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THE PRESIDENT HAS SEEN. dsf  
SEP 30 1974

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ROY A. ASH

SUBJECT: VA medical system survey report

In his March 31 radio address, President Nixon directed the Administrator of Veterans Affairs to conduct a thorough investigation of the conditions of veterans hospitals and clinics to insure that the quality of care provided would be second to none. Evaluation teams composed of VA and non-VA physicians visited 33 hospitals. The remaining hospitals and clinics were surveyed by mail. After the survey results were compiled and supplemented by data already gathered in the course of the 1976 budget preparation, the final report was submitted to the President on July 31.

Report Recommendations

The study confirmed that the majority of veterans treated in VA facilities receive good to outstanding care. However, it also uncovered certain deficiencies which do compromise the ability to provide high level care on a continuing basis. To correct these deficiencies would require substantial additional funds in 1975 and following years but VA has attempted to provide for their correction in an ordered fashion and has included only those items they consider essential to assuring high quality care.

The report identifies deficiencies which are being corrected administratively and also recommends legislative changes to enhance staff recruitment and to simplify veterans' eligibility requirements. Because VA recognizes that the legislative proposals will require more analysis and coordination within the Executive Branch, they request no action or funds at this time to implement those programs.

The report's recommendations with immediate budgetary impact are:

1. the addition of 8,921 "core" staff positions to ensure that all critical hospital services be provided on a 24-hour basis and to operate all essential ambulatory care facilities;



2. equipping and staffing of VA fire departments at 28 VA hospitals where municipal or contract fire protection is not available or adequate;
3. addition of 128 specialized medical units such as intensive care, respiratory care, and mental hygiene clinics which are considered by VA to be basic to good hospital treatment;
4. beginning of a program to upgrade and expand ambulatory care facilities;
5. correction of 279 hitherto unacknowledged safety and fire code violations;
6. installation of patient support systems at 3 hospitals and replacement of an underground water distribution system at one hospital;
7. expansion of the electrical capacity and installation of emergency generators at 128 hospitals over a 4-year period;
8. replacement of boiler plants at 6 hospitals; and
9. beginning of a program to centrally air-condition 83 hospitals with an eventual total cost of almost half-billion dollars.

### Discussion

No official position has ever been taken on the report recommendations; however, the Congress is aware of its existence. To implement the report's recommendations, VA estimated that additional budget authority of \$229 million would be required in 1975. Preliminary OMB analysis indicates that by modifying certain hiring assumptions and by phasing construction projects, the 1975 amount could be reduced to \$125 million.

A member of Senator Alan Cranston's staff informally relayed to Paul O'Neill that the Senate would likely be willing to accept some initial funding of the recommendations in a 1975 supplemental transmitted in the 1976 budget. We think this is the preferable approach.

OMB staff is continuing to analyze the report on the basis of more detailed information now at its disposal. We will be preparing recommendations for your consideration on the substance of the report and the degree of financial commitment required.

