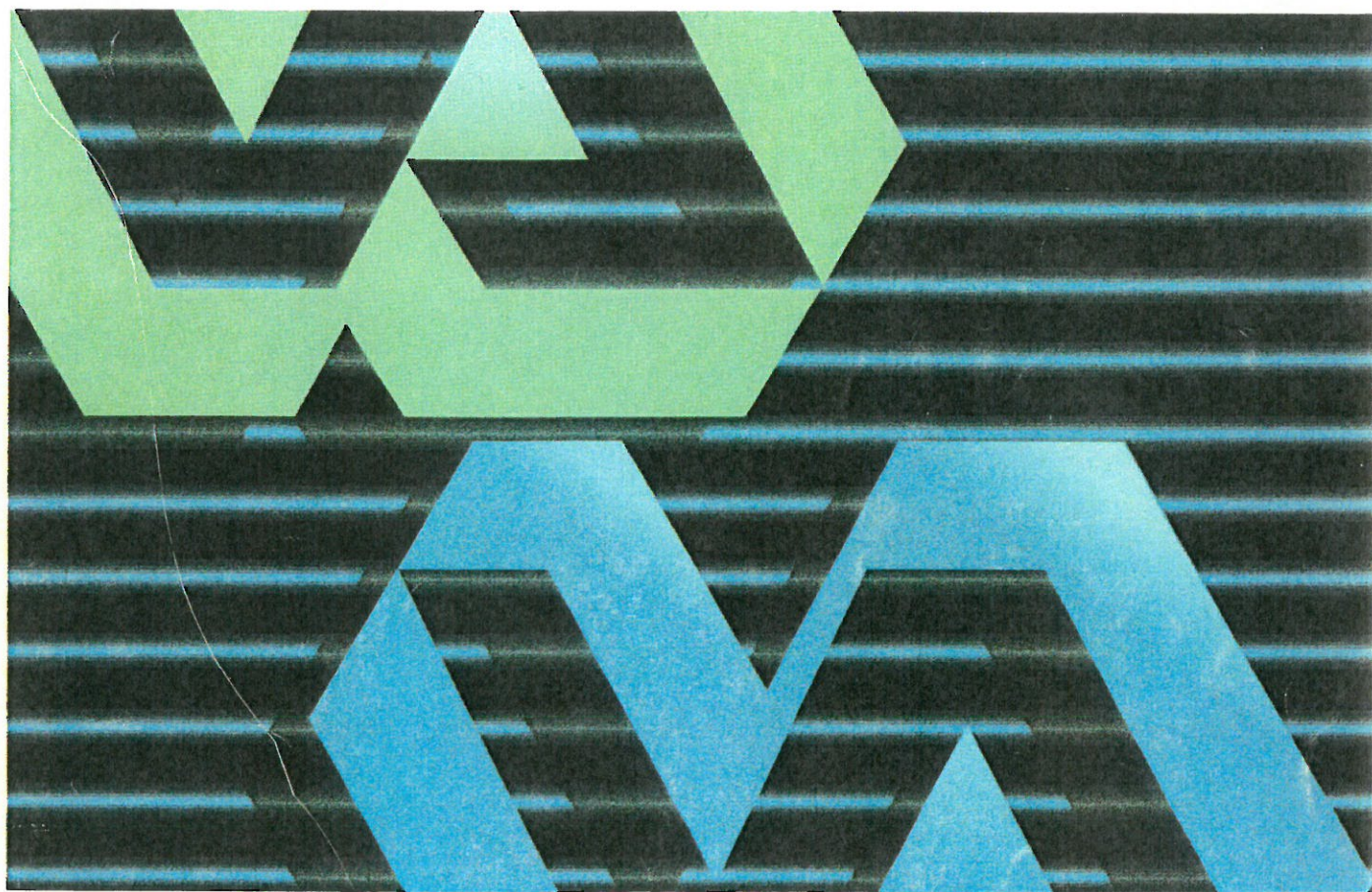


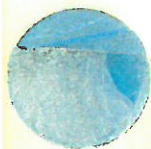
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VETERANS ADMINISTRATION



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Administrator
of Veterans Affairs

Letter of Transmittal

To the President of the Senate and the Speaker of the House of Representatives of the 100th Congress:

I am pleased to report on the activities of the Veterans Administration for the fiscal year ending September 30, 1987, in accordance with the provision of section 214, title 38, U.S.C.

In its 57th year of service to this Nation's veterans, the Veterans Administration provided benefits and services to veterans, dependents, and survivors in record numbers.

The VA's health care program continued to provide quality medical care at increased levels. During fiscal year 1987, both inpatient and outpatient visits to VA health care facilities increased, with outpatient visits reaching an all-time high of 21.6 million.

The accomplishments of the veterans benefits programs continued to grow. The Home Loan Guaranty Program guaranteed the largest number of loans in 30 years. Education assistance payments totaled \$788 million; compensation and pension payments were made to 3.8 million veterans and their survivors; and financial security was provided to just under 7.4 million beneficiaries of VA life insurance programs. Burial benefits were provided for over 400,000 veterans and beneficiaries, and over 53,000 interments were performed in the VA's National Cemetery System. With the dedication of two new national cemeteries in FY 1987 - the Fort Mitchell National Cemetery in Alabama and the West Virginia National Cemetery - the National Cemetery System now comprises 111 cemeteries.



Funding was provided for medical research to support VA investigators engaged in intensive research efforts in AIDS and HIV infection, ischemic heart disease, aging, preventive health care, diagnostic approaches for post-traumatic stress disorders, spinal cord injury, and problems unique to women patients.

Patient care in VA facilities was enhanced through the Agency's affiliation with over 1,000 institutions of higher medical education. Approximately 100,000 medical and allied health students received clinical training in VA health care facilities through the Agency's association with educational institutions.

This was a year in which the Agency improved the efficiency and effectiveness of the services provided through new management innovations and the adoption of new technologies.

Technological improvements to enhance efficiency during the year included: providing VA medical centers with on-line access to the Benefits Delivery Network, thereby giving medical center personnel the ability to quickly determine patient eligibility for care; the enhancement of the Patient Treatment File to include information used for means testing; the implementation of a new Department of Medicine and Surgery cost accounting system which computes actual medical care cost information on functional and organizational levels for all VA medical centers; and the implementation of Phase II of the Department of Memorial Affairs Budget System, which facilitates the comparison of DMA budget plans with obligations.

The VA remains sensitive to the unique needs of special segments of its patient population. Increased efforts to improve the health care of former Prisoners of War (POWs) resulted in the establishment of physician, administrative, and social work coordinators at all VA medical centers to administer the former POW examination program. Outreach to homeless chronically mentally ill veterans was a high priority this year, resulting in the first clinical effort on a national scale to reach these veterans. In addition, opportunities were identified for improving access to VA health care for veterans living in areas remote from VA facilities.

The VA's efficient service and systematic improvements during fiscal year 1987 were achieved while retaining the Agency's traditional sense of compassion and personal regard for its special beneficiary population. Dedicated to fulfilling the Nation's debt of gratitude to America's veterans, Veterans Administration employees - productive people providing quality service - take pride in this record of accomplishment.

A handwritten signature in dark ink, reading "Thomas K. Turnage". The signature is fluid and cursive, with a long horizontal stroke at the end.

THOMAS K. TURNAGE
Administrator of Veterans Affairs

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Introduction

A Brief History of the Veterans Administration

Benefits for war veterans have been provided by responsible governments since ancient times. Today, the United States has the most comprehensive system of assistance for veterans of any nation in the world. This benefits system traces its roots back to 1636, when the Pilgrims of Plymouth Colony were at war with the Pequot Indians. The Pilgrims passed a law which provided that "if any man shalbee sent forth as a soldier and shall return maimed, he shalbee maintained competently by the collonie during his life." Similar laws were later passed by other colonies - Virginia in 1644, Maryland in 1661, New York in 1691, and Rhode Island in 1718. The Continental Congress in 1776 encouraged enlistments during the Revolutionary War by providing pensions for soldiers who were disabled.

Early veteran legislation placed emphasis on pensions for veterans. Direct medical and hospital care that was given to veterans in the early days of the Republic was provided by the individual states and communities. However, in 1811 the first domiciliary and medical facility for veterans was authorized by the Federal Government. In that year, Congress designated the U.S. Naval Home in Philadelphia as a "permanent asylum for disabled and decrepit Navy officers, seamen, and Marines." The home was first occupied in 1833. A separate hospital building was authorized

thirty years later. It was designated as the Philadelphia Naval Hospital and had a capacity of 130 beds.

In the 19th century, the Nation's veterans assistance program was expanded to include benefits and pensions not only for veterans, but also for their widows and dependents. In his second inaugural address in March 1865, Abraham Lincoln called upon Congress and the American people "to care for him who shall have borne the battle and for his widow, and his orphan." This phrase has become the motto of the VA.

After the Civil War, many State veterans' homes were established. Since domiciliary care was available at all these homes, incidental medical and hospital treatment was provided for all injuries and diseases, whether or not of service origin. In the years that followed, indigent and disabled veterans of the Civil War, Indian Wars, Spanish-American War, Mexican Border period, and discharged regular members of the Armed Forces were cared for at these homes. An honorable discharge from military service was one of the requirements for admission.

Congress established a new system of veterans benefits when the United States entered World War I in 1917. Included were programs of disability compensation, insurance for servicemen and veterans, and vocational

rehabilitation for the disabled. However, by the 1920's the various benefits were administered by three different Federal agencies—the Veterans Bureau, the Bureau of Pensions of the Interior Department, and the National Home for Disabled Volunteer Soldiers. The establishment of the Veterans Administration (VA) came in 1930, when Congress authorized the President to "consolidate and coordinate Government activities affecting war veterans." The three component agencies became bureaus within the VA. Brigadier General Frank T. Hines, who had directed the Veterans Bureau for seven years, was named as the first Administrator of Veterans Affairs, a job he held until 1945. The Administrator of Veterans Affairs is appointed by and reports directly to the President. The current Administrator, Thomas K. Turnage, is the 13th person to head the Agency since its inception.

The current veteran population of nearly 28 million is almost six times the veteran population of 4.7 million in the VA's founding year. War veterans living today account for 57 percent of all Americans who ever served in war during our two-century history. Eighty of every 100 living veterans served during defined periods of armed hostilities. Almost one-third of the Nation's population, 76.4 million persons - veterans,

dependents, and survivors of deceased veterans - are potentially eligible for VA benefits and services.

As a result, the responsibilities and the benefits programs of the Agency have grown enormously since the VA was established 57 years ago. World War II resulted not only in a vast increase in the veteran population, but also in a large number of new benefits enacted by the Congress for veterans of the war. The World War II GI Bill, signed into law June 22, 1944, is said to have had more impact on the American way of life than any law since the passage of the Homestead Act more than a century ago. In the following three decades, further educational assistance acts were passed for the benefit of veterans of the Korean conflict and the Vietnam era.

The VA hospital system has grown from 54 hospitals in 1930 to its current network of 172 medical centers, 229 outpatient clinics, and 117 nursing home care units, forming the Nation's largest medical care system.

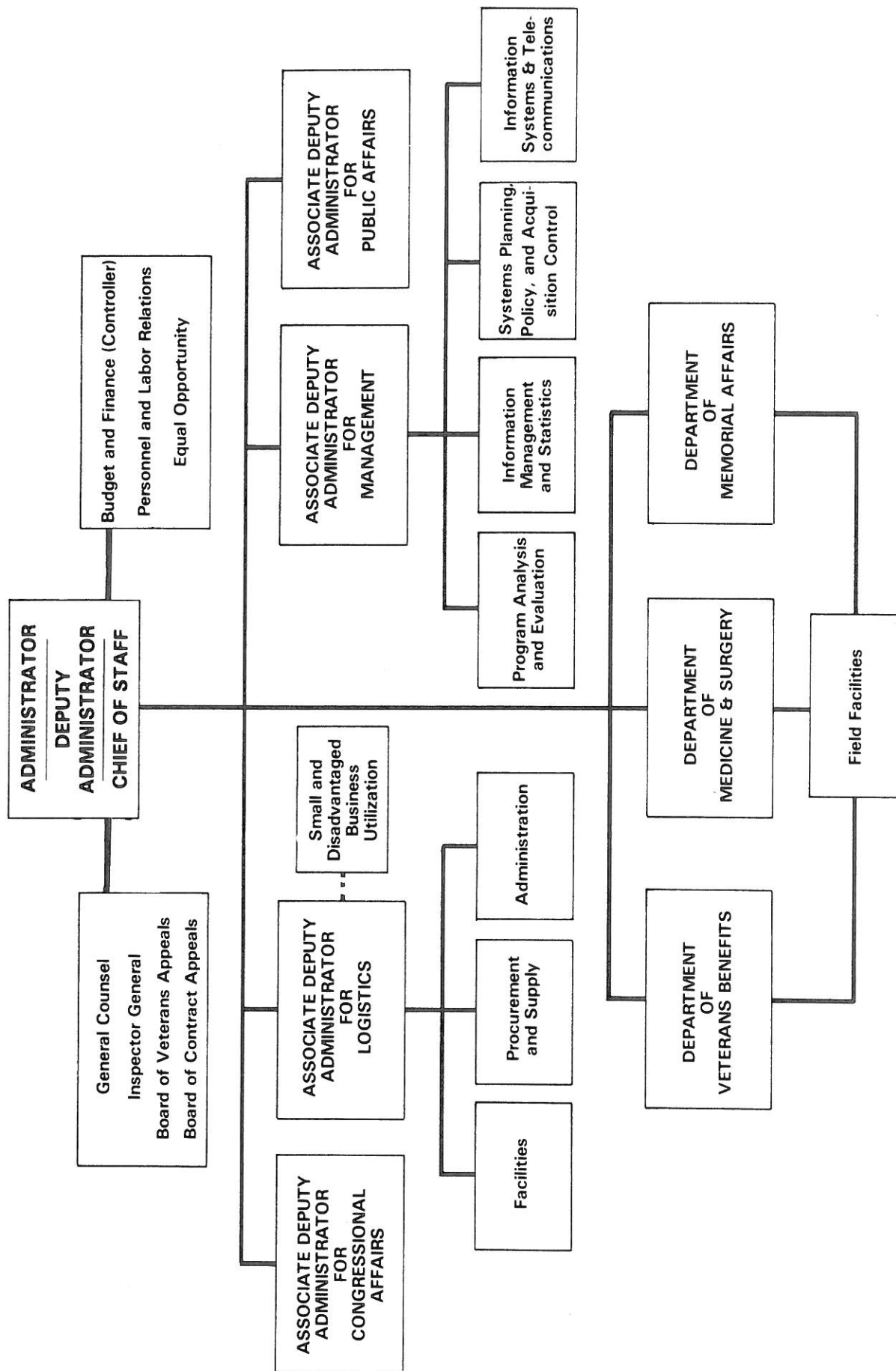
In 1973, the VA assumed another major responsibility when the National Cemetery System (except for Arlington National Cemetery) was transferred to the VA from the Department of the Army. Since that time, the Agency's Department of Memorial Affairs has been charged with operating the National Cemetery System, marking graves of all persons in national and State cemeteries (and the graves of veterans in private cemeteries, upon request), and administering the State Cemetery Grants Program.

In fiscal year 1987 the VA continued to carry out its mandate, authorized by Congress, to administer the programs and provide the services that are needed by our Nation's veterans and their dependents. Today the VA - comprised of the Department of Medicine and Surgery, the Department of Veterans Benefits, the Department of Memorial Affairs, and staff offices supporting these departments - is the largest of all the independent Federal agencies, with employment of more than 250,000 persons. The VA's annual budget exceeds \$26 billion. With these financial and human resources, the VA is currently providing the most comprehensive and diverse benefits programs in its history to those special Americans: our Nation's veterans.

Administrators of Veterans Affairs

Frank T. Hines (1930-1945)
Omar N. Bradley (1945-1947)
Carl R. Gray (1948-1953)
Harvey V. Higley (1953-1957)
Sumner G. Whittier (1957-1961)
John S. Gleason (1961-1964)
William J. Driver (1965-1969)
Donald E. Johnson (1969-1974)
Richard L. Roudebush (1974-1977)
Max Cleland (1977-1981)
Robert P. Nimmo (1981-1982)
Harry N. Walters (1982-1986)
Thomas K. Turnage (1986-)

ORGANIZATION OF THE VETERANS ADMINISTRATION





VETERANS ADMINISTRATION MISSION & GOALS

The Veterans Administration will serve America's veterans and their families with dignity and compassion and will be their principal advocate in ensuring that they receive the care, support and recognition earned in service to this Nation.

Medical

TO ENSURE *quality medical care is provided on a timely basis to eligible veterans.*

Benefits

TO ENSURE *benefits and services are provided to eligible veterans and their families in an efficient, timely and compassionate manner.*

Memorial Affairs

TO ENSURE *the memorial affairs of eligible veterans and dependents are conducted with dignity and compassion.*

Leadership

TO SERVE *as the leader and advocate within the Federal Government on all matters directly affecting veterans and their families.*

People

TO ENSURE *the people of the Veterans Administration receive quality leadership, adequate compensation, decent working conditions, necessary training and education, equal opportunity, and earned recognition.*

Management

TO INTEGRATE *technological advances and innovative management techniques into an efficient system for providing quality care and benefits.*

ADMINISTRATOR OF VETERANS AFFAIRS

America is #1 Thanks to our Veterans

The VA: An Overview

Organization of the Veterans Administration

The Veterans Administration is organized so that veterans, beneficiaries, and their surviving dependents are provided the best possible service in the most effective and economical manner possible.

The Administrator of Veterans Affairs directs all VA programs and operations and is responsible to the President for the administration of veterans' services and benefits, and the laws which govern them. Agency

operations are divided into three departments according to their major functions. A variety of staff offices provide advice and assistance to the Administrator and department heads.

VA Mission and Goals

The Veterans Administration is the principal advocate for America's veterans. As such, the Agency is committed to providing veterans the care, support, and recognition they have earned in service to this Nation.

Several goals have been developed to serve as standards in carrying out the VA's mission. The VA's departments and staff offices use these goals to develop program plans and objectives.

The goals include:

- providing quality medical care on a timely basis to all eligible veterans;
- providing an appropriate level of benefits to eligible veterans and beneficiaries;
- ensuring that memorial affairs are handled with honor and dignity;
- exercising leadership within the Federal

Government to represent the concerns and needs of veterans and their families;

- ensuring that employees receive quality leadership and are provided an adequate working environment; and
- integrating technology and innovative management techniques to provide quality care and benefits.

Magnitude of the VA Programs

The VA's programs have a tremendous impact on the lives of millions of Americans. Congress appropriated \$26.6 billion in fiscal year (FY) 1987 to ensure that the Agency provided benefits and services to the Nation's nearly 28 million veterans, and their dependents. The magnitude of VA programs is evident in the following services rendered by the VA in fiscal year 1987:

- Provided \$14.4 billion in compensation and pension payments to 3.8 million veterans and their survivors; \$788 million

for education assistance payments to 416,854 trainees; and \$108.2 million in burial benefits.

- Guaranteed or insured over 479,000 home loans to veterans.
- Operated the fifth largest individual life insurance program in the United States: nearly \$213 billion was administered or supervised to just under 7.4 million insureds.
- Operated 111 national cemeteries in 38 states and Puerto Rico. Ordered

over 253,000 headstones, markers, and niche markers for the graves of eligible decedents at a cost of \$16 million. Interred over 53,000 eligible veterans and their dependents in national cemeteries.

- Treated nearly 1.4 million inpatients in VA facilities and treated an additional 93,946 inpatients in non-VA hospitals and extended care homes. Provided outpatient medical care totaling over 21 million visits.

- Provided clinical training to approximately 100,000 students from affiliated schools in all health care disciplines. Provided nearly 90,000 continuing education episodes to the Department of Medicine and Surgery employees.
- Spent \$210 million for medical research, rehabilitation research and development, and other health services research and development. Nearly 6,000 principal investigators participated in research projects and cooperative studies.

Employment

The Veterans Administration employed over 250,000 full-time, part-time, and intermittent employees during FY 1987 to carry out its mission. The Agency develops and administers progressive personnel policies to ensure that the talents of these employees are used in a productive manner.

Additionally, the Agency ensures that handicapped employees are accommodated, that women and minorities are treated equitably, and that employees who merit special recognition are so rewarded. The VA combines the experience of 57 years of managing the Nation's largest medical

system and veterans' benefits system with management training programs which incorporate the latest methods from government, business, and educational institutions. In so doing, the Agency has earned the recognition as a leader in Government management innovations.

Budget

Appropriations (millions)	FY 1987	FY 1986	Percent Change
Total	\$26,605	\$26,230	+ 1.4
Benefit programs	15,320	15,549	- 1.5
Medical programs	10,026	9,384	+ 6.8
Construction programs	489	581	- 15.8
General operating expenses & miscellaneous	770	717	+ 7.4

Congress appropriated \$26.6 billion in FY 1987 to fund benefits and services administered by the VA. This represents an increase from FY 1986 of \$375 million.

The FY 1987 appropriations for the benefit programs of \$15.3 billion were approximately \$229 million below the FY 1986 level. The decline in the appropriation levels for benefit programs was primarily the result of lower appropriations for the readjustment benefits education training programs (a \$132 million reduction from the FY 1986 level) and the loan guaranty program (a \$100 million reduction from the FY 1986 level). The reduction in the readjustment benefits appropriation is the result of the continued decline in the number of veterans training under the GI Bill.

This workload decline is the result of veterans either

exhausting their education benefits or reaching their delimiting date. In FY 1987, over 312,000 veterans, dependents, and disabled veterans enrolled in the vocational rehabilitation program or trained in programs funded by the readjustment benefits appropriation.

The Loan Guaranty Revolving Fund's FY 1987 program obligations of \$3.3 billion were funded by collections totaling \$2.9 billion, an appropriation of \$100 million, the transfer of \$110 million from the Direct Loan Revolving Fund, and a reduction in the unobligated balance carried into FY 1987. In FY 1987, the VA guaranteed over 479,000 loans valued at \$34.9 billion. Since the inception of the program, the VA has guaranteed over 12.3 million primary home loans.

Monthly compensation and pension benefits paid to 3.8 million veterans and survivors in FY 1987 totaled \$14.4 billion. This was approximately the same as the FY 1986 appropriation level. Effective December 1, 1986, a cost-of-living adjustment of 1.3 percent was provided to eligible pension recipients. Also effective in December 1986, compensation recipients' payments were increased by 1.5 percent.

In July 1987, a total of \$30 million was appropriated for the Veteran's Job Training program. At the end of FY 1987, a total of \$27.6 million remained unobligated and will be available to the program in FY 1988.

Nearly \$9.7 billion was appropriated for medical care and treatment of veterans in FY 1987, an increase of

\$598 million over FY 1986, which includes restoration of funding to maintain staffing at the FY 1986 level. Medical and prosthetic research efforts, to improve the delivery of health care to veterans and to improve the treatment of the disabilities and diseases most common to veterans, were funded by a \$212.8 million appropriation in FY 1987, an increase of \$31.7 million over FY 1986. The Department of Defense transferred \$20 million to the VA for this appropriation account to fund various research efforts under Public

Law 99-661, the National Defense Authorization Act of FY 1987. In FY 1987, VA cared for over 1.4 million inpatients, an increase of 4,180 from FY 1986; and provided 21.6 million outpatient visits, an increase of 1.4 million visits over FY 1986.

During FY 1987, approximately \$1.7 billion was available for execution of the VA's construction programs. Of this amount, \$488.7 million was appropriated in new budget authority, which included

\$26 million for the Parking Garage Revolving Fund. The highlights of the construction program activity for the year included approved funding for three replacement and modernization projects and a contract award for preliminary plans to develop a new VA medical center in Palm Beach, Florida. Other projects provide for improvements or modifications in the following categories: electrical, fire and safety, seismic, general, and clinical improvements.

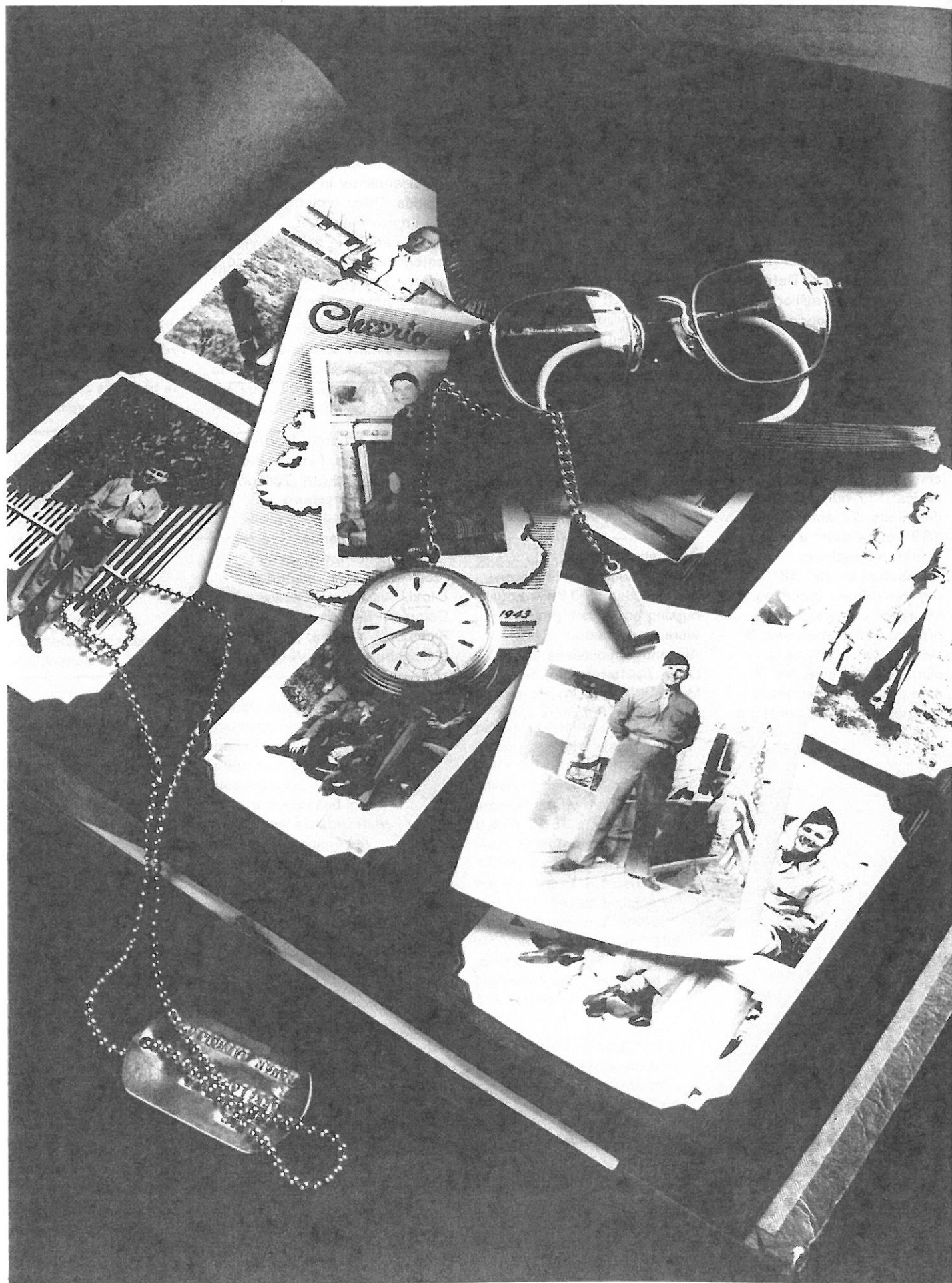
Facilities

The Veterans Administration operates 172 medical centers; 229 outpatient clinics; 117 nursing home care units; 17 domiciliaries; 189 Vet Centers; a prosthetic center; a prosthetic distribution center; 58 regional offices, including two insurance centers; 17 VA offices; 111 cemeteries; 3 cemetery area offices; a canteen finance center; 3 data processing centers; a records processing center; a

marketing center; and 3 supply depots. These facilities are located in every state, the District of Columbia, Puerto Rico, and the Philippines.

A variety of major construction projects were completed in FY 1987. Four nursing home care projects were completed at Alexandria, Louisiana; Loma Linda, California; St. Louis, Missouri; and Miami, Florida. Seven clinical projects were

completed in Fargo, North Dakota; Tampa, Florida; Sioux Falls, South Dakota; Tucson, Arizona; Murfreesboro, Tennessee; and Fresno, and Palo Alto, California. Five replacement/modernization projects were completed at Biloxi, Mississippi; Denver, Colorado; Bay Pines, Florida; Richmond, Virginia; and Martinsburg, West Virginia.



The Veteran

Comparative Highlights

Period of Service	Veteran Population 9/30/86	Net Separations from the Armed Forces	Deaths in Civil Life	Veteran Population 9/30/87	Percent Change in Veteran Population	Females	
						Number	Percent of Total Veteran Population
Total Veterans ¹	27,682,000	231,000	444,000	27,469,000	-0.8	1,192,000	4.3
Wartime Veterans ^{1,2}	22,017,000	37,000	408,000	21,646,000	-1.7	705,000	3.3
Vietnam era - Total	8,264,000	37,000	31,000	8,270,000	+0.1	262,000	3.2
With no Korean conflict service	7,636,000	37,000	20,000	7,652,000	+0.2	252,000	3.3
With Korean conflict service	629,000	*	11,000	619,000	-1.6	11,000	1.8
Korean conflict - Total	5,105,000	*	71,000	5,034,000	-1.4	113,000	2.3
With no World War II or Vietnam era service	3,789,000	0	42,000	3,747,000	-1.1	88,000	2.3
With World War II service only	971,000	0	26,000	945,000	-2.7	20,000	2.2
With Vietnam era service only	345,000	*	4,000	342,000	-0.9	5,000	1.4
World War II - Total	10,076,000	0	312,000	9,765,000	-3.1	354,000	3.6
With no Korean conflict service	9,105,000	0	286,000	8,820,000	-3.1	333,000	3.8
With Korean conflict service	971,000	0	26,000	945,000	-2.7	20,000	2.2
World War I	171,000	0	31,000	140,000	-18.0	6,000	4.4
Peacetime - Total	5,665,000	194,000	36,000	5,823,000	+2.8	488,000	8.4
Service between Korean Conflict and Vietnam era only	3,004,000	0	18,000	2,987,000	-0.6	85,000	2.8
Post-Vietnam era	2,283,000	194,000	4,000	2,473,000	+8.3	285,000	11.5
Other Peacetime ³	378,000	0	15,000	363,000	-3.9	118,000	32.6

Note: These data represent the number of veterans living in the U.S. and Puerto Rico. Detail may not add to totals due to rounding.

1 Not included are 3 Spanish-American War veterans and approximately 60 Mexican Border conflict veterans.

2 Comprised of Vietnam era with no Korean conflict service, Korean conflict with no World War II or Vietnam era service, Korean conflict with Vietnam era service only, World War II total, and World War I.

3 Includes veterans who served either between World War I and World War II only, or between World War II and the Korean conflict only.

* Less Than 500

Summary

Starting with our Nation's struggle for freedom over two centuries ago, more than 38 million men and women have served their country during wartime periods. Most (90 percent) served in one or more of the four major conflicts of the 20th century, with World War II veterans alone representing over 40 percent of all American war participants. At the end of FY 1987, there were 27.5 million veterans living in the

U.S. and Puerto Rico; 21.6 million of these veterans served during at least one wartime period.

As veteran population statistics are used largely to plan for future demand within specific VA programs, a special subgroup of the veteran total, which by law is generally ineligible for such programs, has been excluded from official veteran population estimates and

projections. The official count of veterans in civil life at the end of FY 1987 excludes 423,000 former military personnel whose only active duty took place after September 8, 1980, during which time they failed to satisfy the minimum service requirement (usually two years). This exclusion reflects the effect of section 3103(a) of title 38, U.S.C., wherein Congress put restrictions on benefits such as medical care,

educational assistance, home loans, and most other major VA programs for veterans who

failed to meet the minimum service requirement.¹

Number of Veterans and Periods of Service

The current estimate of the veteran population living in the United States and Puerto Rico stands at 27,469,000 as of September 30, 1987. This figure, which is 213,000 below the FY 1986 total, reflects an overall decline in the veteran population as more veterans died during the fiscal year (444,000) than entered the veteran population by separating from the Armed Forces (231,000).

World War II veterans, numbering 9,765,000 at the end of FY 1987, continued to

outnumber all other period-of-service categories, representing 36 percent of the total veteran population. During FY 1987, there were an estimated 312,000 deaths among World War II ex-service personnel, accounting for more than two of every three veteran deaths. The second largest component of the veteran population consisted of veterans who served during the Vietnam era. These veterans numbered 8,270,000 or 30 percent of the overall veteran count.

Two other major conflicts

contributed to the total count of wartime veterans. Living Korean conflict participants totaled 5,034,000 (18 percent of all veterans) at the end of FY 1987, and World War I veterans numbered 140,000 (less than one percent). Over 5.8 million veterans (21.2 percent) served only during peacetime. The majority of these peacetime veterans served only between the Korean conflict and the Vietnam era (3.0 million), or only after May 7, 1975, during the post-Vietnam era (2.5 million).

Age of Veterans

As of September 30, 1987, the median age of all living veterans was 53.9 years. Veterans under 45 years of age comprised 34 percent of the total, while those aged 45 to 64 represented 44 percent. The oldest group of veterans, those 65 years old and over, accounted for 22 percent of the overall veteran count. This represents a 2 percent increase over the FY 1986 figure, reflecting the steady advancement of World War II veterans into the oldest-age category.

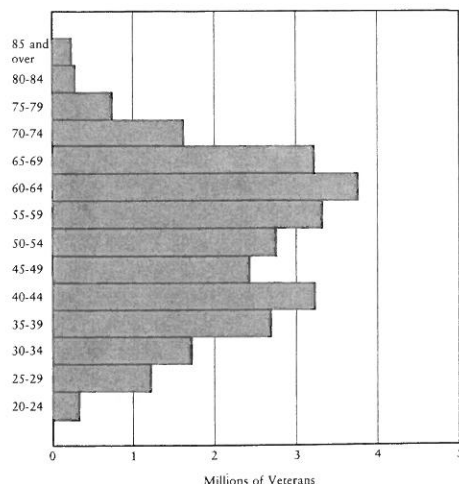
Due to their relatively recent military experience, post-Vietnam era veterans represented the youngest segment of the veteran population with a median age of 29.1 years at the end of FY 1987. Veterans who served only during the Vietnam era have a median age of 40.3 years. The median age of World War II veterans, many of whom are at or approaching retirement age, stood at 66.0 years.

Excluding the few surviving veterans of the Spanish-American War, World War I veterans remained the oldest sector of the veteran population with a median age of 90.7 years.

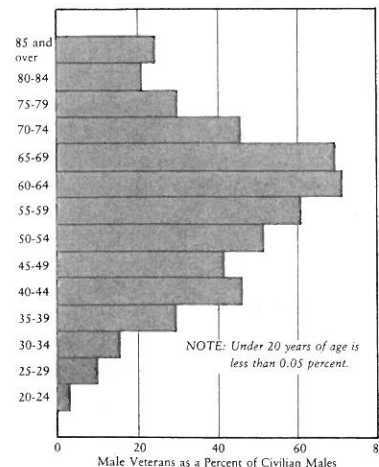
Slightly less than one-third of all civilian males 17 years old and over were veterans on September 30, 1987. This proportion varied by age, reflecting the degree of our country's involvement in each

of the major armed conflicts of this century. For example, of those civilian males aged 60 to 64 years old, slightly fewer than three-quarter were veterans, clear evidence of the extent of America's participation in World War II. However, among older civilian males (those aged 85 years of age and over), only one-quarter were veterans, reflecting America's participation in World War I.

ESTIMATED VETERAN POPULATION BY AGE
SEPTEMBER 30, 1987



MALE VETERANS AS A PERCENT OF ALL
CIVILIAN MALES, BY AGE
SEPTEMBER 30, 1987



¹ This legislation does not apply to veterans who served the full period for which they were called or ordered, who were discharged or released for a line-of-duty disability, who have a compensable service-connected disability, or who were discharged or released under sections 1171 or 1173 of title 10.

Geographic Distribution of Veterans

At the end of September 1987, eight states accounted for nearly one-half (48 percent) of all veterans in civilian life. California, with a veteran count of 2,844,000, was the only state to record a veteran total close to 3 million. New York, with 1,858,000 veterans, and Texas, with 1,785,000, were ranked second and third, respectively, in veteran population size. The five other

states that recorded veteran population totals in excess of 1 million were: Pennsylvania (1,524,000), Florida (1,477,000), Ohio (1,302,000), Illinois (1,254,000), and Michigan (1,023,000).

For all states, veterans' deaths are greater than the number of separations from the Armed Forces. As a result, the veteran population

is increasing in only those jurisdictions with sizeable immigration. Southern and Western States continue to remain the most attractive areas of destination for interstate migrants. Of these states, three showed the largest absolute net gains in veteran population during the last fiscal year - Florida (15,500), Arizona (4,300), and Texas (4,300).

Female Veterans

Female veterans comprised 4.3 percent of the total veterans living in the U.S. and Puerto Rico on September 30, 1987; their estimated strength at this date was 1,192,000. In contrast to the decline in the total veteran population, the number of former military servicewomen continues to increase, although at a slow pace.

Although the female veteran population exhibited a median

age close to that of their male counterparts (51.2 and 54.0, respectively), this similarity masks several important differences. For example, female veterans were more likely to be under age 45 (43 percent), or over age 65 (28 percent), in contrast with male veterans. Further, the distribution of the female veteran population by period of service reflects the growing involvement of women in the military in

recent years. More than 20 percent of all female veterans served only during the peacetime period following the Vietnam era (since May 7, 1975); for males the corresponding figure was just over 8 percent. As a whole, peacetime veterans comprised twice as large a share of female veterans (41 percent) as male veterans (20 percent).

Projected Veteran Population

Projections of the size and distribution of the veteran population are widely used throughout the VA health care planning system in order to better predict and plan for veterans' future health care needs. The latest series of projections include national and State-level data on the number of living ex-service personnel by age, sex, and period of military service.

The current veteran population of 27.5 million is projected to decline to 26.9 million by 1990, with 24.0 million veterans projected by the turn of the century. The decline in the veteran population is expected to continue at least through the year 2030, due to a preponderance of veteran deaths over separations.

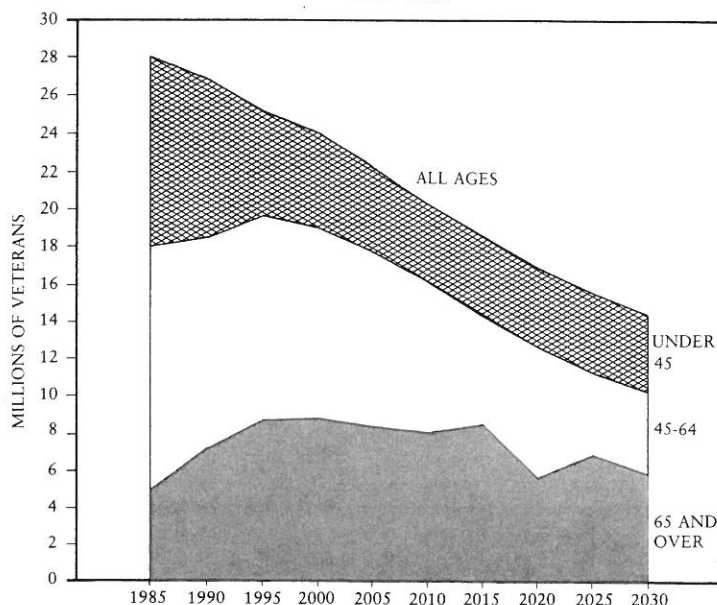
In contrast with the projected

decline in the total number of veterans, the number of elderly veterans is expected to grow dramatically over the next 15 years. The population of veterans aged 65 and over is projected to increase from the September 1987 total of 6.0 million to a peak of 8.9 million in 1999, representing an increase of 48 percent. Veterans 75 years old and over, a group which currently numbers 1.2 million, will grow to 1.5 million by 1990 and then nearly triple in size over the next 15 years to a total of 4.4 million.

Although the number of Vietnam era veterans currently lags behind the number of World War II veterans, Vietnam era veterans are expected to become the largest period-of-service category by 1992. Post-Vietnam era veterans are

projected to become the largest subgroup of veterans by the year 2009, at which time these veterans will make up over one-third of the total.

THE AGING VETERAN POPULATION
1985 - 2030



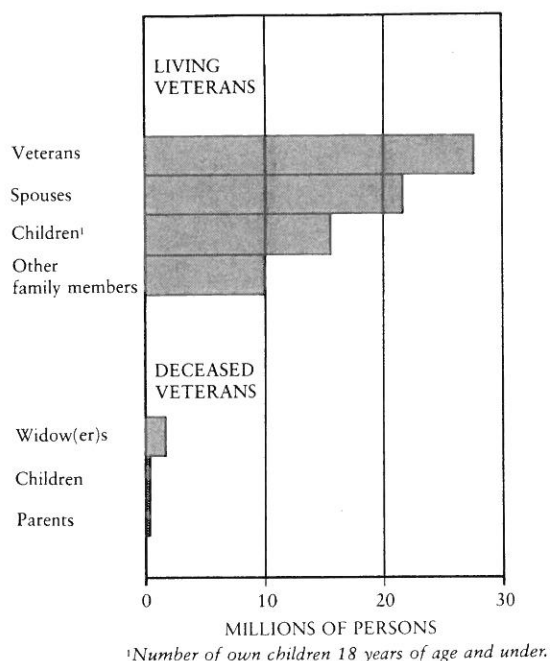
Veterans and Their Families

Living veterans, while clearly the largest group of persons receiving VA benefits and services, do not account for all those potentially eligible for such benefits. The 27.5 million veterans living on September 30, 1987, had an estimated 21.6 million spouses, 15.4 million dependent children 18 years old or younger, and 10.0 million parents and children over 18 years old who were unable to support themselves. Although only a small portion of these dependents are ever likely to receive benefits directly from the VA, benefits paid to veterans affect indirectly the socioeconomic well-being of a large number of these dependents. In addition to dependents of living veterans, the survivors of deceased veterans numbered 1.8 million at the end of FY 1987. Included in this number were 1.6 million widows and widowers,

136,000 surviving children, and 61,000 dependent parents. The total of all potential beneficiaries is

roughly 76.4 million, or nearly one-third of the entire resident population of the United States.

VETERANS AND THEIR FAMILIES
SEPTEMBER 30, 1987



Characteristics of Veterans

Data on various characteristics of veterans and nonveterans are obtained from the Current Population Survey¹ through a contract

agreement with the Bureau of the Census and with the approval of the Department of Labor, sponsor of the survey. Data from the CPS include

educational attainment, income, work experience, and employment status.²

Educational Attainment and Income

All Veterans

There were 79.3 million males aged 20 years and over in the civilian noninstitutional population of the United States in March 1987. Ap-

proximately 27 million of these were veterans, and their median education level was 12.7 years; their 52.5 million nonveteran counter-

parts also had a median educational level of 12.7 years.

¹CPS data may differ somewhat from official VA population estimates because the CPS data used here are based on a sample obtained during a single month in the year.

²With the exception of employment status, data on the socioeconomic characteristics of veterans from the CPS are limited to males.

Population Group	Noninstitutional* Population (Millions)	Percent of Total
War veterans	21.0	26.5
Peacetime veterans (Post-Vietnam era and service between Korean conflict and Vietnam era only)	5.8	7.3
Nonveterans	52.5	66.2
Total	79.3	100.0

* Excludes persons residing in correctional institutions; homes of the aged, infirm, or needy; mental institutions; nursing, convalescent, and rest homes; or hospitals and homes providing specialized care.

Seventy-seven percent of the war veterans, all of whom were at least 25 years old, had completed the requirements for a high school diploma or its equivalent. Eighty-six percent of the peacetime veterans and 75 percent of the nonveteran males aged 20 and older also

had high school diplomas or the equivalent. About 21 percent of the male war veterans and 18 percent of the peacetime veterans had completed college, while 23 percent of the nonveterans had done so.

Higher education is

associated with increased earnings, as can be seen in the median incomes of both veterans and nonveterans in calendar year 1986. Differences in median incomes at progressively higher education levels are substantial, as demonstrated in the following table:

Attained Level of Education	Median Income in 1986	
	Veterans	Nonveterans
No high school	\$ 10,740	\$ 8,050
Some high school	\$ 14,440	\$ 11,190
High school graduate	\$ 20,450	\$ 16,290
Some college	\$ 25,190	\$ 17,470
College graduate	\$ 37,480	\$ 30,390

Differences between veterans' and nonveterans' median income may be explained, in part, by differences in their age distribu-

tions. If the nonveterans' age distribution is made to conform with the older age distribution of veterans, then differences in income are

reduced. Notable, however, is the fact that the median income of veterans was higher than that of nonveterans at every educational level.

Vietnam Era Veterans

Male Vietnam era veterans 25 to 44 years old had a median educational level of 13.2 years and a median income of \$26,280 in calendar year 1986. Nonveteran males of similar age had a median education level of 12.9 years and a median income of \$20,050. Comparison of the

distribution of educational attainment for Vietnam era veterans and nonveterans 25 to 44 years old shows that 92 percent of the Vietnam era veterans had completed high school while 84 percent of similar-aged nonveterans had done so. Despite the greater proportion of high

school graduates among veterans, the percentage who had completed college was higher for nonveterans (24 percent for Vietnam era veterans; 30 percent for nonveterans 25 to 44 years old).

Post-Vietnam Era Veterans

Male veterans of the post-Vietnam era had a lower median educational level and median income than veterans of the Vietnam era.

Post-Vietnam era veterans aged 20 to 34 had a median

educational level of 12.7 years and a median income of \$14,160 in 1986. Nonveterans of the same age had a median educational level of 12.9 years and a median income of \$14,820. Comparison of the educational distribution of post-

Vietnam era veterans with their age counterparts among nonveterans shows a pattern similar to the comparison of Vietnam era veterans with their nonveteran counterparts. Although a higher proportion of post-Vietnam era veterans

completed at least high school (91 percent of veterans and 84 percent of

nonveterans), a higher proportion of nonveterans of the same age had completed col-

lege (9 percent of veterans compared to 21 percent of nonveterans).

Work Experience

All Veterans

More than three out of four veterans and nonveterans aged 20 years and older worked during calendar year 1986. Seventy-eight percent of the

20.2 million working veterans and 74 percent of the 43.5 million working nonveterans worked throughout the year, either full-time or part-time.

Ninety-one percent of the veteran workers and 90 percent of the nonveteran workers held full-time jobs for all or part of the year.

Vietnam Era Veterans

Ninety-six percent of the 6.2 million noninstitutionalized male Vietnam era veterans 25 to 44 years of age worked during calendar year 1986.

Eighty-five percent of those who worked were employed year-round. In the group of similar-aged male nonveterans, 94 percent

worked during the year, and nearly four-fifths of these working nonveterans worked year-round.

Post-Vietnam Era Veterans

Of the nearly 2.1 million male post-Vietnam era veterans aged 20 to 34, 95 percent worked during calendar year

1986, and, of those who worked, 92 percent were employed year-round. Among nonveterans of the same age,

93 percent worked during the year, 70 percent of whom worked year-round.

Employment Status

War Veterans

In FY 1987, the monthly unemployment rate for male war veterans averaged 4.4 percent, which is 0.3 percentage points lower than

their average monthly rate in FY 1986. Nonveteran males 20 and older had an average monthly unemployment rate of 6.1 percent during the

fiscal year, 0.5 percentage points lower than the average rate in FY 1986.

Vietnam Era Veterans

An average of 7.3 million male Vietnam era veterans were in the labor force in FY 1987. The monthly average

number of male Vietnam era veterans unemployed during the fiscal year was 361,000, resulting in an average

monthly unemployment rate of 4.9 percent for the fiscal year, 0.3 percentage points lower than in FY 1986.

Post-Vietnam Era Veterans

In FY 1987, an average of 1.7 million male post-Vietnam era veterans aged 20 to 34

were in the labor force. Among them, an average of 169,000 per month were

unemployed, yielding a monthly unemployment rate of 10.0 percent.

Female Veterans

In FY 1987, 592,000 female veterans age 20 and older were, on the average, in the labor force each month. Of these, 36,000 were

unemployed, resulting in an average monthly unemployment rate of 6.1 percent, which is higher than the rate of 5.6 percent experienced by

female nonveterans of comparable age. About 57 percent of female veterans age 20 and older were, on the average, in the labor force

each month during FY 1987,
about the same as the labor

force participation rate of
female nonveterans of that

age (56 percent).

Family Income

War Veterans

The number of families headed by male war veterans was estimated to be 16.4 million in March 1987, and their median family income for 1986 was \$34,630. Families headed by nonveterans of comparable age, 25 years and older, had a median family income of \$31,270 that year. In 53 percent of the husband-wife families headed by war veterans and in 62 percent headed by nonveterans aged 25 and older, wives had earnings. Among husband-wife families headed by war

veterans, the wives' earnings increased the median income to \$41,340, compared with a median income of \$26,730 for husband-wife families in which the wife did not work. When examined by age groups, the median income of families headed by male war veterans under age 35 was \$30,580, rising to \$40,690 for families headed by war veterans aged 35 to 59. The median family income was \$31,040 for families whose male veteran head was aged 60 to 64, \$24,440 for those

headed by veterans aged 65 to 69, and \$22,690 for those whose family head was 70 years old or more. Approximately 8 percent of the 16.4 million families headed by male war veterans had a 1986 income below \$11,200, the 1986 poverty level for a nonfarm family of four. This compares with approximately 10 percent of families headed by nonveteran males aged 25 or older.

Post-Vietnam Era Veterans

In March 1987, the 920,000 male post-Vietnam era veterans aged 20 to 34 who headed families had a median family income of \$25,610. Families of nonveterans of comparable age had a median income of \$29,620 that year. Of the families headed by male veterans, 95 percent

were husband-wife families. Among these families, 78 percent of the wives had their own earnings. Those husband-wife families in which wives earned income had a median family income of \$26,660 compared to a median income of \$22,930 for those families in which

the wife had no earnings. Nearly 12 percent of all families headed by male post-Vietnam era veterans aged 20 to 34 fell below the 1986 poverty level compared to 9 percent of the families headed by nonveterans of comparable age.



Health Care

Comparative Highlights

Item	FY 1987	FY 1986	Percent Change
Facilities at end of year			
Medical centers	172	172	-
Hospital care	172	172	-
Outpatient care	172	172	-
Nursing home care	117	117	-
Domiciliary care	16	15	+13.3
Independent or satellite clinics	56	56	-
Independent domiciliary and clinic	1	1	-
Employment (net full-time equivalent)	203,238	202,890	+0.2
Obligations (millions)	\$9,960	\$9,544	+4.4
Medical care	9,673	9,275	+4.3
Research in health care	210	186	+12.9
Medical administration and miscellaneous operating expenses	42	50	-16.0
Other medical programs	35	33	+6.1
Inpatients treated	1,465,703	1,461,523	+0.3
VA facilities	1,371,757	1,364,918	+0.5
Hospitals	1,332,056	1,327,728	+0.3
Nursing homes	25,567	23,940	+6.8
Domiciliaries	14,134	13,250	+6.7
Other facilities	93,946	96,605	-2.8
Average daily inpatient census	97,442	99,025	-1.6
VA facilities	71,346	73,189	-2.5
Hospitals	54,564	56,940	-4.2
Nursing homes	10,945	10,482	+4.4
Domiciliaries	5,837	5,767	+1.2
Other facilities	26,096	25,836	+1.0
Outpatient medical visits	21,634,757	20,188,132	+7.2
VA staff	19,837,424	18,457,747	+7.5
Fee basis	1,797,333	1,730,385	+3.9

Summary

The Veterans Administration's Department of Medicine and Surgery (DM&S) is responsible for providing health care to the Nation's

veterans. This is accomplished through the operation of 172 VA medical centers (VAMCs), 229 outpatient clinics (56 of

which are located separate from the medical centers and one of which is connected with the independent domiciliary), 117 nursing

homes, and 17 domiciliaries, as well as through non-VA facilities under VA auspices. During FY 1987, nearly 1.5 million inpatients were treated under VA auspices, and there were over 21.6 million outpatient visits to VA health care facilities. Health care demands were met through a full-time equivalent employment of 203,238 and a budget of over \$9.9 billion. Other resources included an additional 12.3 million hours of service provided by over 83,000 volunteers at VA medical centers nationwide.

DM&S is continuing to meet its primary mission of maintaining and improving the quality of health care provided to veterans. This mission consists of patient care, medical and prosthetics research and development, education, and maintaining preparedness to serve as the primary contingency backup to the Department of Defense for health care of active duty military forces in times of war or national emergency. In the area of patient care, a greater emphasis is being placed on preventive health care.

Special programs have been developed for Acquired Immune Deficiency Syndrome (AIDS) education, hypertension screening, alcohol and drug abuse, nutrition and weight control, smoking cessation, physical fitness, influenza and pneumococcal immunization, colorectal cancer screening, osteoporosis counseling, diabetic retinopathy screening, and serum cholesterol determination and modification.

Inpatient Care

Veterans Administration medical centers represent a broad spectrum of medical care, from large tertiary care centers to small primary care facilities. They are located in the Nation's largest cities as well as in small towns. Almost two-thirds of the VA medical centers are affiliated with medical colleges.

During this fiscal year, 1,332,056 patients were treated in an average of 76,000 VA hospital beds. The average daily census was approximately 54,500, including chronic dialysis patients. Once again these numbers represent the continuing trend of treating an increasing number of patients while census drops. Patients treated increased by 4,328, while the average daily census decreased by 4.2 percent. As in the past,

this appears to be due to the decrease in the average length of stay: the average length of stay for all patients discharged was 19.7 days in FY 1987 compared to 21.3 days in FY 1986, and the average short-term length of stay (99 days or less) was 12.8 days compared to 13.2 days last year.

Medical bed sections, which include general medicine, intermediate care, neurology, rehabilitation medicine, spinal cord injury, and blind rehabilitation, accounted for 571,000 of the patients treated. The census in these bed sections average 28,756 with an average length of stay of 20.2 days. The average short-term length of stay was 11.7 days. Surgical bed sections cared for 298,795 patients with an average length of stay of

10.9 days. The average daily census was 8,620. Psychiatric bed sections cared for 207,142 patients with an overall average length of stay of 31.2 and an average short-term length of stay of 21.0 days. The overall average length of stay for psychiatric patients is down from 36.3 days last year.

Another notable trend in hospital care is the continued growth of the Intermediate Care Program in the Veterans Administration. This program serves veteran patients who have completed the acute phase of their hospital treatment but require further care in an inpatient setting. The number of patients treated in Intermediate Care beds increased by about 3,000 from FY 1986 to FY 1987.

Outpatient Care

Outpatient care in the VA health care system provides a wide range of services to the veteran for either pre- or post-hospital care or for illnesses which do not require hospitalization. Over 70 different medical specialty

areas are available for use in treatment on an outpatient basis including surgery, radiation therapy, allergy immunology, optometry, and alcohol and drug dependence treatment. During FY 1987, almost 19.8 million visits

were made to VA medical staff in these clinics. An additional 1.8 million visits were made to private physicians under VA authorization.

1987 Issues in Health Care Management

DM&S Central Office resources during 1987 were focused on many high priority activities and issues. Midway through the second fiscal quarter, the new Chief Medical Director (CMD) was appointed, and an organizational realignment ensued. A long-needed office automation plan was implemented enabling smoother processing of critical requirements and improved communication between program offices. Executive and management development projects during the year emphasized leadership, innovation, and organizational renewal. To identify future candidates for Department leadership, a DM&S management assessment center selected 40 associate director trainees for FY 1988. A National EEO Advisory Council was created to enhance the equal opportunity program in DM&S employment. One DM&S employee each year will receive the new David M. Worthen Award for Academic Excellence, recognizing a contribution of national significance to the education of health professionals.

The Department's planning and budgeting functions received major management attention during this fiscal year. A National Task Force on Planning was appointed to assess and make recommendations for improving the Department's planning process. A change in focus to five-year strategic planning resulted in the formulation of planning projections through the year 1992.

Medical District planning will continue to drive clinical programs in directions identified through the application of program criteria and standards for performance. In its fourth year of operation during 1987, the Resource Allocation Methodologies (RAM) process is under continuous scrutiny, modification, and improvement. The Central Office functions of RAM modeling and implementation were integrated in FY 1987 into one program office to facilitate an improved resource allocation process for the benefit of field operations.

Other high priority management concerns included recruitment and retention of critical nonphysician health care workers; field staff resolution of conflict of interest issues; licensure, credentialing, and privileging of health care professionals; and health care quality assurance. Medical Administration staff concentrated training and staff resources on implementation of the means test for assessing veteran eligibility for health care, recovery of VA health care costs from third-party health insurers, changes in the beneficiary travel program, identifying opportunities for improving access to VA health care for veterans living in areas remote from VA facilities, and evaluating the health care needs of veterans residing in the State of Hawaii.

DM&S facilities have treated

veterans diagnosed as having AIDS since early 1981, but with the growth in the number of diagnosed patients nearing epidemic proportions, the CMD established an AIDS Steering Committee and an AIDS Working Group in FY 1987 to provide a focus for dealing with this disease. Former Prisoners of War (POWs) have been the subject of special history-taking and medical evaluation protocols since 1983. The Department now has established a POW Coordinator in each of the 172 VA medical centers to handle the examination program. A September 1987 report showed that 26,000 former POWs have been examined.

Outreach to homeless chronically mentally ill veterans was a high priority for DM&S this year. Congress authorized special funding for VA to contract with community-based psychiatric residential treatment programs for these veterans and required the VA to evaluate the success of the program and report the findings to Congress in 1990. Greater emphasis was also given to identifying alternatives to long-term institutional care for veterans when such alternatives are clinically therapeutic. This year, the VA conducted several surveys and operational analyses of existing noninstitutional patient care programs.

DM&S Central Office Realignment

The Acting Chief Medical Director, John A. Gronvall, M.D., was appointed to the position of Chief Medical Director by the Administrator

of Veterans Affairs in January 1987. Dr. Gronvall and key staff determined that changes were required in the Department's Central Office

organizational alignment to improve the effectiveness of line and program management and key resource allocation, planning, and advisory pro-

cesses. The CMD's proposed realignment plans were approved by the Administrator on April 2, 1987.

Major features of the 1987 realignment included the following:

- Elimination of the matrix-type organization structure that had assigned program planning responsibility to the Associate Deputy Chief Medical Director (ADCMD) and line management responsibility to a Director for Operations;
- Establishment of a position of Assistant Deputy CMD for Programs and Operations, which reintegrates line and program management functions as one function;
- Reconstitution and realignment of the Office of the ACMD for Planning, Evaluation, and Systems Development to form the Strategic Planning Office, responsible to the Deputy CMD; and,
- Alignment of the Resource Management Office and the Management Support Office to the Deputy CMD, and establishment of a public affairs specialist position in the Office of CMD.

The Chief Medical Director also established three internal DM&S advisory groups to regularly advise him on a broad array of major operational, clinical, and Departmental policy issues. These are the Field Advisory Council, the Clinical and Programs Advisory Council, and the Policy Advisory Board.

The Field Advisory Council (FAC) was appointed to ensure significant field involvement in the Department's policy formulation and decision-making processes. The

membership was selected to represent a broad range of backgrounds, experience, and viewpoints, and includes Medical Center Directors, Associate Directors, and Chiefs of Staff who represent a cross-section of the missions and geographic distribution of VA medical centers. This was done, recognizing that the policies and practices governing the operation of VA medical centers would be strengthened if senior managers who administer the policies were consulted during the policy development stage.

The FAC, which meets quarterly, advises senior Central Office officials in the development of planning, management and program initiatives, and in the formulation of policies to accomplish program and operational goals. The Council also provides recommendations for improving the functioning of DM&S facilities, informing the Chief Medical Director of areas of concern, and enhancing communications between field managers and senior VA Central Office officials. In addition, the FAC makes recommendations on how to more effectively and efficiently implement VA programs.

The FAC met once during 1987. At its first meeting, the Council assumed the lead responsibility within the Department for addressing several important matters. The Council will develop a set of recommendations for a long-range strategy to improve the current underrepresentation of minorities, women, and the handicapped in the Department's Associate Director program. In addition, the Council will explore ways to attract highly qualified individuals into senior and mid-level executive positions.

The responsibility to plan, execute, and maintain quality

health care programs for veterans presents many challenges and opportunities. By actively involving senior managers with direct responsibility for health care delivery to veterans as full participants in discussions on critical management and operational issues, the FAC will enable the Department to better address these issues.

A Clinical and Programs Advisory Council (CPAC) was established to advise the Chief Medical Director on future directions in clinical practices. Membership on the council includes Central Office staff, Chiefs of Staff, service chiefs, and other well qualified individuals from field facilities with responsibility for research, teaching, patient care, and quality assurance.

The CPAC examines new approaches to health care and explores new ways to translate research to clinical use. Other objectives are to assess the health care planning, programmatic, research and technology horizon; review the usefulness of clinical programs; and interface with specialized VA and non-VA programs on academic and research issues.

The CMD restructured a policy advisory group called the Policy Advisory Board (PAB). The functions and membership of the Board were updated for consistency with the new organizational structure. The PAB advises the Chief Medical Director on all major policy issues. The Chairman of the Board is the Deputy Chief Medical Director. Membership includes the Associate Deputy Chief Medical Director; one Assistant Chief Medical Director, selected annually; one Regional Director, selected annually; the Director, Resource Management; and the Medical Inspector. The Chair of the FAC and a representative of the new

CPAC were added to the Board to ensure coordination of activities of the three ad-

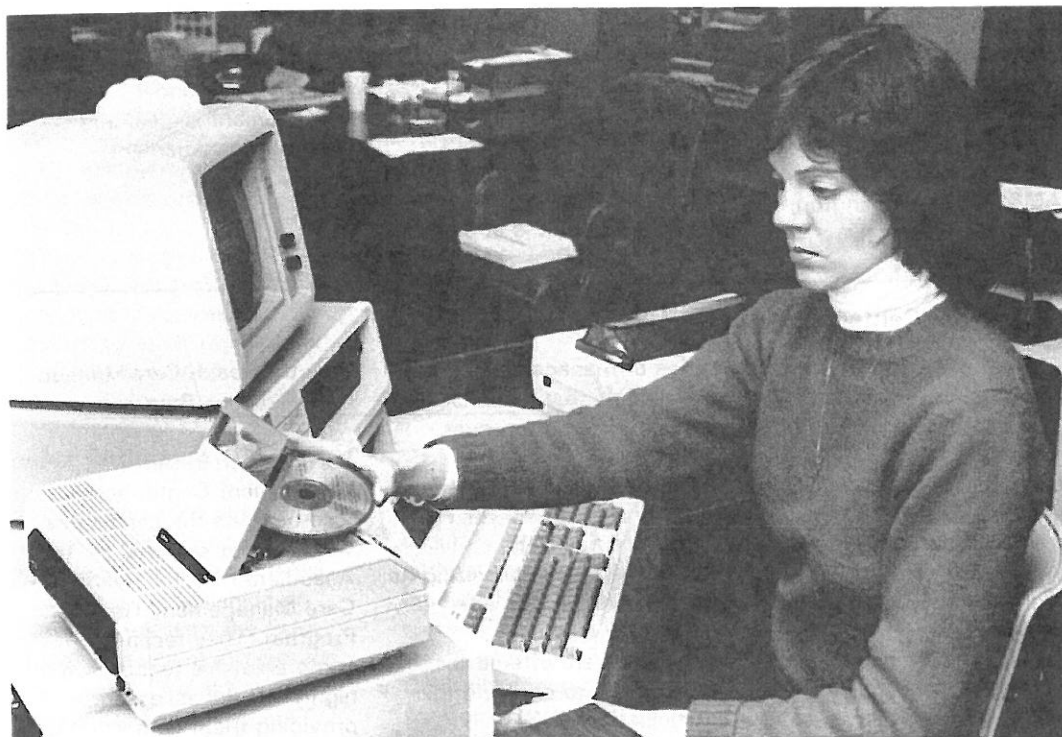
visory groups and to provide an additional forum for those groups to participate in the

policy deliberations of the Department.

DM&S Central Office Automation Initiative

During 1987, DM&S made a concerted effort to enhance office automation under the Agency's office automation contract. The Department's user community grew from 120 available workstations to 360. This increase comprised approximately 65 percent of the planned installations and provided over 400 of the Department's Central Office employees with access to the system.

The Department created an Office Automation/Personal Computing Advisory Group whose function is to provide guidance and oversight to the management of the Department's Central Office computing and office automation resources. During 1987, the efforts of this group resulted in a cost avoidance of \$69,000 by not purchasing duplicate ADP and office automation hardware



DM&S access to the Agency's office automation system has expanded significantly.

where shared usage and equipment modifications

could accommodate actual needs.

DM&S Executive and Management Development

In 1987, the Executive Development Program emphasized leadership, innovation, and organizational renewal. Approximately 1,000 executives from VA medical centers and Central Office participated in two major DM&S conferences on these topics. The Associate/Assistant Medical Center Director's Forum on "Transformational Leadership" highlighted an "Innovative Management Exposition" which focused on innovative ideas/models for improving patient care. Twenty-nine medical centers were selected to share their creative approaches on topics including delivery of patient care, human resource development, ADP applications, management information systems, internal

and external marketing, and cost containment. The Associate/Assistant Directors voted for the three exhibits which they felt offered the most significant innovative benefit to the VA. Albany, New York, VAMC was the first place winner with an exhibit titled "Entrepreneurship: Is It Possible in The Government?". The VAMC Hines, Illinois, was second with "Medical Management Information Systems;" and third place went to Chicago (West Side), Illinois, VAMC with "Collaborative VA/Community Ventures."

The Senior Management Conference, "Veterans' Health Care: Dynamic Partnerships for the Future," featured the co-author of "In

Search of Excellence" and author of "The Renewal Factor," and other nationally recognized speakers, in dialogue with the Veterans Administration's senior management staff.

DM&S executives participated in many prestigious university executive development programs. At one such program, an Innovation and Enterprise Development Conference was sponsored by Healthcare Forum/3M. Fifteen VA medical centers were honored for excellence in applying fresh ideas and approaches to new or enhanced products and services; improved business performance; and contributions to the community and healthcare industry. Awards were

presented to the following VAMCs: Albany, New York; Albuquerque, New Mexico; Bath, New York; Beckley, West Virginia; Biloxi, Mississippi; Brooklyn, New York; Chicago (West Side), Illinois; Columbia, Missouri; Columbus (OPC), Ohio; Hines, Illinois; Minneapolis, Minnesota; San Antonio, Texas; Tampa, Florida; Topeka, Kansas; and the VAM&ROC in Wilmington, Delaware.

Integrated, facility-based developmental approaches to Mid-Level Management Development continued at seven VA medical center model sites: Chicago (West Side), Illinois; Columbia, South Carolina; Long Beach, California; Phoenix, Arizona; Richmond, Virginia; Togus, Maine; and Wilmington, Delaware. Two new sites were added - at the VA Medical Center in Kansas City, Missouri, and at a site

yet to be determined in Medical District 26. These approaches are designed to augment the generic interpersonal skills training established at 70 sites. Specific examples include: the VA planning process; interservice relations; personnel management issues; and resource management.

Assessment Centers

In 1987, the Department conducted four Assessment Center activities to identify those candidates who were best qualified for selection into the Associate Director/Health Care Management Training Program. This process uses simulation exercises specifically designed to elicit each individual candidate's strengths and weaknesses and to assess various levels of management leadership potential. While attending the Assessment Center, individuals participate in a

series of management simulations that resemble actual problems or issues.

DM&S selected 40 associate director trainees for the FY 1988 program. The Department is emphasizing its need to ensure that all potentially qualified employees are offered the opportunity to compete for participation in the Assessment Center process, in an effort to increase the number of women, minorities, and handicapped individuals in the Associate

Director/Health Care Management Training Program.

Participation in the Assessment Center activities also benefits the candidates who are not selected for the Associate Director Health Care Management Training Program. They receive comprehensive feedback from highly trained assessors, providing them with insights into their areas of relative strength and weakness, and the opportunity to improve their performance through focused training.

DM&S National EEO Conference

The Department held its 11th Annual National Equal Employment Opportunity (EEO) Conference May 4-9, 1987, in Lakewood, Colorado. The Conference consisted of speakers including the CMD and the

Director, Office of Equal Opportunity. Training and workshops were conducted by faculty from Cornell University and by VA staff. More than 80 participants from across the Nation attended the Conference. The

creation of a DM&S National EEO Advisory Council was a major outcome of the Conference. The Council will serve in an advisory capacity to the CMD on EEO and affirmative action matters.

Strategic Planning Projections: 1988 - 1992

The Department of Medicine and Surgery uses a decentralized planning process called Medical District Initiated Program Planning (MEDIPP). The MEDIPP process focuses on identifying changes necessary to fulfill the health care requirements of the veteran population and to keep pace with a dynamic health care environment.

Within a framework of strategic goals, priorities, and directions, DM&S is planning to guide program development and policy making during the 1988-1992 period. This framework will be based on observation and analysis of trends in the national health care environment, overall budget prospects and specific

resource availability, the nature and character of the VA health care system itself, and changes in the veteran patient population.

The goals of the strategic planning effort for 1988-1992, are summarized as follows:

- Assure the highest possible

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| <p>standard of VA care through cost-effective improvements in program management and resource allocation;</p> <ul style="list-style-type: none"> ● Improve the Department's response to a changing American medical care environment, including participation as a full partner in national, State, and community efforts to solve current and prospective medical care problems; ● Maintain a strong, balanced, and efficient medical center acute care | <p>program;</p> <ul style="list-style-type: none"> ● Use ambulatory care to supplement or substitute for inpatient treatment as medically appropriate; ● Expand and improve VA long-term care services through a mix of VA and other programs, including both inpatient and noninstitutional approaches; and ● Maintain strong and balanced education and research programs contributing to innovations and improvements in | <p>patient care, management, and scientific knowledge.</p> <p>These goals and the specific actions they generate will enable DM&S to meet the demands of eligible veterans for complete health care services in the context of a dynamic national medical care environment. These goals will further enable the Department, in coordination with the Office of Facilities, to develop a strategic approach to the health care facility construction needs of the Veterans Administration.</p> |
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Resource Allocation Methodologies Evaluation

The Resource Allocation System entered its fourth year of operation in fiscal year 1987.

Two major features of the 1987 DM&S realignment resulted in an improved resource allocation process. First, the Chief Medical Director realigned resource allocation development functions and personnel from the Office of Planning, Evaluation, and Systems Development to the Resource Management Office.

This organizational realignment ended the separation that had existed between RAM "modeling" and "implementation" since the resource allocation methodologies were introduced in 1985. The combined energies of the developers and modelers have been integrated to further support the goal of an improved resource allocation process.

The second major feature of RAM realignment was the Chief Medical Director's establishment of a special task force. The RAM Task Force was directed to make recommendations to the Chief Medical Director to help guide the future development of the

resource allocation system. The RAM Task Force has improved confidence in RAM activities by establishing an open dialogue with the field, through the use of interactive issue papers, and through a planned national RAM consensus conference.

Participants will represent a broad spectrum of clinical and administrative experience with VA health care at both the national and facility levels. The results of the consensus conference will be presented at the VA Senior Management Conference in early November 1987. The RAM Task Force will utilize the information gathered as a cornerstone for recommending evolutionary changes for the FY 1989 RAM and beyond.

In FY 1987, a number of significant changes were made in the models used to develop the FY 1988 target allowances. These changes were as follows.

- Automated Management Information System (AMIS) adjustments for workloads in the inpatient and outpatient models were discontinued. The basic workload reporting system Patient Treatment File

(PTF) was deemed accurate enough for use without the application of workload adjustment factors.

- Centrally directed funds for Comprehensive Rehabilitation Centers (CRCs) were "passed through", or not included, in the RAM models with the proviso that the entire issue of Rehabilitation Medicine Services under the RAM be examined for FY 1989.
- A corridor of ± 1 percent was established. A corridor, or "buffer zone", exempts the first 1 percent of a facility's RAM gain or loss. A corridor was intended to recognize a level of statistical variance in the RAM.
- The transfer funding policy was modified to require a change in the patient's DRG in addition to a change in bed service in order to qualify for additional funding for a transfer episode of care. The transfer is then treated as if it were a discrete episode of care and receives full DRG funding.

- In the outpatient model, ambulatory surgery weighted work units (WWUs) were capped. Other special services, such as computerized tomography (CT) scans and radiation therapy, were funded as reported and verified by the region. The facility cap on ambulatory surgery WWUs to total outpatient WWUs was based on the 75th national percentile of ambulatory surgery WWUs to total outpatient WWUs.
- In the long-term care (nursing home and intermediate care) program, a new RUG-II (resource utilization groups) model was adopted for use. The new model is based on a patient classification system developed by the State of New York for use in its Medicaid nursing home care reimbursement process.

Licensure, Credentialing, and Privileging

The licensure, credentialing, and privileging of health care professionals is an issue of vital concern to the Department.

Enactment of Public Law 99-166 required certain actions to be completed by the Department within relatively short timeframes. It required that DM&S describe in detail current and future plans for determining and monitoring the credentials of health care professionals and prescribe uniform guidelines establishing procedures to reduce or revoke clinical privileges of employees identified in 38 U.S.C., section 4104(1), including physicians, dentists, podiatrists, optometrists, nurses, physician assistants, and expanded function dental auxiliaries.

The Department has adopted the use of a revised

employment application form for physicians, dentists, podiatrists, and optometrists to more closely monitor applicant qualifications. VA Form 10-2850, distributed to all health care facilities in September 1986, requires the applicant to more fully disclose information regarding licensure status, clinical privileges, work performance history, professional liability insurance and malpractice episodes, and Drug Enforcement Agency (DEA) certificate status. Applicants must identify all states in which a license has ever been held and indicate whether, in the last five years, they have retired or resigned from a position after receiving notice concerning possible discipline. This new application form substantially strengthens the Department's pre-employment screening process.

Another significant initiative is

an agreement entered into between DM&S and the Federation of State Medical Boards (FSMBs) to screen the licensure status of all physician applicants prior to hiring. The names of all physicians applying for employment, whether in field facilities or in VA Central Office, are submitted at regular intervals to FSMBs for a licensure status review. All licenses must also be validated with the primary data source, the State licensing boards.

The Department is also now reporting to FSMBs all former VA physicians whose practice failed to conform to generally accepted standards. Operating policies and procedures are now set forth in regulations to report those physicians and other licensed health care professionals to the appropriate State licensing boards.

Means Test

Enacted in April 1986, Public Law 99-272 established three groups of veteran eligibility (Category A, B, and C) for VA hospital and nursing home care, directing that hospital care be provided to veterans within one group (Category A veterans) and permitting care to be furnished on a space available basis to veterans in the other two groups (Categories B and C veterans).

The categories are defined as follows:

- Category A veterans: Any veteran who is rated service-connected; is retired from active duty for a disability incurred or aggravated while in military service; is in receipt of VA pension; is eligible for Medicaid; is a former POW; is in need of care for a condition possibly related to exposure to dioxin or other toxic substance (such as Agent Orange) while in Vietnam August 5, 1964, through May 7, 1975; is in need of care for a condition possibly related to exposure to ionizing radiation from participating in nuclear tests or in the American occupation of Hiroshima or Nagasaki, Japan, between September 11, 1945, and July 1, 1946; or has an income below \$15,833 for veterans with no dependents, below \$18,999 for a veteran with a spouse (\$1,055 added for each additional dependent).
- Category B veterans: Nonservice-

connected veterans with income between \$15,833 - \$21,110 for a veteran with no dependents, and between \$18,999 - \$26,388 for a veteran with a spouse (add \$1,055 for each additional dependent).

- Category C veterans: Veterans with incomes in excess of the amounts mentioned previously. These veterans must agree to pay the VA a copayment.

Essentially, the law established an income-based means test for determining eligibility for medical care for nonservice-connected veterans. Veterans with income in excess of the means test income levels can obtain VA care if resources and facilities are available and if they agree to pay a copayment. The law also made changes to outpatient care eligibility requirements; veterans with income over the means test level may

receive certain outpatient care, if resources and facilities are available and if they agree to pay a copayment. The same law eliminated the previous eligibility of veterans aged 65 and over to receive medical care on the basis of age alone. FY 1987 was the first full year of tracking means test data.

Means test data were collected on outpatients, inpatients, and applicants for

Staff Recruitment and Retention

As a result of difficulties experienced in the area of recruitment and retention of health care personnel, a number of activities were undertaken by the VA. Among these efforts was the establishment in March 1987, by the Chief Medical Director, of a task force to identify short- and long-term solutions to these problems. The task force membership included representatives of the programs experiencing the staffing problems, as well as field and Central Office professional and administrative staff.

The task force solicited the input of staff, professional organizations, and veterans' service organizations. Additionally, multiple data bases were examined, including the 1986 Office of Personnel and Labor Relations' Survey, independent surveys performed by clinical services, and published information.

Preliminary recommendations were developed, addressing in a comprehensive manner the full scope of recruitment and retention difficulties experienced by DM&S. The recommendations generally fall into the areas of:

- Management Issues - The changes that may be made in management attitudes and actions which will result in work environments and practices that are conducive to recruitment and retention;
- Benefits Packages - The increasing significance of the fringe benefits offered by employers, including insurance, educational opportunities, child care, and flexible work schedules;
- The VA Image as an Employer - The perception of employment with the VA, and civil service in general, and its impact on the Agency's ability to attract and retain health care workers; and
- Salary - The ability of the VA to offer salaries for various health care professions that are competitive with the private sector, and State and local markets.

In addition to the actions that will be taken as a result of the task force recommendations, the Department has initiated a number of programs to address the staffing problems. These have included improvements to the special pay rate process; identification of additional funds for tuition assistance; and a legislative proposal to significantly expand the Health Professional Scholarship Program to include physical therapists, occupational therapists, and other health care professionals who are difficult to recruit and retain.

While these efforts are helping, the Department is continuing to give heightened attention to the issue of recruitment and retention of health care personnel, and the task force is continuing its efforts to identify solutions to current and potential staffing problems.

care; 95 percent of the workload consisted of Category A veterans, 2.5

percent of the workload was comprised of Category B veterans, and the remaining

2.5 percent of the workload was comprised of Category C veterans.

Quality Assurance

The Medical District Initiated Peer Review Organization (MEDIPRO) program introduced additional concepts of quantitative assessment, statistical analysis, and outcome monitoring to the VA quality assurance program.

The MEDIPRO process requires a board of physician peers to identify and assess deviations from professionally determined standards of clinical care through a statistical analysis of outcome indicators (such as mortality rates), and subsequently to undertake individual case record reviews based on local development of clinically meaningful hypotheses and review criteria.

MEDIPRO was pilot tested, then implemented in all 27 Districts in FY 1987. Preliminary evaluation shows the program to be highly effective in identifying potential quality of care issues and in involving physicians in the resolution of clinical problems. Plans are underway to extend the program into long-term and ambulatory care after a period of pilot testing during 1988.

With the passage of Public Law 99-166 in late 1985, the Administrator of Veterans Affairs was required to "establish and conduct a comprehensive program to monitor and evaluate the quality of health care furnished by DM&S and as part of the quality assurance program [to] periodically evaluate" surgical mortality and morbidity. In response, a five-year phased approach to compliance was developed.

The Phase I report to the Congress was submitted in April 1987. The data supported the following findings and conclusions.

- The VA/DM&S surgical program is fundamentally sound.
- Mortality rates associated with the four risk groups analyzed are comparable to reported private sector mortality rates.
- With the exception of a few low-volume procedures, national mortality rates do not exceed professionally established thresholds which would indicate the need for individual case record review.

Those rates which exceed review thresholds (the low-volume procedures) may be accounted for in part by the advanced age of the patients who died and by the general risk status of the VA patient population. Individual case record review of these procedures will be undertaken in Phase II.

Based on the Phase I analysis the Department concluded that, in the absence of non-VA national surgical mortality and morbidity standards and in view of the volume and range of VA surgical programs and the uniqueness of the VA patient population, the VA should proceed with the development of its own national standards for mortality and morbidity.

This task will be undertaken during the Phase II project and will be reported to the Congress in April 1989. The VA standards will incorporate a risk model accounting for age, health status, severity, and other factors that contribute to acceptable variations in surgical mortality and are useful in the assessment of surgical outcomes and the quality of surgical care.

This model, and its component standards, criteria, and thresholds, can be incorporated into a quality assurance decision support system, an information system providing on-line clinical information about quality of surgical care to practitioners and program managers. This system will be integrated with the Decentralized Hospital Computer Program, and its applications will be the focus of the Phase III project due in early 1991.

VA Health Care Cost Recovery

Public Law 99-272 also gave the VA the statutory authority to recover the cost of medical care furnished to nonservice-connected veterans from third party health insurance carriers. Deductible or co-insurance charges commonly imposed by health insurance policies are not required from the veteran as a condition for receiving care. Nationwide training of Medical Administration personnel on medical care cost recovery, with particular emphasis on third party health insurance, was conducted in the early spring of 1987.

VA medical centers have

been encouraged to enter into provider contract agreements. This past fiscal year, the VA established receivables and billed health insurance carriers for nearly \$100 million for VA medical care provided to health-insured nonservice-connected veterans. These claims have been primarily for inpatient care. Total collections for this program amounted to nearly \$24 million for FY 1987. Collections are deposited to the U.S. Treasury as proprietary receipts.

DHCP software is currently under development to assist with third party

reimbursement billing and collection activities. Some software is expected to be available for field testing in early FY 1988.

Initiatives are underway between DM&S and the Department of Veterans Benefits (DVB) to provide DM&S employees increased access to data elements contained in the DVB Target computer system. This access will enable DM&S staff to more readily determine eligibility for benefits, without further inquiry to DVB, thereby reducing the time required to provide services to veterans.

Beneficiary Travel

The administration of beneficiary travel was changed in FY 1987. Priority options for eligible veterans under this program are: (1) for emergencies; (2) for specialized modes of transportation such as ambulance or wheelchair van when they are medically

indicated; (3) for transportation costs incident to the transfer of an inpatient from one health care institution to another in order to continue ongoing VA sponsored care; (4) for transportation and other expenses incident to scheduled compensation and

pension examinations for eligible beneficiaries; and (5) for partial payment for travel performed beyond a 100-mile radius from the nearest VA medical care facility.

These changes in the beneficiary travel program led the VA to explore alternative



Members of the Disabled American Veterans present the keys to 1 of 24 vans for the transportation of veterans to and from VA health care facilities for treatment.

options for transportation for eligible veterans who do not fit into one of these five priority groups. The Department will continue to make every effort to assist through the expanded use of volunteer and veterans service organization resources, such as the Disabled American Veterans (DAV) Volunteer

Transportation Network.

The DAV transportation network was established to provide transportation to and from VA medical facilities for veterans not authorized to receive beneficiary travel pay under the 1987 changes to the program. The DAV established full-time coordinators in more than

100 VA medical centers and contributed 24 new 12-passenger vans to the VA to ensure success of the project. This effort and the DAV's Older Veterans Assistance Program will provide numerous opportunities for volunteers to serve veteran patients away from the formal VA medical facility setting.

Veterans Health Care in Remote Areas

The problem of ensuring that comprehensive health care services are accessible to all veterans regardless of residential proximity to VA health care facilities has received increased attention within the past several years. Three VA reports, the most recent one transmitted to Congress in January 1987, have presented a variety of innovative approaches that are used across the VA system to address the issue of access to health care for veterans living in rural areas, remote from VA health care facilities.

Alternatives that the VA has found to be particularly useful in improving accessibility are the establishment of VA community-based clinics and

traveling teams, as well as contracting with local community providers and fee-basis care. Various combinations of these alternatives are used, depending upon the local needs and circumstances of the veteran population being served. For instance, primary care traveling clinics are used extensively by the VA in the Plains and Rocky Mountain areas to reach dispersed veteran populations. Since medical specialty services are not always available to veterans receiving treatment at remote VA medical centers, "Fly-in Specialty Clinics" are used to provide these needed services in some instances. Salt Lake City and Denver VA Medical Centers have effectively used

this form of outreach to veterans in non-affiliated hospitals in the Rocky Mountain area.

To determine how best to deliver health care in sparsely populated, distant, underserved areas, the VA has recognized the need to carefully compare and evaluate alternatives. Recently two pilot demonstration projects have been implemented in remote areas of Northern New Mexico and California. These are community-based clinics which will be evaluated in respect to improvement in accessibility for veterans, quality of care, and cost impact.

Hawaii Veterans' Health Care

In April 1987, the Senate Committee on Veterans' Affairs conducted hearings in Hawaii to consider the Island State's VA medical care programs. In Hawaii, veterans' medical care is provided through a combination of private and public sector arrangements. A combined regional office/outpatient clinic has an annual workload of over 50,000 outpatient visits. Inpatient acute and extended care services are provided through Tripler Army Medical Center and a number of other

health care facilities, and are financed through the clinic.

Concerns have been voiced by Hawaiian veterans who believed they were not receiving care on a par with mainland veterans. Limited VA capital facilities and atypical arrangements for sharing and contracting with military and other health care providers resulted in the appearance of fragmentation of care. Differences in cultural perceptions of services have also made providing health care to veterans in Hawaii

substantially different from the way health care is delivered in the contiguous states.

Shortly after the Senate hearing, the Chief Medical Director appointed a special task force to consider the needs of Hawaii's veterans and VA's current approach to meeting them, any findings indicating a need for changes, and recommendations for appropriate action where indicated.

Health Care for Former Prisoners of War¹

In 1987 it is estimated that nearly 81,000 former prisoners of war (POWs) remain living: 277 from World War I, 76,403 from World War II, 3,505 from the Korean conflict, and 615 from the Vietnam era. One of the early recommendations of the VA Administrator's Former Prisoners of War

Advisory Committee was that the Department of Medicine and Surgery develop a standard protocol for obtaining the history and medical evaluation of former prisoners of war. Consequently, a special history-taking and medical evaluation protocol was developed and has been in

use since July 1983.

DM&S established physician, administrative, and social work coordinators at all VA medical centers to handle the former POW examination program. A senior medical clinical coordinator is identified for each of the 27 medical districts, and a new

Care for Homeless Veterans

Public Law 100-6 authorized the VA to contract with community-based psychiatric residential treatment programs for homeless chronically mentally ill (HCMI) veterans. The VA's FY 1987 appropriation provided \$5 million for this project, and Congress authorized another \$5 million for FY 1988. An evaluation of treatment programs and activities is scheduled for submission to Congress by February 1990.

VA program offices, such as Readjustment Counseling Service and Social Work Service, have been working with HCMI issues for several years. This latest initiative continues the tradition of assistance to indigent veterans, and is the first clinical effort on a national scale to reach these veterans.

Estimates indicate that 30 to 60 percent of the homeless suffer from chronic mental illness which may impair their ability to seek treatment. The belief is that many homeless veterans who are in need, and eligible for help from the VA, would not obtain help unless a special effort is made on their behalf.

Forty-three demonstration project sites were selected. Enthusiasm from field facilities to work with HCMI veterans is high, and the support elicited from local communities has been gratifying. Approved sites are located in 26 states and the District of Columbia. Thirty-six of the projects are in urban settings, while seven are primarily rural.

Each HCMI program includes aggressive outreach by VA case managers who provide the liaison with local coalitions and coordinate the veterans' care. Medical and psychiatric assessments are provided by the VA medical facility. Placement in a non-VA residential treatment facility for a period of rehabilitation is aimed at improving HCMI veterans' functioning so they can avoid future homelessness.

Because of the innovative nature of the HCMI program, close monitoring and outcome assessment have a high priority.

An estimated 5,000 contacts were made by 86 outreach workers in the last five months of FY 1987. More than half of those contacted during the first two months of the program received services. Placements have increased rapidly as contracts have been established with residential treatment programs and caseloads at demonstration sites have increased.

Public Law 100-71 also authorized \$15 million to establish homeless care programs at selected urban-based locations among VA's 17 existing domiciliaries. On October 1, 1987, activation of 10 additional VA domiciliary care programs, intended primarily to serve the needs of homeless veterans, was approved. These new programs will add a total of 525 beds.

As the domiciliary evolves in response to new demands, it will remain a desirable alternative for the veteran who does not need the full services associated with nursing home care - providing a valuable step between acute care and the community.

¹ This information is included in compliance with section 221, title 38, U.S.C.

chapter to the VA Physician's Guide, "Medical Evaluation for Former Prisoners of War," was added in FY 1987.

Systematic external (quality assurance) reviews of former POW programs in the field facilities continued through FY 1987. In 1984, DM&S developed a former POW statistical tracking system. Each medical facility provided information on former POWs who had entered the program as of July 1, 1983. The September 1987 report showed that a total of nearly 26,000 former POWs have been examined. During 1987 the VA provided funding of \$230,000 to the National Academy of Sciences to conduct an ongoing study of morbidity and mortality among former prisoners of war.

Public Law 99-166 authorized the VA to furnish counseling to former prisoners of war to assist in overcoming the psychological effects of the POW experience. A survey conducted in September 1987 identified approximately 6,000 former POWs in active psychological counseling at 160 VA health care facilities. In addition, approximately 2,000 families of those former POWs were receiving associated counseling in VA programs.

In 1981, Congress passed Public Law 97-37 entitled, "Former Prisoner of War Benefits Act of 1981." The law established an Advisory Committee to advise the Administrator of Veterans Affairs on the health care and benefits needs of Former Prisoners of War. Eight

diagnoses were identified by that statute as presumptive for service-connection for former POWs.

The presumptive diagnoses were avitaminosis, beriberi (including beriberi heart disease), chronic dysentery, helminthiasis, malnutrition (including optic atrophy associated with malnutrition), pellagra, other nutritional deficiencies, and any of the anxiety states which became manifest to a degree of 10 percent or more after active military service.

In 1983, Public Law 98-223 added dysthymic disorder to the list of diagnoses. Public Law 99-576, enacted in October 1986, added organic residuals of frostbite and post-traumatic osteoarthritis to these presumptive diagnoses.

Planning For Post-Hospital Care Alternatives

The VA has been exploring opportunities for alternatives to institutional care when such treatment alternatives are the clinically most appropriate therapeutic environment for post-hospital care. VA has conducted several surveys and operational analyses of existing noninstitutional patient care programs.

