MWD-76-125
5-10-76

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

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The Honorable Alan Cranston
Chairman, Subcommittee on Health
and Hospitals
Committee on Veterans' Affairs
United States Senate

Dear Mr. Chairman:

Your letter of February 2, 1976, asked that we analyze the Veterans Administration's Department of Medicine and Surgery Circular 10-75-283, dated December 3, 1975, entitled "Security of Controlled Substances." You were interested specifically in whether the steps outlined in the circular would be effective in dealing with matters noted in our report on missing drugs in VA hospitals.[1/] At the time of our analysis VA had issued to all of its health care facilities Professional Services Letter (PSL) IL 11-76-2, dated January 10, 1976, in addition to Circular 10-75-283, as a result of our report. Unlike circulars, PSLs are not directive in nature and hospitals are not required to adopt the suggested actions.

Circular 10-75-283 is mainly concerned with physical security of bulk supplies of controlled drugs--bulk supplies being defined as those drugs in excess of 24 hour needs--and not with measures to determine whether drug loss is occurring. PSL IL 11-76-2 suggested several actions, ostensibly designed to provide increased accountability for drugs.

Although the actions described by VA in these publications may improve controls over drugs, we do not believe they are totally

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1/"Potentially Dangerous Drugs Missing in VA Hospitals--Different Pharmacy System Needed" (MWD-75-103, September 30, 1975).

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responsive to our recommendations. We informed VA of our position regarding these publications on February 27, 1976, and asked them to provide us with comments they may have on our conclusions.

By letter dated April 8, 1976, VA advised us that it had issued new directives--Department of Medicine and Surgery Interim Issues 10-76-9 and 10-76-10 which prescribe actions to implement each of our recommendations contained in our September 1975 report. These directives were issued on April 2, 1976. The requirements of the new directives are summarized in the enclosed letter. We believe that these directives are fully responsive to our recommendations and that, if the actions described by VA are properly implemented by VA health care facilities, drug controls will be greatly strengthened. VA also stated that it was proceeding with introduction of the unit dose dispensing system as resources permit and that six hospitals were planned to be converted to unit dose in fiscal year 1977.

As agreed with your office, we are sending copies of this report to the Administrator of Veterans Affairs.

Sincerely yours,

Deputy Comptroller General
of the United States

Enclosure

ENCLOSURE

VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420
APRIL 8 1976

Mr. Gregory J. Ahart
Director
Manpower and Welfare Division
U. S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Ahart:

We appreciate the opportunity to comment on your proposed report to the Chairman, Subcommittee on Health and Hospitals, Committee on Veterans Affairs, U. S. Senate, on actions taken by the Veterans Administration on recommendations in your report on missing drugs in VA Hospitals.

The following directive action has been taken by the Veterans Administration regarding your recommendations:

a. The first GAO recommendation was that the VA establish and enforce a ward stock quota system to reduce quantities of drugs kept on hospital wards. The Department of Medicine and Surgery Interim Issue 10-76-10 requires each facility to establish and enforce a ward stock quota system.

b. The second and third recommendations were that VA maintain adequate records of drugs ordered by and delivered to the wards, and reconcile all order-receipt discrepancies. DM&S Interim Issue 10-76-10 provides for directive action for adequate record maintenance and reconciliation of drug orders and receipts. Ward stock drug orders will be prepared in triplicate.

c. The fourth recommendation was that each facility designate no more than two nurses - one to be alternate - on each ward to be responsible for maintaining ward stock quota levels and ordering from the pharmacy when necessary. DM&S Interim Issue 10-76-9 identifies the designated nursing personnel responsible and accountable for maintaining the nursing unit stock quota levels of drugs from pharmacy.

Mr. Gregory J. Ahart
Director
Manpower and Welfare Division
U. S. General Accounting Office

d. The fifth recommendation was that each facility monitor drug dispensing by periodically reviewing pharmacy and warehouse receipts and deliveries, and randomly review ward stock levels. DM&S Interim Issue 10-76-10 establishes the internal audit review system for monitoring drug dispensing. Periodic review of pharmacy and warehouse receipts and deliveries of local selected items will be reviewed on a random basis.

e. The sixth and last recommendation was that each facility establish periodic test procedures similar to those used in your review. DM&S Interim Issue 10-76-10 provides the mechanism for a simplified periodic test procedure for drug review similar to the type conducted in the GAO report.

At the present time the Agency is proceeding with the introduction of the unit dose dispensing (medication management) system as resources permit. The VA is developing the plan to convert six hospitals to a unit dose system in FY 1977. We will continue to monitor this matter carefully and proceed with our plans expeditiously.

Sincerely,

Deputy Administrator - in the absence of

RICHARD L. ROUDEBUSH
Administrator