance. The director of the LBJ medical center stated that VA and the American Samoa government had resolved the supply problem and the LBJ medical center's supply inventory would be restored by the end of 1992.

However, beginning in June 1992, VA started delaying shipments of drugs and supplies to the LBJ medical center because American Samoa was not including the 50-percent payment with its orders. Instead of paying through an electronic fund transfer at the time it places an order, American Samoa sends its payments by mail. This results in delays in VA shipments. The LBJ medical center's ongoing billing and supply problems will continue to limit the ability of the medical center to provide care to its patients, including veterans.

### **Problems With Medical Services Available to Veterans in American Samoa**

VA's visiting medical teams provide only limited care, and veterans with PTSD are not being treated by either VA or the LBJ medical center. VA's off-island medical referral program is limited primarily to service-connected veterans, and veterans claim it is difficult to get a referral under the American Samoa government off-island medical referral program. Veterans are unable to obtain needed drug and alcohol treatment and readjustment counseling.

### **Quarterly Visits Provide Limited Care**

The primary purpose of the VA medical teams' quarterly visits is to perform compensation and pension examinations rather than to provide medical treatment for veterans. These examinations are scheduled before the team's arrival in American Samoa. Nearly all of the patients seen by the psychiatrist are for compensation and pension examinations. The internist's work load is split evenly between performing compensation and pension examinations and treating walk-in patients who have questions, need prescription refills, or have had difficulty getting treatment for their service-connected conditions.

The role of the traveling medical teams in providing medical treatment is limited, VA officials told us, to serving as consultants to LBJ medical center doctors who are the primary providers of health care to veterans. VA wants to improve veterans' access to medical care in American Samoa, but does

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not want veterans to rely on VA as their sole medical provider. This is because quality medical care cannot be provided on a quarterly basis. Visiting VA doctors are not in American Samoa long enough to monitor a patient's progress or follow-up on the effectiveness or possible side effects of any medications prescribed. As a result, this work must be left to doctors at the LBJ medical center.

### Veterans' Psychiatric Needs Not Met

As discussed above, VA psychiatrists do not provide treatment to veterans in American Samoa but rather perform compensation and pension examinations on new applicants during each visit. The largest psychiatric needs of veterans in American Samoa are, VA psychiatrists told us, for alcohol and PTSD treatment. One VA psychiatrist said that some patients he has seen while performing compensation and pension examinations are psychotic and violent. In such cases, the VA psychiatrist may prescribe strong medications, which could have serious side effects. VA psychiatrists limit the length of the prescription and recommend that the patient seek follow-up care at the LBJ medical center. However, VA psychiatrists do not routinely follow up with patients or LBJ medical center doctors to determine if the medication was effective, or even if the patient went to the medical center for the follow-up exam. The VA psychiatrist acknowledged that the quarterly visits make it difficult to follow up with patients, which creates a serious problem.

The LBJ medical center, however, is not equipped to handle some psychiatric problems. Its one full-time psychiatrist was not trained as a medical doctor in the United States. The psychiatrist was trained in Fiji as a medical officer and has not been trained in the treatment of PTSD. The LBJ medical center does not have a detoxification facility, psychiatric ward, or a lock-up room suitable for violent or suicidal patients. Violent patients are placed in the local prison until they can be treated at the LBJ medical center or relocated to Hawaii for treatment.

Treatment for veterans with PTSD is generally not available in American Samoa. We obtained a list of 16 veterans diagnosed by VA as suffering from PTSD related to their military service. Only six of these veterans had ever been seen by the psychiatrist at the LBJ medical center; only two of the six were receiving regular treatment. VA psychiatrists said that most patients they have seen in American Samoa do not seek care at the LBJ medical center due to the inexperience of the medical center's staff in dealing with drug and alcohol abuse and PTSD patients.



