092758

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C 20548

CIVIL DIVISION

BEST DOCUMENT AVAILABLE

FEB 24 1970

Dear Dr. English:

The General Accounting Office has examined into certain aspects of the administration of maternity and infant care (M&I) projects and children and youth (C&Y) projects in the States of New York and Ohio. A report on the results of our examination was issued to the Secretary of Health, Education, and Welfare (HEW) on November 13, 1969, and a copy of that report was furnished to you. This letter deals with a situation which we noted during that examination relating to C&Y project 605 awarded to the New York University Medical Center.

The major objective of C&Y projects is to provide comprehensive health care and services to school and preschool children in low-income families. Federal funds are available for up to 75 percent of project costs; the balance is provided by the grantee. Until September 17, 1969, the Chief, Children's Bureau (CB) in the Social and Rehabilitation Service, HEW, had primary responsibility for the administration of C&Y projects. Since then, the Health Services and Mental Health Administration (HSMHA) has been delegated responsibility for these projects.

The C&Y project proposal which resulted in the award of project 605 proposed several components which, taken together, provided for a comprehensive medical care project. The components included (1) laboratory services, (2) consultative services, (3) dental care, (4) hearing and speech clinics, (5) dental hygiene, and (6) occupational and physical therapy. The proposal stated that, through these components the services available to the approximately 60,000 children residing in the area to be served by the project would be rearranged and improved.

The proposal of the University also included an innovative feature of medical management, namely, to retrieve, collate, and consolidate the available medical information and history of each patient served by the project through the use of a computerized medical records retrieval center which would be developed and implemented with project funds. The associate project director advised us that comprehensive medical care could be provided more effectively if the medical history of the patient--which in the area served by the project was often scattered throughout several different medical facilities--could be made available to the medical staff. She also advised us that, by having this information, tests and analyses previously performed for the patients would not have to be duplicated.

092758

The first grant period for project 603 extended from June 1, 1966, to March 31, 1967. Since then the project has been extended for 12-month periods ending March 31 of each year. Shown below are the amounts granted during the project periods.

| Project periods | Amount of grant |
|---|---|
| June 1966 - March 1967 | $1,589,738 |
| April 1967 - March 1968 | 1,800,000 |
| April 1968 - March 1969 | 1,713,000 |
| April 1969 - March 1970 | 1,585,000 |
| Total | $6,687,738 |

CB guidelines and the project application form used for C&Y grant proposals called for the grantee's cost estimates for the immediate grant period and the four succeeding grant periods. When the initial proposal for project 603 was submitted to CB in 1966, total cost estimates for the five grant periods were outlined and costs of specific components were enumerated for the immediate grant period for which application was being made. In the initial proposal, cost estimates for the medical records retrieval center amounted to about $213,000. The proposal stated that this amount would be adequate to cover only the initial phase of activity. During each of the next two grant periods about $427,000 was allocated for the medical records retrieval center's operation; for the grant period ending March 31, 1970, about $453,000 has been allocated for this purpose. Thus, from June 1, 1966, through March 31, 1970, a total of approximately $1.5 million was made available for this feature of the project proposal.

During our review, we found that as of January 1968--20 months after the project began--only 1,200 patients' medical records had been computerized. For the most part, however, these records were incomplete. We believe that this relatively low achievement level can be directly attributed to inadequate planning on the part of the grantee and CB officials and the absence of a feasibility study to assist in the planning activities. We also noted that in the latter part of 1968 the University engaged a management consulting organization to review the health care project. In the resultant report issued in September 1969, several recommendations and suggestions were made to project officials relating to the medical records retrieval center. These included (1) the establishment of a comprehensive and detailed plan for implementation of the center, (2) the development of a uniform set of documentation standards, (3) the exercise of continuing control of computer staff efforts, (4) the establishment of a system of independent evaluation of the project's compliance with plans and standards, and (5) the establishment of an organization plan.

We were advised by CB officials that a study of the feasibility of applying computer technology to this special feature of the proposal had never been requested of the grantee. The CB procedures called for detailed reviews of grant

BEST DOCUMENT AVAILABLE

applications and related plans and budgets prior to grant approval (initial and renewals). In making such reviews, CB staff are permitted to seek additional information and clarification and to obtain professional advice and opinions from specialists, including those outside the HEW organization. We were advised by CB officials that they did not request such counsel from specialists or consultants for any part of project 605.

In our opinion, a feasibility study of the medical records retrieval center would have been appropriate prior to the award of funds for this purpose. A well-conducted feasibility study would have served as a useful management tool and would have facilitated decisionmaking for officials at the University and in CB. In our opinion a well-conducted feasibility study would include, as a minimum (1) a critical review of the established project goals, (2) the development of an ideal system or master plan for attaining these goals, (3) a study of how a computer would be used to achieve the specified goals, (4) a technical study of the characteristics and potential of the equipment necessary to meet the needs of the project, (5) a realistic examination of the cost of such equipment when related to the results to be obtained, and (6) written recommendations to management as to the course of action to be taken. With the information generated from such a study, officials at the University and CB would have been able to manage the medical records retrieval center more effectively and efficiently.

We believe that the recommendations of the management consulting organization--published 40 months after the project program began--relate to requirements which are basic to any operation and, in our opinion, the problems of the center pointed out by this report could have been averted or at least minimized if the CB had requested that such a study be conducted prior to the inception of the program.

We believe that there is a need for HSMHA to revise the guidelines and procedures--as used by CB--applicable to C&Y projects to ensure that adequate planning takes place for all projects and especially for those which include innovative features such as the medical records retrieval center under project 605. Planning should include considerations of both short range and long range goals, problems, and costs. In this connection we believe that the most effective way to ensure that adequate planning takes place in components which involve the use of major computer applications is through the conduct of feasibility studies.

Recommendation

Accordingly, we recommend that HSMHA revise C&Y project guidelines and procedures to require that a feasibility study be made for any component which deals with a major application of computer technology.

- - - - -

BEST DOCUMENT AVAILABLE

We appreciate the cooperation and courtesies extended to our representatives during our review, and should you desire, we shall be pleased to discuss our findings in greater detail with you or members of your staff. Copies of this report are being sent to the Assistant Secretary, Comptroller, HEW, the Administrator, Social and Rehabilitation Service, and to the Chief, CB.

Sincerely yours,

John D. Heller

for Frederick K. Rabel
Assistant Director

Dr. Joseph T. English, Administrator
Health Services and Mental
Health Administration
Public Health Service
Department of Health, Education,
and Welfare
Washington, D. C. 20014

BEST DOCUMENT AVAILABLE