The major effort directed at streamlining post-hospital program utilization activities was the VA's Alternatives to

Institutionalization Study. This broad-based effort was directed at measuring the care needs of veterans. Important factors analyzed were: type of placements needed for post-hospital care, current availability, and type of impediments to the most efficient utilization of noninstitutional-based patient care programs. The findings and conclusions of this study were recently reported to Congress. In addition to the Alternatives to Institutionalization Study, a

special field survey was conducted to define the common needs of patients being treated by VA Intermediate Medicine bed services.

As the basis for program and policy analysis, the information obtained through this initiative has been shared with congressional committee staffs and internal VA oversight elements to facilitate the planning and management of this growing patient care population.

VA Prosthetics Research and Development Center

In early FY 1988, the Veterans Administration will dedicate its new national Prosthetics Research and Development Center in Baltimore, Maryland. The Center, consolidating three related operations, will be engaged in evaluating advanced engineering applications in the field of prosthetics and exchanging

technical information within the rehabilitation engineering community as follows.

- The Prosthetics Assessment and Information Center (PAIC) will evaluate commercially available prosthetic devices and disseminate information about them to VA clinicians and researchers. It will
- maintain catalogs, slides, and tape collections related to orthotics, prosthetics, and sensory aids, and will provide technical information and assistance to interested parties.
- The Rehabilitation Research and Development (Rehab R&D) Evaluation Unit will evaluate newly

developed research products and techniques, and facilitate their movement into commercial production, distribution, and use.

- The Office of Technology Transfer (OTT) will produce several publications, including the *VA Journal of Rehabilitation*

Research and Development, a leading medical journal in its field. It also will serve as an informational clearinghouse for anyone interested in rehabilitation research.

The total budget for the Center for FY 1987 was approximately \$3.5 million. At full staffing, its 62 medical

specialists will include 27 with PAIC, 14 with Rehab R&D, and 21 with (OTT).

Organizationally, the Center will be placed under the authority of the Deputy Assistant Chief Medical Director for Prosthetics Services, Research and Development, who reports to the Assistant Chief Medical Director for Clinical Affairs.

Decentralized Hospital Computer Program

The establishment at every VA medical center of VA-developed hospital information systems has been rapid and successful. The Decentralized Hospital Computer Program (DHCP) was conceived in 1982, and installation of hardware began in March 1984. Software specifications were developed by user groups composed of VA health care experts. A standardized programming language, Massachusetts General Hospital Utility Multi-Programming System (MUMPS), which supports rapid prototyping of solutions in response to practitioner-defined needs, was adopted, and VA developers created a MUMPS-based VA File Manager, an integrated data base that permits users to create special purpose programs without computer coding.

The DHCP application software strategic plan identified medical administration (patient admissions, discharges, clinic scheduling, etc.), inpatient and outpatient pharmacy, and the clinical laboratory as the areas in greatest need of integrated information system support. The software modules that fully support these areas constitute DHCP Full CORE. These programs streamline previously lengthy paper processes, such as admitting, pharmacy recordkeeping and label generation, and acquisition of laboratory test results (by reporting them electronically to the wards).

Eight new application areas were developed and approved after a successful cost-benefit analysis performed by an independent public accounting firm. The eight functional areas collectively termed "CORE plus 8" include: Radiology, Dietetics, Medical Records Tracking, Fiscal/Supply, Surgery, VAMC Management (Decentralized Medical Management System), Nursing, and Mental Health. Supporting software will be ready for implementation on the expansion equipment being procured in FY 1988 and 1989.

Analyses by independent consultants affirmed that DHCP is functionally equivalent to commercially available systems while meeting specialized VA requirements, at approximately one-half of the 10-year life cycle cost. In addition, DHCP has proven itself highly adaptable to the systemwide alterations that will be necessary due to future changes in regulations and technology.

A recent example was the need to integrate personal financial data from every veteran applying for VA medical care into the DHCP admissions software to implement the congressional mandate to base eligibility on legislated financial thresholds (the "means test"). This massive change was implemented smoothly, an accomplishment that would have been much more difficult without DHCP computer resources.

A study of DHCP conducted by the congressional Office of Technology Assessment (OTA) concluded that the VA should continue with plans to support the CORE plus 8 areas with VA-developed software. The hardware necessary to implement CORE plus 8 is planned for purchase during FY 1988-1990 through contract awards to vendors that responded to the VA's competitive proposals during the summer of 1987. Awards for computer systems, video display terminals, ward printers, and bar code readers and printers are planned for the first half of FY 1988.

Clinical Services

Medical Service

The Medical Service, representing the professional specialty of internal medicine and its related subspecialties, provides patient care at all VA medical centers. In addition to routine medical care, a number of special medical programs and activities are provided.

Bone marrow transplantation is a promising developing therapy for selected patients with such otherwise fatal conditions as severe aplastic anemia and leukemia.

During FY 1987, the Seattle, Washington, VA Medical Center's bone marrow transplant program performed 22 transplants. In addition, the San Antonio, Texas, VA Medical Center has been authorized to perform primarily autologous bone marrow transplants (using the patient's own marrow), which cannot be accommodated in Seattle; nine transplants were performed during FY 1987. Also fee-basis bone marrow transplants were performed on 13 other patients authorized during FY 1987.

The home oxygen program also continued throughout FY 1987. Medical Service, aided by Respiratory Therapy, provided clinical supervision to 15,500 patients on home oxygen systems, an increase of 3 percent over the number of veterans served in FY 1986. Increases were seen in oxygen delivered to oxygen-dependent, ventilator-dependent patients, which allowed the patients to remain in a home care program.

Thirty-four VA medical centers are now participating in the special Hypertension Screening and Treatment

Program (HSTP). Since its inception, the HSTP has screened over 530,000 veterans of whom 42 percent were found to be hypertensive. The HSTP is currently following more than 48,000 veterans, with 81 percent receiving their primary care from allied health professionals (registered nurses or physician assistants) under the supervision of a physician coordinator. The continued decrease in strokes, heart disease, and renal disease seen in patients treated under this program is at least partially attributable to the control of hypertension.

Patients in the HSTP are counseled regarding smoking, obesity, diet, exercise, and alcohol consumption, all factors contributing to hypertension and cardiovascular disease. The HSTP is in the process of automating the entire system, to ensure accuracy, uniformity, and easy access in the areas of patient care, administration, and research.

The number of patients in VA dialysis programs, including patients dialyzed in non-VA units at VA expense, was approximately 4,000. The large-scale rheumatology-immunology center continued to function at the VAMC, Philadelphia, Pennsylvania, along with a smaller program previously begun at the VAMC, Milwaukee (Wood), Wisconsin. These centers provide comprehensive care to patients suffering from arthritis, rheumatism, connective tissue diseases, and related disorders.

Cardiac catheterizations were performed on nearly 34,000 patients in 72 cardiac

catheterization laboratories (CCLs). One additional CCL was authorized at VAMC Shreveport, Louisiana, in 1987. Worn or outdated equipment was replaced in cardiac catheterization laboratories at 10 VA medical centers. Electrophysiology laboratories were established at 32 centers. Clinical diagnostic services, echocardiography, nuclear cardiology, stress testing, and arrhythmia monitoring services were expanded in 21 medical centers. Computer-based pacemaker surveillance centers are providing telephonic electronic followup to about 10,000 veterans with cardiac pacemakers. A pilot clinical phase pacemaker registry has been implemented, and all pacemakers which are removed are analyzed by VA staff. Angioplasty and valvuloplasty can now be performed in 50 centers.

The establishment of national networks of automated electrocardiographic interpretative systems is nearly complete. Equipment has been purchased for two new systems and is on order for two more medical districts. The VA and Department of Defense have an agreement for shared use of these systems to improve service for both agencies and to effect economies in the shared acquisition of equipment, in accordance with recent legislation encouraging sharing between agencies.

More than 90,000 patients were treated in 1,397 VA coronary care and medical intensive care unit beds. New and modernized but smaller intensive care units were established at five medical

centers. Less expensive stepcare units were introduced at these and other centers. Progressive renovation of older intensive

care units continues.

The VA has begun a planning initiative to strengthen cancer treatment by designating

levels of cancer care at individual facilities and encouraging networking among facilities in each VA medical district.

Sickle Cell Anemia Screening and Education¹

Nearly 40,000 patients were identified and screened for hemoglobin disorders (with 9 percent abnormal results), and over 37,000 patients for glucose-6-phosphate dehydrogenase (an important enzyme in normal red blood cell metabolism) deficiency (with 7 percent abnormal

tests) in the 35 medical centers participating in the VA sickle cell screening and education program.

Education sessions on sickle cell anemia were attended by 70,303 veterans and nearly 3,000 were individually counseled. At each medical

center, the professional staff for this program consists of a physician, a counselor, and a technician. The VA film on sickle cell disease, "A Matter of Chance," and mobile exhibits have been displayed at VA medical centers and at meetings of various community organizations.

Preventive Health Care Services²

The VA Preventive Health Care Program was initiated in FY 1985 and continued in FY 1987. Each VA medical center has a Coordinator of Preventive Health Care who oversees the program on a local level. Broad guidelines for these programs were provided by the DM&S preventive health care task force established in January 1984 and updated with advice from an ad hoc field advisory group reflecting field

expertise in prevention research and practice.

The program stresses nine risk factor interventions based on areas of high mortality and morbidity in the VA patient population, existing program capacity, and DM&S goals and objectives. These are: hypertension screening/treatment, alcohol abuse counseling, nutrition and weight control, smoking cessation, physical fitness

and exercise, influenza and pneumococcal immunization, colorectal cancer screening, osteoporosis counseling, and serum cholesterol determination and modification.

Each year emphasis has been placed on one of the identifiable risk factor interventions. In 1987 the emphasis was on colorectal cancer screening. Smoking cessation will be emphasized in 1988.

Surgical Service

The VA has taken a leadership role in developing national standards for surgical outcome. VA Central Office Surgical Service, together with a team of surgical consultants working closely with and under the direction of the Office of Quality Assurance, has participated in developing standards for postoperative surgical mortality. These are the first statistics developed on a national basis which address surgical mortality of individual groups of similar surgical procedures.

Another project, sponsored by the Cardiac Surgical Consultants Committee of Surgical Service, VACO, began assembling data in FY 1987 for review of cardiac surgical mortality. These data are based on the preoperative physical assessment as determined from preexisting multi-organ disease as well as the extent of preoperative cardiac dysfunction.

Completion of these projects will provide data with which each VA medical center can compare surgical results, and

allow the evaluation of the overall results of surgery within the VA system. Of great importance will be the availability of these data as national standards for comparison by other health care providers including community hospitals and university medical centers.

The number of medical center admissions of patients to the Surgical Service has continued almost unchanged since 1983 (an overall variation not exceeding 3.4 percent and a mean annual

¹ This information is provided in compliance with section 654, title 38, U.S.C.

² This information is provided in compliance with section 664, title 38, U.S.C.

variation of 1.2 percent). During this same period, there has been an annual decrease in the average daily census of the Surgical Service, an overall decrease of 30.2 percent with a mean annual decrease of 8.6 percent. At the same time, however, the number of surgical procedures performed annually has generally increased each year (an overall increase of 14.4 percent with a mean annual increase of 3.5 percent).

This increased operative workload, accompanied by no increase in surgical admissions and a decrease in the average daily census, is a direct result of a decrease in the average length of stay together with expansion of the ambulatory surgery program.

A review of the entire cardiac surgical program, initiated in FY 1985, was completed in FY 1987. This review examined workload volume, veteran access to care, effect on affiliations, and the overall cost-effectiveness as related to possible consolidations of several programs.

Based on recommendations of the reviewing committees, the Administrator announced closure of four surgery programs, consolidating the workload of these programs with those of other nearby VA medical centers. Further consolidation involving any of the 16 additional programs with marginal workloads was delayed, pending a further review at the end of 18 months, until 1989. Two of the existing six contract programs have been retained as contract programs; it is planned that the other four contract programs will be moved to in-house VA programs. The remaining 25 in-house VA programs met all standards and will continue as essential programs required for appropriate care of cardiac surgical patients.

Fiscal Year	Average Daily Census	Procedures Performed
1987	8,620	478,209
1986	9,703	482,069
1985	10,756	473,584
1984	11,848	436,455
1983	12,355	417,880

The cardiac surgical program has continued to show a marginal annual increase in the number of open heart procedures performed. As in FY 1986, the most frequently performed open heart operation was coronary artery bypass grafting (CABG). Other operative procedures performed included heart valve replacement and direct procedures performed on the heart chambers. Some of these procedures also included CABGs performed at the same time, but these are not included in the CABG numbers.

The VA Central Office Cardiac Surgery Consultants Committee continues an ongoing review of this program. This Committee provides assistance in monitoring the quality of patient care and also serves as an advisory board for establishing standards and program criteria. The Committee is composed of outstanding cardiologists and cardiac surgeons, with representatives from the Veterans Administration and from university programs.

In 1983, the VAMC in Richmond, Virginia, was named the Veterans Administration Cardiac Transplant Center. Although cardiac transplantation has been performed at the Richmond VAMC since 1981, the development of more effective immunosuppression was followed by a significant increase in requests for cardiac transplants. By 1983, sufficient experience had

been obtained and sufficient numbers of patients identified to justify the naming of Richmond as the VA Cardiac Transplant Center. In FY 1983, 14 cardiac transplants were performed. Since then, the annual number of transplants has increased significantly. During FY 1987, 39 transplants were performed. In addition, 33 transplants were performed in four other VA surgical programs, and 16 veterans were transplanted at VA expense at 8 affiliated university programs during FY 1987.

The first organ transplant program established in the Veterans Administration was a renal transplant program. Presently this program is active in 10 VA medical centers which work closely with the renal dialysis units located in these and other VA medical centers. In FY 1987, 134 renal transplants were performed compared with 159 performed during FY 1986. Of the total, 120 were performed with cadaveric donor organs; the remaining donor organs were obtained from living relatives.

The transplantation of other organs within the VA system has been approved on an individual basis and funded by Central Office. In FY 1987, 31 liver transplant proposals were approved. Of these, 14 transplants were completed at the Presbyterian University Hospital in Pittsburgh, Pennsylvania, and 4 others were completed at three other university affiliated programs.

The remaining 13 approved liver transplants were awaiting organ donors at the

end of FY 1987. One bilateral lung transplant was approved and funded by Central Office

during FY 1987, and two heart-lung transplants were approved.

Nursing Service

Hospitals throughout the Nation continue to experience shortages of nurses. In the VA, the shortages are most acute in major metropolitan areas where many tertiary care medical centers are located. However, recruitment and retention problems are not confined to those areas.

The VA is responding actively to the challenge of the nationwide nursing shortage. To become more competitive, 102 medical centers are using special salary rates for nurses. These efforts have aided medical centers experiencing recruitment difficulties. Local initiatives have been developed to recognize nursing personnel and assist with retention. Nursing Service has a major role on the VA Task Force on Recruitment and Retention of Non-Physician Health Care Workers.

The executive development of nurse leaders through preceptorship training for the positions of Assistant Chief, Nursing Service; Associate Chief, Nursing Service for Education; and Associate Chief or Supervisor, Nursing Home Care Unit; continues to be a priority program for Nursing Service. Selection of key nursing personnel is made by using performance-based interview concepts.

The study and application of ethical principles are essential in today's complex health care system. Nursing services address bioethical issues in orientation and in annual continuing education programs. Many VA medical center nursing services have held workshops and conferences on bioethical concerns for all levels of

nursing personnel. Nursing Service is a member of the interdisciplinary VA Central Office Task Force on Ethics.

By helping to establish criteria for renovations and new construction projects, Nursing Service has an opportunity to provide input for the space planning process for areas affecting nursing.

Nursing Service is assuming a leadership role in the care of patients with AIDS. Nursing Service participated in the Department of Health and Human Services (DHHS) Invitational Conference on AIDS and is represented on the Chief Medical Director's Steering Committee on AIDS. A directory of professional nurses with expertise in the care and treatment of AIDS patients is under development. Nursing Service is also emphasizing continuing education and support for nursing personnel providing care to AIDS patients.

Collaborative endeavors between chief nurses and deans of nursing schools are strongly encouraged by Nursing Service. Participation on Deans' Committees, jointly sponsored conferences, and joint appointments are a few examples of collaborative efforts that impact on quality patient care and enhance the attractiveness of the VA as a nurse employer.

VA Central Office Nursing Service continues to maintain a formal liaison with the American Association of Colleges of Nursing and is reestablishing a relationship with the National League for Nursing. Both endeavors have been joined by the Office of Academic Affairs.

Leadership and direction in the nursing care of the aging veteran have been particular concerns of Nursing Service. Academic preparation is a high priority of Nursing Service to assure quality programs for treatment and rehabilitation of the aged ill, disabled, and at-risk veteran. Nursing Service is represented on two VA Central Office task forces addressing intermediate and long-term care issues.

The VA Gerontologic Nurse Fellowship Program is a two-year fellowship for doctoral candidates in nursing who have a clinical focus in geriatrics and gerontology. Continuing efforts are made to recruit qualified candidates into this innovative program. The goal of the fellowship program is to alleviate the VA's critical shortage of geriatric nurse clinicians, educators, administrators, and researchers who are adequately prepared to provide leadership in long-term care to the aging veteran population.

Nursing Service's Special Interest Users Group (SIUG) is actively involved in developing the computerized nursing information system. Computerized nursing information has been divided into six areas: order entry/results reporting, clinical practice, administration, education, research, and quality assurance. The nursing education and administration automated data processing package was released to the field in FY 1987. Currently, the clinical practice component is being developed and programmed. Enhancements to the nursing package are being released at six-month intervals.

Research remains a significant focus of Nursing Service; Central Office leadership has been enhanced. The VA's Nursing Research Council (NRC) was formed recently to ensure that the VA's nursing research efforts have the maximum impact on patient care. It is comprised of a nurse researcher representative from each of the seven regions.

NRC members provide liaison with other VA medical centers in their region regarding nursing research,

advising VACO Nursing Service about research issues, and developing strategies to strengthen the VA's nursing research presence nationwide. One of the NRC goals is to conduct collaborative (different and multiple studies on one topic) and cooperative (one research protocol with multiple study sites) nursing studies in the VA.

Nursing Service's commitment to nursing research ensures that nursing care for veterans is based on

sound scientific principles. The Chief, VA Nursing Research, Psychiatry/Mental Health, and Career Development, has been appointed as an ex officio member of the National Advisory Council of the National Center for Nursing Research (NCNR). The Council advises the Secretary of Health and Human Services; Director, National Institutes of Health; and Director of the NCNR on programs and directions of the National Center.

1987 Nursing Awards

The Administrator of Veterans Affairs honored the most outstanding registered nurse, licensed practical nurse, and nursing assistant at the presentation of the Third Annual Administrator's Award for Nursing Excellence in VA Central Office.

- The registered nurse award was shared by Audrey Dale and Doris Hadley. Ms. Dale is coordinator of the Hemodialysis Unit and Operating Room at VAMC Cincinnati, Ohio. She was instrumental in the establishment of the Continuous Ambulatory Peritoneal Dialysis Program within the Hemodialysis Unit. Ms. Hadley is an infection control nurse and the nurse manager in the Infectious Disease Clinic at the San Francisco, California, VAMC. She has developed protocols and guidelines for AIDS patients which have resulted in community-wide uniformity in patient treatment.
- The licensed practical nurse recipient, Ms. Linda Gruschow, works on the Spinal Cord Injury Unit at the Tampa, Florida, VAMC.

Ms. Gruschow was honored for her innovative approaches to improve the quality of life of patients under her care.

- Ms. Denise Chopyak, nursing assistant recipient, was cited by staff, patients, and families at VAMC Wilkes-Barre, Pennsylvania, for her compassion.

VA nurses continue to receive recognition for outstanding professional contributions. Ms. Marianne Dunn, Chief, Nursing Service, VAMC Buffalo, New York, was selected as the recipient of the John E. Foley Award for Manager of the Year by the Buffalo Federal Executive Board. Ms. Jamesetta Halley, Chief, Nursing Service, VAMC East Orange, New Jersey, received the Nursing Management Award of the New Jersey State Nurses' Association.

Bay Pines, Florida, VA Medical Center was selected as recipient of the Florida Nurses' Association's Best Employer Award in the best new entry category. This award honors employers who value and recognize the

contributions of their nursing staff as quality care providers.

Ms. Beverly Freeman, Chief, Nursing Service, VAMC San Antonio, Texas, was awarded the Patty Hawken Excellence in Nursing Award by the University of Texas Health Science Center, School of Nursing at San Antonio.

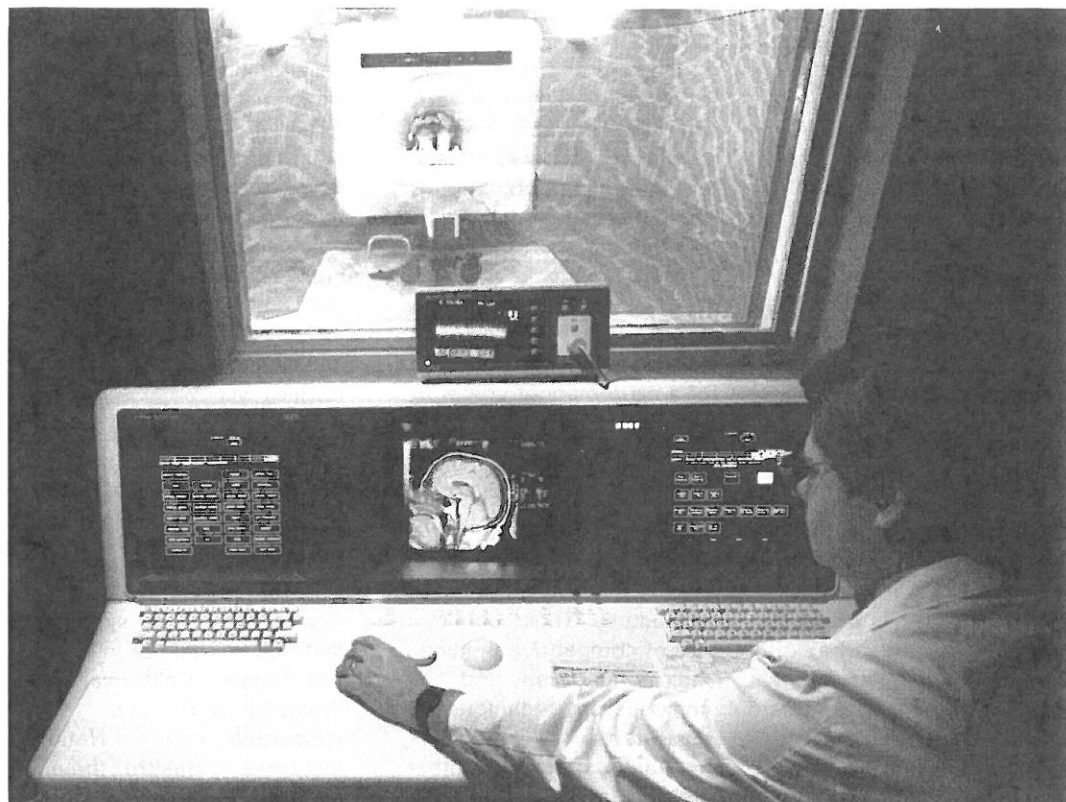
Mr. Ronald Norby, Associate Chief of Staff/Associated Health Professions and Chief, Nursing Service, VAMC San Diego, California, was recently elected to a two-year term as treasurer and member of the Governing Council of Sigma Theta Tau, nursing's international honor society of more than 115,000 members worldwide. This assures a continued VA presence as Ms. Vernice Ferguson, Deputy Assistant Chief Medical Director (DACMD) for Nursing Programs, completed a four-year term as President-Elect and President. She is the first Federal nursing administrator who has served as President of two of nursing's prestigious organizations, the American Academy of Nursing and Sigma Theta Tau International.

Radiology Service

Diagnostic Radiology Services in the Veterans Administration performed over 5.5 million examinations in FY 1987. The total number of exams has remained relatively constant over the past four years, with significant continuing increases in the numbers of complicated procedures such as interventional radiography and computerized tomographic studies.

Radiation Therapy Services in the VA treated over 23,000 patients in FY 1987. Two additional radiation therapy facilities were activated in FY 1987 for a total of 28 facilities. Growth in the number of veterans treated and the number of facilities for radiation therapy is anticipated due to the aging veteran population and the increase in the incidence of cancer.

Magnetic resonance imaging is now functioning in six medical centers, and equipment has been purchased for an additional eight medical centers. One of the new systems will be a mobile unit to service the medical centers in the New York City, New York, area. An additional five systems were purchased through high-cost shared equipment



Magnetic Resonance Imaging (MRS) Equipment has been installed at several VA medical centers.

acquisitions with community or university hospitals.

An additional 12 Computerized Tomography (CT) systems were purchased in FY 1987. CT systems have now been purchased for 103 VA medical centers, with several of the larger medical centers having two systems to accommodate patient workloads.

Mammography systems for breast cancer screening were purchased for six medical centers in FY 1987 in addition to the existing pilot program at the Minneapolis, Minnesota, VAMC. One of the purchased systems is a fully equipped mobile van to service the VA medical centers and a VA outpatient clinic in the Chicago, Illinois, area.

Radiology Service and DHCP

DHCP software programs to computerize the reception, reporting, and record keeping functions of radiology are now in place at over 50 VA medical centers. The programs will be distributed to other medical centers and

clinics as the necessary hardware becomes available.

VA Radiology Services have experienced increasing difficulty in the recruitment and retention of diagnostic and therapeutic radiologic technicians during FY 1987.

These positions have been included for study by a Recruitment and Retention Task Force in DM&S, VA Central Office, which is concentrating on problems in recruitment and retention of nonphysician medical support personnel in the VA.

Neurology Service

The 86 VA Neurology Services and neurology bed sections of Surgical Service -

with 424 staff physicians and over 2,000 operating beds - treated over 34,000

VA inpatients in FY 1987. The four most common problems treated were

cerebrovascular disease, (30 percent); dementia (18 percent); epilepsy (18 percent); and neuromuscular disease (11 percent).

The number of neurology house staff was 311. This represents one-quarter of all VA and non-VA neurology residency positions nationwide. There has been only a slight decline in the number of inpatients treated in the last four years; at the same time, the VA

outpatient neurology clinic workload has greatly expanded. Neurologists have become increasingly involved in the care and rehabilitation of older veterans who suffer from the common geriatric cognitive and cerebrovascular disorders, characteristic of the Nation as a whole, and of the Nation's aging veterans in particular.

Groundwork has been completed for the installation of a neuromagnetometer at

the VA Medical Center, Albuquerque, New Mexico. This exciting new technology has been developed in collaboration with Los Alamos National Laboratories. This \$4 million project will enable brain function to be uniquely diagnosed and monitored through the intact skull, precluding the need for invasive neurosurgery. This is an important advance available in only a very few other health care and research facilities worldwide.

Nuclear Medicine Service

Nuclear Medicine (NM) is one of 23 medical specialties available in VA medical centers which has been granted the status of a Primary Medical Specialty Board by the American Board of Medical Specialties. The concept of NM as a modality is defined as the measurement and demonstration of organ function, and the discovery of the functional aspects of disease well before structural anatomic changes are evident.

In addition to the diagnostic uses of radionuclides to study the dynamic and metabolic

processes of disease, the specialty of NM in the VA also utilizes *in vitro* procedures. These employ the use of competitive binding, radioimmunoassay and immunoassay techniques for measurement of peptide, hormones, drugs, and other biological substances. There are also therapeutic uses of radionuclides (radioiodine) in hyperthyroidism and thyroid carcinoma. Radiophosphorus is used in the treatment of hematologic disorders and radiolabeled antibody therapy.

Nuclear Medicine Service continues to participate in the installation and assessment

of high technology clinical devices. In addition to the Positron Emission Tomography (PET) systems installed at VAMCs in West Los Angeles, California, and Washington, D.C. (in cooperation with the National Institutes of Health), three more PET systems will soon be installed and operational at the VAMC Ann Arbor, Michigan (in cooperation with the University of Michigan), VAMC Minneapolis, Minnesota, and VAMC Madison, Wisconsin (in cooperation with the University of Wisconsin).

Pathology Service

Productivity measurements in all VA medical center laboratories were developed during FY 1987 by integrating four major computer data bases and other statistics concerning VAMC turnover rates, outpatient visits, academic affiliation, and laboratory functional complexity. The resultant management tool is known as the PROLAB Index and is used by VAMC and VACO managers to determine the relative effectiveness of labor and resource utilization in each laboratory. Data from the past three years of laboratory operations allow

managers to identify outliers and provide guidance for correcting staffing and/or resource utilization problems.

The lack of standardized cost accounting principles applied to laboratory tests has been a major problem in the past. Pathology Service has developed a microcost accounting system using the generally accepted principles of accounting to determine costs for laboratory tests performed in VA laboratories.

Data for the top 25 laboratory test costs were requested by the Quality

Control Division of the Health Care Financing Administration (HCFA) in 1987 to use in a comparative data base with actual Medicare reimbursements. This method was also used to develop costs for tests for AIDS patients treated in VA medical centers, and is currently the basis for new cost accounting standards developed by the National Committee for Clinical Laboratory Standards.

Pathology Service is currently accumulating test cost data for all tests performed in VA medical centers. The first

approach has been to analyze the costs for the 50 most common tests performed in all VAMCs. The ultimate goal is to provide cost data for

patterns (profiles) of tests chosen by senior VA physicians for the most common diseases treated in VAMCs. The test profile data

will be obtained from the VA's Laboratory Disease Related Group/Diagnostic Patterns of Care Delphi study.

Laboratory Service and DHCP

The DM&S Decentralized Hospital Computer Program (DHCP) Version 4.06 of the laboratory software will be verified and released in FY 1988. Distribution will then be made to all seven Information Systems Centers for replication and distribution by these centers to the VA medical centers in their areas of jurisdiction.

Version 4.06 includes the Blood Bank module and enhanced versions of Anatomic Pathology and Microbiology. Blood Bank training was held at the Long Beach, California, Regional

Medical Education Center in September 1987. The class included seven blood bankers and seven laboratory information managers. These individuals will provide assistance to the medical centers within their regions.

Priorities set by the Laboratory Service Special Interest User Group (SIUG) include:

- release and maintenance of Version 4.06;
- cumulative redesign and reference ranges;

- bi-directional communication and automated instrument interfacing; and
- enhanced utilization of management information systems capabilities.

Full implementation of Laboratory Service DHCP is defined as 100 percent of results reporting through DHCP for chemistry, hematology, and microbiology. By the end of FY 1987, 98 percent of Laboratory Services in VA medical centers had accomplished this goal.

Quality Assurance and Laboratory Accreditation

As of the end of FY 1987, VA Laboratory Services enrolled in the College of American Pathologists (CAP) Laboratory Inspection Program were inspected and fully accredited. Two programs

which failed to pass inspection have taken corrective action and are being reinspected. Laboratory accreditation by CAP is recognized by the Joint Commission on Accreditation

of Healthcare Organizations in lieu of the Commission's own evaluation process for the accreditation of VA medical center laboratories.

Dentistry

The VA manages the largest hospital-based dental care system in the United States, operating dental facilities and providing full-time staff at all VA medical centers and at a number of outpatient clinics.

Prior to 1987, the VA had restricted the use of dental implants, considering them an experimental modality. Implants are now authorized as a clinical treatment option by appropriately qualified VA Dental Service personnel and for carefully selected cases.

Facilities providing dental implants are participating in the VA Dental Implant

Registry, which provides a means for systemwide gathering of clinical, diagnostic, and therapeutic data pertaining to the efficacy of dental implants. The data will be coded, filed in the Registry, and selectively retrieved for educational and research purposes.

The Registry will allow detailed analysis of the numbers and types of implants, their degree of success, and information on outcome trends based on patient and implant characteristics. Clinically, this will also assist VA Dental Services in the appropriate

use of implants and guide educational efforts as well as add to specific information about the techniques involved. The institution of the VA Dental Implant Registry makes this effort the sole noncommercial national source of data on dental implant technology.

During this fiscal year, a second class of 12 dental auxiliaries completed a four-week course in expanded functions at the Eastern Dental Education Center in Washington, D.C. The participants, already experienced employees, were given training in procedures

specifically applicable to VA dental clinic operations. A portion of the course was devoted to concurrent training of the dentist supervisors who work in tandem with the auxiliaries for more efficient, cost-effective dental care.

Dental Services at 96 VA health care facilities are now involved in sharing agreements with non-VA institutions or organizations. The largest number of agreements are with Department of Defense units and generally involve dental treatment of military personnel on assignments remote from a military base, or x-ray examinations of reserve unit personnel. Most of the other agreements are with schools of dentistry and involve the sharing of specialized equipment or services.

The latest class of five VA-trained dentist geriatric fellows completed their two-year program in June 1987. Of the 20 graduates, 16 are currently employed by the VA, 14 on a full-time basis. These dentist geriatricians formed the cadre of examiners that completed a survey of oral health needs of patients in VA nursing homes in FY 1987. They will also be involved in the detailed analysis of the findings in this valuable study. As witnessed by the selection of three VA dentists to a nine-member American Association of Dental Schools (AADS) committee on geriatric education, the VA continues its national leadership in geriatric dentistry.

Graduate geriatric fellows, with other VA dental staff and representatives from nursing, dietetics, and medicine, participated in an Office of Dentistry task force that addressed the oral health needs of veterans in VA long-term care programs. One product of their deliberations is a program guide, "Oral

Health Guidelines for Long-Term Care Patients," that was published and distributed to all VA health care facilities. The publication offers guidelines on the appropriate interdisciplinary measures to treat and maintain the oral health of these patients.

VA Dentistry, in collaboration with the National Institute on Aging (NIA) and the National Institute of Dental Research (NIDR), has produced the widely disseminated publication, "A Research Agenda on Oral Health in the Elderly." Since production of the research agenda, discussions among the three organizations have focused on implementing research identified in the agenda and relevant to the objectives of the three organizations.

As FY 1987 ended, plans were concluded for an NIH supported project for establishing Centers on Oral Health in Aging. Funding would support up to four academic/VA medical center consortia to expand and improve the scientific base that underlies the Nation's capability to address oral health problems in the elderly.

These excellent research environments will provide challenging opportunities for research and research training at all levels of career development, and are expected to attract investigators of proven quality as well as novices with high potential. The creation of these centers will highlight Federal cooperation regarding high priority national research interests in the oral health of the elderly.

With the impact of hepatitis and AIDS on the VA patient population, dental personnel have an increasing awareness of infection control procedures. In that context, the VA sponsored a symposium on infection control in dental practice and

distributed a report of the proceedings to all VA medical centers. Additionally, representatives of VA Dentistry, the American Dental Association, Centers for Disease Control, and the National Institute for Dental Research began a collaborative project on the development of educational material relating to appropriate infection control procedures in the dental setting. It is anticipated that a series of video tapes with accompanying written material will be produced in the forthcoming fiscal year.

In a similar vein, representatives of the Dental Services of VAMCs having the highest AIDS patient census met to exchange information on the oral manifestations of HIV infection, to develop and implement an oral surveillance procedure, and to explore the potential of cooperative dental research.

A program guide, "Quality Assurance Program for Dentistry," published in FY 1987, will serve as a prototype for the quality management programs of dental services at VA health care facilities. The recommended program consists of a four-phased plan of assessment, problem resolution, implementation followup, and overall program evaluation. On this basis, Chiefs of Dental Services are to continuously monitor the quality and appropriateness of care within their jurisdictions.

To assist in the overall management and staffing evaluation program for the Office of Dentistry, a health systems research center was established at the VA Medical Center, Miami, Florida. The center's role is to develop decision support technologies for management in such areas as workload projection and staffing patterns, based upon computer modeling of

essential data bases. The information gained from this innovative research program will be invaluable for VA dentistry's long-range forecasting and planning capabilities.

At their annual meeting held in San Antonio, Texas, the Association of Military Surgeons of the United States (AMSUS) awarded the Carl A. Schlack award to Dr. Krishan K. Kapur, the Chief of Dental Service at VAMC Sepulveda, California. The Schlack award recognizes outstanding contributions to dental education or research. A

prosthodontist and a former professor of oral biology, Dr. Kapur has contributed significantly in several research areas, including interrelationships of prosthodontic factors, normative aging of oral tissues, application of craniofacial anthropometric standards to clinical prosthodontics, and endosseous dental implants.

As shown in the accompanying table, 126,365 outpatient staff cases were completed by VA dental staff, representing a 5 percent increase over FY

1986. A 5 percent decrease in the number of VA patients seen by private sector dentists over the previous year also took place, resulting in a cost avoidance of approximately \$900,000 in fee-basis funds.

In comparison to the dramatic fee-basis reductions experienced in previous fiscal years, the decrease in FY 1987 over FY 1986 was a moderate one. It appears that this program has stabilized, and it is estimated that expenditures will remain relatively constant in the short range.

Dental Service Outpatient Program

Item	FY 1987	FY 1986	FY 1985	FY 1984	FY 1983
Staff and fee cases Total completed	146,477	141,944	139,455	135,556	138,534
Staff cases completed	126,365	120,792	116,867	111,643	107,653
Yearly change	+ 5,573	+ 3,925	+ 5,224	+ 3,990	+ 9,885
Percent change	+ 5	+ 3	+ 5	+ 4	+ 10
Fee cases completed	20,112	21,152	22,588	23,913	30,881
Yearly change	- 1,040	- 1,436	- 1,325	- 6,968	- 21,018
Percent change	- 5	- 6	- 6	- 23	- 40
Funds obligated (thousands)	\$10,300	\$11,200	\$12,600	\$13,330	\$16,954
Yearly change (thousands)	- \$ 900	- \$ 1,400	- \$ 730	- \$ 3,624	- \$13,594
Percent change	- 8	- 11	- 5	- 21	- 45

Rehabilitation Medicine Service¹

The Department employs a cadre of over 4,000 physicians, professional rehabilitation therapists, and allied health technicians to provide a broad spectrum of rehabilitation services to eligible veterans at all VA medical centers and most satellite outpatient clinics. By expanding the number of Rehabilitation Medicine bed services in VA medical centers to 63, there is now a total of 1,400 designated

rehabilitation medicine beds. DM&S continues to emphasize rehabilitation in the ambulatory care mode for treating disabilities of the veteran outpatient population.

Renovation of existing outpatient clinics and planning for new clinics require that additional space be planned for special activities of daily living and orthotic/prosthetic evaluations. These spaces

also must accommodate exercise instruction, cardiopulmonary rehabilitation, and followup rehabilitation care for veterans who no longer require inpatient care.

In response to the recommendation of the VA Advisory Committee on Rehabilitation, the VA case management program has been revitalized by reissuing program directives and

¹ This information is provided in compliance with section 618 (c)(3), title 38, U.S.C.

updating reporting systems for vocational case managers at all VA medical centers. Increased DM&S efforts to coordinate more closely with the Department of Veterans Benefits and case managers at VA regional offices are intended to make vocational services, including evaluation, training and placement, more readily available to eligible veterans.

The VA's five Comprehensive Rehabilitation Centers (CRCs), located at the medical centers in Boston, Massachusetts; Northport, New York; Tampa Florida; Hines (Chicago), Illinois; and Palo Alto, California, were established in 1980-82 to provide models of rehabilitation excellence for complex-case, multi-disabled veterans. VACO Rehabilitation Medicine Service is currently undertaking an indepth evaluation of the CRC concept to determine future needs for this approach to the treatment and rehabilitation of veterans.

Two statutory VA therapeutic work-for-pay programs are Incentive Therapy (IT) and Compensated Work Therapy

(CWT). The purpose of these programs is to provide therapeutic work rehabilitation for inpatients and outpatients in order to induce motivation, heighten self-esteem, create new interests, and break regressive institutional patterns.

A major focus this year has been an integrated approach between Rehabilitation Medicine Service and Mental Health and Behavioral Sciences Service to expand the IT and CWT programs to meet the needs of chronically mentally ill veterans. In FY 1987, nearly 5,300 patients at 43 medical centers were provided services in the Compensated Work Therapy program. These patients were paid a total of nearly \$2 million (out of the Therapeutic and Rehabilitation Activities Fund) and worked a total of 825,000 hours.

Incentive Therapy programs at 87 medical centers provided earnings of nearly \$5 million for 23,500 veterans during the fiscal year. These programs involved the assignment of patients to in-hospital work

situations, such as grounds maintenance, laundry and kitchen helpers, and patient escorts.

Specialized training for severely handicapped veterans continued through the VA driver education program. A total of 3,400 veterans were referred to driver training programs at 39 medical centers during FY 1987, where nearly two-thirds of the candidates successfully completed the program. Over 31,000 veterans have benefited from this program during the 11 years of its existence. Nearly 340,000 hours of driver training have been provided to patients. There has been little change over the years in the types of disabilities of individuals enrolled in this program; 30 percent have had spinal cord injuries, 22 percent have had strokes, 20 percent are amputees, and 28 percent had other disabilities. The program's primary effectiveness is in helping the severely disabled veteran regain independence and mobility in daily life.

Audiology and Speech Pathology Service

During FY 1987, nearly 684,000 patient visits were reported by 141 VA audiology and speech pathology programs throughout the VA system. This represents a 4 percent increase in patient visits over 1986. The number of hearing aids issued to eligible veterans during FY 1987 also increased. More than 56,000 hearing aids were issued, for an increase of more than 8,000 hearing aids over last year. The average cost of a hearing aid to the VA increased to \$168 - a \$6 increase over 1986.

With the assistance of the VACO Continuing Education

Center, training using the team approach for dysphagic patients has been given to 12 medical center teams. It has been shown that the prevalence of dysphagia, or swallowing disorder, occurs in slightly more than 20 percent of hospitalized veterans. If not treated, dysphagia can lead to aspiration pneumonia and death. The treatment for dysphagia requires a team approach. The teams participating in this training are selected on the basis of each medical center's response to the video tape, "Dysphagia: A Team Approach." Trained medical center teams are given the added responsibility of serving

as a resource for facilities that are seeking assistance in initiating or enhancing dysphagia programs. In addition, a desk reference that will be of great assistance to all professionals interested in dysphagia is nearing completion, and video tapes on the diagnosis and treatment of dysphagia will soon be available for information and training.

Under the auspices of the VA Rehabilitation Research and Development Service (RR&D), a demonstration project was initiated to place communication assistive devices on a nationwide computer network.

Communication assistive devices will be made available to speech and/or hearing impaired veterans to allow them to function better in everyday life situations. A considerable number of these devices are available. Through the demonstration project made available by RR&D, these assistive devices will be formally evaluated for their usefulness to the veteran population. The evaluations and complete descriptive material on each device will then be placed within communication assistive categories on a nationwide computer network and will be made available for VA clinical

use. If the demonstration project is successful, the networked system will be expanded to other interested public and private health care agencies.

The use of personal computers for the clinical treatment of speech and/or language disorders is providing significant assistance to the professional speech pathologist. The key to the personal computer becoming a clinical tool is the development of software that is both adaptable and useful to the categories of adult veteran patients seen by the VA health care system.

Software is now available which allows the patient to easily supplement audiology and speech pathology services which are currently provided. Although it was first contemplated that the use of a personal computer keyboard would be a barrier to adults who could not type, it is now apparent that this is not true. Veteran patients are highly motivated when using a computer in their own treatment. Use of the personal computer as nondedicated clinical equipment is now a reality among VA audiology and speech pathology patients.

Optometry Service

As in previous years, the VA's Optometry Service provided services for an increased number of eligible veterans. Most of these services were provided on an outpatient basis, but a significant number of inpatient treatments were also provided to hospitalized veterans in conjunction with ophthalmology and other bed section services.

Eye care of the aging veteran continues to be a major emphasis of the Optometry Service. Due to the rapid increase in the numbers of aging veterans, and the associated ocular problems which accompany aging, there has been an increase in the number of patient visits to optometry clinics.

Optometry Service continues to emphasize the care of geriatric patients, and, in particular, the partially sighted older veteran. Efforts to establish additional Vision Impairment Centers to Optimize Remaining Sight (VICTORS) to meet this need for geriatric eye care are continuing in FY 1987.

The use of weighted work units and diagnosis related

groupings (DRGs) in reallocation demonstrates the cost-effectiveness of optometric care. The analysis of DRG and weighted work units from VAMCs with eye clinics staffed by ophthalmologists and optometrists (co-management eye clinics) shows that such eye clinics are highly cost-effective. As a result, during 1987, several VAMC directors added Doctors of Optometry to their staffs and moved toward team delivery of eye care at their facilities with optometrists providing triage and primary eye care.

Teaching affiliations between VAMCs and schools and colleges of optometry have continued. To date, there are 51 residents at 33 different VA medical centers. Approximately 80 optometry interns receive training at 40 different VAMCs at any given time. The VA has therefore developed into a national educational resource for the clinical training of optometrists.

In line with other quality assurance efforts within the VA, the Optometry Service has initiated an arrangement with the American Optometric

Association's Council on Clinical Optometric Care (CCOC). VAMCs affiliated with schools and colleges of optometry are currently evaluated and accredited by the council on optometric education of the American Optometric Association. The CCOC has begun site visits and will certify those Optometry Services at VAMCs which are not affiliated with schools or colleges of optometry. The CCOC is recognized by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO); its accreditations will qualify VA programs for JCAHO approval.

VA staff optometrists, many of whom were trained as residents by the VA, continue to contribute to optometric research. A sizeable percentage of the articles published in the major optometric journals in the past year have been written by VA optometrists. A review of articles published in FY 1987 in the *Journal of the American Optometric Association* shows most contributors of articles were VA staff optometrists. VA optometrists this year also

authored numerous papers and developed a variety of case presentations for the annual meeting of the American Academy of Optometry.

Medical District Initiated Program Planning (MEDIPP) guidelines contain specific program guidance for optometry, stressing the importance of establishing

regional VICTORS programs and specialty clinics in each district. With the aging of the veteran population, greater use of interdisciplinary eye clinics will result in the VA providing more comprehensive and cost-effective eye care.

This year marks the 10th anniversary of VA Optometry Service. The VA has

pioneered in the successful integration of optometry staff and services into comprehensive medical centers. VA has attracted a cadre of highly talented Doctors of Optometry, who now hold faculty appointments at many of the Nation's schools and colleges of optometry and provide training to optometry interns and residents.

Podiatry Service

During 1987, the Podiatry Service worked in VA medical centers and clinics nationwide in the expansion of patient care podiatric programs, with particular emphasis on foot care for the aging and seriously disabled veteran.

Podiatry Service in VA Central Office, in conjunction with the Podiatry Service, VA Medical Center, Montrose, New York, sponsored the Sixth Annual Podiatric Medicine Seminar. The emphasis of the seminar was the diabetic and peripheral vascular disease patient and the importance of the podiatrist as a core member of the patient treatment team in VA health care facilities. Over 400 podiatrists and VA

health care professionals attended this seminar. A scientific meeting with all residency directors was held in Minneapolis, Minnesota, in May 1987, presenting many matters of common concern.

Podiatric student training programs in the VA continue to attract large numbers of candidates from colleges of podiatric medicine. During 1987, 35 VA medical centers sponsored podiatric residency programs for 110 residents, an increase of 26 over 1986. The Department of Defense maintained sharing agreements with several VA medical centers for training podiatrists in post-doctoral education.

Many VA podiatrists serve on the VA's Special Teams for Amputation, Mobility, and Prosthetics/Orthotics (STAMP). These teams provide concentrated services to severely disabled veterans. Podiatry Service has also established new programs for the foot care of spinal cord injured patients. Podiatric research projects are also underway on diabetic foot disease and peripheral vascular disease. Each project is sponsored by the Podiatry Service of the individual VA medical center in conjunction with the VA Medical and Surgical Services and their respective affiliated medical colleges.

Prosthetic and Sensory Aids Service

The Prosthetic and Sensory Aids Service (PSAS) provides appliances, devices, and services to eligible disabled veterans through a network of 21 Prosthetic Treatment Centers, 82 Prosthetic and Sensory Aids Services, 82 Amputee Clinic Teams, 55 Prosthetic/Orthotic Laboratories, 11 Restorations Clinics, 6 Shoe Last Clinics, and 8 Special Teams for Amputation, Mobility, and Prosthetics/Orthotics (STAMP). During FY 1987, direct patient care services, with a budget of approximately \$96 million,

were provided to more than 1 million veterans.

Examples of the largest numbers of items distributed in FY 1987 are provided in the following chart:

During FY 1987, Prosthetic and Sensory Aids Service provided assistance to the Department of Defense in reviewing the Defense Logistics Agency's operation of the Armed Services Shoe

Items	Number	Total Cost
Eyeglasses	106,778	\$ 3,403,129
Hearing aids	56,053	9,413,163
Braces	37,091	3,985,715
Wheelchairs	30,089	14,553,021
Shoes	27,736	1,349,437
Aids for the blind	19,018	1,274,782
Artificial limbs	10,119	17,591,777

Program. In coordination with Rehabilitation Research and Development, clinical evaluations of the Seattle Ankle and the Synergetic Hook are being conducted. An expanded comparative analysis of Prosthetic Activities, Orthotic Laboratories, and Restorations Clinics was completed which produced guidelines for use by field facility management in such areas as workload, costs, productivity, and earned FTE. A computerized edit system to identify and correct errors in reporting by the field was implemented.

In FY 1987, revised regulations to implement Public Laws 97-66, 98-528, and 98-543 to update automotive adaptive regulations were drafted. The revised regulations define Department of Veterans Benefits and Department of Medicine and Surgery responsibilities in administering the adaptive equipment program, and provide guidelines for the issuance of special devices to overcome the handicap of deafness.

Comprehensive training of

prosthetists in the latest fitting techniques was completed. Restorations technicians participated in a continuing education seminar held in conjunction with the American Anaplastology Association. An evaluation of the effectiveness of the Prosthetic Representative Management Training Program was undertaken, and comprehensive training has been scheduled for Chiefs of Prosthetic and Sensory Aids Service, orthotists, shoemakers, and for all regional amputee clinic teams.

Dietetic Service

During FY 1987, more than 77 million meals were served in VA health care facilities at a cost of \$1.22 per meal, an increase of 2 cents per meal over FY 1986. A gradual decrease in meals served is attributed to changes in eligibility for gratuitous meals.

VA regional dietetic coordinators continue to provide advice on administrative and clinical issues; serve as resource liaisons for food temperature, meal pattern, and productivity studies; and provide current information to facilities through a quarterly newsletter and periodic conference calls.

Guidelines on the appropriate use of nutritional supplements were distributed to all VA medical centers in 1987. In addition, a generic bid for commercial supplements was developed for use by the VA Marketing Center. Generic formularies and generic ordering are encouraged in the interest of cost containment.

New technology in food service systems is being evaluated to meet high volume meal production demands more effectively. Implementation of the "cook-chill" system in selected VA

facilities reduce food and labor expenses while improving the quality of dietetic services provided to VA beneficiaries.

Operational programs of dietetic software are developed and ready for implementation in fiscal year 1988. VA dietetic software programs were presented at a computer exchange program at the national American Dietetic Association (ADA) meeting in Atlanta. Clinical management integration is under development and is planned for testing early in 1988. Data are currently being collected to update the pre- and post-implementation study to document the cost-effectiveness and benefits of software operation. Results of the continuing education center needs assessment indicate that computer training is the top priority of dietitians in VA medical centers. Twenty-seven dietitians (one per VA medical district) participated in a one-week facility trainer training program at the South Central Regional Medical Education Center.

A total of 14 newly appointed Chiefs, Dietetic Service, and 11 Chiefs, Food

Production and Service, received specialized training to enhance administrative knowledge and management skills. Many VA Chiefs, Dietetic Service, attending the ADA Annual Meeting discussed "cook-chill" systems, quality assurance, resource allocation methodology, and cost-benefit/cost-effectiveness of nutritional care. The VA supports 13 dietetic internship training programs which prepare college graduates for credentialing and the practice of nutrition and dietetics. The primary goal of this internship program is to recruit highly qualified dietitians into the VA medical care system.

This year, at the 10th annual meeting of the Clinical Nutrition Advisory Group, emphasis was given to nutrition support team training, home total parenteral nutrition, enteral nutrition support, and standards for nutritional care, including medicolegal and ethical considerations.

Dietetic Service also participated in writing the nutrition component of a VA program guide produced by Dentistry Service, entitled "Oral Health Guidelines

for Long-Term Care Patients."

The incorporation of dietetics principles into the care and

treatment of veterans experiencing Post-Traumatic Stress Disorder (PTSD), homelessness, and mental health and behavioral

problems, is a focus of concentration for Dietetics personnel in the VA nationwide.

Pharmacy Service

During FY 1987, major challenges confronting Pharmacy Service were in the areas of improving drug procurement activities, through consolidated and standardized procurement; continued computerization of outpatient and inpatient pharmacy programs; and the recruitment and retention of pharmacy personnel. FY 1987 was also the beginning year for the development of VA Pharmacy Services' clinical economics programs. This creative initiative is designed to educate all VA pharmacists in the overall DM&S resource allocation process of which expenditures for pharmaceuticals constitute a major portion. This program encourages VA medical center officials to create and implement clinical strategies which will provide quality drug therapy at an affordable price.

Approximately 53 million prescriptions for ambulatory patients were dispensed from 225 VA pharmacies in FY 1987. In addition, nearly 300 million inpatient medication doses and approximately 12 million intravenous and total parenteral nutrition solutions were prepared and distributed. The acquisition cost for drugs and pharmaceuticals was approximately \$607 million.

At the end of the fiscal year, total unit-dose medication systems were funded for 123 VA medical centers and over 63,000 beds. The program has resulted in a reduction in potential losses, lower probability of medication errors, less potential for diversion of drugs to street traffic, savings in nursing time devoted to medication activities, and complete medication profiles on inpatients.

The Veterans Administration/Department of Defense Shared Procurement Program continues to expand, resolving contract differences when they occur between the agencies. Joint efforts are concentrated on the standardization of pharmaceutical description, nomenclature of items, and improvement in procurement efficiency and effectiveness.

Recruitment and retention of pharmacists continues to be an important priority issue. The problems encountered in hiring pharmacists were once restricted to certain geographic locations. The availability of pharmacists is rapidly becoming a nationwide issue with a shortage of professionals that is expected to extend into the next decade.

Mental Health and Behavioral Sciences Service

Mental Health and Behavioral Sciences Service (MH&BSS) provides a broad spectrum of psychiatric and psychological inpatient, ambulatory, and alternative care services to eligible veterans. Existing mental health programs, as well as some new ones in developmental stages, are designed to provide the most effective care to patients in the least restrictive therapeutic setting.

The VA's mental health services are provided by psychiatry and psychology programs. During FY 1987, 132 Psychiatry Services and 145 Psychology Services provided direct patient care

and mental health treatment to veteran patients in VA medical centers and outpatient clinics. During the past fiscal year, 24 percent of the VA's direct inpatient medical care appropriation was dedicated to the support of general and specialized inpatient MH&BSS programs, including the 103 alcohol dependence treatment programs and 51 drug dependence treatment programs. Inpatient services were provided in over 22,000 average operating psychiatric beds. The bed occupancy rate was 73 percent, and the average monthly turnover rate was 96 percent. The VA treated over

207,000 psychiatric patients in FY 1987 with an average daily census of 16,500. Committed psychiatric patients treated by the VA during the fiscal year totaled almost 14,000. On any given day, an average of nearly 2,000 veterans were provided psychiatric care as involuntarily committed patients.

In the past six years, the number of average operating psychiatric beds has decreased by 6.5 percent, and lengths of stay for episodes of inpatient care have been shortened with increased emphasis placed on

psychiatric care in outpatient settings.

In FY 1987, the VA utilized over 10 percent of the VA's direct care outpatient medical resources in the provision of ambulatory mental health treatment. These services were provided in 36 day hospital programs, 74 day treatment centers, 170 mental hygiene clinics, and the outpatient components of the 103 alcohol dependence treatment programs and 51 drug dependence treatment programs.

Mental hygiene clinics (mental health clinics) are the basic units in the delivery of ambulatory psychiatric care within the mental health care delivery system. These programs provide primary care for patients whose mental health problems can be resolved and stabilized within the community and provide essential aftercare for patients following a period of hospitalization. For many patients, these programs offer treatment to obviate the need for hospitalization. The mental hygiene clinics are designed to provide direct services including all modalities of modern mental health

VA Psychiatric Bed Sections	FY 1987	FY 1981	Percent Change
Average Operating Beds	22,482	24,045	-6.5
Average Daily Census	16,489	20,490	-19.5
Admissions	177,253	157,933	+12.2
Average Monthly Turnover Rate (percent)	96.3	66.7	+44.4
Patients Treated	207,142	184,903	+12.0

assessment and treatment, short of hospitalization. During FY 1987, nearly 1.7 million visits were made to mental hygiene clinics.

Day treatment centers are designed to maintain chronic psychiatric patients at relatively stable levels of functioning within the community. These programs provide a supportive learning environment for patients having chronic psychiatric illnesses and difficulties with community adjustment, interpersonal relations, and vocational or educational problems. During FY 1987, over 700,000 visits were

made to VA day treatment centers.

Day hospital programs are the most labor-intensive ambulatory psychiatric care programs. They provide a specialized form of care that falls between full hospitalization and the more traditional models of ambulatory care. These programs are designed to assist the veteran in avoiding full hospitalization and in maintaining community ties. During FY 1987, nearly 135,000 patient visits were made to day hospital programs.

Alcohol and Drug Dependence Treatment Programs

DM&S operates 103 specialized Alcohol Dependence Treatment Programs (ADTPs) and 51 Drug Dependence Treatment Programs (DDTPs). These specialized medical programs provide for the care and treatment of eligible alcohol and/or drug dependent veterans.

Within the ADTPs during FY 1987, over 110,000 inpatients were treated in specialized alcoholism treatment units. The bed occupancy rate was 82 percent, with a turnover rate of 154 percent. A total of

1.9 million patient days of care were provided. Within the outpatient treatment components, there were nearly one-half million patient visits during FY 1987.

The specialized DDTPs provide treatment to veterans with a wide variety of drug abuse and dependence problems, including opiate and cocaine dependency. The total number of inpatients treated for drug dependence during FY 1987 was 29,000. Of these, over one-half of the patients were treated in DDTP beds. The average monthly turnover rate in the DDTPs

was 139 percent. The bed occupancy rate was 94 percent for 934 operating DDTP beds. There were over 940,243 outpatient visits for drug dependence treatment.

The VA conducts an extensive program of alcoholism and drug abuse research through individual and cooperative (multi-hospital) studies. In addition, physician training in substance abuse and alcoholism is provided through an initiative involving a two-year university affiliated fellowship training program offered at six VA

medical centers.

With the passage of Public Law 96-22 in FY 1980, the VA was given the authority to contract with non-VA community halfway houses for rehabilitation services for veterans with alcohol and/or drug abuse dependence disabilities. Public Law 99-166 extended that authority through FY 1988.

During FY 1987, Public Law 99-570 permitted an increase from the \$5.4 million straight-line budget level of the past four years, to nearly \$13 million. Although this budget augmentation was limited to FY 1987, it permitted temporary and substantial increases in the number of veterans served by such outplacements.

During FY 1987, 6,293

veterans were placed into non-VA contract programs for 60 to 90 days of halfway house care. More than 330 halfway house contracts with 94 VA medical centers were in effect at the close of FY 1987. An evaluation study of this contract program, with special attention to its cost benefits and treatment effectiveness, is currently being conducted.

Post-Traumatic Stress Disorder (PTSD)

Veterans of World War II, Korea, and particularly Vietnam, with psychological, emotional, or vocational problems related to their experiences in a war zone, receive treatment at VA medical centers and outpatient clinics. The Chief Medical Director's Special Committee on PTSD in its third annual report noted that over 19 percent of all Vietnam era veterans in outpatient mental health programs and 23 percent of all Vietnam era veterans seen in Vet Centers were diagnosed as having PTSD. The Committee also reported that 30 percent of all PTSD cases treated in VA medical center outpatient programs affected veterans outside the Vietnam era (22 percent from World War II, 5 percent from the Korean conflict).

PTSD treatment teams are operational at 14 VAMCs. These teams have been established to provide care for PTSD through inpatient consultation and outpatient work, to coordinate care with local Vet Centers, and to promote education on PTSD within and outside of the medical center.

Initiatives in VA Psychiatric Care

VA care for veterans suffering from chronic psychiatric disorders has traditionally been bed-based, long-term, and characterized by multiple rehospitalizations. In the past several years, the VA's mental health care system has experienced an increasing demand for care for aging

World War II veterans. Implementation of the means test legislation has provided an increased assurance of care for eligible veterans in financial distress. State mental health programs have experienced declining financial support, and most health insurance providers have

limited coverage for treatment of mental illnesses. Consequently, more veterans are turning to the VA for care. In response to this situation, the VA has begun to explore innovative and creative approaches to providing psychiatric care to veterans.

Alternatives to Inpatient Psychiatric Care

In early FY 1987, the VA funded a major pilot project in the northeastern region of the country to examine the possibilities for changing the patterns of VA psychiatric care. Several approaches are designed to provide alternatives to inpatient care. The alternative care approaches developed for this pilot program are clustered into the following groups: (1) patient tracking or case management after discharge to ensure connection with aftercare; (2) clinic-based treatment in non-VA facilities that are nearer to veterans' homes; (3) psychiatric care provided in residential settings by mobile treatment teams; (4) intensive residential treatment; and (5) VA outpatient care, including day care activities in satellite locations.

A goal of the pilot program is to improve the cost-efficiency of VA psychiatry services by using inpatient services more efficiently. This is accomplished by using a more suitable array of therapeutically effective alternative programs for patients who have traditionally received long-term care in inpatient settings.

Homeless Chronically Mentally Ill (HCMI) Veterans Program

Mental Health and Behavioral Sciences Service launched a major new treatment initiative for homeless chronically mentally ill veterans during FY 1987 under the authority of Public Law 100-6, as amended by Public Law 100-71. These laws authorize the VA to provide care for HCMI veterans through contracts with non-VA community-based programs such as halfway houses, therapeutic communities, and other psychiatric residential treatment programs.

Community-based facilities have been developed through public and private efforts to meet the needs of many homeless citizens for

residential care, which is intermediate between the hospital and the streets, public shelters, and missions. These community-based facilities provide transitional treatment and support, prior to reentry into community life.

A second component of this program involves outreach services to HCMI veterans. VA case finding and treatment teams have been established to collaborate with existing volunteer and other community homeless task forces and coalitions. Treatment team members serve as case managers for HCMI veterans, reaching out to contact these veterans in shelters and on the streets.

They then coordinate their care in the community residential treatment facilities with which the VA has developed contracts.

Forty-three sites for the care of HCMI veterans were activated throughout the VA medical care system during FY 1987. To date, 41 of these sites have established contracts with 117 community-based psychiatric residential treatment facilities. As of the end of September 1987, nearly 1,000 veterans have been provided residential treatment and rehabilitation services, and over 6,000 homeless veterans have been contacted by the VA outreach staff and offered VA services.

Geriatric Psychiatry

With the average age of the veteran population increasing, the VA is focusing attention on the psychiatric and emotional problems associated with the aging process, retirement,

bereavement, and the effects of chronic physical illness. Mental Health and Behavioral Sciences Service has over 1500 beds for geriatric psychiatry and plans additional beds in the future.

Geriatric day treatment centers, neuropsychological assessments, and consultation-liaison activities support the VA effort to provide timely and essential care for aging veterans.

Readjustment Counseling Service

Eligibility for readjustment counseling for Vietnam era veterans was established by Public Law 96-22 on June 13, 1979, to enable veterans of that era experiencing post-war related adjustment problems to achieve a full and productive return to civilian life. Starting in October 1980, the Agency established a nationwide network of community-based vet centers for providing readjustment counseling. Vet centers are administered by the Readjustment Counseling Service. The centers provide an array of psychological, employment, and educational counseling services, and make referrals to other VA and private sector services. As a result of legislation

passed in 1984, the program expanded from a system of 137 vet centers to its current level of 189. Eligibility for readjustment counseling was extended for life to all Vietnam era veterans by legislation passed in 1983.

A report by the Senate Veterans' Affairs Committee which accompanied the program legislation noted that many veterans with readjustment problems experience difficulty with family relations. The report, therefore, encouraged the Agency to provide counseling and consultation to family members when this is essential to the effective treatment and readjustment of the veteran. As a result,

marriage and family counseling, along with individual and group counseling, has developed as the major professional means for delivering readjustment counseling services to veterans.

In addition to vet centers, the Readjustment Counseling Service administers a contract provider program. Approximately 350 contract provider agencies and individual clinicians in the private sector furnish readjustment counseling to eligible veterans upon referral from a vet center or VA medical facility. The primary purpose of the contracts program is to ensure accessibility to counseling

services to all eligible Vietnam era veterans who reside in areas geographically remote from vet centers and other VA health care facilities.

Workload for the vet center program showed an increase in FY 1987 over FY 1986 of over 3 percent in the number of new veteran clients seen. During FY 1987, vet centers conducted a total of 600,225 counseling contacts, and saw 73,139 new clients.

A significant proportion of vet center and contract provider clients are furnished assistance for moderate or severe post-traumatic stress disorder deriving from combat duty. Additionally, a significant number of veterans are provided with

help for employment problems related to post-war readjustment.

During FY 1987, the General Accounting Office (GAO) completed a two-year study of the Readjustment Counseling Service. The GAO report, provided to the VA and the Congress, indicated that vet centers are carrying out their mission as mandated by law and made specific reference to the wide array of services offered, the extensive community networks established, the characteristics of the veteran population served, and the academic, military, and professional experience of the staff. Also, the same report recommended a number of operational improvements

which have already been implemented.

In addition to direct services, all vet centers continue to engage in community education and outreach activities. They also serve a unique function of brokering help from private and local government agencies for clients with a range of difficulties, including homelessness. The vet centers operate as small, community-based facilities, with a therapeutic model emphasizing rehabilitation, recovery, and avoidance of hospitalization and have achieved a high degree of consumer acceptance.

Social Work Service

In FY 1987, nearly 420,000 veterans received social work services for discharge planning from inpatient care. Over one-half million veterans were assisted with health maintenance planning. The number of social work assisted placements into alternative levels of care settings increased significantly during FY 1987. These increases in outplacement planning activity by Social Work Service are attributed to the integration of the Resource Allocation Methodology (RAM) into the utilization review programs of VA medical centers.

Networking with non-VA community agencies in support of comprehensive case management services for chronically ill, elderly veterans is a Social Work priority. A number of models for accomplishing this are being explored.

One model which has potential for use throughout

the VA system was developed at a rural VA medical center to improve access to critically needed community services and resources for veterans enrolled in the VA's Hospital Based Home Care (HBHC) program.

This program is a community interaction, case management model. Under this program the goal of maintaining chronically ill, at-risk patients in the community is achieved by locating or developing needed services, equipment, and supplies from community based non-VA providers. The HBHC case management team is responsible for case assessment; development of treatment plans; authorization of services; coordination of family, community, and volunteer care providers; monitoring effectiveness of services and providers; and reassessment of plans and discharge decisions.

The HBHC team coordinates the activities of single

function agencies and individuals into a comprehensive care plan. This program serves a larger number of veterans and a broader geographic area than the more traditional HBHC programs. A number of positive outcomes related to cost containment, cost avoidance, and improved resource utilization have been accomplished by the HBHC case management model.

The problem of homeless veterans represents a major area of focus for Social Work Service. To address the needs of homeless veterans, each VA medical center provides a point of contact and coordination of home-finding services. A social work coordinator for the homeless has been designated at each VA facility to furnish case management services to homeless veterans. Medical center social workers have developed linkages with the community in response to unique local requirements and resources, including visits to

community shelters and free food distribution locations.

VA medical center social service workers have developed a number of the specially funded programs for the homeless which are administered by Mental Health and Behavioral Sciences Service in VA Central Office. VA social workers have worked with the Department of Labor in its program for the homeless at 10 sites around the Nation. Social Work Service has participated in the planning and implementation of VA domiciliary care programs for homeless veterans.

The program for the 1987 National Chief Social

Workers' Meeting in Beckley, West Virginia, focused on meeting the health care and social service needs of AIDS patients. Social work staff at medical centers treating a significant number of AIDS patients have been core team members with other VA health care professionals in education and training programs on AIDS for patients and staff.

Four DHCP software packages have been developed by the Social Work Service user group. The DHCP High Risk Screening Program identifies patients most likely to require social work treatment and discharge planning for ensuring staff productivity under the

Resource Allocation Model. The Case Registry Program tracks patients through their course of care. The Community Resources software package provides an efficient means of maintaining current data on community agency information and referral services. The Contract Nursing Home Census and Budget System maintains information about VA patients in community nursing homes and remaining funds. These automated software packages enable integrated case management by controlling patient tracking, monitoring, and program data which is essential for strategic planning.

Blind Rehabilitation Service

During FY 1987, nearly 700 blind veterans were provided training at the VA's five Blind Rehabilitation Centers and three Blind Rehabilitation Clinics. In addition, over 7,316 blind veterans received services from 89 Visual Impairment Services Teams (VISTs).

During FY 1987, over 50 eligible veterans were issued equipment and trained in new technology for the blind such as Kurzweil Reading Machines (KRM), Versa-Brailles, and computers with voice output using criteria and training programs developed by Blind

Rehabilitation Service. The KRM converts print to speech and enables blind persons to access most printed material without sighted assistance.

Blind Rehabilitation Service collaborated with the Rehabilitation Education Program (REP), the Continuing Education Center (CEC), and Regional Medical Education Centers (RMECs) to provide one VIST training and an educational needs assessment conference for blind rehabilitation which involved approximately 20 blind rehabilitation specialists.

The Service also operated an interim blind rehabilitation day program in San Juan, Puerto Rico, pending completion of the planned 10-bed Blind Rehabilitation Center. Ground was broken in 1986, and the center is scheduled for completion in FY 1989. This center will provide blind rehabilitation for blind Puerto Rican veterans accommodating the cultural, climatic, and language differences which have been a deterrent to their rehabilitation on the mainland in the past.

Spinal Cord Injury Service

During FY 1987, the VA Spinal Cord Injury (SCI) Service treated nearly 6,600 inpatients. Over 800 of these were first-time patients in a VA SCI center, and over 500 of that number had incurred spinal cord injuries less than six months prior to admission. Additionally, over 13,000 outpatients were treated with a total of approximately 38,500 outpatient visits.

The SCI Home Care program staff conducted nearly 18,600 home visits, of which approximately two-thirds and one-third were for quadriplegics and paraplegics, respectively. A revised Home Care reporting system became effective in FY 1987. This report more accurately reflects the activities of VA staff in providing home care services to SCI patients.

The Eastern Paralyzed Veterans Association has been instrumental in supporting and funding a new organization for spinal cord injury social workers and psychologists, the American Association of SCI Psychologists and Social Workers. This organization was established to promote, develop, and improve education and research

related to the rehabilitation and care of persons with spinal cord injury in the area of psychosocial issues. SCI Service social workers and psychologists in the field have contributed significantly to the development and organization of this professional group.

Four major initiatives, begun in FY 1987, are planned for completion and implementation during FY

1988: the SCI Registry, the SCI Long-range Plan (1988-2000), the revised SCI Operations Manual, and the establishment of a Satellite SCI Clinic in Fort Myers, Florida. SCI Service is exploring the feasibility of designating two sites to specialize in the treatment of SCI mental health and substance abuse problems.

The Office of Facilities and SCI Service are completing

the revision of the SCI Construction Criteria and Design Guide to meet the needs of new SCI construction. SCI Service was involved in major educational initiatives during the fiscal year. The VA and the American Paraplegia Society sponsored the 1987 Annual SCI Symposium for approximately 1000 VA SCI physicians and nurses in Las Vegas, Nevada.

Agent Orange

The Veterans Administration continued its activities, begun in 1978, to resolve the complex health care issues raised by the defoliant Agent Orange. During FY 1987, Agent Orange remained a key issue for Vietnam veterans concerned about the possible adverse health effects of exposure to this herbicide. The DM&S Agent Orange Projects Office is responsible for the conduct of significant Agent Orange research and other related activities. The office continued its role in monitoring VA and interagency activities undertaken to resolve the health care issues raised by phenoxy herbicides and other defoliants used during the Vietnam conflict.

During FY 1987, the VA continued to fund and monitor the conduct of a major epidemiology study of the health status of Vietnam veterans, a study conducted under terms of an interagency agreement between the VA and the Centers for Disease Control (CDC), Atlanta, Georgia.

Under the terms of the interagency agreement, the VA is providing CDC with resources and authority for the implementation, analysis, and scientific interpretation of a valid epidemiological study in accordance with the provisions of section 307 of

Public Law 96-151, as amended by Public Law 97-72. The study consists of three major research efforts including a Vietnam Experience Study component, an Agent Orange Study, and a Selected Cancers Study component. In February 1987, the *Journal of the American Medical Association* published the results of the postservice mortality assessment conducted by CDC as part of its Vietnam Experience Study.

Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985, enacted April 7, 1986, mandates the VA to provide for the conduct of an epidemiological study of any long-term adverse health effects experienced by women who served in the Armed Forces in Vietnam. On September 17, 1986, a contract for the development of a study protocol was awarded to New England Research Institute. At year's end, the protocol was being modified, based upon recommendations of the Congressional Office of Technology Assessment. The study is expected to be conducted beginning in mid-1988.

During FY 1987, the VA continued to conduct several significant research efforts related to the scientific

resolution of the health issues surrounding the use of the defoliant Agent Orange. Results of two of these efforts were released and/or published by the VA in FY 1987.

In December 1986, results of the study designed to assess the possibility that exposure to Agent Orange or other phenoxy herbicides may have increased the risk of soft tissue sarcomas were published in the *Journal of Occupational Medicine*. This study, entitled "Soft Tissue Sarcomas and Military Service in Vietnam: A Case Comparison Group Analysis of Hospital Patients," examined, through a comprehensive review of medical records and military personnel records, the association between previous military service in Vietnam and soft tissue sarcomas.

In early September 1987, the VA released results of a large-scale study of mortality among veterans of the Vietnam era. This study, entitled "Proportionate Mortality Study of Army and Marine Corps Veterans of the Vietnam War," was accepted for publication by the *Journal of Occupational Medicine*.

An additional VA soft tissue sarcoma study, entitled "Soft Tissue Sarcoma and Military Service in Vietnam: A Case-

Control Study," was accepted for publication in the October 1987 issue of the *Journal of the National Cancer Institute*.

Current ongoing studies include followup research to confirm results of the VA's proportionate mortality study and continuation of the "Retrospective Study of Dioxins and Furans in Adipose Tissue," a study being jointly conducted by the VA and the Environmental Protection Agency (EPA). In addition to these efforts, the VA continued the conduct of a number of VA investigator-initiated animal research projects.

Public Law 96-151, enacted December 20, 1979, mandated the VA to prepare a review and critical analysis of worldwide scientific literature on Agent Orange and other phenoxy herbicides. A two-volume report was published in 1981. The initial document was updated with additional two-volume releases in 1984, 1985, 1986, and 1987.

The 10 volumes issued to date have been summarized in synopses, written for nontechnical readers. These publications have been widely distributed within and outside the VA as a resource for scientists and others concerned about the possible health effects of exposure to Agent Orange and other phenoxy herbicides.

The enactment on November 3, 1981, of Public Law 97-72, the Veterans Health Care, Training, and Small Business Loan Act of 1981, gave the VA legislative authority to provide medical care to Vietnam veterans, subject to guidelines established by the Chief Medical Director for health conditions possibly related to their exposure to Agent Orange.

During FY 1987, VA health care facilities had approximately 800 inpatient admissions and an estimated 100,000 outpatient visits by Vietnam veterans under the authority of this legislation.

In addition, during FY 1987, other program activities, including conduct of the VA's Agent Orange Registry (AOR) program of physical examinations for concerned Vietnam veterans and the conduct of AOR quality assurance reviews, contributed to the VA's overall effort related to the resolution of the Agent Orange issue.

In May 1987, the VA published the third in a series of monographs designed for the education of VA health care employees and other concerned individuals both within and outside the Agency. The monograph, entitled *Human Exposure to Phenoxy Herbicides*, was prepared to assist scientists in arriving at a better understanding of the use of phenoxy herbicides and the toxicity associated with these compounds.

As of September 30, 1987, a total of over 226,000 Vietnam veterans had reported to VA health care facilities to participate in the VA's AOR program of physical examinations. This program is being conducted in the effort to identify Vietnam veterans concerned about the possible adverse health effects of exposure to Agent Orange and to assist these veterans by providing a comprehensive health assessment. Approximately 10,000 of these veterans participated in the examination program during FY 1987.

Personal, service, and medical information from the AOR examinations is placed into a special computerized register to assist the VA in its efforts to serve these individuals. The AOR is being utilized for the periodic updating of ad-

resses of registry participants to assist in providing them with significant periodic information on Agent Orange. Specially prepared Agent Orange-related pamphlets and newsletters developed by the VA's Office of Public Affairs, in cooperation with the Agent Orange Projects Office, have highlighted this effort.

Through Agency directives and ongoing special nationwide conference calls with environmental physicians and other key staff members, the VA is pursuing its goal of keeping its health care staff fully aware of the latest scientific and medical developments concerning Agent Orange. This effort is supplemented through the periodic mailout from VA Central Office of significant scientific, medical, and other information to VA medical center environmental physicians.

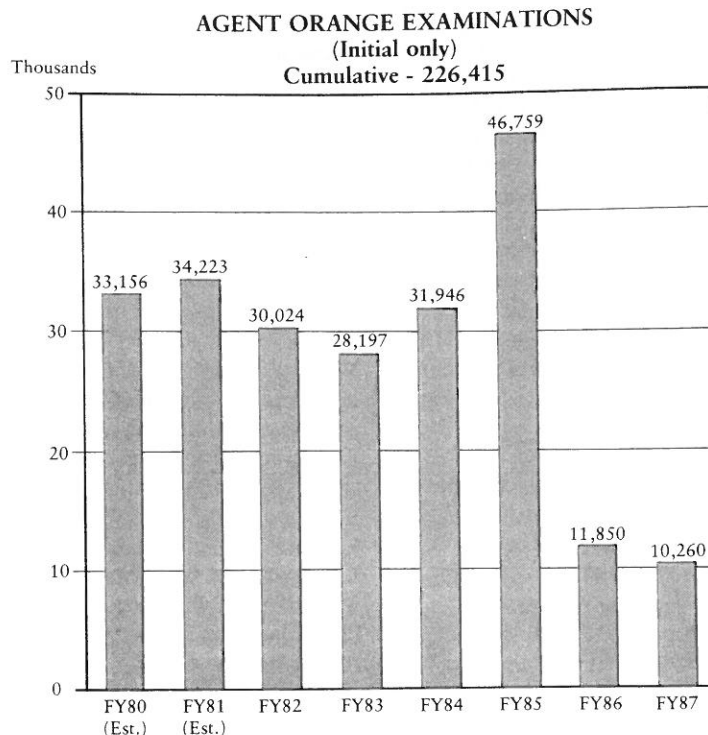
During FY 1987, the VA maintained an active dialogue and liaison with other Federal agencies, State governments, and other institutions involved in Agent Orange research or related activities. A dialogue was also maintained with foreign governments (such as Australia and Italy) concerned with the possible adverse health effects of exposure of civilian and military populations to dioxin.

The VA continued its participation as an active member of the Domestic Policy Council's Agent Orange Working Group and its Science Panel. Membership in this committee enabled the VA to share information and interact with other Federal agencies concerned with resolving the Agent Orange issue.

The VA's Advisory Committee on Health-Related Effects of Herbicides was rechartered for two years by the Administrator on July 28, 1987. This committee, which ad-

vises the Administrator on scientific and policy matters of concern to Vietnam veterans exposed to herbicides, continued to provide a forum for scientific discussions of epidemiological and other issues related to Agent Orange and other phenoxy herbicides.

This Advisory Committee also served to enhance further interaction with State Agent Orange Commission representatives and veterans who advise the VA on Agent Orange-related matters of concern to Vietnam veterans. The Committee, which meets in open sessions at VA's Central Office on a periodic basis, provides the general public with the opportunity to make comments on VA Agent Orange-related policies and activities.



Health Care for Female Veterans¹

During FY 1987, the Department of Medicine and Surgery continued to emphasize the goal of providing equitable quality health care for female veterans. All VA medical centers and outpatient clinics have plans for the care of female veterans, with special attention to the provision of adequate gynecological services in accordance with the policy defined in the VA operating manual for Clinical Affairs. Projects to correct physical limitations in health care facilities which might interfere with equal access to care are in progress. Every medical center and regional office has a Coordinator of Women Veterans who serves as an advocate for them and facilitates entry into the system.

The VA Preventive Health Program implemented in FY 1986 includes osteoporosis counseling specifically targeted at women veterans. In addition to the mammography screening pilot program initiated at VA Medical Center, Minneapolis, Minnesota, six more mammography units were funded at VA medical centers around the country. They are: Allen Park, Michigan; Brockton/West Roxbury, Massachusetts; Buffalo, New York; Hines (Chicago), Illinois; Martinez, California; and Portland, Oregon. Several VA medical centers also established women's clinics with an emphasis on preventive health care.

Programs recognizing the contributions of women veterans and providing staff education on their unique health care needs were held at several VA medical centers in FY 1987.

The VA Advisory Committee on Women Veterans, consisting of 16 women and 2 men and representing veterans from World War II, the Korean conflict, and the Vietnam era, as well as those with service-connected disabilities, and authorities in fields pertinent to women veterans, met once in FY 1987. The committee continued to provide advice to the Administrator and the Department of Medicine and Surgery on the needs of women veterans. The committee expressed concern over the nationwide shortage of nurses, homeless women veterans, outreach to women veterans, and employment and training opportunities for women veterans. The committee will submit a report to Congress in July 1988.

¹ This information is provided in compliance with section 222(d)(3), title 38, U.S.C.

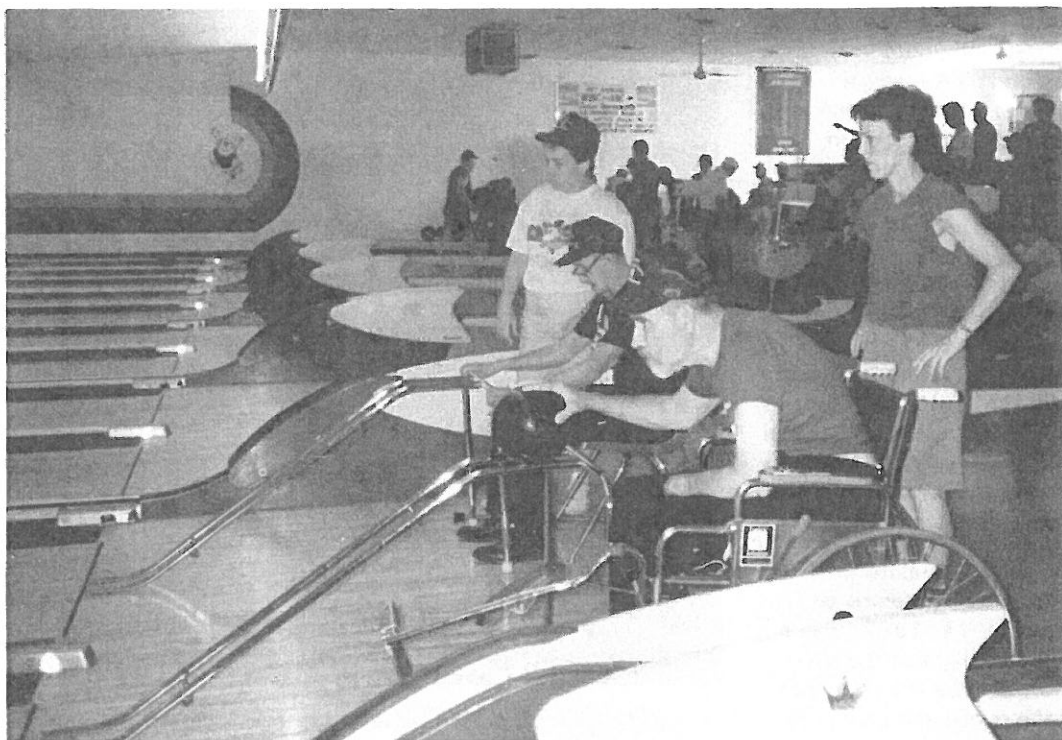
Recreation Service

In FY 1987, the challenge of meeting the assessed leisure health needs of veterans within the medical center setting, as outpatients, and in community-based programs, required innovation in clinical intervention. It required the development and utilization of national and community resources and the training and utilization of VA volunteers.

The Service has initiated nationwide programs designed to emphasize exercise and physical fitness as an essential part of quality health care. The programs focus mainly on promoting wellness and independence for the disabled and aging veteran.

Recreation Service's traditional concerns have been aimed at veterans who are hospitalized, or who need medical attention. The goal of these programs is to use therapeutic recreation, sports, and fitness activities as a means of limiting potential health problems. These programs assist in developing or maintaining self-discipline, self-respect, competitive spirit, and companionship. In general, they serve as a means of linkage into community life and keep the veteran engaged in activities of daily community living.

Volunteers contributed over 2.5 million hours to the VA's



Recreation therapy is a vital aspect of the veteran patient's overall health care.

therapeutic recreation programs. The therapists and volunteers plan tours of duty to provide the greatest benefit to the veteran. During these time segments, they provided over 7 million prescribed treatment units, furnished nearly 1 million hours of program time, and had a program attendance of over 8 million participants.

In FY 1987, the Council of National Resource Organizations, with representatives from 26 bowling and other

organizations, contributed over \$10 million to veteran care through recreational programming. The monies, goods, and services provided by these organizations are utilized at the local and national levels. At the national level, these organizations work in concert with VA Central Office Recreation Service staff to provide art, music, sports, live entertainment, games, hobbies, and other recreational pursuits for hospitalized veterans.

Voluntary Service

FY 1987 is the first year in a decade where there has not been a growth in the number of volunteers and hours served in VA medical facilities. There were 83,667 volunteers who contributed 12.3 million hours. The slight decrease is attributed to the change in the emphasis placed on therapeutic recreation, which requires more one-on-one activities, rather than the traditional diversionary activities.

There has been an increase this year in activities that involve the utilization of volunteers in the community. There is a growing need to assist veteran patients in their return to the community and to maintain them in more independent living modes. In FY 1987, the ACTION Agency and the VA entered into a joint project which permits senior volunteers whose income is below the poverty

level to receive a limited stipend when they volunteer to assist veteran patients returning to the community to recuperate. A limited number of senior volunteers are involved in this project to date, but there is great potential for the level of participation to increase.

The James Parke Memorial Youth Scholarship Fund, established by the VA Volun-

tary Service (VAWS) National Advisory Committee to provide scholarships to the outstanding youth volunteers serving in VA medical facilities across the Nation, reached a major goal in 1987. Several member organizations joined forces and made contributions that permitted the fund to reach \$100,000. The interest from the fund was used to provide a \$5,000 scholarship to Miss Katiti Laws of the VAMC, Palo Alto, California. Plans call for extending the number of scholarships to the seven regions of the VA as the fund grows.

The National Salute to Hospitalized Veterans on February 14, 1987, was a major highlight of the VA's effort to raise the awareness of the public and give proper recognition to veterans who continue to have hospital needs. The First Lady, Mrs. Nancy Reagan, served as the honorary patron, and Mr. Ernest Borgnine, star of



Miss Katiti Laws is presented with the James H. Parke Memorial Youth Scholarship Award.

television and film, served as the chairperson for the second year in a row. This year's goal will be to attract

increasing numbers of community leaders to visit veterans in local VA medical centers.

Chaplain Service

Chaplain Service is patient-centered and engages in programs and activities which contribute to care of the total patient. The Chaplain Service provides for the sacramental ministry, worship services, ecumenical and interfaith services, pastoral visits, crises and grief counseling, and graveside services. In this spiritual mode of healing, the VA chaplain is a member of the health care delivery team.

The VA Chaplain Service has been the principal religious advocate for the last 41 years ensuring that the veteran patient's right to the free expression of religion is guaranteed. Chaplains are selected from the Nation's major religious denominations, reflecting America's pluralism, and are assigned to the 172 VA medical centers by the

Director of the Chaplain Service in Washington, D.C.

Today's VA Chaplain Service was organized after World War II. At that time, a group of distinguished church leaders called upon General Hines, the Administrator of the VA, to establish a Chaplain Service similar to the Military Chaplaincy that served the Armed Forces.

In the VA's 172 medical centers there are 420 full-time, 320 part-time, 195 intermittent, and 205 contract chaplains. This service is available to all, regardless of creed, age, race, sex, or national origin. The Chaplain Service has recently enriched its staff with 27 women chaplains.

In FY 1987, veteran patients were provided with over 80,000 opportunities for worship services, and other devotionals. A total of one-

half million crises and deaths were responded to by the chaplains on duty, day or night.

Leadership through education has been the theme for VA chaplains this past year. The National Chaplain Training School was dedicated May 20, 1987, at the VA Medical Center, Hampton, Virginia. In addition, a National Chief of Chaplain Service Leadership Conference has been instituted on an annual basis.

In 1987, VA Chaplain Service staff has provided specialized pastoral care in areas such as alcoholism, drug and substance abuse, death and dying seminars, post-traumatic stress disorder, gerontology, and recently, a ministry to AIDS patients. Many VA medical center chaplaincies have an affiliation with local seminaries and theological consortia.

Veterans Canteen Service

The Veterans Canteen Service (VCS) operates retail stores, cafeterias, and other services in 172 VA medical centers. Offering articles of merchandise and services essential to the comfort and well-being of veteran patients, VCS also makes food services available to VA medical center employees, volunteers and visitors, as well as patients.

VCS is a nonappropriated activity, i.e., it does not receive an annual appropriation from the Federal Government, but supports itself solely from canteen sales.

By consolidating its operating income from all canteens, VCS is able to provide the same quality services throughout VA medical centers, with large profitable canteens offsetting losses at those canteens whose small customer base makes it difficult for them to operate profitably.

Sales for FY 1987 were as follows:

Retail sales	\$97,477,585
Service sales	4,372,586
Cafeteria sales	60,173,551
Vending sales	21,248,637
Total	\$183,272,359

Total sales for FY 1987 showed a slight increase over sales for FY 1986, which were \$182,950,520.

The VCS continued to meet its primary goal of procuring, negotiating, and establishing price agreement listings with national manufacturers. Approximately 550 active vendors were made available to the individual canteens through price agreement listings during FY 1987. Also, several improvements to the procurement process have been initiated, on either a test or continual basis, including the sale of gourmet food, nurses' uniforms, selected non-prescription drugs, and electronic items. Also implemented was a new sales promotion known as "value consumer savings," which identifies 10 items that represent exceptional savings to customers.