Veterans suffering from PTSD are also not being referred by VA to Hawaii for treatment. We examined all of the referrals made by VA between October 1989 and April 15, 1992, and found that no veteran from American Samoa was referred for the treatment of PTSD.<sup>6</sup> The chief of psychiatry at the VA Medical and Regional Office Center in Honolulu acknowledged that no veterans from American Samoa have gone to Hawaii for treatment of PTSD. Another VA psychiatrist told us that he tried unsuccessfully to convince one veteran to go off-island for treatment. He noted that psychiatric care requires a constant presence so that familiarity and trust can be developed between the patient and the psychiatrist that would enable the psychiatrist to convince the patient of the benefits of treatment.

### Veterans' Concerns With Referral Programs

Though VA has authorized referrals for veterans with nonservice-connected conditions or disabilities when funds have been available, VA's policy is to authorize off-island medical referrals only for veterans with service-connected medical conditions. Veterans not eligible for a medical referral by VA must go through the American Samoa government off-island referral program.

Veterans in American Samoa stated, however, that the American Samoa government's off-island referral program was influenced by politics, making it difficult to get a referral for certain conditions without political connections. In our April 1992 report (see p. 2) on the financial and management problems of the American Samoa government, we found that weak or nonexistent internal controls created considerable potential for program abuse in the off-island referral program.

### Drug and Alcohol Treatment Limited

VA and the American Samoa government provide only limited drug and alcohol treatment. Alcohol abuse is a serious problem in American Samoa and, VA doctors told us, is also a common problem among veterans suffering from PTSD. VA does not provide drug and alcohol treatment to veterans in American Samoa. This treatment is offered on an outpatient basis by the Social Services Division of the American Samoa government, but there are no residential treatment or detoxification facilities in American Samoa. Officials in American Samoa's Social Services Division said that veterans in American Samoa would benefit from better drug and alcohol counseling.

<sup>6</sup>There were 53 off-island medical referrals for American Samoa veterans between October 1989 and April 15, 1992. VA was able to provide documentation on the reason for 47 of the referrals; none were for treatment of PTSD. Of the 16 American Samoa veterans with service-connected PTSD, 3 had off-island medical referrals unrelated to their PTSD.

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**VA Readjustment Counseling Services Not Offered**

The VA Readjustment Counseling Service stopped sending counselors to American Samoa in 1990 due to a lack of funds. Readjustment counselors assist Vietnam era veterans and their families and are experienced in guidance counseling, social work, and psychology. The 1990 Census found 267 Vietnam era veterans in American Samoa. Counselors were first sent to American Samoa in 1988 in response to a recommendation in the 1987 report issued by the Hawaii Veterans' Health Care Task Force. Based on its earlier visits to American Samoa, VA identified the problems of Vietnam era veterans as PTSD, severe substance abuse, and significant family difficulties, including child and spouse abuse.

Readjustment Counseling Service staff stated that quarterly visits provide only a limited solution to the problems of veterans in American Samoa because such visits do not permit continuity of care. In 1990, VA attempted to contract for counseling services in American Samoa, but did not find a qualified counselor. As an alternative, VA is considering training social workers in American Samoa on how to assist veterans.

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**Compensation and Pension Benefits Provided, Although Other Benefits Are Not**

Veterans in American Samoa receive compensation and pension benefits at a rate much higher than the national average. However, VA guaranteed home loans, a VA benefit available to the majority of veterans, are not available in American Samoa. Veterans in American Samoa also do not have the same toll-free telephone access to VA officials to answer questions or resolve problems that is available to veterans in Guam and Hawaii.

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**Compensation and Pension Benefits Exceed the National Average**

VA provides compensation and pension benefits to a larger percentage of the veteran population in American Samoa than in the rest of the nation. Compensation benefits are paid to veterans with service-connected disabilities, while pensions are provided to wartime era veterans with low incomes and disabilities unrelated to their military service. Based on estimated fiscal year 1991 VA data, about 10 percent of all veterans in the United States receive compensation or pension benefits. According to VA figures, at the end of fiscal year 1991, VA was providing compensation or pension benefits to 164 veterans, or 20 percent of the veteran population in American Samoa.

