

DOCUMENT RESUME

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[Veterans' Administration Actions Taken in Response to GAO Report on the Agency's Automated Clinical Lab System].

HRD-77-122; B-133044. July 12, 1977. 5 pp.

Report to Sen. Alan Cranston, Chairman, Senate Committee on Veterans' Affairs; by Elmer B. Staats, Comptroller General.

Issue Area: Health Programs (1200); Health Programs: Federal Government Control of Costs Through Direct Delivery Programs (1216); Automatic Data Processing (100).

Contact: Human Resources Div.

Budget Function: Health: Health Care Services (551); Veterans Benefits and Services: Veterans Education, Training, and Rehabilitation (702).

Organization Concerned: Veterans Administration.

Congressional Relevance: House Committee on Veterans' Affairs; Senate Committee on Veterans' Affairs.

The Veterans' Administration's (VA's) automated clinical laboratory is basically a small computer system designed to provide physicians with prompt and accurate test results and the hospitals with accurate administrative reports. A GAO study concluded that the system had not greatly improved the timeliness and accuracy of the test results nor the accuracy of the administrative reports. GAO further concluded that the system was no better than the manual system that it had replaced. It was recommended that the further development of the system be terminated until its reliability and capability could be evaluated and that the computer's role in hospital laboratory and administrative operations be studied. Findings/Conclusions: The VA has made several studies of the deficiencies of the clinical laboratory reporting system noted earlier, but the actions taken by the VA were not responsive to the GAO report. The response is basically concerned with the issue of whether the new system it plans--the Honeywell H-716--will be cost beneficial. The VA has not addressed the main problems identified by GAO. (DJM)



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

B-133044

JUL 12 1977

The Honorable Alan Cranston  
Chairman, Committee on Veterans' Affairs  
United States Senate

Dear Mr. Chairman:

Your letter of February 28, 1977, asked that we review the Veterans Administration's (VA's) response to our report concerning VA's automated clinical laboratory system (HRD-77-2, October 12, 1976). You were interested specifically in whether VA's comments in its January 13, 1977, letter to you were responsive to our report. Based on our analysis of the support for some of the statements in VA's letter, as discussed below, we do not believe VA's letter to you is responsive to the matters discussed in our report.

PREVIOUS GAO REPORT

In our October 1976 report, we noted that VA had developed an automated clinical laboratory reporting system. This system is basically a small computer system designed to help diagnose and treat patients by providing physicians prompt and accurate test reports.

It

- maintains patients' administrative records,
- permits patient test results to be transmitted from hospital laboratories to patient wards for use by attending physicians,
- produces administrative reports, and
- generates reports showing cumulative patient tests to help physicians detect trends in patients' conditions.

HRD-77-122

02848

We concluded that the clinical laboratory reporting system used by VA--the Honeywell model 316--had not greatly improved the timeliness and accuracy of patient laboratory test results and the accuracy of hospital administrative reports. We also concluded this system was no better than the manual system it had replaced. Therefore, we recommended that the Administrator of Veterans Affairs require the Department of Medicine and Surgery to:

- terminate further development of the clinical laboratory reporting system until it had evaluated (1) reliability of the system and (2) whether it can produce timely and accurate patient test results and administrative reports, and
- study what role the computer should play in hospital laboratory and administrative operations.

The Administrator of Veterans Affairs stated in his January 13, 1977, letter to you that VA had "made several studies . . . and determined that the Honeywell model 716 system will be cost-beneficial and incorporate needed revisions to overcome some limitations of the H-316 system." He also added that VA planned to upgrade the five H-316 systems to H-716's during fiscal year 1977 and add five new systems, with H-716 computers, in fiscal year 1978.

#### STUDIES NOT RESPONSIVE TO GAO REPORT

An official of VA's Health Services Research and Development Service told us that the studies referred to in the Administrator's letter consisted of the following:

- A cost/benefit analysis of the Series H-716, Automated Clinical Laboratory System, made by VA's Management Engineering Service, dated February 1976.
- A VA Automatic Data Processing (ADP) Plan, dated September 1976.

--A VA solicitation document (request for proposal #101-1-77), for a laboratory computer system.

--A series of memorandums of telephone conversations between the VA Central Office and hospital personnel concerning the H-316 system.

Our analysis of these documents showed that the actions taken by VA were not responsive to the recommendations of our previous report.

#### Cost/benefit analysis of series H-716 system

The H-716 Automated Clinical Laboratory System is a computer based system designed to support the operation of hospital clinical laboratories. The H-716 also has two subsystems dealing with (1) the scheduling of patients' appointments at hospital clinics, and (2) the admission and disposition of patients. The cost/benefit analysis encompassed the possible installation of the H-716 system at the VA hospitals in Minneapolis, Miami, Durham, Boston, and a fifth undesignated hospital.

Our analysis of the cost/benefit study showed that it did not address either the problems of the H-316 system discussed by us in our October 1976 report or how the H-716 could or would solve these problems. An official of VA's Management Engineering Service told us that the majority of the H-716 cost/benefit study savings were in the laboratory subsystem, and resulted from the H-716's being able to build upon or supplant an existing automated clinical lab system at four of the hospitals. Furthermore, he stated that the favorable cost/benefit ratio shown by the study was primarily due to these factors. He said that because these factors could not be expected throughout the entire VA system, the expansion of this system to include the entire VA system would not be cost beneficial.

#### VA's September 1976 ADP plan

This document discussed the ADP plans for VA's Department of Medicine and Surgery. While some mention of both the H-316 and H-716 system is made, it is not

a study of the costs and benefits of the H-716 and how it will incorporate needed revisions to overcome the limitations of the H-316 system.

This plan is also not responsive to our recommendations because it does not address the issue of what role the computer should play in hospital laboratory and administrative operations.

#### VA solicitation document

On November 10, 1976, the VA issued a solicitation document--RFP 101-1-77 to lease, lease with purchase option, or purchase, plus maintenance, one hospital laboratory computer system with the option to acquire an additional 26 systems over the next 4 years. This document also is not responsive to our recommendations because it deals with neither (1) an evaluation of the present clinical laboratory system nor (2) what role the computer should play in hospital laboratory and administrative operations.

#### Memorandums

Between October 15-19, 1976, officials from the Department of Medicine and Surgery telephoned officials at Birmingham, Long Beach, Houston, Wadsworth, and Hines VA hospitals to discuss the adequacy of the H-316 automated clinical laboratory system. Our review of the memorandums of telephone calls showed that calls were not concerned with the H-716 system and whether its implementation could eliminate the problems found with the H-316 system.

#### CONCLUSIONS

VA's response to our October 1976 report does not address our recommendations. The response is basically concerned with the issue of whether the new system it plans--the Honeywell H-716--will be cost beneficial. Notwithstanding this question, VA has not addressed the main problems we noted in our previous report; namely, whether the new system will improve the timeliness and accuracy of patient laboratory test results and the accuracy of hospital administrative reports.

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Your office requested that we not obtain written comments from VA on this report so that its issuance would not be delayed. We did, however, discuss its contents with VA officials. As requested by your office, we are sending copies of this report to the Senate Appropriations Subcommittee on HUD-Independent Agencies and the Administrator of Veterans Affairs.

Sincerely yours,  


Comptroller General  
of the United States