New layouts were developed during the fiscal year for 11 retail store remodelings and 6 cafeteria remodelings. These ongoing modernization programs are generally initiated by the acquisition of new space or the refurbishing of existing space at VA medical centers.

The VCS has continued to upgrade the quality of its food service operations through the marketing and merchandising of its menu items. In keeping with current trends in cafeteria-style operations, VCS has included salad bars, yogurt shops, and deli-style

shops in new and remodeled canteens and has initiated plans for fast-food units. These new menu and design concepts have also been consistent with the canteen's emphasis on promoting light and healthy food choices.

In accordance with OMB Circular No. A-76, 60 of the 74 canteen food departments scheduled to undergo productivity improvement reviews have completed their studies. VCS continues to monitor its food service activities to ensure efficiency and productivity.

In FY 1987, VCS completed the development of the design specifications for its Integrated Management Information System (IMIS), which will tie together in an information network all 172 canteens, the VCS Finance Center in St. Louis, Missouri, and VA Central Office. IMIS will be comprised of three components - the Financial Management Information System already in place at the Finance Center, a Retail Management Information System, and a Food Management Information System. In early FY 1988, a Request for Proposals will be issued for the procurement of IMIS hardware and software, and testing of the new system will begin in several canteens in mid-1988.

Geriatrics and Extended Care Programs

The number of veterans in the United States is on the decline, but two segments of the population continue to grow - the female veteran and the aging veteran population. In 1987, there were an estimated 5.7 million veterans over the age of 65. By the year 2000, that number will increase by 3 million and account for 37 percent of the total veteran population.

As the VA faces this large, aged component in the veteran population, planning preparations are underway to meet the health and maintenance needs of eligible veterans. While it is generally true that states in the Southwest and the Southeast coast will experience the largest increase in aging veterans, all states will experience dramatic increases in the age 65 and over

component in the next 12 years.

The VA will continue to develop and distribute its resources to meet the needs of the aging. Faced with this task, the VA's gerontology research and training programs are preparing health workers and physicians to deal with the problems of aging. Long noted for its excellent inpatient care for

the elderly, the VA is developing and testing new and innovative non-institutional settings for providing health care for the elderly.

The VA's health care system includes acute medical, surgical, and psychiatric inpatient and outpatient care; extended hospital, nursing home, and domiciliary care; noninstitutional extended care; and a range of special programs and professional services for elderly veterans in both inpatient and outpatient settings.

In addition to care in the VA's nationwide network of health care facilities, veterans are also provided contract care in non-VA hospitals and in community nursing homes. This includes VA funding for fee-for-service visits to non-VA physicians and dentists for outpatient treatment, and VA per diem support for care in 51 State Veterans Homes and 3 annexes in 35 states.

During the past 10 years, there has been increased utilization of VA inpatient hospital care by older veterans, reflecting both their greater number as well as their significantly higher hospital utilization rates. The percentage of the veteran population aged 65 or older

increased from 8 percent in 1977 to 18 percent in 1987.

These older veterans use hospital services at a rate 3 to 4 times higher than younger veterans.

An older population experiences a different mix of diseases than does a younger population. Conditions such as coronary and circulatory systems disease, respiratory diseases, neoplasms, organic brain disorders, and musculoskeletal diseases are all more prevalent in those over age 65. This group of diseases tends to be chronic, progressive, and degenerative in nature, and the damage these diseases cause is often permanent, requiring rehabilitation and/or long-term care. Older individuals often have more than one chronic condition, further complicating their clinical management and increasing the demands they make on their source of care.

In addition to exerting pressure on inpatient hospital care, the aging veteran phenomenon or "geriatric imperative" is also affecting the need for outpatient care. This treatment modality is an integral part of the VA medical center effort to provide care for the aging veteran.

Older veterans represent the majority of patients being cared for in VA, community, and State nursing homes. The proportion of patients who were 65 years and older in VA nursing homes in 1987 was 63.3 percent. The average daily VA patient census in community nursing homes increased 3 percent.

As in the case with other health care programs in the Nation, the VA is increasing the number and diversity of noninstitutional extended care programs. The purpose is to facilitate independent living by making available the appropriate sustaining medical and human services. Such programs include Hospital Based Home Care, Adult Day Health Care, Psychiatric Day Treatment/Mental Hygiene Clinics, and Community Residential Care.

Over the past decade, specific activities focused on the health needs of the older veteran have been developed, tested, and demonstrated in a variety of VA clinical settings. The two with the greatest potential for improving the care of older veterans are Geriatric Research, Education, and Clinical Centers (GRECCs) and Geriatric Evaluation Units (GEUs).

Geriatric Research, Education, and Clinical Centers

The VA's Geriatric Research, Education, and Clinical Centers (GRECCs) have, since 1975, provided a focus for development of innovative approaches to meeting the health needs of older veterans; provided for integration of such approaches into practice in the VA system; and provided training opportunities for all types of personnel involved in the care of older people. There are currently 10 GRECCs in the VA system.

The GRECCs play an important role in further developing

the capability of the VA system to provide maximally effective and appropriate care to older veterans. GRECCs are designed to enhance the system's capability in geriatrics by conducting integrated research, education, and clinical care. The purpose of the GRECCs is to develop new knowledge regarding aging and geriatrics, to disseminate that knowledge through education and training to health care professionals and students, and to develop and evaluate alternative models of geriatric care.

Each center has developed an integrated program of basic and applied research, education, training, and clinical care in selected areas of geriatrics. Current focal areas include cardiology, cognitive and motor dysfunction, endocrinology, geropharmacology, immunology, metabolism, and molecular biology of aging. Additional foci include oncology, neurobiology, neuroendocrinology, nutrition, and rheumatology.

At present there are 10 centers located in VA medical

centers at Bedford, Brockton/West Roxbury, Massachusetts; Durham, North Carolina; Gainesville, Florida; Little Rock, Arkansas; Minneapolis, Minnesota; Palo Alto, California; St. Louis, Missouri; Seattle/American Lake, Washington; Sepulveda, California; and West Los

Angeles, California. Public Law 96-166, Veterans Administration Health Care Amendments of 1985, increased from 15 to 25 the maximum number of facilities that the Administrator may designate. Thus, 15 additional centers are authorized for activation over the next

several years if resources are available. Using an integrated approach, the GRECCs are developing practitioners, educators, and researchers to help meet the need for training health care professionals in the field of geriatrics.

Geriatric Evaluation Units

A Geriatric Evaluation Unit (GEU) is usually a group of beds (ranging typically in number from 4 to 20) set aside on a medical service or an intermediate care ward of the medical center where an interdisciplinary health care team performs comprehensive geriatric assessments. The objective of a GEU is to refine the diagnosis, treatment, and placement plans for older patients who may have some remediable impairments, multiple chronic diseases, or psychosocial problems which need to be fully assessed. In addition to improving care for older patients and preventing their unnecessary institutionalization, a GEU provides geriatric training and research opportunities for physicians

and other health care professionals in the medical center.

Results from a controlled study of GEU efficacy conducted at the VA Medical Center, Sepulveda, California, show significant benefits associated with admission to the GEU, such as improved survival rates, functional status, living location, and lowered rehospitalization rates.

VA medical centers have also developed GEUs to provide comprehensive diagnosis, treatment, and discharge planning for elderly patients with multiple medical problems discovered during treatment in a hospital. There are currently more than 70 GEUs

in the VA system.

Coordination with the aging network under the Older Americans Act in the delivery of community-based care has been recognized by the VA as an important component in providing needed long-term medical and social services required by elderly veterans. The VA has been involved in the Administration on Aging (AOA) Consortium on Information and Referral Services for Older People since its inception. The VA, along with 13 other Federal and national nonprofit agencies, has entered into a working agreement with AOA to enhance those systems which provide information and referral services.

VA Nursing Home Care

Nursing Home Care Units located in VA medical centers provide skilled nursing care and related medical services, as well as opportunities for social, diversionary, recreational, and spiritual activities. Nursing home patients typically require a prolonged period of nursing home care

and supervision, and rehabilitation services to attain and/or maintain optimal functioning.

In FY 1987, nearly 26,000 veterans were treated in VA nursing homes which had an average daily census of almost 11,000 veterans. Ad-

ditional new nursing home care unit beds were activated at Miami, Florida; Alexandria, Louisiana; and St. Louis, Missouri. These and other changes resulted in a net increase of 430 operating beds for a total of 11,747 in FY 1987.

Community Nursing Home Care

The community nursing home care program provides for the placement of veterans in community nursing homes under contract with the VA. The program is designed for veterans who require skilled or intermediate nursing care when making a transition

from a hospital to the community. Veterans who have been hospitalized in a VA facility for treatment, primarily for a service-connected condition, may be placed at VA expense for as long as they need nursing care. Other veterans may be eligible for

placement in community facilities at VA expense for a period not to exceed six months. Selection of nursing homes for VA contract care requires the prior assessment of the participating facilities. Followup visits to veterans by teams from the VA medical

centers are made to monitor the quality of patient care programs and the physical environment of the nursing homes.

FY 1987 saw a moderate in-

crease in community nursing home placements. During this year, nearly 42,500 veterans were treated in the program. This represents slightly over a 3 percent increase from FY 1986. The number of nursing

homes under contract was 3,600 in FY 1987. The average daily census in these homes for FY 1987 was 12,258.

VA Domiciliary Care

Domiciliary care in VA facilities provides necessary medical and other professional care for eligible ambulatory veterans who are disabled by disease, injury, or age and are in need of care but do not require hospitalization or the skilled nursing services of a nursing home.

Offering specialized interdisciplinary treatment programs designed to facilitate the rehabilitation of patients suffering from head trauma, stroke, mental illness, chronic alcoholism, heart disease, and a wide range of other disabling conditions, the domiciliary with increasing frequency is

viewed as the treatment setting of choice for many older veterans.

Implementation of rehabilitation-oriented program directions has created a better quality of care and life for veterans requiring prolonged domiciliary care, and has prepared increasing numbers of veterans for return to independent or semi-independent community living.

Special attention is given to older veterans in domiciliaries with a focus on keeping them active and productive in the domiciliary while encouraging them to use senior centers

and other resources in the community where the domiciliary is located. Patients at several domiciliaries are involved in senior center activities in the community as part of a focus on community integration. Other specialized programs in which older veterans are involved include Foster Grandparents, Handyman Assistance to senior citizens in the community, and Adopt-A-Vet.

In FY 1987, over 14,000 veterans were treated in VA domiciliaries, with a total average daily census of nearly 6,000.

State Home Care

The State Home Program has grown from 11 homes in 11 states in 1888 to 51 State homes (one of which has three annexes) in 35 states. Currently, nearly 18,500 State Home beds are authorized to provide hospital, nursing home, and domiciliary care for veterans.

The VA's relationship to State veterans' homes is based on two grant programs. One is a per diem program which enables the VA to assist the States in providing care to veterans eligible for VA care who are furnished domiciliary,

nursing home, or hospital care in State home facilities. The other grant program provides VA assistance with up to 65 percent Federal funding for the construction or acquisition of new domiciliary and nursing home care facilities, and the expansion, remodeling, or alteration of existing facilities.

In FY 1987, the Administrator recognized a new State home at Paramus, New Jersey, and approved for recognition a new State home at Rifle, Colorado (which will increase the number of State

homes to 52). Construction was started on a 350-bed nursing home at Stony Brook, New York, and a 150-bed nursing home addition at Milledgeville, Georgia. The \$34.6 million obligated by the VA in FY 1987 for construction and renovation projects also included a new State home in Mississippi to provide 150 beds for nursing home care, major domiciliary and nursing home renovations at the California Veterans Home in Yountville, California, and life and safety code renovations at State homes in Illinois and Massachusetts.

Palliative Care

The VA has developed programs which furnish palliative care, supportive counseling, and other medical services to

terminally ill veterans, and supportive counseling to their families in various service settings. The hospice concept of

care is generally incorporated in VA medical centers' approaches to the care of the terminally ill.

Bereavement Counseling

Public Law 99-576 authorized bereavement counseling services to allow the continuation of mental health services to family members or significant others after the death of the

veteran. In order to be eligible for this benefit, the counseling must have been initiated during a period of hospitalization prior to the veteran's death; the veteran

must have been in a VA hospice program; or the veteran's death must have been unexpected.

Hospital Based Home Care

The hospital based home care program provides primary medical care to veterans with chronic illnesses. This care is provided in the veterans' own homes. The family provides the necessary personal care under the coordinated supervision of a hospital based interdisciplinary treatment

team. The team provides the medical, nursing, social, rehabilitation, and dietetic regimens, as well as the training of family members and the patient. Seventy-eight VA medical centers are providing hospital based home care services. By providing increased days of care in the

home, a greater number of acute beds in hospitals are made available for other veterans.

In FY 1987, a total of 259,000 home visits were made by health professionals. Over 13,350 patients were treated.

Adult Day Health Care

Adult Day Health Care (ADHC) is a therapeutically oriented ambulatory day program which provides health, maintenance, and rehabilitation services to veterans in a congregate setting during daytime hours. ADHC in the VA is a medical model of services, designed as a substitute for nursing home care, as established by Public Law 98-160. The VA continues to operate 9 ADHC

centers and added 6 new centers in FY 1987 at VA medical centers in Albany, New York; Buffalo, New York; Dayton, Ohio; Milwaukee, Wisconsin; San Antonio, Texas; and at the VA outpatient clinic in Boston, Massachusetts. The VA also initiated a program of contracting for ADHC services. Sixteen VA medical centers have been granted contracting authority for

ADHC. They are Chicago (West Side), Illinois; Dallas, Texas; Hines (Chicago), Illinois; Kansas City, Missouri; Manchester, New Hampshire; Martinez, California; Minneapolis, Minnesota; New Orleans, Louisiana; New York, New York; Phoenix, Arizona; Prescott, Arizona; Reno, Nevada; San Diego, California; San Francisco, California; Tucson, Arizona; and West Los Angeles, California.

Community Residential Care

The community residential care home program provides residential care, including room, board, personal care, and general health care supervision to veterans who do not require hospital or nursing home care but who, because of health conditions, are not able to resume

independent living and have no suitable family resources to provide the needed care. All residential care homes are inspected by a VA multidisciplinary team prior to incorporation into the program, and annually thereafter. Care is provided in private homes selected by the

VA, at the veteran's own expense. Veterans receive monthly followup visits from VA health care professionals. In FY 1987, an average daily census of 11,400 veterans was maintained in this program utilizing approximately 2,900 homes.

Alzheimer's Disease and Related Disorders

The VA's program for veterans with Alzheimer's disease and related disorders is decentralized throughout the medical care system with centralized coordination and direction from the Office of

Geriatrics and Extended Care. Veterans with these diagnoses participate in all aspects of the health care system, such as outpatient programs, acute care programs, and extended care

programs. Some medical centers have established specialized programs for the treatment of these veterans.

In order to achieve advances in the care for veterans with

dementia, the VA conducts basic biomedical, applied clinical, and health systems research through the Medical Research Service and the

GRECCs. Continuing education for staff is provided through training classes sponsored by Regional Medical Education Centers,

GRECCs, and Cooperative Health Manpower Education Programs.

Quality Assurance Programs

Much has been accomplished during the year to facilitate achievement of the immediate and long-range goals of health care quality assurance (QA) in the Department of Medicine and Surgery. Increasing refinement and enhancement of QA programs and initiatives have been coupled with linkages with other Federal and private sector agencies to ensure that the VA's quality assurance efforts are proactive, comprehensive, and in the forefront of American health care delivery.

The DM&S Office of QA is concentrating on developing a firm program of quality management. Quality management is a process of monitoring, evaluating, and documenting, across all clinical and administrative elements of DM&S, quality-related aspects of health care delivery processes to enable managers and clinicians to enhance and improve the quality of patient care.

During 1987, the Medical District Initiated Peer Review Organization (MEDIPRO) program was implemented in all 27 DM&S medical districts, following completion of an Evaluation Task Force report on the experiences of the first three pilot districts. This evaluation demonstrated that the Department's peer review program accomplished its objectives and that the MEDIPRO process has excellent potential for identifying problems. An especially exciting finding was physician willingness to participate in the MEDIPRO process. Regional Medical Education Centers supported MEDIPRO implementation by providing

training programs for new staff, program brochures, and criteria sets to assist MEDIPRO boards and staff in criteria development. The Office of Quality Assurance reconvened the MEDIPRO Advisory Committee to give advice on the program and its policies. Two task forces were assembled to develop recommendations for MEDIPRO expansion into ambulatory care and long-term care. Training of MEDIPRO personnel was accomplished to help them use available data resources.

The VA Internal Control Review Program, under OMB Circular A-123, continues as a high priority for the Office of Quality Assurance. Improved direction was disseminated to field facilities this year to increase managerial effectiveness and to help managers avoid five key risks: mismanagement, unauthorized or inappropriate use of resources, erroneous reporting of data, illegal or unauthorized acts, and adverse or unfavorable public opinion.

The Systematic External Review Program (SERP) was decentralized in September 1985 and became completely field managed in July 1986. SERP team leaders are now organizationally placed under the seven DM&S Regional Directors with the Office of Quality Assurance retaining only policy and general oversight responsibility. In FY 1987, the first full year of decentralized operations, a significant increase was seen in the number of SERP reviews completed, and there was a marked improvement by field facilities in the ac-

curacy and timeliness of taking corrective actions.

During 1987, the QA External Review Management Information System (ERMIS) has continued to serve as the Department's method for recording, tracking, and trending systematic external review recommendations. Currently, a field task force is working to improve the system to make it more user-friendly and accessible to QA field staff.

In FY 1987, the QA Special Interest Users Group (SIUG) developed, tested, and prepared two computer applications for installation at local VA medical centers. Scheduled for implementation nationwide in FY 1988, the computer applications are critical to the Department's Quality Assurance program for resource utilization review, occurrence screening, and patient incident reporting. These elements will be integrated with local medical center computer capabilities into the DHCP.

The QA Office is developing a data base for a national QA Decision Support System (DSS). "Decision support" is a data base management system which integrates resource utilization and risk management factors to improve health care decision-making by care givers. Data are compiled from medical, surgical, and other files in the current and future DHCP. QA data originate from occurrence screening, mortality review, and other QA initiatives. The DSS will incorporate state-of-the-art knowledge bases and "Expert Systems." These systems will

evolve in support of quality management decision-making as readily as they become available and as the system is ready to use them.

A QA task force met in September 1987 to review DM&S policies concerning utilization management and maximizing reimbursement from third party health plans. The task force made a number of far-reaching recommendations which

should considerably strengthen facility utilization management programs. Revision of these policies based on task force recommendations is scheduled for dissemination to the field in FY 1988.

During 1987, occurrence screening pilot programs were established at 27 VA medical centers during the first part of the year to assess the potential usefulness of this quality

assurance methodology within DM&S. Drawing on the findings of an evaluation, a task force developed a set of recommendations concerning the implementation of occurrence screening in all DM&S medical facilities. A draft policy incorporating the recommendations was recently completed and is undergoing review. Nationwide implementation of occurrence screening in DM&S is targeted for FY 1988.

Medical Inspector

The Medical Inspector provides staff support to the Chief Medical Director to assure optimal quality medical care. These management sup-

port and quality assurance activities involve multiple coordinated working relationships, both internal and external to DM&S.

Recognizing the need for education in the area of risk management, the Medical Inspector and staff have participated in several regional

Conflict of Interest Issues

The Department of Medicine and Surgery has undertaken the task of clarifying the subject of conflict of interest, particularly as it pertains to health care professionals in the patient care and medical research environments. Concern in this area was heightened by the VA Inspector General's investigations of the pecuniary relationships of certain VA employees with pharmaceutical firms.

Paramount has been the need to ensure employee sensitivity to the standards of ethical conduct governing their activities as Federal employees, while acknowledging the beneficial relationship enjoyed by the VA in dealings with the private sector.

Private-sector donors, including the pharmaceutical industry, have played a significant role in advancements the VA has made, and have been an important source of funding for major medical research in the VA. While safeguarding VA rules and regulations and standards of ethical conduct, lawful employee contacts with private sector donors can and should continue.

As an outgrowth of their previous investigation of activities related to an individual pharmaceutical firm, the VA's Office of Inspector General undertook the "PHARMCO" investigation involving five other pharmaceutical suppliers. Results of the second investigation are under review, and appropriate action will be taken with respect to unlawful or irregular action.

Significantly, the "PHARMCO" investigation has shown that the efforts to clarify VA policy concerning business dealings with private-sector firms have been successful. Employee awareness has been heightened, and outside professional activities are generally appropriate.

A thorough review and analysis of the legal, regulatory, and professional considerations with respect to conflict of interest is underway, and updated guidance will be issued in FY 1988. Additionally, the Department of Medicine and Surgery will support the Institute of Medicine in conducting a two-day national workshop in the spring of 1988. This workshop will gather members of the scientific and academic communities to address issues related to the Federal scientist.

Resolution of these issues will require examination of the atmosphere of restraint created by the widespread concern over conflict of interest issues. Greater clarification should help ensure that such concerns do not interfere unnecessarily with successfully achieving the full potential of the public/private partnership.

conferences for Medical Center Directors, Chiefs of Staff, Chief Nurses, and Quality Assurance Coordinators dealing with the importance of risk management and patient incident reporting.

These conferences also covered the obligation of the medical centers to report to the appropriate State licensing board those licensed health care providers who fail to meet generally accepted standards of clinical practice. VA staff from the Office of the General Counsel, District Counsels, and the Office of

the Inspector General have attended and participated in these conferences.

In concert with the Office of the General Counsel, an automated Risk Management Information System was established. Information for these data bases will be supplied by the District Counsels and the involved medical centers. This system will alert the medical center when a claim for damages has been filed. The medical center can then review the case, determine if there is need for further investigation, analyze

trends among the cases being received, and supply the needed information to the Medical Inspector's office. The information in these data bases will be available to the Office of the General Counsel, as well as DM&S.

In conjunction with these efforts in the areas of risk management and patient injury control, the DM&S Operating Manual was revised to facilitate field compliance with the Code of Federal Regulations and to clarify the various aspects of patient injury control.

Research and Development Programs

The VA's three research programs are operated by Medical Research Service, Health Services Research and Development Service, and Rehabilitation Research and Development Service. The first two of these Services operate within the Office of the ACMD for Research and Development. Rehabilitation Research and Development Service reports to the ACMD

for Clinical Affairs through the Deputy ACMD for Prosthetics Services Research and Development.

Each of the research services has a separate line item in the VA's research budget, and funds are allocated to the three services as they are appropriated by the Congress. Within each research service, funds are allocated to support

individual research programs based on the scientific evaluations of peer review committees. On occasion, areas of research are identified that are especially ripe for research investment, and announcements of special research program initiatives are made periodically by each research service.

Medical Research Service

The program of Medical Research Service has evolved into an internationally recognized major contributor to medical science and to the advancement of the practice of medicine. Currently, through VA appropriated funds, Medical Research Service supports the research of approximately 2,500 VA scientists, over 70 percent of whom are physicians commit-

ted to the pursuit of patient-oriented research across the entire spectrum from basic science to clinical application of new knowledge. An equal number of VA researchers are supported by funds from other Federal agencies, foundations, and private industry.

The VA research program contributes to a professionally attractive and stimulating in-

tellectual environment that is critical to the recruitment, retention, and professional growth of high quality patient care staff. The presence of an active medical research program creates a spirit of intellectual enterprise that contributes to the provision of the highest quality medical care to veterans.

Significant Research Activities During FY 1987

The Medical Research Service supported a research and development program in Magnetoencephalography (MEG) at the VA Medical Center, Albuquerque, New Mexico.

Medical Research Service and other VACO components are sharing in support for the establishment of a Magnetic Resonance Imaging (MRI) facility at the VA Medical Center, Palo Alto, California. The Medical Research Service

decision to participate in the funding of the MRI facility was made on the basis of a careful scientific review of the potential of such a facility to contribute to research on the usefulness of MRI.

In February 1987, the Medical Research Service announced a request for submission of collaborative research programs between VA and DOD investigators. As a result of this solicitation, Medical Research Service received 106 applications for research collaboration. These proposals were evaluated through the VA's peer review system, and the strongest scientific studies are to be funded in Spring 1988.

In April 1987, Medical Research Service announced a request for submission of proposals for research in AIDS and HIV infection. As a result of this solicitation, Medical Research Service received 62 proposals. The scientifically strongest of these proposed studies will be funded in Spring 1988.

In May 1987, Medical Research Service announced a request for submission of proposals for Research Centers in AIDS and HIV infection. As a result of this solicitation, 11 VA medical centers submitted applications for evaluation by a special ad hoc committee of scientists. The three strongest applications will be supported for five years.

Medical Research Service reviewed 1,200 applications for the support of investigator-initiated research through its Merit Review program (the principal mechanism for sustained research funding of VA scientists), and funded the 660 scientifically strongest programs.

The Medical Research Service Career Development Program is designed to provide research training to clinicians seeking careers as clinician-researchers within the VA medical care system. The Career Development Program provides protected research time to a small number of productive, established VA in-

vestigators seeking a period of concentrated research activity. The Career Development Program received 257 applications; 154 applications meeting the most stringent priority score requirements were selected for funding.

Medical Research Service's Cooperative Studies Program is well known for its past contributions to the evaluation of a wide range of medical and psychiatric therapies through the use of multi-hospital clinical trials. In the reporting period, 25 studies were active and 4 new studies were initiated. To illustrate the nature of the clinical trials being supported, two of the new studies are briefly described below:

- A sample of patients with mild or moderate symptoms of ischemic heart disease identified at eight participating VA medical centers are included in a randomized clinical trial comparing percutaneous transluminal angioplasty (PCTA) with closely supervised medical therapy. PCTA is a relatively new nonsurgical method for treating ischemic heart disease by means of dilating a stricture of the coronary arteries with a balloon-tipped catheter. Although PTCA is widely used, its proper role in mildly or moderately symptomatic patients with single or double vessel coronary artery disease has not been defined. The VA study has the potential to fill an important gap in medical knowledge, and its results are eagerly awaited by health care providers and ischemic heart disease patients alike.
- The second illustrative cooperative study addresses the question: What should be done, if anything, to prevent strokes in patients with nonvalvular atrial fibrillation

(irregular beating of the left atrium of the heart)? A study of 980 patients in 16 VA medical centers will examine the usefulness of low-intensity oral anticoagulation with warfarin in preventing the occurrence or recurrence of cerebral infarction and cerebral hemorrhage.

In recognition of significant achievements made by VA researchers, the following awards were made in FY 1987:

- The William S. Middleton Award, presented annually in recognition of outstanding achievement in biomedical research, was given in 1987 to Aaron J. Marcus, M.D., of the VA Medical Center, New York, New York. Dr. Marcus was recognized for his pioneering studies of the mechanisms of blood clotting and intravascular thrombosis. His 1970 demonstration of the interaction of aspirin with blood platelets, resulting in an inhibition of clotting, has led to his more recent work in the 1980s on natural inhibitors of clotting in the treatment of stroke and coronary artery disease.
- Brian B. Hoffman, M.D., an investigator at the Palo Alto, California, VA Medical Center, was awarded the American Heart Association's Established Investigator Award.
- Lissy Jarvik, M.D., Ph.D., Chief, Psychogeriatric Laboratory at the West Los Angeles, California, (Brentwood) VA Medical Center, was awarded the Jack Weinberg Memorial Award for Geriatric Psychiatry by the American Psychiatric Association. Dr. Jarvik was also presented the Robert W. Kleemeier

Award for outstanding research in the field of aging by the Gerontological Society of America.

- The late Philip R. A. May, M.D., who was an investigator at the West Los Angeles, California, VA Medical Center, was the Senior Editor of a special supplement of the *Acta Psychiatrica Scandinavica* (No. 331, Vol. 74, 1986) entitled, "Perceptions of the Values and Benefits of Research," which contained the results of an International Research Study Group project.
- William H. Oldendorf, M.D., Chief, Neuroisotope Laboratory at West Los Angeles, California, (Brentwood) VA Medical Center, was awarded an Honorary Doctor of Science Degree from the St. Louis, Missouri, School of Medicine.
- Oscar Auerbach, M.D., distinguished physician emeritus at the East Orange, New Jersey, VA Medical Center, was awarded the Alton Ochsner Award for relating smoking and health.
- Michael D. Levitt, M.D., Associate Chief of Staff for Research and Development at the Minneapolis, Minnesota, VA Medical Center, was awarded the American Gastroenterological Association's Distinguished Achievement Award.
- Svaio Woo, Ph.D., a VA Rehabilitation Research and Development funded investigator at the San Diego, California, VA Medical Center, has been elected Chairman of the Bioengineering Division of the American Society of Mechanical Engineers.
- Joseph Zubin, Ph.D., a VA Research Center Scientist who directs the Biometrics Research Program at the Pittsburgh, Pennsylvania, VA Medical Center, was invited to participate in Heidelberg and Harvard Universities' multicentennial anniversaries. At the 600th anniversary of the University of Heidelberg, Dr. Zubin was asked to present the closing address of their Symposium on Schizophrenia. During the 350th anniversary of Harvard University, Dr. Zubin was the recipient of a special award for a lifetime of distinguished contributions to psychopathology.
- Amico Bignami, M.D., Associate Chief of Staff for Research and Development at Brockton, Massachusetts, VA Medical Center, won the Jacob Javits Award given by the National Institute of Neurological and Communicative Diseases and Stroke for the study of brain-specific protein in astrocytes.

AIDS Epidemic and VA Research

The Chief Medical Director established the Department's AIDS Program Office in July 1987. The Office was charged with coordination of daily AIDS-related activities within the Department and to serve as the VA AIDS liaison office with other agencies, groups, and individuals concerned with the epidemic. At the same time, the Chief Medical Director's Steering Committee on AIDS was established to provide advice from AIDS experts within the VA health care system. The AIDS Steering Committee, a multidisciplinary group of 14 individuals, met for the first time in September 1987 and meets quarterly.

A major undertaking in 1987 was the development of both a policy on Human Immunodeficiency Virus (HIV) Testing in the VA and an implementation plan for a testing program. The first step in that plan was a baseline survey of AIDS testing activities since 1985, which was conducted in September 1987.

An AIDS Clinical Unit was funded at the VAMC New York, New York, and three others are to be identified for funding. Proposals were solicited for three AIDS Research Centers to be funded in 1988. During 1987, VA researchers were involved in the entire spectrum of research on AIDS from basic science studies of the mechanism of the infection through clinical drug trials. A doubling of VA research efforts in HIV infection will occur in FY 1988 as a result of a special solicitation for research studies in this area.

AIDS Activities in the VA

In August 1987, the VA Office of Academic Affairs established an AIDS Educa-

tion Task Force for the development of a systemwide AIDS education plan and na-

tional training program. Educational efforts for staff at Regional Medical Education

Centers (RMECs), Cooperative Health Manpower Education Programs (CHEPs), Dental Education Centers, and individual VA medical centers were intensified. The Surgeon General's Report on AIDS was distributed to VA patients and staff.

Activities with other agencies continued in 1987. The VA/DOD Working Group met quarterly to exchange research information and to consider operational issues related to a smooth transfer of AIDS patients from military to VA care.

The VA participated in the Federal Coordinating Committee on AIDS Information, Education, Risk Reduction, and the Subcommittee on Access to Health Care. VA representatives served on the Special Committee on HIV Infection/AIDS Policy for the American Hospital Association and participated in the final review of the Centers for Disease Control's (CDC) Recommendations for Prevention of HIV Transmission in Health Care Settings. A presentation on AIDS activities in the VA was made to the first meeting of the Presidential Commission on the HIV Epidemic.

Major efforts begun in 1987 which will continue are the Task Force on Reimbursement for AIDS Clinical Care and expansion of the VA HIV testing program. Implementation of the CDC recommendations for prevention of transmission of HIV in health care settings, popularly known as "universal precautions," will proceed during 1988. Many other issues are being intensively studied, including confidentiality of patient information, informed consent, quality control for HIV tests, and nondiscrimination of AIDS patients.

One of the first cases of epidemic Kaposi's sarcoma to be recognized in the United

States occurred at the VA Medical Center, New York, New York, so VA facilities have been involved with AIDS since the beginning. By the end of FY 1986, a total of 1,195 cases of AIDS had been reported by 115 VAMCs. An additional 1,666 cases were reported in FY 1987 for a cumulative total of 2,861 cases since reporting began. The majority of the patients were seen in the epicenters of the disease, with eight VAMCs along the Atlantic, Pacific, and Gulf coasts having treated over 100 patients each. These represent 49 percent of all AIDS patients in the VA system.

As shown in the chart below, the demographics of AIDS in the VA were slightly different from the U.S. as a whole.

Researchers at VA medical centers are actively investigating the mechanisms by which HIV infection causes the complex medical conditions of immune dysfunction, dementia, and rare cancers. Through understanding the disease process, new therapies can be developed that will stop the progression of this viral disease and perhaps prove

useful in the treatment of other viral infections as well.

VA basic research studies of HIV infection will address:

- The mechanism by which HIV disrupts resistance to infection;
- The impact of HIV infection on the B cells of the immune system that produce antibodies;
- The molecular events by which HIV and other related virus injections lead to cancer development;
- Evaluation of the efficacy of zidovudine (formally azidothymidine or AZT) in veteran patients infected with HIV who have not yet developed the severe immune deficiency of AIDS; and
- HIV infection of the central nervous system.

Finally, VA investigators are involved in the development of a new drug for AIDS treatment. Because HIV contains a special protein unique to this class of virus and critical for its successful infection of cells, several drugs aimed at

Risk Factor	VA (%)	U.S. (%)
Homosexual/bisexual	46 %	66 %
IV Drug Abuser	25	17
Both	7	8
Hemophiliac	—	1
Heterosexual contact	2	4
Transfusion	3	2
Unknown/unreported	16	3
Racial/Ethnic Group		
White	46 %	61 %
Black	32	24
Hispanic	11	14
Unknown/unreported	11	1
Sex (Adults/Adolescents)		
Male	99 %	93 %
Female	less than 1 %	7

inhibiting the production of this special viral protein are being developed and tested by VA investigators.

A special solicitation to VA researchers in March 1987

announced support for individual research projects on HIV infection and related subjects. These projects are being reviewed by a special committee of HIV experts.

Successful projects will be funded in April 1988. It is anticipated that 50 new research studies will be supported through this solicitation.

Health Services Research and Development Service

Health services research is an interdisciplinary field of inquiry concerned with the measurement and evaluation of health care systems and with testing new methods of health care delivery and management. The Health Services Research and Development (HSR&D) Service is the DM&S organizational component charged with supporting health services research in the VA.

HSR&D Service divides its activities into three program areas: (1) investigator-initiated research, (2) field programs, and (3) special initiatives and studies. In the primary program area - investigator-initiated research - HSR&D Service supported 68 projects in 35 VA facilities in FY 1987. Projects continued to focus on areas such as care of the aging veteran, preventive health care, rehabilitative services, and evaluating the cost-effectiveness of patient care technologies. A total of 33 new projects were initiated and 13 projects were completed.

Findings from completed HSR&D projects included implications for VA patient care decisions about: nuclear magnetic resonance imaging for managing brain lesions, in-patient versus outpatient alcohol detoxification, closed versus open circuit

anesthesia, and strategies in monitoring bladder cancer recurrence.

Nine HSR&D field programs encompassing 36 VA medical facilities continued to implement health services research in the field. Each program comprises a network of core VA staff who collaborate with managers, providers, and community institutions. These interactions stimulate the integration of health services research with practice in VA health care delivery settings.

HSR&D field programs support local projects and pilot studies often designed to meet locally-identified needs. In FY 1987, more than 30 such projects were conducted in such areas as diagnostic approaches for post-traumatic stress syndrome, quality assessment and health status measures, and reduction of polypharmacy and medication morbidity in the elderly.

In its third major program area, HSR&D Service conducted several special initiatives and studies designed to respond to systemwide needs identified by VA managers or Congress. Some examples are as follows:

- Implementation of a five-site collaborative evaluation of Adult Day Health Care as an alternative to nursing home care;

- Development of a protocol to evaluate the VA's pilot program of chiropractic care;
- Information synthesis on cost-effectiveness of lithotripsy; and
- Information synthesis on nuclear magnetic resonance imaging focusing on clinical applications and cost considerations.

The Service also emphasizes dissemination of research results through publications in peer-reviewed journals and presentation at national professional meetings. Some reports are selected for VA publication in brief bulletin form, targeted to those VA health care providers who may best use the information to improve veterans' care.

One such bulletin reported in 1987 that encouraging high risk populations through a mailout to obtain influenza vaccinations is effective in reducing the incidence of this dangerous disease and, at the same time, lowering patient care costs.

Rehabilitation Research and Development Service

The mission of the Rehabilitation Research and Development (Rehab R&D) Service is to improve the quality of life

of impaired, disabled, and handicapped veterans by making them more functionally independent. This is ac-

complished by conducting a program of research, and by developing and evaluating devices, techniques, and con-

cepts of rehabilitation to allow these veterans more functional independence in the activities of daily living.

To find ways of using advanced medical and engineering science and technology for the direct benefit of severely disabled veterans, special Rehab R&D Centers have been established at VA medical centers in Palo Alto, California, and Hines (Chicago), Illinois. A Rehabilitation R&D Unit - smaller in scope than a center - is in operation at the Decatur (Atlanta), Georgia, VA Medical Center, completely dedicated to aging Rehab R&D.

The Service also has established two units at the Baltimore, Maryland, VAMC: the Rehab R&C Evaluation Unit, a centralized evaluation program of prototype devices and techniques; and the Office of Technology Transfer (OTT), a system for technology transfer and information dissemination which includes publication of the *Journal of Rehabilitation Research and Development*, *Annual Progress Reports*, and *Clinical Supplements* to the *Journal*.

During FY 1987, among the projects underway in the Rehab R&D Evaluation Unit was the clinical evaluation of the Seattle Ankle, an advanced prototype orthotic device being tested in the field at 18 Prosthetic Centers and Orthotic Laboratories. Also in process of implementation was the testing and evaluation of the VA Synergetic Prehensor, a myoelectrically controlled hook for arm am-

putees. This device operates almost as quickly as human fingers, is lightweight, more energy efficient, and less expensive than existing prehensors. Other evaluations in the planning stage include the Powered Upper Limb Prosthesis and the Recumbent Bike, a two-wheeled bicycle for paralyzed persons.

The OTT disseminates the results of VA-sponsored scientific and engineering projects among scientists, engineers, clinicians, and consumers in the United States and abroad. The annual publication *Rehabilitation Research and Development Progress Reports* is a worldwide summary of ongoing scientific research. In FY 1987, OTT also continued publication of Rehab R&D bibliographies and, through its exhibit program, presented scientific findings to major organizations. OTT operates the VA Rehabilitation Data Base which makes selected rehabilitation technical information available to VA medical centers and others via a computer telecommunications service.

During FY 1987, approximately 180 Rehab R&D projects were conducted in the following areas: prosthetics/amputation/orthotics, spinal cord injury, and sensory aids. Special emphasis is given to such critical issues as how best to organize these efforts, how to identify most effectively the areas of need and stimulate quality Rehab R&D proposals in these areas, and how to most efficiently and rapidly transfer the pro-

ducts of research to benefit disabled veterans.

Some examples of research topics addressed by these projects include: (1) computer-aided design and manufacture of prosthetic sockets, (2) functional electrical stimulation to permit lower and upper extremities which are paralyzed to function, and (3) the efficacy of cochlear implants for profoundly deaf patients.

In order to develop priority areas of emphasis, the Rehab R&D Service utilizes workshops consisting of experts and consumer representatives within specific fields to assess the current state of the art, previous advances, and patient treatment information. During the past year, the Service held such workshops in the fields of audiology and speech pathology, dementia, and schizophrenia.

The Director, Rehab R&D, chairs the Rehabilitation Education Program (REP) Committee in the Department of Medicine and Surgery. The mission of this committee is to provide education and training for VA health care providers to encourage the use of newly available research information and to transfer technology within our health care delivery system for disabled veterans. The REP committee has representation from all Clinical Affairs Services related to rehabilitation, the Office of Academic Affairs, and the Special Teams for Amputation, Mobility, and Prosthetics/Orthotics Program (STAMP).

Academic Affairs Programs

The Department of Medicine and Surgery conducts the largest coordinated health professions education and training program in the Nation. Its purpose is twofold:

- To assist in recruiting and retaining sufficient numbers of all categories of professional health service and administrative personnel to meet the needs

of a high-quality VA health care system, and to contribute to the Nation's health manpower pool. Each year, approximately 100,000 students receive

some or all of their clinical training in VA facilities affiliated with over 1,000 educational institutions.

- To provide continuing education for DM&S employees to learn and maintain new skills and knowledge at their VA health care facilities or at DM&S continuing education field units. Nineteen such field units are geographically dispersed across the VA system. A total of 89,936 training episodes for VA

employees were supported in FY 1987, including 22,206 through an aggressive "teleconferencing" program which avoids travel costs and travel time associated with traditional workshops.

The DM&S education and training effort is accomplished through coordinated programs and activities administered by the Assistant Chief Medical Director for Academic Affairs. At 76 VA medical centers, the numbers of education and training programs and

student/trainees justify the appointment of a full-time Associate Chief of Staff for Education (ACOS/E) to provide a single focus of responsibility for the management of health education activities. The ACOS/E also serves as staff support to management in quality assurance programs, strategic management, education, research, and patient care, in addition to responsibilities for management of the facility's education and training programs.

VA Health Professional Scholarship Program

The Health Professional Scholarship Program, established in 1980 under Public Law 96-330, assists in providing health care personnel for the VA and the Nation. Since 1982, nearly 1,100 scholarship awards have been made to full-time baccalaureate and master's degree nursing students.

A 1982 amendment to the scholarship program statute

authorized awards to full-time VA health care employees enrolled part-time in baccalaureate nursing degree programs. There have been 160 such awards for part-time study.

There are 379 scholarship participants currently in service obligation at 119 VA medical centers. Overall, 1,124 participants have been in service obligation; 708 of

these have completed their obligation.

The Scholarship Program did not receive an appropriation for FY 1987, and no new awards were made. All participants who received scholarships in previous years have funds obligated for support through degree completion.

The David M. Worthen Award for Academic Excellence

The Department of Medicine and Surgery has much to be proud of in the contribution it makes each year to the education of health care professionals. This contribution was maintained and greatly enhanced through the leadership and dedication of Dr. David M. Worthen during his tenure as the Assistant Chief Medical Director for Academic Affairs. The "David M. Worthen Award for Academic Excellence" was established to give continued recognition of outstanding achievements in the area of health care education, and to recognize and perpetuate the philosophy exemplified by Dr. Worthen throughout his VA career.

This award will recognize annually a DM&S employee who has made a contribution of national significance to the education of the health professions. The recipient will receive a plaque and a cash award of \$5,000.

One nomination will be accepted from each DM&S facility of an employee in any occupational or professional category. The nominees will be reviewed by a selection committee composed of representatives of external organizations and the VA. This committee will recommend a recipient to the Chief Medical Director for final decision. The award will be presented annually at the DM&S Senior Management Conference held in conjunction with the Association of American Medical Colleges' annual meeting.

Tuition Support Program

During FY 1987, the Office of Academic Affairs received

\$2.5 million to initiate a tuition support pilot program to

assist VA medical centers with recruitment and reten-

tion of staff in 15 shortage occupational categories. Occupational categories identified as having the most difficulty in recruiting and retaining personnel included nurs-

ing, physical therapy, occupational therapy, pharmacy, and respiratory therapy. Requests totaling nearly \$9 million were received from 161 facilities. Funds were

allocated to 150 facilities to support continuing education and academic course work for nearly 9,000 employees working in the shortage categories.

Graduate and Undergraduate Education

In FY 1987, the VA supported approximately 8,250 full-time medical residency positions under VA affiliations with 102 medical schools. Special emphasis was given to supporting programs in psychiatry, primary care, anesthesiology, geriatrics, radiology, orthopedics, and rehabilitation medicine. Through similar arrangements, VA facilities also provided clinical education for undergraduate medical students. A total of 355 positions were supported for dental residency programs in FY 1987. Advanced training in dental general practice received the largest portion of these positions. Students in nearly 50 recognized associated health professions selected VA facilities for their clinical experience.

This table reflects the status of the VA health care professional training, by discipline,

Discipline	Number of Trainees	
	FY 1987	FY 1986
Total	98,889	103,213
Medical house staff	30,549	30,252
Medical students	22,164	23,805
Dental house staff	926	876
Dental students	1,085	1,039
Nursing	23,000	26,058
Social work	892	956
Psychology	1,197	1,214
Other health professions and occupations	18,409	18,334
Administrative	667	679

for FY 1987, as compared to FY 1986.

Approximately 20 percent of the students choosing VA health care facilities to complete their clinical training received financial support. This support recognizes the students' significant contributions to patient care, under appropriate supervision, in the fields of medicine, dentistry,

nursing, psychology, social work, and other associated health professions.

At mid-1987, 10,961 VA physicians, dentists, and other staff held faculty appointments at affiliated health science schools and colleges. A decade earlier, the number was 7,563.

To meet the special needs of

VA Physicians, Dentists, and Other Staff (Full-time and Part-time) With Faculty Appointments April 1987

Academic Title	Total	Physicians	Dentists	Other Staff
Total Faculty Appointments	10,961	8,442	446	2,073
Professor	1,449	1,289	14	146
Clinical professor	268	192	16	60
Associate professor	1,642	1,414	39	189
Associate clinical professor	674	524	51	99
Assistant professor	3,119	2,729	75	315
Assistant clinical professor	1,434	1,026	121	287
Instructor	790	517	27	246
Other titles	1,585	751	103	731

Specialized Physician/Dentist Fellowship Programs - FY 1987

Program Category	Year Program Initiated	Number of VAMC Training Sites	Number of Fellowships Funded	Fellowships Completed Through June 1987
Geriatrics/Gerontology	1978	20	52	151
Physician	1982	5	10	20
Dentist	1980	6	12	47
Spinal cord injury	1980	6	13	33
Substance abuse			87	251
Total				

veterans and to provide national leadership, specialized physician fellowship programs were established in 1978. The first of these programs provided physician fellowships in geriatric medicine. Since 1980, fellowship programs have been established for physicians in the areas of spinal cord injury and substance abuse and, for dentists, in geriatric dentistry. The fellowship participants receive two years of advanced training for the development of clinical proficiency, expertise in program management, and academic leadership in the treatment of these special health problems.

Based on the premise that health care delivery by a team of health professionals is a more efficient utilization of personnel and results in better patient management, especially for the elderly, 12 model Interdisciplinary Team Training in Geriatrics (ITTG) sites have been established. Physicians, nurses, social workers, psychologists, physical and occupational therapists, and other health care providers participate in interdisciplinary team training in conjunction with ongoing geriatrics programs located at these 12 VA medical centers.

During FY 1987, nearly 200 students were provided funding support at the ITTG sites in the following disciplines - clinical nurse specialist, clinical/hospital pharmacy, audiology/speech pathology, social work, optometry, podiatry, psychology, and occupational therapy.

VA medical centers experiencing difficulty in recruiting associated health students because of the centers' geographic locations or the schools' class schedules were assisted by special summer traineeship programs. In FY 1987, over 350 traineeships were funded at 137 VA medical centers.

Disciplines supported in this program include audiology/speech pathology, psychology, and social work.

In FY 1987, 76 master's level clinical nurse specialist student positions were supported at 27 VA facilities in the priority areas of geriatrics, rehabilitation, and psychiatric/mental health.

The Nursing Administration Practicum is an Academic Affairs program to train graduate nurses for leadership in VA nursing. This specialized practicum provides a struc-

tured learning experience in executive level nursing and health care administration for graduate nursing students enrolled in master's degree programs in nursing administration. Students selected for this practicum have as preceptors both the Chief, Nursing Service, and the Medical Center Director. Students concentrate on developing their skills in organizational problem solving, business management, and community awareness relating to nursing and health care management. During FY 1987, nine VA facilities were provided funding support for 26 students.

A special priority program for geriatric education and training was provided for in the allocation of associated health training positions and funding support to VAMCs, including those hosting Geriatric Research, Education, and Clinical Centers (GRECCs). In 1987, 135 associated health trainee positions were approved at 59 VA facilities. Disciplines supported in this program include clinical nurse specialist, social work, psychology, occupational therapy, clinical pharmacy, audiology/speech pathology, and optometry.

Continuing Education

The goal of the DM&S continuing education program is to maintain and update staff

skills and abilities necessary to provide and administer quality health care for

veterans. Training is provided in all clinical, management, administrative, technical, and

support areas based on health program requirements.

The organization of continuing education field units and other support activities is

summarized in the following table.

**Continuing Education and Learning Resources Field Organization
National/Regional Units***

VAMC Site	CEC	RMEC	RegLib	RPHEC	LRPC	DEC	ETC
Washington, DC	X				X	X	
Birmingham, AL		X	X	X			
Cleveland, OH		X	X	X			
Long Beach, CA		X	X	X			
Minneapolis, MN		X	X	X			
Northport, NY		X	X	X	X		
Salt Lake City, UT		X	X	X	X		
St. Louis, MO		X	X	X	X		
Little Rock, AR							X
West Los Angeles, CA						X	

Facility-Centered Units

Component	Number of VA Facilities
Cooperative health manpower education programs (Boise, Dublin, Erie, Fort Meade, Lincoln, Saginaw, Togus, Tuskegee)	8
Medical media production services	103
Patient health education programs	166
Library services	175

*** Legend:**

CEC - Continuing Education Center
 RMEC - Regional Education Medical Center
 RegLib - VALNET Regional Library
 RPHEC - Regional Patient Health Education Coordinator
 LRPC - Learning Resources Production Center
 DEC - Dental Education Center
 ETC - Engineering Training Center

The Continuing Education Center (CEC) at the Washington, D.C., VA Medical Center serves as a central coordinating point for designated education projects which are national in scope, including the national rehabilitation education program.

Consultation, coordination, support, and educational programming are provided by the seven DM&S Regional Medical Education Centers (RMECs). The RMEC program, established by Congress in Public Law 92-541, plays a pivotal role in the DM&S continuing education effort. Each RMEC supports between 20 and 30 DM&S

facilities by providing extensive and intensive analyses of educational needs within its region, as well as expert consultation and assistance to facilities on continuing education administration and operations. In addition to meeting regional needs, the RMECs are the major vehicle for conducting national training programs. RMECs sponsored 2,547 educational courses or activities in FY 1987 for 74,944 DM&S staff members. Teleconference training has expanded from a pilot effort to a full-scale program with equipment in all VA health care facilities. While teleconferencing has many limitations, its cost avoidance features (travel

cost and travel time) and its utility for providing organized training to staff previously not reached has made it a very useful tool in the DM&S continuing education effort.

Two Dental Education Centers (DECs) provide specialized continuing education activities for dental employees. Activities include short courses, mini-residencies, and development of independent learning packages and audiovisuals. Several of the DEC courses are unique to the VA in that they focus on inpatient dentistry.

The Engineering Training Center (ETC) at the Little

Rock, Arkansas, VA Medical Center provides short courses and correspondence courses for DM&S engineers and engineering technicians. This training program has proven highly cost-effective in

maintenance of biomedical equipment.

At eight remote VAMCs, community-based sharing arrangements under the VA's Cooperative Health Manpower

Education Program provide a wide variety of educational offerings to joint audiences of VA and community health care personnel.

Patient Health Education/Health Promotion

Patient health education consists of activities designed to contribute to the improved health status of veteran beneficiaries. These activities include facility management of patient health education services, development of patient health education programs for identified target populations, staff training, and direct interaction with individual patients and families.

Patient health education/

health promotion is an important component of health care services. Full-time patient health education coordinators are assigned to 19 VAMCs and to each RMEC. In addition, 89 percent of VA medical centers have established facility patient health education committees responsible to the Office of the Chief of Staff.

In 1987, hundreds of copies

of the U.S. Surgeon General's Report on Acquired Immune Deficiency Syndrome (AIDS) were provided to each of the VA's 172 medical centers, with larger distributions being made to medical centers reporting a high incidence of AIDS patients. The VA patient health education program also focuses on health maintenance and preventive health care measures to benefit veteran patients.

Library Services

The 175 VA health care facility libraries and the VA Central Office Library Division comprise the VA Library Network (VALNET). They support the information and education needs of patients and of VA staff engaged in medical care, research, and administrative activities.

In FY 1987, almost 900,000 reference questions were answered and 131,000 bibliographies were prepared; 2,663,000 print items and 214,000 audiovisual (AV) programs were circulated from the medical libraries; and 3,362,000 print items, 164,000 AVs and 19,000 talking book programs were circulated from the patients' libraries. Through consortia affiliation involvements and VA sharing arrangements,

230,000 items were loaned to, and 254,000 items were borrowed from, libraries within and outside VALNET.

In FY 1987, emphasis was placed on Agency priorities such as substance abuse, AIDS, geriatrics, and safety in selecting 49 audiovisuals and 15 books for network-wide distribution. To reduce the need for individual VA libraries to purchase, rent, or incur loan charges to obtain needed materials, the Central Office Library Division issued updates to national lists of books and journals available for free loan within VALNET. In response to the VA's emphasis on the use of automation to increase access to information, the Library Division:

- Maintained a computerized

data base (VALOR) of more than 13,000 audiovisuals and 80,000 monographs held in VA Library Services;

- Continued work on development of the library modules for DHCP;
- Completed a telefacsimile pilot study which found that the technology has improved enough to allow its use for the transmittal of journal articles among VALNET libraries, thus providing Agency personnel more rapid access to information; and
- Introduced more than 600 health care professionals to user-friendly searching of the National Library of Medicine's MEDLINE data base.

Medical Media Production Services

In FY 1987, Medical Media Production Services (MMPS) at 103 VA medical centers provided audiovisual materials and services in support of

local patient care, research, and educational program efforts. Nearly 6 million work units were completed.

Medical Media Division provides field program oversight and support of VACO program projects including *VAguard*, publications for

professional recruitment and continuing education efforts, and the DM&S scientific exhibit program. Nearly 20 scientific exhibits were displayed at some 35 professional society meetings throughout the country.

In September 1986, the Computer Information System Network (CISN) was completed. The CISN, using five MMPS sites, evaluated the cost-effectiveness of computer graphics at the individual MMPS sites. The pilot was successful. The network has expanded to

seven camera sites, linking 60 MMPS sites. Each camera site was selected through medical district sharing proposals. Plans are underway to expand the network to all of the 103 MMPS sites.

During the year, the four Learning Resources Production Centers completed and distributed 27 major teleproductions, and had an additional 112 titles in production.

At all VA medical centers, education space and facilities

are provided in support of programs for patient education, continuing education for medical center staff, and training of students from affiliated academic institutions.

In FY 1987, funding was provided to VA medical centers for 12 approved projects, including renovation to existing structures to improve or provide new conference/classrooms, libraries, and medical media production facilities, and to equip and furnish these facilities.

Management and Administrative Support Services

Strategic Health Care Planning

The importance of planning within DM&S was reaffirmed by the appointment of a National Task Force on Planning to review the entire spectrum of strategic, budgetary, and operational processes in place and to recommend appropriate refinements. Strategic health care planning in DM&S occurs through the Medical District Initiated Program Planning (MEDIPP) process, and the Task Force was specifically charged with identifying enhancements which could improve the linkages between MEDIPP, budget development, and operations.

The Department of Medicine and Surgery established MEDIPP as a strategic planning process in 1981 to ensure that future health care plans address the impact of the changing veteran population on VA health care programs. Since its inception, MEDIPP has evolved toward a comprehensive planning system which integrates the budgetary and operational planning processes into an overall strategic management framework.

Although initially conceptualized as primarily a health planning tool, a linkage with

the budgetary planning process was established by identifying high priority MEDIPP initiatives which could be included in Department and Agency budget requests. With the initiation of implementation planning in 1985, the linkages between MEDIPP and the budgetary and operational processes were further strengthened. A vehicle was set in place with which to implement strategic planning initiatives through operational funding mechanisms.

The July 1987, the final report of the National Task Force on Planning contained a number of key recommendations which were adopted. First, a basic tenet and cornerstone of the MEDIPP process was reaffirmed - namely, the core planning unit will continue to be the VA medical district. Second, strategic plans versus implementation plans will be clearly delineated and will be submitted separately to coincide with budget cycles. Third, the planning calendars will be scheduled to link strategic planning initiatives more closely with implementation and budget planning requirements.

Other issues that will lead to strengthened Departmental health care planning will be the jointly developed criteria and standards for medical programs by field personnel and VA Central Office. This cooperative effort will stimulate field innovation in the development of pilot programs and facilitate timely formulation of program guidance. The identification of present and future capabilities and needs through the application of staffing guidelines will enhance the Department's ability to tailor staff resources to meet the requirements of the aging veteran population. Finally, increased emphasis on planning, coordinated with quality assurance and resource allocation systems, is a major challenge. Integrating data among the three strategic management elements will result in intelligent decision-making and responsive planning.

The Manpower Planning Division (MPD) is responsible for the development of staffing guidelines for DM&S. The Division has been moving towards regression analysis as a methodology for depicting staffing levels for those

Services under the guidelines. As guidelines are moved into a maintenance level, MPD will begin to work on development of models which will predict staffing levels in new programs or areas. The use of statistical models will also enable the staffing guidelines development group to identify predictors for comparisons between similar facilities with regard to costs, staffing levels, efficiencies, and productivity.

At this time, MPD has 44 medical center position categories under staffing guidelines. The 44 functions currently under guidelines account for approximately 80 percent of the full-time equivalent employment (FTEE) in DM&S. The Department recently let a contract with the Institute of Medicine for \$2 million to develop the physician staffing guidelines component for the VA. It is expected that the contract

work will take about two and one-half years to complete.

Each VA medical center reports quarterly workload statistics to MPD for computation in order to determine the difference between actual FTEE versus earned FTEE at the individual facilities. Facility data are submitted via the Veterans Administration Data Transmission System to the Automated Management

National Task Force on Planning

In April 1987, the Chief Medical Director appointed a 13-member National Task Force on Planning to review and recommend improvements in the Department's planning process. The Task Force membership was selected to represent the full spectrum of clinical services and the major managerial levels responsible for both the planning and implementation processes.

The Task Force proposed 44 recommendations to address four primary areas identified by the Chief Medical Director as meriting special consideration. The four areas include the following:

- Redefinition of the role of Central Office to ensure that strategic guidance and oversight of the planning process is provided by program officials;
- Refinement of the planning process to make it more adaptable to changing conditions, and more capable of funding new initiatives and of reducing those of lower priority;
- Development of a more effective linkage of planning with resource allocation, quality assurance, facility planning, and other strategic initiatives; and
- Establishment of a process or mechanisms that will ensure greater field involvement in the planning process.

The findings of the Task Force confirmed that the Department's MEDIPP process is an integral part of the strategic management system and should continue. The Task Force proposed maintaining those elements of the planning effort which have been successful and recommended changes to elements requiring improvement. The principle that planning should be based at the local level, and the importance of involvement and commitment by local clinicians and managers were reaffirmed.

The planning philosophy set forth by the Task Force embraces the concept of decentralized decision-making, places increased importance on integration and coordination of planning with other offices of the VA, and strongly endorses sharing of information and cooperation with constituencies in the external environment.

Following broad dissemination of the Task Force report for comment during a formal review period, the Chief Medical Director endorsed the basic conceptual framework and philosophy outlined in the report. In addition, he took action on each of the specific recommendations and approved all but 3 of the 44 recommendations for implementation or further development. The recommendations represent the consensus of the Task Force and are based on the review process of the entire Department. It was agreed that changes or refinements to the strategic planning process must ensure that it is responsive and properly directed to providing the highest quality, clinically appropriate, and cost-effective health care to present and future veteran populations.

Information System. Because of the large volume of data submitted each quarter, MPD, in conjunction with the VA Office of Information Systems and Telecommunications, has conducted a feasibility study on a methodology for direct transmission of data by field facilities to the Austin Data Processing Center. This methodology should greatly reduce the reporting requirements for field facilities and shorten the turnaround time required to produce the quarterly staffing report. MPD is reducing the field facility reporting requirements in other ways. By using regressions, it is anticipated that the reporting burden will be diminished and yet still provide the information necessary to produce the staffing report.

The other component of the MPD is the Productivity Management Group. The Productivity Management Group's mission is to implement Executive Order No. 12552, which initiated the "Productivity

Improvement Program for the Federal Government."

Four types of activities are conducted by the group. First, the VA, in compliance with the provisions of OMB Circular No. A-76, conducts cost-comparison studies of activities identified as commercial. The Productivity Management Group develops the schedule and provides technical assistance for the DM&S cost-comparison (A-76) studies being conducted for laundry, warehouse, switchboard, chauffeur, mail/messenger, design/drafting, canteen food, grounds maintenance, transcription, fire protection, and furniture repair services.

Second, the Productivity Management Group schedules and supports efficiency reviews - internal management studies to improve efficiency and productivity. During FY 1987, efficiency reviews were conducted for dietetic food service, plant maintenance, office

operations, housekeeping, and medical information function. For FY 1988 through FY 1992, efficiency reviews are scheduled for nursing, clinical laboratory, radiology, biomedical engineering, pharmacy, and clinics of jurisdiction. The group has provided technical assistance materials to help the VAMCs conduct local efficiency reviews, including the development of a model nursing service efficiency review and the provision of consultant support to the VAMCs.

Third, the Productivity Management Group collects data on DM&S cost-containment initiatives and publishes these examples so that facility directors may consider conducting similar cost-avoidance activities.

Fourth, the Productivity Management Group measures DM&S productivity systemwide for submission to the Department of Labor's Federal Productivity Measurement System.

Resource Management

Resources/Funds

Obligations by the VA's Department of Medicine and Surgery during FY 1987 were

over \$9.9 billion, an increase of 4.3 percent over FY 1986. The accompanying table

summarizes the distribution of these funds by major program.

Activity	Obligations (in thousands)	
	FY 1987	FY 1986
Total DM&S	\$9,959,382	\$9,544,381
Medical care	9,673,238	9,275,280
Medical administration and miscellaneous operating expenses	41,504	50,395
Medical and prosthetic research	209,529	186,180
Other medical programs ¹	35,111	32,526

¹Excludes revolving and trust funds.

Inflation, civilian pay raises (including increased costs for

the new Federal Employee Retirement System), other

uncontrollable payroll increases, and the funding of

facility activations were major factors in the growth of obligations. Higher costs associated with VA efforts to improve the quality of care also contributed to the growth of obligations in FY 1987. Examples of such costs include the cost of procuring and maintaining innovative medical equipment and systems, and of providing a trained work force to utilize these innovations effectively.

The VA strives to deliver the

highest quality medical care possible and, at the same time, contain costs by assuring delivery of services through the most appropriate type of care and the most cost-efficient mode. The two accompanying charts illustrate the success of these efforts. Over the past 10 years, both the number of hospital patients treated and number of outpatient visits to VA staff have increased, after adjustments are made for changes in the workload

reporting of one-day dialysis visits (starting in 1987, one-day dialysis visits are reported as outpatient visits and not as inpatients treated). From 1978 to 1987, hospital patients treated increased 6 percent, and outpatient staff visits increased 31 percent while the average daily census decreased 26 percent. The change in these workload factors has resulted in a decrease in inpatient length-of-stay.

Workload ¹

Fiscal Year	Hospital Inpatient Program				Outpatient Program	
	Average Daily Patient Census		Patients Treated		Staff Visits	
	Number	Index (1978 = 100)	Number	Index (1978 = 100)	Number (in 000's)	Index (1978 = 100)
1978	72,431	100	1,017,995	100	15,281	100
1987	53,865	74	1,076,962	106	20,093	131
10 Yr. Change	-18,566	-26	+58,967	+ 6	+4,812	+ 31

¹ Workloads for 1978 have been adjusted to reflect the shift from an inpatient to outpatient activity for reporting one-day dialysis visits. This is consistent with the method of reporting workload in 1987, providing a basis for comparison.

Cost Per Average Day of Care and Inpatient Treated ¹

Fiscal Year	Per Diem		Cost Per Hospital Inpatient Treated	
	Amount	Index 1978 = 100	Amount	Index (1978 = 100)
1978	\$118.94	100	\$3,089	100
1987	272.95	229	4,983	161
10 Yr. Change	+154.01	+129	+1,894	+ 61

¹ The dollars shown reflect cost in 1978 and obligations in 1987 (accounting on the basis of obligations began in 1981). For comparison purposes, cost figures for FY 1978 were adjusted to reflect the reporting (in FY 1987) of one-day dialysis visits as outpatient care and not inpatient care. In addition, all dollars reflect the direct and indirect cost of providing care.

Employment

The net full-time equivalent employment (FTEE) in the

Department of Medicine and Surgery increased from

202,890 in FY 1986 to 203,238 in 1987.

Total Health Care: Net Full-time Equivalent Employment

Appropriation/Fund	FY 1987	FY 1986
Total	203,238	202,890
Medical care	195,046	194,453
Inpatient care	149,750 ¹	153,498
Hospitals	133,570	137,954
Nursing homes	13,801	13,241
Domiciliaries	2,379	2,303
Outpatient care	36,809 ¹	33,899
All other	8,487	7,056
Medical administration and miscellaneous operating expenses	574	659
Research	4,272	4,401
Medical research	3,838	3,973
Rehabilitation research	249	248
Health services research	185	180
Canteen service	3,346	3,377

¹Beginning in 1987, 1,080 FTEE are shown in the outpatient activity that previously have been associated with inpatient activity. This reflects the change in reporting one-day dialysis workload and resources as an outpatient activity.

Staffing ratio trends for major health care activities in VA facilities are shown in the accompanying table.

Staffing Ratio Trends: 1978-1987

Fiscal Year	Hospital Care (FTEE/Census)	Outpatient ¹ Care (FTEE/1000 Visits)	Nursing Home Care (FTEE/Census)	Domiciliary Care (FTEE/Census)
1978	1.99	1.53	1.08	0.35
1979	2.04	1.52	1.05	0.35
1980	2.11	1.54	1.09	0.36
1981	2.13	1.78	1.11	0.37
1982	2.18	1.87	1.13	0.37
1983	2.19	1.85	1.15	0.38
1984	2.25	1.72	1.24	0.38
1985	2.37	1.75	1.27	0.40
1986	2.42	1.71	1.26	0.40
1987	2.48	1.69	1.26	0.41

¹Restated for all years to exclude fee FTEE and visits.

Medical Information Resources Management

Medical Information Resources Management Office (MIRMO) has oversight

for all information resources within DM&S, including the Decentralized Hospital

Computer Program (DHCP), Integrated Hospital System (IHS), data administration,

reports control, ADP security, DM&S central reporting systems, and ADP support to DM&S Central Office staff.

DHCP provides data processing support for key functions in the VA medical centers, and provides basic data required by the various central systems and by the Decentralized Medical Management System (DMMS) to support the VA medical center administration. IHS is a test of the applicability of commercially available hospital information systems to the VA medical center environment. Through data administration and report control functions, DM&S is eliminating duplicate reporting requirements and working towards standardization of data definitions.

ADP security measures assure that authorized personnel have access to needed data while safeguarding the privacy of the veteran. Efforts in the area of the centralized information systems focus on their interoperability with the DHCP, their conversion to easily accessible and modifiable data bases, and the provision of support for the PAID and LOG I redesign projects.

All 172 VA medical centers, except for the three IHS sites, have implemented the DHCP core software consisting of admission/discharge/transfer, scheduling, laboratory, and pharmacy. The admission/transfer/discharge system was modified this year to include means test information. Some medical centers have also implemented portions of the radiology, dietetics, mental health, engineering, nursing, social work, and dental software on a test basis. Radiology, dietetics, integrated fund control and procurement (IFCAP), nursing, surgery, mental health, DMMS, medical records tracking, and quality

assurance, along with an improved order entry/results reporting capability, have been given top priority by the Department.

Two Department of Defense facilities, March Air Force Base and Fitzsimmons Army Base, are testing the DHCP software. DHCP software is also used to track Air Force patients at the New Mexico Federal Medical Center, where a sharing agreement exists between the VA and the Air Force. In addition, the Indian Health Service is using some of the DHCP software at its medical care facilities.

A management analysis firm was awarded a contract to conduct a cost-benefit analysis of enhanced DHCP, and to develop a method for selecting additional high priority areas for automation. In this instance, high priority areas are those that will improve the quality of medical care or produce an operational cost savings.

Security for DHCP systems continues to receive high priority. The DM&S National Center for ADP Security was established this year. The Center's responsibilities include the development, implementation, assistance, monitoring, and evaluation of the Department's national security program in compliance with OMB Circular No. A-130, "Management of Federal Information Resources", the Privacy Act of 1974, and VA policy.

Policy and guidelines for DHCP security were drafted and circulated to the field facilities. MIRMOS also sent out specific Freedom of Information Act (FOIA) guidelines governing the distribution of DM&S-developed DHCP software and enhancement of ADP security. A needs assessment survey was done to determine the framework for an ADP security training program.

There have also been regional teleconferences on ADP security training issues, and MIRMOS-sponsored ADP security training at national conferences.

A comparability study between IHS and DHCP by a management analysis firm under contract to the VA was completed. The study showed that DHCP was better at meeting the VA medical centers' needs than the commercial systems and was the best foundation for future VAMC information systems support. DHCP was also found to be significantly less costly than the commercial alternatives.

The IHS test of three different commercial hospital information systems was completed at the VAMCs in Big Spring, Texas, Philadelphia, Pennsylvania, and Saginaw, Michigan. Although a recent review of DHCP by the Office of Technology Assessment recommended that DHCP should be the basis for automation of the VA medical centers, the review also stated that the IHS hospitals should be allowed to continue with the commercial systems if the hospitals so desired. The three IHS hospitals are currently continuing to use their commercial systems.

To better manage ADP and reporting activities, Information Resources Management Services are being established in the medical centers. By the end of FY 1987 there were 26 such services. In addition to DHCP responsibilities, these services are also responsible for word processing, telecommunications, and data entry for the hospitals.

In addition to its responsibilities relating to DHCP and IHS, MIRMOS also coordinates timesharing support to Central Office staff and field facilities. MIRMOS

also provides DM&S Central Office staff both procurement and maintenance support for personal computers, printers, word processing, graphics, and other related areas.

In keeping with its information resources management function, MIRMO staff have been active on several inter- and intra-departmental groups

working to modernize the central reporting systems. Three VAMCs served as test sites for three different time and attendance reporting prototypes for the PAID Redesign Project. DHCP provided the input mechanism for these prototypes at the medical centers. MIRMO staff are working to ensure easy access to the Patient Treatment File for those who

need it and to convert the system to a data base design. MIRMO has also been coordinating DM&S requirements for changes to the LOG I system and the development of Management and Decision Support System (MADSS), so that the needs of both the medical centers and Central Office are accommodated.

Emergency Management and Resource Sharing Service

The Emergency Management and Resource Sharing Service is responsible for the development, direction, and oversight of the Agency's programs for emergency preparedness and response, and for the coordination and oversight of its activities to share scarce and specialized medical resources with community health care institutions in the public and private sectors.

The Emergency Management staff directs the Agency's participation in the National Disaster Medical System (NDMS), which was established in 1984. During FY 1987, the VA accepted management responsibility for 34 of the 71 NDMS Coordinating Centers throughout the Nation; the others are coordinated by the Department of Defense (DOD). NDMS coordinates Federal and civilian resources for the care of as many as 100,000 casualties of a conventional war or cataclysmic peacetime emergency. An NDMS interagency agreement was signed by the Administrator of Veterans Affairs, the Secretaries of Health and Human Services and Defense, and the Director of the Federal Emergency Management Agency.

Under the provisions of Public Law 97-174, the Emergency Management staff administers the VA/DOD Contingency

Hospital System's internal and external planning, and prepares the annual report to Congress. The VA/DOD Contingency Hospital System serves as the primary medical care backup to DOD during and immediately following a period of war, or a period of national emergency.

The Emergency Management program serves as the VA's focal point for participation in such diverse, Governmentwide activities as the continuity of Government programs, and broad-based planning for the Federal Government's response to catastrophic earthquake or other natural and technological disasters. The Service staff represents the Agency in the National Communications System, the Interagency Advisory Group, the Federal Interagency Committee on Emergency Medical Services, and similar national level forums.

The Resource Sharing staff manages all aspects of the Agency's activities associated with scarce and specialized medical programs. Public Law 89-785 authorized the VA to contract for scarce medical specialists. The number of negotiated scarce medical contracts increased by 50 percent in FY 1987 over FY 1986. During FY 1987, over 300 scarce medical specialty contracts were negotiated for professional services such as anesthesiology, radiology,

radiotherapy, urology, neurology, critical care, and physical therapy.

The VA shares specialized medical resources with medical schools, community hospitals, and clinics, as well as Federal and State health care institutions by either providing or purchasing the resources. The program, which began in 1966, has steadily expanded in the array of services offered and utilized each year. The range of sharing opportunities has continually broadened, permitting cost-effective delivery of high-quality specialized medical care to VA beneficiaries and other health care recipients. During FY 1987, this program consisted of 333 contracts which totaled \$50.6 million.

The VA/DOD resource sharing activities have demonstrated a progressive growth pattern every year since inception of the program. During FY 1987, 123 VAMCs had executed agreements to share or purchase 1,382 clinical services with 140 separate military organizations, for a total transactional value of \$30 million. Many more "in kind" exchanges of services with equal dollar values were transacted, which required only journal transfers.

Joint hospital construction activity under the VA/DOD sharing authority is also of growing importance. The

intent is to avoid duplication of Federal medical facilities, to expand services to Federal beneficiaries, and contain Federal health care expenditures.

Several innovative approaches to both utilization and provision of mutually beneficial services have been developed in response to demonstrated needs in widely scattered areas of the country. Some examples of these approaches follow.

- **Albuquerque, New Mexico** -

The Air Force is operating 40 beds on the sixth floor of the new VA medical center. The VA provides all ancillary support to the in-house Air Force staff - nuclear medicine, pharmacy, dietetics, and housekeeping services. Tertiary care is provided by either the VAMC or the community. The Air Force manages the emergency room. A new Air Force outpatient clinic is under construction adjacent to the VA medical center. By sharing these services, the Air Force avoided a major addition to the Air Force hospital at Kirtland Air Force Base, saving \$26 million in Federal construction costs.

- **Memphis, Tennessee** - VAMC Memphis and U.S. Naval Hospital, Millington, Tennessee, have a typical broad-based agreement. The VA provides inpatient care and routine outpatient services to the Navy, and the Navy provides gynecological services, blood, and blood products to the VA.

- **Chicago, Illinois** - VAMC North Chicago is supplying a wide range of specialists to nearby Great Lakes Naval Hospital. The VA assigns orthopedists, otorhinolaryngologists,

internists, radiologists, obstetrician-gynecologists, psychiatrists, a psychologist, and a social worker to the naval hospital. VA physicians benefit through exposure to a wider range of patients and an improved residency training program. The benefits to the Navy are expanded services for the same amount of money and increased access to highly trained specialists.

- **Las Vegas, Nevada** - The Air Force will build a new acute care medical and surgical hospital at Nellis Air Force Base. The hospital, scheduled for FY 1990 construction, will be staffed and operated by the Air Force. The VA has agreed to share construction costs since 48 of 135 beds will be for veterans, and the VA has no existing medical center at Las Vegas. The project will cost the Air Force \$58 million and the VA \$7 million. This is the first hospital construction project to be funded jointly by the two agencies.

Another recent development is the establishment of clinics for VA beneficiaries at military hospitals, in areas not served by VA medical centers. VAMC Syracuse, New York, for example, has opened a VA clinic at Fort Drum, New York, near Watertown, New York, to serve veterans in that area. The clinic is about 60 miles from Syracuse. In return, the VA medical center provides hospital services for Fort Drum Army personnel.

Still another approach takes advantage of highly specialized services available regionally. VAMC Dayton, Ohio, for example, functions as a referral center for hyperbaric oxygen therapy

requests from other VA medical centers to the U.S. Air Force Hospital, Wright-Patterson, Ohio. The Wright-Patterson chamber is the largest of its kind in the country. Estimated VA savings are \$700,000 a year. The Air Force has allotted space for 15 veterans per day.

The FY 1986 pilot program to explore the feasibility of VA medical centers obtaining from other community health care institutions funding support for VA acquisition and agreement to share in the operation of high-cost, advanced technology medical equipment was highly successful. Accordingly, the FY 1987 call for field proposals elicited 33 proposals from 29 VAMCs and their prospective sharing partners. A rank-ordered listing of 12 proposals was submitted to the Office of the Chief Medical Director, and 6 were subsequently approved for funding.

Approximately \$6.8 million of VA-provided shared funding was matched by non-VA contributions totaling more than \$14 million. In addition to the shared equipment procurement costs, each partner made significant further commitments for site preparation, such as new construction or renovation of existing structures, and professional staff to operate the acquired equipment. Essentially, the \$6.8 million VA investment stimulated the sharing partners to commit resources valued at more than \$20 million to the projects; provided VA access to facilities and services at less cost than contracting; and avoided substantial beneficiary travel costs. Clearly, this high tech sharing program is successful and will continue to support the objective of providing high-quality medical care for veterans.

Security Service

The number of crimes and offenses occurring at VA medical centers during FY 1987 remained very close to the FY 1986 level. Notable changes which occurred were a 15 percent increase in weapon possessions and a 26 percent increase in vice solicitations. While VA police performed 900 fewer arrests (a 26 percent reduction), they alternatively issued a record 4,000 U.S. District Court

violations to violators of non-traffic VA regulations or Federal laws. In efforts to reduce property thefts, VA police stopped and questioned nearly 60,000 persons carrying unusual packages from medical centers.

As part of continuing efforts to improve the readiness of VA police in their patient care team support role, a requirement was established

during FY 1987 for medical centers to provide cardiopulmonary lifesaving resuscitation training to all VA police officers. Additionally, the centralized VA police training course was expanded from one to two weeks. All additional hours of the centralized training course are directly or indirectly related to the proper handling of situations involving patient disturbances.

Building Management Service

FY 1987 was a successful and innovative year for Building Management Service (BMS). One of the top priority efforts of BMS was to disseminate accurate information in a timely manner to all BMS employees on safety precautions necessary to prevent workplace exposure to the Acquired Immune Deficiency Syndrome (AIDS) virus.

Because employee concerns generated fears of exposure to AIDS, early in FY 1987 BMS published an information bulletin dealing with the subject of AIDS. It contains detailed recommendations for safety precautions necessary to prevent transmission of all bloodborne infectious diseases to employees exposed to blood or blood products in the course of performing their duties with persons who may be infected with the AIDS virus.

Chief among these recommendations is that health care workers should take all possible precautions to prevent needlestick injury. As medical knowledge of AIDS increases, BMS will publish additional guidance to help dispel unfounded fears associated with this disease and prevent possible AIDS-related infections.

Environmental concerns were emphasized throughout the

fiscal year. Because one of the principal concerns was the BMS approach to medical center-generated waste, a BMS Central Office employee co-authored an article to be published in the magazine, *VA Practitioner*. The article describes a waste management plan to assist VA facilities in complying with waste handling and disposal requirements established under the Resource Conservation and Recovery Act. The plan focuses on application of current waste management approaches to the segregation, handling, treatment, and disposal of radioactive, infectious, chemical, and physically hazardous wastes in a safe and effective manner.

The Building Management Cooperative Education Program has recruited students in environmental health and interior design for a number of years and has supported four students annually for training in each of these career areas. Upon completion of educational requirements and the award of degrees, the students are converted to one of these two career training programs in BMS. During FY 1987, plans were formulated to add the third segment of the Building Management career field, textile management, to

the Cooperative Education Program. This cooperative training program will provide future candidates for VA Laundry Plant Manager positions who possess the necessary educational background to manage this challenging function. The Cooperative Educational Program has proven to be a significant source of candidate recruitment for training that will ultimately furnish capable, highly qualified personnel in key BMS positions.

Use of industrial engineering techniques resulted in refined organization of laundry design methodologies in FY 1987. In coordination with the VA Office of Facilities, the BMS staff wrote and published updated planning criteria for VA laundries. Addressing space determinations and design considerations, these new laundry space criteria are based on research and analysis of both VA and commercial laundries and on consultation with laundry plant designers and laundry equipment manufacturers. The latest advances in equipment and laundry operations and the increased use of material handling equipment were also considered. The equipment required for each functional area of the laundry was identified, and the space

requirements for the equipment, circulation, and material handling were also calculated. Four prototypical laundry designs for various sized laundries were completed and are used to validate or improve laundry space planning formulas.

During FY 1987, the Service made great strides in the area of textile engineering, resulting in new and more functional linen items for patient use. For example, patient pajamas and

bathrobes were redesigned using different materials and construction methods. This resulted in a cost avoidance to DM&S of approximately \$4.6 million annually.

Another savings involved a linen item, commonly used in hospitals, known as a "bath blanket." As a result of redesign of this item, VA medical centers now have available for patient use a blanket that is warm, absorbent, comfortable, and engineered to last a minimum of 200 launderings. This

means that the cost-per-use of this new blanket is actually less than previously-used products which had a lower initial cost, but lasted less than 75 launderings.

Through these and other innovative management techniques, BMS was able to improve service delivery on all fronts in FY 1987. The result is a clean, aesthetically pleasing environment for VA patients.

Medical Administration Service

Medical Administration Service (MAS) is one of the most critical services in the VA health care system. Every organizational level within the Service impacts on the quality of care delivered to veteran patients.

Employees perform such diverse functions as determining eligibility for medical benefits; providing administrative support to clinics and wards; ensuring medical records are complete and available; procuring services from private hospitals, physicians, and clinics; responding to requests for release of medical information; preparing bills relative to medical care cost recovery; managing mail distribution; coordinating telecommunications; controlling forms and records management; administering the Privacy and Freedom of Information Acts; maintaining statistical data on patient activity; and actively participating in the quality assurance program and other program requirements of the Joint Commission on Accreditation of Healthcare Organizations.

MAS also administers the Civilian Health and Medical Program of the VA (CHAMPVA) program. Eligible dependents and survivors of certain veterans receive medical care under CHAMPVA.

Benefits under this VA program are similar to those provided to dependents of military retirees under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS). The VA shares the cost of medical benefits with CHAMPVA dependents.

Under CHAMPVA, medical care is provided to the spouse or child of a veteran who has a total disability, permanent in nature, resulting from a service-connected disability; the surviving spouse or child of a veteran who died as a result of a service-connected disability, or who, at the time of death, had a total disability, permanent in nature, resulting from a service-connected disability; and the surviving spouse or child of a person who died while in the active military, naval, or air service in the line of duty and not due to such person's own misconduct,

who are not otherwise eligible for medical care under CHAMPUS or Medicare.

Any spouse, surviving spouse, or child, who, after losing eligibility for CHAMPVA medical care by virtue of becoming entitled to Medicare hospital insurance benefits under Part A and who exhausts all such Part A benefits, again becomes eligible for CHAMPVA, provided they present a letter issued by the Social Security Administration attesting to the loss of Part A hospital insurance benefits.

At the end of FY 1987, there were approximately 172,000 individuals (106,000 adults and 66,000 children) in 115,000 families who had established entitlement for medical care under CHAMPVA. Since the program began in September 1973, over \$660 million has been expended for hospital care, physician visits, prescriptions, and program administration. In FY 1987 the cost of the program was over \$87 million.

VA Occupational Safety and Health Program

The reduction of occupational injuries and illnesses continues to be a high priority of the

Occupational Safety and Health Program. The program has received increasing visibility and

emphasis during the past fiscal year. In FY 1987 the VA exceeded the President's goals

for reducing the Office of Workers' Compensation Program (OWCP) claims for a fourth consecutive year. The goal is to reduce claims by 3 percent per year for five years (FY 1984 - FY 1988), for a total of a 15 percent reduction by FY 1988. In FY 1987 the VA had a total of 14,659 OWCP claims, which was 433 fewer claims than the previous year.

With the decrease in the total number of OWCP claims filed, there has been a corresponding decrease in the number of claims per 100 employees. Total claims per 100 employees were 5.95, a decrease of 3.88 percent from FY 1986. Lost time claims were 3.97 per 100 employees, a 6.06 percent decrease from FY 1986. The greatest decrease was achieved by the Department of Memorial Affairs, which experienced a 22.5 percent decrease in lost time claims between FY 1986 and FY 1987.

The recently developed Occupational Safety and Health Management Information System (OSH-MIS) has assisted managers in identifying facilities which have high injury/illness claim rates. The safety staffs of these facilities, along with the Department of Medicine and Surgery's Regional Directors, are working to determine the causes of the high rates and are developing action plans for ways to improve their safety programs.

Top VA management officials use this automated information system by reviewing occupational safety and health information packages for each VA facility to prepare for onsite visits and emphasize safety as a high VA priority.

The Office of Occupational Safety and Health (OSH) continues to provide assistance to department and staff office management officials on

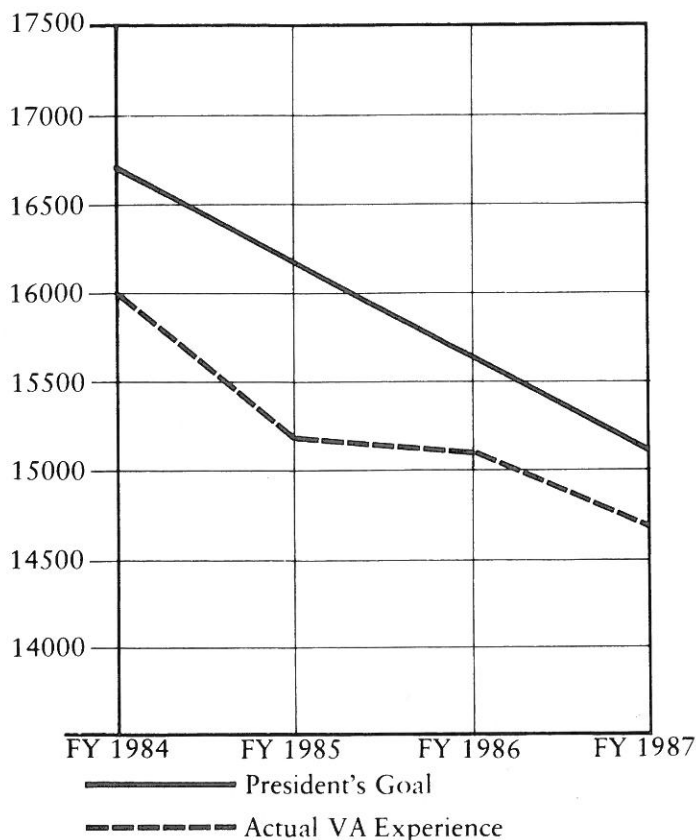
matters of safety and health. They also participate in meetings with national labor union representatives, ensuring that the unions' safety and health concerns are acknowledged.

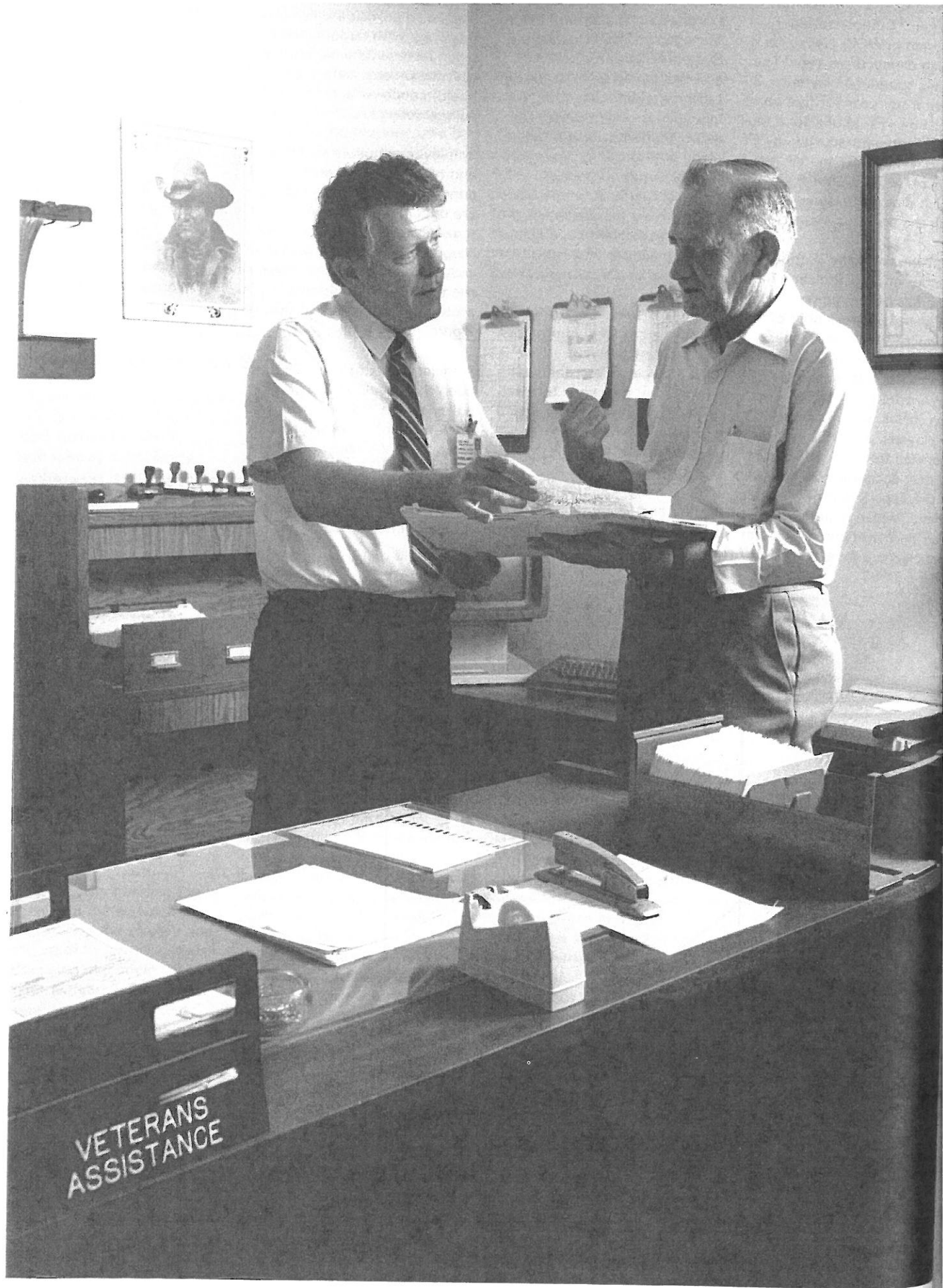
Employee exposure to AIDS and hepatitis B are also concerns of the OSH. Policies are under development regarding the reporting of any alleged occupationally acquired cases of these diseases, and the proper use of personal protective equipment in the workplace by employees.