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## VA Home Loans Unavailable

Veterans in American Samoa are not able to obtain VA home loans.<sup>7</sup> The problems faced by veterans in American Samoa are similar to the problems faced by native American veterans living on trust lands. The majority of land in American Samoa is communally owned, which makes it costly to service a loan and very difficult to foreclose on a property. These factors, plus the geographic isolation of areas like American Samoa, make it difficult for banks to sell the loans on the secondary loan market. VA is willing to guarantee home loans in American Samoa, but lenders are unwilling to make the loans. A recent change that permits long-term leases (up to 55 years) in American Samoa has, VA officials said, reduced, but not eliminated, the problems with mortgage lending on communally owned land. Low average income levels and poorly developed infrastructure are also obstacles to the VA home loan program.

A 1991 congressionally mandated study examining the VA home loan program on trust lands found that American Samoa does not have the infrastructure in place to permit the VA loan program to function properly.<sup>8</sup> Problems include a lack of financial services, such as home mortgage lending institutions, appraisal services, private mortgage insurers, title insurance companies, and home insurance companies. American Samoa also lacks community services, such as roads, utilities, water systems, and fire protection. The study concluded that these problems create an environment that is unsuitable for the VA guaranteed home loan program as it is currently structured.

The proposed Native American Veterans' Home Loan Equity Act of 1992 (S. 2528), is designed to enable Native American veterans to obtain VA home loans on trust lands.<sup>9</sup> The bill would create a 5-year pilot direct loan program for Native Americans living on trust lands. The loans would bear interest at a rate not to exceed the rate established for VA guaranteed loans. However, VA officials cautioned that if the bill becomes law, American Samoa will not necessarily be included in the pilot program. The bill does not, they pointed out, address the problems in American Samoa concerning poor infrastructure, questionable building codes, the absence of a secondary market for the loans once they are made, low average

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<sup>7</sup>VA home loans offer reduced down payment and qualifying income requirements for mortgage loans made to eligible veterans. The loans are offered by private-sector lenders to qualifying veterans under the direction of VA. Lenders provide these loans because of the economic incentives they receive from the origination fees, servicing fees, and interest on the loans.

<sup>8</sup>Booz-Allen and Hamilton, Inc., "Assessment of the Utilization of the VA Home Loan Benefit by Native American Veterans Living on Trust Land," May 1, 1991.

<sup>9</sup>As of November 4, 1992, S.2528 had not been passed by either House of Congress.

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income levels, and the inability of the American Samoa government to guarantee the loans as called for in the bill.

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### **Toll-Free Phone Service Unavailable**

Veterans in American Samoa do not have access to toll-free telephone service to VA to answer questions. This service is available to veterans in Guam and Hawaii, but is currently not offered by the telephone companies serving American Samoa. However, a telephone company official told us that toll-free service may be available in American Samoa by the end of 1992. VA officials said that they will establish toll-free service for veterans to handle questions about benefits and other issues when the service becomes available.

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### **Conclusions**

The small size of the veteran population and the geographic isolation of American Samoa make it difficult for VA to improve the medical care provided veterans. Nonetheless, VA needs to continue to explore options that would improve the services available to veterans, particularly treatment of service-connected conditions, such as PTSD, other readjustment problems, and substance abuse. These options include:

1. Training the LBJ medical center psychiatrist to identify and treat PTSD, and moving forward with efforts to train social workers in American Samoa to provide readjustment counseling services.
2. Establishing a permanent VA staff position in American Samoa to improve continuity of care. This position might be a nurse practitioner (similar to nurse practitioners found in the primary care clinics in Hawaii); a social worker capable of providing drug, alcohol, and readjustment counseling; or a medical doctor. If the work load is too low to justify a full-time medical professional, VA could jointly staff and fund the position with the LBJ medical center allowing the staff person to treat both veterans and nonveterans.
3. Establishing a memorandum of understanding with the LBJ medical center specifying the services the medical center will provide veterans (such as compensation and pension examinations and follow-up treatment for veterans provided treatment by VA psychiatrists during their quarterly visits), the procedures necessary for the medical center to refer patients to VA for care, and a reimbursement mechanism to compensate the medical center for services and care provided to eligible veterans. Given the current financial problems faced by the American Samoa government, it is

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not realistic to expect the LBJ medical center to provide expanded services to veterans without reimbursement from VA.