A major effort of the OSH has been the development of a policy on the management and abatement of asbestos and its removal in VA facilities. The policy sets standards for protection of VA employees and will have a beneficial effect on occupational health.

VA EXCEEDS PRESIDENT'S GOAL OF REDUCING OWCP INJURY, ILLNESS CLAIMS

OWCP Claims





Veterans Benefits

Compensation and Pension

Comparative Highlights

Item	FY 1987	FY 1986	Percent Change
Cost (billions)	\$ 14.4	\$ 14.4	0
Disability cases on rolls	2,843,663	2,883,463	-1.4
Service-connected	2,212,303	2,225,289	-0.6
Nonservice-connected	631,306	658,106	-4.1
Special acts and retired officers	54	68	-20.6
Death cases on rolls	963,886	1,016,392	-5.2
Service-connected	327,689	331,394	-1.1
Nonservice-connected	636,193	684,992	-7.1
Special acts	4	6	-33.3

Summary

The VA administers five broad categories of compensation and pension programs.

1. Disability Compensation - A veteran is entitled to compensation for disability incurred or aggravated while on active duty. The amount of compensation is based on the degree of disability.

2. Dependency and Indemnity Compensation (DIC) and Death Compensation - Dependents of veterans who died of service-connected causes or while on active duty on or after January 1, 1957, are entitled to DIC. Dependents of veterans who died before that date are entitled to death compensation, or may elect to receive DIC.

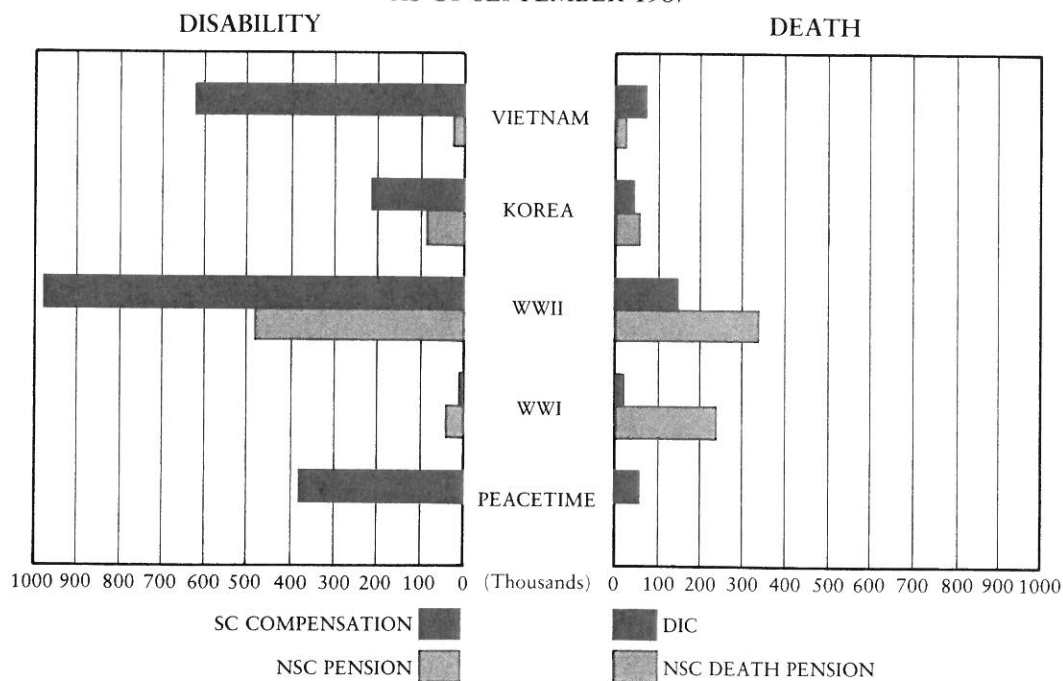
3. Disability Pension - Veterans who served in time of war are eligible for pension benefits for nonservice-connected

disabilities. The veteran must either be permanently and totally disabled or be age 65 or older, and must meet specific income limitations. Spanish-

American War veterans are entitled to a pension solely on the basis of their service.

4. Death Pension - The surviving spouse and

COMPENSATION AND PENSION CASES AS OF SEPTEMBER 1987



children of a war veteran who died of nonservice-connected causes are eligible for death pension benefits, subject to specific income limitations.

5. Burial Benefits - These benefits include a burial allowance, a burial plot allowance, and a flag to drape the casket of a deceased veteran. All benefits require separation from the Armed Forces under other than

dishonorable conditions. The basic burial allowance of up to \$300 is limited to veterans who at the time of death were in receipt of pension or compensation, or who, but for the receipt of military retired pay, would have received compensation. Eligibility is also established when death occurs in a Veterans Administration medical facility to which the deceased was properly admitted. A plot allowance

of up to \$150 is available when burial is not in a national cemetery or a State veterans cemetery. An award of \$1,100 in lieu of the basic burial and plot allowances is payable for veterans who die of service-connected disabilities.

During FY 1987, the cost of compensation and pension benefits was \$14.4 billion, equaling the expenditure for the FY 1986.

Compensation

As shown in the accompanying chart, the number of veterans receiving compensation for service-

connected disabilities decreased slightly during FY 1987, because of the declines among World War I,

World War II, and Korean conflict cases. There was a net decrease of 12,986 from FY 1986.

Period of Service	Disability Compensation Cases				
	FY 1987		FY 1986		Percent Change
	Cases	Percent of Total ¹	Cases	Percent of Total ¹	
World War I	7,894	0.4	9,870 ²	0.4	-20.0
World War II	981,534	44.4	1,015,380	45.6	-3.3
Korean conflict	217,743	9.8	220,155	9.9	-1.1
Vietnam era	623,430	28.2	612,937	27.5	+1.7
Peacetime	381,702	17.3	366,945	16.5	+4.0
Spanish-American	0	*	0	*	0
Mexican Border	0	*	2	*	-100.0
Total	2,212,303	100.0	2,225,289	100.0	-0.6

*Less than 0.1 percent.

¹May not add to 100.0 percent due to rounding

²Adjusted figure.

AIDS (Acquired Immune Deficiency Syndrome) Diagnosis

The diagnosis of AIDS requires a compromised immune system and the existence of one or more opportunistic infections or tumors. Positive blood tests in service showing exposure to the AIDS virus may be service-connected, but only at zero percent in the absence of associated infections or tumors. Where service-connection has been established for exposure to the AIDS virus, the subsequent development of opportunistic infections or tumors at any time after discharge will also be service-connected.

Because of wide variations among service departments in the evaluation of AIDS patients for disability retirement, VA examinations will be ordered in all cases. In pension cases, employer reluctance to hire or retain AIDS victims will be a factor for consideration.

Due to the sensitive issues, AIDS claims are recorded in DVB's Special Issue Rating System (SIRS). Since computer capability to identify AIDS-related claims was established in November 1985, a total of 422 claims have been recorded. Of that number, entitlement to compensation has been established for AIDS-related disabilities incurred during service in 180 cases.

For the eleventh straight year, there has been a decline in the number of service-connected death cases for

which payments are made to dependents of deceased veterans. The overall decline was 1.1 percent. Vietnam era

cases and Korean conflict cases, however, showed increases over FY 1986.

Period of Service	Service-Connected Death Cases				
	FY 1987		FY 1986		Percent Change
	Cases	Percent of Total ¹	Cases	Percent of Total ¹	
World War I	18,661	5.7	20,419	6.2	-8.6
World War II	147,821	45.1	151,099	45.6	-2.2
Korean conflict	37,814	11.5	37,594	11.3	+0.6
Vietnam era	71,770	21.9	70,512	21.3	+1.8
Peacetime	51,560	15.7	51,701	15.6	-0.3
Spanish-American	59	*	66	*	-10.6
Mexican Border	2	*	1	*	+100.0
Civil War	2	*	2	*	
Total	327,689	100.0	331,394	100.0	-1.1

*Less than 0.1 percent.

¹May not add to 100.0 percent due to rounding.

Pension

The improved pension rates were adjusted on December

1, 1986. The maximum annual rate of pension

payable is shown in the accompanying table.

Class of Beneficiary	Rate of Pension
Veteran	
Alone	\$ 5,963
One dependent	7,811
Alone, A&A allowance	9,539
One dependent, A&A allowance	11,387
Alone, housebound	7,288
One dependent, housebound	9,137
Surviving Spouse	
Alone	3,996
One child	5,235
Alone, A&A Allowance	6,392
One child, A&A Allowance	7,628
Alone, housebound	4,885
One child, housebound	6,121

The decrease of 4.1 percent in the disability pension rolls during FY 1987 is slightly

less than that experienced last year. Three periods of service showed increases

during the year - the Korean conflict, the Vietnam era, and the Mexican Border period.

Period of Service	Disability Pension Cases				
	FY 1987		FY 1986		Percent Change
	Cases	Percent of Total ¹	Cases	Percent of Total ¹	
World War I	33,922	5.4	43,478	6.6	-22.0
World War II	481,989	76.3	502,770	76.4	-4.1
Korean conflict	89,870	14.2	88,023	13.4	+2.1
Vietnam era	25,456	4.0	23,772	3.6	+7.1
Spanish-American	2	*	5	*	-60.0
Mexican Border	67	*	58	*	+15.5
Total	631,306	100.0	658,106	100.0	-4.1

*Less than 0.1 percent.

¹May not add to 100.0 percent due to rounding.

As shown in the table, the number of death pension cases decreased in seven of

the eight periods of service. The overall decrease of 7.1 percent is a smaller decline

than that recorded during the previous fiscal year (7.3 percent).

Period of Service	Death Pension Cases				
	FY 1987		FY 1986		Percent Change
	Cases	Percent of Total ¹	Cases	Percent of Total ¹	
World War I	234,397	36.8	260,142	38.0	-9.9
World War II	331,396	52.1	350,476	51.2	-5.4
Korean conflict	48,056	7.6	49,656	7.2	-3.2
Vietnam era	17,022	2.7	18,656	2.7	-8.8
Spanish-American	4,831	0.8	5,605	0.8	-13.8
Mexican Border	414	*	364 ²	*	+13.7
Indian War	13	*	18	*	-27.8
Civil War	64	*	75	*	-14.7
Total	636,193	100.0	684,992	100.0	-7.1

*Less than 0.1 percent.

¹May not add to 100.0 percent due to rounding.

²Adjusted figure.

Period of Service

Vietnam Era

There were 10,493 more Vietnam era veterans receiving compensation at the end of FY 1987 than at the end of the previous year. The chart shows the trend in new Vietnam era compensation cases since 1977. The total number of Vietnam era veterans receiving compensation continues to

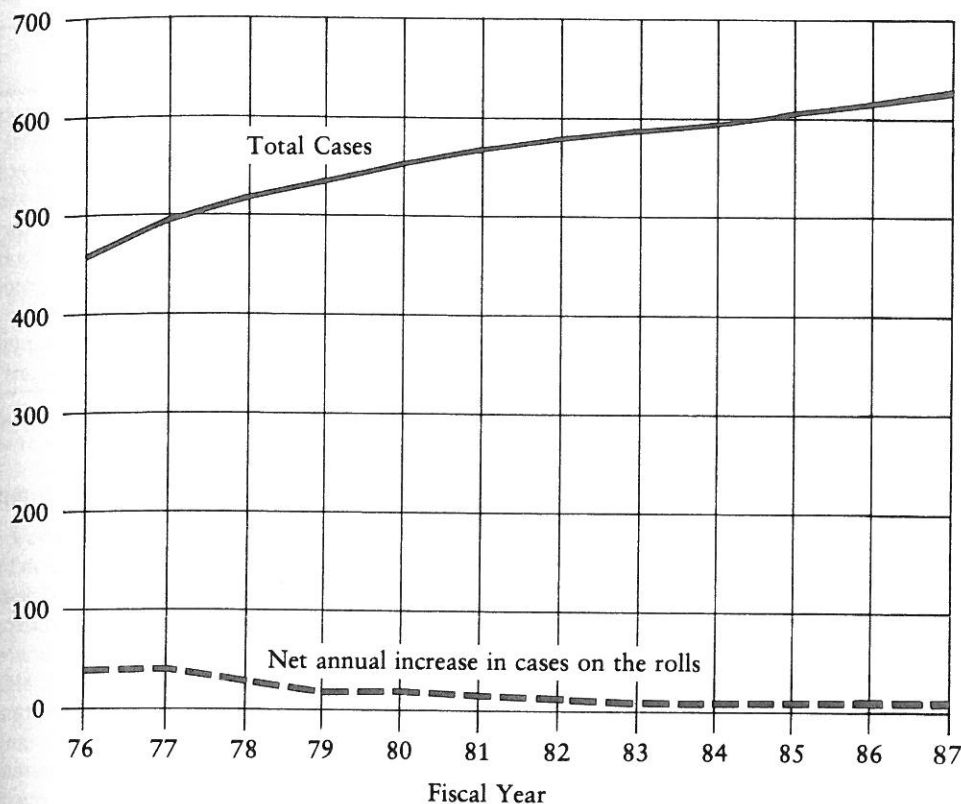
increase and, with new cases exceeding losses, this trend is expected to continue.

A total of 25,456 Vietnam era veterans were receiving disability pension at the end of the fiscal year, an increase of 7.1 percent from FY 1986. Since the median age of these veterans was 40

years, a gradual increase in those applying for disability pension is expected. The number of service-connected death cases increased by 1.8 percent to 71,770. The nonservice-connected death pension cases numbered 17,022 at the end of the fiscal year, a decrease of 8.8 percent from last year.

VIETNAM ERA VETERANS RECEIVING COMPENSATION

Thousands



Korean Conflict

The number of Korean conflict veterans receiving compensation decreased to 217,743 during FY 1987, the fourteenth consecutive annual decline. The high mark on the rolls (240,756) was reached in June 1973, 18 years after that conflict ended. For comparison, the highest number of World War II veterans receiving compensation was reached in

FY 1953, only eight years after the end of the war.

In contrast to the number receiving compensation, the number of Korean conflict veterans receiving pension continued to rise. At the end of the fiscal year, there were 89,870 Korean conflict veterans on the pension rolls, a 2.1 percent increase over FY 1986. As this group

grows older, the number on the pension rolls can be expected to increase.

The number of service-connected death cases at the end of the fiscal year was 37,814, an increase of 0.6 percent. The number of death pension cases decreased 3.2 percent to 48,056.

World War II

Veterans of World War II still constitute the largest single group receiving compensation for service-connected disabilities, although their numbers continued to decline

in FY 1987. Nonservice-connected pension showed a decrease of 4.1 percent down to 481,989. Service-connected death cases declined by 3,278 or 2.2

percent in FY 1987. The nonservice-connected death pension caseload decreased to 331,396, a decrease of 5.4 percent in FY 1987.

World War I

The number of World War I veterans receiving disability compensation decreased during the past fiscal year to 7,894. World War I disability

pension recipients also decreased (to 33,922) in FY 1987. The advanced age of this group of veterans will accelerate these trends in the

next few years. Decreases were also recorded for service-connected death cases (18,661) and death pension cases (234,397).

Other Periods

In addition to the recipients of disability compensation and pension payments from the wars and armed conflicts cited above, as of September 30, 1987, there were no veterans of the Spanish-American War receiving disability compensation. Only two Spanish-American War veterans were receiving disability pension in FY 1987, a decline of 60.0 percent. The service-connected death and death pension caseloads for Spanish-American War veterans were 59 and 4,831, respectively.

There were 67 veterans of the Mexican Border Service receiving disability pension, up nine from last fiscal year, while service-connected compensation recipients decreased from two to none. There were two service-connected death cases (up by one over FY 1986), while the death pension cases increased by 13.7 percent to 414.

Although there are no living veterans of the Indian Wars, 13 beneficiaries are receiving death pension benefits, down

from 18 in the previous fiscal year. There are two helpless children receiving service-connected death benefits with Civil War entitlement and 64 beneficiaries receiving death pension. There were 381,702 peacetime veterans receiving compensation as of September 30, 1987, an increase of 4.0 percent from the previous year. Beneficiaries of deceased peacetime veterans decreased by 141 to 51,560 in FY 1987.

Burial Allowance

Statutory burial allowances are designed to assist in providing a respectable burial for certain deceased veterans who were separated from the armed service under other than dishonorable conditions.

Generally, the VA will pay a sum not to exceed \$300 to help cover burial and funeral expenses for veterans whose deaths occur while the veteran is under VA care or entitled to disability compensation or pension. Eligibility may also be established in cases of certain indigent veterans whose remains are unclaimed. Transportation charges are payable when the veteran

dies while a patient in a VA medical center. An additional allowance, not to exceed \$150, is payable for a burial plot when a veteran is not buried in a national cemetery or a State veterans cemetery. An award of up to \$1,100 in lieu of these basic allowances is authorized for an eligible veteran who dies of a service-connected disability.

In FY 1987, basic burial allowance was paid for 118,242 claims for a total of nearly \$41.8 million. This was an increase of approximately \$1.1 million from last year. Cemetery plot allowances amounting to nearly \$44.3 million were

paid to 311,510 claimants; service-connected burial benefits amounting to \$8 million were paid to 8,410 claimants.

A total of 401,913 burial flags were issued, an increase of 76,488 over FY 1986. The cost of each flag was approximately \$26.37, for a total of \$10.6 million. Reimbursements in lieu of Government headstones or markers were paid to 52,522 claimants, for a total of nearly \$3.5 million, a slight decrease from last year. Burial benefits totaled \$108.2 million in fiscal year 1987.

Vocational Rehabilitation and Education

On October 1, 1986, the Education Service and the Vocational Rehabilitation and Counseling Service were consolidated as the Vocational Rehabilitation and

Education Service. The consolidation strengthened the VA's commitment to providing various programs for veterans, servicepersons, and eligible dependents

seeking assistance for education, training, and vocational rehabilitation and counseling.

Educational Benefits

Comparative Highlights

Item	FY 1987	FY 1986	Percent Change
Education benefit cost (millions)	\$ 788	\$ 1,004 ¹	-21.5
Post-Korean trainees	238,798	307,637	-22.4
Post-Vietnam trainees	76,772	63,221	+21.4
Sons and daughters	43,427	48,356	-10.2
Spouses	5,268	5,877	-10.4
Montgomery GI Bill-Reservist trainees	52,459	31,678	+65.6
Montgomery GI Bill-Active Duty trainees	130	1	*

¹ Adjusted figure. Includes Montgomery GI-Bill Reservist trainees not previously reported.

* Due to inception of program, percentage increase would be misleading.

Summary

The Vocational Rehabilitation and Education Service administers several basic educational programs for veterans, servicepersons, and eligible dependents. These educational benefits programs include: (1) the Vietnam era educational assistance program for veterans and service personnel, commonly termed the "GI Bill"; (2) a new educational assistance program for members of the Selected Reserve termed the Montgomery GI Bill - Selected Reserve; (3) a new educational assistance

program for veterans and service personnel termed the Montgomery GI Bill - Active Duty; (4) dependents' educational assistance for eligible spouses and children of veterans who died of service-connected causes, or are permanently and totally disabled as the result of a service-connected disability arising out of active service in the Armed Forces, or who are forcibly detained or interned in the line of duty by a foreign power; (5) the post-Vietnam era veterans' educational assistance

program (VEAP) for veterans and servicepersons; (6) the Educational Assistance Pilot Program commonly referred to as "Noncontributory VEAP", a modification of VEAP; (7) the Educational Assistance Test Program, a noncontributory program in which an eligible participant, or in some cases his or her dependent(s), may receive an educational assistance and subsistence allowance while training at an accredited institution; and (8) the Veterans' Job Training Act.

Education and Training

Veterans' Educational Assistance (GI Bill)

Nearly 239,000 veterans and active duty personnel received educational benefits in FY 1987 under the post-Korean GI Bill. This figure is down 22.4 percent from FY 1986 and will continue to decline. The ending date for participation in this program is December 31, 1989.

Veterans and service personnel who have neither completed high school nor received an equivalency certificate are considered to be educationally disadvantaged. They may, without charge to their basic entitlement, receive training to overcome their educational handicaps. At the end of

September 1987, over 928,000 veterans and servicepersons had participated in these "free entitlement" programs.

Through September 1987, the total number of veterans and servicepersons trained under the current GI Bill exceeded 8.1 million. Approximately 83 percent of these were Vietnam era veterans and servicepersons, and over 75 percent were Vietnam era veterans only. Nearly 62 percent have trained at the college level. The remainder pursued vocational and technical training, correspondence training, flight training,

cooperative training, and on-the-job training. The participation rate for Vietnam era servicepersons and veterans approaches 66 percent, well over the 51 percent participation rate for World War II veterans and the 43 percent participation rate for the Korean conflict veterans.

At the end of FY 1987, cumulative expenditures for veterans' educational assistance for post-Korean conflict trainees exceeded \$40.5 billion. This compares to expenditures of \$4.5 billion for the Korean conflict program and \$14.5 billion for the World War II program.

Post-Vietnam Era Veterans' Educational Assistance

At the end of FY 1987, there were nearly 211,000 active participants (in-service contributors) in the post-Vietnam era veterans' educational assistance fund. Of the nearly 1.2 million

persons who have contributed, approximately 640,000 have disenrolled, and more than 386,000 who have remaining eligibility have ceased their contributions. The number of trainees during

FY 1987 exceeded 76,000, up 21.4 percent from last year. There were 31,995 veterans and servicepersons enrolled at the end of the fiscal year.

Item	FY 1987	FY 1986	Percent Change
Accounts established	1,153,582	1,106,727	+ 4.2
Gross contributions	\$1,398,865,762	\$1,252,278,410	+ 11.7
Active participants	210,920	294,907	- 28.5
Trained during year	76,772	63,221	+ 21.4
Benefits paid during year	\$169,508,500	\$128,087,758	+ 32.3

Noncontributory Educational Assistance Programs

The Department of Defense Authorization Act of 1981 (Public Law 96-342) provided for two educational assistance incentive programs to encourage enlistments and reenlistments in the Armed Forces.

The Educational Assistance Test Program (section 901) is a noncontributory program in which an eligible participant, or in some cases his or her dependent(s), may receive an educational assistance and subsistence allowance while

training at an accredited institution.

The Noncontributory VEAP - Educational Assistance Pilot Program (section 903) - is a modification of the VEAP (Post-Vietnam Era Veterans Educational Assistance Program). This program differs from basic VEAP in that the Department of Defense will pay the participant's monthly contribution, and certain participants may transfer their entitlement to a spouse or

child.

Eligibility in both programs is limited to persons who enlisted or reenlisted in the Army, Navy, Air Force, or Marine Corps after November 30, 1980, and before October 1, 1981.

The first participant was paid benefits in early 1983. During FY 1987, there were 650 persons who had trained under section 901, and 637 persons who had trained under section 903.

Dependents' Educational Assistance

This program provides educational assistance for eligible surviving spouses and children of veterans who died from service-connected causes or whose service-connected disabilities are rated total and permanent. Spouses and children of

service personnel who are listed as prisoners of war, or as missing in action or interned by a foreign government for more than 90 days, are also eligible under this program. Up to 45 months of full-time training are provided in approved

schools. Over 43,400 children and nearly 5,300 spouses took advantage of the program during FY 1987. Approximately 90 percent used their entitlement to acquire college-level training.

Montgomery GI Bill - Selected Reserve

The Montgomery GI Bill-Selected Reserve provides educational assistance to enlisted persons who enlist, reenlist, or extend an enlistment in the Selected

Reserve for a period of at least 6 years after June 30, 1985. Officers appointed or serving as a reserve officer must agree to serve in the Selected Reserve for at least

6 years after June 30, 1985. The six-year commitment for enlisted persons and officers is in addition to any other obligated period of service in the Selected Reserve.

Participants must have a high school diploma or equivalency certificate and must not have completed a bachelor's

degree or equivalent program. Over 52,000 reservists received educational assistance in FY 1987. A

steady increase in the number of trainees is anticipated in future fiscal years.

Montgomery GI Bill - Active Duty

The Montgomery GI Bill -Active Duty provides assistance to individuals first entering military active duty after June 30, 1985. Unless the serviceperson elects not to participate, his or her basic military pay will be reduced by \$100 a month for 12 months, qualifying him or her for full

education benefits. This program also provides educational assistance to certain individuals who were on active duty before June 30, 1985, if they continue on active duty after that date and have entitlement to GI bill benefits as of December 30, 1989. A total of 130 persons

received educational assistance in FY 1987. Over 19,000 persons are expected to receive educational assistance in FY 1988. The number of persons receiving educational assistance under this program should rise substantially in the future.

Montgomery GI Bill - Active Duty Participation Rates June 30, 1985 to September 30, 1987

Service	Eligibles	Participants	Percentage
Army	252,632	200,525	79.4
Navy	195,770	94,013	48.0
Air Force	120,628	53,904	44.7
Marines	69,363	45,616	65.8
Total DOD	638,393	394,058	61.7

Veterans' Job Training Act

The Veterans' Job Training Act is administered by the VA, but the law also assigns responsibility for promoting the development of employment and job training opportunities to the Department of Labor. Both agencies have joint responsibilities for providing public information and for assisting veterans and employers who apply to participate in this program.

The major provision of the law provides payments to employers on behalf of certain veterans of the Korean conflict

or the Vietnam era who have been unemployed for long periods of time. It is intended to help defray the costs of hiring and training these veterans for stable and permanent positions that involve significant training. The law was changed to provide that assistance could be paid to an employer on behalf of a veteran who initially applied for a Certificate of Eligibility by December 31, 1987, and who entered a job training program no later than June 30, 1988. Funds for making payments to employers remain available until September 30, 1988.

During FY 1987, over 70,000 applications for certificates of eligibility were received from veterans. Nearly 62,000 certificates were issued. More than 8,600 employers applied to participate in the program during the year, offering nearly 23,400 job training positions. By the end of FY 1987, over 56,000 job matches had been made, with approximately \$179 million obligated for payments to employers.

Veteran Job Training Program

The Veterans' Job Training Program pays employers to hire and train certain unemployed Korean conflict or Vietnam era veterans. Employers whose job training programs are approved by the VA may hire eligible veterans under the Act. In exchange, the VA reimburses one-half of the veterans' starting wages, up to a total of \$10,000. The program provides up to 15 months training for veterans disabled in service, and up to 9 months for other veterans.

Since the job training program was initiated in 1983, the VA has approved more than 500,000 veterans' applications and 75,000 employer applications.

Veterans earn an average of \$6.60 per hour. About one-half are still working for the same employers 16 months after completing training. About one-third have been promoted.

Eligible participants must have been unemployed for at least 10 of the 15 weeks immediately preceding the date of application. Veterans present certificates of eligibility to employers offering the VA-approved job training.

Funding remains available until September 30, 1989, for the Veterans' Job Training Program.

State Approving Agencies

State approving agencies were originally created to meet the requirements of the World War II education and training programs. Programs for veterans and other eligible persons must be approved by

the State approving agency in the state where the training facility is located, or, when no State approving agency has been designated, by the Administrator. A number of states have designated two or

more agencies to carry out this function. In FY 1987, the VA negotiated contracts with State approving agencies at a cost of approximately \$9.3 million.

Commission on Veterans' Education Policy

The Commission on Veterans' Education Policy was created by the Veterans' Benefits Improvement and Health Care Authorization Act of 1986 (Public Law 99-576), to report to the VA and to the Congress on such issues as the need for distinguishing

between certificate-granting and degree-granting courses, the measurement of courses for benefit payment purposes, the vocational value of courses offered through home study, and the role of innovative and nontraditional programs of education.

During FY 1987, the Commission held three meetings and established three subgroups to gather information and examine issues concerning measurement, the approval process, and administrative criteria.

Vocational Rehabilitation and Counseling

Comparative Highlights

Item	FY 1987	FY 1986	Percent Change
Counseling services ¹	42,904	39,415	(2)
Initial evaluations ²	32,458	29,591	(2)
Veterans receiving chapter 31 training and specialized services	24,599	25,776	-4.6
Employment services for chapter 31 veterans	7,773	8,005	-2.9
Vocational and educational counseling under other chapters ⁴	6,677	9,517	-29.8

¹Chapter 31 discrete counseling interventions, including initial evaluation, personal adjustment, vocational counseling, and chapter 15 evaluations.

²Item includes chapter 15 evaluations for FY 1987, but not for FY 1986; direct comparison with FY 1986 figures cannot be made.

³Chapters 15 and 31 initial evaluations, including eligibility determinations.

⁴Chapters 30, 32, 34, and 35 of title 38, U.S.C.; chapter 106 of title 10, U.S.C.; and Public Law 98-77, as amended.

Summary

A second mission of the Vocational Rehabilitation and Education (VR&E) Service is to provide the services and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence in daily living and, to the extent feasible, to become employable and to obtain and maintain suitable employment. Regional office Vocational Rehabilitation and Counseling (VR&C) Division staff identify service-connected disabled veterans who are eligible for services and encourage these veterans to apply for benefits.

If an applicant is found to need assistance in overcoming an employment handicap based on a service-connected disability, a counseling psychologist evaluates the veteran to establish the services needed by the veteran to achieve independence in the activities of daily living, to acquire job skills, and to obtain and maintain employment. VR&C staff members assist disabled

veterans who do not have appropriate job skills in developing an education and training plan which will provide them an opportunity to acquire needed skills. Disabled veterans who complete programs of education and training, and others who are determined to be ready for a job, receive assistance in finding employment which is compatible with their aptitudes, interests, abilities, and disability limitations.

Two pilot programs, which were initiated in FY 1985 for certain seriously disabled veterans, provide training and employment services which may enable those veterans to return to gainful employment. Comprehensive counseling and assessment services are provided on request to veterans, servicepersons, and other persons who are eligible for VA educational assistance under chapters 30, 32, 34, and 35 of title 38, U.S.C.; chapter 106 of title 10,

U.S.C.; section 903 of Public Law 96-342 (the Department of Defense Authorization Act, 1981); or Public Law 98-77, as amended (the Veterans' Job Training Act of 1983). Career development centers are available at many regional offices to provide Vietnam era veterans and other beneficiaries with individual job and career assistance services.

The following items highlight FY 1987 accomplishments:

- 2,333 service-connected disabled veterans under chapter 31 obtained suitable, stable employment.
- 7,773 service-connected disabled veterans under chapter 31 participated in a rehabilitation plan for employment and placement assistance.
- 2,857 unemployed veterans received job

counseling assistance under the Veterans' Job Training Act of 1983 (Public Law 98-77, as amended).

continued to provide a comprehensive, computer-assisted evaluation of factors related to veterans' vocational potential.

VR&C staff members were approved for continuing education and certification maintenance under Commission on Rehabilitation Counselor Certification criteria.

• A pilot program was

• 12 training programs for

Vocational Rehabilitation

VR&C Divisions conduct an initial evaluation of all veterans requesting vocational rehabilitation services who incurred a compensable service-connected disability on or after September 16, 1940. In the initial evaluation, the counseling psychologist determines whether the veteran is entitled to chapter 31 services, whether employment or training leading to employment is feasible for the veteran, and the kind of specialized assistance the veteran needs. VR&C Divisions completed 29,026 initial evaluations during FY 1987 and provided

24,599 eligible and entitled veterans with one or more specialized services.

A veteran who is entitled to rehabilitation services must follow a formal individualized rehabilitation plan for training and employment assistance. This plan is developed jointly by the veteran and VR&C personnel. In general, these individualized written plans include several intermediate objectives related to the veteran's rehabilitation goals and one or more types of special services which ultimately lead to qualification for and placement in suitable long-term employment.

Throughout a veteran's participation in a program of services, counseling is provided when necessary to help the veteran become employable. This counseling assistance includes, but is not limited to, initial evaluations, personal adjustment counseling, and vocational counseling. During FY 1987, there were 39,472 discrete counseling interventions to assist service-connected disabled veterans under chapter 31. This number reflects a slight increase over FY 1986.

Employment Services

During FY 1987, continued emphasis was placed on the importance of employment services and assistance. A total of 7,773 individualized employment assistance plans were jointly developed by disabled veterans and VR&C field staff members. Plans identify the specific services needed by each veteran to assist him or her in obtaining suitable employment. These services may include counseling, medical, social, and other placement and post-placement services. In some cases, seriously disabled veterans were provided specialized assistance to help plan for self-employment. Generally, these plans provided for services and assistance for up to 18 months. A chapter 31 veteran who has obtained suitable employment and has continued working for at least 90 days is considered rehabilitated. In FY 1987, a

total of 2,333 veterans obtained such employment.

VR&C field staff members continued the use of special employer incentive provisions to assist hard-to-place veterans, particularly severely disabled veterans, in obtaining employment. The VA may make payments to employers to encourage the hiring of disabled veterans who have completed the chapter 31 vocational rehabilitation program, but who may be difficult to place as a result of their disabilities or lack of work experience. Under a written agreement with the employer, the VA will pay for direct expenses associated with hiring the veteran, provided the costs do not exceed one-half of the wage paid to other employees in comparable jobs. Payments can cover up to nine months of work experience or on-the-job training and may be made

only to private sector employers.

Comprehensive counseling services are provided to veterans under the Veterans' Job Training Act (VJTA). Department of Labor staff members who provide case management services to VJTA participants may request the VR&C staff to furnish personal counseling and other services which may be necessary to enable a veteran to continue in a training program and to obtain and maintain suitable employment. During FY 1987, a total of 2,857 veterans were counseled under the VJTA program.

Resources are shared through the Disabled Veterans Outreach Program, which was initiated in October 1981. A large number of Disabled Veterans Outreach Program staff are stationed at VA

regional offices, medical centers, outpatient clinics, and readjustment counseling center locations.

As part of the VA's efforts to improve the employment situation of veterans, employers are being contacted to request their

support for the employment of service-disabled and other disabled veterans. This special outreach to employers, along with a public relations campaign, is designed to increase the employment opportunities available to disabled veterans. During FY 1987, over

15,000 employers supported this employment initiative. In addition, a review is underway of employment related services performed by VA field facilities, and critiques are being made of the cases of veterans declared rehabilitated.

Pilot Programs for Severely Disabled Veterans

Public Law 98-543 established two four-year pilot programs for severely disabled veterans for whom training and employment services are feasible. The vocational training program for certain VA pensioners will determine whether these pension recipients can become gainfully employed if they are provided a full range of assistance and services. For veterans whose pension is terminated due to receipt of income from work or training, eligibility for VA medical benefits will be protected for a three-year period. This trial program was initiated February 1, 1985. During the fiscal year, 3,432 evaluations

were completed, a substantial increase over the 2,091 evaluations completed the previous fiscal year.

The second pilot program provides services and assistance to service-disabled veterans who have been awarded total disability ratings by the VA based on individual unemployability (IU). Using this program, the VA will determine if the provision of training and employment services, coupled with the opportunity to have a trial period of employment, will assist veterans with IU ratings to return to the work force. Veterans awarded an IU rating during the pilot

program period must participate in a vocational rehabilitation program if it is determined that employment is a feasible goal. Veterans awarded IU ratings prior to February 1, 1985, may request counseling, employment services, or consideration for training under the VA vocational rehabilitation program. A veteran's IU rating remains protected for up to 12 consecutive months of substantially gainful employment. During FY 1987, 192 evaluations of veterans awarded an IU rating were completed.

Program of Independent Living Services

Public Law 99-576 extended the program of independent living services under section 1520, title 38, U.S.C. through FY 1989. The program provides services and assistance to severely disabled veterans for whom

the VA determines that achievement of a vocational goal is not reasonably feasible. During FY 1987, nine veterans were approved for participation in the program. Services provided to these veterans included

transportation, attendant care, training in basic living skills, adaptive equipment, family and peer counseling, housing, and health maintenance.

Educational and Vocational Counseling

Comprehensive counseling and assessment services are provided upon request to veterans, servicepersons, and other eligible persons who plan to use their chapter 30, 32, 34, or 35 benefits under title 38, U.S.C., or educational benefits under chapter 106 of title 10, U.S.C. These services focus on planning for the use of VA benefits for education and vocational training. Services

were available at more than 100 locations nationwide, including VA regional offices, outbased locations, and contract guidance centers. Contract guidance centers operate on a fee-basis to supplement VA counseling activities. During FY 1987, a total of 6,677 veterans and other beneficiaries received counseling and evaluation interventions. The decrease in the number of counseling

actions from the previous year's 9,517 is consistent with the decreased usage of all chapter 34 benefits and the reduction in the number of requests for counseling under the Survivors' and Dependents' Educational Assistance (chapter 35) program since the lifting of the requirement for mandatory counseling.

Veterans' Advisory Committee on Rehabilitation

In October 1980, the Veterans' Advisory Committee on Rehabilitation was established with the enactment of Public Law 96-466, the Veterans' Rehabilitation and Education Amendments of 1980. This committee assesses the rehabilitation needs of veterans, reviews the programs and activities of the Veterans Administration designed to meet these needs, and offers recommendations to the Administrator concerning the administration of veterans' rehabilitation programs under title 38, U.S.C. The eight members of the committee are members of the general public, representatives of service-disabled persons, or persons distinguished in the fields of rehabilitation medicine, vocational guidance, vocational rehabilitation, or employment and training programs. Many of the members themselves

are service-disabled veterans. In addition, five ex-officio members specifically designated by law serve on the committee.

During FY 1987, the committee gave special attention to the VA's progress in responding to two earlier recommendations. The committee continued to monitor the progress of the chapter 31 cost-benefit study. The committee formed a subgroup to initiate a program of onsite visits to VA facilities to examine the VA case management system in operation.

At the September 1987 meeting, the members were advised that the Department of Medicine and Surgery had revised the circular on case management and streamlined the case management reporting system. The committee will look at those developments in conjunction

with their review of the case management process.

The committee developed recommendations for the Administrator on several new issues, including the purchase of specialized equipment to facilitate training of veterans in the use of the latest technology; the availability of special telephone equipment for the hearing impaired; the expansion of in-service training for VA professional staff members; and changes in the method of funding DM&S programs. These recommendations for the improvement of VA's rehabilitation programs and services will be given further consideration by the committee at the January 1988 meeting, and they will be forwarded to the Administrator along with a formal report on the committee's activities during FY 1987.¹

¹ This information is included in compliance with section 1521(c), title 38, U.S.C.

Housing Assistance

Comparative Highlights

	FY 1987	FY 1986	Percent Change
Number of loans			
Guaranteed home	474,391	307,747	+ 54.1
Guaranteed manufactured home	5,100	6,022	- 15.3
Average loan amount			
GI primary home ¹	\$72,787	\$69,487	+ 4.7
Manufactured home unit	\$22,850	\$22,096	+ 3.4
Maximum interest rate ²			
GI and direct home	10.5%	11.5%	-
Manufactured home unit	13.0%	14.0%	-
Minimum interest rate ²			
GI and direct home	8.5%	9.5%	-
Manufactured home unit	11.0%	12.0%	-
GI home loans outstanding ³	4,115,803	4,177,382	- 1.5
GI home loans in default ³	144,912	133,427	+ 8.6
As a percent of loans outstanding	3.52	3.19	+ 10.3
Substitutions of entitlement	1,556	1,918 ⁴	- 18.9
Properties on hand ³	22,633	20,567	+ 10.0

¹Excludes refinance loans

²During year

³End of year

⁴Amended figure

Summary

The loan guaranty program provides housing credit assistance whereby mortgage credit needs of veterans and service personnel may be satisfied by private capital on more liberal terms than is generally available to nonveterans, without the assumption of undue risks by the Federal Government.

Assistance is primarily through substituting the Government's guaranty on loans in lieu of the substantial downpayments, relatively short terms, and other investment safeguards applicable to conventional mortgage transactions.

Loans may be used to purchase a home; to purchase a residential unit in certain condominium projects; to build a home; to repair, alter

or improve a home; to refinance an existing home loan; to improve a home by installing solar heating or other energy conservation measures; to buy a manufactured home, with or without a lot; or to buy a lot for a manufactured home the veteran already owns.

Loans are available to veterans with sufficient qualifying service since September 16, 1940; to unmarried surviving spouses of veterans who died from service-connected causes; to spouses of service personnel officially listed as missing in action, or captured, for more than 90 days; and to service personnel who have served at least 181 days.

The volume of loans guaranteed during FY 1987

was considerably higher than that of FY 1986. Interest rates continued to decline during the first half of the year and reached the lowest level in nine years before increasing slightly in the second half. For the second consecutive year, a record dollar volume of loans was guaranteed, and the number guaranteed was the largest in 30 years, since FY 1957.

Over 481,000 veterans were assisted in home ownership during FY 1987. A total of 205,210 guaranteed loans were for refinancing purposes, accounting for over 40 percent of the total activity. Of these refinancing loans, 143,597 were for the purpose of reducing monthly mortgage payments by

refinancing original VA guaranteed loans at a lower rate. The VA guaranteed 479,491 loans in the amount

of over \$34.9 billion; made 455 grants for specially adapted housing totaling over \$13 million; and approved

1,556 substitutions of entitlement.

GI Home Loans

During FY 1987, 474,391 home loans were guaranteed. In addition to loans for the purchase of the traditional single-family home, this total includes refinancing loans, condominium loans, and alteration and repair loans.

Over 75 percent of the veterans purchasing a home with a guaranteed primary loan were able to obtain no-down payment loans. Loans to finance the purchase of previously occupied housing accounted for over 76 percent of the primary home loans guaranteed during the fiscal year. These loans averaged \$69,777 and financed homes with an average purchase price of

\$72,201. On newly constructed homes, the average loan was \$82,475, and the average purchase price was \$85,666. The average loan amount on refinancing loans was \$74,027.

Of the total home loans guaranteed during FY 1987, approximately 67 percent went to Vietnam and post-Vietnam era veterans, 17 percent to servicepersons, 8.5 percent to post-Korean conflict veterans, 4 percent to World War II veterans, 3 percent to Korean conflict veterans, and 0.2 percent to post-World War II peacetime veterans. Unmarried surviving spouses accounted for 0.3

percent of the total. Twenty-nine loans were guaranteed for spouses of servicepersons classified as prisoners of war or missing in action. Thirteen percent of the total home loans guaranteed went to veterans whose entitlement had been previously restored to purchase another residence.

Between June 22, 1944, and September 30, 1987, veterans have obtained over 12.3 million home loans, totaling just over \$300 billion, under the GI home loan program.

Foreclosures¹

During FY 1987, GI home loans were foreclosed because the obligor(s) experienced the following problems: extensive obligations (37 percent); curtailment of income (30 percent); marital difficulties (14 percent); illness (13 percent); and death, job

transfer, military transfer, or unsatisfactory property or equipment (6 percent).

The reasons for foreclosure when a transferee (rather than the original veteran-borrower) owned the property at foreclosure were essentially the same, as

follows: extensive obligations (38 percent); curtailment of income (33 percent); illness (13 percent); marital difficulties (11 percent), and death, job transfer, military transfer, or unsatisfactory property or equipment (5 percent).

Twelve Million Home Loans Guaranteed by VA

Special ceremonies in Phoenix, Arizona, during 1987 recognized the 12 millionth home loan guaranteed by the Veterans Administration since the program began in 1944.

Deputy Administrator Thomas M. Harvey presented house keys to Jesse M. Giron and his wife, Yolanda. The 29 year-old Army veteran used VA-backed financing to purchase a three-bedroom, two-bath home for \$84,050.

The VA home loan guaranty program was established in 1944 as part of the original GI Bill. In FY 1987, the VA guaranteed 479,491 loans valued at over \$34.9 billion. Among those were 5,100 manufactured home loans amounting to \$116.5 million. Total value of loans guaranteed by the VA over the life of the program is \$300.4 billion.

Veterans have proved to be good credit risks. Through FY 1987 some 7.8 million home loans guaranteed by the VA, totaling \$121.7 billion, have been paid in full.

¹ This information is included in compliance with section 1816(f), title 38, U.S.C.

Manufactured Home Loans¹

Since the inception of the manufactured home loan program in February 1971, the VA has guaranteed 108,963 manufactured home loans, thereby assisting lenders in providing over \$1.9 billion in loans to veterans who probably would have been unable to afford a home in the conventional market.

During FY 1987, 5,100 manufactured home loans

amounting to over \$116 million were guaranteed. The number of loans guaranteed during the fiscal year represents a decrease of over 15 percent from FY 1986. Of these loans, 29 percent were made by non-supervised lenders that were approved for automatic processing as provided by the Veterans Housing Act of 1974.

Of the loans guaranteed

during the fiscal year, 4,356 were for the purchase of new manufactured homes, while 744 were for used units. Loans for the purchase of single-wide manufactured homes accounted for 73 percent of the FY 1987 total. The average loan amount for single-wides was \$20,679, while for double-wides it was \$28,836.

Manufactured Housing Plant Inspections

In October 1981, the Department of Housing and Urban Development (HUD) advised the VA that it could provide the inspections and inspection reports related to monitoring of the fabrication process of manufactured homes. Consequently, the VA discontinued its formal program of manufactured home plant inspections and elected to accept the results of the HUD inspections, which involve all manufactured home factories, i.e., those producing products which are sold to veterans and nonveterans.

These reports on the activities of any particular manufacturing plant are available to the VA Loan Guaranty Service from either HUD or the National

Conference of States on Building Codes and Standards (NCSBCS).

HUD continues its involvement in efforts to improve quality control in the manufacturing process. For instance, the quality control method used to detect systems-type problems during manufacturing has been improved, and NCSBCS is now making unannounced monitoring visits to manufacturing plants.

Recent HUD enforcement activities have included imposing civil penalties against manufactured home dealers who have not met the HUD requirement to post a health notice on each unit regarding urea-formaldehyde emissions.

In conjunction with its quality control improvement efforts, HUD is also trying to improve its handling of manufactured home consumer complaints. A computer system has been established to track those complaints, and a toll-free telephone number for reporting complaints has been made available to home buyers in certain states.

Complaints from veterans, which are discussed in greater detail in the section entitled "Compliance with Warranty," did not warrant inspections of manufacturing facilities by the VA in addition to HUD inspections. It appears that veterans are being adequately protected by the HUD inspection program and followup procedures.

Manufactured Home Onsite Inspections

During FY 1987, VA randomly selected for inspection 457 manufactured homes secured by GI loans. Each inspection covered the home and its site.

In some instances the inspectors were unable to check certain items. Therefore, total responses relating to a particular item do not always equal the total number of inspections. The percentage figures given below relate to the total

number of responses for a particular item.

- The average size of the manufactured home units was 1,083 square feet.
- 60 percent of the manufactured homes had skirting, and 90.6 percent had tiedowns installed.
- 67.4 percent of the homes were connected to community or public water facilities, and 32.6 percent

had private systems.

- 52.7 percent disposed of their sewage through public or community disposal systems, and 47.3 percent were connected to private systems.
- 81.6 percent of the units were located in manufactured home parks, and 18.4 percent occupied individual sites.

¹ This information is included in compliance with section 1819, title 38, U.S.C.

- 95.6 percent of the manufactured homes have remained at their original locations, as specified in the loan applications.
- 81.4 percent of the manufactured home sites were rated as satisfactory, 15.3 percent were rated as excellent, and 3.3 percent were rated as poor.

Compliance With Warranty

Every new manufactured home financed by a GI loan must have a written warranty from the manufacturer to the purchaser, which includes a specific statement that the manufactured home meets the standards prescribed by the VA.

During FY 1987, VA field stations reported 48 complaints from veterans expressing dissatisfaction in some manner with their manufactured home unit. Of these complaints, 46 were considered justified, and 2 were determined to be unjustified. By the end of the

fiscal year, all of the justified complaints had been resolved. Of these complaints, 39 (84.8 percent) were under warranty; 1 (2.2 percent) was due to faulty setup; and 6 (13.0 percent) were attributed to both warranty and faulty setup.

The nature of the complaints covered under warranty varied from minor defects to severely defective items requiring repair. A total of 40 (87 percent) justified complaints were reported because of flawed construction of the unit; complaints received on both

the construction and furnishings of the manufactured home accounted for 5 (10.9 percent) of the complaints; and the last complaint (2.2 percent) expressed dissatisfaction with only the furniture and appliances in the manufactured home.

VA field stations continue to act promptly in determining the validity of the complaints, which are widely distributed among manufacturers and models, with no single manufacturer accounting for a significant percentage of the total complaints.

Defaults

When the VA manufactured home loan program was established, it was anticipated that the incidence of defaults and claims would be greater than that experienced for loans on conventional homes. During FY 1987, claims paid, as a percent of the number of outstanding manufactured home loans, remained at 5.6 percent, as compared to 0.9 percent for conventional homes.

During FY 1987, GI manufactured home loans were terminated because the obligors experienced the following problems: extensive obligations (58 percent); curtailment of income (22.5 percent); marital difficulties (6 percent); military transfer - unable to sell (5.5 percent); job transfer - unable to sell (5 percent); and illness, unsatisfactory property or equipment, or death (3 percent).

The reasons for termination of a manufactured home loan when a transferee owned the home at termination were essentially the same, as follows: extensive obligations (64 percent); curtailment of income (17 percent); job transfer - unable to sell (7 percent); military transfer - unable to sell (5 percent); marital difficulties (5 percent); and death, illness, or unsatisfactory property or equipment (2 percent).

Direct Loans

Congress authorized the direct loan program via Public Law 81-475, enacted April 20, 1950, as a supplement to the guaranteed loan program in rural areas where private financing was not

generally available. A review of the program in 1980 revealed that private sector funding was generally available in all areas of the Nation. The review resulted in a suspension of the program

by congressional action during FY 1981, with the exception of loans to severely disabled veterans for specially adapted housing. During FY 1987, only one direct loan was made for \$33,000.

Funding Operations

For the fourth time since the inception of the Loan Guaranty Revolving Fund,

appropriations were necessary to meet program expenditures. The continued

depressed level of economic activity in the energy and agriculture sectors of the

economy helped to bring about a high level of home loan foreclosures, not only for the VA home loans program but for conventional home loans as well. Many home borrowers became unemployed for long periods of time and were unable to

meet their home loan obligations. As a result, VA had to pay a claim under the VA guaranty contract. To meet these claims, a total of \$100 million was appropriated to the fund.

During FY 1987, VA

collected \$212 million in principal and interest payments with the interest portion amounting to \$127.5 million. Loan sales from VA's own portfolio of loans netted \$849.2 million.

Specialty Adapted Housing Assistance

The lack of mobility and the psychological problems associated with severe disabilities often impose tremendous obstacles. The simplest tasks become difficult, and some achievements, such as acquiring a suitable home, are almost impossible without assistance. Frequently, VA representatives escort or take the veteran's place during contacts with builders, lenders, and architects.

Severely disabled veterans declared eligible for grants for specially adapted housing have distinctive housing needs, such as wide doorways to accommodate wheelchairs, ramps instead of steps, oversized and specially equipped bathrooms, etc. VA extends whatever help is required, as determined on an individual basis. Ensuring that structural requirements are met is only one aspect of the specially adapted housing program.

During FY 1987, 382 severely disabled veterans, some wheelchair-bound, received grants totaling \$13 million to buy, build, or modify homes specially adapted for their use.

Compensation and Housing Benefits Amendments of 1980, effective October 1, 1980, authorized a new category of specially adapted housing grants. Under this amendment, a disabled veteran who is either blind in

both eyes or who has lost, or lost the use of, both hands, qualifies for a benefit of up to \$6,000 to make minor adaptations to his or her house. During FY 1987, there were 73 grants of this type, totaling \$384,046.



Public Law 96-385, The Veterans' Disability

The distinctive housing needs of severely disabled veterans are met through the specially adapted housing program.

Fair Housing Program

Statistical monitoring of minority participation in the VA guaranteed home loan program is a key aspect of VA's fair housing program. This monitoring includes both quantitative and qualitative analysis.

Minority veterans, who comprise 12 percent of the veteran population, continued their strong participation as they obtained 16 percent of VA guaranteed loans closed during FY 1987. Black veterans obtained 10.1

percent, Hispanic veterans 3.2 percent, Asian/Pacific Island veterans 1.7 percent, and American Indian/Alaskan Native veterans 0.9 percent of the total loans.

Veteran homebuyers con-

tinued their strong reliance on spouses' incomes in order to qualify for home loans. A significant one-half of the VA guaranteed loans closed in FY 1987 were approved because of the supplemental income of the spouse. Spouses' incomes were especially important for minority buyers; 59 percent of the American Indian/Alaskan Natives, 58 percent of the Asian/Pacific Islanders, 56 percent of the blacks, and 55 percent of the Hispanics who obtained VA guaranteed home loans relied upon help from spouses' incomes.

The no down payment provision was particularly beneficial to minority home buyers using VA guaranteed loan financing. VA guaranteed home loans covering the full purchase price of the home were obtained by 86 percent of the black, 83 percent of

the Hispanic, 78 percent of the American Indian/Alaskan Native, 74 percent of the Asian/Pacific Islander, and 76 percent of the White participants in FY 1987.

VA's fair housing program includes an ongoing effort to increase minority business participation in work related to the loan guaranty program. This includes assigning appraisers and compliance inspectors, and engaging the service of repair contractors, management brokers, and sales brokers. During FY 1987, these minority businesses received \$25 million, or 13.4 percent, of all commissions and fees paid and assignments made by VA. The dollar breakdown was as follows: \$8.7 million to minority fee appraisers and compliance inspectors, \$7.6 million to minority sales brokers, \$5.3 million to

minority repair and maintenance contractors, and \$3.4 million to minority management brokers.

Another important aspect of VA's fair housing program is its home counseling service. The VA conducts this home counseling service in 23 cities to provide prospective home-buying veterans advice and assistance in practical aspects of home-buying and homeownership. Minority veterans comprised 6,821 of the 13,413 veterans counseled in FY 1987, reflecting the thrust of the program toward aiding minority veterans. Since the inception of the program in 1973, over 86,000 minority veterans and 155,000 veterans overall have been assisted by this home counseling service.

Life Insurance

Comparative Highlights

Program (thousands)	Fiscal Year		Percent Change
	1987	1986	
USGLI			
Policies	53	58	-8.6
Amount	\$ 199,070	\$ 222,854	-10.7
Death Benefits	\$ 20,188	\$ 21,651	-6.8
NSLI¹			
Policies	2,910	3,011	-3.4
Amount	\$21,632,083	\$21,694,504	-0.3
Death Benefits	\$ 457,218	\$ 424,958	+7.6
VSLI¹			
Policies	341	357	-4.5
Amount	\$ 3,074,607	\$ 3,162,200	-2.8
Death Benefits	\$ 24,694	\$ 21,590	+14.4
SDVI			
Policies	180	184	-2.2
Amount	\$ 1,632,381	\$ 1,668,196	-2.1
Death Benefits	\$ 21,130	\$ 21,363	-1.1
VRI¹			
Policies	130	133	-2.3
Amount	\$ 891,593	\$ 908,150	-1.8
Death Benefits	\$ 19,248	\$ 18,618	+3.4
SGLI			
Policies	3,514	3,457	+1.6
Amount	\$175,027,350	\$172,120,867	+1.7
Death Benefits	\$ 184,044	\$ 170,418	+8.0
VMLI			
Policies	6	6	0
Amount	\$ 182,735	\$ 181,808	+0.5
Death Benefits	\$ 5,386	\$ 5,374	+0.2
VGLI			
Policies	251	240	+4.6
Amount	\$ 9,973,510	\$ 8,185,440	+21.8
Death Benefits	\$ 25,018	\$ 22,739	+10.0

¹Includes paid-up additional insurance purchased by dividends.

Summary

Life insurance protection for the Nation's service personnel and veterans is provided under five separate programs administered by the VA and three programs supervised by the VA.

The first five programs shown in the table are entirely VA administered and provide for a maximum coverage amount of \$10,000. The latter three programs are supervised through a contractual

relationship with private companies. The Servicemen's Group Life Insurance and Veterans' Group Life Insurance programs are administered by the Prudential Insurance Company of America, Newark, New Jersey; both provide up to \$50,000 in coverage. The Veterans' Mortgage Life Insurance program is administered by the Bankers Life Insurance Company of Lincoln, Nebraska, although

many of the policy maintenance activities are performed by the VA Insurance Center in St. Paul, Minnesota. This program provides coverage up to \$40,000.

At the end of FY 1987, these eight programs provided coverage of nearly \$213 billion to just under 7.4 million insureds.

Program	Abbreviated Reference	Policy Prefix Letter	Program Beginning	Ending Date of New Issues
U.S. Government Life Insurance	USGLI	K	01/01/19	04/24/51
National Service Life Insurance	NSLI	V H	10/08/40 08/01/46	04/24/51 12/31/49
Veterans Special Life Insurance	VSLI	RS W	04/25/51	12/31/56
Service-Disabled Veterans Insurance	SDVI	RH	04/25/51	Open
Veterans Reopened Insurance	VRI	J, JR, JS	05/01/65	05/02/66
Servicemen's Group Life Insurance	SGLI	-	09/29/65	Open
Veterans Mortgage Life Insurance	VMLI	-	08/11/71	Open
Veterans Group Life Insurance	VGLI	-	08/01/74	Open

Installation of New Remittance Processing Equipment

In October 1986, new remittance processing equipment that had been acquired for both the St. Paul and Philadelphia Insurance Centers became operational. The initial impact of the new equipment has been a reduction of over 40 percent in the full-time employment needs of the respective Insurance Center's collection units. Faster processing of remittance has allowed most insurance payments to be deposited in the Federal Reserve Bank on the same day they are received. In addition to the new improved service for insured veterans, the installation of the new equipment is expected to result in over \$2 million in savings over the next 5 years.

Government Administered Programs

United States Government Life Insurance

USGLI is the oldest Government administered insurance program still active, established in 1919 as an outgrowth of the War Risk Term Insurance program begun during World War I.

War Risk Term Insurance was the Government's first attempt to offer life insurance to servicemen, and it proved to be surprisingly successful. USGLI was established, in part, to provide a means of converting from the War Risk

program, which was not intended to be a long-range insurance program. At the end of FY 1987, 52,673 USGLI policies remained in force. The program is self-supporting except for administrative expenses and the rare claims that are traceable to the extra hazards of military service, which are paid by the Government. There has been a steady decline in the number of policyholders, and this decline will continue to accelerate, as

the average age of these insureds is now nearly 79 years.

Effective January 1, 1983, premium payments were no longer required on USGLI policies since the VA's actuarial staff determined that the USGLI fund reserves were adequate to meet all future liabilities of the program.

The 1987 dividend for USGLI policies averaged \$260 per insured.

National Service Life Insurance

NSLI was established October 8, 1940, to serve the insurance needs of World War II service personnel. At its height, this program insured more than 22 million individuals. By the end of FY 1987, 2.9 million policies remained in force with a face value of \$21.6 billion. The program is self-supporting except for administrative expenses and claims traceable to the extra hazards of military service, which are paid by the Government. Dividend payments from the surplus earnings of the trust fund averaged nearly \$306 per insured in 1987, compared to \$283 in 1986.

Approximately 29 percent of NSLI policies are term plans which renew every five years at the current attained age, causing premiums to increase with each renewal. Previously, as policyholders grew older, the premiums could become prohibitive, causing many to drop their insurance coverage entirely or

reduce the face amount of their policies. Effective September 1, 1984, however, a regulation that capped NSLI term premiums at the age 70 rate, which is \$6.18 per month per \$1,000 of insurance coverage, was approved. Insureds whose term policies renew at an insurance age of 70 or older will never have to pay a higher premium. Also, those veterans whose term policies had already renewed after age 70 had their premiums rolled back to the age 70 rate.

Since the inception of the term capping program, over 83,400 term policies have been capped at the age 70 rate. Of the policies affected thus far, premium rates were actually rolled back on over 50,000 of them. Approximately 189,000 policies will be eligible for term capping within the next five years.

NSLI policyholders may use

dividends to buy more insurance as paid-up additions to their policies; this allows them to have more than \$10,000 of Government life insurance in force. These paid-up additions have cash and loan values and earn dividends. Effective January 1, 1987, the face value of existing NSLI paid-up additions coverage and the value of paid-up additions coverage to be purchased with future dividends was increased by approximately 15 percent. A total of 687,661 policies have paid-up additions with a face value of over \$3.40 billion. This represents an increase of 25.5 percent over the 1986 face amount.

Holders of permanent plans in this program, as well as in the other VA-administered programs, may borrow up to 94 percent of the cash value of their policies. Since July 29, 1981, the interest rate on new loans has been 11 percent.

Veterans Special Life Insurance

VSLI was first made available to veterans separated from service on or after April 25, 1951. Application had to be made within 120 days of separation. VSLI was a means of providing post-service Government life insurance for Korean conflict veterans. There was no premium paying insurance during service at this time, although the Government did provide insurance protection with a \$10,000 Servicemen's Indemnity. Policies in the VSLI program were issued through December 31, 1956.

During the period that VSLI was available, about 800,000 policies were issued, of which 340,659 remained in force on September 30, 1987, with a face value of \$3.1 billion.

Initially, only renewable but nonconvertible term insurance was available. Effective January 1, 1959, legislation modified the program to permit exchange to either a permanent plan or to a lower cost term policy which was nonrenewable after age 50, but which could later be

converted to a permanent plan of insurance.

Dividends were not paid on policies in this program until after the passage of Public Law 93-289 on May 24, 1974. In 1987 approximately \$77.4 million was paid in dividends. The average 1987 dividend payment was \$234 per insured compared to \$205 in 1986.

A total of 82,592 policies have paid-up additions with a face value of nearly \$216 million.

Service-Disabled Veterans Insurance

The only Government-administered insurance program remaining open to new issues, SDVI was designed to ensure that service-disabled veterans could obtain life insurance at

standard rates. Every veteran separated from service on or after April 25, 1951, who receives a service-connected disability rating for which compensation would be payable if 10 percent or more

in degree and who is otherwise in good health, has one year from the date of notice of the VA rating to apply for this coverage. The VA notifies veterans of their eligibility for this coverage

after a VA service-connected rating is granted.

Since all SDVI policyholders have some service-connected disability, the program is, in effect, insuring substandard risks at standard premium

rates. As a result, the program is not self-supporting and requires periodic appropriations to meet its costs. At the end of FY 1987, there were approximately 180,000 policies in force with a face

value of nearly \$1.6 billion. Approximately 3,200 new SDVI policies were issued in FY 1987, but the total number in force still declined by 2.2 percent.

Veterans Reopened Insurance

The VRI program was a limited reopening of National Service Life Insurance for certain disabled World War II and Korean conflict veterans who, because of their disabilities, would be unable to obtain commercial life insurance or could not obtain it at a reasonable cost. Applications for this insurance were accepted from May 1, 1965, through May 2, 1966. About 210,000 policies were issued, of which

approximately 130,000 remained in force at the end of FY 1987 with a face value of \$892 million. Premiums on individual VRI policies are determined by the health of the individual veteran.

Public Law 96-128, enacted in 1979, provided that dividends would be payable on VRI policies for the first time in 1980. The 1987 dividend payments averaged \$259 per insured compared

to \$264 in 1986.

In addition to regular annual dividends, effective January 1, 1985, the VA began paying termination dividends to JR and JS policyholders upon maturity or cash surrender of their policies, or to the policyholder's beneficiary upon death. Nearly \$300,000 in termination dividends were paid in 1987.

Total Disability Income Provision

The Total Disability Income Provision (TDIP) is an optional rider that an insured may add to the basic policy to provide a monthly income in case of disability. This rider may be added to most Government-administered policies except for those issued under SDVI and some of those issued under VRI, if a veteran pays an extra premium and meets the age and good health requirements.

TDIP provides a monthly

benefit of \$5.75 per \$1,000 under USGLI with a finding of total disability. As of September 30, 1987, 557 of these TDIP riders were in force with a face value of \$3.6 million.

TDIP riders have been issued on NSLI, VSLI, and VRI policies under three versions of the law. Under the original provisions, these riders paid \$5 per \$1,000 of insurance with coverage extended to age 60. Subsequent changes

first increased the payment to \$10 per \$1,000 of insurance with coverage to age 60 and finally, in 1965, coverage was extended to age 65. The table shows the modifications to the law affecting NSLI policies and the current status of these three different riders.

Effective Date of Modification	Monthly Income Per \$1,000 of Insurance	Coverage to Age	In Force as of September 30, 1987	
			Number of Policies	Amount Insurance (in thousands)
Aug. 1, 1946	\$ 5	60	2,611	\$ 18,573
Nov. 1, 1958	10	60	41,859	329,725
Jan. 1, 1965	10	65	236,731	1,882,715

Government Supervised Programs

Servicemen's Group Life Insurance

The SGLI program was developed in 1965 to provide insurance coverage for

members of the uniformed services. It is supervised by the VA, but administered by

the Prudential Insurance Company of America as the primary insurer. Prudential

administers the program through the Office of Servicemen's Group Life Insurance in Newark, New Jersey. During FY 1987, 312 other commercial companies also participated in the SGLI program on a reinsurer/converter, or converter only basis. By the end of FY 1987, 3.5 million active duty service personnel and reservists were insured in the amount of \$175 billion, and death benefits paid during the year amounted to \$184 million compared to \$170 million for FY 1986.

In addition to full-time coverage for active duty service personnel, full-time or part-time SGLI coverage is available to certain members of the Reserve, National Guard, and ROTC. Members in the four service academies (U.S. Military Academy, U.S. Naval Academy, U.S. Air Force Academy, and U.S. Coast Guard Academy) as well as uniformed members of the Public Health Service and National Oceanic and Atmospheric Administration are entitled to full-time coverage.

Effective January 1, 1986, the maximum coverage amount was raised to \$50,000. The serviceperson is automatically insured for this amount unless he or she elects in writing not to be insured or to be insured for less than \$50,000 (\$40,000, \$30,000, \$20,000 or \$10,000). Coverage was previously limited to \$35,000 and was available in multiples of \$5,000.

Veterans Group Life Insurance

VGLI is principally a program of post-separation insurance that provides for the conversion of SGLI to a five-year term policy. Prior to establishment of the VGLI program, SGLI could only be converted directly to a commercial policy with one of the participating companies after separation from service. Studies had shown that very few veterans were taking advantage of the conversion privilege for a variety of reasons, such as uncertain employment prospects, a desire to complete some type of education or training, and the lack of immediate family commitments. VGLI was designed to provide low-cost protection during this period of transition into civilian life.

than 31 days, reservists who are performing training periods of less than 31 days who suffer an injury or disability which renders them uninsurable at standard premium rates, and effective January 1, 1986, members of the Individual Ready Reserves (IRR) and Inactive National Guard (ING).

To apply for coverage, the eligible person must submit an application with the required premium during the 120 days following separation or entry into the IRR/ING. If a member fails to make application during this period, he or she may still do so for up to one year after SGLI coverage terminates or entry into the IRR/ING, providing evidence of insurability is submitted. If a SGLI insured is totally disabled at the time of separation and is granted extended free SGLI coverage,

he or she may apply for VGLI anytime during the one-year period of extension.

VGLI is issued in amounts of \$10,000, \$20,000, \$30,000, \$40,000 or \$50,000, but not for more than the amount of SGLI the member had in force at the time of separation.

At the end of the term period, an insured has the right to convert the insurance to an individual commercial life insurance policy with any one of approximately 311 participating commercial insurance companies, or in the case of individuals who are members of the IRR or ING, to renew their VGLI for successive five-year periods.

Persons who are eligible to be covered are active duty SGLI insureds who are being released from active duty for periods not specified as less

As of September 30, 1987, 251,176 veterans were insured under the VGLI program for over \$9.9 billion in coverage.

Veterans Mortgage Life Insurance

The VMLI program is supervised by the VA and administered by the Bankers Life Insurance Company of Lincoln, Nebraska, although the Regional Office and Insurance Center, St. Paul, Minnesota, performs many of the maintenance activities. It provides up to \$40,000 of mortgage life insurance protection for any veteran

who receives a VA grant for specially adapted housing. Coverage is automatic unless the veteran declines, fails to furnish information to establish the premium, or does not pay the premium. VMLI death benefits are paid directly to the holder of the veteran's mortgage. Any unused portion is transferable to a subsequent home

mortgage after the preceding one is disposed of, and coverage ceases when the mortgage is paid off, the home is sold, or the veteran reaches age 70.

The monthly premiums paid by disabled veterans covered by VMLI are the same as those charged for nondisabled lives and, therefore, are not

sufficient to pay claims. The Government pays the extra-mortality costs and administrative expenses by transfers from the

Compensation and Pension appropriation.

As of September 30, 1987, there were approximately

5,500 VMLI policyholders, with coverage totaling over \$183 million. Death benefits paid during the fiscal year totaled nearly \$5.4 million.

Disbursements

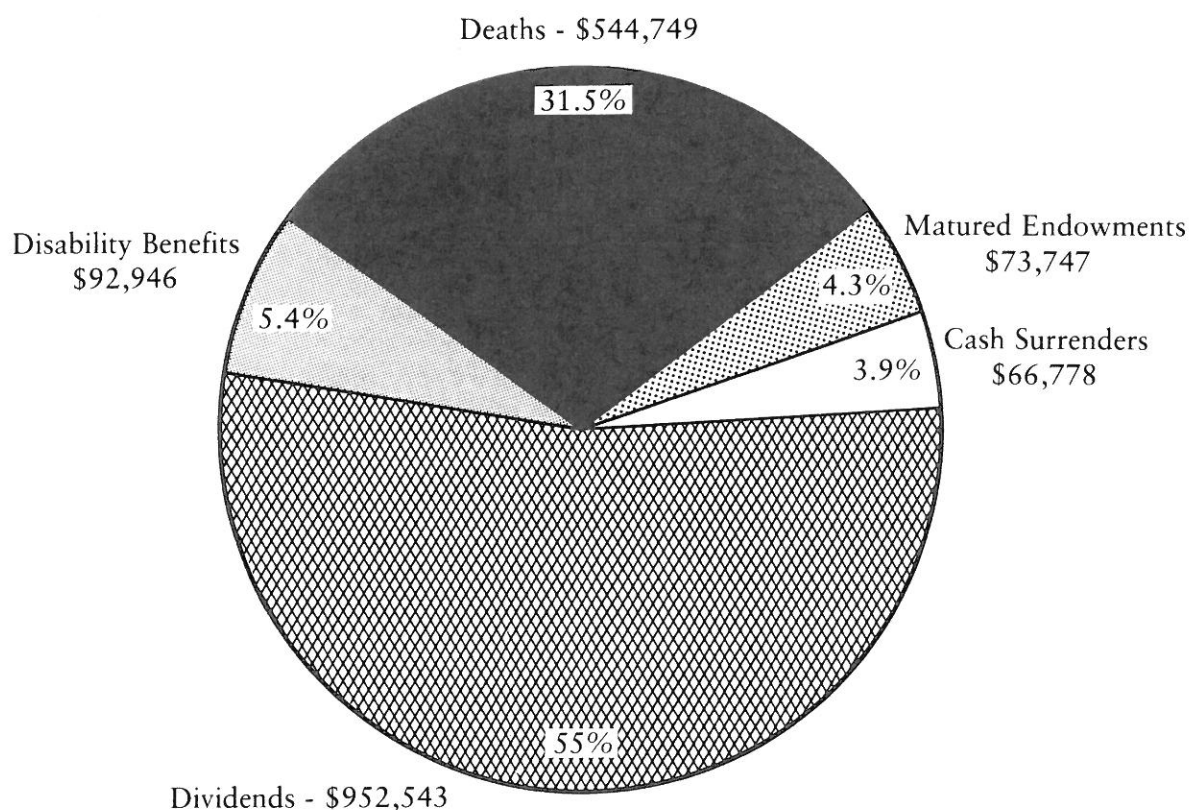
The Government-administered insurance programs disbursed over \$1.7 billion to policyholders and beneficiaries in FY 1987. These disbursements were in

the form of dividends, death benefits, disability benefits, proceeds paid to insureds who surrendered their policies for cash, and proceeds paid to insureds whose

endowment policies matured.

The following chart depicts amounts and percentages of disbursements by type.

VA-ADMINISTERED INSURANCE DISBURSEMENTS FY 1987 (IN THOUSANDS)



Veterans Assistance

Comparative Highlights

Item	FY 1987	FY 1986	Percent Change
Outreach			
Public Telephone Calls - toll-free	5,175,957	5,523,151	- 6.3
Public telephone calls - other	4,002,357	3,684,487 ¹	+ 8.6
Interviews away from office	106,855	116,038	- 7.9
Interviews at office	1,358,754	1,525,574	- 10.9
Patient interviews	421,027	444,022	- 5.2
Correspondence	493,168	2,177,802	(2)
Equal Opportunity			
Compliance reviews	220	163	+ 35.0
Complaints of discrimination	24	33	- 27.3
Fiduciary activities			
Cases under supervision	124,322	125,026	- 0.6
Field examinations (program)	79,255	81,904	- 3.2
Field examinations (nonprogram)	11,489	14,939	- 23.1
Special investigations	1,034	1,162	- 11.0
Fiduciary account audits	34,478	34,927	- 1.3
Legal actions prepared	13,159	14,431	- 8.8
Court appearances ³	1,894	2,244	- 15.6
Miles traveled (in thousands)	4,323	4,496	- 3.8
Work-study agreements	37,632	26,495	+ 42.0
Hours worked (in thousands)	3,181	4,719	- 32.6

¹ Adjusted figure.

² Modifications to the DVB work measurement system for FY 1987 changed the recording and reporting of correspondence to identify only replies to incoming correspondence.

³ The continuing shift from court appointed cases to Federal fiduciary cases, along with the shift of legal responsibilities to the offices of the District Counsels, led to the decrease.

NOTE: Employment assistance data are no longer maintained by VA. These data are maintained by the Department of Labor.

Summary

Veterans Assistance personnel in VA field stations conducted a total of 11,064,950 interviews during FY 1987. Of this number, 83 percent were

interviews conducted over the telephone. Correspondence actions totaled 493,168. Interviews with patients at VA medical facilities totaled 421,027.

Compliance surveys of establishments approved for the education or training of veterans totaled 5,347.

Outreach¹

The VA conducts an outreach program to inform veterans of the benefits and services to which they may be entitled. The outreach program, originally designed to reach recently separated veterans,

particularly the educationally disadvantaged, now also embraces other categories of veterans. These categories include the aged, the incarcerated, the disabled, female veterans, former

prisoners of war, the homeless, and all other veterans, dependents of veterans, and survivors who may be entitled to benefits but are unaware of them.

¹ This information is included in compliance with section 245, title 38, U.S.C.

Outreach to Homeless Veterans

DVB veterans benefits counselors work closely with community leaders in offering assistance to veterans identified as homeless. Increased outreach efforts have resulted in interviews conducted on the street, in shelters, and other locations. Posters have been distributed to shelters, with local telephone numbers and addresses of regional offices, urging homeless veterans to contact the VA.

The enactment of Public Law 99-570 ensures that an eligible veteran may not be denied benefits if the applicant does not have a fixed mailing address.

The Department of Veterans Benefits is responsible for the creation of the VA Working Group on Homelessness. Composed of representatives from DVB and the Department of Medicine and Surgery, the group is working to develop coordinated VA services to the homeless.

Additionally, DVB is working with the Department of Labor to identify and assist homeless veterans in finding employment. This program is operating in 14 cities throughout the Nation.

DVB is also participating in a variety of other efforts on homelessness, such as the Robert Wood Johnson Foundation concerned with the health status and the necessity of providing medical care to the homeless, and the DM&S Homeless Chronically Mentally Ill Project focusing on identifying chronically mentally ill homeless veterans and placing them in residential facilities.

Telephone service makes outreach services available in all 50 states and the Commonwealth of Puerto Rico. The 811 local, Foreign Exchange (FX), and 800 service lines provide fast, easy, and inexpensive access to the VA for veterans' benefits information and assistance. The availability of toll-free telephone calls is widely publicized in commercial telephone directories and in newspaper, radio, and TV announcements. Telephone service is also advertised by posters displayed in appropriate locations, by enclosures inserted in outgoing mail, and in VA pamphlets.

Telephone interviews were first reported as a means of

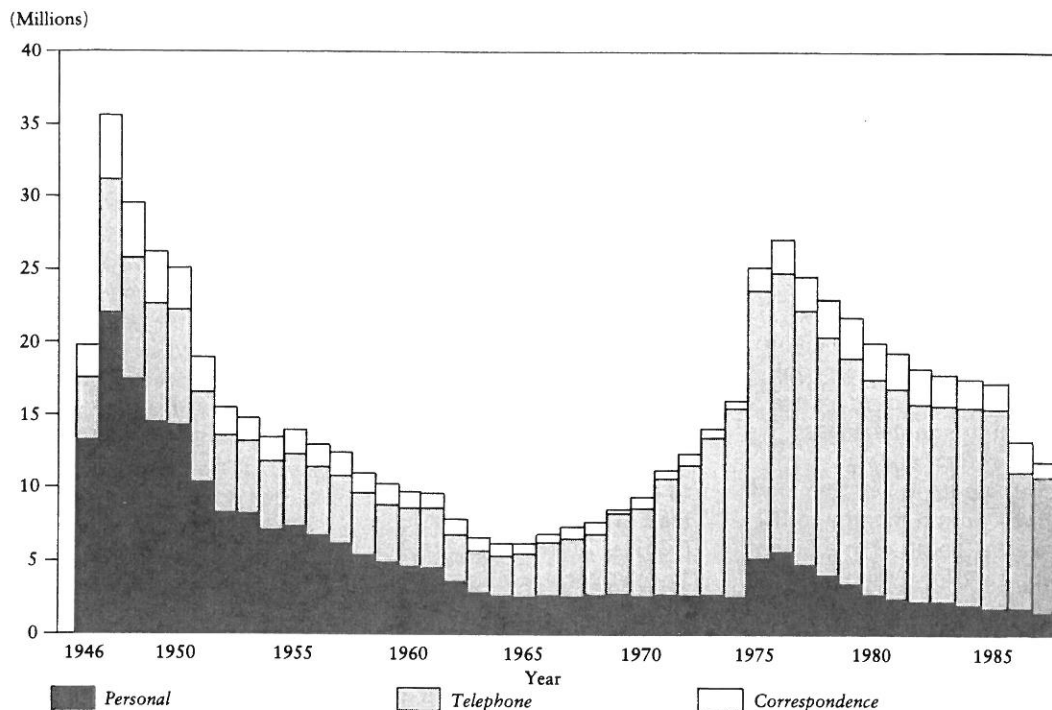
widespread, official public contact in 1946. At that time, telephone interviews comprised only 22 percent of the contacts, with personal interviews and correspondence making up 66.5 percent and 11.5 percent, respectively. Through the next three decades, telephone and personal interview statistics reversed. By FY 1975, the end of America's involvement in Vietnam, telephone interviews made up 73.4 percent of the VA's public contacts. Personal interviews then comprised 20.6 percent and correspondence 6.1 percent.

In recent years the increase in the percent of telephone interviews of all total public contacts has continued to

gradually grow. In FY 1987 there were nearly 9.2 million telephone interviews conducted; this number represents 79.4 percent of all personal contacts reported by regional offices. Personal interviews at the office and replies to incoming correspondence represented 11.8 percent and 4.3 percent, respectively, of all such personal contacts. The increases and decreases are effects of the change in recording and reporting of telephone interviews and correspondence for the DVB work measurement system.

The following graph shows the trend of total public contacts in each category as reported by regional offices from FY 1946 - FY 1987.

TREND OF PUBLIC CONTACTS, FY 1946 - 1987



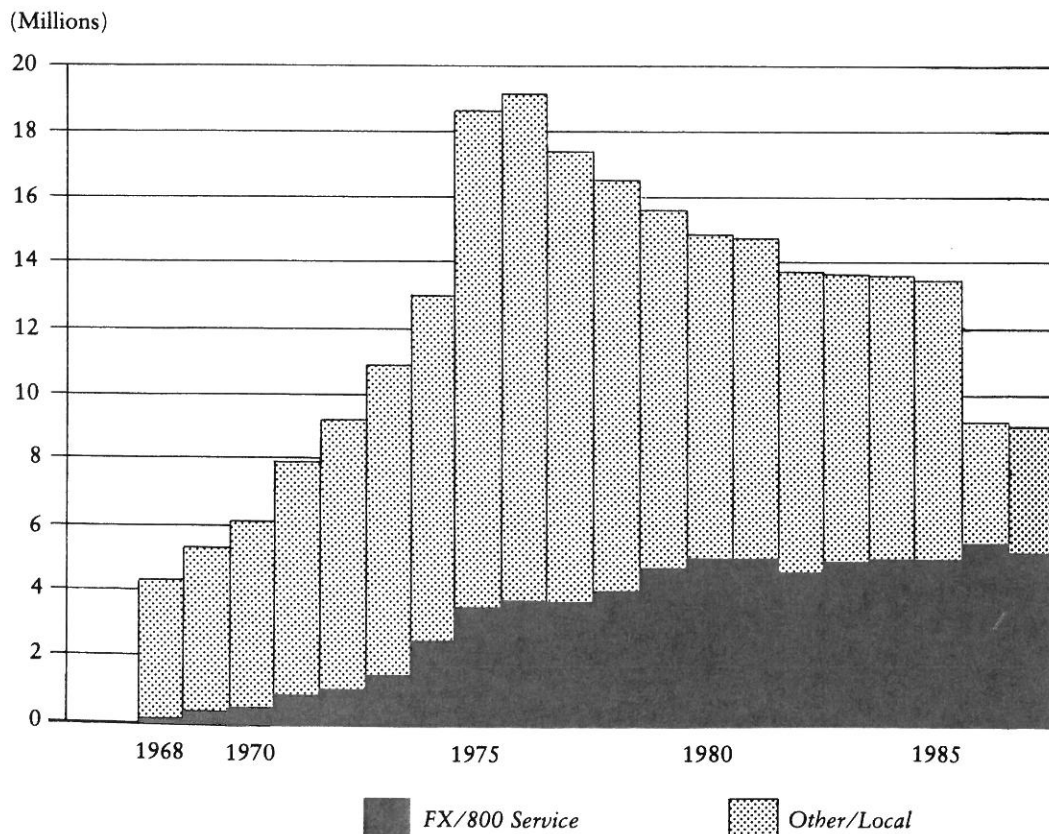
NOTE: Modifications to the DVB work measurement system for FY 1987 changed the recording and reporting of correspondence to identify only replies to incoming correspondence.

The following graph shows the trend of toll-free originating telephone interviews. FY 1968 was the

year that the VA installed the first FX lines. Even with the FY 1987 removal of some FX lines and the change in

recording and reporting total telephone interviews, there was only a slight decrease in FX and 800 service calls.

TREND OF TELEPHONE INTERVIEWS BY TYPE, FY 1968-1987



Former Prisoner of War Outreach Program

By law, the VA is required to seek out possible prisoner of war (POW) beneficiaries and provide them with information on entitlement to various benefits and services. POW coordinators have been designated at all VA regional offices and medical centers.

The Advisory Committee on Former Prisoners of War, established pursuant to Public Law 97-37, is composed of members of the general public, former prisoners of war, disabled veterans, and members of the medical profession who are recognized authorities in fields pertinent to disabilities prevalent among former POWs. The committee advises the Administrator of Veterans Affairs on the administration of benefits under title 38, U.S.C., for veterans who are former prisoners of war, and on the needs of such veterans with respect to compensation, health care, and rehabilitation.

The Advisory Committee is required to file a biennial report. The third and most recent report was forwarded to the Administrator in August 1987.

The latest report recommended passage of various pending bills with new presumptive service-connected conditions for POWs. Significant POW legislation pending in 1987 would add three new conditions to the list of presumptive service-connected disabilities for POWs, amend the definition of "former POW" to permit the Administrator to extend such status to detainees of other than enemy governments in wartime, and reduce from 6 months to 90 days the length of internment necessary for a former POW to be eligible for dental care.

A former POW hotline was established in 1983. Live coverage is provided during office hours and a recording after hours, weekends, and holidays. Most callers merely want information; approximately 15 percent of the inquiries require referral to field stations for resolution.

The number of calls received at the hotline decreased in FY 1987. This decrease is attributed to the improved assistance being provided by field station POW

coordinators, and the effective dissemination of POW benefits information through news releases and the distribution of POW pamphlets. Former prisoners of war also use the hotline to request information on the POW medal, pending legislation regarding presumptive service-connected conditions, and eligibility for State-issued POW license plates.

Former POWs are encouraged to resubmit any denied claims filed prior to the Former Prisoner of War Benefits Act. Special "protocol" examinations are authorized upon request and may be used for review of existing claims. The examination and completion of a medical history form are voluntary.

On April 9, 1987, National POW Recognition Day ceremonies were held at nearly all regional offices, medical centers, and national cemeteries. Similar ceremonies were held on September 18, 1987, in honor of National POW/MIA Recognition Day.

Services to Homeless Veterans

The Veterans Administration Working Group on Homelessness was established in 1987 to promote cooperation among the various services within the Agency in developing policy and programs to serve homeless veterans.

Upon the passage of the Homeless Eligibility Clarification Act, procedures were developed to ensure the processing of benefits for veterans having no permanent address. Instructions contained in Veterans Assistance Service's manual

emphasize the importance of providing services to homeless veterans.

Veterans Assistance Service staff members have visited homeless shelters in San Diego and Los Angeles, California; New York, New York; Louisville, Kentucky; Atlanta, Georgia; Chicago, Illinois; Cleveland, Ohio; and Washington, D.C., to view firsthand the problems of homelessness and to determine how regional offices can improve responsiveness to these problems. Veterans

Assistance Service personnel participated in two national forums during FY 1987 on the homeless: Volunteers of America's National Symposium on the Homeless and the National Domiciliary Health Care Conference.

Two posters describing VA benefits which are available to veterans were developed by Veterans Assistance Service. DVB and DM&S facilities place the posters in localities where the homeless congregate.

Miscellaneous Outreach Efforts

The VA works to improve the daily living conditions of the rapidly aging veteran population. A specially designed pamphlet, "Veterans Benefits for Older Americans," highlights existing benefits and programs available to older veterans and survivors, and has received extensive distribution to over 600 community-based area agencies on aging. Close liaison is also maintained with the national World War I veterans organization for immediate and personalized attention to requests for assistance received from members and surviving spouses. In view of the rapidly increasing medical needs of elderly veterans, concerted efforts to develop innovative approaches to the health care delivery system are ongoing.

Outreach to veterans' organizations with female membership continues. Field stations have identified such organizations and maintain

rosters of their primary contacts. An exhibit highlighting benefits for women veterans has been produced and is available for display at national meetings of service organizations. Mailings of benefits information are being made to members of women veterans organizations. Women who are former members of the U.S. Armed Forces total 1.2 million, with over 260,000 serving during the Vietnam era.

Service to incarcerated veterans began after World War II. Field stations provide informational material such as fact sheets, pamphlets, or available audiovisual aids at the request of correctional facility officials. Visits to Federal and State institutions are provided upon the request of appropriate prison officials, depending on travel fund availability at individual field stations.

Educationally disadvantaged veterans of the Vietnam era

continue to receive special consideration. Regional offices communicate directly with any newly discharged veterans who are considered educationally disadvantaged. This special outreach effort urges veterans to take advantage of liberal education and other available benefits.

Veterans Assistance Service continues to staff booths with appropriate exhibits and distributes pamphlets at the annual meetings of the President's Committee on Employment of the Handicapped, the National Council on the Aging, and other community organizations. Regional office personnel have also staffed booths at national and State meetings of national veterans organizations and organized and participated in local POW/MIA Recognition Day programs, women veterans seminars, and community sponsored homeless programs.

Employment Assistance

Veterans re-entering civilian life are urged to write, visit, or call the nearest VA regional office for benefits assistance. Veterans with employment problems are given counseling and job assistance at the Career Development Centers (CDC) in the regional offices. Although the principal responsibility for employment assistance belongs to the Department of Labor (DOL) and the State Employment Security Agencies' (SESAs) Job Service, the delivery of services requires close

interagency cooperation. The VA has continued to work closely with DOL and SESAs to improve the coordination of job and on-the-job (OJT/Apprenticeship) training programs.

Veterans are encouraged to register with the Local Veterans Employment Representative (LVER) at the SESA Job Service Office in their communities. The VA cooperates with DOL's Disabled Veterans Outreach Program (DVOP) in providing

veterans benefits training for DVOP/LVER personnel and also provides lists of OJT employers to be used by SESA Job Service Offices in developing training and job opportunities. DVOP representatives are out-stationed by the SESAs to many of our CDCs in VA offices to provide direct employment services to unemployed disabled and Vietnam era veterans seeking job assistance.

Fiduciary and Field Examination Activity

During FY 1987, the Fiduciary and Field Examination (F&FE) activity supervised the payment of benefits to fiduciaries on behalf of 124,322 VA beneficiaries: 116,624 adults who were

incompetent, or under some other legal restriction and 7,698 minor beneficiaries. This supervision resulted in 79,255 fiduciary program field examinations, 34,478 fiduciary account audits, 13,159 legal actions

prepared, 1,894 court appearances, and over 4.3 million miles traveled. The F&FE activity also conducted 11,489 nonfiduciary program field examinations and 1,034 special investigations in support of other VA

activities.

It is projected that the rise in the average age of the veteran population will cause the number of adults under supervision to continue to increase, and pension

eligibility requirements will cause the number of minors under supervision to continue to decrease.

During FY 1987, the Associated Press (AP) showed a great deal of

interest in the Nation's guardianship system as it relates to the elderly. AP articles reflected favorably on the VA's efforts to assist the elderly through our Fiduciary and Field Examination program.

Veteran-Student Services Program

Veteran-students pursuing full-time programs of education or training in FY 1987 continued to receive a supplemental education allowance from the VA by participating in the Veteran-Student Services (VA Work Study) Program.

Work-study students participated in a variety of VA activities throughout VA regional offices, medical centers, and national

cemeteries, and were also placed in colleges and universities, employment and Small Business Administration offices, national guard and reserve offices, and various community organizations which support VA outreach initiatives. For FY 1987, over 37,000 veteran-students performed VA-related services totaling nearly 3.2 million hours for which they were reimbursed at a rate equal to the minimum wage. Work-

study students contributed significantly to the VA's ability to accomplish its overall mission.

The work-study program was available during FY 1987 to veterans receiving benefits under the Montgomery GI Bill (Chapter 30) and the Post-Vietnam Era Veterans' Educational Assistance Program (Chapter 32).

Equal Opportunity Compliance

VA field station personnel conducted an equal opportunity compliance program to ensure that education programs offered to veterans and other eligible beneficiaries were provided without discrimination as to race, color, national origin, sex, age, or handicap. The compliance program is conducted to carry out provisions of title VI of the Civil Rights Act of 1964, title

IX of the Education Amendments of 1972, and section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975.

During FY 1987, 220 onsite equal opportunity compliance reviews were conducted in proprietary schools below college level. Equal opportunity program guidelines for proprietary

education institutions, State employment services, and recognized service organizations were developed and reviewed within the Agency.

The VA received 24 complaints of discrimination during FY 1987, a 27 percent decrease from the 33 complaints filed in FY 1986.

Foreign Affairs Program

In addition to domestic duties, Veterans Assistance Service develops, coordinates, and implements an effective program of assistance for VA beneficiaries residing or traveling outside of the United States. During FY 1987, over \$427 million was paid in compensation and pension benefits to foreign beneficiaries. This figure represents benefits paid in all foreign areas including the Philippines, as well as in U.S. possessions.

Veterans Assistance Service maintains a strong working relationship with the

Department of State and the Social Security Administration, which are responsible for administering Federal benefits programs outside of the U.S. (except in the Philippines and Puerto Rico where VA offices exist). In Canada, the Canadian Department of Veterans Affairs provides assistance to VA beneficiaries.

Specialized information dissemination and training programs have been developed for the foreign program to ensure that benefits information and assistance are readily available to VA clients

worldwide. In FY 1987, a videocassette for the foreign training program was produced.

Since the revamping of the foreign affairs program in the early 1980's, VA officials have trained over 250 foreign service nationals and foreign service officers. Veterans Assistance Service representatives participate annually in retirement seminars sponsored by the U.S. Army held at various military installations overseas.

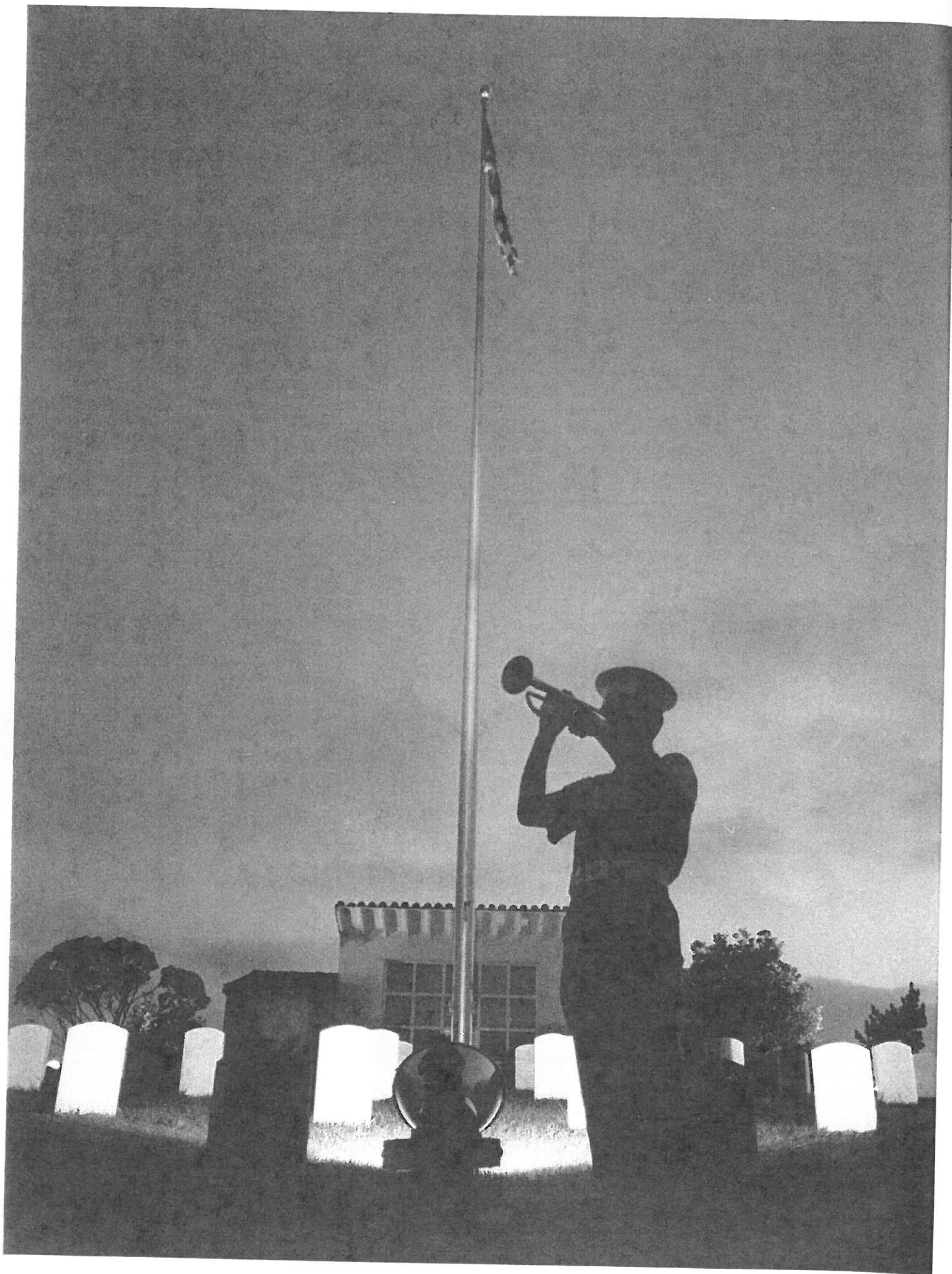
In FY 1987, training was also provided to approximately 100 officials of the Canadian

Department of Veterans Affairs. This was the first official VA training program held in Canada since the mid-1950's.

Veterans Assistance Service also serves as the VA focal point for coordinating briefings for foreign

dignitaries and responding to information requests from foreign governments. During FY 1987, assistance was provided to officials from Australia, the United Kingdom, India, Columbia, Taiwan, France, Israel, Canada, El Salvador, Korea, and Japan.

Close working relationships also exist between the VA and the British Department of Health and Social Security and the Canadian Department of Veterans Affairs in the administration of the allied beneficiaries' program.



Cemeteries and Memorials

Comparative Highlights

Item	FY 1987	FY 1986	Percent Change
Interments	53,665	52,220	+ 2.8
Applications Received for Headstones/Markers	282,428	273,174	+ 3.4
Headstones/Markers Ordered	253,581	246,668	+ 2.8
National Cemeteries	42,960	54,348	- 20.9
Private Cemeteries	210,621	192,320	+ 9.5
Replacement Headstones/Markers	4,273	5,344	- 20.0

Summary

The Department of Memorial Affairs (DMA) administers veterans' interment benefits and programs, which include burial in a national cemetery, headstones and markers, memorial plots and monuments, and the State Cemetery Grants program.

DMA is the VA's smallest department, and newest in terms of organization. However, the Department administers some of the most longstanding benefits ever authorized for military veterans. Burial benefits date back to 1862 with the establishment of the National Cemetery System (NCS). In 1973, the VA assumed responsibility for the NCS from the Department of the Army. DMA comprises a VA Central Office staff; two support elements, Monument and Cemetery Services; three National Cemetery Area Offices (NCAOs), or field offices of supervision, located in Atlanta, Georgia; Denver, Colorado; and Philadelphia, Pennsylvania; and 111 national cemeteries.

In FY 1987, DMA interred

53,665 veterans and their dependents in the NCS and received 282,428 applications for headstones and markers for graves of veterans buried in national and private cemeteries. A total of \$12 million was committed to 13 states for the establishment, expansion, or improvement of State veterans' cemeteries.

The NCS comprises 111 operating national cemeteries located in 38 states and Puerto Rico. Sixty-five are open to burials; forty-six are closed to the interment of the first member of a family. However, many closed cemeteries continue to bury decedents in occupied and reserved gravesites.

The first of recurring reports on the NCS was published by the Agency in response to Public Law 99-576. This report established a five-point plan for the future operations of the NCS and identified 10 geographic areas in the United States with the greatest need for veteran burial space. The next report will be issued in 1992.

Construction was completed on the Fort Mitchell National Cemetery in Alabama, which is designated as the regional cemetery for Standard Federal Region IV. Establishment of this cemetery marked completion of expansion of the system under the regional concept. This concept provided for one large national cemetery in each of the 10 Standard Federal Regions and one in the Washington, D.C., area.

Construction began on the Florida National Cemetery, and the West Virginia National Cemetery was dedicated and opened for burial. These national cemeteries were established outside of the regional concept to serve the expanding veteran population in Florida and as a replacement for the closed Grafton (West Virginia) National Cemetery, respectively. Environmental analysis was completed for a new national cemetery site in northern California.

At the national cemetery in Woodlawn, New York, three

acres donated by the Chemung County Veterans Council received final acceptance in August.

Construction projects were completed at 20 national cemeteries in FY 1987. These included nonroutine maintenance and repair such as reroofing of administration/maintenance buildings, perimeter wall repairs, and roadway repairs. Other construction completed included building renovations, roadway construction, landscaping, fencing, flagpole installation, and gravesite development. An irrigation system was completed at Long Island National Cemetery, New York, as were

drainage projects at three national cemeteries. A new public restroom was constructed at Puerto Rico National Cemetery, and public restrooms at San Francisco National Cemetery were made accessible to the handicapped. A new administration building, entrance, and drive were also completed in FY 1987 at Fort Logan National Cemetery, Denver, Colorado.

Other construction projects were also initiated in FY 1987. Among them were wall repairs at Annapolis and Loudon Park, Maryland, National Cemeteries; administration and service buildings at Bath, New York,

Fort Snelling, Minnesota, and Rock Island, Illinois, National Cemeteries; gravesite development at Mill Springs, Kentucky, Riverside, California, and Sitka, Alaska, National Cemeteries; irrigation at Fort Bliss, Texas, National Cemetery; and a new entrance gate and drive at Indiantown Gap, Pennsylvania, National Cemetery.

Projects to eliminate asbestos materials from cemetery facilities continued during FY 1987. Removal began at Danville, Virginia, National Cemetery. Removal projects were completed at 10 national cemeteries.

Perspectives

The aging of the veteran population has a direct impact on the National Cemetery System. DMA's workload has been rising steadily and should continue to increase until the early part of the next century.

During FY 1987, the 53,665 interments accomplished in the NCS were a 2.8 percent increase over the 52,220 conducted in FY 1986, and a 6.3 percent increase over the 50,489 in FY 1985. With increasing demands for service - both present and future - the main thrust in the national cemetery program is to provide grave space for as many veterans and eligible dependents as possible. The DMA budget for FY 1987 totaled \$45.1 million, allowing DMA to maintain beautiful cemeteries and to serve an increasing number of veterans and their families.

In FY 1987, DMA program responsibilities were accomplished with 1,197 employees. Staffing was distributed as follows:

Central Office (Headquarters, Monument and Cemetery Services) - 157 employees

NCAOs (Atlanta, Philadelphia, and Denver) - 27 employees

National Cemeteries - 1,013 employees

FY 1987 marked the initiation of regular inspections of national cemeteries. By the end of the fiscal year, inspections had been performed at 17 locations in the National Cemetery System by departmental personnel drawn from Central Office, the area offices, and national cemeteries.

DMA continued its vigorous automated data processing (ADP) modernization program, which was begun in late FY 1985. Initial efforts provided basic office automation capabilities in DMA. Personal computers are providing vehicles for information exchange with Agency and departmental data bases. Two full years of computer procurement have resulted in the acquisition of 90 personal computers for 62 sites in national cemeteries, area offices, and Central Office.

The VA Advisory Committee on Cemeteries and Memorials

was established by law to advise the Administrator and Congress on matters affecting the National Cemetery System. The committee is composed of up to 12 members with distinguished backgrounds in the field of veterans affairs and in their respective professions. During FY 1987, the committee met in Washington, D.C., to be briefed on the proposed budget for VA cemetery and monument programs, to receive updates on national cemetery construction plans, and to consider recommendations on national cemetery policies and operations.

Public Law 99-576 provides that all grave markers in VA national cemeteries be upright for interments that occur after January 1, 1987. The law does not apply to cemeteries which are expected to close by September 30, 1991, or to burial sections where flat markers were already in use at the time of enactment.

The law responded to a controversy which had developed since 1982, when VA began to install flat grave

markers at cemeteries which had previously used only uprights. Flat markers were well accepted at national cemeteries which had always used them, but generated many complaints at locations

where uprights were considered traditional.

VA's implementation plan for the new law focused on resolving these complaints and returning as quickly as

possible to upright markers at cemeteries which had converted to flat markers since 1982. By the close of fiscal year, all 23 of these cemeteries had returned to the upright grave marker style.

Report on the National Cemetery System

Public Law 99-576 required the VA to submit to the Congress a report on the future operation of the National Cemetery System, including a list of 10 geographic areas where the need for veterans' burial space is greatest. The concept of "establishment by need" inherent in the report reflects congressional concern to plan objectively for any future expansion of the National Cemetery System, and to serve veterans as effectively as possible with available resources.

The report, submitted in July 1987, outlined the present and projected service levels anticipated for the national cemeteries through the year 2020. Veteran deaths are expected to total almost 19 million and to reach an annual peak of 610,600 in the year 2010. During the same period, 36 national cemeteries are expected to close to new interments due to depletion of available grave space.

Past experience has shown that the vast majority of veterans and family members interred in a national cemetery had lived within a 100-mile radius of the facility. Using this as a criterion, approximately 69 percent of the present veteran population can be considered effectively served by the National Cemetery System. As cemeteries close, the level of effective service will decline to 49 percent of the veteran population by the year 2020.

The 10 areas where need for additional veterans' burial space is greatest were identified as:

Chicago, Illinois	Pittsburgh, Pennsylvania
Northern California (San Francisco Area)	Dallas/Ft. Worth, Texas
Miami/Ft. Lauderdale, Florida	Seattle/Tacoma, Washington
Cleveland/Akron/Canton, Ohio	Albany/Utica, New York
Detroit, Michigan	Oklahoma City/Lawton, Oklahoma

The report does not, in itself, recommend development of any additional cemeteries. Rather, it provides the basis for assessing future needs in terms of objective demographic data on the veteran population to be served. A followup report is due to Congress in 1992.

Headstones and Markers

Record Number of Monuments Provided

In FY 1987, DMA supplied a record 253,581 monuments to honorably mark the graves of veterans and their eligible dependents. This was the largest quantity ever supplied in the history of the program, which is more than 125 years old. Because of the aging of the World War II veteran population, DMA anticipates steady increases in the utilization of this benefit through the year 2010.

FY 1987 was the first year of implementation of an Automated Monument Application System (AMAS), an ADP system to process applications for Government-provided monuments.

The review and approval of a claim, creation of the proper inscription, assembly into vendor shipments, development of a Government purchase order, and the printing of the orders themselves are all functions initiated from the computer terminal in an on-line environment. AMAS also performs contract administration functions and tracks order expenditures by vendor, state, and monument type. Future enhancements under consideration include on-line submission of interment data from the national cemeteries.

Bronze, granite, or marble monuments, including columbarium niche markers, are sent to thousands of destinations throughout the United States and the world at Government expense. In cases where veterans' remains are not available for burial, memorial monuments are provided.

The VA spent \$16 million to purchase and transport the 253,581 headstones,

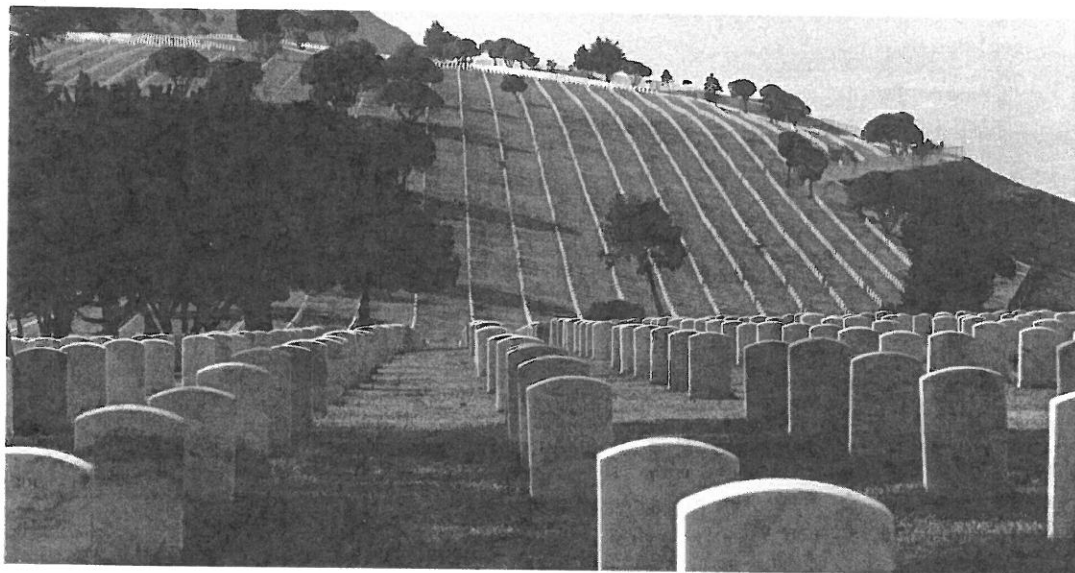
markers, and niche markers. The average cost per monument supplied was \$63.25. In January 1987, a change was made in the method used to ship bronze markers which has resulted in an estimated yearly savings of \$125,000, faster deliveries, traceability of shipments, and insurance at no additional cost to the Government. Over 48 percent of monuments provided are bronze.

During FY 1987, 4,855 monuments were shipped to destinations outside the continental United States. These monuments were sent by surface transportation. When the shipments were to a foreign country, frequently an American Embassy office ensured the monument was delivered to final destination. Department of Defense transportation facilities were often used on overseas shipments.

Type headstone/marker	Number Ordered		Percent Change
	FY 1987	FY 1986	
Upright marble	32,420	29,661	+9.3
Flat marble	10,154	8,402	+20.9
Flat granite	87,309	80,139	+8.9
Flat bronze	122,242	126,654	-3.5
Niche markers	1,456	1,812	-19.6
TOTAL	253,581	246,668	+2.8

Replacement headstones and markers are provided at Government expense whenever the original monuments become illegible or damaged over time. Monuments are replaced at private expense when damaged by non-Government personnel. During FY 1987, 4,273 replacement markers were provided.

Forty-eight percent of all monuments provided were bronze, followed by granite markers at 34 percent. The remainder were upright marble, flat marble, or niche markers.



With few exceptions, Public Law 99-576 requires that all gravesites in national cemeteries be marked with upright headstones for interments that occur after January 1, 1987.

State Cemetery Grants

The VA's relationship to State veterans cemeteries is based on a Federal assistance program to aid any State in establishing, expanding, or improving veterans cemeteries owned by the State. The purpose of the program is to encourage states to assist in meeting the burial needs of veterans by

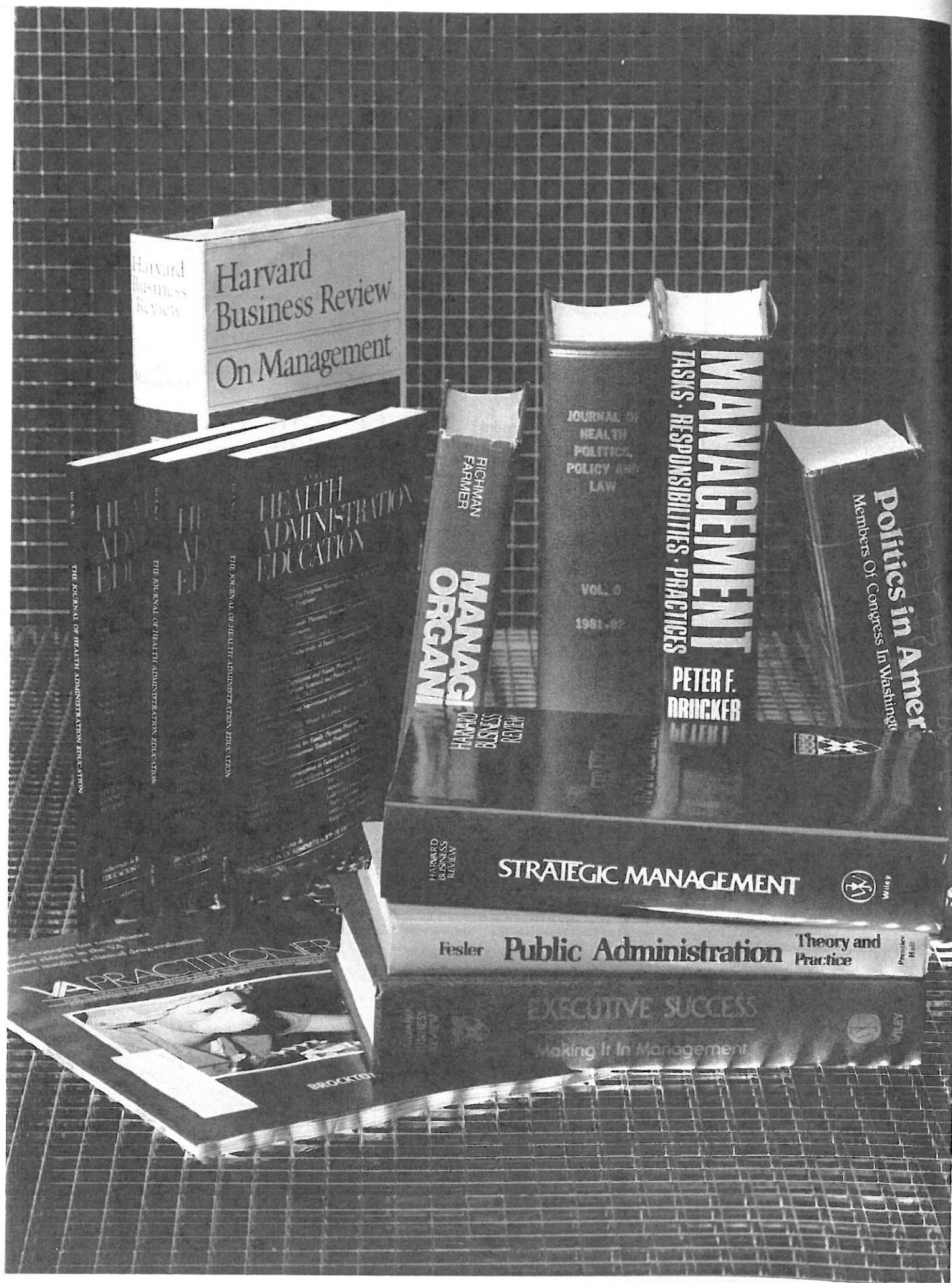
providing gravesites for veterans in those areas not adequately served by national cemeteries.

The program became operational on October 1, 1979, and, as of September 30, 1987, the VA had received 41 applications from 20 states requesting \$24.2

million in support of 30 cemeteries. Over \$18.9 million has been obligated since the program began. Twenty-two of the requests for Federal assistance were received last fiscal year, and over \$12 million was obligated. The accompanying table provides details on the FY 1987 active projects.

Location	Project	Grants (thousands) Funds Obligated
Connecticut Middletown	Establishment (including administration/service building)	\$ 682 *
Delaware New Castle County	Establishment (including administration/maintenance building and chapel)	797
Guam Piti	Phase I/Increment I (including administration/maintenance building, chapel and public restrooms)	2,560
	Phase II (completion of increments II/III and IV)	1,438
Hawaii Kauai	Expansion/improvement	118
Oahu	Establishment (including administration/committal lanai and maintenance area)	1,350
Maine Augusta	Improvements	246 *
	Expansion	100
Maryland Garrison Forest	Improvement, Expansion	31
Missouri Higginsville	Establishment	900
Montana Ft. Harrison	Establishment (including site development and well)	50 *
Nevada Boulder City	Establishment (including administration/maintenance building and chapel)	350
Fernley	Establishment	350
North Carolina	Establishment	1,350
Rhode Island Exeter	Improvement	350
Utah Bluffdale	Establishment	613
Wisconsin King	Improvement	46
Wyoming Evansville	Improvement	707 *
	TOTAL	\$12,038

* Project complete (amount reflects final cost).



Administration and Management

Comparative Highlights

Item	FY 1987	FY 1986	Percent Change
Debt collection (millions)	\$20.0	\$20.0	-
Medical care reimbursements (millions)	\$21.7	17.7	+22.6
Settlement of administrative tort claims under \$2,500	\$259,753	\$256,806	+1.1
Cost of administering FOIA (millions)	\$1.4	\$1.2	+16.7
FOIA fees assessed	\$23,250	\$40,615	-42.8
Audit reports issued	242	292	-17.1
Investigation cases closed	876	1,046	-16.3
Direct deposit/electronic fund transfer (C&P payments) participants	1,474,493	1,426,950	+3.3
Forms and form letters	12,010	12,033 ¹	-0.2
Major construction contracts awarded	29	34	-14.7
Number of construction projects	1,011	1,007	+0.4
Estimated construction cost (millions)	\$4,180	\$3,324	+25.8
Supply funds sales (millions)	\$716	\$664 ¹	+7.8
Equipment assets (billions)	\$2.7	\$2.5	+8.0

¹ Amended figure

Office of the General Counsel

The Office of the General Counsel serves as the Agency's chief legal officer on all matters of law, litigation, and legislation; interprets all laws pertaining to the VA; and provides all necessary legal services. During FY 1987, the Office of the General Counsel continued to provide legal support in litigation involving a number of VA programs.

The issue whether the Agency's "willful misconduct" regulation, 38 C.F.R., section 3.301(c)(2), discriminates against primary alcoholics in violation of the Rehabilitation Act continued

to be addressed. Conflicting opinions have been issued by various Courts of Appeals. The United States Supreme Court has granted a writ of certiorari and consolidated these several cases for review. An opinion is expected to be issued in 1988.

The United States Court of Appeals for the Seventh Circuit affirmed a 1986 decision by a Federal district court that the VA was not responsible for causing an area of Chicago, Illinois, to become racially segregated. That area experienced a rapid racial transition (or "white

flight") in the mid-1970's. About 24 percent of the home sales in the area during this period were to black veterans using VA financing. The appeals court noted that, as a result of numerous and complex factors, the Nation has failed to achieve the "frustrating, elusive goal" of integrated housing. The court held, however, that the plaintiffs had failed to prove that the manner in which the VA operated its Loan Guaranty Program caused or contributed to the racial resegregation of the area.

The Office of the General Counsel participated in civil

settlement negotiations involving 19 manufactured home manufacturers in cases involving false invoice certifications made to the VA. The amount collected from these settlements exceeded \$1 million.

The Office of the General Counsel assisted in defending the constitutionality of the statutory attorney fee limitation in a two month trial in the Federal District Court for the Northern District of California. Two years previously in the same case, the Supreme Court had held that the fee limit is not inherently unconstitutional, given the availability of service organization representatives who assist VA claimants free of charge and the nonadversarial nature of the VA adjudication process. In a concurring opinion, however, two of the Justices noted their understanding that the Court's decision did not preclude the individual plaintiffs from continuing to assert that their VA claims were so complex that the fee limit was unconstitutional as applied to them. Accordingly, the case was returned to the district court. The issue to be decided is whether or not the fee limit is unconstitutional as applied in the cases of veterans and survivors claiming VA compensation for disabilities or death, allegedly resulting from exposure to nuclear radiation in service (either during the occupation of Hiroshima or Nagasaki, Japan, or at atomic weapons testing). The district court is expected to deliberate for several months before rendering a decision.

A suit of several years' duration, involving VA's procedures in reducing, suspending, and terminating pension benefits, was settled by agreement of the parties. Under the court-approved consent decree, any beneficiary whose benefits are to be reduced by the Agency will be provided advance notice of the proposed action, and given an

opportunity to stay final action by requesting a personal hearing within 30 days. Whether or not a hearing is requested within that time, additional evidence may be submitted within 60 days of the notice, and benefit payments will not be reduced, suspended, or terminated until a decision is rendered, based on all of the evidence. Although the consent decree applies, by its terms, only to pension cases in the State of Illinois, the Agency has decided to apply the new procedures in all compensation and pension cases nationwide. In such cases, the beneficiary may opt to avoid any potential overpayment of benefits by requesting that the VA take the proposed action immediately, pending any hearing and final decision on the merits of the case.

The Office of the General Counsel also worked closely with the Department of Justice in defending a number of cases involving personnel issues in the Federal courts. Favorable decisions have been rendered in many cases, some of which concern discharges of VA physicians. These decisions, including several by the United States Courts of Appeals, continue to recognize the broad discretion of Federal managers in personnel matters, despite challenges based on the U.S. Constitution and attempts by disciplined employees to hold managers personally liable for perceived violations of the employees' rights.

In *Daly Murphy v. Winston*, 820 F. 2nd 1470 (9th Cir., 1987), the court ruled that a VA physician could not sue her supervisors over the revocation of her clinical privileges, and was confined to the VA's comprehensive system governing disciplinary actions.

In *Gilbert v. United States*, No. 86-1688 (Fed. Cir. May 5, 1987), the Court of Appeals for the Federal Circuit affirmed a ruling that a VA physician who

refused to report for duty could not challenge his discharge for abandonment of position through a backpay and reinstatement claim.

During FY 1987, the Office of the General Counsel continued its involvement in the issue of whether title 38 physicians and nurses may negotiate and arbitrate their working conditions under the Federal Labor-Management Relations Statute. In *Colorado Nurses Association v. VA Medical Center, Fort Lyon, Colorado*, 25 FLRA No. 66 (1987), the Federal Labor Relations Authority (FLRA) held that the employees were entitled to do so, except for disciplinary board actions. Working with the Department of Justice, the VA is challenging the *Colorado Nurses* ruling in the United States Court of Appeals for the District of Columbia Circuit. *Colorado Nurses* was the first of several FLRA decisions that addressed the issue of title 38 coverage, and the VA likewise is challenging them in court. In these decisions, FLRA has shown some deference to VA authority to schedule health care personnel to meet patient needs and has ruled title 38 probationers, like their title 5 counterparts, may not challenge discharges through arbitration.

In a related case, however, FLRA agreed with the VA that a labor arbitrator lacked authority to overturn a VA disciplinary board discharge and refused to enforce the arbitrator's illegal decision in the United States Court of Appeals for the District of Columbia Circuit. VA has requested the Department of Justice to intervene in this case.

In the course of its appearances on behalf of the VA before administrative agencies on labor relations matters, the General Counsel's office wrote and filed 28 major litigation briefs with the Federal Labor Relations Authority and

other tribunals. These briefs concerned labor and personnel issues, and defended or coordinated the defense of at least 50 unfair labor practice cases.

The Office of the General Counsel has been working with the Department of Justice on *Schrader v. Granninger*, a challenge by the State of New York in U.S. Federal District Court to a VA medical center's adherence to Federal rather than State procedures affecting psychiatric patients committed to the VA. In a ruling from the bench, the judge rejected the State's contention that VA is constitutionally required to follow State law concerning post-commitment requirements.

The Office has also worked closely with the Veterans Canteen Service (VCS) on a series of issues connected with its reorganization. The Office is handling a case which is in arbitration under provisions of the Randolph-Sheppard Act, 20 U.S.C., sections 107 to 107(e), involving a complaint asserting that VA violated the Act by denying Minnesota a permit to operate vending machines at the VA Medical Center, St. Cloud, Minnesota. The complaint challenges VA's forty year view that the provision of the Veterans Canteen Service Act, 38 U.S.C., sections 4201 *et seq.*, is the exclusive statutory authority governing the operation of vending and canteen services at VA hospitals and homes. Pending the outcome of the arbitration, a Federal District Court's issuance of a preliminary injunction proscribes VCS from conducting a competitive proceeding for a vending contract at the St. Cloud medical center under the Canteen Service Act.

During FY 1987, the Office of the General Counsel participated extensively in the implementation of the President's Drug-Free Workplace Program. Duties

and roles included the following:

- Participation on the Agency's Drug-Free Workplace Program Implementation Task Force, which prepared recommended procedures and compiled lists of Agency job positions to be subject to testing, and negotiated the terms of same with executive branch agencies having approval authority over implementation plans;
- Defense, with the Department of Justice, of *AFGE v. Turnage*, No. 78-702 (E.D. La.), a suit challenging the constitutionality of VA drug testing which, pursuant to agreement, is stayed pending preparation and public release of VA drug testing procedures;
- Counseling with respect to compliance with section 503 of Public Law 100-71, which sets forth "certification" and other requirements applicable to executive branch drug testing; and
- The fielding of congressional inquiries and other legislative matters with respect to drug testing.

The VA has also continued to implement fully the standards and requirements of the Ethics in Government Act with respect to the annual filing, review, and maintenance of both public and confidential financial disclosure reports which must be submitted by certain VA employees. The Assistant General Counsel, who serves as the Agency's Designated Ethics Official, reviewed and signed over 400 public financial disclosure reports of senior employees during FY 1987.

The VA stepped up its efforts to educate and inform employees of their responsibilities to maintain a high standard of conduct, and

to avoid even the appearance of a conflict of interest. The volume of inquiries from managers and employees for written or informal advice and for presentations at meetings and training sessions on conduct-related issues has continued to increase. Of particular importance during the fiscal year was a comprehensive review of fundamental conflict of interest issues affecting the Department of Medicine and Surgery. The review resulted in the issuance of a definitive opinion on some recurring issues. The opinion was the product of a collaborative effort by professionals from all corners of the VA, and clarified the conflict of interest issues which arise in the context of prescribing pharmaceuticals. In addition to the interdisciplinary effort within VA, the opinion was also closely coordinated with the Office of Government Ethics.

In March 1987, the General Counsel and the Department of Justice executed a memorandum of understanding which permits VA to contract with private fee attorneys to foreclose portfolio loans (loans made by VA in connection with the sale of properties acquired after the foreclosure of guaranteed home loans previously made to veterans). Until recently, all such foreclosures were handled by the Department of Justice. A recent amendment to title 38, U.S.C., section 1830 authorizes the VA to use fee attorneys for this purpose. Exercise of this authority will reduce the Government's losses in certain cases.

In the area of school liability for overpayments resulting from failure to certify student enrollment status in a proper, timely manner, the Government continues to pursue collection efforts. Active investigation of potentially liable schools is ongoing. Cases previously submitted to the Department of Justice for enforced collection

have been resolved through successful litigation or favorable compromise and settlement. No judicial proceedings are now pending.

In the 1970s, the VA funded an education program for servicemen and women, by providing them with an opportunity to enroll in and pursue an education at an approved institution prior to their discharge from active duty with the Armed Forces. This program was known as Predischarge Education Program (PREP). After PREP was terminated in October 1976, the VA Inspector General audited several educational institutions which participated in the program and reported that, although the schools were not intended to make a profit on PREP, numerous educational institutions had unjustly accumulated surplus funds. The United States has sued on behalf of the VA to recover these surplus funds from several schools. It is expected that these claims will be scheduled for trial during the next fiscal year.

Medical care reimbursements have been collected from third-party tort-feasors, crime victims' programs, no-fault insurance, and workers' compensation plans. These amounted to \$21,659,957 in FY 1987, a \$4 million increase over FY 1986. Additional authority to collect from health insurance plans provided by Public Law 99-272 resulted in recoveries of \$23 million. The Office of General Counsel participated in the training of District Counsels, Department of Medicine and Surgery employees, and Office of Budget and Finance (Controller) employees to implement the new law at the beginning of FY 1987.

The Office of the General Counsel continued to monitor the pilot contract awarded to a private collection agency for the collection of VA health care costs under the workers'

compensation laws of California. The contract was renewed for the third and final year, after having collected \$245,000 during the first two years. Solicitations for a new contract are underway.

The number of medical malpractice claims under the Federal Tort Claims Act increased, with 983 new claims received during the fiscal year, as compared with 922 new claims in FY 1986. The amount paid on settlement of malpractice claims and suits also increased from the \$27,816,601 paid in FY 1986 to \$29,155,099. The amount paid out of the Department of Treasury judgment fund for VA malpractice suits resulting in judgments in FY 1987 was \$5,241,132. Agency funds paid out in settlement of administrative tort claims under \$2,500 equaled \$259,753, a slight increase over FY 1986.

FY 1987 was marked by significant increases in the workload involving legal actions related to procurement of construction, supplies, and services.

There were 217 new appeals filed with the VA Board of Contract Appeals (VABCA), and 19 cases appealed directly to the Claims Court. There are currently 212 cases pending before the VABCA. The Office also reviewed and concurred in approximately 40 post-award mistake-in-bid cases.

In addition to its continued participation in providing extensive procurement training of VA contracting and engineering personnel, the General Counsel's Office has taken the initiative in publishing a quarterly acquisition law update, which covers the entire gamut of acquisition issues, from pre-award through closing out the contract. These updates are circulated to the District Counsel offices, which in turn provide copies to the VA facilities in their jurisdictions.

General Counsel has continued to advise the Agency with respect to environmental issues. The recent reauthorization of the Superfund (for toxic waste cleanup) has resulted in the identification of approximately 10 hazardous waste dump sites for which the VA may become liable for cleanup costs. General Counsel has provided assistance in developing the Agency's position on such cleanup actions and has represented the Agency in these matters before the Environmental Protection Agency. This office has also assisted in the development of a proposed Agency program for dealing with continuing Superfund problems.

In FY 1987, the Office of the General Counsel was instrumental in restructuring the contractor debarment program which is administered by the Office of Procurement and Supply. The implementation of the new program brings the VA's program more closely in line with the debarment programs of the military services and other Government agencies. The Office of the General Counsel is also currently advising the Office of Procurement and Supply in the drafting of VA acquisition regulations, which would fully implement this restructured program.

In FY 1987, the Office of the General Counsel handled a substantial number of bid protests. These protests were distributed as follows: 75 protests filed with the General Accounting Office (GAO); 24 filed with the Agency; and 4 filed with the General Services Administration (GSA) Board of Contract Appeals. General Counsel's responsibilities in regard to bid protests consist of preparing bid protest reports to GAO on those protests filed with the Comptroller General, and reviewing and concurring in those prepared by the VA's Office of Procurement and

Supply; representing the Agency at GAO protest conferences; appearing before the GSA Board of Contract Appeals on protests involving the acquisition of ADP equipment and services; and assisting United States attorneys in defending contract actions in the United States District Courts and the United States Claims Court. In addition, there were 56 pre-award mistake-in-bid cases which this Office reviewed and concurred in.

Continued progress was made in the area of debt collection. During FY 1987, debts representing \$19,740,489 were referred to District Counsels. The total of cash collections in this program for FY 1987 was \$20,011,851. In addition, the authority for District Counsels to represent the Agency in debt collection litigation was increased in approximately 65 percent of the jurisdictions. District Counsels may now sue, in most jurisdictions, on debts up to \$5,000.

The Office of General Counsel has responsibility for interpreting and applying Federal information law to VA

operations. The General Counsel also assists the United States Attorney's Offices in defending the Agency in all stages of information law litigation. Such laws include the Freedom of Information Act (FOIA), the Privacy Act, and the VA's own records confidentiality statutes, title 38 U.S.C., sections 3301, 3305, and 4132.

Among the major Governmentwide information laws, one which has a substantial impact on the Veterans Administration is the FOIA. The FOIA requires that a report for each calendar year be submitted to Congress, describing the Agency's administration of the FOIA. The FOIA report for 1987 indicated that, of the large volume of FOIA requests handled by the VA in that year, the Agency did not grant 822 of them. Of those requests which were initially denied, 60 were appealed to the Administrator for the final Agency determination. The Office of the General Counsel prepares these FOIA appellate decisions for the Administrator's review and approval. A total of 16 appeals were granted in full, 21

were denied in full, and 23 were granted in part.

During FY 1987, the Office of the General Counsel made 920 final decisions regarding complaints of discrimination. Those decisions involved procedural questions of the acceptability of complaints for further investigation, as well as the substantive decisions involving the issue of the occurrence of discrimination. In addition, 118 cases referred to the Office of the General Counsel for final decision were remanded for further information or fact finding. During FY 1987, 250 decisions were received from the Office of Review and Appeals of the Equal Employment Opportunity Commission (EEOC) on appeals from decisions made by the Office of the General Counsel. Of those, 212, or 84.8 percent, of the VA decisions were upheld on either procedural grounds or substantive questions concerning the existence of discrimination. Also, the Office of the General Counsel processed an additional 200 employee appeals to the EEOC of final Agency decisions.

Office of the Inspector General

The Inspector General, in accordance with the Inspector General Act of 1978 (Public Law 95-452), directs an independent and objective organization whose purpose is to plan, organize, staff, direct, control, and report on audits and investigations of VA programs and operations; to recommend policies for the purpose of promoting economy, efficiency, and effectiveness and preventing and detecting fraud, waste, and abuse in VA programs and operations; to keep the Administrator and Congress fully informed about problems and deficiencies and the

necessity of corrective actions; and to provide leadership and coordination on complex audit and investigative matters.

During FY 1987, the Office of Inspector General (OIG) conducted a series of coordinated audits and investigations designed to identify opportunities to enhance the effectiveness, efficiency, and integrity of VA programs and operations. These audits and investigations highlighted the need for improvements in major VA program and operational areas such as delivery of medical care, loan guaranty, disability

payment controls, facility planning, and procurement.

The audits completed during this period resulted in recommendations for strengthened internal controls and pointed out the opportunity for potential program recoveries and cost efficiencies of over \$1.1 billion. The 876 investigations and hotline reviews completed during this period resulted in 266 criminal convictions and 264 administrative sanctions. Highlights of FY 1987 accomplishments follow:

Item	FY 1987	FY 1986	Percent Change
AUDIT ACTIVITIES			
Audit Reports Issued			
Internal	242	292	-17
External	124	154	-19
Costs audited in external audit reports	118	138	-14
	\$ 339.5 ¹	\$ 293.0	+16
INVESTIGATIVE ACTIVITIES			
Investigation cases closed	876	1,046	-16
Investigation cases accepted for prosecution	131	178	-26
Individuals/firms convicted	266	320	-17
Administrative sanctions	264 ²	195	+35
Potential cost recoveries, efficiencies, and fines from all audit reports and investigative activities ³	\$1,161.5	\$1,112.8	+4

¹ All dollar amounts are in millions.

² Includes administrative sanctions from hotline cases for FY 1987.

³ Category changed from FY 1986 (audit reports and investigative activities combined).

The above chart indicates that OIG productivity indicators, such as costs audited in external audit reports, administrative sanctions, and potential recoveries, cost efficiencies, and fines from all audit reports and investigative activities, were increased in FY 1987. Also, important program areas such as medical care delivery, loan guaranty, and selected employee integrity issues were given considerably more audit and investigative coverage in FY 1987 with significant results being achieved in these areas.

Throughout the year, the OIG also continued to focus on preventive measures and expanded use of current technology to further lessen the vulnerability of programs and operations to fraud, waste, and abuse. Some of the more significant examples of OIG preventive efforts are as follows:

- Continued an active awareness program to further develop a sensitivity in Agency employees as to their roles in promoting economy, efficiency, and effectiveness and preventing and detecting fraud in VA programs and operations. In this regard, the IG and his staff made a number of presentations to Agency management and employees to discuss this issue and disseminated awareness publications, such as an IG hotline pamphlet and IG report digests.
- Worked with Agency management on the submission of legislative proposals in specific areas that would impact on either economy and efficiency or the detection of fraud and waste in VA programs and operations. One such proposal concerned reducing

the amount that could be refinanced on a VA home loan.

- Reviewed 124 legislative and regulatory proposals, and made recommendations concerning the impact of the proposals on the economy and efficiency of VA programs and operations, or the prevention and detection of fraud and abuse.

The IG also serves as the Chairman of the Audit Committee of the President's Council on Integrity and Efficiency (PCIE), which coordinates the identification and conduct of joint Governmentwide audit projects carried out by the Federal Inspectors General. The committee is implementing a 2-year strategic planning package. Four PCIE audit reports were issued during the year, and 15 audit projects are ongoing.

Office of Budget and Finance (Controller)

Financial Management

The Office of Budget and Finance (Controller) has further strengthened its financial

services delivery by establishing a VA Finance Center in Austin, Texas. The Center uses

automated methods to pay 5.3 million vendor invoices, and has moved vigorously toward a

paperless system by having vendors bill 102,000 invoices electronically and by paying approximately 120,000 vouchers valued at \$115 million electronically.

The Office of Budget and Finance has moved aggressively in a number of cash management areas. A new lockbox funding fee system for collecting the one percent funding fee associated with VA guaranteed loans earned an estimated \$1 million in interest and reduced Agency handling costs. Agency imprest fund balances, used for cash advances, have been greatly reduced by the use of travelers checks and charge cards for employee travel and the use of third party drafts (bankchecks)

in lieu of cash for small purchases. The acceptance of credit card payments to the Agency is also being expanded to reduce reimbursement billing and collection costs. In addition, automated accounts receivable software was developed to improve the productivity of hospital billing and collecting for such items as reimbursable health care from third party insurers.

The PAID Redesign project has tested several innovative time and attendance recording possibilities this year, including electronic timekeeping using employee ID cards. A new project, called the Financial Management System (FMS), was proposed this year. The goal of FMS is to develop a

modern, automated, integrated, Agencywide financial management system by 1992. Such a system would greatly improve the ability to modify and enhance VA financial operating and reporting capabilities. Beginning in FY 1988, the Controller will use the new U.S. Standard General Ledger as an interim measure until FMS is complete.

Current systems are being enhanced, with approximately 25 projects using electronic transmission technologies which are transferable to future PAID Redesign and FMS systems. These "paperless" projects have the goal of eliminating the mailing and handling of approximately 7 million documents.

Resource Planning

Designed to implement budget planning and special analysis functions on behalf of the Controller, a new Resource Planning Service was established in FY 1987. Building on the work of the Manpower Service which it replaced, the new Service works closely with the departments and other Controller elements to support top-management decision-making in the budget formulation and justification process. This is accomplished by providing a structured process for analyzing the impact of workload, staffing, and dollar relationships in major VA programs, and identifying strategies for addressing resource needs in the budget, based on forecasts of future demand for VA services.

Much of this year's effort was directed toward supporting the Agency budget office in identifying and analyzing potential budget issues, resulting from actual or anticipated changes in resource relationships in major programs. Key analytic tools used for this purpose were internally developed management information systems, rudimentary forecasting models, and trend analysis. Recent efforts have also focused on the application of cost accounting systems and formulation of out-year trend data for selected workload categories. Enhancement of computer application capabilities has been, and continues to be, a high priority for improving analytic skill and forecasting accuracy.

Resource Planning Service carries out Agency responsibility for the Federal Productivity Measurement Project, a Governmentwide productivity measurement system maintained by the Bureau of Labor Statistics in the Department of Labor. Given its manpower and industrial engineering expertise, Resource Planning also provides technical assistance to Agency organizations in management engineering, organizational alignment, staff utilization, and performance measurement systems. Assistance has also been provided from time to time on interagency projects and requests for advisory assistance from other Federal agencies.

Board of Veterans Appeals

The Board of Veterans Appeals is a statutory board created in 1933 that has final appellate authority over all claims for VA benefits, except insurance. Appeals in insurance cases involving contracts may be taken into Federal courts after

administrative remedies are exhausted.

Under a Chairman and Vice Chairman, there are two Appellate Groups, each of which is headed by a Deputy Vice Chairman. Twenty-one

Board Sections, each with three members (two attorneys and a physician), are divided between the Appellate Groups. Staff attorneys review appeals, conduct research, and prepare tentative decisions. In addition to physicians in the Board

Sections, additional medical advisers provide expertise in areas such as cardiology, neurology, and psychiatry. Appointments of the Chairman, Vice Chairman, Deputy Vice Chairman, and Board Members are made by the Administrator with the approval of the President.

A claimant for VA benefits who is not satisfied with the determination made by a field station may file a written notice of disagreement. If, after reviewing the case in light of the claimant's disagreement, the field station is not able to grant the benefits sought, it sends the appellant a statement of the case. This statement outlines the issue, the evidence of record, the pertinent laws and regulations, and the reason for the decision. If the appellant, after reading the statement of the case, still disagrees with the field station, he or she may submit an appeal to the Board of Veterans Appeals (BVA). The field station will again review the case, and, if they are still unable to resolve the appeal to the satisfaction of the claimant, the field station will certify the case to the BVA for review and final decision.

During FY 1987, the BVA produced a total of 41,296 appellate decisions.

Timely action on appeals is a major objective of the BVA. To measure how well the timeliness objective is being met, the Board employs two indicators. The first is processing time. Processing time is a simple measure of all time that elapses between when an appellant first files a notice of disagreement and when a BVA decision is rendered. Included in this time period are various appeals processing stages accomplished at the field station level, as well as procedural steps that are the responsibility of the individual appellant.

The second measure of the Board's timeliness is BVA response time on appeals. Response time on appeals is a more future-oriented timeliness indicator, and it is limited in scope to the appeals processing steps that are the responsibility of the BVA. By taking into account the Board's most recent appeals processing rate and the currently pending volume of appeals that have completed the field processing stages and are awaiting BVA action (i.e., both at the BVA and in field stations), BVA response time predicts the average time that will be required to render decisions on that same group of pending appeals.

Despite the staffing shortages that existed during the first half of the fiscal year, both processing time and BVA response time were maintained at reasonable levels during FY 1987. Overall average processing time on appeals was 413 days at the end of FY 1987, up slightly from 398 days at the beginning of the year. The average BVA portion of this overall processing time was 130 days. BVA response time on appeals was 128 days as of the end of FY 1987, roughly equivalent to the FY 1986 end-of-year response time of 130 days.

New appeal filings for FY 1987 totaled 63,570, in comparison to the FY 1986 level of 63,850 and the FY 1985 level of 63,045. This figure supports projections that the overall appeals workload will be relatively stable throughout the foreseeable future. Representatives of BVA continued to work closely with the Department of Veterans Benefits over the past year to improve the systems used to monitor and control the flow of appeals to the Board. The goals of these efforts are to produce more timely and reliable field appeals workload projections, and to retain effective due process controls, while minimizing additional

workload requirements on DVB field staff. Some comparative workload statistics for FY 1987 appeals activities are provided in the accompanying table.

The Board continued to focus on and intensify the efforts of its Quality Review program during FY 1987. As the BVA and its production have grown over the past several years to meet the increased demands placed on it by VA appellants, it has become more difficult to ensure that high standards of quality and consistency are retained among Board Sections in their treatment of veterans' appeals. Consequently, the Board's Quality Review program has been organized to fulfill the following specific objectives: (1) to ensure that all appellate decisions will meet the Board's standards of substantive accuracy and legal sufficiency; (2) to ensure that all written decisions convey the Board's findings clearly and effectively with compassion and sensitivity towards veterans and their dependents; and (3) to ensure that a certain level of consistency is maintained among decisions and Board Sections, while still preserving the Board Members' decision-making independence.

Organized under the offices of the Board's Deputy Vice Chairmen, the Board's quality review program is a multi-tiered operation. After a signed decision leaves a Board Section, but prior to its dispatch from the Board, it is forwarded to the Appellate Index and Review System (AIRS) Section, where it undergoes editing and examination by a rotating group of predominately junior attorneys who form the first level of the quality review structure. Any decision that appears to contain a defect is withdrawn from the normal processing flow and directed to the next level of quality review. This level is staffed with select senior attorneys, who will analyze in depth each decision referred to their attention.

Appellate Processing	FY 1987	FY 1986
Appeals pending, start of period	59,999	56,826
Undocketed, in field stations	45,737*	44,145
Docketed, in BVA	14,262	12,681
Notices of disagreement filed during period	63,570*	63,850
Settled in field stations	28,119*	27,305
Allowed	7,811*	7,585
Closed	13,747*	13,349
Withdrawn	6,561*	6,371
Submitted to BVA	34,368	33,372
Decided by BVA	41,296	42,003
Allowed	5,270	5,362
Remanded	8,564	7,897
Withdrawn	568	526
Denied	26,894	28,218
Appeals pending, end of period	61,082	59,999
Undocketed, in field stations	46,625*	45,737
Docketed, in BVA	14,457	14,262
Summary		
Number of final dispositions	60,851*	61,411
Percentage of final dispositions		
Allowed	21.5%	21.1%
Closed	22.6%	21.7%
Withdrawn	11.7%	11.2%
Denied	44.2%	46.0%
Processing Times (calendar days)		
Notice of disagreement to statement of the case	54	54
Statement of the case to substantive appeal	57	55
Substantive appeal to the BVA	172	183
Processing time through the BVA	130	106
TOTAL	413	398

* Portions of field appeals workload data estimated for FY 1987

Decisions with minor or nonsubstantive errors are returned to the initiating Board Section for correction and returned to the normal processing flow. Decisions that appear to be substantively flawed or that contain any significant error are forwarded to one of the Board's two Deputy Vice Chairmen (DVCs), who constitute the highest level of quality review. Any issues that remain will be resolved between the DVCs and the Chief Members of the originating Board Section.

Interest in formal personal hearings before the Board continued at a high level in FY 1987. There were 1,857 formal

hearings conducted during the past year. Of these, 1,192 were held in Washington, D.C., and the remaining 665 were held before traveling sections of the Board sitting in 51 different field stations. In addition, over 10,000 hearings on appealed cases were held in the field before regional office personnel acting on behalf of the BVA. When a formal hearing is not feasible, an appellant may elect to have an informal hearing entered on his or her behalf. Informal hearings consist of written briefs presented in Washington by appellant representatives who most frequently are affiliated with veterans service organizations. A total of 28,994 informal hearings were entered during

the past year.

The number of appellants who choose to be represented by one of the veterans service organizations remains at a high level. Reports indicate that 87.5 percent of the appellants for whom decisions were entered during FY 1987 chose to be represented by one of the accredited service organizations, roughly 1.7 percent elected to be represented by attorneys or agents, and the remaining 10.8 percent pursued their appeals without representation. The proportion of appellants handling their appeals with no representation has declined steadily over the past decade,

from a high of around 20 percent to the current low of approximately 10 percent.

Appellants, veterans service organizations, Congress, and other case advocates continued their high levels of interest in claims for disabilities involving Agent Orange, exposure to ionizing radiation, post-traumatic stress disorder (PTSD), and incarceration as prisoners of war. The Board of Veterans Appeals handles each of these categories of appeals as a specialty area and assigns appeals received in these categories only to Board Sections designated to handle them. The BVA remains very active in its liaison and coordination with organizations, both internal and external to the VA, who are involved with research in any of the special category appeal areas. In addition, Board members and key senior attorneys attend conferences and symposiums on Agent Orange and PTSD. This permits the Board to maintain expertise in these sensitive areas and to ensure consistency in the application of laws and regulations. In addition to monitoring special

interest categories of appeals, the Board regularly tracks other statistical points of interest relative to its appeals activities.

The Freedom of Information Act requires the Board of Veterans Appeals to produce an index of its final decisions on appeals and to make the decisions available to the public. Developed in compliance with the Act, the microfiche BVA Decision Index I-01-1 is produced quarterly with an annual cumulative edition. BVA decisions, stripped of personal identifiers, are microfilmed. Appellants and others interested in decisions of the Board are able to check the Index to locate specific types of cases; copies of the decisions may then be requested. At the end of FY 1987, the BVA Decision Index covered the period of July 1, 1977, through September 30, 1987, and included approximately 380,000 decisions.

The Board also has a basic system of finding aids for its Research Center, called VADEX/CITATOR. All documents received by the Research Center since January 1980 that are of interest to the

Board's professional staff are indexed in Part I of VADEX/CITATOR. Part I includes public laws, VA regulations, VA circulars, VA administrative issues, unpublished and published General Counsel opinions, BVA subject files, Agent Orange and radiation files, and miscellaneous materials. Part II of VADEX/CITATOR includes chronological histories of hundreds of VA regulations. In conjunction with Part II of VADEX/CITATOR, the Board also preserves the historical text versions of these regulations on updatable microfiche, thus providing an easy means of researching a regulation back to its origins.

As amended by Public Law 98-223, title 38 U.S.C., section 4001(c)(3), directs the Administrator of Veterans Affairs to provide an annual report indicating, in terms of full-time employee equivalents, the number of temporary Board members and acting Board members designated by the BVA during the preceding year. Twenty-seven attorneys served in the capacity of acting Board member at various times during FY 1987 for a total of 2.6 FTEE.

Medical Specialty	Number of Advisory Opinions Requested	
	FY 1987	FY 1986
All Specialties	138	191
Number requested for:		
Appellate consideration	129	183
Reconsideration	9	8
Internal Medicine		
General	4	12
Cardiovascular	25	42
Gastroenterology	9	10
Pulmonary Diseases	5	3
Surgery		
General	1	1
Orthopedic	8	18
Thoracic	0	0
Otolaryngology and Ophthalmology	13	14
Psychiatry	28	28
Neurology - medical and/or surgical	20	26
Pathology - medical and/or surgical	1	9
Other	24	28

Eleven physicians served as acting Board members during this same period for a total of 4.5 FTEE. No temporary Board members were used during FY 1987. The procedural controls requiring the Chairman's written quarterly designation of acting Board members remain in effect to ensure adherence

to the statutory requirements in this area.¹

Other professional support available within the VA included advisory medical opinions from the Chief Medical Director and legal opinions from the General Counsel. In addition, under the

authority of title 38 U.S.C., section 4009, the Board requested 138 opinions from independent medical experts who were not VA employees. The table on the preceding page shows a breakdown of the medical specialties covered by these opinions.

Board of Contract Appeals

The Board of Contract Appeals was established by the Administrator of Veterans Affairs in 1979, pursuant to the Contract Disputes Act of 1978. One of 12 such boards in the Federal Government, it is a statutory, quasi-judicial tribunal that hears and decides appeals from decisions of contracting officers relative to VA contracts for construction, supplies, and services. Decisions of the

Board are final within the VA, but may be appealed to the United States Court of Appeals for the Federal Circuit.

In FY 1987, the Board of Contract Appeals was composed of 6 administrative judges and 8 legal, administrative, and secretarial support personnel, for a total of 14 employees. There were 217 cases added during the

fiscal year, and the Board disposed of a record 230 appeals. At the close of FY 1987, there were 212 appeals remaining on the Board's docket, a reduction of 5 percent from the number of appeals remaining at the end of FY 1986. Approximately 90 percent of the appeals received by the Board during the year were related to construction contracts.

Office of Personnel and Labor Relations

Personnel Management

According to the VA's Mission and Goals statement, the Agency's "People" goal is "to ensure the people of the Veterans Administration receive quality leadership, adequate compensation, decent working conditions, necessary training and education, equal opportunity, and earned recognition." The Office of Personnel and Labor Relations (OP&LR) works to support this goal and the goals and objectives developed by the Departments of Medicine and Surgery, Veterans Benefits, and Memorial Affairs. The Office of Personnel Management (OPM) has rated the VA's personnel management program operations as first in overall effectiveness among the 22 largest Federal agencies. OPM found that the VA's personnel staff-to-employment ratio of 1:112 was the best among agencies studied. By

comparison, the Governmentwide average was 1:69. The VA's cost of providing personnel service of \$234 per employee was less than one-half the Governmentwide average.

During FY 1987, the VA undertook the following initiatives in the area of personnel management:

- The Office of Personnel and Labor Relations, in cooperation with the Department of Medicine and Surgery (DM&S), continued its efforts to develop procedures and policies to ensure that only well qualified and suitable health care professionals are employed by the VA. Toward this end, two new application forms were approved by the Office of Management and Budget and published during 1987. One form is for use

by registered nurses and nurse anesthetists and the other by residents. Like the new application form for physicians, dentists, podiatrists, and optometrists, which was issued in 1986, these forms obtain much more detailed information on the professional credentials and licensure status of applicants. The additional information will allow more thorough screening of credentials by selecting officials. In a related effort, the importance of applicant screening has been emphasized to personnel officers, and training in screening techniques has been made available to Agency personnel specialists.

- The VA implemented a performance management plan for employees covered by the Per-

¹ This information is included in compliance with section 4001(c)(3), title 38, U.S.C.

formance Management System (PMS). In the VA, this system covers approximately 160,000 non-Performance Management Recognition System (PMRS), non-Senior Executive Service (SES), and non-Title 38 employees. The plan addresses performance appraisals, quality-step increases, performance awards, and acceptable level of competence determination in conjunction with granting or denying within-grade increases.

- The VA implemented the new Federal Employee Retirement System (FERS). This new system consists of three components: Social Security, a fixed annuity, and a Thrift Savings Plan. The

implementation included the identification and training of decision advisers to assist over 160,000 VA employees, who had to select between remaining in the old retirement system or switching to FERS during the July 1 through December 31 open season. In addition, two open seasons were held allowing employees to begin, terminate, or change their participation in the Thrift Savings Plan.

Other activities undertaken in FY 1987 included the following:

- Completing Federal Wage System surveys in 25 areas and issuing pay schedules applying to all Federal Wage System employees in those areas.

- Conducting personnel management evaluation reviews at 36 VA field facilities. All major personnel management programs were reviewed during site visits to ensure general program effectiveness. Special emphasis was placed on monitoring programs and providing assistance in such operational areas as classification; position management; performance management and recognition; compliance with legal, regulatory, and merit system requirements; equal employment opportunity; and the effectiveness of local personnel management evaluation programs.

Staffing

During FY 1987, the VA's national recruitment program efforts focused on filling vacancies in shortage category occupations which are vital to the Agency's medical care programs, such as nurses, pharmacists, and physical therapists.

The OP&LR developed and placed recruitment advertisements in professional publications. These advertisements featured a toll-free telephone number through which potential applicants could obtain information on VA employment opportunities nationwide. OP&LR personnel attended national conventions and coordinated VA representation at State and local recruitment events to disseminate employment information and to discuss related issues. Additionally, an active college liaison program exists which includes participation in campus recruitment programs.

In an effort to compile information assessing recruitment and retention trends in selected health care occupations, the OP&LR conducted a Survey of Health Occupational Staff. This survey, which covered the FY 1986 staffing situation, generated for the first time comprehensive data about local staffing conditions at VA medical centers and outpatient clinics. Agency officials are using this information in responding to DM&S's health care personnel needs. A similar survey will be conducted to collect data on VA's FY 1987 staffing experience.

During FY 1987, the VA Special Examining Unit (SEU), located in Richmond, Virginia, added five additional occupations to its examining authority. These occupations included corrective, educational, manual arts, recreation, and creative arts therapists. In addition, the existing delegation for DM&S

psychologist positions was extended to include DVB. Approval was also obtained to add another occupation, librarians, in early FY 1988. The SEU now has examining authority for a total of 14 occupations and also provides placement services for physicians and dentists.

As an integral part of its efforts to maintain adequate staffing for key occupations, the VA continued to make use of special salary rates and appointments above the minimum pay rate. In FY 1987, the VA:

- Authorized 353 new or increased special salary rates for DM&S employees in health care occupations in response to staffing problems at VA medical centers. Most prominent among these occupations were registered nurses (14 new and 102 increased authorizations), pharmacists (56 new, 25 increased), and licensed

practical/vocational nurses (12 new, 24 increased).

- Continued the practice of systematically reviewing all existing authorizations for special salary rates for DM&S General Schedule health care employees, as well as for registered nurses, nurse anesthetists, and police officers.
- Continued to make appointments above the minimum rate of the grade

for licensed physical therapists, certified or registered respiratory therapists, licensed practical/vocational nurses, and DM&S health care personnel who provide direct patient care services or services incident to direct patient care.

The annual review of OPM-authorized special salary rates for recruitment and retention was completed for FY 1987.

The review covered four local authorizations for clerical employees, two for engineering and architectural employees, and one covering General Schedule physicians.

To improve the recruitment and retention of clerical staff in the Washington, D.C. Metropolitan area, the VA was delegated authority by OPM to conduct the clerk-typist/clerk-steno examinations.

Employment of Veterans

The VA has consistently been one of the major Federal employers of veterans. In FY 1987, a total of 14,275 veterans were added to the VA rolls; this represents 20 percent of all newly hired employees. As of September 30, 1987, 5 percent of all VA employees were disabled veterans and 20 percent were Vietnam era veterans. Sixty percent of all male and female veteran employees served during the Vietnam era; 12 percent of these Vietnam era veterans were disabled. At the end of the fiscal year, the VA employed 8,152 female veterans and females with veteran preference. The Agency ranks among the Federal leaders in employment of women with military experience.

The VA has made extensive use of the Veterans

Readjustment Appointment (VRA) authority to recruit and train eligible Vietnam era veterans to meet a broad range of the Agency's staffing needs. The Agency continues to rank among the Federal leaders in the use of this authority. The VA has hired over 90,000 Vietnam era veterans under this authority since it was established in April 1970. This represents more than a third of the VRA appointments made throughout the Federal Government. During FY 1987, a total of 3,700 veterans were appointed to permanent positions, and over 3,000 were hired to meet short-term staffing needs.

The VA hired over 970 veterans under an authority which permits Federal agencies to noncompetitively appoint veterans with service-connected disabilities of 30

percent or more to positions for which they qualify.

Many Vietnam era veterans serve in VA jobs where they meet, work closely with, and provide services to other Vietnam era veterans and their families. Over 63 percent of veterans benefits counselors and 81 percent of the readjustment counseling specialists are Vietnam era veterans. Vietnam era veterans also account for 26 percent of all Visual Impairment Services Team (VIST) coordinators and 26 percent of the rehabilitation technicians. In addition, among the first VA representatives a patient may encounter are the medical administrative assistants in medical center admission areas, 33 percent of whom are Vietnam era veterans.

Labor - Management Relations

During FY 1987, 17 different unions represented more than 166,000 VA employees; these labor organizations were very active. In addition to individual facility recognitions, the four largest unions also have

consolidated their activities into "national-level" bargaining units. By law, these four unions have collective bargaining rights over national-level Agency policies and issues of Agencywide concern. They

continue to be especially active in the areas of ensuring safe working conditions and monitoring the Agency plans to implement OMB Circular A-76, which concerns contracting out.

Executive Development and Training

The primary component of VA's executive development

efforts is Leadership VA, a program for 60 outstanding

managers at middle and senior levels who are competitively

selected. During FY 1987, the OP&LR conducted three one-week seminars. The participants studied the programs and administration of the VA; the various political, social, and economic influences which have an impact on the Agency; and the nature of leadership.

Training was provided directly to 780 employees by the OP&LR. This included seminars for personnel officers, eight specialized courses for personnel specialists, three executive forums, one policy and legislation seminar, and one labor relations seminar. Work was also begun on a VA-

wide training needs assessment to identify training needs of VA executives, managers, and supervisors. The results of the assessment will be used to help design our training programs in FY 1988 and beyond.

Employee Recognition

One aspect of personnel management in the VA is ensuring that the accomplishments of employees are duly recognized. Through the Agency's incentive awards program, employees are rewarded for superior performance, special contributions, and ingenuity which has led to tangible or intangible savings to the Government through the suggestion program, and with special honor awards established by the VA and outside sponsoring organizations. Highlights of the FY 1987 program are as follows:

- The Ninth Annual Olin E. Teague Award for achievements of special benefit to veterans with service-connected injuries was awarded to Donald C. Tisch, Supervisory Counseling Psychologist, VA Regional Office, San Diego, California, for his tireless efforts in establishing a career development center for disabled veterans in the San Diego area. The center is the first of its kind in the country.
- The Annual Administrator's Hands and Heart Award recognizes DM&S employees who provide exceptional and compassionate direct patient care. This year, 157 medical facilities each nominated a special employee to receive this honor.
- The winners of the 1987 Sam Rose Awards were Bobby C. Baker, VA Medical Center, Long Beach, California, in the general accomplishments category for his compassion and concern for veterans and their families, and Juris A. Ciemins, Vocational Rehabilitation Specialist, VA Regional Office, Cleveland, Ohio, in the specific accomplishment category for establishing a remedial reading program for disadvantaged veterans. In addition, Eugene L. Payne of the Louisville, Kentucky, Regional Office was awarded the Administrator's Commendation as runner-up in the specific accomplishment category for providing assistance to homeless veterans and their dependents.
- Raymond J. Vogel, Chief Benefits Director, Department of Veterans Benefits, received the Department of Treasury's Award for Distinction in Credit Management/Debt Collection, and the Systems Design Team at the VA Data Processing Center, Austin, Texas, received a group award in the Department of Treasury's Cash Management category of the same award program.
- George M. Moore, Jr., Staff Assistant to the Director, VA Medical Center, Cleveland, Ohio, was VA's 1987 Outstanding Handicapped Employee of the Year. Mr. Moore was also 1 of 10 Federal employees selected by the Office of Personnel Management as a national winner.
- David B. Van Hooser, Director, Medical Information Resources Management Office, DM&S; and H.K. Tyler, Jr., Chief, Textile Care Division, DM&S, were winners of the General Services Administration's 1987 Excellence in Administration Awards for their outstanding achievements in administrative management and their direct impact on Agency functions.
- The Government Employees Insurance Company (GEICO) selected John L. DeSmet, Chief, Alcohol Dependency Treatment Program, VA Medical Center, Roseburg, Oregon, as their 1987 Public Service Award winner in the Alcoholism category for his outstanding achievement and contributions in alcoholism treatment and prevention.
- Suggestions and other achievements by VA employees contributed to a savings of over \$10 million to the Federal Government. High-level performance was recognized with 28,320 superior performance awards, and 4,249 quality-step increases were granted to employees with Outstanding ratings. Performance awards were granted to 3,073 PMRS employees. The Agency also granted 10,569 special contribution awards. Ninety-eight executives were given SES performance awards in recognition of their individual and organizational accomplishments.

Office of Equal Opportunity

The Office of Equal Opportunity (OEO) operates equal employment opportunity and affirmative action (AA) programs which emphasize the hiring, placement, and advancement of women, minorities, handicapped individuals, and disabled veterans. The effectiveness of these programs is measured, in part, by the changes which occur in the Agency's EEO work force profile. Aggressive

use of EEO/AA programs and related management practices enabled the VA to maintain its positive image as an equal opportunity employer.

Throughout FY 1987, OEO continued to support the employment and advancement of minorities, women, physically impaired individuals, and disabled veterans. In addition, increased emphasis was placed on improving the

administrative processing of discrimination complaints, resulting in a substantial decrease in the number of active complaints by the end of the fiscal year.

Affirmative Action

The Veterans Administration continued its role as one of the leaders among the Federal departments and agencies in the employment and advancement of women, minorities, and persons with physical and mental impairments.

The total employment of women in the VA reached 54.5 percent, compared with 38.1 percent for the Federal work force as a whole. Women comprised 52.7 percent of all accessions, occupied 38.2 percent of all supervisory positions, and received 53.2 percent of all promotions. Seventeen percent of all Agency GS/GM-13 and above positions were held by women, a 1 percentage point increase from the previous year.

Women continued to move into positions of leadership and authority.

- Nearly 5 percent of all Agency positions in the Senior Executive Service were filled by women;
- Women occupied the positions of Associate Deputy Administrator for Logistics and Executive Officer to the Administrator, among the highest ranks ever held by women in the VA;

- Twelve women served as Directors of VA medical centers or regional offices, fifteen served as Associate Directors, five served as Chiefs of Staff; and
- Eighteen percent of all physicians in the Agency were women.

Women also are becoming commonplace in such nontraditional occupations as engineers, electricians, plumbers, and painters.

During FY 1987, women represented 63 percent of the participants in the Upward Mobility Program. Agency attention has now turned toward executive development and other programs that will help to increase the representation of women in positions of Agency leadership.

During FY 1987, minorities held 69,908 (33 percent) of the 210,506 full-time and part-time permanent positions in the Veterans Administration. This represents an increase of over 900 minority employees as compared to FY 1986. Significant gains were realized by minority groups as follows:

- Hispanic employment increased by 336 positions, from 4.42 to 4.56 percent of the work force;

- Employment of Asian Americans/Pacific Islanders increased by 496, to 6,644 or 3.16 percent of the work force (up from 2.93 percent);

- American Indian/Alaskan Natives increased from 1,092 (0.52 percent) to 1,161 (0.55 percent) positions in the work force; and

- Blacks increased from 52,492 to 52,509 positions in the work force. This represents a decrease in the percentage of black employees from 25.05 percent to 24.94 percent of the VA workforce. However, this figure is still double the percentage of blacks in the population as a whole.

A gradual movement of minorities to the upper grade levels continued. From 1986 to 1987, the percentage of minorities increased from 16.5 percent to 16.9 percent in GS/GM-13 through 15 grade levels, and from 9.5 percent to 10.47 percent in GS/GM-16 through 18 grade levels. Concerted efforts were made to ensure the inclusion of minorities in training and career development activities.

Minorities accounted for 32.03 percent of the promotions, and 33.3 percent of the accessions.

Handicapped Individuals and Disabled Veterans

As is fitting, given the Agency's mission, the VA is committed to a leadership role in providing employment opportunities for individuals with disabilities, including veterans, and has encouraged greater use of special appointing authorities and other initiatives. During FY 1987, the VA hired nearly 4,800 handicapped individuals, increasing the representation of employees with handicaps to 21,737. The noncompetitive appointment authority was used to hire 973 disabled veterans with 30 percent or more service-connected disability, an appreciable increase from the previous year. More than 400 persons in the mentally restored category were hired. The VA Regional Office, Los Angeles, California, was selected by the National Mental Health Association and the President's Committee on Employment of the

Handicapped for the 1987 Public Sector Mental Health Employer of the Year Award.

The number of disabled veterans employed by the VA increased from 12,015 on September 30, 1986, to 12,408 on September 30, 1987. The number of disabled veteran employees with 30 percent or more service-connected disability ratings increased from 3,977 to 4,339; and the number of disabled Vietnam era veteran employees increased from 8,344 to 8,842 during the same period.

VA emphasized not only the employment of persons with disabilities but also their training, advancement, and recognition. During FY 1987, over 2,600 employees with disabilities received promotions; 5,694 received incentive awards; and 2,708 received outstanding performance ratings.

Employees with disabilities also were well represented in training classes, including programs for executive and management development. Special equipment and devices were purchased to accommodate the needs of handicapped employees. Over \$2.9 million was allocated to ensure that VA facilities were accessible and useable by persons with disabilities. With participation from the Office of Personnel Management, the VA developed and produced a videotape, "A Little Accommodation," to illustrate how worksite accommodations have allowed disabled persons to be productive employees.

In FY 1987, the VA was a cosponsor of a national conference in Washington, D.C., on the employment of persons with disabilities. The conference was attended and well received by over 300 persons.

Discrimination Complaints

The incidence of new discrimination complaints, while increasing about 10 percent to a rate of 3.4 complaints per 1,000 employees, continued at roughly one-half the Governmentwide rate. Notwithstanding the increase, the number of active complaints - referred to as the complaint "inventory" - fell by 19.4 percent and, as of September 30, 1987, stands at 1,036 cases. The decline is the largest annual percentage decrease noted since 1983 when the inventory stood at almost 1,800 cases. The current level, except for cases awaiting Equal Employment Opportunity Commission hearing (over which VA has no control), is equal to a one-year intake of new complaints; this is considered

normal.

To further improve the administrative processing of a VA complaint (787 days in 1985), the Administrator set a goal that the processing of a complaint filed on January 1, 1988, would be completed within 200 days - a target no major Agency has achieved. Processing figures as of September 30, 1987, indicate this goal will be met or even exceeded.

A marked decrease in the elapsed time from assignment of complaints to investigation was the greatest contributor to this advance. On the average, complaint investigations now begin within 21 days of acceptance, as contrasted to as long as four years in the past. At the end of the fiscal

year there was no backlog of cases awaiting assignment; a year earlier the backlog had consisted of 115 complaints.

Increased emphasis on informal resolution of complaints also was an important factor. An innovative "train-the-trainers" approach to training of equal employment opportunity (EEO) counselors was developed and implemented during the year, thus providing more effective and timely training of VA's approximately 900 counselors at a greatly reduced cost. This training, now operational, is anticipated to result in fewer formal complaints in the future. During the year, the number of formal complaints voluntarily withdrawn or settled increased significantly.

This encouraging development is reflective of intensified efforts on the part

of management to reach an amicable accommodation with its disgruntled

employees.

Office of Intergovernmental Affairs

The basis for the establishment of the Office of Intergovernmental Affairs was the March 20, 1981, Presidential memorandum to Cabinet Secretaries and agency heads, addressing the importance of positive intergovernmental relations and encouraging the formation of intergovernmental affairs organizational units within each agency.

The Veterans Administration Office of Intergovernmental Affairs (IGA) was created in October 1983. The Office was designed to serve as the principal Central Office point of contact and liaison with Federal, State, and local government officials on intergovernmental affairs issues within the VA.

The mission of the VA's Intergovernmental Affairs Office is to develop and strengthen a positive, proactive, and cooperative working relationship between the VA and Federal, State, and local Government officials and key State associations; to work in partnership with other VA departments, staff offices, and field facilities to support their programs and their State and Federal outreach efforts; and to ensure Agency awareness of Federal regulations affecting intergovernmental affairs activities.

As a separate staff office within the Agency, IGA works to ensure an awareness of State and local government interests and viewpoints; to inform State and local officials of major VA developments; and to intercede to resolve conflicts between the VA and Federal, State, and local government officials on matters that could adversely affect the Agency's

credibility or its ability to deal effectively with these entities. IGA also strives to produce a communication channel and flow of information from the States to VACO to provide early knowledge of State actions and concerns, issues, and supporting programs. The Office also assists in the coordination of intergovernmental affairs activities that cross VA organizational lines, assists the Administrator and key VA officials on intergovernmental affairs policy and program issues, and promotes the enhancement and development of strong Federal/State partnerships to better serve the Nation's veterans.

In FY 1987, IGA has continued to strengthen its contacts and liaison with the White House Intergovernmental Affairs Office and other Federal and State officials and associations in an effort to support Agency positions on current veterans' affairs and to represent them effectively at State associations and meetings. Special emphasis was placed on increasing outreach - telephone, written, and personal contacts - with Federal, State, and local agencies. Highlights of FY 1987 included active involvement in Federal interagency task forces and meetings, and expanded participation in, and attendance at, the Mid-Winter and Annual Conferences of the National Governors Association, the National Conference of State Legislatures, and the American Legislative Exchange Council (ALEC) State legislators conference. VA participation in these conferences and meetings

permitted the Agency to present veterans' issues to an important group of State officials. It also provided the opportunity to promote a better understanding of the mission and goals of this Agency, and to share information on the high quality of VA services provided to veterans nationwide.

Throughout FY 1987, IGA has continued to maintain an active role as the VA's prime liaison with the Office of Management and Budget on all Executive orders and OMB Directives involving intergovernmental activities within the Agency. Since February 1, 1987, this Office has also accepted the responsibility of coordinating presidential and private sector initiative programs. Some of these include the presidential greetings program for VA medical center patients over 80 years of age; liaison with the White House on meetings, photo opportunities and presidential messages; and Operation Care and Share.

As in past years, the Office of Intergovernmental Affairs coordinated the VA's 1987 effort to observe and promote "National POW/MIA Recognition Day." With the cooperation and support of the Office of Administration, as well as the Departments of Medicine and Surgery, Memorial Affairs, and Veterans Benefits, the VA once again took a prominent role throughout the Nation in supporting the desires of the President and the Congress to honor all American former-POWs, those servicemen and civilians still listed as missing-in-action, and their families, on this special day of recognition and respect.

Associate Deputy Administrator for Congressional Affairs

The Office of Congressional Affairs continues to support the VA mission of providing benefits and quality services to America's eligible veterans by serving as a liaison between VA program officials and the White House, members of Congress and congressional committees, and their staffs.

The Office of Congressional Affairs serves as the Administrator's principal representative to the Congress on VA and administration policy and legislative issues. Two Congressional Liaison Service offices, located in the Hart and Rayburn Office Buildings on Capitol Hill, are responsible for providing immediate responses to inquiries of members of Congress.

During 1987, the Office of Congressional Affairs increased its coordination with the Office of the General Counsel in furnishing technical guidance and expertise to members of Congress and committee staff in the preparation of legislative initiatives affecting the VA. Assistance was also provided by the Office in the formulation and imple-

mentation of legislative and policy strategy, and in the preparation and presentation of VA witnesses and testimony before, during, and after congressional hearings. The Office also increased its role in the facilitation of congressionally requested policy meetings between Agency officials and members of Congress, committees, and staff.

The House and Senate Congressional Liaison Services provided more than 143,000 written and telephone responses to constituent inquiries in FY 1987, in addition to having daily personal contacts with members of Congress, their staffs, and their constituents.

The Office monitors, analyzes, and reports to all VA officials the developments and status of pending legislation affecting veterans and the VA. The Office also advises the Administrator and VA officials of the political and parochial implications of major VA activities and initiatives.

In January 1987, the Office of Congressional Affairs

assumed responsibility for the VA's Partnerships-in-Education Program with the District of Columbia's Eastern High School. The Office coordinates a variety of programs for the benefit of Eastern High students, including a noontime tutoring program, a Toastmasters Club, life skills assistance, and a health careers program. In October, a video project encouraging students to consider health care careers was begun with the assistance of the St. Louis, Missouri; Denver, Colorado; and Washington, D.C., VA Medical Centers.

The Office of Congressional Affairs chaired the D.C. Committee for Employer Support of the National Guard and Reserve. This committee, whose members represent various departments and Federal agencies, was established to promote interest in and employer awareness of the National Guard and Reserve. At the request of the committee, statements of support for the Guard and Reserve were signed by the heads of every Federal department and independent agency.

Associate Deputy Administrator for Public Affairs

In FY 1987, the primary mission of the Office of Public Affairs (OPA) was to support the delivery of VA benefits and health care through information programs aimed at veterans, dependents, veterans organizations, the general public, and employees, utilizing both mass and specialty media. OPA also produced internal publications, responded to consumer concerns of veterans and dependents, and supported the VA's 34 Federal advisory committees.

Substantial public and media interest during the year

centered on numerous health care issues which affect not only the VA but most sectors of America's medical practice. The public nature of the VA system - the largest in the free world - frequently attracts interest on the basis of reports, studies, and other analyses generated by the Agency itself and other organizations.

OPA initiatives in telling the VA medical research story included national publicity for three major cooperative studies: cochlear implants, AIDS/AZT drug testing, and a new heart drug. National

radio networks and wire services provided coverage of the DM&S tissue regeneration research program.

Regional OPA offices arranged meetings with the Administrator, Deputy Administrator, Chief Medical Director, and the editorial boards of top daily newspapers, including the *Los Angeles Times*, *New York Times*, *Christian Science Monitor*, *Boston Globe*, *San Antonio Star-Telegram*, and *Chicago Tribune*.

News releases, media interviews, press

conferences, and other forums gave visibility to VA involvement in such diverse health care areas as physician licensure and credentialing, private sector cost comparisons, treatment of AIDS patients, and surgical mortality rates. Actions by OPA ensured the communication of accurate and relevant VA data coupled with references to comparable private sector experience.

OPA emphasized various Agency program activities reaching significant milestones during FY 1987. Included was observance of the National Cemetery System's 125th Anniversary. Increased dissemination of media material on the recurrent VA insurance hoax also received special attention. Actions were taken to quell misinformation concerning payment of nonexistent VA insurance dividends that have brought thousands of mail inquiries to the VA every year since shortly after World War II.

OPA engaged in a special information campaign designed to increase participation by the general public in the annual National Salute to Hospitalized Veterans. Efforts included producing a brochure, news releases, an opposing editorial piece, public service announcements for the electronic media, and feature article suggestions. Activities involving Ernest Borgnine as national chairman were coordinated for VA facilities nationwide, and arrangements were made for a personal reception by the President and Mrs. Reagan.

The Office initiated and implemented the Agency's first Public Affairs Strategic Plan. The plan identified events of national interest for special emphasis. Topics included: National Nurses Week; Geriatric Research,

Education, and Clinical Centers; the 12 millionth GI home loan; Golden Age Games; and National Wheelchair Games. Public information support was also provided to such special veteran-related activities as the National Winter Sports Clinic, Memorial Day, POW-MIA Recognition Day, National Consumers Week, and, with special emphasis, Veterans Day. OPA regional offices also provided primary public support to a number of VACO-initiated national events.

OPA conducted regional "VA Public Affairs Excellence" training events in San Diego, California; New Orleans, Louisiana; and Boston, Massachusetts, for public affairs officers from approximately 200 field facilities. Also, training was provided for about 60 new and prospective VA managers who were selected by heads of their departments. In addition, OPA's seven regional offices planned and implemented various public affairs training programs for representatives of VA facilities.

A three-day consumer affairs training conference was conducted by OPA and the DM&S Mid-Atlantic Region in Durham, North Carolina, for consumer affairs and patient representatives.

Two new OPA regional offices in Atlanta, Georgia, and Denver, Colorado, became operational this year allowing OPA a new regional alignment with DM&S's seven regions.

VA public affairs included relations with the television and film entertainment industry. The OPA Los Angeles, California, office is the Agency's primary contact with the industry. It offers VA facility directors and industry representatives one-stop policy guidance, technical

service, and research assistance regarding VA television and film projects. It also maintains active liaison with television and film producers, directors, writers, and other governmental film liaison offices.

Two newsletters - "From the Administrator" and "Executive Notes" - began publication this year for distribution to top VA executives and managers. These periodic publications call attention to matters of special interest to the Administrator and give senior officials a broader and clearer understanding of Agency positions, policies, and accomplishments.

The annual publication *Federal Benefits for Veterans and Dependents*, the Agency's basic booklet on benefits, was distributed to VA and non-VA veteran counselors early in the year. Additional distribution was made by the Department of Defense, and copies were sold by the Superintendent of Documents, Government Printing Office.

Vanguard, VA's award-winning in-house magazine, published national "good news" stories of special interest to employees.

The *VA Consumer Review*, an informational bulletin for field station consumer affairs personnel, provided information on consumer programs. It also highlighted innovative ways in which VA facilities respond to the needs of VA consumers - veterans and their dependents.

The Office continued to increase its capacity to use modern technological support to obtain and reproduce news media accounts and summaries. Management improvements enabled the VA to give expedited attention to significant public interest areas in a variety of activities involving veterans affairs nationwide.

Associate Deputy Administrator for Management

The Associate Deputy Administrator (ADA) for Management serves as the principal adviser to the Administrator for planning and policy development associated with Agency management and productivity improvement, information resources management, major systems acquisitions, automated data processing (ADP), telecommunications, internal controls, paperwork reduction, program evaluations, and statistical data collection and analyses. Additionally, the ADA provides leadership, direction, coordination, and control which ensure the effective management of resources supporting all departmental and staff elements of the Veterans Administration. The Office of the ADA for Management develops programs, formulates budgets, and allocates resources based upon strategic planning guidance for accomplishing Agency goals.

The ADA serves as the Agency representative on the

President's Council on Management Improvement and other senior-level policy groups that may be established relative to Governmentwide management improvement initiatives. The ADA also serves as a member of the Interagency Committee on Federal Information Resources Management and the FIRMR Interagency Advisory Council.

In FY 1987, the ADA was appointed as the Chairman of the Systems Integration Review Board established by the Administrator of Veterans Affairs to oversee the development of a fully integrated Agency information system. The Office of the ADA for Management developed and implemented the Agency plan for information resource management (IRM) that included ADP and telecommunications initiatives and a greater emphasis on customer support services. This Office conducted the Agency's first ADP Planning Conference to provide a forum for developing ADP

policy and strategic direction, and also conducted the Facilities Conference to identify Agency priorities in the area of construction prior to the formulation of the FY 1989 budget. In addition, this Office conducted a senior-level policy conference to identify major policy issues and to establish the strategic direction for this Agency. The Office continues to administer an Agencywide management system that merged the management improvement program, the program operating plans, and the Controller's budget plan into an integrated process. The program plans are developed in support of priority areas emphasized by the Administrator of Veterans Affairs and the President.

The Offices of Information Systems and Telecommunications; Program Analysis and Evaluation; Information Management and Statistics; and Systems Planning, Policy, and Acquisition Control report to the ADA for Management.

Office of Systems Planning, Policy, and Acquisition Control

The Office of Systems Planning, Policy, and Acquisition Control (OSPPAC) was established in December 1986. The Office serves as the Agency focal point for coordination, development, and integration of ADP and telecommunications plans, policies, and standards for electronic systems. In addition, the OSPPAC is responsible for the review, analysis, and evaluation of ADP information systems to determine effectiveness and efficiency, as well as IRM reviews of acquisition requests Agencywide.

In FY 1987, the OSPPAC provided a forum for

development of overall policy direction and exchange of ideas for improving the long-range information systems planning efforts by conducting the first annual VA Information Systems Planning Conference. Cross-cutting policy issues addressed were: office automation, integrated financial systems, systems interconnectivity and interoperability, time-sharing, and cost accounting and data management/data administration. In exploring these issues at the conference, it became clear that a formal structure was needed to resolve these Agency issues and other

major systems development and integration issues.

On July 1, 1987, the Administrator established the VA Systems Integration Review Board (SIRB). The Board consists of senior policy officials from the departments and the VA organizations responsible for central administrative policy and functions. The Board will establish system integration goals for the VA, review progress of major systems efforts, and resolve integration or development issues raised by the responsible department, staff office, or Special Interest User Groups (SIUGs). The

SIUGs were created to address information systems-related issues which cross organizational lines. The OSPPAC played a major role in the implementation of the Board, and actively coordinates and supports the SIRB.

During FY 1987, comprehensive "Acquisition of Information Resources," and "VA Information Systems Strategic Planning," policy was approved by the Administrator. The former establishes the policy and responsibilities governing the acquisition, use, and management of information resources. The latter integrates planning,

budgeting, management, and acquisition policies to ensure orderly and effective systems implementation.

A study of Agencywide policies and procedures for information resource acquisitions was completed during FY 1987. The purpose of the study was to determine the process by which Agency acquisition requests were handled, following submission of requests to the Associate Deputy Administrator for Management for approval. As a result of the study, the OSPPAC implemented several procedures that have significantly improved the review and approval process of acquisition requests.

During FY 1987, the OSPPAC processed 80 acquisition requests and 36 renewals, which together totaled more than \$30 million.

In FY 1987, the OSPPAC published the first Agencywide information systems plan. The document is used for planning, budgeting, and implementing major automation goals. It provides for close monitoring of budgeted ADP funds to ensure that the Agency will not experience cost overruns on targeted projects. The plan contains descriptions of more than 25 major information systems.