Correction of many of the problems limiting health care services for veterans in American Samoa, such as the shortage of drugs and medical supplies, is dependent on the success of the American Samoa government in improving its financial management practices. This heightens the need for the Department of the Interior to move promptly to fully implement the recommendations in our April 1992 report. In the meantime, however, Interior, VA, and the American Samoa government need to work together to ensure that critical drugs and medical supplies are available on a continuous basis.

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## Agency Comments

The Assistant Secretary of the Interior for Territorial and International Affairs and the Acting Secretary of Veterans Affairs advised us that Interior, VA, and the American Samoa government are working together to ensure that critical drugs and medical supplies are available on a continuous basis. (See apps. II and III, respectively.) VA also said that it is actively seeking to improve the availability of benefits for veterans living in American Samoa and outlined several planned actions to improve services. The American Samoa government was also given an opportunity to comment on a draft of this report but had not done so when this report was finalized.

VA pointed out that an interagency supply support agreement between VA and the American Samoa government was signed in 1978. The agreement requires invoices to be paid promptly and not later than 15 days after receipt of billing. The Department of the Interior was, the Assistant Secretary said, instrumental in the development of the new agreement in July 1991 that led to the resumption of VA shipments following the suspension. The current agreement in place between the American Samoa government and VA provides for American Samoa to pay 50 percent of the value of the shipment of medical supplies at the time of the order and the remaining 50 percent upon delivery. VA noted that during Hurricane Val it waived the 50-percent advance payment requirement.

Interior pointed out that the American Samoa government is currently having difficulty meeting its financial obligations, including payments to VA, due to a cash shortage. Adding to the confusion, Interior notes, is the decision by the American Samoa government to send checks by mail rather than by electronic transfer, further delaying payments. VA said that

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these payment delays in turn lead to shipping delays. We have clarified the wording on page 5.

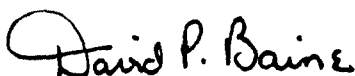
Interior said that it will continue to monitor the supply situation and work with VA and the American Samoa government to facilitate the shipment of medical supplies. Interior noted, however, that the Secretary cannot supervise or give direction concerning matters within the "executive powers" of the American Samoa government.

VA said that it is attempting to improve services to veterans in American Samoa by, among other things,

- increasing training and consultation with the LBJ medical center staff,
- improving communication by establishing facsimile service and a new veterans representative in American Samoa,
- employing a senior peer counselor for PTSD treatment to join the quarterly clinical team visiting the island,<sup>10</sup>
- planning (in April 1993) intensive workshop training in American Samoa for wartime PTSD as well as civilian trauma, and
- negotiating (with the American Samoa governor's office) the possibility of jointly funding one clinician at the LBJ medical center to coordinate continuity of veteran care.

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We are sending copies of this report to the Secretaries of Veterans Affairs and the Interior, the governor of American Samoa, and other interested parties. Please contact me at (202) 512-7101 if you or your staff have any questions concerning this report. Other major contributors to this report are listed in appendix IV.



David P. Baine  
Director, Federal Health Care  
Delivery Issues

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<sup>10</sup>These additional staff will provide the psychiatrist at the LBJ medical center with training, consultation, and demonstration through direct clinical intervention for PTSD. They will also provide clinical staff at the medical center and interested veterans and their families with an orientation to VA's inpatient PTSD program and other VA services. Finally, they will (1) be available for counseling and evaluation of combat veterans, (2) provide assistance in ongoing group sessions led by local clinicians, and (3) assist in the evaluation of admission criteria for the inpatient rehabilitation program in Hilo, Hawaii.