Office of Information Systems and Telecommunications

The Office of Information Systems and Telecommunications (OIS&T), formerly known as the Office of Data Management and Telecommunications, provides automated data processing and telecommunications support to VA departments and staff offices. This responsibility is carried out by three Data Processing Centers located in Austin, Texas; Hines, Illinois; and Philadelphia, Pennsylvania; and by the Central Office staff in Washington, D.C. Some of the services provided by OIS&T are: computer systems analysis, design, and programming; Information Technology Center facilities; computer time-sharing; office automation; equipment,

software, and application system installation; customized training; and telecommunications facilities for rapid access and movement of data throughout VA.

Throughout FY 1987, OIS&T has assisted the VA's departments and staff offices in improving their ADP efforts.

The Administrator's correspondence tracking system was enhanced during this fiscal year. Data elements for controlled correspondence assigned to the Department of Medicine and Surgery (DM&S) are now transferred electronically to the DM&S tracking system. The Office

of Congressional Affairs was provided on-line access to the Administrator's correspondence tracking system, permitting them to review the status of congressional correspondence, and to the General Counsel's legislative tracking system, in order to track the progress of legislation from draft stage to enactment as Public Law.

Several DM&S systems were developed or enhanced in FY 1987. The Patient Treatment File (PTF) and Outpatient Clinic (OPC) Systems were enhanced to incorporate data used to determine the patient's means of providing payment for medical services received and to support third-

VAMCs Gain Access to Target

As part of the DM&S Information Exchange Project, the Patient Eligibility Hospital Inquiry capability was put into production in November 1986. The techniques used facilitate the transmission and processing of information between two different computer environments - the DVB Target System and the DM&S Decentralized Hospital Computer Program. Today, VA Medical Centers (VAMCs) routinely access the Benefits Delivery Network (BDN), previously available only to DVB staff, to quickly determine each applicant's eligibility for care. Information which once required a telephone call to a VA regional office, or took several days to obtain by mail, is now available in a few seconds.

party billing for such services as appropriate.

A new Cost Distribution Reporting (CDR) System was implemented. CDR is a nationwide DM&S cost accounting system which computes actual medical care cost information on functional and organizational levels for all VA medical centers. CDR is a complete replacement for the report of Medical Care Distribution Accounts that was previously produced by the Automated Management Information System (AMIS).

A prototype of the Contract Administration Management System was developed for the Office of Facilities. This system will be used to provide project managers with budget and accounting data for each construction project.

The Critical Path Method system is used to keep track of construction projects in progress from start to completion. During FY 1987, the processing of the CPM production system was converted from Austin DPC to the Washington VACO Data Center. The processing of CPM in Austin will remain available until the completion of the "CPM History" process, which is scheduled for the second quarter of FY 1988.

Phase II of the Department of Memorial Affairs (DMA) Budget System was turned over to DMA in October 1987. Phase II allows the comparison, by station, of DMA Budget Plans (Phase I) with obligations made, and results in the production of variance reports. These reports may then be used by finance officers to control funds within appropriations.

During the past year, a major expansion in program support has occurred within the

Information Technology Center (ITC) at VA Central Office. Additional presentation graphics equipment was acquired for the computer lab, and special training was provided to a number of offices. New video display monitors and projectors were acquired to enhance the quality of training and presentation support. Desktop publishing was also introduced by the ITC.

A contract for the development of redesign concepts for the Personnel and Accounting Integrated Data System (PAID) was awarded. A high level model was obtained to complete the analysis as well as to design and develop a state-of-the-art system. In addition, the Time and Attendance Prototype was developed and installed at five test sites. The prototype is operational. An evaluation of the three options being tested is underway.

Phase IV of the Computer Assisted Payment Processing System (CAPPS) was installed in early 1987. This modification allows automatic entry of invoice data (submitted on tape by vendors doing a large volume of business with the VA) into the CAPPS System, rather than requiring the Austin DPC to print the invoice and manually enter the data into CAPPS. CAPPS produces savings of personnel and time by eliminating the invoice printing and data entry.

The Lockbox Funding Fee (LFF) system was installed in May 1987. This system records funding fee payments (1 percent of the amount of loans guaranteed by the VA) made to a lockbox maintained by a commercial bank. The bank transmits transactions to the Austin DPC, which generates letters to lenders acknowledging receipt of payments or informing them

of underpayments. The principal benefits of the LFF system are automatic notification to lenders of underpayments, better control of payments not made, and computerized recording of payments.

A full cost-comparison study was completed at the Hines Data Processing Center (DPC) in accordance with Office of Management and Budget Circular A-76. It was determined that the in-house work force could perform the operational functions of the Hines DPC at a savings of approximately \$686,500 (over three years) in personnel costs compared to the industry competitor. As a result, the Hines DPC will continue to provide user support at significantly lower costs.

To protect the VA's automated information systems, it is necessary to provide processing alternatives for critical ADP systems and applications in the event of a disaster at a VA data processing facility. Considerable progress was made in FY 1987 in the contingency planning area. Departments and staff offices identified their top-priority systems. Processing alternatives to support these critical systems will be developed, and the approved contingency plan will be included in the FY 1990 budget submission.

Efforts continued in FY 1987 to provide state-of-the-art telecommunications systems in VA facilities for the delivery of health care and benefits. This program includes providing support for the competitive acquisition and installation of nurse call systems; televisions for patient monitoring, education, entertainment, and security; two-way radio and radio paging systems; microwave systems; facsimile systems that send pictures of

Manila VARO Connected to BDN

Veterans served by the Manila VA Regional Office (VARO) should get a faster response to many of their inquiries, now that the office has a direct connection to the Benefits Delivery Network (BDN). In the past, the VARO staff had to wait approximately 24 hours for a response to each BDN inquiry. With a direct connection, the Manila VARO now has on-line access to BDN eligibility and benefits information for 3 hours each day.

documents between VA facilities; and data communication networks which transmit data and message traffic between two or more locations. The Veterans Administration Data Transmission System (VADATS) is the VA's principal data communication network.

Expansion and enhancement of the VADATS network have continued in FY 1987. Network connectivity was provided to 10 Inspector General locations, 52 VA regional offices, and 10 national cemeteries. This connectivity provides access to the Austin DPC and the capability for transport of data between and among other VA activities with compatible systems.

The antiquated Sigma V computers, used as the VADATS message switch at the Austin DPC, were replaced by new Telefile computers which permitted the reuse of all existing software. The result was improvement in reliability and a reduction in utility and maintenance costs.

While VADATS can support most of the VA's near-term data communications needs, a more comprehensive network is required to meet the Agency's long-term needs. Efforts are continuing to competitively acquire an Integrated Data Communications Utility (IDCU) which will eventually replace VADATS.

VA regional office staffs are receiving faster responses to Benefits Delivery Network (BDN) inquiries, since a fourth regional data processing center computer was added to the network in November 1986. Redistribution of the BDN workload for 15 VAROs to the new computer has significantly improved overall response times. The average response time was under 5 seconds for 98.4 percent of all transactions in December 1986, compared to an average of only 93.8 percent in December 1985.

In FY 1987, the VA began replacing all VARO BDN equipment with new equipment that is more reliable, easier to maintain, and slightly less expensive.

Time-sharing customers in VACO and the DPCs can quickly and easily access any DPC Honeywell computer, since new equipment and software were installed during the second quarter of FY 1987. An evaluation completed during the third quarter confirmed that this project met its objectives. In the past, field station time-sharing customers could only access Honeywell computers at one DPC. Access to other DPCs required additional dedicated circuits. The VA will realize a significant cost avoidance, since these dedicated circuits may now be used to satisfy other requirements. Other BDN functions will be moved to the same software to further reduce the need for dedicated circuits.

OIS&T completed two major FY 1987 initiatives which are expected to reduce the VA's mail costs by approximately \$250,000 to \$400,000 per year. The first initiative was the joint procurement, with DVB, of software to allow the VA to receive Post Office discounts for presorted mail and use of the 9-digit ZIP Code. The software also has an address correction feature which reduces the amount of mail returned because of nonexistent or insufficient addresses.

Commercial presort software packages are not compatible with Hines DPC equipment. As a result, the VA acted to award a contract for a local firm to perform this function. A contractor will sort the DPC's mail by ZIP Code, prepare the paperwork for the presort discount, and deliver the mail to the Post Office. The discount will be divided between the contractor and the VA. The contract will be awarded in early FY 1988.

OMB Circular A-130 requires Federal agencies to account for the full costs of operating information technology facilities (ITFs) and recover such costs from agency users as appropriate. This requirement offers an excellent opportunity to improve the cost-effectiveness and efficiency of VA ITFs.

The VA has established a three-phased plan to implement cost accounting. In phase I, two existing resource utilization systems, which

tracked ADP-related personnel services and ADP equipment use, were merged and modified. The new system, the A-130 Cost Accounting System, provides a short-term solution to cost accounting and is operational at the three VA DPCs.

Phase II consists of the development and implementation of a long-term cost accounting strategy. This effort should be completed during the third quarter of FY 1989. Phase III covers the migration from cost accounting to full cost recovery. The plan calls for full implementation of cost recovery at all VA ITFs to begin in FY 1990.

Construction was completed in June 1987 to expand the VACO Office Automation Facility (OAF). Additional space was needed to house computers and support equipment to accommodate the growth of the VA's OA network. Computer floor space was increased by 3,000 square feet, and an additional cooling capacity, an uninterruptible power supply system, a new fire detection

and suppression system, a new electrical power transformer, and a centralized environmental monitoring system were installed.

All 58 VAROs received full OA capabilities during FY 1987, including word processing and electronic mail, and can now communicate with all other users of the VA's OA network. This project was a cooperative effort between OIS&T and DVB. The OA connection enhances management communication and coordination between VACO and the VAROs, as well as among the VAROs. Information can be shared within minutes rather than hours or even days.

The VACO Local Area Network (LAN) was originally installed in 1985. The capacity of the LAN was exhausted as OA use increased. Expansion of the system began in February 1987 with the installation of a second LAN. Three additional LANs are scheduled for implementation in FY 1988. When completed, the VACO network will have the

capability of supporting more than 3,000 terminals and printers.

OIS&T installed a test link between a VACO OA system and the Decentralized Hospital Computer Program (DHCP) system at the Washington, D.C., VAMC. This permits authorized VAMC staff to log on to the VACO OA system from a DHCP terminal, and then use electronic mail to communicate with anyone on the VA network. The test link is an important first step in permitting communications between the OA and DHCP systems and the customers who use them. OIS&T and the DM&S Washington Information Systems Center are working together to develop a permanent and more complete link between the different computer systems.

Progress was also made during FY 1987 in linking the Office of Facilities VAX computers and the VACO OA computers. Tests will continue to develop a permanent link between the two computer systems.

Office of Information Management and Statistics

The Office of Information Management and Statistics (OIM&S) is the management information and statistical research branch of the VA. The office provides statistical data and analyses to VA management for budgeting, program management, and policy formulation, and coordinates the Agency's internal, interagency, and public use reporting needs. OIM&S is also responsible for VA-wide paperwork management, records management, and mail and travel policy.

The Statistical Policy and Research Service provides estimates and projections of the veteran population,

including socioeconomic data on veterans' needs and resources. Staff members analyze mortality levels, lengths of patient stay, and results of health care treatment, using data from various reporting systems. They also conduct special and recurring studies to measure the impact of specific benefit programs. The service also provides statistical consultation to VA managers in the analysis of program data and in the development of statistical research studies.

The Reporting Policy and Review Service formulates standards and policies for operating the VA's integrated reporting system, and reviews

and controls all proposals to obtain VA, interagency, or public use reports. The staff also has responsibility for the application of ADP systems for management information, preparation and distribution of various Agency-level reports, and improved reports management as required by the Paperwork Reduction Act.

The Paperwork Management and Regulations Service formulates and recommends Agencywide policies and plans for the creation, maintenance, use, preservation, and disposition of records. Specific program areas include the management of records, directives, forms, corre-

spondence, mail, and micrographics. Other staff responsibilities include the administration of the Privacy

Act, the Freedom of Information Act, computer matching programs, the Information Collection

Budget, and Agency travel policy.

Statistical Policy and Research

Three separate surveys of the veteran population were initiated or partially completed during FY 1987: the 1987 Survey of Veterans (SOV III), the Survey of Disabled Veterans (SDV), and the Survey of VA Medical System Users (SMSU). As part of SOV III, approximately 9,500 veterans throughout the 48 contiguous states and the District of Columbia participated in a one-hour personal interview conducted for the VA by the Bureau of the Census. The interview covered a diverse set of topics, including military experience and recent medical history, as well as past, present, and future use of VA benefits or services. The results of this survey, which should be available to the public by the end of 1988, will be used by the VA to plan for the future needs of a changing veteran population.

Both the Survey of Disabled Veterans and the Survey of VA Medical System Users will provide additional information not available from internal files, data which can be used to enhance the program planning and policy formulation activities within the departments and staff offices. Among the data to be collected are socioeconomic and demographic characteristics, past and current health status, and use/nonuse of VA benefits and services. The SDV and SMSU are being developed as companion studies to SOV III.

The SDV is a nationally representative survey of 11,000 veterans with service-connected conditions.

This survey will be carried out in two separate phases. The first phase will involve face-to-face interviews with 3,000 veterans, 2,000 of whom are receiving compensation for their service-connected disabilities and 1,000 of whom have service-connected conditions rated zero percent for which they are not receiving compensation. The second phase will begin only after the first phase has been completed and will involve interviews with 8,000 veterans receiving compensation for service-connected disabilities. Data collection for the first phase of the SDV is scheduled for August through November 1988.

The SMSU is a nationally representative survey of 3,000 former users of the VA medical system. This study will involve face-to-face interviews with 1,000 veterans from the Vietnam era, 1,000 veterans 65-74 years of age, 600 veterans 75-84 years of age, and 400 veterans 85 years of age or older. Interviewing for the SMSU is scheduled for May through July 1988.

Veteran population statistics are now more easily accessible to data users both in VACO and in the field. Data now available on microcomputer diskettes include estimates and forecasts of the number of veterans living in each county in the United States.

Several special reports, which focused on the sociodemographics, health

conditions, and inpatient and outpatient health care usage patterns of veterans, were published during the fiscal year. Topics included a comparison of VA and non-VA outpatient care for older veterans, a comparison of older veteran users and nonusers of VA medical care, the usage of VA hospitalization benefits by female veterans, and the usage of extended care institutional programs by veterans.

In addition, a new report was initiated which focuses on changes in veterans' eligibility for VA health care as a result of Public Law 99-272. The legislation established new income based eligibility assessment procedures for determining the priority in which certain nonservice-connected veterans are eligible for VA health care services. A means test status report has monitored the effects of this legislation upon the VA health care applications process since the beginning of the fiscal year.

The Office of Personnel and Labor Relations was provided computer and statistical assistance on a Health Occupations Survey. This survey was conducted to assess recruitment and retention trends in selected health occupations. The questionnaire covered areas such as staffing levels, gains and losses, salary and benefits in the local community, and recruitment techniques.

Reporting Policy and Review

Reporting Policy and Review Service is responsible for establishing policy guidelines for the Agencywide reports management program, and for reviewing and analyzing requests for new or revised information collections and reports. Of 134 proposed issues reviewed during the year, 30 new recurring report identifiers were issued, 44 one-time report identifiers were assigned, and 14 recurring reports were canceled.

To keep the American public, veterans and their organizations, Congress, and other Federal agencies informed of how the VA meets its mission of service to veterans and their families, several reports were published during FY 1987, including the *1986 Annual Report of the Administrator of Veterans Affairs*, a report to the President and Congress of the United States. The *Annual Report* contained for the first time a financial statement audited by the General Accounting Office (GAO) and certified by the Comptroller General. Another first was *The VA Today*, a publication to inform employees and prospective employees, veterans, and the general public of the technological and managerial advances of the VA as well as the services performed for its constituency. Other publications included the *Geographic Distribution of Expenditures, Trend Data 1962 - 1986, Directory of VA Facilities, The Summary of Medical Programs, Loan Guaranty Highlights*, and the monthly *Summary of VA Statistics*.

During the year, the office also continued to serve as the reports processing center for the Agency, helping to fulfill VA responsibilities regarding interagency reporting requirements and providing

various services for numerous internal reports.

Several important improvements to the Automated Management Information System (AMIS) were developed during FY 1987. These include new DVB productivity measurement, staff utilization, and workload data, which will be used to estimate staffing needs and allocate resources in DVB. Full-time employment equivalent (FTEE) ceiling reports produced from AMIS are being accessed on-line to validate and correct data for OPM, OMB, and the Agency. New means test reports were developed for the Report of Receivables under Public Law 99-272 for the Office of Budget and Finance (Controller) and the Department of Medicine and Surgery.

In July 1987, the Administrator approved a new policy on data administration. Responsibilities for coordinating data administration activities in the Agency have been assigned, key concepts have been defined, and the direction for developing a central directory of data and information has been established.

The Agency's Information Resources Management (IRM) Review for FY 1987 reflects improved management, support, and delivery of IRM services in the departments and staff offices. During FY 1987, the VA completed 35 IRM reviews. In addition, at the close of the year, 46 reviews were in progress for FY 1988. These reviews span the full range of IRM functions from information collection to disposition.

The VA Automated Information Locator System (VAILS) was developed to modernize the reports

management program. VAILS assists in locating established reporting requirements and determines if there is duplication between new data collections and existing reports. Various queries are performed to respond to questions from the field and Central Office program managers. VAILS contains a summary of each Agency report, and operates on the Agency's office automation equipment. System enhancements are being researched to develop menus and screens that will allow the departments and staff offices greater access, and to improve inventory maintenance.

The Personnel and Accounting Integrated Data (PAID) system is the major source of the official employment and FTEE reports for the Agency. PAID contains over 250,000 master records and reflects the current status of each VA employee. Using data from the PAID system, reports were prepared for the Congress, Office of Management and Budget, Office of Personnel Management, and the Equal Employment Opportunity Commission. In addition, information was disseminated on disabled employees, employees who are veterans, employees in shortage-category positions, and employees in a variety of geographic locations.

Under title 38, U.S.C., the Administrator is authorized to release names and addresses of veterans and their dependents to nonprofit organizations (provided the intended use is to notify these individuals of their eligibility for VA benefits) and to State and local governmental agencies (to notify veterans of non-VA benefits). During FY 1987, 144 requests from Federal

and State agencies, members of Congress, veterans service organizations, educational institutions, private citizens, and other organizations were processed. OIM&S is

responsible for ensuring that the information released is not misused. A monitoring program using the names and addresses of VA employees was instituted several years

ago for this purpose. There are currently 853 VA employees participating in the program, representing the 50 states, the District of Columbia, and the Philippines.

Paperwork Management and Regulations

The Paperwork Management and Regulations Service is responsible for implementing provisions of the Federal Information Resources Management Regulations (FIRMR) on directives. During FY 1987, plans for an automated masterfile of directives which will enhance the timeliness and quality of issues were prepared. Improvements continued on the VA's Automated Distribution System used to distribute publications. A new initiative will establish systematic control of Agency delegations of authority to identify individuals who have the authority to make decisions and take certain actions on behalf of the Agency.

The Agency submission of the Unified Agenda of Federal Regulations, a semiannual report to the Office of Management and Budget (OMB) of proposed regulation changes, was submitted electronically this year. Electronic transmission provided a more timely response and eliminated the need for rekeying of the data by OMB.

The VA Information Collection Budget (ICB) was prepared in accordance with the Paperwork Reduction Act of 1980 (Public Law 96-511 and its reauthorization in 1986), and 5 CFR 1320. Existing collections increased by 106,212 burden hours. This increase was primarily the result of the implementation of the means test, with its expanded annual income reporting requirements and the legislative mandate to obtain

financial and insurance information from veterans prior to their receiving medical benefits. New collections initiated in 1987 added 62,024 burden hours. The majority of this increase was the result of collections created to gather extensive background information on health care professionals applying for VA employment and for comprehensive health and veteran surveys. The net increase of 168,236 hours equates to an overall increase of 2.8 percent, well within the 5 percent increase authorized by OMB for FY 1987. As one of the Federal Government's major procurement agencies, the VA is continuing to give special attention to reducing the burden placed on the public by procurement paperwork requirements. Efforts begun during FY 1984 to consolidate procurement requirements and to standardize ordering procedures were continued in FY 1987, resulting in a decrease of over 135,000 burden hours.

The goals of the VA forms management program are to minimize costs, improve service, eliminate non-essential forms and form letters, and to create new forms only when they are essential to the VA's goals and mission. At the end of FY 1987, there were 12,010 forms and form letters in use throughout the VA. In FY 1987, a survey of low usage VA forms and form letters was conducted. This survey analyzed 150 low usage, inactive VA forms and form letters stocked at the VA Forms and Publications

Depot. As a result, 120 forms and form letters were eliminated.

During FY 1987, the Agency increased its holdings of active and inactive records maintained in Agency space by 5.8 percent to a total of 2,146,626 cubic feet. The volume of records destroyed under authority of the National Archives and Records Administration decreased by 22.8 percent to 106,081 cubic feet, and the volume of records transferred to Federal Archives and Records Centers (FARCs) decreased by approximately 20.9 percent to 79,087 cubic feet. The volume of new records created was 302,187 cubic feet. As the Agency continues to automate its programs and implement non-paper recordkeeping systems, the volume of records is expected to begin to decrease.

The Agency continued its efforts to relocate inactive claims folders from regional offices to less costly storage space. A total of 17,478 cubic feet of inactive compensation, pension, and education claims folders, and 9,095 cubic feet of inactive insurance folders and loan guaranty records were transferred to FARCs, and an additional 9,206 cubic feet of inactive claims folders were transferred to the VA Records Processing Center. These initiatives freed approximately 33,400 square feet of VA space valued at \$432,400.

In January 1987, a collection of historical files of the Department of Memorial Affairs (DMA) was transferred

to the National Archives and Records Administration for permanent preservation. The files were created or collected by DMA and its predecessor, the Army Quartermaster General's Office, between 1840 and 1973. They provide historical data on the establishment and development of burial installations throughout the Nation.

During 1987, a travel and transportation expense charge card program was adopted Agencywide. The program encourages employees who travel on official business to charge their transportation, lodging, and subsistence expenses using a

Government-authorized Citicorp Diners Club, Inc., credit card. The program will be fully operational by the end of FY 1988. At the end of FY 1987, the VA had 3,245 active Diners Club cards in use. A total of \$10.43 million was billed to the cards in FY 1987.

In August 1987, the Administrator approved a VA relocation services program to help employees transfer to and settle in a new area as quickly as possible. The program features professional real estate assistance and a guaranteed home sale option. Nationwide contracts with real estate service companies will be negotiated and

implemented during FY 1988.

The VA reimbursement to the U.S. Postal Service for FY 1986 postage expenses totaled \$45.6 million, or three-quarters of 1 percent less than the FY 1985 reimbursement, the first decrease the Agency has experienced in over a decade. In FY 1987, the VA instituted a new policy limiting the use of business reply mail. This policy change should result in annual savings of \$1.5 million. In addition, selection of an alternate carrier for shipment of bronze grave markers produced an annual savings of \$125,000.

Office of Program Analysis and Evaluation

In support of the Agency's mission and goals during FY 1987, the Office of Program Analysis and Evaluation conducted analyses, studies, and congressionally-mandated program evaluations, and responded to a myriad of requests for special assessments and studies.

The VA's policy review process ensured an efficient and effective response to the changing needs of veterans through the study of policy issues and the development of policy options in key areas of concern to management and veterans. During 1987, the VA implemented a strategic management process to provide Agency management with a unified approach to policy direction for the planning and execution of the Agency's business. As a part of this process, two planning conferences were held prior to the preparation of the 1989 budget - a Facilities 1989 Budget Strategy Process and Conference and an ADP Planning Conference. These conferences were held to review major Agency facilities and ADP

requirements and to establish priorities and resource requests consistent with overall Agency goals and objectives.

Other significant accomplishments during 1987 included extensive changes in the implementation of OMB Circular A-76 on commercial activities; development and compilation of the annual Management and Productivity Improvement Plan to OMB; development of a proposal to implement a Productivity Investment Fund to promote achievement of the President's Productivity Improvement Program; and participation in a work group to identify causes of overpayments in Compensation, Pension, and Education programs. The Office also coordinated, reviewed, and monitored internal control and A-76 initiatives in the Agency and systematically monitored program objectives and execution/implementation of program, management, and productivity improvement plans on a quarterly basis.

In support of the Administrator, departments, and staff offices, the Office conducted 17 studies, ranging from general management reviews to organizational analyses and cost-benefit studies. The major studies performed were the following: an Orthotics Clinic study; a study of the Office of Small and Disadvantaged Business Utilization; a cost-effectiveness study of school liability procedures; user satisfaction and management assessment surveys of the PAID Time and Attendance Prototypes; an organizational analysis of the Office of Public and Consumer Affairs; a recalculation of the costs of an insurance consolidation; a survey of other Federal agencies' fiscal offices' reporting structures; a preliminary assessment of the VAMC Supply Service performance measures; an analysis of discrimination complaint processing; and a loan guaranty tax and insurance cost-benefit study.

The Office of Program Analysis and Evaluation also served as Agency admin-

istrative coordinator of VA management studies contracts and the Agency liaison on the Cooperative Administrative Support Unit program. The Office also completed 56 reviews and analyses of special issues.

This fiscal year, the Office completed evaluations of the

Department of Medicine and Surgery's surgical program, Library Service, and readjustment counseling program. Three Department of Memorial Affairs programs—burial in national cemeteries, headstone and grave markers, and memorial markers and memorial plots—were the subject of a program

evaluation report.

Three other programs were being evaluated at the end of FY 1987, including evaluations of DVB's vocational rehabilitation program and State approving agencies, and the DM&S nursing home program.

Associate Deputy Administrator for Logistics

The Office of the Associate Deputy Administrator (ADA) for Logistics provides policy-level management and oversight of the VA's capital facilities and real property programs, procurement and supply activities, central office administrative support services, small and disadvantaged business utilization, and environmental affairs programs.

The ADA for Logistics is responsible to the Administrator for the general management of the Offices of Facilities, Procurement and Supply, and Administration. The ADA for Logistics also serves as the VA's Senior Procurement Executive, in accordance with Executive Order No. 12352; the

Director of the Office of Small and Disadvantaged Business Utilization (OSDBU); and the Director of Environmental Affairs. In the capacity of Director, OSDBU, the ADA for Logistics reports directly to the Deputy Administrator in compliance with Public Law 95-507. The ADA for Logistics further serves as Agency liaison with the Real Property Executives Advisory Committee, the Federal Interagency Energy Policy Committee ("656" Committee), the Small Business Administration, the General Services Administration, the Interagency Council on Metric Policy, the Interagency Council for Minority Business Enterprise, and the Office of Federal Procurement Policy within the Office of

Management and Budget.

In FY 1987, the Office of the ADA for Logistics initiated a VA medical supply standardization program for reducing the number of like items serving the same functional use within the system, implemented a major organizational and functional realignment of the VA's capital facilities program, coordinated the VA's assumption of building management responsibilities from GSA for the VA Central Office Building, and undertook a number of new initiatives to improve the VA's outreach to small and disadvantaged businesses and Vietnam era and disabled veteran-owned small businesses.

Office of Administration

The Office of Administration is responsible for providing a broad range of administrative services to all VA Central Office elements. The Office is also responsible for providing printing services, which include composition, artwork, printing, storage, and distribution of printed material to VA field facilities on a nationwide basis. In addition, the Office has Agencywide responsibility for the design, production, and presentation of exhibits as well as production, control, and distribution of motion picture films, video tapes, and television spot

announcements. The operation, maintenance, repair, alteration, and security of VA Central Office are additional responsibilities of the Office of Administration. Central Office support services include receipt, distribution, and dispatch of mail; space and real property management; records management; telecommunications support; maintenance of office furniture and equipment; small purchase procurement; and emergency preparedness.

The Office of Administration is organized into five

functional services: Building and Supply Service, Office Operations Service, Audio-visuals Service, Building Management Service, and Publications Service.

The Director, Office of Administration, serves as the Agency liaison with the Joint Committee on Printing of the U.S. Congress in regard to Federal printing policy; the National Audiovisuals Center in regard to audiovisual innovations; and the General Services Administration in regard to space acquisition, telephone service, and other general support functions

within the Washington, D.C., metropolitan area.

During the year, Audiovisuals Service produced or participated in the production of 9 films and 6 exhibits, and provided exhibits to 161 national, State, and local medical and scientific meetings and conventions to promote the VA's mission of service to veterans.

The film, "The Legacy of Lincoln," gives an overview of the historical foundations of the VA's mission and provides descriptions of its programs and services illustrated with archival and contemporary scenes of the Agency's work. The film is used to orient VIP's, foreign dignitaries, and new employees. "They Want To Say Thank You" is a 16-minute film funded by the Department of the Army and jointly produced by the VA.

The film's purpose is to inform active duty personnel of their military and VA benefits and of the services available from the VA following their separation from active duty. The presentation is being used at transition points throughout the Nation and at many military installations worldwide.

Audiovisuals Service also filmed the "National Veterans Music Festival," which documented talented veterans from all over the Nation who performed in the 1986 Music Festival held at Constitution Hall. The film, "Today We Gather," documents the 1986 Veterans Day ceremonies at Arlington Cemetery. This historical presentation features the placing of the Presidential Wreath at the Tomb of the Unknowns and delivery of the Veterans Day address to the Nation.

A television public service announcement, "National Salute to Hospitalized Veterans," featuring actor and Navy veteran, Ernest Borgnine, was produced and distributed to 462 television stations. It encouraged the public to visit hospitalized veterans on February 14th and to volunteer their services to these veterans year-round.

During 1987, the VA's visual presentation personnel also designed and produced six new exhibits for use by the VA's Department of Medicine and Surgery at professional societies, conferences, and public meetings. These new exhibits in the VA's inventory include VA Pharmacy, VA/DOD Sharing (2 exhibits), VA Chaplain Service, Optimum Anticoagulation During Vascular Reconstruction, and Youth Volunteers. Fifty-five exhibits were presented at 161 such meetings nationwide.

Program Initiatives

In May 1987, the Office of Administration accepted the delegation of authority to manage the VA Central Office Building from the General Services Administration (GSA). The VA's Central Office Building in Washington, D.C., was constructed in 1918 and houses approximately 2,900 VA employees. Significant benefits have been realized from this initiative in terms of providing more responsive and timely service to reported problems and complaints; initiating improvements to the building's physical plant to provide more comfortable working conditions; and establishing more efficient security and housekeeping services through direct oversight and monitoring of commercial contracts. A

thorough physical plant assessment of the building has been undertaken to determine needs for upgrading of major systems and to further improve the work environment for employees housed in the Central Office Building.

Other program initiatives undertaken during FY 1987 include the successful conversion of the warehousing function of the VA Forms and Publications Depot in Alexandria, Virginia, to commercial contract, as a result of an A-76 cost comparison study and the successful placement of all affected VA personnel; automation of the VA's Central Office telephone directory; and a comprehensive space

assessment of the seven buildings occupied by the VA in the Washington metropolitan area, to evaluate the potential for consolidation of organizational elements to improve administrative efficiency and space utilization. In addition, in June 1987, VA Central Office began metering all outgoing mail to provide improved accountability of mailing costs. The Office of Administration, with the assistance of the VA's Office of Information Systems and Telecommunications, also successfully conducted the internal conversion of the VA Central Office telephone service to the GSA Centrex System. This will result in an annual cost avoidance of \$388,700 over the previous telephone service.

Office of Facilities

In 1986, the Administrator announced his decision to place all facility related programs into an independent organization by realigning the Department of Medicine and Surgery's (DM&S) Facilities Engineering, Planning, and Construction Office and the Office of Construction into the new Office of Facilities (O/F), effective October 1, 1986. This decision was based in part on recommendations identified in a consultant study to improve the operation of the VA's diverse capital facilities program. The consolidation resulted in the Director, Office of Facilities, having full responsibility, accountability, and related authority for the VA's capital facilities program. The new organizational alignment will further assist in ensuring that the VA's facilities are appropriately planned, designed, and constructed or leased to enhance the care and service provided to the Nation's veterans, consistent with the economical use of scarce dollar resources.

The Office of Facilities is responsible for providing the

real property and facilities required by the various components of the VA to carry out their specific missions. The Office also provides technical advice and support to the 172 medical centers and other VA field facilities in operation and maintenance of the physical plant, energy conservation, fire and safety, and biomedical engineering disciplines, and hazardous waste management.

With these programs, the Office of Facilities performs the following services as required for specific projects: planning, design, construction, land acquisition and disposal, leasing, and real property management. This includes an internationally recognized medical facility construction program, the largest in the Nation. It also includes planned expansion of the VA's National Cemetery System to meet projected demand to the year 2000 and beyond.

For FY 1987, \$766.1 million was obligated for the major and minor appropriations. This obligation level exceeded

previous records of all past years and encompassed 534 awards for project design or construction. Currently, over 3,500 (major, minor, and minor miscellaneous) projects totaling \$9.4 billion, are administered by the Office in the planning, design, and construction stages.

A variety of major construction projects were completed in FY 1987. Four nursing home care projects were completed at Alexandria, Louisiana; Loma Linda, California; St. Louis, Missouri; and Miami, Florida. Seven clinical projects were completed in Fargo, North Dakota; Tampa, Florida; Sioux Falls, South Dakota; Tucson, Arizona; Murfreesboro, Tennessee; and Fresno, and Palo Alto, California. Five replacement/modernization projects were completed at Biloxi, Mississippi (Gulfport Division and Biloxi Division); Denver, Colorado; Bay Pines, Florida; Richmond, Virginia; and Martinsburg, West Virginia.

Architect-Engineer Contracts

During FY 1987, the Office of Facilities awarded 29 Architect-Engineer (A/E) contracts for 29 construction projects with fees totaling \$30.3 million.

The three largest design contracts, totaling \$12,171,136, were for

working drawings on projects at Pittsburgh (Aspinwall Division), Pennsylvania (replacement hospital); Dayton, Ohio (bed replacement and modernization); and North Chicago, Illinois (environmental improvements, patient privacy, and nursing

home care unit building).

The remaining 26 A/E contracts ranged in price from \$21,105 to \$2,579,733. Twenty-two contracts were awarded to small business firms, which included one minority firm.

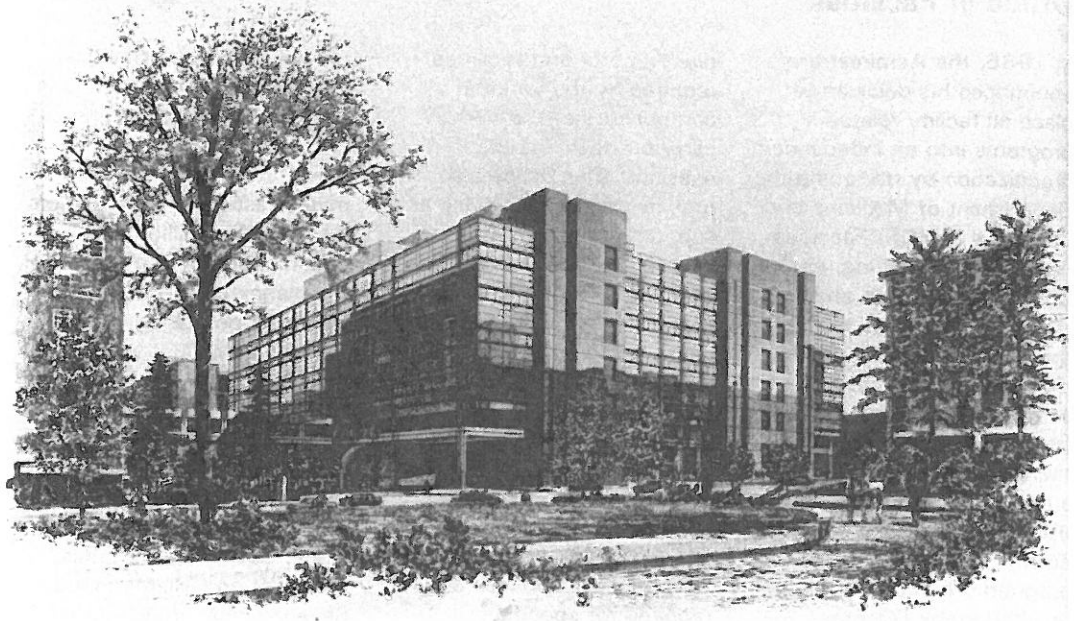
Construction Contracts

During FY 1987, the Office of Facilities awarded 29 construction contracts totaling \$480.5 million in capital improvements for the VA. Ten of the contracts, totaling over \$54 million,

were negotiated with small or disadvantaged firms under the Small Business Administration 8(a) Program, and seven contracts worth approximately \$32 million were small business set-

asides. The major contract awards in FY 1987 included: the Lenwood Division replacement hospital in Augusta, Georgia (\$80 million); the first phase of the Baltimore, Maryland,

replacement hospital to an 8(a) firm (\$14 million); two contracts covering three phases of the Houston, Texas, replacement/modernization project (\$175 million); phase VII of Minneapolis, Minnesota, replacement hospital (\$6 million); phase III of clinical addition/renovations project at Philadelphia, Pennsylvania (\$82 million); a spinal cord injury addition at Palo Alto, California (\$14 million); and a 180-bed geropsychiatric facility at Salisbury, North Carolina (\$16 million).



A new 324-bed replacement hospital is planned for Baltimore, Maryland.

Real Estate and Space Management

During FY 1987, settlement on two parcels of land and condemnation of a third were accomplished for acquiring 20.5 acres of land for projects at VA Medical Center Tampa, Florida; donation of 2.8 acres from a group of veterans for expansion of the Woodlawn National Cemetery in Elmira, New York, was accepted; the purchase of 1.9 acres of land and building for the Corpus Christi, Texas, satellite outpatient clinic was completed; an offer to donate 2.08 acres of land for VA Medical Center, Livermore, California, to improve the entry road and bridge was accepted; and efforts are underway to acquire approximately 70 acres of land for the new VA Medical Center, Palm Beach, Florida. In the same period, the VA issued 85 outleases in the form of leases, licenses, and permits for non-VA use of its real property. The VA completed economic cost analyses (based on OMB Circular A-104) for 18 proposed VA regional office colocation projects, 9 satellite outpatient clinics, and 1 proposed laundry project.

Seventeen leases were awarded for relocation, expansion, renewal, or extension of VA program activities. The VA paid the General Services Administration (GSA) \$79.5 million for the rental of 6.9 million square feet of office and non-office space. Approximately \$20 million was paid for about 1.9 million square feet of medically related space that the VA leases directly.

In compliance with the requirements of Executive Order No. 12512, the VA initiated and completed real property surveys at six VA medical centers and participated with GSA in five other real property surveys. As a result of the VA's survey program and decisions by the Administrator, the following were declared excess to the needs of the VA: a 0.25 acre easement located at the VA Medical Center, Phoenix, Arizona; 1.9 acres at the VA Medical Center, North Chicago, Illinois; 2.49 acres at VA Domiciliary, White City, Oregon; and 20.6 acres at

the former VA Medical Center, Minot, North Dakota. In addition, 19 quarters (living areas) were excessed at Fort Lyon, Colorado.

Throughout FY 1987, the VA continued its office space reduction program in compliance with Executive Order No. 12411 and Federal regulations, in an effort to achieve the Federal goal of an office space utilization rate of 135 square feet per workstation by 1990. In FY 1987, the VA's overall office space utilization in GSA space, accounting for supplemental space factors, was 133.8 square feet per person.

The VA also continued its active ridesharing program, in accordance with Executive Order No. 12191 and Federal regulations. In spite of decreased gasoline prices, these efforts resulted in 32 percent of VA employees ridesharing in FY 1987.

Public Law 99-576 established pay parking requirements for all garage and surface parking at VA

medical facilities where parking garages are constructed, altered, or acquired at a cost exceeding

\$500,000 or leased at an annual cost of \$100,000 or more. VA policy and a proposed regulation

implementing these requirements have been prepared.

State Veterans' Homes

The Office of Facilities provided technical assistance to the Office of the Assistant Chief Medical Director for Geriatrics and Extended Care for State domiciliary, nursing

home, and hospital facilities. During FY 1987, 12 awards, totaling \$34.6 million, were made in 7 states. Ten new requests, which total \$22.5 million, were received and

reviewed. A total grant request, estimated at \$184.4 million and covering 63 projects, is being held pending Federal funding in future years.

Facility Development Plans

A recent consultant study of the VA's health care facility construction process recommended Facility Development Plans (FDP) for all VA medical centers. Beginning in FY 1987, the VA substantially enhanced the facility development planning process through the initiation of a Facility Development Plan. An FDP is a written, comprehensive, integrated plan which states and portrays the conceptual approach to the development of a specific VA medical center over a specific long-range planning horizon. The FDP is based on current and projected health care and facility development requirements, and results in a selected facility development strategy and logical grouping

of construction activities to meet the strategy, needs, and deficiencies identified for each VA medical center. Under present pilot testing conditions, each FDP will consist of three stages: problem definition, strategy development, and FDP preparation.

Implementation of the FDP initiative was undertaken in FY 1987, with funding provided in FY 1987, and prior year Advance Planning Fund accounts in the amount of \$10.0 million. This initial funding is for 4 pilot tests of the FDP process and contracts for approximately 40 additional selected FDPs. A pilot Statement of Task (SOT) was developed and approved in January 1987, to

initiate pilot testing of the FDP process. Four VA medical centers were chosen as pilot test sites: Long Beach, California; Marion, Indiana; Northport, New York; and Marion, Illinois. The four pilot tests were initiated and are scheduled for completion in FY 1988. The FDP will be used to prepare the Five-Year Facility Plan at the local level, the district and regional construction plans at their respective levels, and will eventually result in the identification, prioritization, and budgeting of specific construction projects at the national level (major, minor miscellaneous, non-recurring maintenance, and parking revolving fund).

Interactive Medical Facilities Planning

The Interactive Medical Facilities Planning (IMFP) System is an automated space planning system that interprets the VA's space planning criteria for VA facilities. Based on the necessary staffing and workload inputs, IMFP gives the project planner a room-by-room listing of the space requirements for a given facility, and gives the planner the ability to interactively update and edit these requirements. The system also will be used for facility comparative analysis and the

testing of planning alternatives. The first phase of the IMFP contract was completed in FY 1987, and the system is currently operational on a limited production basis. In FY 1987, enhancements to IMFP were completed and are undergoing the debugging process.

The contractor has completed the configuration of the system directories to make them compatible with VA data processing requirements. Conversion from a test environment to production

mode will be accomplished as soon as the directories' configurations are accepted by the VA. Final completion of the current contract is scheduled for FY 1988.

Other applications under investigation for possible use with the IMFP System are: (1) automation of the application of H-08-5, "Equipment Guide List," to develop a project oriented equipment list, and (2) development of a data base system for construction projects and Facility

Development Plans. This work is scheduled for completion by August 1988.

The IMFP will be used for space planning modeling for

the Facility Development Plans. This entails applying FY 2000 projected bed and outpatient workload information for each medical center to typical staffing and

program planning information from peer facilities to produce an initial space program.

Five-Year Medical Facility Development Plan

The VA annually provides Congress a Five-Year Medical Facility Development Plan representing a strategic approach for the operation and construction of medical facilities. This report lists all major projects estimated to cost \$2 million or more currently planned by the VA over a five-year planning

horizon, and is presented to Congress in accordance with the provisions of title 38, U.S.C., section 5007. The most recent VA Five-Year Medical Facility Development Plan, delivered to Congress in June 1987, covers the period of FY 1988 through 1992. It contains 89 projects with an estimated cost of almost

\$2.8 billion. The FY 1988-1992 Five-Year Medical Facility Development Plan is the ninth annual submission to Congress. It depicts the magnitude of the effort required to meet the facility requirements of the VA health care delivery system.

Capital Facilities Study

The Capital Facilities Study (CFS) is a comprehensive technical evaluation of the physical plant of 132 VA medical facilities built prior to 1970. The CFS was initiated in FY 1984, and has been completed. The data generated from the study are being utilized in facility planning to address both current and future needs, and is an integral part of the

Facility Development Plans. There were 18 private Architect-Engineer consultants hired to accomplish the study through evaluation of facility as-built drawings, field surveys of buildings and systems, and extensive discussions with the medical center personnel. The computerized study tabulates by severity ratings the repair, replacement, and

renovation needs for each medical center. This CFS data base will be updated semiannually to maintain a current evaluation of the condition of VA facilities. As input into the Facility Development Plans, the CFS is a significant part of the future planning process for the VA construction program.

Value Engineering

Value Engineering (V/E) is an effort to remove anything that adds cost to an item but does not add to the required function. V/E in the VA construction program is applied in several ways. During the preparation of preliminary drawings, system studies are made by the Office of Facilities staff, V/E consultants, or construction consultants. Similarly, the Office of Facilities performs component studies during the working drawing stage. In a

final effort to reduce possible unnecessary costs, the construction contractor also is invited to submit V/E change proposals through an incentive clause in which they would realize a share of the savings. This provision is included in all construction contracts greater than \$100,000. The Veterans Administration V/E program has been very productive. Large savings have been generated without loss of function, and, in some cases,

function has improved. In FY 1987, savings achieved through Value Engineering were over \$3.6 million. Of this amount, \$926,000 resulted from V/E of two parking garages at Syracuse, New York, and Durham, North Carolina; \$890,000 from two clinic additions at Atlanta, Georgia, and Reno, Nevada; \$397,000 from the Bronx, New York, therapeutic pool; and \$418,000 from the geropsychiatric facility at Salisbury, North Carolina.

Construction Research and Development

The construction research and development program covers architectural and engineering

projects in health care building technology. The primary purpose of this

program is to find cost-effective ways to improve the quality, safety, and functional

efficiency of VA facilities for the benefit of patients and staff. Many of these projects are joint efforts between the VA and the private sector. The results of these efforts are shared with other building owners, designers, and technical organizations in the private and public sectors.

During FY 1987, the VA implemented the recommendations of a special cost reduction study that was completed in FY 1986. This study was carried out by an architect/engineer consulting firm engaged by the VA to perform a critical analysis and evaluation of the VA's design and construction requirements. The study produced significant recommendations for reducing VA facility construction cost without compromising the quality of buildings and patient services. A total of 327 recommendations have

been implemented, of which 63 were cost reduction recommendations and 264 were recommendations for improving design and construction criteria.

The future cost savings resulting from this effort are as follows, based on an average facility:

Hospital - \$5,463,000
Nursing Home - \$437,000
Cemetery - \$1,088,000

Two other ongoing research and development projects reported in FY 1986 continue to show progress. A project to test doors and hardware for handicapped persons is 90 percent complete, and the draft final report has received favorable comments from VA staff members and the Paralyzed Veterans of America, which participated in the evaluation process. The recommendations of the final report will be incorporated in

the design of future spinal cord injury facilities.

Another project is currently underway to study and improve the environmental conditions for medical research in animal research buildings. This project is producing new data regarding the performance of various room environments and their effect on the quality control of medical research experiments. The VA also is sharing this information with the medical research community.

Other ongoing projects are: (1) a fire safety study of smoke movement within buildings; (2) tests for indoor air quality to determine the relationship of energy use and air movement in hospitals; and (3) updating of the VA Hospital Building System. This research will help improve the design of VA facilities.

Seismic Design

The VA Handbook, "Earthquake Resistant Design Requirements for VA Hospital Facilities," was revised by the Office of Facilities in conjunction with two members of the Seismic

Subgroup of the Administrator's Advisory Committee on Structural Safety of VA Facilities. This revision is a major rewrite to account for accumulated editing changes and updates.

It also has been simplified in content and order, making the fullest possible direct use of the seismic provisions of the Uniform Building Code. This permits immediate and more efficient use by the structural

Barrier-Free Design

A longstanding priority of the Office of Facilities is to ensure that accessibility to all VA facilities by disabled persons is routinely designed into all new construction, renovations, and new leases. Recently completed research on door use by spinal cord injury patients led to improved door hardware specifications, which provided maximum accessibility and safety to these patients and other disabled persons with mobility limitations. The results of ongoing door research will also be used by the Architectural and Transportation Barriers Compliance Board (ATBCB) as they work to remove reserved sections on accessibility in their minimum guidelines and requirements for accessible design. Recent post-occupancy evaluations of accessibility features at nursing home care units have been conducted, to learn from the user what problems have been encountered by disabled persons. A mock-up Nursing Home Care Unit (NHCU) prototype bedroom and toilet room have been constructed at the VA Medical Center, Washington, D.C., to test different toilet room designs and bedroom furniture for accessibility.

In addition to an ongoing five-year plan for the removal of barriers in all previously constructed VA owned or leased facilities, the results from the Capital Facilities Study will be used in planning for the removal of barriers to disabled persons.

engineers contracted by the VA, and should allow for changes and amendments to be made routinely and easily. The Administrator's Advisory Committee on Structural Safety of VA Facilities approved a report by the

Committee's Seismic Subgroup, which fully endorsed the new revised and shortened version of the Handbook. In addition to the use of microzonation (specific site risk evaluations), this document requires a check of

the local code's corresponding strength requirements, to determine if it exceeds VA requirements. In such cases, the more conservative local level must be used.

Energy Management Program

The Veterans Administration has been actively involved in Energy Management since 1975. The current program is guided by national laws and requirements mandated by various regulatory agencies. Long- and short-range planning provides for specific energy reduction targets to be achieved by each medical center. The VA accomplished its first long-range goal established by Executive Order No. 12003 in FY 1985, by exceeding its planned goal of 20 percent reduction in energy consumption per square foot by the end of FY 1985, as compared to FY 1975. This was accomplished with a cost-effective energy conservation program, and without reduction in the VA's high standards of health care and services.

The basic plan provides for research in new products in order to stay current with modern technology, a detailed study of each medical center to determine its specific requirements, training of medical center personnel, a yearly updated five-year energy management and

contingency plan for each medical center, review and priority assignment of various categories of projects for funding, and a central review of the overall program to ensure that each action or retrofit will save more than it will cost.

The success of this program is due in part to early recognition that the rapidly increasing cost of energy was taking a much larger portion of funds allocated to patient care. This led to the development and accomplishment of a program with goals to save money by conserving energy. Since 1975, over \$320 million in reduced utility costs have been achieved with expenditures to date of about \$152 million. Due to the long-range nature of cost-effective retrofit projects, those projects accomplished to date will provide another \$320 million in benefits during the next six years. The current plan is to achieve an additional 10 percent reduction in energy consumption per square foot by the end of FY 1995, compared to FY 1985. This

will result in utility cost avoidance of an additional \$200 million.

The program's achievements can also be seen in the individual medical centers which have successfully implemented energy management programs. Twenty-eight medical centers already have achieved over 100 percent of their established target goals for FY 1995, and another 48 medical centers have achieved more than 85 percent of their goals.

The VA is widely recognized as one of the leaders in the energy management field and acts as consultant for many Federal and private institutions. The major benefactors of the energy management program are the recipients of VA medical care, since the savings from this program have been used to improve medical care programs. Highly technical cost-effective projects such as cogeneration, installation of thermal ice storage systems, Direct Digit Control Systems, etc., are being funded to meet our new goal by FY 1995.

Biomedical Engineering

The VA's medical equipment inventory is now approaching \$1.3 billion, based on acquisition costs. Biomedical engineering sections of Engineering Service at the individual VA medical centers are successfully maintaining this inventory through a combined program of in-

house medical equipment maintenance activities with judicious use of private sector sources. Analysis of data shows an annual cost avoidance of \$33 million achieved through less reliance on expensive service contracts. Furthermore, factoring of this cost

avoidance against outlays of funds reveals a 40 percent return on the Agency's investment.

The VA also conducts a highly successful program that trains VA biomedical engineering technicians (BMETs) with strong

backgrounds in digital electronics and micro-processors to improve their knowledge, skills, and expertise in x-ray troubleshooting and repair. Improved x-ray maintenance provides a great opportunity for further maintenance and repair cost avoidance in the VA.

This training program is conducted through formal contract with a private vendor and provides 240 training hours coupled with an equal amount of on-the-job assignments. At the end of training, students are able to: troubleshoot 70 percent of the problems found in a typical radiographic and fluoroscopic room; perform routine preventive maintenance on radiographic and fluoroscopic systems; perform required compliance

tests on radiographic and fluoroscopic systems; and pass the certified radiological equipment specialist exam. This training is expected to result in a recurring cost avoidance of \$2.5 million by the end of FY 1989, and remain at this level through FY 1991, while improving the quality of maintenance.

The VA Facilities Engineering Service computer project, known as Automated Engineering Management System/Medical Equipment Reporting System (AEMS/MERS), is now in its third year of operation. AEMS/MERS is a system that provides equipment histories, preventive maintenance scheduling, financial accounts management, and other facility engineering management functions.

AEMS/MERS is the third Decentralized Hospital Computer Program (DHCP) application implemented systemwide in the Department of Medicine and Surgery and is the only DHCP system delivered as a complete, ready-to-operate system. Personnel from each medical center have received training, and both technical and operator manuals have been revised and improved. The fourth software update was released in FY 1987, incorporating a number of refinements and new packages, including an accident reporting module, a more detailed equipment history module with preventive maintenance and repair histories in one file, and an office automation package. A national data base for medical equipment repair histories will soon be under development.

Fire Protection

Fire protection policy for the VA is now promulgated by the Office of Facilities. Specific duties include approving equivalency requests to established VA adopted fire codes and standards, providing technical interpretations, issuing guidance and procedures on fire protection for field facilities, managing the VA Fire Department program, providing fire safety training to other organizational elements within VA, and representing the VA on national consensus standards on hospital fire protection.

Our Fire Safety Evaluation System (FSSES) program continues to provide equivalent levels of fire safety for medical centers. The plans of corrective actions resulting from the FSSES studies continue to save individual medical centers thousands of dollars and provide them with solutions which are operationally acceptable. Several FSSES equivalencies have been approved and proposed this year for individual medical centers.

Guidance also was issued in FY 1987 to field facilities,

regarding the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) standards on plant technology and safety management. Meetings were held between VA Engineering Service and JCAHO plant technology and safety management representatives to clarify VA/JCAHO relations regarding facility safety standards. These have resulted in better communications between the agencies and have assisted all VA medical centers in their accreditation process with JCAHO.

Nationwide Engineering Operations

The Office of Facilities is responsible for addressing VA medical center engineering problems. During the past year, significant progress has been made initiating several programs. A draft Operations and Maintenance (O&M) Manual was prepared by the Office of Facilities with the

National Institute of Building Sciences (NIBS). This manual will help provide needed training for the VA medical center engineering staff on new equipment and systems installed as a part of the VA's construction program. There are several outside hospital management and architect-

engineer firms on the NIBS committee that are interested in using the VA (O&M) guide as an industry standard.

A Chief Engineer Advisory Board (CEAB) was recently established. One of the projects presently underway by the Board, in conjunction

with the VA's Engineering Training Center in Little Rock, Arkansas, and Office of Facilities staff is the VA medical center Engineering Service Handbook. The

general topic outline of the new handbook indicates that it will be an excellent reference for administration, management, and O&M at the medical center level.

Written exclusively by medical center engineers, it will be a collection of successful "how-to's" in running a complex DM&S engineering program.

Historic Preservation

The VA holds one of the largest inventories of historic properties owned by Federal agencies. These properties range from military posts at VA Medical Centers Prescott (Fort Whipple), Arizona, and Fort Howard, Maryland, to the first racially integrated Federal facilities, dating back as early as 1870.

The VA owns 33 properties listed on the National Register of Historic Places. More than 125 properties have been determined eligible by the Department of the Interior for listing on the National Register.

The National Historic Preservation Act provides that when a property is on or eligible for the National Register, the agency must

afford the Advisory Council on Historic Preservation an opportunity to comment on any activity of the agency which may affect the property. The VA works closely with the Advisory Council and with the various State Historic Preservation Officers in a partnership to protect historic sites. Several VA architects have developed a subspecialty in historic preservation design. This entails designing a modern architectural building to meet VA functional needs while blending it harmoniously into an existing historic environment. Careful attention must be paid to color, materials, existing design, scale, and massing.

Most recently, the archaeological data recovery

team at VA Medical Center Hampton, Virginia, recovered a significant number of artifacts at the site where the new water tower will be located. Materials recovered thus far include several well-preserved buttons from the uniforms worn in the Southern branch of the National Home for Disabled Volunteer Soldiers (1870-1930), pottery, dishware with the Home seal on the base, clay pipes, shoe leather, a still readable newspaper dating from the early part of this century, and medicine bottles. The variety of medicine bottles may give the VA new information on early home medical care. The recovery of artifacts from the water tower area of VA Medical Center Hampton, Virginia, has been completed.

Office of Procurement and Supply

With annual expenditures of over \$4 billion for supplies, services, construction, and equipment, the VA is one of the largest procurement and supply agencies of the Federal Government. Drugs, medical supplies and equipment, and other critical patient care items are procured and distributed to the VA's 172 medical centers, comprising the largest health care delivery system in the free world. Supply support is also provided to 58 regional offices, 111 cemeteries, 3 data processing centers, and various other VA activities.

The Office of Procurement and Supply (OP&S) conducts its operations through a Central Office staff and a

field network, including a marketing center, three supply depots, and a prosthetic distribution center.

The VA Marketing Center, located at Hines, Illinois, is responsible for the acquisition of medical supplies under the VA Centralized Management System. Approximately 55 percent of the items acquired through the use of the supply fund (a self-sustaining revolving fund) in FY 1987 were purchased centrally by the Marketing Center at volume discounts. This cost-effective method of acquisition achieved significant savings for various appropriations in FY 1987. The Marketing Center also awards direct order contracts which are used by the

medical centers and other Government agencies to realize further savings. In total, the Marketing Center participated in procurements of over \$1 billion, resulting in significant cost reductions over alternate supply sources.

The VA's three supply depots, including Hines, Illinois; Somerville, New Jersey; and Bell, California, serve as centralized warehouses and distribution centers for VA's nationwide network of facilities. During the year, A-76 cost comparison studies with the private sector were completed on depot operations at the Hines and Somerville supply depots. As a result of the VA's

demonstrated lower costs, operations at the two supply depots will remain under VA management. Through implementing its most efficient organization employment levels at these two depots, the VA will realize annual savings of approximately \$1 million compared to its previous operating costs.

During 1987, the Prosthetic Distribution Center, located in Denver, Colorado, maintained records of approximately 150,000 hearing impaired veterans, 19,000 amputee veterans, and 10,500 legally blind veterans with continuing eligibility. Over 200,000 issue or repair transactions were accomplished during 1987, resulting in a total of 3,780,743 items issued and a total of 48,258 items repaired.

Over 6,500 people are employed by VA medical center supply services in meeting the demands for patient care supplies and equipment. For 1987, the value of supplies and

VA Equipment Assets September 30, 1987		
Equipment on Hand	Value (Millions)	Percent of Total
X-ray and nuclear	\$606	22.1
Medical, surgical,		
dental, and optical	563	20.5
Laboratory	418	15.2
ADP equipment	256	9.3
Hospital furnishings		
and equipment	218	7.9
Communications	168	6.1
Dietetic, housekeeping,		
and laundry	131	4.8
Office machines	115	4.2
Motor vehicles, tractors,		
material handling, and		
firefighting	68	2.5
Refrigeration	29	1.1
Musical instruments,		
recreational, and		
athletic equipment	23	.8
Furniture	22	.8
All other	129	4.7
TOTAL	\$2,746	100.0

equipment provided was approximately \$1.8 billion.

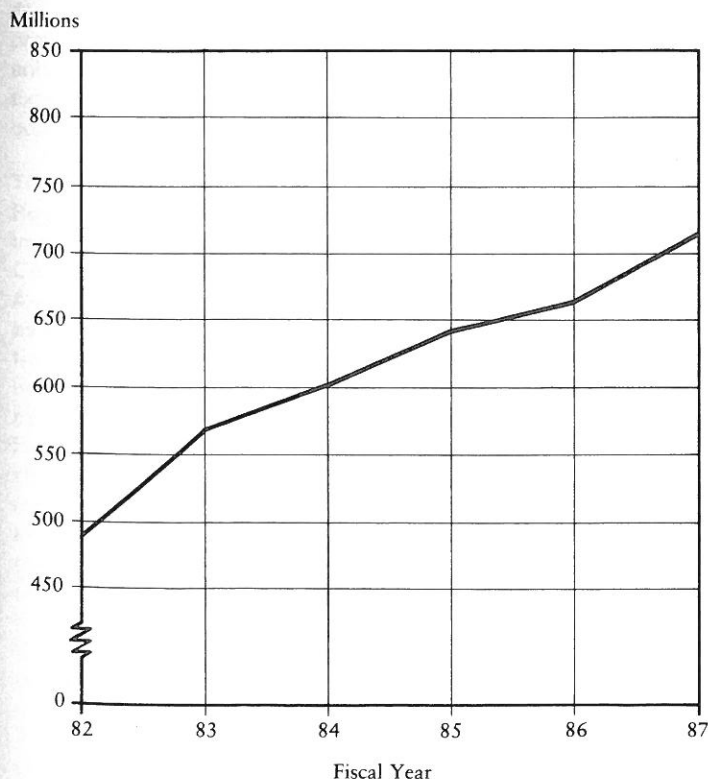
OP&S manages the operation of a self-sustaining revolving supply fund that finances

both depot and medical center inventories. It also finances direct delivery purchases, and the full costs of operating the three supply depots and the Marketing Center. In FY 1987, these operating costs were less than 4 percent of the fund's total obligations. Supply Fund sales in FY 1987 were \$715 million. Yearly sales from FY 1982 through FY 1987 are shown on the adjacent chart.

VA's equipment assets increased 10 percent in FY 1987 to \$2.7 billion. This increase in acquisition value of \$287 million reflects continued requirements for state-of-the-art equipment and activation of new facilities.

This year, OP&S celebrated the twentieth anniversary of the Supply Processing and Distribution (SPD) operation. SPD is a centralized processing and distribution system for all direct patient care supplies and equipment. In 1967, OP&S assumed responsibility of this central

SUPPLY FUND SALES



Sale of Recovered Silver Nets \$4.1 Million

Silver is recovered throughout VA medical facilities from x-ray processing solutions and scrap x-ray films. Gold and other precious metals also are collected from VA dental clinics and laboratories. During this fiscal year, the VA received \$4.1 million from the sale of over 610,000 ounces of silver which were sold when prices were at a high level. Proceeds from the sale were deposited in the VA Supply Fund and subsequently returned to the medical care appropriations. The collection and storage of scrap x-ray film has continued. Over 2 million pounds of film are now on hand at the three supply depots.

service function within the VA's medical centers. There are 2,300 SPD employees providing services and supplies to professional staffs in support of direct patient care at the VA's 172 medical centers.

In January 1987, OP&S initiated a centralized traffic

management program to provide a comprehensive system of freight management to the three depots, and between the depots and the field facilities. OP&S has developed several interrelated freight management programs which should improve annual cost-effectiveness by

approximately \$1 million through improved management of VA freight costs. Implementation of these programs through automation and computerization will provide comprehensive accountability for costs and ensure regulatory compliance throughout the Agency.

Depot System Expanded

A study of the VA procurement and distribution system conducted by a contractor firm found that the depot system was more cost-effective than comparable private sector systems and the system used by the Department of Defense (DOD) in providing drugs and medical supplies to its customers. The cost avoidance was of such magnitude that the contractor recommended that the number of items stocked be expanded to provide a greater benefit. In order to increase the number of items in the depot system, stockage criteria has been liberalized to permit the addition of new items when economic advantages can be obtained over alternate supply sources. At the beginning of FY 1987, 1,534 items were centrally managed. At the end of FY 1987, the total had reached 1,720, a net increase of 186 items.

On September 9, 1987, the Administrator approved the "Veterans Administration Medical Supply Standardization Program." This initiative marks a major step toward achieving the VA's goal of reducing, to the maximum extent feasible, the number of different types, sizes, models, and brands of items purchased which serve the same functional purpose, while maintaining high-quality products. This program, which is a joint undertaking between OP&S and the Department of Medicine and Surgery (DM&S), is expected to result in increased competition from vendors,

significant cost savings, and administrative efficiencies.

In an effort to gain economies through consolidating VA requirements on a local level, the VA continues to pursue a very successful medical district consolidated procurement program. Aggregating medical district requirements for commodities and services either not susceptible to national item management, or not yet ready for national standardization, resulted in cumulative price savings of \$2.2 million and associated administrative savings of \$137,886 in 1987. In a related program,

the VA Marketing Center consolidated medical and related equipment requirements of various medical centers, resulting in contract costs which were \$7,626,814 less than the manufacturers' list prices.

The VA's continuing involvement in the Civilian Agency Acquisition Council (CAAC) ensures that the particular needs of the Agency in the area of Federal procurement policy and regulation are given a fair hearing. The CAAC maintains the Federal Acquisition Regulation (FAR), the single, uniform procurement

Shared Procurement Program Grows

The Shared Procurement Program unites the requirements of the VA, DOD, and the Public Health Service (PHS) for certain items to realize economies of scale. Since it was implemented in 1978, it has evolved from a single contract awarded by each agency for 20 items, to today's volume of 571 contracts. In the past year, notwithstanding the growth already realized in previous years, the program increased from 2,143 items worth \$462 million to 2,299 items exceeding one-half billion dollars (\$530,621,555). The number of shared procurement contracts increased 21 percent in FY 1987, while the dollars involved with these contracts increased 12.9 percent. The combined cost containment realized by the VA, DOD, and PHS since the implementation of this program has exceeded \$145 million through the consolidated purchase of medical products.

regulation from which all Federal acquisition regulations emanate. In order to more efficiently carry out this very significant responsibility, the CAAC, in conjunction with the Defense Acquisition Regulatory Council, has established a formal FAR committee structure. These committees are the primary working groups in developing FAR revisions. With nine personnel assigned to various committees, the VA is the single largest civilian agency contributor to the FAR committee structure. This representation not only ensures a grassroots forum for VA interests in regulatory development, but also provides an opportunity to enhance acquisition policy expertise in areas of particular concern to the VA.

The VA Acquisition Regulation (VAAR) implementation of the Competition in Contracting Act (CICA), earlier published as an interim rule, was finalized with minor modifications for permanent codification in the Code of Federal Regulations, title 48, chapter 8. FY 1987 data reflect a continuing increase in the marketplace competition for the goods and services acquired by the VA. In FY 1987, approximately 93 percent of available contract dollars for open market acquisitions exceeding \$10,000 were expended using full and open

competition. This noteworthy accomplishment is attributable to adherence to the requirements of CICA and coordinated procurement planning, market analysis and outreach, and increased cooperation between VA program officials and the supporting contracting personnel.

Executive Order No. 12352, "Federal Procurement Reforms," requires executive agencies to ensure the effective and efficient spending of public funds. In order to promote a professional procurement work force as required by the Executive order, the OP&S has successfully implemented the VA contracting officer certification program. Approved as a formal addition to the VA Acquisition Regulation by the Administrator on June 19, 1987, all VA contracting officers have been provided either interim or permanent contracting officer certifications. This formalized process requires that contracting officers meet pertinent educational, training, and experience criteria in order to be eligible for contracting officer warrants at varying levels. Individuals issued interim warrants must achieve specialized development plans prior to being permanently certified. A highly trained, professional VA contracting work force will better ensure

that expenditures of Government funds are accomplished judiciously and in accordance with Federal procurement laws and regulations.

VA Central Office Departments and various staff offices continued use of the seven management studies and analyses contracts in FY 1987. These contracts provide the Agency an expedited source of consultant services and technical assistance in the areas of resource systems, personnel and administrative services, information management, and program evaluation through the use of task orders against negotiated contracts. There were 27 task orders issued during FY 1987 totaling over \$9 million. The major task orders included: a combined survey of VA medical systems users and disabled veterans for the Office of Information Management and Statistics; a cost-benefit analysis of the enhanced Decentralized Hospital Computer Program and several reviews of current programs for the Department of Medicine and Surgery; a study of alternative filing systems and automated work flow using optical disk equipment for the Department of Veterans Benefits; and specifications for the Personnel and Accounting Integrated Data redesign system for the Office of

Information Systems and Telecommunications.

During FY 1987, OP&S undertook three initiatives that will provide leadership and management for the automation of the VA's procurement and supply functions. In June 1987, a separate organizational element was established as a new unit of OP&S, and tasked with developing, managing, coordinating, and integrating all OP&S automation programs, while providing quality assurance and

guidance to the users of OP&S automated systems. Development of a fully integrated supply management system also was initiated to provide a modernized supply and procurement information system that will link current programs and expand to other functional areas in need of automation. The new system will enhance service to veterans by facilitating decision-making processes and improving the management of VA procurement and supply

activities. Finally, the Integrated Funds Distribution, Control Point Activity, Accounting and Procurement (IFCAP) program, a module of the Decentralized Hospital Computer Program (DHCP), has been tested and approved for installation at field facilities which have the hardware capabilities to accommodate the program. IFCAP is an interdisciplinary procurement and finance system developed and implemented jointly by OP&S, DM&S, and the Office of Budget and Finance.

Office of Small and Disadvantaged Business Utilization

The Small Business Act, as amended by Public Law 95-507, requires each Federal agency having procurement authority to establish an Office of Small and Disadvantaged Business Utilization (OSDBU). The Veterans Administration's OSDBU is the Agency's primary advocate for the participation of small businesses, disadvantaged (minority) businesses, labor surplus area concerns, women-owned small businesses, Vietnam era veteran-owned small businesses, and disabled veteran-owned small businesses in VA contracts and subcontracts.

As such, it administers and promotes VA programs for small and disadvantaged businesses as directed by statutes, Executive orders, and applicable regulations that require affirmative action and establish preferential procurement programs. The Office reviews VA's policies and procedures for effectiveness in furthering these programs. Another OSDBU mission is to advise and assist procurement activities in identifying suppliers.

The VA's contracting

activities, with the assistance of OSDBU, ensure that the Agency's procurement process provides opportunities for potential participants in the Agencywide socioeconomic procurement program by encouraging participation under the small business program.

For example, in June 1987, the VA awarded a \$13.8 million contract for phase I of the Baltimore replacement hospital project to an 8(a) joint venture. This is the largest contract awarded by the VA to a small and disadvantaged firm under the 8(a) program. In FY 1987, the VA awarded more than \$100 million in contracts to Small Business Administration (SBA) certified 8(a) firms. Overall, VA awarded over \$649 million in contracts to small and disadvantaged businesses in FY 1987.

OSDBU also develops subcontracting goals for presolicitation notices issued on major construction projects. These notices recommend goal levels for small and disadvantaged business subcontracting by potential bidders or offerors. Subcontracting plans are reviewed by OSDBU, and

recommendations are made to the contracting officer. The Office has established monitoring procedures for VA contractors' subcontracting plans for major construction projects. Quarterly and semiannual reports submitted by reporting prime contractors are reviewed, and contracting officers are notified where remedial action is warranted. In FY 1987, VA prime contractors awarded \$223 million in subcontracts to small and minority businesses.

Another responsibility of the Office is to improve awareness of VA contracting opportunities among small business owners who are Vietnam era or disabled veterans. Under this program, VA procurement specialists throughout the country engage in outreach activities to locate veteran-owned firms and keep them informed of upcoming contracting opportunities. In addition, as part of its outreach efforts, OSDBU provides informational packages that describe business opportunities with the VA, to veterans service organizations and Veteran Readjustment Counseling Centers, and participates in procurement training

seminars for counseling
center personnel. Since this
special VA outreach program

began in 1984, approx-
imately \$92.7 million have
been awarded to Vietnam era

and disabled veteran-owned
small businesses.

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TABLE 1

VETERAN POPULATION

Estimated Number of Veterans Living in the U.S. and Puerto Rico, by Age and Period of Service — September 30, 1987

(In Thousands)

Age	Total Veterans	Wartime Veterans							Peacetime Veterans			
		Total ¹	Vietnam Era		Korean Conflict		World War II ³	World War I	Total	Post-Vietnam Era ⁴	Service Between Korean Conflict and Vietnam Era Only	Other Peacetime ⁵
			Total ²	No Service in Korean Conflict	Total ^{2,3}	No Service in World War II						
All Ages	27,469#	21,646#	8,270	7,652	5,034	4,089	9,765	140	5,823	2,473	2,987	363
Under 20 years	1	.....	.....	.....	.....	.....	.....	.....	1	1	.....	.....
20-24 years	325	.....	.....	.....	.....	.....	.....	.....	325	325	.....	.....
25-29 years	1,198	50	50	50	.....	.....	.....	.....	1,148	1,148	.....	.....
30-34 years	1,681	934	934	934	.....	.....	.....	.....	747	747	.....	.....
35-39 years	2,775	2,596	2,596	2,596	.....	.....	.....	.....	179	170	9	.....
40-44 years	3,240	2,909	2,909	2,909	.....	.....	.....	.....	331	42	290	.....
45-49 years	2,442	985	931	923	62	62	.....	.....	1,456	22	1,434	.....
50-54 years	2,754	1,597	335	185	1,412	1,412	.....	.....	1,157	13	1,112	32
55-59 years	3,314	3,091	265	41	2,542	2,379	671	.....	223	5	119	99
60-64 years	3,753	3,697	130	10	559	188	3,500	.....	56	*	12	43
65-69 years	3,197	3,158	81	4	278	27	3,127	.....	39	.....	5	34
70-74 years	1,597	1,551	29	1	117	11	1,539	.....	47	.....	3	44
75-79 years	708	660	8	*	44	6	654	.....	48	.....	1	46
80-84 years	269	229	3	.....	16	3	224	2	40	.....	1	39
85 years and over	215	189	1	.....	4	1	50	138	26	.....	*	26
Median age ⁶	53.9	57.9	40.7	40.3	56.8	56.0	66.0	90.7	45.9	29.1	49.3	66.0

NOTE: Excluded are 423,000 veterans whose only active-duty military service occurred since September 8, 1980, and who failed to satisfy the minimum service requirement. Also excluded are a small indeterminate number of National Guard personnel or reservists who incurred service-connected disabilities while on an initial tour of active duty for training only. Detail may not add to total shown due to rounding.

¹ Veterans who served in both World War II and the Korean conflict, or in both the Korean conflict and the Vietnam era, are counted only once.

² Includes 618 (thousand) who served in both the Korean conflict and the Vietnam era.

³ Includes 945 (thousand) who served in both World War II and the Korean conflict.

⁴ Service only after May 7, 1975.

⁵ Includes those who served only between World War I and World War II, and those who served only between World War II and the Korean conflict.

⁶ Computed from single year of age data.

There are also 3 living Spanish-American War veterans and about 60 living Mexican Border period veterans.

* Less than 0.5 (thousand).

VETERAN POPULATION

TABLE 2

Estimated Number of Veterans Living in the U.S. and Puerto Rico, by State and Period of Service—September 30, 1987
(In Thousands)

State	Total Veterans	Veterans per 1,000 Civilian Population Age 17 and Over	Wartime Veterans							Peacetime Veterans			
			Total 1	Vietnam Era		Korean Conflict		World War II 3	World War I	Total	Post-Vietnam Era 4	Service Between Korean Conflict and Vietnam Era Only	Other Peacetime 5
				Total 2	No Service in Korean Conflict	Total 2 3	No Service in World War II						
Total	27,469#	X	21,646#	8,270	7,652	5,034	4,089	9,765	140	5,823	2,473	2,987	363
State Total	27,344	152.1	21,551	8,236	7,619	5,000	4,058	9,736	140	5,793	2,456	2,975	362
Alabama	406	136.2	319	122	108	84	67	142	2	86	36	43	7
Alaska	71	204.1	56	34	32	11	9	14	*	15	6	9	*
Arizona	407	167.0	324	129	113	75	55	154	2	82	39	39	5
Arkansas	267	151.8	208	80	71	47	36	98	2	59	27	28	4
California	2,844	142.6	2,281	905	820	574	428	1,017	14	563	211	309	43
Colorado	398	165.6	313	154	139	75	58	115	2	85	37	44	4
Connecticut	393	159.4	314	104	99	74	62	150	2	79	28	46	5
Delaware	78	162.4	61	23	21	14	11	28	*	17	8	8	1
District of Columbia	58	118.4	46	15	14	12	9	22	*	12	6	5	1
Florida	1,477	162.3	1,201	404	341	282	195	654	11	276	124	125	27
Georgia	651	147.3	500	231	206	121	94	198	2	151	72	69	9
Hawaii	101	138.1	80	37	32	21	16	32	2	21	9	11	1
Idaho	117	166.1	91	39	36	20	16	38	1	25	11	13	1
Illinois	1,254	145.3	986	345	336	218	193	451	6	268	105	147	16
Indiana	647	157.5	490	189	183	111	98	206	3	157	74	75	7
Iowa	335	156.3	265	102	100	58	53	110	3	70	32	35	4
Kansas	286	156.9	230	89	82	52	43	103	2	56	22	31	3
Kentucky	368	134.0	291	110	103	67	57	129	2	77	31	40	5
Louisiana	432	135.1	337	137	126	76	61	148	2	95	42	46	7
Maine	154	174.6	121	47	44	28	23	54	1	33	15	16	1
Maryland	530	157.3	415	164	149	105	81	183	2	115	49	60	7
Massachusetts	685	149.9	547	172	163	125	104	275	4	138	55	76	7
Michigan	1,023	150.2	782	306	299	168	152	326	5	242	113	117	12
Minnesota	495	156.3	386	156	152	86	76	155	3	109	44	60	5
Mississippi	234	126.5	183	66	58	46	36	88	1	51	22	24	4
Missouri	633	165.8	498	186	175	117	98	221	4	135	59	68	8
Montana	106	177.8	84	36	34	18	15	34	1	22	9	12	1
Nebraska	186	157.8	147	57	53	36	31	62	1	39	17	21	6
Nevada	137	189.0	109	47	41	29	22	46	*	29	11	17	1
New Hampshire	141	181.1	110	46	43	26	21	46	1	30	14	16	1
New Jersey	887	150.6	706	214	204	164	141	357	4	180	64	104	13
New Mexico	172	164.5	135	59	53	32	24	57	1	36	18	16	2
New York	1,858	136.2	1,462	444	433	322	287	731	10	396	163	205	28
North Carolina	682	145.0	538	207	187	127	104	244	3	145	65	69	10
North Dakota	72	147.8	56	24	23	21	11	21	*	16	7	9	*
Ohio	1,302	161.7	1,007	365	353	217	191	458	6	295	136	144	15
Oklahoma	401	165.5	322	138	126	74	57	136	2	79	32	41	5
Oregon	350	170.6	278	118	112	57	46	117	2	72	29	39	4
Pennsylvania	1,524	165.6	1,209	389	375	262	225	601	7	316	125	171	19
Rhode Island	120	158.3	97	32	30	22	18	49	1	23	10	11	2
South Carolina	351	144.4	275	118	101	68	52	120	1	76	35	36	6
South Dakota	79	152.9	62	22	21	15	14	26	1	17	8	9	*
Tennessee	524	145.4	410	167	154	92	77	177	2	115	51	56	8
Texas	1,785	150.4	1,401	632	572	322	249	574	7	384	169	191	24
Utah	154	144.3	124	53	50	28	22	51	1	30	12	17	1
Vermont	64	155.5	48	20	19	11	9	20	*	15	7	7	1
Virginia	669	156.9	523	225	189	144	103	229	2	146	66	71	9
Washington	591	178.1	469	217	195	113	83	188	3	122	50	66	7
West Virginia	224	155.2	178	66	62	38	32	83	1	47	20	23	3
Wisconsin	565	157.4	432	169	165	93	83	180	4	133	56	72	6
Wyoming	59	166.0	47	23	22	10	9	16	*	12	5	7	*
Puerto Rico	125	X	95	35	33	35	32	30	*	30	17	12	1

NOTE: Veterans per 1,000 civilian population age 17 and over are based on civilian population estimates for July 1, 1986, provided by the U.S. Department of Commerce, Bureau of the Census.

Refer to the footnotes at the end of Table 1, "Estimated Number of Veterans Living in the U.S. and Puerto Rico, by Age and Period of Service."

X-Not applicable.

TABLE 3

Hospital and Extended Care by Type of Facility — Fiscal Year 1987

Facility	Average Operating Beds 1 2	Occupancy Rate % 3	Average Daily Census 4 5	Admissions 5 6	Discharges and Deaths 5 6	Patients Treated 5 7	Patients Remaining September 30, 1987
Total	94,940	.....	97,442	1,370,397	1,366,238	1,465,703	99,465
Total Hospital Care .....	.....	.....	55,693	1,308,965	1,306,372	1,362,142	55,770
VA Total	76,213	71.6	54,564	1,279,976	1,277,125	1,332,056	54,931
Medical	39,317	74.9	29,455	816,448	796,969	826,114	29,145
Surgical	14,414	59.8	8,620	286,275	289,670	298,795	9,125
Psychiatric	22,482	73.3	16,489	177,253	190,486	207,147	16,661
Non-VA .....	.....	.....	634	26,379	26,619	26,970	351
State .....	.....	.....	495	2,610	2,628	3,116	488
Total Domiciliary Care .....	.....	.....	10,022	11,254	11,552	21,953	10,401
VA	6,986	83.6	5,837	7,723	7,939	14,134	6,195
State .....	.....	.....	4,185	3,531	3,613	7,819	4,206
Total Nursing Home Care .....	.....	.....	31,727	50,178	48,314	81,608	33,294
VA	11,741	93.2	10,945	14,422	13,919	25,567	11,648
Community .....	.....	.....	12,251	29,986	28,943	41,925	12,982
State .....	.....	.....	8,531	5,770	5,452	14,116	8,664

¹Monthly average based on the number of operating beds as of the last day of 13 consecutive months, September prior fiscal year through September current fiscal year. Beds are classified according to their intended use; patients are classified according to the classification of the beds they occupy, rather than on a diagnostic basis.

²Operating beds not reported for non-VA facilities.

³Average daily census as a percent of average operating beds.

⁴Total patient days during the year divided by the number of days in the year.

⁵Patients admitted to VA hospitals for one-day chronic dialysis are considered inpatients. Their average daily census and patient days totalled 699 and 255,094 respectively. The latter also applies to admissions, discharges and deaths, and patients treated.

⁶Excludes inter- and intra-VA hospital admissions and discharges.

⁷Discharges and deaths plus patients remaining.

Inpatient and Ambulatory Care: Program Summary—Fiscal Year 1987

Location of VA Facility	Inpatient Care — Patients Treated ¹										Ambulatory Care				
	Hospitals			Nursing Homes			Domiciliaries		Medical Visits		Dental Care		Net Cases Author- ized ^{2,7}		
	VAMC Hospital Care Compo- nent	Non-VA ^{2,3}	State Home ^{2,4}	VAMC Nurs. Home Care Compo- nent	Commu- nity ^{2,3}	State Home ^{2,4}	VAMC Dom. Care Compo- nent	State Home ^{2,4}	VA Staff	Fee Basis ^{2,5}	Visits	VA Staff ⁶		Treat- ment Cases Completed	
Louisiana:															
Alexandria	6,629			276	258				49,086		1,241	144		32	
New Orleans	12,429	371			334	179		144	238,971	25,650	4,630	854		32	
Baton Rouge (OCS)	12,429	371			334	179		144	211,225	25,650	2,993	533			
Shreveport	9,206	145			438				27,746		1,637	321			
Maine: Togus	6,667	170		120	202	139			96,245	29,543	2,765	691		105	
Maryland:									78,854	25,520	1,901	603		311	
Baltimore	6,621	81			146				165,343	11,021	3,167	658		26	
Baltimore	6,621	81			146				102,898	11,021	1,327	260			
Baltimore (OCMC)									62,445		1,840	398		26	
Ft. Howard	2,242			71	62				26,842		273	44			
Perry Point	3,634	2		132	151				45,060		838	104			
Massachusetts:															
Bedford	3,251	6		223	169				104,485		2,631	360			
Boston	13,026				370				182,995		2,825	421			
Boston	13,026				370				154,561		2,825	421			
Lowell (OCS)									28,434						
Boston (OC)		151	871			142		526	202,034	55,986	9,653	1,310		173	
Brockton ⁸	8,165			136	319				184,176		8,707	999			
Brockton Div.	8,165			136	319				106,449		4,757	490			
West Roxbury Div.									56,408		3,950	509			
Worcester (OCS)									21,319						
Northampton	2,856	13	157	63	145	366		47	89,792		1,904	500			
Northampton	2,856	13	157	63	145	366		47	58,615		1,904	500			
Springfield (OCS)									31,177						
Michigan:															
Allen Park	14,983	282		144	383	745		214	220,648	22,426	4,799	474		78	
Ann Arbor	11,873	6		424	259				150,424		4,247	817			
Ann Arbor	11,873	6		424	259				107,802		2,180	362			
Toledo, OH (OCS)									42,622		2,067	455			
Battle Creek	6,492	50		314	349				109,957		2,368	706			
Battle Creek	6,492	50		314	349				80,184		1,309	273			
Grand Rapids (OCS)									29,773		1,059	433			
Iron Mountain	5,292	3		198	86	144		104	30,655	2,225	331	79		76	
Saginaw	4,003			189	341				47,257		1,574	308			
Saginaw	4,003			189	341				39,926		1,574	308			
Gaylord (OCS)									7,331						
Minnesota:															
Minneapolis	20,967	852			1,028	410		573	243,696	54,810	4,305	654		538	
Minneapolis	20,967	852			1,028	410		573	243,696	54,810	4,305	654		538	
St. Paul (OCMC)															
St. Cloud	3,563	14		213	210				72,482		1,056	237			
Mississippi:															
Biloxi ⁹															
Biloxi Div.	8,233			57	375		432		151,652		4,054	739			
Gulfport Div.	8,233			57	375		432		67,664		1,314	296			
Mobile, AL (OCS)									27,796		607	164			
Pensacola, FL (OCS)									10,555						
Jackson									45,637		2,133	279			
Jackson	14,702	87		252	277				103,930	25,940	3,363	789		295	

Missouri:	7,274	118	83	287	73,341	39,816	1,545	343
Columbia	11,121	118	89	291	129,837	39,816	2,445	502
Kansas City	4,089	1	351	177	38,815	9,287	1,252	334
Poplar Bluff	18,885	68	351	709	248,185	9,287	3,420	822
St. Louis ⁸	18,885	68	351	709	175,418	9,287	1,501	394
John Cochran Div.	18,885	68	351	395	72,767	9,287	1,919	428
Jefferson Barracks Div.	18,885	68	351	395	72,767	9,287	1,919	428
Montana:	3,728	89	158	118	26,493	18,982	490	95
Ft. Harrison	2,404	89	158	118	20,541	18,982	97	19
Miles City	2,404	89	158	118	20,541	18,982	97	19
Nebraska:	2,712	1	190	683	26,203	10,018	496	81
Grand Island	4,396	38	121	121	48,483	10,018	1,444	267
Lincoln	9,144	30	299	299	96,117	10,018	1,490	235
Omaha	9,144	30	299	299	96,117	10,018	1,490	235
Nevada:	4,720	198	292	120	63,218	2,904	3,857	885
Las Vegas (OC)	4,720	198	292	120	63,218	2,904	3,857	885
Reno	3,422	108	266	132	76,851	9,803	990	320
New Hampshire: Manchester	3,422	108	266	132	69,341	9,175	3,197	412
New Jersey:	17,971	206	99	333	224,498	30,094	7,984	1,041
East Orange	17,971	206	99	333	181,159	30,094	7,984	1,041
East Orange	17,971	206	99	333	181,159	30,094	7,984	1,041
Newark (OCMC)	4,775	63	140	100	43,339	10,193	3,406	393
Lyons	11,467	63	266	196	52,829	10,193	5,386	582
New Mexico: Albuquerque	11,467	63	266	196	172,371	10,193	5,386	582
New York:	9,642	49	397	135	133,450	15,413	2,787	424
Albany	1,388	1	149	31	58,608	1,925	1,925	226
Batavia	1,388	1	149	31	21,291	1,925	1,925	226
Batavia	1,388	1	149	31	21,291	1,925	1,925	226
Rochester (OCS)	3,059	4	258	142	37,317	1,204	1,204	116
Bath	13,627	4	273	140	46,493	4,559	214,355	279
Bronx	17,819	4	380	175	214,355	4,559	9,396	680
Brooklyn ⁸	17,819	4	380	175	354,015	4,559	3,166	241
Brooklyn Div.	17,819	4	380	175	207,755	4,559	1,835	49
St. Albans Div.	17,819	4	380	175	44,068	4,559	4,395	390
Brooklyn (OCS)	15,153	79	96	211	102,192	7,628	5,615	1,070
Buffalo	2,652	2	153	62	189,915	314	1,539	314
Canandaigua	3,268	2	242	67	53,300	2,809	2,809	358
Castle Point	5,076	56	190	56	40,469	2,809	2,648	350
Montrose	13,871	208	116	116	61,933	19,683	10,388	805
New York	13,871	208	116	116	317,690	19,683	10,388	805
New York	13,871	208	116	116	191,787	19,683	10,388	805
New York (OCMC)	13,871	208	116	116	125,903	19,683	10,388	805
Northport	13,718	82	236	236	200,460	25,466	6,428	686
Syracuse	6,075	82	67	116	101,795	25,466	2,650	499
North Carolina:	8,073	12	109	361	86,500	2,976	2,976	496
Asheville	9,973	49	87	315	99,972	3,421	3,421	869
Durham	5,883	1	150	215	61,269	4,278	4,278	763
Fayetteville	6,298	235	150	242	78,104	65,404	3,677	979
Salisbury	6,298	235	150	242	59,084	65,404	3,677	979
Salisbury	6,298	235	150	242	59,084	65,404	3,677	979
Winston-Salem (OCMC)	4,845	298	244	144	19,020	23,005	1,765	617
North Dakota: Fargo	4,845	298	244	144	44,708	23,005	1,765	617
Ohio:	6,895	7	163	599	66,874	13,328	1,335	161
Chillicothe	10,880	189	346	252	139,560	13,328	2,745	510
Cincinnati	20,199	134	371	382	237,415	12,981	5,673	994
Cleveland ⁸	20,199	134	371	382	140,973	12,981	3,131	476
Wade Park Div.	20,199	134	371	382	53,724	12,981	670	24
Brecksville Div.	20,199	134	371	382	42,718	12,981	1,872	378
Canton (OCS)	20,199	134	371	382	114,810	10,169	3,186	742
Columbus (OC)	20,199	134	371	382	114,810	10,169	3,186	742
Dayton	11,033	402	406	290	130,646	1,096	2,794	667

See footnotes at end of table.

Inpatient and Ambulatory Care: Program Summary—Fiscal Year 1987

Location of VA Facility	Inpatient Care — Patients Treated ¹						Ambulatory Care						
	Hospitals		Nursing Homes			Domiciliaries		Medical Visits		Dental Care			
	VAMC Hospital Care Compo- nent	Non-VA 2 3	State Home 2 4	VAMC Nurs. Home Care Compo- nent	Communi- ty 2 3	State Home 2 4	VAMC Dom. Care Compo- nent	State Home 2 4	VA Staff	Fee Basis 2 5	VA Staff ⁶		
											Visits	Treat- ment Cases Completed	Net Cases Author- ized 2 7
Oklahoma:	5,003	249	.....	.....	303	.....	.....	.....	120,134	31,167	3,835	865	179
Muskogee	5,003	249	.....	.....	303	.....	.....	.....	73,472	31,167	2,537	588	179
Muskogee									46,662		1,298	277	
Tulsa (OCS)									168,803		4,274	1,011	
Oklahoma City	15,150	18	.....	.....	489	1,403	.....	.....			
Oregon:													
Portland ⁸	15,707	302	.....	359	462	.....	.....	.....	190,717	46,301	3,695	720	373
Portland	15,707	302	.....	359	462	.....	.....	.....	102,797	46,301	2,519	541	373
Vancouver (WA) Div.									24,262		1,176	179	
Portland (OCMC)									63,658				
Portland									57,352				
Roseburg	4,433	1	.....	108	271	.....	.....	.....	16,062		686	164	
Roseburg		64	.....	.....	11	.....	1,693	.....			669	110	
White City (Ind. Dom.)													
Pennsylvania:													
Altoona	2,819	103	.....	35	147	393	.....	402	35,302	15,994	704	277	4
Butler	2,645	4	.....	245	136	.....	88	.....	49,453	2,722	1,152	293	12
Cotatesville	5,214	13	.....	276	508	.....	.....	.....	56,258	1,458	465	123	
Erie	3,349	24	.....	104	133	90	.....	77	49,537	1,879	1,453	235	32
Lebanon	3,992	97	.....	316	364	.....	.....	.....	71,866	19,842	2,032	336	179
Lebanon	3,992	97	.....	316	364	.....	.....	.....	56,321	19,842	2,032	336	179
Harrisburg (OCS)									15,545				
Philadelphia	10,303	298	.....	.....	599	.....	.....	.....	230,912	17,678	6,797	801	73
Philadelphia	10,303	298	.....	.....	599	.....	.....	.....	162,915	17,678	3,553	372	
Philadelphia (OCS)									67,997		3,244	429	73
Pittsburgh (Highland Dr.)	4,247	30	.....	.....	314	.....	.....	.....	72,235	3,051	3,376	534	16
Pittsburgh (Univ. Dr.) ⁸	12,403	8	.....	402	498	.....	.....	.....	121,713	10,888	2,795	446	5
Pittsburgh (Univ. Dr.) Div.	12,403	8	.....	402	498	.....	.....	.....	120,185	10,888	2,504	402	5
Pittsburgh (Univ. Dr.) Div.									973		291	44	
Aspinwall Div.									555				
Pittsburgh (OCMC)									158,725	18,878	8,496	1,132	60
Wilkes-Barre	7,598	160	.....	149	197	.....	.....	.....	106,421	18,878	6,406	731	60
Wilkes-Barre	7,598	160	.....	149	197	.....	.....	.....	31,134		2,090	401	
Allentown (OCS)									21,170				
Sayre (OCS)									6,770	341			
Sayre (OCS)		1,086	.....	.....	.....	.....	.....	.....
Philippines: Manila (RO-OC)													
Puerto Rico:													
San Juan	15,762	1,183	.....	.....	203	.....	.....	.....	272,882	85,433	9,875	1,465	401
San Juan	15,762	1,183	.....	.....	203	.....	.....	.....	220,727	85,433	6,601	974	401
Mayaguez (OCS)									52,155		3,274	491	
Rhode Island:													
Providence	9,373	91	.....	.....	210	309	.....	40	140,336	18,413	4,264	1,035	90
Providence	9,373	91	.....	.....	210	309	.....	40	137,036	18,413	4,264	1,035	90
New Bedford, MA (OCS)									3,300				
South Carolina:													
Charleston	8,142		.....	.....	189	.....	.....	.....	93,748	.....	2,068	231	
Columbia	11,107	110	.....	281	187	274	.....	.....	131,589	24,164	5,199	1,231	16
Columbia	11,107	110	.....	281	187	274	.....	.....	104,247	24,164	3,232	647	16
Greenville (OCS)									27,342		1,967	584	

Applications For Medical Care (Means Test)—Fiscal Year 1987

Item	Total Applications Received ¹	Disposition				
		Hospital	Nursing Home Care	Domiciliary	Outpatient Care	All Others ²
Total applications	2,864,225	.....	.....	.....	.....	.....
Veterans Total	2,830,502	707,768	7,835	8,306	1,906,202	210,884
Category A Total	2,669,115	671,439	7,449	8,230	1,795,201	197,383
Service-connected	1,140,669	258,961	2,294	2,755	799,379	82,572
Low income	1,112,662	281,308	1,927	3,094	741,382	86,801
Other Category A ³	415,784	131,170	3,228	2,381	254,440	28,010
Category B	85,858	19,587	198	51	59,305	6,839
Category C	75,529	16,742	188	25	51,696	6,662
Not agreeing to deductible	435	.....	.....	.....	.....	.....
Nonveterans	33,723	.....	.....	.....	.....	.....

¹ Applications Received does not equal Total Disposition due to Pending Beginning of FY.

² Medically Examined, No Further Care Required; Cancelled, Ineligible, Modality Not Available; Referred To Other Facility and Pending Evaluation.

³ Includes former POWs, veterans exposed to agent orange/ionizing radiation, World War I and Spanish American Veterans, VA Pensioners, and Medicaid Recipients.

TABLE 6

HEALTH CARE

Total Health Care: Obligations by Program and Appropriation—Fiscal Year 1987

Item	Obligations (in thousands)	
	FY 1987	FY 1986
Total	\$9,959,382	\$9,544,381
Medical care	9,673,238	9,275,280
Inpatient care	6,528,100	6,385,766
Hospitals	5,532,191	5,467,328
VA hospitals ¹	5,366,462	5,303,057
Contract hospitals	162,431	160,885
State home hospitals	3,298	3,386
Nursing homes	872,780	805,548
VA nursing homes ¹	492,810	452,397
Community nursing homes	325,677	301,844
State nursing homes	54,293	51,307
Domiciliaries	123,129	112,890
VA domiciliaries ¹	109,205	99,270
State domiciliaries	13,924	13,620
Outpatient care (staff and fee) ²	2,075,814	1,921,474
CHAMPVA	101,080	87,684
Education and training	520,980	484,967
Miscellaneous benefits and services	447,264	395,389
Medical administration and miscellaneous operating expenses	41,504	50,395
Medical administration	41,504	41,524
Post graduate and inservice training . . . . .	.....	8,534
Health professional scholarship . . . . .	.....	337
Medical and prosthetic research	209,529	186,180
Medical research	189,139	164,326
Rehabilitative research	17,585	15,375
Health services research	2,805	6,479
Other medical programs ³	35,111	32,526

¹ Excludes Education and Training which is separately identified.

² In FY 1987 one-day dialysis is reflected in the outpatient activity. In prior years, these costs were charged to inpatient.

³ Does not include revolving or trust funds.

TABLE 7

VA and Non-VA Facilities: Average Obligations—Fiscal Years 1986–1987

Type of Facility	Average Obligations per Patient Treated		Average Obligations per Patient Day	
	FY 1987	FY 1986	FY 1987	FY 1986
VA hospitals				
All bed sections	4,983	3,994	272.95	255.16
Medical bed sections ¹	4,391	2,922	350.82	316.91
Surgical bed sections	4,765	4,677	452.49	415.43
Psychiatric bed sections	5,042	5,281	173.55	165.56
Intermediate bed sections	13,209	13,543	150.04	136.92
Non-VA (contract) hospitals²	5,862	5,323	683.01	553.48
VA nursing home care units	19,275	18,897	123.36	118.24
Community nursing homes²	7,191	6,845	67.42	64.13
VA domiciliaries	7,726	7,492	51.26	47.16
State homes²				
Hospital care ³	897	748	15.25	15.25
Nursing home care ³	3,685	3,551	17.05	17.05
Domiciliary care ³	1,620	1,510	7.30	7.30

¹ Medical bed sections exclude the cost of one-day dialysis. This cost, beginning in FY 1987, is charged to the outpatient activity.

² Data are based on direct obligations and exclude support costs.

³ Per diems impacted by statutory limitations.

**VA Medical Centers—Hospital Care Component, Non-VA (Contract), and State Home Hospitals:
Admissions, Discharges, Deaths, and Remaining by Bed Section—Fiscal Year 1987**

Item	Total	Type of Bed Section		
		Medical	Surgical	Psychiatric
ADMISSIONS ¹				
All hospitals	1,308,965	834,034 ²	289,836 ²	182,485 ²
VA medical centers — Total	1,279,976	816,448 ⁴	286,275	177,253
Non-VA (contract) hospitals — Total	26,379	17,586	3,561	5,232
Federal Government hospitals — Total	2,160	1,242	625	293
Army	1,847	976	603	268
Air Force	273	244	21	8
Navy	19	18	1	.....
Public Health Service	7	4	.....	3
Other ³	14	.....	.....	14
State and local government hospitals	7,911	5,054	1,050	1,807
Non-public hospitals	16,308	11,290	1,886	3,132
State home hospitals	2,610	(²)	(²)	(²)
DISCHARGES AND DEATHS				
All hospitals	1,306,372	814,573 ²	293,246 ²	195,925 ²
VA medical centers — Total	1,277,125	796,969 ⁴	289,670	190,486
Non-VA (contract) hospitals — Total	26,619	17,604	3,576	5,439
Federal Government hospitals — Total	2,145	1,222	624	299
Army	1,835	959	602	294
Air Force	271	242	21	8
Navy	18	17	1	.....
Public Health Service	7	4	.....	3
Other ³	14	.....	.....	14
State and local government hospitals	7,922	5,037	1,055	1,830
Non-public hospitals	16,552	11,345	1,897	3,310
State home hospitals	2,628	(²)	(²)	(²)
BED OCCUPANTS REMAINING				
Total occupants remaining on September 30, 1987	55,612	29,299 ²	9,151 ²	16,674 ²
VA medical centers — Total	54,775	29,105	9,094	16,576
Non-VA (contract) hospitals — Total	349	194	57	98
Federal Government hospitals — Total	71	41	20	10
Army	65	35	20	10
Air Force	5	5	.....	.....
Navy	1	1	.....	.....
Public Health Service . . . . .	.....	.....	.....	.....
Other ³ . . . . .	.....	.....	.....	.....
State and local government hospitals	113	71	15	27
Non-public hospitals	165	82	22	61
State home hospitals	488	(²)	(²)	(²)
ABSENT BED OCCUPANTS REMAINING				
Total absent bed occupants (i.e., patients on leave of absence) remaining on September 30, 1987	158	40	31	87
VA medical centers — Total	156	40	31	85
All other hospitals	2	.....	.....	2

¹ Excludes interhospital transfers for VA medical centers; includes transfers for all other hospitals.

² Excludes data by bed section for State Home Hospitals, which are not available.

³ St. Elizabeths Hospital, Washington, D.C., which is operated by the Department of Health and Human Services.

⁴ Includes one-day dialysis patients.

TABLE 9

INPATIENT CARE

**VA Medical Centers—Hospital Care Component and Non-VA Hospitals (Contract): Patient Movement
By Type of Bed Section—Fiscal Year 1987**

Item	VA Medical Centers				Non-VA (Contract) Hospitals						
	Total	Type of Bed Section ¹			Total	Type of Bed Section			Type of Hospital		
		Medical ²	Surgical	Psychiatric		Medical	Surgical	Psychiatric	Federal ³	State & Local	Non-Public ⁴
Gains — Total	1,516,065	957,760	343,892	214,413	26,438	17,613	3,587	5,238	2,172	7,953	16,313
Admissions	1,279,976	816,448	286,275	177,253	26,379	17,586	3,561	5,232	2,160	7,911	16,308
Transfers in from other hospitals ⁵	32,323	16,825	8,202	7,296	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)
Changes in bed sections (+)	203,766	124,487	49,415	29,864	59	27	26	6	12	42	5
Losses — Total	1,518,272	958,696	344,622	214,954	26,678	17,635	3,603	5,440	2,157	7,964	16,557
Discharges — Total	1,230,906	756,769	283,889	190,248	25,995	17,041	3,518	5,436	2,063	7,702	16,230
To ambulatory care	855,579	571,303	214,361	69,915	(⁷)	(⁷)	(⁷)	(⁷)	(⁷)	(⁷)	(⁷)
Other	375,327	185,466	69,528	120,333	25,995	17,041	3,518	5,436	2,063	7,702	16,230
Deaths	46,219	40,200	5,781	238	624	563	58	3	82	220	322
Transfers out to other hospitals ⁵	36,986	22,921	8,441	5,624	(⁷)	(⁷)	(⁷)	(⁷)	(⁷)	(⁷)	(⁷)
Changes in bed sections (—)	204,161	138,806	46,511	18,844	59	31	27	1	12	42	5
Remaining on September 30, 1987 — Total	54,931	29,145	9,125	16,661	351	195	57	99	71	114	166
Bed occupants	54,775	29,105	9,094	16,576	349	194	57	98	71	113	165
On leave of absence	156	40	31	85	2	1	.....	1	.....	1	1
Patients treated ⁸	1,332,056	826,114	298,795	207,147	26,970	17,799	3,633	5,538	2,216	8,036	16,718
Episodes of care ¹⁰	1,536,217	964,920	345,306	225,991	27,029	17,830	3,660	5,539	2,228	8,078	16,723
Average daily census ¹¹	54,564	29,455	8,620	16,489	634	317	83	234	63	179	392
Total	53,674	29,105	8,455	16,114	.....	.....	.....	.....	.....	.....	.....
Excluding days while patients on authorized leave of absence of 96 hours or less .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

¹ Beds are classified according to their intended use; patients are classified according to the classification of the beds they occupy, rather than on a diagnostic basis.

² Medical bed sections include medicine, neurology, intermediate care, spinal cord injury, rehabilitation medicine and blind rehabilitation.

³ Includes Department of Defense and Public Health Service hospitals, and St. Elizabeths Hospital, Washington, D.C., which is operated by the Department of Health and Human Services.

⁴ Includes Veterans Memorial Medical Center, Manila, Republic of the Philippines.

⁵ Includes only patients transferred as VA beneficiaries.

⁶ Included with admissions.

⁷ Included with "other" discharges.

⁸ Based on the number of discharges and deaths during FY 1987, plus the number remaining on the rolls on September 30, 1987.

⁹ Patients admitted to VA hospitals for chronic dialysis are considered to be inpatients; there were 255,094 such patients with one day duration of stay treated during the fiscal year.

¹⁰ Based on the number of discharges and deaths during FY 1987, plus the number remaining on the rolls on September 30, 1987. Interhospital transfers are excluded but intrahospital transfers are included.

¹¹ Based on the number of patient days divided by the number of days in the fiscal year. Totals may not add due to rounding.

TABLE 10

INPATIENT CARE

VA Medical Centers—Hospital Care Component: Selected Data—Fiscal Year 1987

VA Medical Centers—Hospital Care Component, Selected Data									
Location	Average Operating Beds ¹				Patients Treated Total 2 3	Episodes of Care ⁴			Average Daily Census 5
	Total	Bed Section ⁶				Bed Section ⁵			
		Medical ⁷	Surgical	Psychiatric		Medical ⁷	Surgical	Psychiatric	
All hospitals	76,213	39,317	14,414	22,482	1,332,056	964,920	345,306	225,991	54,564
Alabama:									
Birmingham	414	216	198	.....	11,934	8,677	4,021	.....	248
Montgomery	200	172	28	.....	3,936	3,388	1,381	.....	165
Tuscaloosa	582	229	.....	353	4,316	2,205	.....	3,059	474
Tuskegee	732	391	47	294	6,606	4,496	1,105	2,569	584
Arizona:									
Phoenix	471	211	124	136	13,219	7,889	3,893	2,658	336
Prescott	191	134	27	30	3,219	3,328	4	452	111
Tucson	298	138	111	48	8,771	5,904	2,859	737	185
Arkansas:									
Fayetteville	187	120	58	8	4,352	3,342	1,047	283	101
Little Rock ⁸	1,305	565	230	510	22,407	15,827	6,840	4,161	812
California:									
Fresno	218	108	75	35	5,095	3,013	1,830	818	136
Livermore	158	158	.....	.....	1,571	2,113	.....	.....	78
Loma Linda	402	212	130	60	10,656	7,577	3,201	957	307
Long Beach	1,029	745	151	133	19,168	14,427	4,648	2,629	714
Martinez	402	208	132	62	8,717	5,351	3,196	1,408	289
Palo Alto ⁸	1,277	428	113	736	14,464	8,790	2,983	4,235	973
San Diego	562	261	198	103	14,010	9,696	3,986	1,632	314
San Francisco	354	131	173	50	11,275	7,688	4,415	660	204
Sepulveda	548	286	86	176	11,477	8,605	2,087	2,143	317
West Los Angeles ⁸	1,225	525	215	485	20,189	13,543	4,410	4,524	878
Colorado:									
Denver	311	129	110	72	12,353	8,503	3,376	1,269	235
Ft. Lyon	335	135	.....	200	1,650	909	.....	1,063	313
Grand Junction	115	62	26	27	2,665	1,711	911	411	62
Connecticut:									
Newington	186	76	70	39	3,472	2,136	1,205	560	112
West Haven	641	345	143	152	9,828	7,489	2,118	1,209	340
Delaware: Wilmington	259	150	107	2	4,007	3,016	1,782	21	145
District of Columbia: Washington	598	286	135	177	17,087	13,773	2,749	1,782	469
Florida:									
Bay Pines	648	370	150	128	12,654	8,260	3,755	1,995	469
Gainesville	478	189	199	90	12,438	6,830	5,204	1,224	372
Lake City	324	251	73	.....	7,353	5,945	2,063	.....	227
Miami	651	363	132	156	17,104	12,570	3,554	3,002	474
Tampa	632	286	196	150	16,915	11,924	4,709	2,272	447
Georgia:									
Atlanta	483	237	150	96	13,048	8,815	3,279	1,944	365
Augusta ⁸	1,037	470	123	444	11,277	7,443	2,838	2,457	801
Dublin	295	259	31	5	5,438	5,581	878	174	224
Idaho: Boise	163	89	44	30	3,820	2,605	1,213	512	102
Illinois:									
Chicago (Lakeside)	448	275	133	40	13,079	10,654	2,509	816	254
Chicago (West Side)	484	218	182	84	13,023	9,095	3,297	1,845	346
Danville	860	521	60	279	6,969	5,107	1,997	2,020	604
Hines	1,164	670	254	240	25,839	19,492	3,929	5,067	774
Marion	171	133	38	.....	5,251	4,464	966	.....	132
North Chicago	1,064	396	73	595	6,276	5,236	1,316	2,434	718
Indiana:									
Ft. Wayne	175	127	33	15	4,046	2,977	1,137	309	116
Indianapolis ⁸	450	213	141	96	14,316	10,174	3,948	1,104	342
Marion	693	401	.....	292	3,173	2,634	.....	1,840	467
Iowa:									
Des Moines	273	187	86	.....	5,809	3,735	2,374	.....	136
Iowa City	282	108	127	46	7,870	4,328	3,197	773	185
Knoxville	447	214	.....	232	3,386	2,807	.....	2,252	316
Kansas:									
Leavenworth	403	246	35	122	5,400	4,584	1,236	1,403	275
Topeka	808	268	57	483	6,503	4,877	1,593	2,525	528
Wichita	158	82	64	12	5,206	3,543	2,024	327	121
Kentucky:									
Lexington ⁸	904	540	130	234	13,196	9,434	4,006	1,459	650
Louisville	330	155	126	49	8,766	5,584	3,037	1,366	246
Louisiana:									
Alexandria	306	195	77	34	6,629	5,158	2,673	528	217
New Orleans	403	206	120	77	12,429	8,934	3,408	1,151	327
Shreveport	344	190	102	52	9,206	5,811	2,979	1,012	220
Maine: Togus	392	172	49	171	6,667	4,430	1,500	2,439	295
Maryland:									
Baltimore	238	133	78	26	6,621	4,479	2,216	412	171
Ft. Howard	211	194	.....	17	2,242	2,856	.....	241	173
Perry Point	715	416	.....	299	3,634	3,478	.....	1,886	647
Massachusetts:									
Bedford	735	346	.....	389	3,251	2,214	.....	1,952	637
Boston	616	343	187	86	13,026	10,851	5,062	1,661	413
Brockton ⁸	907	499	74	334	8,165	5,115	1,634	3,080	754
Northampton	452	209	.....	243	2,856	2,292	.....	1,722	409

See footnotes at end of table.

TABLE 10—Continued

INPATIENT CARE

VA Medical Centers—Hospital Care Component: Selected Data—Fiscal Year 1987

Location	Average Operating Beds ¹				Patients Treated Total 2 3	Episodes of Care ⁴			Average Daily Census ⁵
	Total	Bed Section ⁶				Bed Section ⁶			
		Medical ⁷	Surgical	Psychiatric		Medical ⁷	Surgical	Psychiatric	
Michigan:									
Allen Park	498	268	109	120	14,983	11,478	3,315	1,730	388
Ann Arbor	276	118	99	58	11,873	7,680	4,034	1,097	224
Battle Creek	786	329		457	6,492	3,849		4,750	652
Iron Mountain	205	108	67	30	5,292	3,550	1,382	580	113
Saginaw	155	112	43		4,003	2,970	1,180		120
Minnesota:									
Minneapolis	710	345	266	99	20,967	14,325	6,679	1,707	508
St. Cloud	577	234		343	3,563	2,001		2,266	381
Mississippi:									
Biloxi ⁸	660	260	62	339	8,233	4,878	2,947	2,754	493
Jackson	453	257	126	70	14,702	10,224	3,752	1,390	322
Missouri:									
Columbia	330	141	134	55	7,274	3,918	3,638	700	201
Kansas City	401	169	142	90	11,121	7,574	3,698	1,353	316
Poplar Bluff	176	147	29		4,089	3,223	1,066		121
St. Louis ⁸	815	400	168	247	18,885	13,692	4,824	3,785	610
Montana:									
Ft. Harrison	150	97	41	12	3,728	2,866	1,239	264	105
Miles City	91	72	19		2,404	2,142	501		57
Nebraska:									
Grand Island	121	75	26	20	2,712	1,941	889	246	75
Lincoln	179	66	55	58	4,396	2,109	1,648	1,359	117
Omaha	368	187	118	63	9,144	6,579	2,718	1,097	248
Nevada: Reno	158	91	35	32	4,720	3,259	1,581	574	110
New Hampshire: Manchester	162	87	45	30	3,422	1,953	1,652	567	103
New Jersey:									
East Orange	720	456	159	105	17,971	15,279	3,727	1,677	575
Lyons	1,168	427		741	4,775	3,998		2,831	863
New Mexico: Albuquerque	419	183	137	99	11,467	7,534	3,456	1,638	310
New York:									
Albany	502	305	99	98	9,642	7,127	2,639	1,396	407
Batavia	164	164			1,388	1,763			124
Bath	208	182		26	3,059	2,575		933	186
Bronx	656	358	235	64	13,627	10,998	3,098	972	384
Brooklyn ⁸	911	612	197	102	17,819	15,334	2,723	1,940	586
Buffalo	732	425	183	124	15,153	11,000	3,705	2,122	596
Canandaigua	975	600		376	2,652	2,412		1,567	671
Castle Point	256	188	68		3,268	2,522	1,477		186
Montrose	1,073	486		587	5,076	2,297		4,233	816
New York	856	433	276	147	13,871	9,974	3,664	1,901	506
Northport	753	329	108	316	13,718	10,739	3,161	2,844	603
Syracuse	266	152	81	33	6,075	4,133	2,490	526	192
North Carolina:									
Asheville	450	309	112	29	8,073	5,594	3,059	714	336
Durham	383	149	160	74	9,973	5,418	4,091	1,260	298
Fayetteville	311	197	83	31	5,883	4,244	1,626	477	229
Salisbury	779	355	40	384	6,298	2,687	1,000	3,666	675
North Dakota: Fargo	165	99	66		4,845	3,717	1,299		119
Ohio:									
Chillicothe	837	374		463	6,895	6,473		2,902	578
Cincinnati	349	150	125	75	10,880	4,209	2,886	1,399	213
Cleveland ⁸	1,200	403	252	545	20,199	15,734	3,360	4,605	613
Dayton	540	343	152	45	11,033	9,110	2,601	985	393
Oklahoma:									
Muskogee	193	114	79		5,003	3,415	2,047		137
Oklahoma City	399	180	119	100	15,150	11,149	3,586	1,507	305
Oregon:									
Portland ⁸	567	306	183	77	15,707	11,823	4,368	1,264	380
Roseburg	326	161	22	143	4,433	3,762	597	1,784	198
Pennsylvania:									
Altoona	103	85	18		2,819	2,486	759		93
Butler	226	226			2,545	3,455			194
Coatesville	977	435		542	5,214	3,610		4,099	784
Erie	138	98	40		3,349	2,382	1,350		100
Lebanon	825	398	29	398	3,992	3,603	558	1,549	512
Philadelphia	431	203	179	49	10,303	7,106	3,409	923	313
Pittsburgh (Highland Drive)	707	352		355	4,247	2,106		3,332	515
Pittsburgh (University Drive) ⁸	616	427	189		12,403	9,977	3,489		403
Wilkes-Barre	435	240	105	90	7,598	5,285	2,230	1,838	294
Puerto Rico: San Juan	692	279	173	240	15,782	9,379	4,382	3,179	608
Rhode Island: Providence	301	179	61	60	9,373	8,465	1,672	1,150	218
South Carolina:									
Charleston	280	128	84	68	8,142	5,873	3,231	1,159	236
Columbia	460	272	128	60	11,107	8,425	3,084	999	344
South Dakota:									
Ft. Meade	349	164	37	148	3,577	1,639	1,135	1,492	276
Hot Springs	232	159	34	39	2,797	2,358	611	498	99
Sioux Falls	246	127	81	37	4,678	2,959	1,784	514	148

See footnotes at end of table.

TABLE 10—Continued

INPATIENT CARE

VA Medical Centers—Hospital Care Component: Selected Data—Fiscal Year 1987

VA Medical Centers—Hospital Care Component: Selected Data—Fiscal Year 1961

Location	Average Operating Beds ¹				Patients Treated Total 2 3	Episodes of Care ⁴			Average Daily Census ⁵
	Total	Bed Section ⁶				Bed Section ⁶			
		Medical ⁷	Surgical	Psychiatric		Medical ⁷	Surgical	Psychiatric	
Tennessee:	858	478	200	180	18,820	13,818	4,697	2,340	544
Memphis	443	253	118	73	8,100	5,503	2,691	1,460	343
Mountain Home	617	283	44	291	5,322	3,696	1,536	3,777	524
Murfreesboro	428	196	186	46	12,723	9,749	4,135	862	308
Nashville									
Texas:	132	73	59	.....	3,671	2,563	1,800	.....	99
Amarillo	209	120	44	45	3,412	3,395	979	1,024	139
Big Spring	78	63	.....	15	2,515	2,392	.....	298	69
Bonham	680	272	238	170	24,822	21,245	7,526	3,356	539
Dallas	947	408	223	315	20,842	12,501	6,237	4,067	749
Houston	255	222	33	.....	4,995	4,234	1,191	.....	184
Kerrville	202	202	.....	.....	2,830	3,106	.....	.....	166
Marlin	674	286	208	180	18,597	12,704	5,255	2,155	485
San Antonio	515	279	146	90	10,904	7,300	3,782	1,584	370
Temple	986	415	.....	571	4,129	2,332	.....	2,988	615
Waco	382	186	109	87	11,475	7,614	3,578	1,465	262
Utah: Salt Lake City	155	75	46	33	4,261	2,596	1,357	628	125
Vermont: White River Junction									
Virginia:	410	211	89	110	7,686	5,158	2,168	1,385	300
Hampton	694	455	159	80	17,313	14,317	3,615	1,497	533
Richmond	725	322	76	328	8,483	5,604	1,736	2,700	599
Salem									
Washington:	419	128	.....	291	4,047	2,588	.....	1,941	241
American Lake	430	220	120	90	10,982	7,294	3,470	1,501	317
Seattle	154	111	42	.....	4,183	3,870	1,329	.....	113
Spokane	119	62	20	37	2,315	1,737	395	659	77
Walla Walla									
West Virginia:	174	118	56	.....	4,523	3,597	1,295	.....	128
Beckley	184	93	53	37	5,847	4,405	1,315	758	138
Clarksburg	180	119	61	.....	4,135	3,173	1,464	.....	129
Huntington	369	240	57	72	6,619	3,762	1,492	2,211	293
Martinsburg									
Wisconsin:	301	153	124	24	8,929	6,471	2,960	357	203
Madison	798	333	.....	465	3,622	2,457	.....	2,100	476
Tomah	649	373	182	94	14,704	10,241	4,229	2,295	434
Wood									
Wyoming:	125	74	31	20	2,697	1,877	840	266	63
Cheyenne	339	127	.....	212	2,352	1,491	.....	1,403	256
Sheridan									

¹ Based on the number of operating beds at the end of each month for 13 consecutive months (September 1986–September 1987).

² Based on the number of discharges and deaths during FY 1987, plus the number on the rolls (bed occupants and patients on authorized leave of absence) on September 30, 1987. Interhospital transfers are excluded from the overall total but are included in the individual hospital totals.

³ Beginning with FY 1973, patients coming to VA hospitals for chronic dialysis are considered to be inpatients; there were 255,094 patients treated for one day during fiscal year 1987.

⁴ Based on the number of discharges and deaths during FY 1987, plus the number on the rolls (bed occupants and patients on authorized leave of absence) on September 30, 1987.

Interhospital transfers (36,986) are excluded from the overall totals. Intrahospital transfers (i.e., movement of patients from one type of bed section to another) are included in both the overall bed section totals and in the individual hospital bed section totals.

⁵ Based on total patient days during FY 1987 divided by the number of days in the fiscal year.

⁶ Beds are classified according to their intended use; patients are classified according to the classification of the beds they occupy, rather than on a diagnostic basis.

⁷ Medical bed section includes medicine, neurology, intermediate care, spinal cord injury, rehabilitation medicine, and blind rehabilitation.

⁸ Includes data for two divisions of the VA medical center.

TABLE 11

INPATIENT CARE

Non-VA Hospitals¹: Selected Data—Fiscal Year 1987

Location of Authorizing VA Facility	Average Daily Census ²	Admissions	Discharges and Deaths	Patients Treated ³				Patients Remaining on Sept. 30, 1987 ⁴
				Total	Federal Hospitals	State and Local Government Hospitals	Non-Public Hospitals	
Total	634	26,379	26,619	26,970	2,216	8,036	16,718	351
Medical Bed Section Total	317	17,586	17,604	17,799	1,263	5,108	11,428	195
Surgical Bed Section Total	83	3,561	3,576	3,633	644	1,070	1,919	57
Psychiatric Bed Section Total	234	5,232	5,439	5,538	309	1,858	3,371	99
Alabama:								
Montgomery	3	238	236	238	.....	138	100	2
Tuscaloosa .....	.....	6	6	6	.....	6	.....	.....
Alaska: Anchorage (RO-OC)	106	5,155	5,237	5,310	97	134	5,079	73
Arizona:								
Phoenix	4	277	280	282	.....	17	265	2
Prescott	1	50	49	50	.....	.....	50	1
Tucson	1	99	99	100	.....	65	35	1
Arkansas: Little Rock	5	428	428	428	.....	125	303	.....
California:								
Fresno	1	51	51	51	.....	51	.....	.....
Loma Linda .....	.....	26	26	26	.....	26	.....	.....
Long Beach .....	.....	13	13	13	.....	.....	13	.....
Los Angeles (OC)	5	476	479	479	.....	122	357	.....
Martinez .....	.....	5	5	5	.....	5	.....	.....
San Diego .....	.....	48	48	48	.....	16	32	.....
San Francisco	11	736	736	736	.....	490	246	.....
West Los Angeles .....	.....	23	23	23	.....	.....	23	.....
Colorado:								
Denver	3	168	169	170	1	33	136	1
Fort Lyon .....	.....	4	4	4	.....	4	.....	.....
Connecticut: Newington	2	106	106	106	.....	25	81	.....
Delaware: Wilmington	1	47	47	47	.....	.....	47	.....
District of Columbia: Washington	2	70	72	73	25	.....	48	1
Florida:								
Bay Pines	31	2,379	2,383	2,403	1	827	1,575	20
Gainesville .....	.....	24	24	24	.....	.....	24	.....
Miami	6	388	386	390	.....	390	.....	4
Tampa	1	39	37	39	.....	.....	39	2
Georgia:								
Atlanta	7	355	355	355	.....	355	.....	.....
Augusta .....	.....	5	5	5	.....	5	.....	.....
Hawaii: Honolulu (RO-OC)	66	2,132	2,131	2,180	1,104	388	688	49
Idaho: Boise	1	149	149	149	.....	67	82	.....
Illinois:								
Chicago (West Side)	5	258	258	258	.....	83	175	.....
Danville .....	.....	16	16	16	.....	.....	16	.....
North Chicago	1	.....	.....	1	.....	1	.....	1
Indiana:								
Fort Wayne .....	.....	1	1	1	.....	1	.....	.....
Indianapolis	4	238	238	239	.....	99	140	1
Iowa:								
Des Moines	2	60	60	60	.....	10	50	.....
Iowa City	1	141	141	142	.....	96	46	1
Kansas:								
Leavenworth .....	.....	4	4	4	.....	1	3	.....
Topeka .....	.....	10	10	10	.....	10	.....	.....
Wichita	1	127	128	128	.....	.....	128	.....
Kentucky:								
Lexington .....	.....	62	62	62	.....	62	.....	.....
Louisville	1	96	96	96	.....	71	25	.....
Louisiana:								
New Orleans	5	364	371	371	.....	8	363	.....
Shreveport	2	145	145	145	.....	.....	145	.....
Maine: Togus	2	170	170	170	.....	.....	170	.....
Maryland:								
Baltimore	3	79	78	81	.....	3	78	3
Perry Point .....	.....	2	2	2	.....	.....	2	.....
Massachusetts:								
Bedford .....	.....	6	6	6	.....	.....	6	.....
Boston (OC)	3	151	151	151	.....	4	147	.....
Northampton .....	.....	13	13	13	.....	.....	13	.....
Michigan:								
Allen Park	8	282	280	282	.....	140	142	2
Ann Arbor .....	.....	6	6	6	.....	6	.....	.....
Battle Creek .....	.....	50	50	50	.....	50	.....	.....
Iron Mountain .....	.....	3	3	3	.....	3	.....	.....
Minnesota:								
Minneapolis	11	852	852	852	.....	483	369	.....
St. Cloud .....	.....	14	14	14	.....	2	12	.....
Mississippi: Jackson	2	86	87	87	.....	74	13	.....
Missouri:								
Kansas City	2	118	118	118	.....	.....	118	.....
Popular Bluff .....	.....	.....	1	1	.....	1	.....	.....
St. Louis	2	66	68	68	.....	.....	68	.....
Montana: Fort Harrison	1	89	89	89	.....	.....	89	.....
Nebraska:								
Grand Island .....	.....	1	1	1	.....	.....	1	.....
Lincoln	1	38	38	38	.....	17	21	.....
Omaha .....	.....	30	29	30	4	3	23	1

See footnotes at end of table.

Non-VA Hospitals¹: Selected Data—Fiscal Year 1987

Location of Authorizing VA Facility	Average Daily Census ²	Admissions	Discharges and Deaths	Patients Treated ³				Patients Remaining on Sept. 30, 1987 ⁴
				Total	Federal Hospitals	State and Local Government Hospitals	Non-Public Hospitals	
Nevada:								
Las Vegas (OC)	5	198	198	198	.....	56	142	.....
Reno	4	286	285	291	.....	49	242	6
New Hampshire: Manchester	1	107	108	108	.....	.....	108	.....
New Jersey: East Orange	3	206	203	206	.....	22	184	3
New Mexico: Albuquerque	.....	63	63	63	.....	.....	63	.....
New York:								
Albany	1	49	49	49	.....	.....	49	.....
Batavia	.....	1	1	1	.....	1	.....	.....
Bath	.....	4	4	4	.....	.....	4	.....
Buffalo	1	76	79	79	.....	8	71	.....
Canandaigua	.....	2	2	2	.....	2	.....	.....
New York	4	208	206	208	.....	119	89	2
Syracuse	1	82	81	82	.....	.....	82	1
North Carolina:								
Asheville	.....	11	12	12	.....	.....	12	.....
Durham	.....	49	49	49	.....	.....	49	.....
Fayetteville	.....	1	1	1	.....	1	.....	.....
Salisbury	5	235	235	235	.....	70	165	.....
North Dakota: Fargo	6	296	294	298	193	2	103	4
Ohio:								
Chillicothe	.....	7	7	7	.....	.....	7	.....
Cincinnati	3	189	182	189	.....	168	21	7
Cleveland	1	134	134	134	.....	9	125	.....
Columbus (OC)	5	397	397	402	.....	232	170	5
Oklahoma:								
Muskogee	9	246	243	249	7	242	.....	6
Oklahoma City	.....	18	18	18	.....	12	6	.....
Oregon:								
Portland	3	302	302	302	.....	47	255	.....
Roseburg	.....	1	1	1	.....	1	.....	.....
White City (Ind. Dom.)	1	64	64	64	.....	.....	64	.....
Pennsylvania:								
Altoona	1	102	103	103	.....	.....	103	.....
Butler	.....	4	4	4	.....	4	.....	.....
Coatesville	.....	13	13	13	.....	13	.....	.....
Erie	.....	23	24	24	.....	24	.....	.....
Lebanon	1	97	97	97	.....	3	94	.....
Philadelphia	7	297	296	298	.....	60	238	2
Pittsburgh (Highland Dr.)	.....	30	29	30	.....	.....	30	1
Pittsburgh (Univ. Dr.)	.....	8	8	8	.....	.....	8	.....
Wilkes-Barre	2	156	160	160	.....	11	149	.....
Philippines: Manila (RO-OC)	54	1,028	1,038	1,086	.....	1,082	4	48
Puerto Rico: San Juan	138	974	1,122	1,183	.....	410	773	61
Rhode Island: Providence	1	91	91	91	.....	18	73	.....
South Carolina: Columbia	6	108	108	110	.....	46	64	2
South Dakota:								
Fort Meade	.....	9	9	9	.....	9	.....	.....
Sioux Falls	.....	17	17	17	.....	.....	17	.....
Tennessee:								
Mountain Home	.....	6	6	6	.....	6	.....	.....
Murfreesboro	.....	14	14	14	.....	.....	14	.....
Nashville	2	157	157	157	1	79	77	.....
Texas:								
Amarillo	3	237	238	240	2	.....	238	2
Dallas	3	145	145	146	.....	72	74	1
El Paso (OC)	15	769	761	780	512	136	132	19
Houston	1	52	52	52	.....	2	50	.....
San Antonio	4	183	179	184	54	74	56	5
Waco	3	45	45	45	1	16	28	.....
Utah: Salt Lake City	1	79	81	81	.....	.....	81	.....
Vermont: White River Junction	.....	68	69	69	.....	.....	69	.....
Virginia:								
Hampton	.....	3	3	3	.....	.....	3	.....
Richmond	.....	32	31	32	.....	32	.....	1
Salem	5	324	328	329	.....	6	323	1
Washington:								
American Lake (Tacoma)	4	213	214	218	214	.....	4	4
Seattle	4	373	372	377	.....	134	243	5
West Virginia:								
Beckley	.....	2	2	2	.....	2	.....	.....
Huntington	2	175	177	177	.....	177	.....	.....
Martinsburg	.....	5	5	5	.....	5	.....	.....
Wisconsin:								
Madison	.....	5	5	5	.....	4	1	.....
Wood	3	185	185	185	.....	10	175	.....
Wyoming:								
Cheyenne	.....	22	22	22	.....	22	.....	.....
Sheridan	.....	21	21	21	.....	21	.....	.....

¹ Excludes State Home hospitals. As reported by authorizing VA facility.² Based on the number of patient days during the fiscal year divided by the number of days in the fiscal year rounded to the nearest whole number.³ Discharges and deaths during the fiscal year plus the number of patients on the rolls at the end of the fiscal year.⁴ Total on rolls (bed occupants and patients on authorized leave of absence).

NOTE: Excludes one-day dialysis visits.

TABLE 12

INPATIENT CARE

**VA Medical Centers—Hospital Care Component: Patients Remaining, Type of Patient, Percent Hospitalized in
Reported State of Residence¹—September 30, 1987**

Reported State of Residence	All Patients			Type of Patient					
				Medical and Surgical		Psychotic		Other Psychiatric	
	Total	Hospitalized in Same State		Total	Percent Hospitalized in Same State	Total	Percent Hospitalized in Same State	Total	Percent Hospitalized in Same State
		Number	Percent						
Total	52,848	46,274	87.6	31,258	87.5	13,408	88.5	8,182	86.2
United States	52,244	45,681	87.4	30,891	87.4	13,201	88.3	8,152	86.2
Alabama	1,221	1,080	88.5	638	87.0	406	91.1	177	87.6
Alaska	10	.....	.....	9	.....	.....	.....	1	.....
Arizona	711	642	90.3	497	93.4	63	73.0	151	87.4
Arkansas	822	703	85.5	559	82.1	144	95.1	119	89.9
California	4,076	3,980	97.6	2,429	97.8	907	98.1	740	96.6
Colorado	559	479	85.7	227	89.4	198	89.9	134	73.1
Connecticut	496	375	75.6	269	87.7	128	46.1	99	80.8
Delaware	147	79	53.7	97	80.4	27	.....	23	4.3
District of Columbia	269	202	75.1	165	90.3	56	26.8	48	79.2
Florida	2,224	1,937	87.1	1,582	91.2	313	68.7	329	84.8
Georgia	1,423	1,089	76.5	818	75.9	401	77.3	204	77.5
Hawaii	5	.....	.....	1	.....	.....	.....	4	.....
Idaho	185	107	57.8	140	58.6	17	52.9	28	57.1
Illinois	2,726	2,418	88.7	1,576	86.9	710	92.7	440	88.9
Indiana	1,157	861	74.4	574	66.4	397	85.1	186	76.3
Iowa	613	511	83.4	328	76.5	148	94.6	137	87.6
Kansas	809	690	85.3	436	81.4	221	91.0	152	88.2
Kentucky	1,029	813	79.0	634	75.1	253	87.4	142	81.7
Louisiana	715	611	85.5	516	92.6	95	50.5	104	81.7
Maine	311	289	92.9	152	92.1	98	93.9	61	93.4
Maryland	1,061	784	73.9	561	68.1	337	89.3	163	62.0
Massachusetts	1,956	1,843	94.2	881	90.7	801	97.9	274	94.9
Michigan	1,468	1,396	95.1	744	94.9	472	97.5	252	91.3
Minnesota	876	760	86.8	500	81.8	226	94.7	150	91.3
Mississippi	749	597	79.7	473	78.0	171	84.2	105	80.0
Missouri	1,145	922	80.5	810	84.0	194	72.2	141	72.3
Montana	267	156	58.4	173	71.7	30	10.0	64	45.3
Nebraska	466	376	80.7	311	87.8	73	47.9	82	82.9
Nevada	181	92	50.8	139	51.1	20	45.0	22	54.5
New Hampshire	200	82	41.0	145	45.5	29	24.1	26	34.6
New Jersey	1,478	1,254	84.8	694	82.7	558	90.3	226	77.9
New Mexico	328	273	83.2	222	93.7	61	52.5	45	73.3
New York	4,673	4,542	97.2	2,691	97.4	1,370	97.7	612	95.3
North Carolina	1,490	1,387	93.1	913	92.7	369	95.4	208	90.9
North Dakota	113	71	62.8	72	87.5	16	6.3	25	28.0
Ohio	1,868	1,638	87.7	1,119	85.7	474	91.6	275	89.1
Oklahoma	529	397	75.0	384	81.5	55	36.4	90	71.1
Oregon	555	501	90.3	413	89.1	64	92.2	78	94.9
Pennsylvania	2,892	2,717	93.9	1,546	93.2	930	95.7	416	92.8
Rhode Island	206	165	80.1	146	85.6	29	41.4	31	90.3
South Carolina	865	545	63.0	597	67.0	165	40.0	103	76.7
South Dakota	436	381	87.4	230	83.0	131	94.7	75	88.0
Tennessee	1,337	1,276	95.4	799	96.7	353	92.4	185	95.7
Texas	3,421	3,244	94.8	2,216	94.7	661	96.1	544	93.9
Utah	211	169	80.1	105	93.3	54	50.0	52	84.6
Vermont	88	73	83.0	64	89.1	14	64.3	10	70.0
Virginia	1,261	1,002	79.5	737	77.6	351	84.9	173	76.3
Washington	734	661	90.1	452	89.8	114	98.2	168	85.1
West Virginia	618	434	70.2	452	76.8	93	39.8	73	68.5
Wisconsin	1,064	928	87.2	577	87.5	330	87.6	157	85.4
Wyoming	200	149	74.5	78	56.4	74	89.2	48	81.3
Outside the United States	604	593	98.2	367	97.8	207	99.0	30	96.7
Puerto Rico	595	593	99.7	361	99.4	205	100.0	29	100.0
Others	9	.....	.....	6	.....	2	.....	1	.....

¹ Annual Patient Census. This table as well as others in this hospital inpatient series includes all patients remaining in VA Medical Centers on the last day of the fiscal year. Approximately

3.5 percent of the records were incomplete and, therefore unavailable for inclusion in this table.

VA Medical Centers—Hospital Care Component: Patients Remaining, Diagnostic Group, Period of Service, Average Age and Age Group¹—September 30, 1987

Diagnostic Composition of Patients ²	All Patients	Period of Service						Aver- age Age ⁷	Age							
		Post Viet- nam 3	Viet- nam Era	Post Korean 4	Korean Con- flict 5	WW II	WW I		All Others 6	Under 35	35-44	45-54	55-64	65-74	75-84	85 and Over
All diseases and conditions	52,848	2,897	11,011	3,331	7,381	26,286	1,140	802	58.1	4,277	7,891	5,738	14,862	14,389	4,209	1,482
I. Infectious and parasitic diseases	771	35	171	52	103	372	29	9	58.6	65	111	95	192	202	70	36
Pulmonary tuberculosis (011)	103	...	13	7	18	62	2	1	60.3	2	11	12	43	26	6	3
Tuberculosis, other (010, 012-018)	16	3	3	2	2	5	1	...	()	2	4	3	4	2	...	1
Tuberculosis, late effects (137)	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
All other infectious and parasitic diseases (001-009, 020-136)	652	32	155	43	83	305	26	8	58.5	61	96	80	145	174	64	32
Late effects of other infectious and parasitic diseases (138-139)	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
II. Neoplasms	4,760	47	344	209	759	3,247	101	53	64.5	36	124	384	1,789	1,838	459	130
Malignant neoplasm of lip, oral cavity, and pharynx (140-149, 230.0)	382	3	31	20	81	240	3	4	62.4	3	10	48	175	117	24	5
Malignant neoplasm of digestive organs and peritoneum (150-159, 230.1-230.9)	841	5	57	36	143	573	23	4	65.2	2	16	61	333	314	88	27
Malignant neoplasm of bronchus and lung (162.2-162.9, 231.2)	1,179	2	56	54	201	836	11	19	64.4	1	13	84	505	470	93	13
Malignant neoplasm of other respiratory system and intrathoracic organs (160-162.0, 163-165, 231.0, 231.1, 231.8, 231.9)	209	2	9	11	47	137	2	1	62.9	...	4	14	107	73	9	2
Malignant neoplasm of lymphatic and hematopoietic tissue (200-208)	294	13	36	12	45	179	5	4	61.4	11	23	31	94	104	24	7
Malignant neoplasm of genitourinary organs (179-189, 233)	711	3	38	11	64	551	35	9	69.2	...	7	20	185	336	116	47
Malignancies of all other systems (170-175, 190-199, 232, 234)	836	13	88	44	130	538	14	9	63.1	11	36	93	290	314	71	21
Neoplasms, benign (210-229)	199	3	23	12	36	121	2	2	62.2	4	12	23	70	68	20	2
Neoplasms of unspecified nature (235-239)	109	3	6	9	12	72	6	1	64.7	4	3	10	30	42	14	6
III. Endocrine, nutritional and metabolic diseases and immunity disorders	1,111	31	124	55	181	687	24	9	62.5	27	75	109	402	359	103	36
Diabetes mellitus (250)	751	23	86	37	131	458	9	7	61.5	20	54	79	285	247	52	14
Diseases of the endocrine glands (240-246, 251-259)	89	3	10	4	17	52	2	1	()	2	4	9	34	29	9	2
Gout (274)	20	1	1	...	2	15	1	...	()	1	1	...	8	6	3	1
Obesity (278.0-278.1)	18	...	7	1	1	9	...	...	( )	1	5	1	9	2	...	...
Nutritional deficiencies and all other metabolic diseases (260-273, 275-277, 278.2-278.8)	230	4	17	13	30	153	12	1	66.5	3	9	19	66	75	39	19
Disorders involving the immune mechanisms (279)	3	...	3	...	...	...	...	...	( )	...	2	1	...	...	...	...
IV. Diseases of the blood and blood-forming organs	232	4	29	9	29	146	11	4	64.8	3	17	14	83	69	29	17
Anemias (280-282.4, 282.7-285)	146	2	16	4	16	97	7	4	66.3	1	7	7	52	46	21	12
Sickle-cell trait and sickle-cell anemia (282.5-282.6)	5	...	4	1	...	...	...	...	( )	...	4	1	...	...	...	...
Other diseases of the blood and blood-forming organs (286-289)	81	2	9	4	13	49	4	...	()	2	6	6	31	23	8	5

V. Mental Disorders	21,590	2,173	7,381	1,746	2,756	6,929	283	322	51.2	3,316	5,725	2,871	4,698	3,598	1,014	368
Alcohol psychosis (291)	784	9	78	52	121	505	...	19	62.7	17	42	71	269	292	91	2
Drug psychosis (292)	52	5	26	2	4	14	...	1	(?)	11	20	1	10	7	3	...
Organic psychotic conditions, excluding alcohol and drug psychosis (290, 293-294)	2,127	11	131	83	226	1,482	148	46	68.6	23	73	111	469	826	438	187
Schizophrenic disorders (295)	7,583	797	2,464	720	1,130	2,328	33	111	50.0	1,220	1,942	1,137	1,969	1,117	152	46
Other psychoses (296-299)	2,862	254	709	240	409	1,158	52	40	54.9	339	543	387	709	651	164	69
Neurotic disorders (300)	469	36	179	29	68	146	2	9	51.2	60	130	70	109	84	13	3
Personality disorders (301)	256	54	136	12	19	31	...	4	42.0	77	102	26	34	11	6	...
Alcohol dependence or abuse (303, 305.0)	4,443	583	2,106	482	583	632	...	57	44.7	895	1,642	819	805	260	22	...
Drug dependence or abuse (304, 305.1-305.9)	1,048	330	627	41	29	11	...	10	35.4	535	419	69	17	6	1	1
Other nonpsychotic mental disorders (302, 306-319)	1,966	94	925	85	167	622	48	25	51.8	139	812	180	307	344	124	60
VI. Diseases of the nervous system and sense organs	3,535	79	376	185	457	2,309	74	55	63.3	105	243	298	1,039	1,321	423	106
Quadriplegia (344.0)	156	10	41	18	26	54	1	6	53.2	14	34	31	38	31	6	2
Paraplegia (344.1)	58	2	10	11	7	26	1	1	(?)	6	6	11	17	13	4	1
Epilepsy (345)	218	6	41	21	37	105	2	6	58.0	12	28	32	66	65	13	2
Disorders of the peripheral nervous system (350-359)	194	10	24	11	34	113	2	...	60.1	8	18	23	66	67	9	3
Other diseases of the central nervous system (320-343, 344.2-344.9, 346-349)	2,490	45	212	112	296	1,726	61	38	64.7	57	132	175	711	990	337	88
Glaucoma (365)	35	...	6	...	3	24	1	1	(?)	...	2	3	7	19	3	1
Cataract (366)	181	...	9	5	27	134	3	3	66.9	...	2	7	63	73	32	4
Blindness (369)	7	...	...	...	1	6	...	...	(?)	...	...	...	4	1	2	...
Disorders of the eye and adnexa (360-364, 367-368, 370-379)	128	2	16	4	18	86	2	...	63.3	3	11	9	42	43	16	4
Diseases of the ear and mastoid process (380-389)	68	4	17	3	8	35	1	...	(?)	5	10	7	25	19	1	1
VII. Diseases of the circulatory system	5,805	59	486	255	876	3,880	160	89	64.5	61	232	500	2,018	2,161	618	215
Chronic rheumatic heart disease (393-398)	29	...	7	3	3	16	...	...	(?)	...	7	2	9	11	...	...
Hypertensive disease without heart involvement (401, 403, 405)	267	6	29	15	55	153	1	8	60.2	7	21	33	106	84	14	2
Hypertensive heart disease (402, 404)	82	2	8	4	12	55	1	...	(?)	...	5	8	22	34	12	1
Acute myocardial infarction (410)	338	5	32	17	54	216	11	3	64.0	3	14	39	112	122	32	16
Other ischemic heart disease (411-414)	1,160	5	101	56	232	726	17	23	63.2	3	43	125	467	415	80	27
Other forms of heart disease (391, 392.0, 420-429)	1,364	17	115	51	174	923	61	23	65.7	17	54	88	451	507	175	72
Cerebrovascular diseases (430-438)	1,366	6	70	48	176	1,002	46	18	66.4	7	26	84	458	538	189	64
Atherosclerosis (440)	113	2	6	7	13	78	5	2	66.3	...	1	14	34	43	15	6
Other diseases of arteries, arterioles, and capillaries (441-448)	619	1	38	31	86	444	12	7	65.0	3	14	57	212	253	64	16
Varicose veins of lower extremities (454)	107	...	9	3	14	77	3	1	65.2	1	6	6	31	49	9	5
Hemorrhoids (455)	53	3	26	5	4	14	1	...	(?)	4	18	10	9	8	3	1
Other diseases of the circulatory system (390, 392.9, 415-417, 451-453, 456-459)	307	12	45	15	53	176	2	4	60.6	16	23	34	107	97	25	5
VIII. Diseases of the respiratory system	2,548	36	173	96	351	1,749	105	38	65.8	35	106	158	759	1,023	341	126
Acute respiratory infections (460-466)	103	1	6	2	26	62	5	1	64.0	1	7	6	39	39	6	5
Pneumonia and influenza (480-487)	657	12	50	22	78	438	42	15	67.1	13	29	37	164	246	115	53
Chronic bronchitis (491)	143	2	6	3	14	110	4	4	66.8	...	5	5	35	76	18	4
Emphysema (492)	62	...	3	3	8	47	...	1	(?)	...	2	4	16	29	11	...
Other diseases of the respiratory system and upper respiratory tract (470-478, 490, 493-519)	1,583	21	108	66	225	1,092	54	17	65.2	21	63	106	505	633	191	64

See footnotes at end of table.

INPATIENT CARE

TABLE 13—Continued

VA Medical Centers—Hospital Care Component: Patients Remaining, Diagnostic Group, Period of Service,
Average Age and Age Group¹—September 30, 1987

Diagnostic Composition of Patients ²	All Patients	Period of Service						Aver- age ⁷ Age ⁶	Age							
		Post Viet- nam ³	Viet- nam Era ⁴	Post Korean ⁴	Korean Con- flict ⁵	WW II	WW I		All Others ⁶	Under 35	35-44	45-54	55-64	65-74	75-84	85 and Over
IX. Diseases of the digestive system	2,744	65	421	158	443	1,544	86	27	84	257	337	883	826	252	105	
Diseases of oral cavity, salivary glands, and jaws (520-529)	87	2	17	6	25	35	2	...	3	13	11	33	21	4	2	
Ulcers of the digestive system (530.2, 531-534)	252	5	36	12	39	150	7	3	7	20	26	74	90	27	8	
Other diseases of the esophagus, stomach, and duodenum (530.0, 530.1, 530.3-530.9, 535-537)	238	5	27	14	38	146	5	3	3	18	26	69	80	32	10	
Hernia of the abdominal cavity (550-553)	314	8	37	18	51	190	10	...	10	20	36	111	96	29	12	
Other diseases of the intestine and peritoneum (540-543, 555-569, 578-579)	954	27	106	46	131	589	47	8	33	58	89	274	336	108	56	
Alcohol related liver disorders (571.0-571.3)	281	8	70	24	57	118	...	4	5	51	48	116	53	8	...	
Other diseases of the liver, gall bladder, and pancreas (570, 571.4-577)	618	10	128	38	102	316	15	9	23	77	101	206	150	44	17	
X. Diseases of the genitourinary system	1,566	31	151	82	207	1,014	62	19	39	82	122	463	594	180	86	
Nephritis, nephrotic syndrome, and nephrosis (580-589)	260	3	33	17	37	161	5	4	7	15	25	81	98	27	7	
Other diseases of the urinary system (590-599)	820	17	81	40	106	522	43	11	22	47	71	208	300	111	61	
Diseases of the prostate (600-602)	331	...	13	11	37	257	11	2	...	1	8	114	154	39	15	
Other diseases of the male genital organs (603-608)	125	4	19	8	25	65	3	1	4	11	16	51	37	3	3	
Disorders of the breast and gynecological diseases (610-629)	30	7	5	6	2	9	...	1	6	8	2	9	5	...	...
XII. Diseases of the skin and subcutaneous tissue	1,122	51	235	65	178	548	24	21	74	151	145	350	285	86	31	
Infections and inflammatory conditions of skin and subcutaneous tissue (680-698)	403	20	86	20	71	193	8	5	30	54	50	124	106	30	9	
Other diseases of skin and subcutaneous tissue (700-709)	719	31	149	45	107	355	16	16	44	97	95	226	179	56	22	
XIII. Diseases of the musculoskeletal system and connective tissue	1,599	66	283	108	275	816	28	23	98	178	207	529	440	113	34	
Osteoarthritis and allied disorders (715)	259	5	12	10	39	182	6	5	2	5	13	97	110	24	8	
Other arthropathies and related disorders (710-714, 716-719)	279	24	48	15	55	128	7	2	32	31	37	88	62	21	8	
Dorsopathies (720-724)	502	18	117	34	92	228	3	10	30	76	77	153	130	32	4	
Rheumatism, excluding the back (725-729)	140	7	32	15	17	67	...	2	12	21	18	47	36	6	...	
Osteopathies, chondropathies, and acquired musculoskeletal deformities (730-739)	419	12	74	34	72	211	12	4	22	45	62	144	102	30	14	
XIV. Congenital deformities (740-759)	53	1	9	3	12	27	1	...	2	7	4	19	17	3	1	
XVI. Symptoms, signs, and ill-defined conditions (780-799)	1,503	41	177	79	196	930	57	23	50	120	135	427	526	173	72	

XVII. Injury and poisoning		1,736	97	300	112	265	847	52	63	58.3	166	205	183	520	467	128	67
Fracture of skull (800-804)	.....	27	2	12	5	2	4	1	1	(¹)	5	9	7	3	2	...	1
Fracture of neck and trunk (805-809)	.....	179	24	29	11	19	61	3	32	49.4	53	24	17	34	36	11	4
Fracture of upper and lower limb (810-829)	.....	473	16	68	30	58	266	31	4	63.1	28	39	36	141	137	55	37
Dislocations, sprains, and strains of joints and adjacent muscles (830-848)	.....	85	14	24	2	10	31	1	3	(¹)	18	15	9	22	16	3	2
Intracranial injury, excluding those with skull fracture (850-854)	.....	101	8	14	7	14	47	2	9	53.9	19	12	14	24	22	8	2
Internal injury of chest, abdomen, and pelvis (860-869)	.....	20	3	5	1	2	9	...	...	(¹)	4	3	2	4	5	2	...
Open wounds (870-897)	.....	71	7	19	3	13	26	...	3	(¹)	7	18	6	22	15	3	...
Burns (940-949)	.....	42	3	6	2	11	19	...	1	(¹)	3	6	2	16	13	2	...
Poisoning by drugs, medicinal, and biological substances (960-979)	.....	37	2	13	1	8	10	1	2	(¹)	3	11	4	12	4	2	1
Toxic effects of substances chiefly nonmedical as to source (980-989)	.....	10	1	5	...	3	1	...	...	(¹)	2	4	...	4	...	...	...
All other injuries (900-904, 910-939, 950-959, 990-995)	.....	117	7	23	7	18	55	3	4	56.9	12	19	6	35	36	5	4
Complications of surgical and medical care, NEC (996-999)	.....	574	10	82	43	107	318	10	4	61.1	12	45	80	203	181	37	16
Late effects of injuries, poisonings, toxic effects, and other external causes (905-909)	.....	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
XVIII. Factors influencing health status and contact with health services (V01-V82)	.....	2,173	81	351	117	293	1,241	43	47	60.4	116	258	176	691	663	217	52

¹ Annual Patient Census. This table as well as others in this hospital inpatient series includes all patients remaining in VA Medical Centers on the last day of the fiscal year. Approximately 3.5 percent of the records were incomplete and, therefore unavailable for inclusion in this table.

² The diagnostic categories and selected diagnoses included in this table are based on the "International Classification of Diseases, 9th Revision, Clinical Modification (ICD-9-CM)," DHHS Pub. No. 80-1260. The numbers following the diagnoses are the identifying code numbers of this diagnostic classification. Category XI, "Complication of Pregnancy, Childbirth, and Puerperium," and category XV, "Conditions Originating in the Prenatal Period," in which no cases occurred are not included in this table.

³ Service on or after May 8, 1975.

⁴ Service between February 1, 1955, and August 4, 1964.

⁵ Service between June 27, 1950, and January 31, 1955.

⁶ Consists of 4 Spanish American War veterans, 542 peacetime, 155 active military, and 101 nonveteran.

⁷ Average age not calculated for totals less than 100 cases.

**VA Medical Centers—Hospital Care Component: Patients Remaining, Percent By Attained Stay,
Diagnostic Group¹—September 30, 1987**

Diagnostic Composition of Patients ²	Total	Percent in Each Diagnostic Category for Specified Length of Stay						
		99 Days or Less	100 Days or More	More Than (Years)				
				1	2	5	10	20
All patients	52,848	77.4	22.6	12.0	8.3	4.2	1.8	.5
Psychotic	13,408	51.3	48.7	30.7	22.1	12.4	5.7	1.9
Alcohol psychoses (291)	784	41.3	58.7	38.6	27.6	13.9	4.1	.....
Drug psychoses (292)	52	80.8	19.2	9.6	7.7	7.7	1.9	.....
Other psychoses (290, 293-299)	12,572	51.8	48.2	30.3	21.9	12.3	5.9	2.1
Other psychiatric	8,182	88.6	11.4	5.0	3.4	1.8	.7	.1
Alcohol dependence and abuse (303, 305.0)	4,443	97.4	2.6	.2	.1	0	.....	.....
Drug dependence and abuse (304, 305.1-305.9)	1,048	92.7	7.3	.1	.....	.....	.....	.....
Other nonpsychotic mental disorders (300-302, 306-319)	2,691	72.5	27.5	14.9	10.1	5.4	2.0	.2
Medical and surgical	31,258	85.7	14.3	5.9	3.6	1.3	.4	.1
All infectious and parasitic diseases (001-139)	771	89.8	10.2	2.3	1.2	.3	.3	.1
Malignant neoplasms (140-208, 230-234)	4,452	92.5	7.5	1.2	.4	.1	.....	.....
Benign and unspecified neoplasms (210-229, 235-239)	308	98.1	1.9	1.0	1.0	.6	.3	.....
Diabetes mellitus (250)	751	87.6	12.4	2.8	1.2	.1	.....	.....
Other endocrine, nutritional, and metabolic diseases (240-246, 251-278)	357	90.5	9.5	1.4	1.4	.6	.3	.3
Disorders involving the immune mechanisms (279)	3	100.0	.....	.....	.....	.....	.....	.....
Diseases of the blood and blood-forming organs (280-289)	232	94.8	5.2	.....	.....	.....	.....	.....
Quadriplegia (344.0)	156	28.2	71.8	52.6	41.0	20.5	10.3	3.2
Paraplegia (344.1)	58	36.2	63.8	43.1	29.3	17.2	6.9	.....
Other diseases of the nervous system (320-343, 344.2-359)	2,902	43.9	56.1	35.6	23.3	8.5	1.9	.1
Diseases of the sense organs (360-389)	419	97.9	2.1	1.0	.7	.2	.2	.....
Heart diseases (391-392.0, 393-398, 402, 404, 410-414, 420-429)	2,973	95.9	4.1	1.2	.7	.1	.....	.....
Cerebrovascular diseases (430-438)	1,366	75.7	24.3	9.7	6.1	2.3	.7	.1
Other diseases of the circulatory system (390, 392.9, 401, 403, 405, 415-417, 440-459)	1,466	90.9	9.1	2.1	.6	.1	.....	.....
Acute respiratory diseases (460-466, 480-487)	760	93.2	6.8	1.6	.4	.....	.....	.....
Chronic bronchitis and emphysema (491-492)	205	85.9	14.1	3.9	1.0	.5	.....	.....
Other respiratory diseases (470-478, 490, 493-519)	1,583	86.0	14.0	4.4	2.0	.4	.1	.....
Diseases of the oral cavity, salivary glands, and jaws (520-529)	87	96.6	3.4	.....	.....	.....	.....	.....
Hernia of the abdominal cavity (550-553)	314	97.8	2.2	.3	.3	.....	.....	.....
Alcohol-related liver diseases (571.0-571.3)	281	94.3	5.7	.7	.4	.....	.....	.....
Other diseases of the digestive system (530-543, 555-570, 571.4-579)	2,062	94.5	5.5	.9	.4	.1	.....	.....
Diseases of the male genital organs (600-608)	456	98.7	1.3	.....	.....	.....	.....	.....
Other diseases of the genitourinary system (580-599)	1,080	92.1	7.9	2.5	1.1	.2	.1	.....
Diseases of the breast, gynecological disorders, and complications of pregnancy (610-676)	30	100.0	.....	.....	.....	.....	.....	.....
Diseases of the skin and subcutaneous tissue (680-709)	1,122	78.3	21.7	4.5	2.0	.6	.1	.....
Diseases of the musculoskeletal system and connective tissue (710-739)	1,599	90.7	9.3	3.3	2.5	1.1	.4	.....
Congenital anomalies (740-759)	53	77.4	22.6	7.5	5.7	3.8	1.9	.....
Symptoms, signs, and ill-defined conditions (780-799)	1,503	91.0	9.0	3.5	1.9	.7	.3	.....
Injuries and poisonings (800-904, 910-999)	1,736	85.9	14.1	3.5	1.8	.9	.5	.....
Late effects of injuries, poisonings, toxic effects, and other external causes (905-909) .....	.....	.....	.....	.....	.....	.....	.....	.....
Factors influencing health status and contact with health services (V01-V82)	2,173	89.1	10.9	1.4	.7	.4	.3	.2
Supplementary classification of external causes of injury and poisoning (E800-E999) .....	.....	.....	.....	.....	.....	.....	.....	.....

¹ Annual Patient Census. This table as well as others in this hospital inpatient series includes all patients remaining in VA Medical Centers on the last day of the fiscal year. Approximately 3.5 percent of the records were incomplete and, therefore unavailable for inclusion in this table.

² The diagnostic categories and selected diagnoses included in this table are based on the "International Classification of Diseases, 9th Revision, Clinical Modification (ICD-9-CM)," DHHS Pub. No. 80-1260. The numbers following the diagnoses are the identifying code numbers of this diagnostic classification.

TABLE 15

INPATIENT CARE

VA Medical Centers—Hospital Care Component: Patients Remaining, Age, Diagnostic Group¹
September 30, 1987

Diagnostic Composition of Patients ²	Total		Age Group										85 and Over	
	Number	Percent	Under 35		35-44		45-54		55-64		65-74		75-84	
			Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
All patients	52,848	100.0	4,277	100.0	7,891	100.0	5,738	100.0	14,862	100.0	14,389	100.0	4,209	100.0
Psychotic	13,408	25.4	1,610	37.6	2,620	33.2	1,707	29.8	3,426	23.1	2,893	20.1	848	20.2
Alcohol psychoses (291)	784	1.5	17	.4	42	.5	71	1.2	269	1.8	292	2.0	91	2.2
Drug psychoses (292)	52	.1	11	.3	20	.3	1	(³)	10	.1	7	.1	3	.1
Other psychoses (290, 293-299)	12,572	23.8	1,582	37.0	2,558	32.4	1,635	28.5	3,147	21.2	2,594	18.0	754	17.9
Other psychiatric	8,182	15.5	1,706	39.9	3,105	39.4	1,164	20.3	1,272	8.6	705	4.9	166	3.9
Alcohol dependence and abuse (303, 305.0)	4,443	8.4	895	20.9	1,642	20.8	819	14.3	805	5.4	260	1.8	22	.5
Drug dependence and abuse (304, 305.1-305.9)	1,048	2.0	535	12.5	419	5.3	69	1.2	17	.1	6	(³)	1	.1
Other nonpsychotic mental disorders (300-302, 306-319)	2,691	5.1	276	6.5	1,044	13.2	276	4.8	450	3.0	439	3.1	143	3.4
Medical and surgical	31,258	59.2	961	22.5	2,166	27.5	2,867	50.0	10,164	68.4	10,791	75.0	3,195	75.9
All infectious and parasitic diseases (001-139)	771	1.5	65	1.5	111	1.4	95	1.7	192	1.3	202	1.4	70	1.7
Malignant neoplasms (140-208, 230-234)	4,452	8.4	28	.7	109	1.4	351	6.1	1,689	11.4	1,728	12.0	425	10.1
Benign and unspecified neoplasms (210-229, 235-239)	308	.6	8	.2	15	.2	33	.6	100	.7	110	.8	34	.8
Diabetes mellitus (250)	751	1.4	20	.5	54	.7	79	1.4	285	1.9	247	1.7	52	1.2
Other endocrine, nutritional, and metabolic diseases (240-246, 251-278)	357	.7	7	.2	19	.2	29	.5	117	.8	112	.8	51	1.2
Disorders involving the immune mechanisms (279)	3	(³)	.....	.....	2	(³)	1	(³)	.....	.....	.....	.....	.....	.....
Diseases of the blood and blood-forming organs (280-289)	232	.4	3	.1	17	.2	14	.2	83	.6	69	.5	29	.7
Paraplegia (344.0)	156	.3	14	.3	34	.4	31	.5	38	.3	31	.2	6	.1
Other diseases of the nervous system (320-343, 344.2-359)	58	.1	6	.1	6	.1	11	.2	17	.1	13	.1	4	.1
Diseases of the sense organs (360-369)	2,902	5.5	77	1.8	178	2.3	230	4.0	843	5.7	1,122	7.8	359	8.5
Heart diseases (391-392.0, 393-398, 402, 404, 410-414, 420-429)	419	.8	8	.2	25	.3	26	.5	141	1.0	155	1.1	54	1.3
Cerebrovascular diseases (430-438)	2,973	5.6	23	.5	123	1.6	262	4.6	1,061	7.1	1,089	7.6	299	7.1
Other diseases of the circulatory system (390, 392.9, 401, 403, 405, 415-417, 440-459)	1,366	2.6	7	.2	26	.3	84	1.5	458	3.1	538	3.7	189	4.5
Acute respiratory diseases (460-466, 480-487)	1,466	2.8	31	.7	83	1.1	154	2.7	499	3.4	534	3.7	130	3.1
Chronic bronchitis and emphysema (491-492)	760	1.4	14	.3	36	.5	43	.8	203	1.4	285	2.0	121	2.9
Other respiratory diseases (470-478, 490, 493-519)	205	.4	.....	.....	9	.1	9	.2	51	.3	105	.7	29	.7
Diseases of the oral cavity, salivary glands, and jaws (520-529)	1,583	3.0	21	.5	63	.8	106	1.9	505	3.4	633	4.4	191	4.5
Hernia of the abdominal cavity (560-563)	87	.2	3	.1	13	.2	11	.2	33	.2	21	.2	4	.1
Alcohol-related liver diseases (571.0-571.3)	314	.6	10	.2	20	.3	36	.6	111	.8	96	.7	29	.7
Other diseases of the digestive system (530-543, 555-570, 571.4-579)	281	.5	5	.1	51	.7	48	.8	116	.8	53	.4	8	.2
Diseases of the male genital organs (600-608)	2,062	3.9	66	1.5	173	2.2	242	4.2	623	4.2	656	4.6	211	5.0
Other diseases of the genitourinary system (580-599)	456	.9	4	.1	12	.2	24	.4	165	1.1	191	1.3	42	1.0
Diseases of the breast, gynecological disorders, and complications of pregnancy (610-678)	1,080	2.0	29	.7	62	.8	96	1.7	289	1.9	398	2.8	138	3.3
Diseases of the skin and subcutaneous tissue (680-709)	30	.1	6	.1	8	.1	145	2.5	9	.1	5	(³)	.....	.....
Diseases of the musculoskeletal system and connective tissue (710-739)	1,122	2.1	74	1.7	151	1.9	207	3.6	350	2.4	285	2.0	86	2.0
Congenital anomalies (740-759)	1,599	3.0	98	2.3	178	2.3	207	3.6	529	3.6	440	3.1	113	2.7
Symptoms, signs, and ill-defined conditions (780-799)	53	.1	2	.1	7	.1	4	.1	19	.1	17	.1	3	.1
Injuries and poisonings (800-904, 910-999)	1,503	2.8	50	1.2	120	1.5	135	2.4	427	2.9	526	3.7	173	4.1
Late effects of injuries, poisonings, toxic effects, and other external causes (905-909)	1,736	3.3	166	3.9	205	2.6	183	3.2	520	3.5	467	3.3	128	3.0
Factors influencing health status and contact with health services (V01-V82)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Supplementary classification of external causes of injury and poisoning (E800-E999)	2,173	4.1	116	2.7	258	3.3	176	3.1	691	4.7	663	4.6	217	5.2

¹ Annual Patient Census. This table as well as others in this hospital inpatient series includes all patients remaining in VA Medical Centers on the last day of the fiscal year. Approximately 3.5 percent of the records were incomplete and, therefore, unavailable for inclusion in this table.

² The diagnostic categories and selected diagnoses included in this table are based on the "International Classifications of Diseases, 9th Revision, Clinical Modification (ICD-9-CM)," DHHS Pub. No. 80-1260. The numbers following the diagnosis are the identifying code numbers of this diagnostic classification.

³ Less than .05 percent.

VA Medical Centers—Hospital Care Component: Patients Remaining, Age, By State¹
September 30, 1987

Location	Total	Age						
		Under 35	35-44	45-54	55-64	65-74	75-84	85 and Over
Total	52,848	4,277	7,891	5,738	14,862	14,389	4,209	1,482
Alabama:								
Birmingham	265	9	18	38	93	80	22	5
Montgomery	156	5	7	11	51	47	23	12
Tuscaloosa	395	41	58	38	94	116	38	10
Tuskegee	602	68	112	80	146	149	33	14
Arizona:								
Phoenix	367	26	74	43	117	73	25	9
Prescott	92	4	14	7	21	34	10	2
Tucson	188	15	23	19	62	52	10	7
Arkansas:								
Fayetteville	101	1	5	9	37	34	12	3
Little Rock (Little Rock)	292	10	21	34	99	106	19	3
Little Rock (North Little Rock)	452	40	101	56	112	99	32	12
California:								
Fresno	126	11	13	11	33	44	8	6
Livermore	84	1	3	10	19	34	12	5
Loma Linda	291	26	38	32	79	80	24	12
Long Beach	692	77	83	85	215	173	40	19
Martinez	284	14	42	36	87	80	17	8
Palo Alto (Palo Alto)	504	52	102	44	116	126	39	25
Palo Alto (Menlo Park)	441	97	206	35	56	39	6	2
San Diego	346	34	42	42	89	95	30	14
San Francisco	213	13	28	22	70	59	19	2
Sepulveda	314	33	48	44	93	65	24	7
West Los Angeles (Brentwood)	413	121	140	55	60	28	8	1
West Los Angeles (Wadsworth)	449	26	48	39	150	126	40	20
Colorado:								
Denver	221	29	30	33	66	50	12	1
Fort Lyon	321	42	64	50	72	76	14	3
Grand Junction	60	2	14	6	13	18	6	1
Connecticut:								
Newington	121	5	19	10	41	31	12	3
West Haven	303	31	66	23	80	81	15	7
Delaware: Wilmington	157	3	10	8	58	65	11	2
District of Columbia: Washington	421	61	89	39	98	101	23	10
Florida:								
Bay Pines	520	32	90	65	116	140	47	30
Gainesville	344	24	49	30	102	114	18	7
Lake City	238	2	13	18	85	84	24	12
Miami	469	48	82	66	139	98	25	11
Tampa	466	61	70	52	128	122	29	4
Georgia:								
Atlanta	358	28	55	40	91	110	27	7
Augusta (Downtown)	300	22	33	38	90	100	15	2
Augusta (Uptown)	507	47	135	60	125	117	22	1
Dublin	211	7	20	21	56	80	23	4
Idaho: Boise	115	11	11	19	27	32	10	5
Illinois:								
Chicago (Lakeside)	155	9	18	23	46	44	13	2
Chicago (West Side)	361	27	34	33	114	119	27	7
Danville	616	35	78	55	160	186	70	32
Hines	764	59	126	94	221	204	46	14
Marion	137	2	4	12	37	51	21	10
North Chicago	698	56	129	95	192	173	40	13
Indiana:								
Fort Wayne	114	3	13	12	34	37	10	5
Indianapolis (W. Tenth St.)	272	13	22	36	96	77	20	8
Indianapolis (Cold Spr. Rd.)	86	27	30	11	14	3	1	...
Marion	459	45	70	60	124	108	44	8
Iowa:								
Des Moines	134	4	9	12	38	45	14	12
Iowa City	140	4	10	14	51	51	7	3
Knoxville	355	38	73	43	84	80	28	9
Kansas:								
Leavenworth	288	27	31	30	71	82	30	17
Topeka	501	56	128	61	108	101	30	17
Wichita	120	2	16	5	42	39	13	3
Kentucky:								
Lexington (Leestown)	400	16	42	40	98	128	52	24
Lexington (Cooper Drive)	231	7	26	27	89	69	10	3
Louisville	259	5	39	29	78	85	17	6
Louisiana:								
Alexandria	172	6	14	16	62	56	15	3
New Orleans	309	25	38	32	112	66	31	5
Shreveport	239	10	31	24	78	73	18	5

See footnote at end of table.

TABLE 16—Continued

INPATIENT CARE

VA Medical Centers—Hospital Care Component: Patients Remaining, Age, By State¹
September 30, 1987

Location	Total	Age						
		Under 35	35-44	45-54	55-64	65-74	75-84	85 and Over
Maine: Togus	304	35	53	32	74	78	25	7
Maryland:								
Baltimore	165	11	19	22	52	49	10	2
Fort Howard	167	11	20	17	42	56	15	6
Perry Point	633	46	73	71	180	167	78	18
Massachusetts:								
Bedford	583	38	54	61	171	198	45	16
Boston	369	47	53	22	109	103	28	7
Brockton (Brockton)	591	41	76	77	185	143	48	21
Brockton (West Roxbury)	120	6	11	8	42	39	12	2
Northampton	425	30	94	34	116	108	28	15
Michigan:								
Allen Park	376	40	71	36	110	99	18	2
Ann Arbor	226	24	30	20	72	64	15	1
Battle Creek	646	101	176	83	154	103	23	6
Iron Mountain	115	5	12	14	25	42	14	3
Saginaw	129	1	8	10	41	49	16	4
Minnesota:								
Minneapolis	478	34	47	38	136	167	44	12
St. Cloud	402	43	76	51	92	91	31	18
Mississippi:								
Biloxi (Biloxi)	267	9	13	34	91	86	28	6
Biloxi (Gulfport)	260	37	78	40	61	36	8	...
Jackson	290	19	25	35	92	87	27	5
Missouri:								
Columbia	225	4	20	24	70	76	22	9
Kansas City	310	33	33	35	105	74	28	2
Poplar Bluff	82	4	5	7	30	22	12	2
St. Louis (John J. Cochran)	233	15	26	24	73	73	19	3
St. Louis (Jefferson Barracks)	336	62	68	39	78	63	19	7
Montana:								
Fort Harrison	100	4	17	17	25	30	6	1
Miles City	71	...	2	8	21	31	7	2
Nebraska:								
Grand Island	59	7	6	3	16	19	6	2
Lincoln	131	11	20	16	40	32	9	3
Omaha	255	21	27	38	90	49	25	5
Nevada: Reno	124	4	20	12	34	41	10	3
New Hampshire: Manchester	95	6	13	6	22	35	8	5
New Jersey:								
East Orange	526	57	69	42	149	157	40	12
Lyons	814	44	126	84	257	231	55	17
New Mexico: Albuquerque	322	26	56	37	89	89	21	4
New York:								
Albany	374	23	42	28	85	130	46	20
Batavia	117	2	3	4	24	54	17	13
Bath	177	1	7	9	51	58	34	17
Bronx	397	43	47	54	103	101	43	6
Brooklyn (Brooklyn)	444	35	55	41	129	112	53	19
Brooklyn (St. Albans)	31	...	1	1	9	10	6	4
Buffalo	508	23	55	40	135	177	56	22
Canandaigua	642	31	64	65	176	217	64	25
Castle Point	173	5	14	11	55	59	19	10
Montrose	794	105	173	92	179	176	48	21
New York	502	43	76	46	146	129	53	9
Northport	384	12	35	37	119	139	30	12
Syracuse	178	7	16	12	48	71	19	5
North Carolina:								
Asheville	339	9	15	28	108	121	40	18
Durham	312	12	33	36	112	99	16	4
Fayetteville	234	8	17	26	65	88	24	6
Salisbury	670	43	90	72	203	197	51	14
North Dakota: Fargo	139	6	8	11	43	49	14	8
Ohio:								
Chillicothe	569	56	77	85	161	128	49	13
Cincinnati	194	21	23	19	62	49	13	7
Cleveland (Wade Park)	350	21	39	38	110	100	32	10
Cleveland (Brecksville)	288	63	123	36	40	24	1	1
Dayton	411	24	48	28	120	149	30	12
Oklahoma:								
Muskogee	148	3	10	10	43	57	20	5
Oklahoma City	261	25	46	25	73	71	17	4
Oregon:								
Portland (Portland)	357	25	44	39	91	103	40	15
Roseburg	231	23	45	24	45	66	21	7

See footnote at end of table.

VA Medical Centers—Hospital Care Component: Patients Remaining, Age, By State¹
September 30, 1987

Location	Total	Age						
		Under 35	35-44	45-54	55-64	65-74	75-84	85 and Over
Pennsylvania:								
Altoona	97	1	7	2	33	38	12	4
Butler	198	3	7	12	55	71	34	16
Coatesville	756	110	214	95	167	128	36	6
Erie	122	5	8	6	39	46	15	3
Lebanon	520	39	64	46	135	151	54	31
Philadelphia	288	25	35	25	86	87	21	9
Pittsburgh (Highland Drive)	394	38	61	47	108	107	27	6
Pittsburgh (University Drive)	303	4	16	26	117	104	32	4
Pittsburgh (U. Dr. Aspinwall)	106	1	2	6	29	36	22	10
Wilkes-Barre	289	11	28	22	92	102	21	13
Puerto Rico: San Juan	598	46	116	76	192	133	25	10
Rhode Island: Providence	221	13	23	22	70	64	21	8
South Carolina:								
Charleston	238	16	36	38	68	65	13	2
Columbia	338	24	32	41	94	105	27	15
South Dakota:								
Fort Meade	271	15	34	35	76	64	36	11
Hot Springs	99	6	10	19	27	20	12	5
Sioux Falls	175	11	15	13	60	54	16	6
Tennessee:								
Memphis	477	49	97	49	144	111	22	5
Mountain Home	328	13	32	31	110	99	33	10
Murfreesboro	526	39	71	65	143	149	42	17
Nashville	333	20	32	55	117	92	14	3
Texas:								
Amarillo	106	3	5	14	32	39	10	3
Big Spring	162	18	30	14	43	39	11	7
Bonham	59	1	6	8	20	17	2	5
Dallas	446	37	93	35	140	104	33	4
Houston	713	88	117	86	226	148	38	10
Kerrville	206	14	37	19	40	65	24	7
Marlin	158	6	6	7	30	54	27	28
San Antonio	527	38	80	70	153	138	40	8
Temple	404	17	41	41	128	112	53	12
Waco	578	55	96	56	163	143	50	15
Utah: Salt Lake City	250	20	47	32	71	61	13	6
Vermont: White River Junction	121	9	14	15	25	39	12	7
Virginia:								
Hampton	214	16	29	29	73	47	16	4
Richmond	299	28	50	35	102	61	16	7
Salem	641	44	82	78	184	172	57	24
Washington:								
American Lake	259	31	80	33	38	59	12	6
Seattle	307	26	54	51	76	67	23	10
Spokane	124	...	6	9	42	43	15	9
Walla Walla	78	8	16	10	12	15	15	2
West Virginia:								
Beckley	128	6	16	15	43	41	3	4
Clarksburg	134	5	11	9	43	35	19	12
Huntington	146	4	8	18	51	47	15	3
Martinsburg	300	10	29	25	93	96	39	8
Wisconsin:								
Madison	188	5	15	15	66	66	15	6
Milwaukee	412	35	55	39	118	129	26	10
Tomah	458	31	83	58	122	118	32	14
Wyoming:								
Cheyenne	51	3	7	6	12	15	7	1
Sheridan	240	30	78	34	40	37	14	7

¹ Annual Patient Census. This table as well as others in this hospital inpatient series includes all patients remaining in VA Medical Centers on the last day of the fiscal year. Approximately 3.5 percent of the records were incomplete and, therefore unavailable for inclusion in this table.

TABLE 17

INPATIENT CARE

*VA Medical Centers—Hospital Care Component: Patients Discharged, Manner of Disposition,
Diagnostic Group¹—Fiscal Year 1987*

Diagnostic Composition of Patients ²	Total Discharges	Disposition			
		Regular	Irregular	Deaths	Transfers to VA or Non-VA Hospitals
All discharges	1,055,835	927,989	44,307	45,699	37,840
Psychotic	94,613	75,071	12,862	1,136	5,544
Alcohol psychoses (291)	6,301	5,335	625	99	242
Drug psychoses (292)	1,144	895	220	4	25
Other psychoses (290, 293-299)	87,168	68,841	12,017	1,033	5,277
Other psychiatric	142,451	116,992	21,238	276	3,945
Alcohol dependence and abuse (303, 305.0)	91,675	75,766	13,716	78	2,115
Drug dependence and abuse (304, 305.1-305.9)	17,265	13,076	3,812	3	374
Other nonpsychotic mental disorders (300-302, 306-319)	33,511	28,150	3,710	195	1,456
Medical and surgical	818,771	735,926	10,207	44,287	28,351
All infectious and parasitic diseases (001-139)	14,631	11,237	271	2,774	349
Malignant neoplasms (140-208, 230-234)	92,299	74,023	664	14,039	3,573
Benign and unspecified neoplasms (210-229, 235-239)	14,298	13,657	86	116	439
Diabetes mellitus (250)	18,631	17,729	300	278	324
Other endocrine, nutritional, and metabolic diseases (240-246, 251-278)	11,776	10,784	148	601	243
Disorders involving the immune mechanisms (279)	247	204	5	28	10
Diseases of the blood and blood-forming organs (280-289)	8,948	8,417	148	207	176
Quadriplegia (344.0)	212	164	3	13	32
Paraplegia (344.1)	182	149	4	9	20
Other diseases of the nervous system (320-343, 344.2-359)	25,745	22,815	348	1,267	1,315
Diseases of the sense organs (360-389)	27,851	27,119	85	15	632
Heart diseases (391-392.0, 393-398, 402, 404, 410-414, 420-429)	108,565	94,118	1,473	6,064	6,910
Cerebrovascular diseases (430-438)	22,469	19,163	210	1,990	1,106
Other diseases of the circulatory system (390, 392.9, 401, 403, 405, 415-417, 440-459)	40,651	37,470	454	1,484	1,243
Acute respiratory diseases (460-466, 480-487)	23,700	20,166	263	2,946	325
Chronic bronchitis and emphysema (491-492)	6,411	6,011	63	288	49
Other respiratory diseases (470-478, 490, 493-519)	45,866	41,429	536	3,055	846
Diseases of the oral cavity, salivary glands and jaws (520-529)	4,354	4,225	28	12	89
Hernia of the abdominal cavity (550-553)	18,838	18,524	71	48	195
Alcohol-related liver diseases (571.0-571.3)	6,151	4,915	192	949	95
Other diseases of the digestive system (530-543, 555-570, 571.4-579)	65,289	59,898	1,042	2,765	1,584
Diseases of the male genital organs (600-608)	22,174	21,819	67	36	252
Other diseases of the genitourinary system (580-599)	30,974	28,078	266	1,219	1,411
Diseases of the breast, gynecological disorders, and complications of pregnancy (610-676)	1,647	1,599	13	1	34
Diseases of the skin and subcutaneous tissue (680-709)	20,906	19,598	405	370	533
Diseases of the musculoskeletal system and connective tissue (710-739)	44,271	42,342	411	261	1,257
Congenital anomalies (740-759)	1,907	1,794	4	30	79
Symptoms, signs, and ill-defined conditions (780-799)	50,893	45,679	1,300	2,174	1,740
Injuries and poisonings (800-904, 910-999)	42,404	38,331	744	918	2,411
Late effects of injuries, poisonings, toxic effects, and other external causes (905-909)	1	1	.....	.....	.....
Factors influencing health status and contact with health service (V01-V82)	46,480	44,468	603	330	1,079
Supplementary classification of external causes of injury and poisoning (E800-E999) . . . . .	.....	.....	.....	.....	.....

¹Patient Treatment File. This table, as well as all others in this hospital discharge series, excludes approximately 255,094 one-day dialysis discharges.