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## Abbreviations

GAO	General Accounting Office
LBJ	Lyndon Baines Johnson Tropical Medical Center
PTSD	post-traumatic stress disorder
VA	Department of Veterans Affairs





# Scope and Methodology

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To determine how well VA provides services to veterans in American Samoa we interviewed VA officials at the Medical and Regional Office Center in Honolulu, Hawaii; VA headquarters in Washington, D.C.; and the Readjustment Counseling Service in Honolulu and San Francisco. We reviewed VA documents describing medical and other services provided in American Samoa, including lists of beneficiaries, descriptions of patients referred by VA to Hawaii for medical care, and the number of patients treated by VA doctors during their quarterly visits. We also obtained a list of veterans identified by VA as having PTSD and compared this list to records kept by the psychiatrist at the LBJ medical center in American Samoa. Our review of nonmedical VA benefits focused on compensation and pension benefits and home loans because we felt these to be the most significant benefits provided by VA.

To determine the level of medical and other services available in American Samoa and obtain the views of veterans and local officials we visited American Samoa. We interviewed American Samoa government officials, including the governor, the director of the Department of Health, key LBJ medical center personnel, the veterans affairs officer, social workers, and the director of communications. To obtain the views of veterans we interviewed the officers from the only active veterans group, the American Samoa Veterans Association, and met with numerous other veterans at a large meeting sponsored by the Veterans Association. We also reviewed documents in the Veterans Affairs office and the LBJ medical center.

We conducted our review from April to June 1992 in accordance with generally accepted government auditing standards.

# Comments From the Department of the Interior



## United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240  
September 14, 1992



Mr. David P. Baine  
Director, Federal Health Care  
Delivery Issues  
Human Resource Division  
United States General Accounting Office  
Washington, D.C. 20548

Dear Mr. Baine:

Thank you for the opportunity to comment on your draft report entitled Veterans Benefits: The Availability of Benefits in American Samoa (GAO/HRD-92-135), transmitted by your letter of August 4, 1992.

To begin with, I would like to refer to our letter of January 28, 1992, responding to the General Accounting Office (GAO) Report on American Samoa: Inadequate Management and Oversight Contribute to Financial Problems. In that response, we raised concerns over Interior's authority to supervise the Government of American Samoa. We agreed with the findings in the report. We raise again those same concerns. The Secretary cannot supervise or give direction concerning matters within the "executive power" of the American Samoa Government (ASG). Interior cannot tell American Samoa how to prioritize its budgets or manage its spending.

During the Congressional hearing conducted on May 19, 1992, GAO officials agreed that their recommendations to have the Department of the Interior withhold funds should be the last course of action. GAO testified that the first and best approach should be a collaborative effort between the Department and the ASG to solve the problems cited in their report. GAO's testimony was in agreement with the Department of Interior's position. Attached is a copy of our response of July 6 to the final report.

We are working with the Veterans Administration (VA) and American Samoa to ensure that critical drugs and medical supplies are available on a continuous basis. There is an agreement in place between the American Samoa Government and Veterans Administration where American Samoa will pay 50 percent of the value of the shipment of medical supplies at the time of the order and the remaining 50 percent upon delivery. The Department of the Interior was instrumental in the development of this agreement.


We do, however, want to raise the issue that the American Samoa Government is having problems in making payments to the Veterans Administration. American Samoa is currently having difficulty meeting their financial obligations due to a cash shortage.

**Appendix II  
Comments From the Department of the  
Interior**

American Samoa has chosen to send checks by mail rather than by electronic transfer which has added to the confusion in payment delivery.

We will continue to monitor the situation and work with the Veterans Administration and the American Samoa Government to facilitate the shipment of medical supplies to American Samoa.

Sincerely,



Stella Guerra  
Assistant Secretary  
Territorial and International Affairs

Attachment

# Comments From the Department of Veterans Affairs



THE SECRETARY OF VETERANS AFFAIRS  
WASHINGTON

OCT 16 1992

Mr. David P. Baine  
Director, Federal Health Care  
Delivery Issues  
U.S. General Accounting Office  
441 G Street, Northwest  
Washington, DC 20548

Dear Mr. Baine:

I have reviewed your draft report, **VETERANS BENEFITS: Availability of Benefits in American Samoa** (GAO/HRD-92-135) and agree with your concerns regarding service to veterans there. There are a number of issues that affect the delivery of benefits to veterans residing in American Samoa, and the Department of Veterans Affairs (VA) is actively seeking to improve the availability of benefits for these veterans.

I believe the most critical issue regarding American Samoa is the continuity of providing prescription drugs and medical supplies. Not only are veterans dependent on these shipments, but the rest of the American Samoan population is equally dependent on them. However, the last paragraph on page 5 indicates VA and the LBJ Medical Center do not have a formal support agreement for the treatment of veterans. While this is true, you should be aware that a Supply Support Interagency Agreement between VA and the Government of American Samoa was signed in 1978. This agreement outlines the procedures for VA to provide prescription drugs and medical supplies to American Samoa and requires invoices to be paid promptly and not later than 15 days after receipt of billing.

Because of financial problems in the American Samoa Government, the invoices are not paid in a timely manner. VA, the Department of the Interior, and the Government of American Samoa have been trying to resolve this issue for some time now. Because of the large dollar values involved, VA had no choice but to suspend shipments until the balance was paid. However, recognizing the critical need for pharmaceuticals and other medical supplies, we agreed to resume shipping of supplies if American Samoa paid for half of all new orders in advance and made regular payments on the unpaid balance. We have been supplying the LBJ Medical Center with supplies based on that premise for the past year. During Hurricane Val, we waived the 50 percent advance payment requirement. However, we are still experiencing delays in payments from American Samoa. As understood by the parties involved, these payment delays in turn lead to shipping delays.

Now on p. 4.

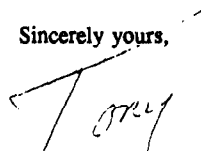
**Appendix III  
Comments From the Department of  
Veterans Affairs**

We are attempting to improve services to veterans in American Samoa. For example,  
VA is:

- o Increasing training and consultation with the LBJ Medical Center staff.
- o Improving communication with the VA Medical and Regional Office Center (VAMROC) Honolulu through facsimile service and the presence of a new veterans representative in American Samoa. VA has been working to provide long-distance toll free service between American Samoa and VA's office in Honolulu but the telephone carriers have not yet been able to do so. However, we are optimistic this service will soon be available, at which time we will again evaluate the feasibility of installing toll-free service.
- o Employing a senior peer counselor for post-traumatic stress disorder (PTSD) treatment to join the quarterly clinical team visiting the island. These additional staff will train and consult with the LBJ Medical Center psychiatrist and demonstrate direct clinical intervention for PTSD. They will provide the clinical staff at the LBJ Medical Center, as well as interested veterans and their families with an orientation to the Pacific Center inpatient PTSD program and other related VA services. They will also be available for counseling or other evaluation sessions for combat veterans, will provide assistance in on-going group sessions led by local clinicians, and will assist the clinician at the LBJ Medical Center in evaluation of admission criteria for the Pacific Center inpatient rehabilitation program in Hilo, Hawaii.
- o Planning intensive workshop training in American Samoa for war-time PTSD as well as civilian trauma. This workshop is planned for spring 1993. Beginning in summer 1993, the VAMROC Pacific Center and the Honolulu Vet Center will invite the psychiatrist and other interested clinicians at the LBJ Medical Center to attend a week long mini-residency at the Pacific Center inpatient unit in Hilo, with the PTSD clinical team at VAMROC Honolulu and at the Honolulu Vet Center.
- o Negotiating the possibility of jointly funding one clinician at the LBJ Medical Center with the American Samoan Governor's Office. This clinician would coordinate continuity of veteran care whether medical, substance abuse, other psychiatric, readjustment counseling, etc. Currently, VA consultation with clinicians at the LBJ Medical Center continues to provide patient monitoring and medications to veterans.

Thank you for the opportunity to comment on this report.

Sincerely yours,



Anthony J. Principi  
Acting Secretary

AJP/vz

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