²The diagnostic categories and selected diagnoses included in this table are

based on the "International Classification of Diseases, 9th Revision, Clinical Modification (ICD-9-CM)," DHHS Pub. No. 80-1260. The numbers following the diagnoses are the identifying code numbers of this diagnostic classification.

VA Medical Centers—Hospital Care Component: Diagnostic Group¹ by Age—Patients Discharged—Fiscal Year 1987

Diagnostic Group ²	Total Diagnoses	Principal Diagnosis ³	Associated Diagnoses ⁴	Average Age ⁵ (Principal Diagnosis)	Age Group of Principal Diagnosis						
					Under 35	35-44	45-54	55-64	65-74	75-84	85 and Over
All diseases and conditions	4,123,028	1,055,835	3,067,193	58.0	91,208	149,789	122,967	323,576	275,376	67,032	25,887
I. Infectious and parasitic diseases	108,968	14,631	94,337	56.4	1,877	2,518	1,700	3,611	3,288	1,006	631
Pulmonary tuberculosis (011)	3,340	1,480	1,860	58.7	64	179	235	543	355	70	34
Tuberculosis, other (010, 012-018)	612	235	377	56.5	18	52	27	58	63	11	6
Tuberculosis, late-effects (137)	527		527	(⁶)							
All other infectious and parasitic diseases (001-009, 020-136)	104,282	12,916	91,366	56.1	1,795	2,287	1,438	3,010	2,870	925	591
Late effects of other infectious and parasitic diseases (138-139)	207		207	(⁶)							
II. Neoplasms	229,403	106,597	122,806	64.1	1,526	3,803	9,476	40,968	39,138	9,085	2,601
Malignant neoplasm of lip, oral cavity, and pharynx (140-149, 230.0)	8,589	5,734	2,855	62.0	34	172	803	2,767	1,654	248	56
Malignant neoplasm of digestive organs and peritoneum (150-159, 230.1-230.9)	20,321	14,125	6,196	65.2	58	358	1,176	5,420	5,311	1,392	410
Malignant neoplasm of bronchus and lung (162.2-162.9, 231.2)	35,348	23,923	11,425	64.1	35	362	2,298	10,573	8,839	1,599	217
Malignant neoplasm of other respiratory system and intrathoracic organs (160-162.0, 163-165, 231.0, 231.1, 231.8, 231.9)	5,250	3,646	1,604	62.4	41	125	442	1,643	1,197	160	38
Malignant neoplasm of lymphatic and hematopoietic tissue (200-208)	14,375	7,787	6,588	60.6	445	629	817	2,718	2,489	530	159
Malignant neoplasm of genitourinary organs (179-189, 233)	29,617	17,667	11,950	68.0	129	233	711	5,350	7,846	2,455	943
Malignancies of all other systems (170-175, 190-199, 232, 234)	86,016	19,417	66,599	63.3	382	1,042	1,845	7,371	6,658	1,574	545
Neoplasms, benign (210-229)	23,686	11,682	12,004	62.3	333	729	1,164	4,240	4,239	830	147
Neoplasms of unspecified nature (235-239)	6,201	2,616	3,585	63.9	69	153	220	886	905	297	86
III. Endocrine, nutritional, and metabolic diseases and immunity disorders	289,514	30,654	258,860	60.8	1,063	2,805	4,137	10,964	8,787	2,015	883
Diabetes mellitus (250)	140,399	18,631	121,768	59.4	657	1,895	2,791	7,122	5,070	923	173
Diseases of the endocrine glands (240-246, 251-259)	19,925	3,038	16,887	60.3	140	293	399	1,015	916	201	74
Gout (274)	12,569	1,063	11,506	62.5	18	81	115	378	361	88	22
Obesity (278.0-278.1)	24,630	382	24,248	56.7	10	52	86	150	73	11	
Nutritional deficiencies and all other metabolic diseases (260-273, 275-277, 278.2-278.8)	91,074	7,293	83,781	65.2	176	427	683	2,247	2,357	790	613
Disorders involving the immune mechanisms (279)	917	247	670	45.6	62	57	63	52	10	2	1
IV. Diseases of the blood and blood-forming organs	100,275	8,948	91,327	64.1	339	607	699	2,732	3,030	1,061	480
Anemias (280-282.4, 282.7-285)	74,472	6,039	68,433	65.9	123	302	435	1,870	2,101	811	397
Sickle-cell trait and sickle-cell anemia (282.5-282.6)	681	171	510	38.3	70	68	17	15	1		
Other diseases of the blood and blood-forming organs (286-289)	25,122	2,738	22,384	61.7	146	237	247	847	928	250	83

V. Mental disorders	592,014	237,064	354,950	45.9	54,716	81,427	34,697	40,594	19,836	4,105	1,689
Alcohol psychosis (291)	28,481	6,301	22,180	54.0	560	1,278	1,125	1,987	1,149	186	16
Drug psychosis (292)	3,803	1,144	2,659	42.8	439	365	71	125	107	29	8
Organic psychotic conditions, excluding alcohol and drug psychosis (290, 293-294)											
Schizophrenic disorders (295)	21,376	7,939	13,437	68.6	236	367	389	1,668	2,835	1,562	882
Other psychoses (296-299)	69,259	50,706	18,553	42.6	16,010	18,083	6,755	6,690	2,847	258	63
Neurotic disorders (300)	49,677	28,523	21,154	49.7	4,994	7,965	4,247	6,391	3,762	843	321
Personality disorders (301)	37,800	8,407	29,393	49.3	1,349	2,627	1,218	1,844	1,143	183	43
Alcohol dependence or abuse (303, 305.0)	42,582	4,095	38,487	39.2	1,556	1,718	351	316	135	15	4
Drug dependence or abuse (304, 305.1-305.9)	191,486	91,675	99,811	46.0	17,056	31,244	17,762	18,469	5,827	396	21
Other nonpsychotic mental disorders (302, 306-319)	84,391	17,265	67,126	35.8	8,474	7,417	859	422	81	9	3
	63,159	21,009	42,150	46.2	3,142	10,363	1,920	2,682	1,950	624	328
VI. Diseases of the nervous system and sense organs	229,855	53,990	175,865	61.4	2,771	4,726	5,437	17,794	17,151	4,688	1,423
Quadriplegia (344.0)	4,826	212	4,614	48.1	50	56	25	42	31	7	1
Paraplegia (344.1)	6,320	182	6,138	49.5	35	46	24	43	30	3	1
Epilepsy (345)	27,717	5,676	22,041	53.5	814	1,010	808	1,653	1,110	236	45
Disorders of the peripheral nervous system (350-359)	25,411	6,585	18,826	58.1	413	809	923	2,315	1,736	319	70
Others diseases of central nervous system (320-343, 344.2-344.9, 346-349)											
Glaucoma (365)	77,986	13,484	64,502	60.5	896	1,564	1,419	3,699	4,178	1,341	387
Cataract (366)	10,952	1,383	9,569	64.5	19	35	115	502	560	123	29
Blindness (369)	20,889	15,005	5,884	66.8	41	253	953	5,387	5,832	1,849	690
Disorders of the eye and adnexa (360-364, 367-379)	5,172	116	5,056	61.6	6	5	13	43	41	5	3
Diseases of the ear and mastoid process (380-389)	31,717	7,726	23,991	62.9	215	439	687	2,870	2,704	644	167
	18,865	3,621	15,244	57.2	282	509	470	1,240	929	161	30
VII. Diseases of the circulatory system	858,914	171,685	687,229	63.6	1,947	8,084	18,735	65,991	57,955	13,886	5,087
Chronic rheumatic heart disease (393-398)	4,841	1,011	3,830	60.6	22	79	134	437	271	56	12
Hypertensive disease without heart involvement (401, 403, 405)	197,432	9,944	187,488	60.2	277	952	1,407	3,757	2,878	549	124
Hypertensive heart disease (402, 404)	9,050	2,354	6,696	65.5	9	79	182	861	884	244	95
Acute myocardial infarction (410)	19,889	12,329	7,560	63.5	48	598	1,508	4,839	3,993	970	373
Other ischemic heart disease (411-414)	216,755	48,536	168,219	62.1	184	2,293	6,929	20,996	14,914	2,533	687
Other forms of heart disease (391, 392.0, 420-429)	210,595	44,335	166,260	65.8	529	1,498	3,413	15,242	16,325	5,009	2,319
Cerebrovascular diseases (430-438)	74,846	22,469	52,377	65.5	136	480	1,837	8,433	8,512	2,253	818
Atherosclerosis (440)	17,031	2,308	14,723	64.6	9	52	213	941	851	178	64
Other diseases of arteries, arterioles, and capillaries (441-448)	50,889	13,931	36,958	64.4	85	367	1,266	5,559	5,252	1,151	251
Varicose veins of lower extremities (454)	5,336	1,548	3,788	62.3	42	159	156	485	498	164	44
Hemorrhoids (455)	13,436	3,284	10,152	55.8	221	614	512	1,069	714	124	30
Other diseases of the circulatory system (390, 392.9, 415-417, 451-453, 456-459)	38,814	9,636	29,178	60.9	385	913	1,178	3,372	2,863	655	270
VIII. Diseases of the respiratory system	288,781	75,977	212,804	63.9	2,351	4,024	6,106	26,155	26,826	7,262	3,253
Acute respiratory infections (460-466)	19,264	5,571	13,693	62.8	253	305	442	1,965	1,940	501	165
Pneumonia and influenza (480-487)	40,659	18,129	22,530	66.0	587	1,094	1,324	5,013	6,006	2,359	1,746
Chronic bronchitis (491)	13,850	4,490	9,360	65.0	28	81	328	1,798	1,807	363	85
Emphysema (492)	10,407	1,921	8,486	65.5	8	34	124	724	820	191	20

See footnotes at end of table.

INPATIENT CARE

TABLE 18—Continued

VA Medical Centers—Hospital Care Component: Diagnostic Group¹ by Age—Patients Discharged—Fiscal Year 1987

Diagnostic Group ²	Total Diagnoses	Principal Diagnosis ³	Associated Diagnoses ⁴	Average Age ⁵ (Principal Diagnosis)	Age Group of Principal Diagnosis						
					Under 35	35-44	45-54	55-64	65-74	75-84	85 and Over
Other diseases of the respiratory system and upper respiratory tract (470-478, 490, 493-519)	204,601	45,866	158,735	63.1	1,475	2,510	3,888	16,655	16,253	3,848	1,237
IX. Diseases of the digestive system	333,990	94,632	239,358	59.7	5,040	10,772	12,090	31,874	26,225	6,325	2,306
Diseases of oral cavity, salivary glands, and jaws (520-529)	56,061	4,354	51,707	55.8	518	569	545	1,425	1,092	151	54
Ulcers of the digestive system (530.2, 531-534)	30,656	8,833	21,823	61.1	341	852	1,028	3,068	2,614	682	248
Other diseases of the esophagus, stomach, and duodenum (530.0, 530.1, 530.3-530.9, 535-537)	46,345	10,273	36,072	60.3	401	1,101	1,280	3,585	2,957	738	211
Hernia of the abdominal cavity (550-553)	38,223	18,838	19,385	60.8	856	1,624	2,129	6,734	5,842	1,340	313
Other diseases of the intestine and peritoneum (540-543, 555-569, 578-579)	96,358	30,605	65,753	60.9	1,748	3,170	3,435	9,360	9,081	2,600	1,211
Alcohol-related liver disorders (571.0-571.3)	24,012	6,151	17,861	56.1	179	943	1,314	2,525	1,091	94	5
Other diseases of liver, gallbladder, and pancreas (570, 571.4-577)	42,335	15,578	26,757	57.1	997	2,513	2,359	5,177	3,548	720	264
X. Diseases of the genitourinary system	201,507	54,766	146,741	63.4	2,003	3,743	4,698	17,463	19,224	5,290	2,345
Nephritis, nephrotic synrome, and nephrosis (580-589)	30,192	5,339	24,853	61.5	202	476	667	1,757	1,644	404	189
Other diseases of the urinary system (590-599)	113,546	25,635	87,911	63.6	988	2,188	2,352	7,333	8,340	2,820	1,614
Diseases of the prostate (600-602)	37,810	15,601	22,209	67.1	36	107	602	5,511	7,158	1,745	442
Other diseases of the male genital organs (603-608)	16,104	6,573	9,531	58.5	408	688	897	2,474	1,754	270	82
Disorders of breast and gynecological diseases (610-629)	3,855	1,618	2,237	51.2	369	284	180	388	328	51	18
XI. Complications of pregnancy, childbirth, and puerperium (630-676)	50	29	21	(⁵)	26	3	.....	.....	.....	.....	.....
XII. Diseases of skin and subcutaneous tissue	83,769	20,906	62,863	57.2	1,841	3,125	2,825	6,441	5,019	1,146	509
Infections and inflammatory conditions of skin and subcutaneous tissue (680-698)	41,585	12,332	29,253	56.2	1,238	1,961	1,686	3,803	2,807	590	247
Other diseases of skin and subcutaneous tissue (700-709)	42,184	8,574	33,610	58.7	603	1,164	1,139	2,638	2,212	556	262
XIII. Diseases of the musculoskeletal system and connective tissue	167,330	44,271	123,059	55.8	4,705	6,864	5,908	14,096	10,288	1,888	522
Osteoarthritis and allied disorders (715)	36,112	6,363	29,749	62.9	189	391	533	2,310	2,309	506	125
Other arthropathies and related disorders (710-714, 716-719)	33,653	8,573	25,080	52.1	1,662	1,472	964	2,428	1,708	274	65
Dorsopathies (720-724)	49,268	14,244	35,024	54.6	1,329	2,779	2,252	4,477	2,776	496	135
Rheumatism, excluding the back (725-729)	20,254	7,030	13,224	56.5	627	998	967	2,416	1,702	255	65
Osteopathies, chondropathies, and acquired musculoskeletal deformities (730-739)	28,043	8,061	19,982	55.6	898	1,224	1,192	2,465	1,793	357	132
XIV. Congenital deformities (740-759)	7,843	1,907	5,936	57.1	182	246	260	605	474	117	23

XVI. Symptoms, signs, and ill-defined conditions (780-799)	229,568	50,893	178,675	60.4	2,545	5,340	6,255	17,125	14,461	3,508	1,659
XVII. Injury and poisoning	128,740	42,405	86,335	56.3	5,256	6,526	4,982	12,052	9,752	2,540	1,297
Fracture of skull (800-804)	2,484	1,379	1,105	45.0	394	404	187	250	103	36	5
Fracture of neck and trunk (805-809)	5,205	1,967	3,238	57.9	230	268	209	527	490	144	99
Fracture of upper and lower limb (810-829)	14,492	8,591	5,901	59.7	820	1,168	893	2,234	2,062	779	635
Dislocations, sprains, and strains of joints and adjacent muscles (830-848)	7,070	3,649	3,421	49.4	807	802	481	904	549	72	34
Intracranial injury, excluding those with skull fracture (850-854)	3,033	1,801	1,232	53.8	328	326	186	442	337	115	67
Internal injury of chest, abdomen, and pelvis (860-869)	1,367	534	833	52.9	92	111	67	127	95	25	17
Open wounds (870-897)	9,321	2,866	6,455	48.8	668	719	353	617	405	80	24
Burns (940-949)	2,476	927	1,549	54.1	117	173	139	258	188	45	7
Poisoning by drugs, medicinal, and biological substances (960-979)	7,650	2,360	5,290	54.0	357	480	249	597	500	133	44
Toxic effects of substances chiefly nonmedical as to source (980-989)	1,049	343	706	52.0	59	64	55	87	64	9	5
All other injuries (900-904, 910-939, 950-959, 990-995)	17,515	4,100	13,415	55.5	560	678	467	1,171	860	246	118
Complications of surgical and medical care, NEC (996-999)	43,263	13,887	29,376	59.7	824	1,333	1,696	4,838	4,099	855	242
Late effects of injuries, poisonings, toxic effects, and other external causes (905-909)	13,815	1	13,814	(⁵)	.....	.....	.....	.....	.....	1	.....
XVIII. Factors influencing health status and contact with health services (VO1-V82)	272,507	46,480	226,027	59.7	3,020	5,176	4,962	15,111	13,922	3,110	1,179

¹ Patient Treatment File. This table, as well as all others in this discharge series, excludes approximately 255,094 one-day dialysis discharges.

² The diagnostic categories and selected diagnoses included in this table are based on the "International Classification of Diseases, 9th Revision, Clinical Modification (ICD-9-CM)," DHHS Publication No. (PHS) 80-1260. The numbers following the diagnoses are the identifying code numbers of this diagnostic classification. Category XV, "Certain Conditions Originating in the Perinatal Period," in which no cases occurred, is not included in this table.

³ Principal diagnosis is that diagnosis designated by the discharge physician as responsible for the major portion of the patient's length of stay.

⁴ Associated diagnoses are established diagnoses for which treatment was given, other than the principal diagnosis.

⁵ Average age not calculated for totals of less than 100 cases.

VA Medical Centers—Hospital Care Component: Patients Discharged, Type of Patient, Age, Length of Stay¹—Fiscal Year 1987

Type of Patient and Age Group	Total		Short Term ³		Length of Stay (Days)										Total Days				
	Patients	Average Days	Median Days ²	Average Days	Percent of Total Discharges	1	2-3	4-7	8-14	15-21	22-30	31-60	61-90	91-180		181-270	271-365	366-730	731 Plus
All patients	1,055,835	20.0	8.3	12.9	98.0	91,876	192,903	234,008	221,541	105,871	84,957	80,815	19,810	15,074	3,479	1,563	2,105	1,933	21,072,406
Under 25	8,485	15.3	6.6	12.1	98.1	1,131	1,948	1,749	1,242	686	757	621	159	143	31	8	9	1	129,854
25-29	28,494	18.6	9.1	14.6	97.9	3,059	4,857	5,625	4,367	2,948	3,589	2,729	623	475	119	49	39	15	529,056
30-34	54,229	18.5	9.6	14.6	98.3	5,532	8,620	10,865	9,084	5,719	6,777	5,410	1,087	780	176	59	73	37	1,003,997
35-39	86,704	19.2	9.8	14.9	98.0	8,338	14,034	17,204	14,788	8,911	10,492	8,882	1,995	1,507	289	90	121	53	1,660,452
40-44	63,085	19.1	9.0	14.1	98.1	5,943	11,031	12,937	11,333	6,308	6,792	6,074	1,273	946	192	95	96	65	1,206,490
45-49	45,865	19.0	8.0	13.0	98.3	4,208	8,647	10,033	8,790	4,391	4,193	3,898	769	590	132	57	85	72	870,175
50-54	77,102	18.6	7.8	12.3	98.3	6,923	14,821	17,682	15,857	7,390	6,058	5,648	1,228	948	215	76	136	120	1,431,186
55-59	124,492	18.5	7.8	12.2	98.4	10,639	23,872	28,717	26,953	12,176	8,979	8,697	2,107	1,508	322	144	198	180	2,300,408
60-64	199,084	18.7	7.8	11.9	98.3	16,790	38,932	46,275	44,618	19,421	12,939	12,990	3,267	2,369	550	271	330	332	3,730,264
65-69	178,311	20.2	7.9	12.0	98.0	14,915	34,300	41,093	40,166	17,618	11,299	11,663	3,183	2,434	575	274	408	383	3,593,372
70-74	97,065	22.0	8.4	12.7	97.6	7,774	17,385	21,880	22,149	9,906	6,354	6,947	1,964	1,592	406	193	272	243	2,131,576
75-79	50,073	24.2	9.2	13.3	97.2	3,709	8,298	10,923	11,767	5,436	3,502	3,766	1,119	883	225	122	176	147	1,209,390
80-84	16,959	27.0	9.7	13.7	96.8	1,270	2,665	3,542	4,022	1,879	1,241	1,324	404	342	96	54	62	58	458,396
85 and over	25,887	31.6	10.5	14.5	96.6	1,645	3,493	5,483	6,405	3,082	1,985	2,166	632	547	151	71	100	127	817,790
Psychotic	94,613	62.2	18.8	22.0	92.3	4,854	6,772	11,741	16,774	13,225	12,497	16,011	4,633	4,155	1,234	695	941	1,081	5,887,428
Under 25	1,317	25.6	15.6	20.1	96.5	75	95	209	261	201	157	209	60	34	11	2	3	.....	33,773
25-29	7,118	28.7	16.2	20.4	95.6	489	550	1,031	1,320	987	950	1,092	331	254	58	24	23	9	204,425
30-34	13,804	29.0	15.1	19.6	96.4	955	1,085	2,131	2,698	1,913	1,772	2,113	534	399	91	38	48	27	400,726
35-39	17,528	30.9	16.5	20.4	95.8	1,143	1,368	2,439	3,250	2,556	2,409	2,775	741	576	122	47	66	36	541,524
40-44	10,530	37.2	17.9	21.3	94.9	563	746	1,344	1,937	1,577	1,487	1,809	465	356	97	54	48	47	392,094
45-49	5,843	48.9	18.4	21.7	93.8	304	419	730	1,056	826	790	1,068	244	210	62	36	45	53	285,795
50-54	6,744	63.0	20.0	22.9	92.2	301	480	753	1,160	942	939	1,236	340	310	94	42	69	75	425,203
55-59	7,831	83.0	21.8	24.2	90.2	304	514	760	1,279	1,085	1,100	1,512	428	414	141	82	91	124	649,906
60-64	9,030	104.2	22.9	24.8	87.7	298	650	881	1,367	1,196	1,168	1,690	560	563	191	104	163	199	940,515
65-69	6,988	126.3	23.8	25.0	84.9	209	411	649	1,131	924	845	1,227	460	463	168	123	157	221	882,351
70-74	3,712	137.3	24.1	24.8	82.8	106	235	371	578	466	418	626	214	285	105	72	103	133	509,769
75-79	2,098	125.0	23.2	24.9	83.9	62	109	222	347	278	237	342	131	153	48	37	66	66	262,316
80-84	780	152.8	21.2	23.7	84.9	19	48	78	160	96	85	121	45	46	19	13	25	25	119,181
85 and over	1,290	185.9	22.4	24.4	82.7	26	62	143	230	178	140	191	80	92	27	21	34	66	239,850
Other Psychiatric	142,451	21.5	14.3	17.7	98.4	10,729	15,416	25,465	21,713	17,135	27,160	19,240	2,787	2,022	393	122	158	111	3,059,691
Under 25	2,058	19.6	16.1	13.1	98.9	144	199	328	313	293	463	254	36	21	6	1	.....	.....	40,400
25-29	10,064	21.0	16.5	18.3	98.5	839	931	1,580	1,381	1,375	2,287	1,297	185	126	36	18	8	1	211,172
30-34	20,355	19.4	14.8	17.4	98.7	1,809	2,117	3,436	2,888	2,620	4,269	2,570	329	239	52	14	10	2	394,669
35-39	33,488	20.7	14.6	18.0	98.2	2,863	3,681	5,534	4,923	3,956	6,511	4,479	781	595	111	24	27	3	692,578
40-44	19,881	20.2	14.7	18.0	98.5	1,616	2,292	3,336	2,801	2,295	3,928	2,793	422	323	45	19	10	1	401,746
45-49	10,591	19.6	14.0	17.5	99.0	779	1,243	1,987	1,680	1,228	2,048	1,498	175	119	15	4	12	3	208,089
50-54	11,519	19.3	13.7	17.1	99.0	774	1,286	2,330	1,689	1,320	2,191	1,614	170	106	16	3	16	4	222,418
55-59	12,232	20.4	13.5	17.3	98.9	712	1,379	2,475	1,938	1,421	2,159	1,759	213	124	21	9	11	11	248,924
60-64	11,501	22.4	12.9	16.9	98.5	659	1,259	2,373	2,072	1,323	1,852	1,573	185	137	19	10	12	27	257,480
65-69	6,674	28.1	13.2	17.3	97.8	334	686	1,353	1,301	790	1,003	886	143	96	30	6	25	21	187,428
70-74	2,462	30.0	13.0	18.0	96.4	127	230	477	544	299	286	311	81	62	17	8	11	9	73,907
75-79	968	48.9	14.0	18.6	93.7	53	81	158	221	133	96	123	37	34	12	2	8	10	47,379
80-84	259	62.8	15.1	19.9	94.2	11	16	40	62	32	36	33	11	9	3	2	.....	4	16,271
85 and over	399	143.4	17.3	21.5	84.7	9	16	58	100	50	31	50	19	31	10	2	.....	15	57,230

Medical and surgical	818,771	14.8	7.3	11.0	98.6	76,293	170,715	196,802	183,054	75,511	45,300	45,564	12,390	8,897	1,852	746	1,006	641	12,125,287
Under 25	5,110	10.9	4.0	7.6	98.1	912	1,654	1,212	668	192	137	158	63	88	14	5	6	1	55,681
25-29	11,312	10.0	4.7	7.7	99.0	1,731	3,376	3,014	1,666	586	352	340	107	95	25	7	8	5	113,459
30-34	20,070	10.4	5.4	8.5	99.1	2,768	5,418	5,298	3,498	1,186	736	727	224	152	33	7	15	8	208,602
35-39	35,688	11.9	6.0	9.5	99.0	4,332	8,985	9,231	6,615	2,399	1,572	1,628	473	336	56	19	28	14	426,350
40-44	32,674	12.6	6.2	9.5	99.0	3,764	7,993	8,257	6,595	2,436	1,377	1,472	386	267	50	22	38	17	412,650
45-49	29,431	12.8	6.5	9.8	98.9	3,125	6,985	7,316	6,254	2,337	1,355	1,332	350	261	55	17	28	16	376,291
50-54	58,839	13.3	6.9	10.2	98.9	5,845	13,055	14,599	13,008	5,128	2,928	2,798	718	532	105	31	51	41	783,565
55-59	104,429	13.4	7.2	10.8	98.9	9,626	21,979	25,482	23,736	9,670	5,720	5,426	1,466	970	160	53	96	45	1,401,578
60-64	178,553	14.2	7.4	11.0	98.9	15,833	37,023	43,021	41,179	16,902	9,919	9,727	2,522	1,669	340	157	155	106	2,532,269
65-69	164,649	15.3	7.5	11.4	98.6	14,372	33,203	39,091	37,734	15,904	9,451	9,550	2,580	1,875	377	145	226	141	2,523,593
70-74	90,891	17.0	8.0	12.2	98.2	7,541	16,920	21,032	21,027	9,141	5,650	6,010	1,669	1,245	284	113	158	101	1,547,900
75-79	47,007	19.1	8.8	12.8	97.9	3,594	8,108	10,543	11,199	5,025	3,169	3,301	951	696	165	83	102	71	899,695
80-84	15,920	20.3	9.3	13.2	97.4	1,240	2,601	3,424	3,800	1,751	1,120	1,170	348	287	74	39	37	29	322,944
85 and over	24,198	21.5	10.0	14.0	97.6	1,610	3,415	5,282	6,075	2,854	1,814	1,925	533	424	114	48	58	46	520,710

¹ Patient Treatment File. This table, as well as all others in this hospital discharge series, excludes approximately 255,094 one-day dialysis discharges.

² One-half of the discharges in the given category have length of stay greater than the median; the other

half, less than the median.

³ Includes hospital stays of 1 to 99 days and conforms to the definition adopted by the Commission on Professional and Hospital Activities.

**VA Medical Centers—Hospital Care Component: Patients Discharged, Age, Marital Status,
Diagnostic Group¹—Fiscal Year 1987**

Diagnostic Composition of Patients ²	Total Discharged	Age Group						Marital Status						
		Under 35	35-44	45-54	55-64	65-74	75-84	85 and Over	Never Married	Married	Separated	Widowed	Divorced	Unknown ³
All discharges	1,055,835	91,208	149,789	122,967	323,576	275,376	67,032	25,887	137,433	546,227	57,964	77,620	223,188	13,403
Psychotic	94,613	22,239	28,058	12,587	16,861	10,700	2,878	1,290	32,034	27,527	6,903	3,930	22,917	1,302
Alcohol psychoses (291)	6,301	560	1,278	1,125	1,987	1,149	186	16	1,114	1,828	540	488	2,270	61
Drug psychoses (292)	1,144	439	365	71	125	107	29	8	301	411	94	43	283	12
Other psychoses (290, 293-299)	87,168	21,240	26,415	11,391	14,749	9,444	2,663	1,266	30,619	25,288	6,269	3,399	20,364	1,229
Other psychiatric	142,451	32,477	53,369	22,110	23,733	9,136	1,227	399	26,882	44,702	14,477	5,380	49,717	1,293
Alcohol dependence and abuse (303, 305.0)	91,675	17,956	31,244	17,762	18,469	5,827	396	21	16,688	25,043	9,306	3,876	36,019	743
Drug dependence and abuse (304, 305.1-305.9)	17,265	8,474	7,417	859	422	81	9	3	4,846	5,063	2,411	179	4,520	246
Other nonpsychotic mental disorders (300-302, 306-319)	33,511	6,047	14,708	3,489	4,842	3,228	822	375	5,348	14,596	2,760	1,325	9,178	304
Medical and surgical	818,771	36,492	68,362	88,270	282,982	255,540	62,927	24,198	78,517	473,998	36,584	68,310	150,554	10,808
All infectious and parasitic diseases (001-139)	14,631	1,877	2,518	1,700	3,611	3,288	1,006	631	2,719	6,592	1,007	1,178	2,887	248
Malignant neoplasms (140-208, 230-234)	92,299	1,124	2,921	8,092	35,842	33,994	7,958	2,368	7,808	54,533	4,013	8,497	16,117	1,331
Benign and unspecified neoplasms (210-229, 235-239)	14,298	402	882	1,384	5,126	5,144	1,127	233	1,228	8,861	553	1,080	2,401	175
Diabetes mellitus (250)	18,631	657	1,895	2,791	7,122	5,070	923	173	1,893	10,453	990	1,459	3,662	174
Other endocrine, nutritional, and metabolic diseases (240-246, 251-278)	11,776	344	853	1,283	3,790	3,707	1,090	709	1,237	6,169	603	1,388	2,212	167
Disorders involving the immune mechanisms (279)	247	62	57	63	52	10	2	1	57	102	28	4	54	2
Diseases of the blood and blood-forming organs (280-289)	8,948	339	607	699	2,732	3,030	1,061	480	954	5,120	377	981	1,418	98
Quadruplegia (344.0)	212	50	56	25	42	31	7	1	41	96	7	8	50	10
Paraplegia (344.1)	182	35	46	24	43	30	3	1	32	85	7	11	38	9
Other diseases of the nervous system (320-343, 344.2-359)	25,745	2,123	3,383	3,150	7,667	7,024	1,896	502	2,753	15,279	1,077	1,673	4,640	323
Diseases of the sense organs (360-389)	27,851	563	1,241	2,238	10,042	10,066	2,782	919	2,386	16,537	1,042	2,602	4,846	438
Heart diseases (391-392.0, 393-398, 402, 404, 410-414, 420-429)	108,565	792	4,547	12,166	42,375	36,387	8,812	3,486	6,906	70,331	4,037	8,905	17,086	1,300
Cerebrovascular diseases (430-438)	22,469	136	480	1,837	8,433	8,512	2,253	818	1,585	13,916	832	2,143	3,645	348
Other diseases of the circulatory system (390, 392.9, 401, 403, 405, 415-417, 440-459)	40,651	1,019	3,057	4,732	15,183	13,056	2,821	783	3,564	23,675	1,855	3,282	7,766	509
Acute respiratory diseases (460-466, 480-487)	23,700	840	1,399	1,768	6,978	7,946	2,860	1,911	2,426	12,667	999	2,960	4,276	372
Chronic bronchitis and emphysema (491-492)	6,411	36	115	452	2,522	2,627	554	105	445	3,643	278	643	1,335	67
Other respiratory diseases (470-478, 490, 493-519)	45,866	1,475	2,510	3,888	16,655	16,253	3,848	1,237	4,026	25,986	1,999	4,394	8,875	576
Diseases of the oral cavity, salivary glands, and jaws (520-529)	4,354	518	569	545	1,425	1,092	151	54	581	2,334	282	253	842	62
Hernia of the abdominal cavity (550-553)	18,838	856	1,624	2,129	6,734	5,842	1,340	313	1,977	10,934	826	1,371	3,551	179
Alcohol-related liver diseases (571.0-571.3)	6,151	179	943	1,314	2,825	1,091	94	5	698	2,541	412	466	1,970	64
Other diseases of the digestive system (530-543, 555-570, 571.4-579)	65,289	3,487	7,636	8,102	21,190	18,200	4,740	1,934	6,707	36,146	3,275	5,092	13,290	779
Diseases of the male genital organs (600-608)	22,174	444	795	1,499	7,985	8,912	2,015	524	1,710	14,395	830	1,728	3,243	268
Diseases of the female genital organs (580-599)	30,974	1,190	2,664	3,019	9,090	9,984	3,224	1,803	3,083	18,584	1,183	2,899	4,718	507
Diseases of the breast, gynecological disorders, and complications of pregnancy (610-676)	1,647	395	287	180	388	328	51	18	255	734	113	125	401	19
Diseases of the skin and subcutaneous tissue (680-709)	20,906	1,841	3,125	2,825	6,441	5,019	1,146	509	3,018	10,202	1,127	1,593	4,651	315
Diseases of the musculoskeletal system and connective tissue (710-739)	44,271	4,705	6,864	5,908	14,096	10,288	1,888	522	4,186	26,809	1,907	2,469	8,383	517
Congenital anomalies (740-759)	1,907	182	246	260	605	474	117	23	197	1,132	86	116	344	32
Symptoms, signs, and ill-defined conditions (780-799)	50,893	2,545	5,340	6,255	17,125	14,461	3,508	1,659	4,772	29,147	2,403	4,155	9,678	738
Injuries and poisonings (800-904, 910-999)	42,404	5,256	6,526	4,982	12,052	9,752	2,539	1,297	5,898	20,596	2,342	3,219	9,670	679
Late effects of injuries, poisonings, toxic effects, and other external causes (905-909)	1	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....
Factors influencing health status and contact with health services (V01-V82)	46,480	3,020	5,176	4,962	15,111	13,922	3,110	1,179	5,375	26,388	2,094	3,616	8,505	502
Supplementary classification of external causes of injury and poisoning (E800-E999)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

¹ Patient Treatment File. This table, as well as all others in this hospital discharge series, excludes approximately 255,094 one-day discharges.

² The diagnostic categories and selected diagnoses included in this table are based on the "International Classification of Diseases, 9th Revision, Clinical Modification (ICD-9-CM)," DHHS Pub. No. 80-1260. The numbers following the diagnoses are the identifying code numbers of this diagnostic classification.

³ Includes all records for which required data are unavailable or unknown.

TABLE 21

INPATIENT CARE

**VA Medical Centers—Hospital Care Component: Patients Remaining, Type of Patient, Compensation and Pension Status,
Age¹—September 30, 1987**

Type of Patient and Age Group	Total All Patients	Service-Connected Veterans				Nonservice-Connected Veterans			Non-Veterans ³
		Total	10% or More	Less Than 10%	NSC With SC ²	Total	Pension	No Claim Pending	
All patients	52,848	17,445	7,776	267	9,402	35,158	8,856	26,302	245
Under 35	4,277	1,490	960	6	524	2,644	128	2,516	143
35-44	7,891	3,285	1,970	39	1,276	4,576	516	4,060	30
45-54	5,738	1,686	913	22	751	4,036	631	3,405	16
55-64	14,862	4,289	1,783	64	2,442	10,544	3,223	7,321	29
65-74	14,389	5,061	1,724	79	3,258	9,310	2,916	6,394	18
75-84	4,209	1,325	339	26	960	2,877	945	1,932	7
85 and over	1,482	309	87	31	191	1,171	497	674	2
Psychotic	13,408	6,050	4,490	112	1,448	7,330	2,298	5,032	28
Under 35	1,610	888	726	2	160	706	62	644	16
35-44	2,620	1,449	1,153	13	283	1,169	265	904	2
45-54	1,707	735	588	13	134	970	226	744	2
55-64	3,426	1,394	1,023	32	339	2,031	892	1,139	1
65-74	2,893	1,246	836	37	373	1,643	572	1,071	4
75-84	848	267	130	8	129	578	181	397	3
85 and over	304	71	34	7	30	233	100	133	.....
Other psychiatric	8,182	2,170	869	24	1,277	5,966	632	5,334	46
Under 35	1,706	297	82	2	213	1,374	24	1,350	35
35-44	3,105	1,023	478	17	528	2,075	78	1,997	7
45-54	1,164	228	79	2	147	935	77	858	1
55-64	1,272	319	110	1	208	951	237	714	2
65-74	705	240	104	1	135	464	148	316	1
75-84	166	47	12	.....	35	119	46	73	.....
85 and over	64	16	4	1	11	48	22	26	.....
Medical and surgical	31,258	9,225	2,417	131	6,677	21,862	5,926	15,936	171
Under 35	961	305	152	2	151	564	42	522	92
35-44	2,166	813	339	9	465	1,332	173	1,159	21
45-54	2,867	723	246	7	470	2,131	328	1,803	13
55-64	10,164	2,576	650	31	1,895	7,562	2,094	5,468	26
65-74	10,791	3,575	784	41	2,750	7,203	2,196	5,007	13
75-84	3,195	1,011	197	18	796	2,180	718	1,462	4
85 and over	1,114	222	49	23	150	890	375	515	2

¹ Annual Patient Census. This table as well as others in this hospital inpatient series includes all patients remaining in VA Medical Centers on the last day of the fiscal year. Approximately 3.5 percent of the records were incomplete and, therefore unavailable for inclusion in this table.

² Veterans with compensable service-connected disabilities but treated for nonservice-

connected disabilities only.

³ All patients other than veterans, such as active military, humanitarian emergencies, reimbursable cases, allied beneficiaries, donors, etc. A veteran who is admitted as an Office of Workers Compensation case is classified as a nonveteran.

**VA Medical Centers—Hospital Care Component: Patients Discharged, Compensation and Pension Status,
Type of Patient, Age¹—Fiscal Year 1987**

Type of Patient and Age Group	All Patients	Service-Connected				Nonservice-Connected			Non-Veterans ³
		Total	10% or More	Less Than 10%	NSC With SC ²	Total	Pension	No Claim Pending	
All patients	1,055,835	344,614	105,629	5,576	233,409	703,789	166,791	536,998	7,432
Under 35	91,208	30,415	16,228	302	13,885	57,801	3,110	54,691	2,992
35-44	149,789	57,237	26,630	568	30,039	91,530	8,054	83,476	1,022
45-54	122,967	34,320	12,667	364	21,289	87,843	12,143	75,700	804
55-64	323,576	92,743	23,345	1,501	67,897	229,547	62,769	166,778	1,286
65-74	275,376	101,270	21,158	1,566	78,546	173,112	54,854	118,258	994
75-84	67,032	22,616	4,292	372	17,952	44,120	16,497	27,623	296
85 and over	25,887	6,013	1,309	903	3,801	19,836	9,364	10,472	38
Psychotic	94,613	44,637	31,500	502	12,635	49,573	11,420	38,153	403
Under 35	22,239	12,133	9,489	81	2,563	9,866	958	8,908	240
35-44	28,058	15,052	11,190	121	3,741	12,956	2,151	10,805	50
45-54	12,587	5,341	3,831	49	1,461	7,232	1,409	5,823	14
55-64	16,861	6,410	4,070	102	2,238	10,415	3,827	6,588	36
65-74	10,700	4,477	2,502	79	1,896	6,183	2,020	4,163	40
75-84	2,878	934	347	21	566	1,922	633	1,289	22
85 and over	1,290	290	71	49	170	999	422	577	1
Other psychiatric	142,451	35,637	12,003	398	23,236	105,777	11,158	94,619	1,037
Under 35	32,477	5,910	1,772	58	4,080	25,861	756	25,105	706
35-44	53,369	16,397	6,556	161	9,680	36,828	1,728	35,100	144
45-54	22,110	4,182	1,203	41	2,938	17,844	1,473	16,371	84
55-64	23,733	5,601	1,441	79	4,081	18,067	4,547	13,520	65
65-74	9,136	3,060	888	41	2,131	6,045	2,220	3,845	31
75-84	1,227	404	124	5	275	817	302	515	6
85 and over	399	83	19	13	51	315	152	163	1
Medical and surgical	818,771	264,340	62,126	4,676	197,538	548,439	144,213	404,226	5,992
Under 35	36,492	12,372	4,967	163	7,242	22,074	1,396	20,678	2,046
35-44	68,362	25,788	8,884	286	16,618	41,746	4,175	37,571	828
45-54	88,270	24,797	7,633	274	16,890	62,767	9,261	53,506	706
55-64	282,982	80,732	17,834	1,320	61,578	201,065	54,395	146,670	1,185
65-74	255,540	93,733	17,768	1,446	74,519	160,884	50,634	110,250	923
75-84	62,927	21,278	3,821	346	17,111	41,381	15,562	25,819	268
85 and over	24,198	5,640	1,219	841	3,580	18,522	8,790	9,732	36

¹ Patient Treatment File. This table, as well as all others in this hospital discharge series, excludes approximately 255,094 one-day dialysis discharges.

² Veterans with compensable service-connected disabilities but treated for nonservice-connected disability only.

³ All patients other than veterans, such as active military, humanitarian emergencies, reimbursable cases, allied beneficiaries, donors, etc. A veteran who is admitted as an Office of Workers Compensation Program case is classified as a nonveteran.

INPATIENT CARE

VVA Medical Centers-Hospital Care Component: Patients Discharged, Compensation and Pension Status, Type of Patient, Sex¹—Fiscal Year 1987

¹ Patient Treatment File. This table, as well as all others in this hospital discharge series, excludes

approximately 255,094 one-day dialysis discharges.

² Veterans with compensable service-connected

Veterans with compensable service-connected disabilities but treated for nonservice-connected disability only.

³ Includes all patients other than veterans, such as active military, humanitarian emergencies, reimbursable cases, allied beneficiaries, donors, etc. A veteran admitted as an Office of Workers Compensation Program case is coded as a non-veteran.

**VA Medical Centers—Hospital Care Component: Patients Discharged, Type of Patient, Percent Hospitalized in
Reported State of Residence¹—Fiscal Year 1987**

Reported State of Residence	All Discharges			Type of Patient					
	Total	Hospitalized in Same State		Medical and Surgical		Psychotic		Other Psychiatric	
		Number	Percent	Total	Percent Hospital- ized In Same State	Total	Percent Hospital- ized In Same State	Total	Percent Hospital- ized In Same State
Total	² 1,055,827	922,038	87.3	818,768	87.4	94,610	87.6	142,449	86.9
United States	1,044,294	922,037	88.3	810,198	88.3	92,236	89.9	141,860	87.3
Alabama	21,130	18,790	88.9	15,569	89.7	2,520	91.5	3,041	82.9
Alaska	175	.....	.....	148	.....	10	.....	17	.....
Arizona	21,641	20,895	96.6	17,399	96.8	1,388	95.7	2,854	95.8
Arkansas	22,748	19,352	85.1	18,945	84.5	1,280	87.0	2,523	88.3
California	85,611	83,566	97.6	68,013	97.8	8,780	97.7	8,818	96.1
Colorado	11,718	10,189	87.0	8,604	89.1	1,074	89.9	2,040	76.2
Connecticut	8,751	8,195	93.6	6,741	95.7	649	85.7	1,361	87.4
Delaware	2,564	2,016	78.6	2,120	90.2	166	22.9	278	23.4
District of Columbia	4,765	4,502	94.5	3,831	96.6	347	84.7	587	86.4
Florida	53,536	49,833	93.1	43,797	94.1	4,058	88.1	5,681	88.6
Georgia	26,183	20,689	79.0	20,736	79.1	2,187	77.6	3,260	79.6
Hawaii	35	.....	.....	20	.....	5	.....	10	.....
Idaho	5,659	3,345	59.1	4,856	58.3	335	75.2	468	56.4
Illinois	53,649	45,744	85.3	40,381	83.8	5,320	89.5	7,948	89.9
Indiana	21,080	15,064	71.5	16,299	70.8	1,815	70.4	2,966	75.9
Iowa	15,516	12,610	81.3	12,098	79.2	1,288	90.5	2,130	87.2
Kansas	15,468	12,737	82.3	11,977	80.8	1,569	90.7	1,922	85.1
Kentucky	21,331	15,981	74.9	17,701	75.0	1,460	77.3	2,170	72.5
Louisiana	21,839	20,187	92.4	18,336	94.6	1,342	77.3	2,161	83.2
Maine	5,809	5,326	91.7	3,615	89.6	887	97.0	1,307	94.0
Maryland	15,468	10,234	66.2	11,250	64.8	1,204	73.8	3,014	68.1
Massachusetts	22,019	19,662	89.3	14,629	87.5	2,719	94.8	4,671	91.6
Michigan	29,371	28,194	96.0	20,720	95.9	3,631	97.3	5,020	95.4
Minnesota	19,851	16,515	83.2	15,859	81.4	1,760	90.5	2,232	90.2
Mississippi	18,249	14,908	81.7	15,086	81.4	1,369	84.9	1,794	81.8
Missouri	30,825	26,375	85.6	24,956	85.8	2,250	85.0	3,619	84.6
Montana	7,486	5,588	74.6	5,861	77.4	296	48.6	1,329	68.1
Nebraska	12,713	11,181	87.9	9,910	88.0	1,131	91.8	1,672	84.9
Nevada	5,081	3,447	67.8	4,371	68.4	285	53.3	425	71.8
New Hampshire	5,541	2,947	53.2	4,496	50.0	317	65.6	728	67.3
New Jersey	17,155	13,728	80.0	11,621	79.1	2,090	83.2	3,444	81.1
New Mexico	7,415	6,787	91.5	5,791	93.4	529	86.8	1,095	84.1
New York	69,629	68,150	97.9	52,665	98.1	6,248	97.6	10,716	97.0
North Carolina	25,926	23,890	92.1	19,330	92.3	1,847	92.4	4,749	91.6
North Dakota	2,942	2,243	76.2	2,310	83.4	204	55.4	428	47.7
Ohio	35,365	30,691	86.8	25,412	84.8	4,135	93.5	5,818	90.9
Oklahoma	16,643	14,216	85.4	13,980	88.6	775	70.7	1,888	67.9
Oregon	14,615	13,299	91.0	11,877	91.3	1,126	92.4	1,612	88.0
Pennsylvania	39,050	36,646	93.8	28,048	93.3	5,442	96.9	5,560	93.6
Rhode Island	4,178	3,834	91.8	3,063	92.5	231	77.1	884	93.2
South Carolina	18,993	14,338	75.5	15,912	76.6	1,195	71.3	1,886	68.8
South Dakota	8,268	7,263	87.8	6,339	86.1	596	90.8	1,333	94.7
Tennessee	25,926	25,143	97.0	20,372	97.6	1,999	95.8	3,555	94.2
Texas	80,222	75,506	94.1	64,466	94.1	6,360	95.9	9,396	93.2
Utah	5,954	5,687	95.5	4,519	97.5	549	84.3	886	92.6
Vermont	2,525	2,335	92.5	2,111	93.8	123	87.0	291	85.2
Virginia	25,555	20,913	81.8	19,282	82.1	2,634	90.0	3,639	74.7
Washington	18,228	16,355	89.7	13,844	89.6	1,714	93.3	2,670	88.1
West Virginia	15,228	12,645	83.0	11,923	85.7	1,049	68.6	2,256	75.6
Wisconsin	20,830	17,477	83.9	16,040	83.2	1,686	85.5	3,104	86.5
Wyoming	3,835	2,819	73.5	2,969	70.0	262	87.8	604	84.6
Outside United States ³	11,533	1	.....	8,570	.....	2,374	.....	589	.....
Puerto Rico	11,257	1	.....	8,328	.....	2,364	.....	565	.....
Other	276	.....	.....	242	.....	10	.....	24	.....

¹ Patient Treatment File. This table, as well as all others in this hospital discharge series, excludes approximately 255,094 one-day dialysis discharges.

² There are 8 records for which residence data was unavailable, and are not included in this report.

³ There were no discharges reported in the Canal Zone, Guam, or the Republic of the Philippines.

TABLE 25

INPATIENT CARE

VA Medical Centers—Hospital Care Component: Patients Discharged, Diagnostic Group, Length of Stay¹—Fiscal Year 1987

Principal Diagnoses ²	Total			Short Term ⁴		Length of Stay (Days)											Total Days		
	Average Days	Median Days ³	Average Days	Percent of Total Discharges	1	2-3	4-7	8-14	15-21	22-30	31-60	61-90	91-180	181-270	271-365	366-730		731 Plus	
All diseases and conditions	1,055,835	20.0	8.4	12.9	98.0	91,876	192,903	234,008	221,541	105,871	84,957	80,815	19,810	15,074	3,479	1,563	2,105	1,833	21,072,406
I. Infectious and parasitic diseases	14,631	21.7	10.6	14.7	97.6	1,327	1,923	2,869	3,318	1,789	1,239	1,404	354	278	70	24	17	19	317,908
Pulmonary tuberculosis (011)	1,480	28.6	15.3	19.4	94.9	45	74	219	392	262	170	168	57	64	20	4	3	2	42,329
Tuberculosis, other (010, 012-018)	235	26.6	16.5	22.8	97.4	9	20	36	46	31	28	39	17	6	3	.....	.....	.....	6,244
Tuberculosis, late effects (137)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
All other infectious and parasitic diseases (001-009, 020-136)	12,916	20.9	9.8	14.1	97.9	1,273	1,829	2,614	2,880	1,496	1,041	1,197	280	208	47	20	14	17	269,335
Late effects of other infectious and parasitic diseases (138-139)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
II. Neoplasms	106,597	16.8	9.3	14.3	98.5	10,979	20,076	18,343	20,557	12,354	9,220	10,376	2,776	1,520	200	91	84	21	1,785,563
Malignant neoplasm of lip, oral cavity, and pharynx (140-149, 230.0)	5,734	26.0	12.8	19.6	95.6	319	887	1,004	971	618	510	749	369	250	29	17	9	2	148,996
Malignant neoplasm of digestive organs and peritoneum (150-159, 230.1-230.9)	14,125	21.4	14.0	18.3	98.1	1,014	1,493	2,036	2,949	2,069	1,747	2,006	495	247	44	12	7	6	302,083
Malignant neoplasm of bronchus and lung (162.2-162.9, 231.2)	23,923	18.7	12.4	16.5	98.7	1,632	3,202	3,851	5,245	3,423	2,659	2,874	671	295	29	17	19	6	448,274
Malignant neoplasm of other respiratory system and intrathoracic organs (160-162.0, 163-165, 231.0, 231.1, 231.8, 231.9)	3,646	23.7	12.8	19.1	96.5	225	671	532	577	463	311	493	215	137	14	5	3	.....	86,525
Malignant neoplasm of lymphatic and hematopoietic tissue (200-208)	7,787	15.2	7.9	13.1	98.7	1,236	1,317	1,377	1,470	812	575	701	165	103	18	7	5	1	118,388
Malignant neoplasm of genitourinary organs (179-189, 233)	17,667	15.3	8.9	13.1	98.9	1,156	3,288	3,896	3,887	2,101	1,341	1,449	319	167	26	12	22	3	270,200
Malignancies of all other systems (170-175, 190-199, 232, 234)	19,417	16.3	9.3	14.1	98.6	1,867	3,635	3,518	3,824	2,213	1,710	1,831	482	270	34	17	14	2	316,770
Neoplasms, benign (210-229)	11,682	5.5	2.2	5.0	99.6	3,085	4,943	1,613	1,144	413	227	172	43	32	3	2	5	.....	64,421
Neoplasms of unspecified nature (235-239)	2,616	11.4	5.8	9.0	99.1	445	640	516	490	242	140	101	17	19	3	2	.....	1	29,906
III. Endocrine, nutritional, and metabolic diseases and immunity disorders	30,654	14.7	7.9	11.3	98.5	1,981	4,944	8,612	8,103	2,947	1,558	1,570	429	344	73	36	40	17	449,523
Diabetes mellitus (250)	18,631	16.2	9.0	12.0	98.2	870	2,525	5,223	5,365	1,938	1,008	1,057	274	237	59	30	34	11	300,904
Diseases of the endocrine glands (240-246, 251-259)	3,038	11.1	6.9	9.5	99.3	293	614	854	733	259	127	102	29	19	3	2	2	1	33,828
Gout (274)	1,063	8.5	6.4	8.1	99.7	78	235	368	251	66	30	25	6	4	.....	.....	.....	.....	9,045
Obesity (278.0-278.1)	382	18.6	8.6	13.9	97.3	31	76	78	78	35	24	41	6	8	4	1	.....	.....	7,104
Nutritional deficiencies and all other metabolic disorders (260-273, 275-277, 278.2-278.8)	7,293	13.2	7.1	10.4	98.8	606	1,461	2,053	1,644	634	358	334	111	73	7	3	4	5	96,317
Disorders involving the immune mechanisms (279)	247	9.4	2.5	8.0	98.7	103	33	36	32	15	11	11	3	3	.....	.....	.....	.....	2,325

See footnotes at end of table.

INPATIENT CARE

TABLE 25 — Continued

VA Medical Centers—Hospital Care Component: Patients Discharged, Diagnostic Group, Length of Stay¹—Fiscal Year 1987

Principal Diagnoses ²	Total				Short Term ⁴		Length of Stay (Days)											Total Days	
	Patients	Average Days	Median Days ³	Average Days	Percent of Total Discharges	1	2-3	4-7	8-14	15-21	22-30	31-60	61-90	91-180	181-270	271-365	366-730		731 Plus
IV. Diseases of the blood and blood-forming organs	8,948	8.5	5.1	7.9	99.6	2,081	1,935	1,728	1,775	698	391	253	50	28	3	5	1	76,466	
Anemias (280-282.4, 282.7-285)	6,039	8.1	4.3	7.4	99.6	1,591	1,350	1,046	1,152	445	254	146	30	18	2	4	1	49,005	
Sickle-cell trait and sickle-cell anemia (282.5-282.6)	171	5.3	4.3	5.3	100.0	38	44	54	22	11	1	1						902	
Other diseases of the blood and blood-forming organs (286-289)	2,738	9.7	6.4	9.2	99.6	452	541	628	601	242	136	106	20	10	1	1		26,559	
V. Mental disorders	237,064	37.7	16.2	19.3	95.9	15,583	22,188	37,206	38,487	30,360	39,657	35,251	7,420	6,177	1,627	817	1,099	8,947,119	
Alcohol psychosis (291)	6,301	51.3	7.8	13.1	92.4	401	1,286	1,568	1,052	506	349	449	180	230	82	56	63	323,443	
Drug psychosis (292)	1,144	13.3	7.7	11.4	98.8	86	170	345	263	123	65	58	18	12	3	1		15,164	
Organic psychotic conditions, excluding alcohol and drug psychosis (290, 293-294)	7,939	125.8	21.1	23.0	83.5	220	449	855	1,496	1,103	809	1,182	424	525	204	142	240	998,926	
Schizophrenic disorders (295)	50,706	68.6	19.6	22.5	92.0	2,615	3,251	5,983	8,948	7,111	6,958	8,800	2,551	2,327	680	370	496	3,480,648	
Other psychoses (296-299)	28,523	37.5	20.0	23.2	94.9	1,532	1,616	2,990	5,015	4,382	4,316	5,522	1,460	1,061	265	126	142	1,069,247	
Neurotic disorders (300)	8,407	22.1	13.5	17.7	97.4	711	784	1,330	1,778	1,101	1,060	1,156	231	208	23	7	13	185,841	
Personality disorders (301)	4,095	22.1	12.4	16.8	97.2	383	445	688	856	494	485	501	106	93	28	5	7	90,590	
Alcohol dependence or abuse (303, 305.0)	91,675	18.7	14.9	17.5	99.2	6,448	10,282	17,257	12,121	10,592	19,828	13,071	1,175	710	110	27	46	1,718,834	
Drug dependence or abuse (304, 305.1-305.9)	17,265	20.6	14.2	17.5	98.2	1,565	1,544	2,931	2,946	2,394	3,251	1,876	369	256	87	30	16	355,505	
Other nonpsychotic mental disorders (302, 306-319)	21,009	33.7	13.7	18.7	95.5	1,622	2,361	3,259	4,012	2,554	2,536	2,636	906	755	145	53	76	708,921	
VI. Diseases of the nervous system and sense organs	53,990	24.8	4.8	8.2	97.0	4,892	19,921	12,097	8,086	3,046	1,736	1,859	650	700	261	152	286	1,340,357	
Quadriplegia (344.0)	212	294.8	29.8	26.1	71.6	10	12	20	27	18	22	24	12	27	11	5	9	62,494	
Paraplegia (344.1)	182	101.4	18.2	21.3	82.9	10	20	23	28	22	22	22	13	23		3	2	18,455	
Epilepsy (345)	5,676	12.7	7.1	9.2	99.1	463	1,083	1,698	1,448	497	228	158	47	28	15	4	3	71,897	
Disorders of the peripheral nervous system (350-359)	6,585	11.2	4.6	7.9	98.9	889	2,188	1,449	1,083	406	220	211	53	59	9	5	6	73,870	
Other diseases of the central nervous system (320-343, 344.2-344.9, 346-349)	13,484	73.2	12.8	16.6	90.0	846	1,617	2,195	3,023	1,529	1,051	1,302	495	542	224	131	255	986,634	
Glaucoma (365)	1,383	6.4	4.0	5.7	99.6	278	417	362	232	53	17	14	4	4		1	1	8,804	
Cataract (366)	15,005	3.7	2.8	3.5	99.9	825	9,656	3,573	753	129	29	21	6	3	1	2	7	55,664	
Blindness (369)	116	8.9	4.5	8.0	99.1	30	24	34	11	7	1	7	1	1				1,030	
Disorders of the eye and adnexa (360-364, 367-368, 370-379)	7,726	5.2	3.4	5.1	99.9	1,097	3,300	1,855	1,014	279	101	60	13	5	1		1	40,493	
Diseases of the ear and mastoid process (380-389)	3,621	5.8	3.4	5.2	99.7	444	1,604	888	467	106	55	40	6	8		1	2	21,016	
VII. Diseases of the circulatory system	171,685	13.4	8.1	10.9	99.0	12,127	30,007	43,272	46,862	18,131	9,441	7,990	1,879	1,346	290	116	143	2,294,002	

Chronic rheumatic heart disease (393-398)	1,011	19.2	9.3	12.1	99.0	64	193	207	238	136	90	66	3	11	1	.....	2	19,367
Hypertensive disease without heart involvement (401, 403, 405)	9,944	10.5	6.3	8.8	99.4	993	2,450	2,712	2,187	755	375	335	72	37	14	3	6	103,931
Hypertensive heart disease (402, 404)	2,354	14.2	8.8	11.4	99.0	63	301	740	711	248	143	94	26	18	7	2	.....	33,534
Acute myocardial infarction (410)	12,329	13.4	10.8	11.5	99.6	1,007	915	2,257	5,077	1,842	718	396	60	35	7	4	6	164,823
Other ischemic heart disease (411-414)	48,536	8.9	6.5	8.3	99.7	3,584	11,860	14,212	11,825	3,916	1,761	1,037	179	107	23	4	21	434,063
Other forms of heart disease (391, 392.0, 420-429)	44,335	12.2	7.8	10.5	99.3	3,124	6,812	12,770	12,250	4,444	2,315	1,899	365	241	54	23	24	543,001
Cerebrovascular diseases (430-438)	22,469	22.5	11.6	15.4	97.1	924	2,468	4,617	6,261	2,976	1,808	2,078	604	477	109	50	63	504,821
Atherosclerosis (440)	2,308	21.6	11.9	16.3	96.4	90	425	342	544	263	223	259	66	71	19	5	1	49,935
Other diseases of arteries, arterioles, and capillaries (441-448)	13,931	19.1	11.6	15.1	97.9	959	2,175	2,098	3,359	2,081	1,303	1,266	348	262	43	14	14	266,552
Varicose veins of lower extremities (454)	1,548	23.5	11.6	16.5	97.0	79	178	313	402	150	136	174	62	37	4	7	3	36,313
Hemorrhoids (455)	3,284	5.5	4.1	5.3	99.9	575	1,050	976	505	111	40	18	7	1	.....	1	.....	17,963
Other diseases of the circulatory system (390, 392.9, 415-417, 451-453, 456-459)	9,636	12.4	9.9	11.3	99.4	665	1,180	2,028	3,503	1,209	529	368	87	49	9	3	5	119,699
VIII. Diseases of the respiratory system	75,977	14.3	7.8	10.8	98.8	4,120	13,109	21,778	20,619	7,338	3,873	3,259	870	632	144	62	115	1,083,989
Acute respiratory infections (460-466)	5,571	9.3	6.9	8.5	99.7	280	1,040	2,036	1,486	412	159	105	35	14	2	.....	1	51,711
Pneumonia and influenza (480-487)	18,129	15.6	10.6	13.1	98.9	597	1,509	4,709	6,181	2,380	1,248	1,025	255	155	27	11	22	282,437
Chronic bronchitis (491)	4,490	12.2	7.7	10.0	99.0	190	707	1,479	1,327	354	198	149	37	27	11	3	6	54,987
Emphysema (492)	1,921	17.7	9.4	12.0	97.6	58	242	551	574	215	117	87	29	28	7	3	8	34,058
Other diseases of the respiratory system and upper respiratory tract (470-478, 490, 493-519)	45,866	14.4	7.2	10.1	98.7	2,995	9,611	13,003	11,051	3,977	2,151	1,893	514	408	97	45	78	660,796
IX. Diseases of the digestive system	94,632	10.6	6.6	9.2	99.4	8,727	21,836	26,466	21,000	7,547	4,041	3,609	761	491	81	28	31	1,003,141
Diseases of oral cavity, salivary glands, and jaws (520-529)	4,354	6.2	3.7	5.5	99.6	540	1,763	1,267	514	118	58	51	21	19	.....	1	2	26,902
Ulcers of the digestive system (530.2, 531-534)	8,833	10.7	7.0	9.6	99.5	875	1,664	2,526	2,146	750	413	353	54	39	4	3	5	94,138
Other diseases of the esophagus, stomach, and duodenum (530.0, 530.1, 530.3-530.9, 535-537)	10,273	8.7	5.6	7.9	99.6	1,470	2,576	2,736	2,126	665	316	265	71	37	4	3	3	89,274
Hernia of the abdominal cavity (550-553)	18,838	6.5	5.0	6.0	99.9	1,206	6,493	6,669	3,290	706	258	171	28	10	2	1	2	122,476
Other diseases of the intestine and peritoneum (540-543, 555-569, 578-579)	30,605	11.4	6.6	9.3	99.2	3,571	6,575	8,028	6,869	2,540	1,315	1,196	246	194	38	10	14	350,399
Alcohol-related liver disorders (571.0-571.3)	6,151	16.8	11.0	14.4	98.7	357	873	1,183	1,542	863	573	548	119	73	13	4	2	103,345
Other diseases of the liver, gallbladder, and pancreas (570, 571.4-577)	15,578	13.9	9.8	12.7	99.1	708	1,892	4,057	4,513	1,905	1,108	1,025	222	119	20	6	3	216,607
X. Diseases of the genitourinary system	54,766	10.7	6.7	9.1	99.3	4,561	11,667	16,780	12,722	4,156	2,181	1,861	380	303	62	20	35	584,311
Nephritis, nephrotic syndrome, and nephrosis (580-589)	5,339	18.4	9.4	13.7	97.8	413	938	1,088	1,169	626	395	461	119	89	19	6	9	98,037
Other diseases of the urinary system (590-599)	25,635	12.1	7.2	9.9	99.1	1,881	5,076	7,269	6,388	2,323	1,215	1,027	205	170	37	12	21	309,063
Diseases of the prostate (600-602)	15,601	8.2	6.6	7.8	99.7	1,325	2,779	5,806	3,965	935	429	282	40	32	5	.....	3	127,236
Other diseases of the male genital organs (603-608)	6,573	6.4	4.7	6.0	99.7	640	2,291	2,187	985	234	119	85	15	12	1	2	2	42,274
Disorders of breast and gynecological diseases (610-629)	1,618	4.8	3.4	4.8	100.0	302	603	430	215	38	23	6	1	.....	.....	.....	.....	7,701

See footnotes at end of table.

INPATIENT CARE

TABLE 25 - Continued

VA Medical Centers—Hospital Care Component: Patients Discharged, Length of Stay¹—Fiscal Year 1987

Principal Diagnoses ²	Total			Short Term ⁴		Length of Stay (Days)													Total Days
	Patients	Average Days	Median Days ³	Average Days	Percent of Total Discharges	1	2-3	4-7	8-14	15-21	22-30	31-60	61-90	91-180	181-270	271-365	366-730	731 Plus	
XI. Complications of pregnancy, childbirth, and puerperium (630-676)	29	5.0	4.6	5.0	100.0	9	4	10	5	1	.....	.....	.....	.....	.....	.....	.....	.....	145
	20,906	20.6	8.6	13.1	96.4	1,479	3,327	5,249	4,983	1,829	1,194	1,448	530	592	145	55	52	23	429,759
Infections and inflammatory conditions of skin and subcutaneous tissue (680-698)	12,332	11.5	7.9	10.6	99.3	524	1,850	3,946	3,572	1,108	599	516	116	84	13	2	2	.....	141,540
	8,574	33.6	10.8	17.0	92.2	955	1,477	1,303	1,411	721	595	932	414	508	132	53	50	23	288,219
XIII. Diseases of the musculoskeletal system and connective tissue	44,271	12.5	7.3	10.6	99.1	3,968	10,376	9,444	10,024	4,782	2,559	2,141	507	338	65	17	36	14	554,943
	6,363	13.8	11.1	12.4	99.3	433	1,059	920	1,780	1,207	576	293	43	40	6	3	2	1	87,903
Osteoarthritis and allied disorders (715)	8,573	12.0	6.0	9.3	99.0	875	2,381	2,064	1,628	678	396	368	89	58	21	4	6	5	103,249
	14,244	11.7	8.0	10.4	99.3	1,256	2,988	2,920	3,811	1,641	835	562	122	80	9	6	11	3	166,829
Dorsopathies (720-724)	7,030	7.0	4.5	6.4	99.6	903	2,377	1,947	1,140	337	172	94	29	26	1	.....	4	.....	49,455
	8,061	18.3	9.5	14.7	98.1	501	1,571	1,593	1,665	919	580	824	224	134	28	4	13	5	147,507
XIV. Congenital deformities (740-759)	1,907	11.8	5.8	9.0	99.6	226	549	414	381	147	88	75	17	7	1	.....	1	1	22,479
	50,893	10.6	5.9	8.5	99.1	6,601	12,538	13,280	10,672	3,478	1,797	1,607	430	334	70	42	25	19	539,154
XVII. Injury and poisoning	42,405	15.7	7.3	11.7	98.3	5,013	8,375	9,535	8,611	3,931	2,490	2,750	860	592	133	35	53	27	667,866
	1,379	10.1	5.9	7.8	99.2	163	319	439	265	99	41	35	6	7	3	1	.....	1	13,876
Fracture of skull (800-804)	1,967	26.5	11.1	15.7	94.5	141	241	404	458	217	148	162	74	81	21	8	10	2	52,143
	8,591	21.7	11.6	15.7	97.3	757	1,031	1,488	2,029	1,173	751	819	274	204	34	11	11	9	186,210
Fracture of upper and lower limb (810-829)	3,649	7.3	4.9	6.7	99.5	454	1,132	1,072	636	185	75	60	18	13	3	1	.....	.....	26,703
	1,801	25.5	5.7	11.4	96.8	449	325	298	261	122	112	127	39	40	11	.....	10	7	45,840
Intracranial injury, excluding those with skull fracture (850-854)	534	11.9	7.8	10.4	99.0	32	94	151	157	51	17	18	8	5	.....	1	.....	.....	6,362
	2,866	8.4	4.2	7.0	99.3	617	786	713	411	120	94	91	12	14	4	1	3	.....	23,983
Open wounds (870-897)	927	21.0	12.4	16.9	97.7	70	97	167	206	143	82	103	35	15	5	1	3	.....	19,495
	2,360	7.4	4.8	7.0	99.6	483	575	626	419	110	58	67	14	8	.....	.....	.....	.....	17,548
Poisoning by drugs, medicinal, and biological substances (960-979)	343	7.1	3.8	6.4	99.4	98	77	81	47	18	10	9	1	2	.....	.....	.....	.....	2,422
	4,100	12.7	5.1	8.5	99.1	764	1,018	985	698	232	145	152	64	26	9	1	2	4	52,086

Complications of surgical and medical care, NEC (996-999)	13,887	15.9	8.4	13.1	98.5	985	2,680	3,111	3,023	1,461	957	1,107	315	177	43	10	14	4	221,185
Late effects of injuries, poisonings, toxic effects, and other external causes (905-909)	1	13.0	13.0	13.0	100.0	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	13
XVIII. Factors influencing health status and contact with health services (V01-V82)	46,480	21.0	6.9	15.0	96.7	8,202	10,108	6,925	5,336	3,337	3,492	5,362	1,897	1,392	254	63	87	25	975,681

¹ Patient Treatment File. This table, as well as all others in this hospital discharge series, excludes approximately 255,094 one-day dialysis discharges.

² The diagnostic categories and selected diagnosis included in this table are based on the "International Classification of Diseases 9th Revision Clinical Modification (ICD-9-CM)," DHHS Publication No. (PHS) 80-1260. The numbers following the diagnoses are the identifying code numbers of this diagnostic classification, Category XV, "Certain Conditions Originating in the Perinatal Period," in which no cases occurred is not included in this table.

Principal diagnosis is that diagnosis designated by the discharge physician as responsible for the major portion of the patient's length of stay.

³ One-half of the discharges in the given category have length of stay greater than the median; the other half, less than the median.

⁴ Includes hospital stays of 1 to 99 days and conforms to the definition adopted by the Commission on Professional and Hospital Activities.

INPATIENT CARE

VA Medical Centers—Hospital Care Component: Patients Discharged, Diagnostic Group, Period of Service¹
Fiscal Year 1987

Diagnostic Composition of Patients	Total	Period of Service						
		Post Vietnam ²	Vietnam Era	Post Korea ³	Korean Conflict ⁴	World War II	World War I	All Other ⁵
All discharges	1,055,835	60,645	218,559	64,881	150,089	521,501	21,239	18,921
Psychotic								
Alcohol psychoses (291)	6,301	341	1,780	616	1,032	2,430	12	90
Drug psychoses (292)	1,144	253	560	45	65	204	7	10
Other psychoses (290, 293-299)	87,168	13,725	35,472	6,843	9,489	19,678	1,036	925
Other psychiatric								
Alcohol dependence and abuse (303, 305.0)	91,675	10,561	41,182	10,411	13,280	15,122	11	1,108
Drug dependence and abuse (304, 305.1-305.9)	17,265	5,326	10,444	701	395	278	.....	121
Other nonpsychotic mental disorders (300-302, 306-319)	33,511	3,579	17,730	1,807	2,800	6,552	308	735
Medical and surgical								
All infectious and parasitic diseases (001-139)	14,631	1,339	3,496	816	1,811	6,317	520	332
Malignant neoplasms (140-208, 230-234)	92,299	1,059	6,792	4,117	13,813	63,019	1,875	1,624
Benign and unspecified neoplasms (210-229, 235-239)	14,298	343	1,685	686	1,995	9,192	177	220
Diabetes mellitus (250)	18,631	534	3,075	1,373	3,358	9,863	134	294
Other endocrine, nutritional, and metabolic diseases (240-246, 251-278)	11,776	262	1,379	635	1,779	6,874	598	249
Disorders involving the immune mechanisms (279)	247	45	79	45	39	34	1	4
Diseases of the blood and blood-forming organs (280-289)	8,948	253	1,003	390	1,172	5,563	385	182
Quadriplegia (344.0)	212	30	73	15	31	54	1	8
Paraplegia (344.1)	182	20	59	23	20	50	1	9
Other diseases of the nervous system (320-343, 344.2-359)	25,745	1,462	5,023	1,562	3,672	12,999	402	625
Diseases of the sense organs (360-389)	27,851	453	2,499	1,176	3,836	18,750	731	406
Heart diseases (391-392.0, 393-398, 402, 404, 410-414, 420-429)	108,565	911	10,050	5,668	18,086	69,027	2,858	1,965
Cerebrovascular diseases (430-438)	22,469	128	1,482	932	3,269	15,615	669	374
Other diseases of the circulatory system (390, 392.9, 401, 403, 405, 415-417, 440-459)	40,651	861	5,124	2,311	6,602	24,322	628	803
Acute respiratory diseases (460-466, 480-487)	23,700	567	2,418	988	2,832	14,819	1,647	429
Chronic bronchitis and emphysema (491-492)	6,411	30	330	235	953	4,692	82	89
Other respiratory diseases (470-478, 490, 493-519)	45,866	1,143	4,330	2,003	6,595	29,861	1,028	906
Diseases of the oral cavity, salivary glands, and jaws (520-529)	4,354	420	849	294	664	1,998	40	89
Hernia of the abdominal cavity (550-553)	18,838	700	2,560	1,079	3,000	10,937	247	315
Alcohol-related liver diseases (571.0-571.3)	6,151	143	1,322	680	1,342	2,560	3	101
Other diseases of the digestive system (530-543, 555-570, 571.4-579)	65,289	2,561	11,313	4,116	10,021	34,567	1,575	1,136
Diseases of the male genital organs (600-608)	22,174	341	1,774	790	2,893	15,599	426	351
Other diseases of the genitourinary system (580-599)	30,974	893	4,058	1,552	4,012	18,400	1,521	538
Diseases of the breast, gynecological disorders, and complications of pregnancy (610-676)	1,647	337	373	109	162	611	12	43
Diseases of the skin and subcutaneous tissue (680-709)	20,906	1,295	4,397	1,506	3,265	9,738	414	291
Diseases of the musculoskeletal system and connective tissue (710-739)	44,271	3,359	10,163	3,001	6,817	19,546	436	949
Congenital anomalies (740-759)	1,907	137	393	111	325	874	20	47
Symptoms, signs, and ill-defined conditions (780-799)	50,893	1,853	8,196	3,133	7,972	27,422	1,397	920
Injuries and poisonings (800-904, 910-999)	42,404	3,441	9,480	2,640	5,920	18,784	1,080	1,059
Late effects of injuries, poisonings, toxic effects, and other external causes (905-909)	1	.....	.....	.....	.....	1	.....	.....
Factors influencing health status and contact with health service (V01-V82)	46,480	1,940	7,616	2,472	6,772	25,149	957	1,574
Supplementary classification of external causes of injury and poisoning (E800-E999) . . . . .	.....	.....	.....	.....	.....	.....	.....	.....

¹Patient Treatment File. This table, as well as all others in this hospital discharge series, excludes 255,094 one-day dialysis discharges.

²Service on or after May 8, 1975.

³Service between February 1, 1955 and August 4, 1964.

⁴Service between June 27, 1950 and January 31, 1955

⁵Consists of 120 Spanish-American War and Mexican Border period, 11,199 peacetime, 4,645 active and retired military, and 2,957 nonveterans.

TABLE 27

INPATIENT CARE

VA Medical Centers—Hospital Care Component: Surgical Procedures Performed by Hospital Affiliation
Fiscal Year 1987

Total Surgical Procedures ¹	Total	Affiliated Hospitals ²	Non-Affiliated Hospitals
Surgical procedures (01-86)	418,521	389,376	29,145
Operations on the nervous system (01-05)	9,348	8,971	377
Incision and excision of skull, brain, and cerebral meninges (01)	1,831	1,827	4
Other operations on skull, brain, and cerebral meninges (02)	849	849	.....
Operations on spinal cord and spinal canal structures (03)	2,172	2,109	63
Operations on cranial and peripheral nerves (04)	4,180	3,951	229
Operations on sympathetic nerves or ganglia (05)	316	235	81
Operations on the endocrine system (06-07)	1,157	1,126	31
Operations on thyroid and parathyroid glands (06)	923	896	27
Operations on other endocrine glands (07)	234	230	4
Operations on the eye (08-16)	40,119	39,312	807
Operations on eyelids (08)	3,618	3,489	129
Operations on lacrimal system (09)	174	171	3
Operations on conjunctiva (10)	360	354	6
Operations on cornea (11)	982	955	27
Operations on iris, ciliary body, sclera, and anterior chamber (12)	1,950	1,921	29
Operations on lens (13)	29,536	28,953	583
Operations on retina, choroid, vitreous, and posterior chamber (14)	2,603	2,587	16
Operations on extraocular muscles (15)	269	268	1
Operations on orbit and eyeball (16)	627	614	13
Operations on the ear (18-20)	4,371	4,228	143
Operations on external ear (18)	1,524	1,433	91
Reconstructive operations on middle ear (19)	1,413	1,394	19
Other operations on middle and inner ear (20)	1,434	1,401	33
Operations on the nose, mouth, and pharynx (21-29)	19,672	18,769	903
Operations on nose (21)	5,830	5,542	288
Operations on nasal sinuses (22)	1,960	1,898	62
Removal and restoration of teeth (23)	2,269	2,133	136
Other operations on teeth, gums, and alveoli (24)	1,943	1,864	79
Operations on tongue (25)	1,374	1,329	45
Operations on salivary glands and ducts (26)	916	841	75
Other operations on mouth and face (27)	3,007	2,847	160
Operations on tonsils and adenoids (28)	896	872	24
Operations on pharynx (29)	1,477	1,443	34
Operations on the respiratory system (30-34)	29,569	27,976	1,593
Excision of larynx (30)	1,881	1,819	62
Other operations on larynx and trachea (31)	11,791	11,464	327
Excision of lung and bronchus (32)	2,669	2,557	112
Other operations on lung and bronchus (33)	8,910	8,025	885
Operations on chest wall, pleura, mediastinum, and diaphragm (34)	4,318	4,111	207
Operations on the cardiovascular system (35-39)	47,869	46,716	1,153
Operations on valves and septa of heart (35)	1,072	1,072	.....
Operations on vessels of heart (36)	7,054	7,050	4
Other operations on heart and pericardium (37)	6,132	6,035	97
Incision, excision and occlusion of vessels (38)	11,130	10,529	601
Other operations on vessels (39)	22,481	22,030	451
Operations on the hemic and lymphatic system (40-41)	6,993	6,652	341
Operations on lymphatic system (40)	6,302	5,991	311
Operations on bone marrow and spleen (41)	691	661	30
Operations on the digestive system (42-54)	88,126	78,349	9,777
Operations on esophagus (42)	6,549	6,120	429
Incision and excision of stomach (43)	2,938	2,660	278
Other operations on stomach (44)	5,293	4,489	804
Incision, excision, and anastomosis of intestine (45)	24,555	21,197	3,358

See footnotes at end of table.

INPATIENT CARE

TABLE 27 — Continued

VA Medical Centers—Hospital Care Component: Surgical Procedures Performed by Hospital Affiliation
Fiscal Year 1987

Total Surgical Procedures ¹	Total	Affiliated Hospitals ²	Non-Affiliated Hospitals
Other operations on intestine (46)	4,327	4,023	304
Operations on appendix (47)	1,858	1,679	179
Operations on rectum and perirectal tissue (48)	3,957	3,453	504
Operations on anus (49)	4,931	4,254	677
Operations on liver (50)	1,491	1,417	74
Operations on gallbladder and biliary tract (51)	7,167	6,487	680
Operations on pancreas (52)	795	755	40
Repair of hernia (53)	17,512	15,590	1,922
Other operations on abdominal region (54)	6,753	6,225	528
Operations on the urinary system (55-59)	50,297	45,372	4,925
Operations on kidney (55)	2,156	2,097	59
Operations on ureter (56)	2,682	2,519	163
Operations on urinary bladder (57)	37,806	33,732	4,074
Operations on urethra (58)	5,381	4,804	577
Other operations on urinary tract (59)	2,272	2,220	52
Operations on the male genital organs (60-64)	31,429	28,433	2,996
Operations on prostate and seminal vesicles (60)	20,884	18,960	1,924
Operations on scrotum and tunica vaginalis (61)	886	784	102
Operations on testes (62)	2,639	2,368	271
Operations on spermatic cord, epididymis, and vas deferens (63)	3,230	2,787	443
Operations on penis (64)	3,796	3,534	256
Operations on the female genital organs (65-71)	937	844	93
Operations on ovary (65)	234	216	18
Operations on fallopian tubes (66)	35	33	2
Operations on cervix (67)	80	69	11
Other incision and excision of uterus (68)	243	221	22
Other operations on uterus and supporting structures (69)	226	202	24
Operations on vagina and cul-de-sac (70)	87	75	12
Operations on vulva and perineum (71)	32	28	4
Obstetrical procedures (72-75) . . . . .	.....	.....	.....
Forceps, vacuum, and breech delivery (72) . . . . .	.....	.....	.....
Other procedures inducing or assisting delivery (73) . . . . .	.....	.....	.....
Cesarean section and removal of fetus (74) . . . . .	.....	.....	.....
Other obstetric operations (75) . . . . .	.....	.....	.....
Operations on the musculoskeletal system (76-84)	58,842	55,221	3,621
Operations on facial bones and joints (76)	2,582	2,543	39
Incision, excision, and division of other bones (77)	7,136	6,651	485
Other operations on bones, except facial bones (78)	4,065	3,873	192
Reduction of fracture and dislocation (79)	6,026	5,688	338
Incision and excision of joint structures (80)	11,249	10,485	764
Repair and plastic operations on joint structures (81)	10,824	10,296	528
Operations on muscle, tendon, fascia of hand (82)	2,987	2,775	212
Operations on muscle, tendon, fascia, and bursa, except hand (83)	4,747	4,323	424
Other procedures on musculoskeletal system (84)	9,226	8,587	639
Operations on the integumentary system (85-86)	29,792	27,407	2,385
Operations on the breast (85)	1,302	1,206	96
Operations on skin and subcutaneous tissue (86)	28,490	26,201	2,289

¹Patient Treatment File. The procedures included in this table are based on the "International Classification of Diseases 9th Revision Clinical Modification (ICD-9-CM)," DHHS Publication No. PHS 80-1260. The numbers following the operations are the identifying code numbers of this operation classification. Miscellaneous diagnostic and therapeutic

procedures (87-99) and the following selected diagnostic procedures (16.21, 18.11, 20.31, 21.21, 29.11 and 31.41) are excluded.

²Affiliated facilities include 134 VA medical centers with a Dean's Committee.

TABLE 28

INPATIENT CARE

Operating Costs of VA Inpatient Facilities—Fiscal Year 1987

Activity	Total	Hospital Care				Nursing Care	VA Domiciliaries
		Total	Bed Section				
			Medical ¹	Surgical	Psychiatric		
Total Cost (in thousands) ²	\$6,368,615	\$5,755,242	\$3,110,493	\$1,543,873	\$1,100,876	\$502,749	\$110,624
Professional and ancillary:							
Medical services ³	1,646,856	1,555,208	796,121	528,200	230,887	72,805	18,843
Nursing services	1,556,047	1,387,502	744,784	356,986	285,732	164,417	4,128
Chaplain services	26,101	22,338	11,899	4,352	6,087	2,613	1,150
Dietetics services	385,837	304,771	166,081	52,299	86,391	59,027	22,039
Dental services	41,375	34,840	16,176	6,997	11,667	3,542	2,993
Audiology and speech pathology	8,172	6,182	4,515	1,164	503	1,765	225
Direct care, Total	3,664,388	3,310,841	1,739,576	949,998	621,267	304,169	49,378
Administrative support	774,074	690,081	361,428	175,065	153,588	64,150	19,843
Engineering support	644,914	558,034	287,460	146,784	123,790	59,539	27,341
Building management ⁴	329,416	288,035	152,651	71,071	64,313	37,239	4,142
Research support	202,982	194,909	121,149	41,159	32,601	6,120	1,953
Education and training support	421,490	408,691	221,405	126,224	61,062	11,179	1,620
Asset acquisitions ⁵	331,351	304,651	226,824	33,572	44,255	20,353	6,347
Support, Total	2,704,227	2,444,401	1,370,917	593,875	479,609	198,580	61,246

¹ Includes intermediate care.² Includes inpatient education and training support.³ Professional medical services exclude \$51,526 for one-day dialysis and include cost centers such as: laboratory, pharmacy, blind rehabilitation, clinical nuclear medicine, rehabilitation medicine, social service, clinical psychology, radiology, medical media, and library.⁴ Includes operation of laundry.⁵ Asset acquisitions reflect obligations.

NOTE: Totals may not add due to rounding.

TABLE 29

EXTENDED CARE

VA Nursing Homes, Community Nursing Homes, and VA Domiciliaries:
Patient Movement — Fiscal Year 1987

Item	VA Nursing Homes	Community Nursing Homes	VA Domiciliaries
Gains, Total	24,340	37,628	12,705
Direct gains — Total	14,422	29,986	7,723
Admissions after rehospitalization	525 ¹	2,522 ²	261
Other admissions	13,897	27,464	7,462
Transfers in from similar facilities ³	120	639	124
Returns from absent sick in hospital status	9,798	7,003	4,858
Losses, Total	23,930	37,228	12,819
Discharges and deaths while in bed occupant or authorized leave of absence status — Total	11,079	21,335	6,319
Discharges	8,877	16,923	6,264
Deaths	2,202	4,412	55
Losses to absent sick in hospital status	12,628	15,224	6,484
(Discharges and deaths while in absent sick in hospital status — Total)	2,840	7,608	1,620
Discharges	1,572	5,869	1,533
Deaths	1,268	1,739	87
Transfers out to similar facilities ³	223	669	16
Remaining on September 30, 1987 — Total	11,648	12,982	6,195
Bed occupants	11,268	12,570	5,809
On authorized leave of absence	20	2	159
Absent sick in hospital	360	410	227
Patients treated⁴	25,567	41,925	14,134
Average daily census⁵	10,945	12,251	5,837

¹ Admissions after rehospitalization of more than 30 days.² Admissions after rehospitalization of more than 15 days.³ Includes only patients transferred as VA beneficiaries.⁴ Discharges and deaths during the fiscal year plus the number remaining on the rolls at the end of the fiscal year.⁵ Based on the number of patient days during the fiscal year divided by the number of calendar days in the fiscal year.

EXTENDED CARE

TABLE 30

**State Home Hospitals, State Nursing Homes, and State Domiciliary Homes:
Patient Movement¹—Fiscal Year 1987**

Item	State Home Hospitals	State Nursing Homes	State Domiciliary Homes
Gains, Total	2,769	11,380	8,959
Direct gains — Total	2,610	5,770	3,531
Admissions from state facilities	1,789	2,131	1,569
Other admissions	821	3,639	1,962
Returns from leave of absence status	159	5,610	5,428
Losses, Total	2,785	11,120	9,083
Discharges and deaths — Total	2,628	5,452	3,613
Discharges to state facilities	1,631	2,011	1,946
Other discharges	753	1,875	1,554
Deaths	244	1,566	113
Losses to leave of absence status	157	5,668	5,470
Bed occupants remaining on September 30, 1987	488	8,664	4,206
Patients treated ²	3,116	14,116	7,819
Average daily census ³	495	8,531	4,185

¹ Data include only patients supported by VA.² Discharges and deaths during the fiscal year plus the number on the rolls at the end of the fiscal year.³ Based on the number of patient days during the fiscal year divided by the number of days in the fiscal year.

EXTENDED CARE

TABLE 31

**VA Medical Centers—Domiciliary Care Component: Selected Data
Fiscal Year 1987**

Facility	Average Operating Beds 1	Bed Occupancy Rate (%) 2	Average Daily Census 3	Admissions 4	Discharges and Deaths 4	Patients Treated 4 5	Members Remaining on Sept. 30, 1987
Total	6,986	83.6	5,837	7,723	7,939	14,134	6,195
Arizona: Prescott	214	91.6	196	320	317	548	231
California: West Los Angeles	300	73.3	220	408	417	634	217
Florida: Bay Pines	200	87.0	174	318	321	512	191
Georgia: Dublin	293	75.4	221	279	246	511	265
Kansas: Leavenworth	646	76.0	491	690	696	1,228	532
Mississippi: Biloxi	192	77.1	148	295	259	432	173
New York: Bath	525	85.1	447	437	425	907	482
Ohio: Dayton	675	84.7	572	506	463	1,096	633
Oregon: White City	917	79.8	732	902	983	1,693	710
Pennsylvania: Butler	15	93.3	14	88	47	88	41
South Dakota: Hot Springs	400	76.5	306	505	510	833	323
Tennessee: Mountain Home	544	95.0	517	530	609	1,189	580
Texas:							
Bonham	225	87.6	197	287	272	475	203
Temple	528	86.0	454	734	785	1,233	448
Virginia: Hampton	400	85.0	340	581	581	927	346
West Virginia: Martinsburg	520	87.5	455	478	533	993	460
Wisconsin: Wood	392	89.5	351	489	491	851	360

¹ Based on the number of operating beds at the end of each month of 13 consecutive months (September 1986–September 1987).² Average daily census as a percent of the average operating beds.³ Based on the number of patient days during the fiscal year divided by the

number of days in the fiscal year.

⁴ Transfers included in individual facility totals, but excluded from overall total.⁵ Discharges and deaths during the fiscal year plus the number of patients on the rolls at the end of the fiscal year.

TABLE 32

EXTENDED CARE

*VA Medical Centers—Nursing Home Care Component:
Selected Data—Fiscal Year 1987*

Location	Average Operating Beds ¹	Bed Occupancy Rate (%) ²	Average Daily Census ³	Admissions ⁴	Discharges and Deaths ⁴	Patients Treated ⁵	Patients Remaining on Sept. 30, 1987
Total	11,741	93.2	10,945	14,422	13,919	25,567	11,648
Alabama:							
Tuscaloosa	120	95.0	114	63	65	184	119
Tuskegee	112	93.8	105	52	51	162	111
Arizona:							
Phoenix	120	96.7	116	132	131	250	119
Tucson	41	92.7	38	70	68	111	43
Arkansas: Little Rock	200	95.0	190	107	112	307	195
California:							
Fresno	60	93.3	56	138	131	193	62
Livermore	120	91.7	110	91	91	208	117
Loma Linda	60	85.0	51	108	112	168	56
Long Beach	180	98.3	177	205	187	376	189
Palo Alto	150	96.0	144	709	715	861	146
San Diego	60	93.3	56	137	132	191	59
Sepulveda	200	88.0	176	274	282	463	181
West Los Angeles	120	58.3	70	71	35	130	95
Colorado:							
Denver	60	85.0	51	309	298	362	64
Ft. Lyon	37	97.3	36	23	24	61	37
Grand Junction	42	92.9	39	41	42	83	41
Connecticut: West Haven	90	94.4	85	60	73	161	88
Delaware: Wilmington	60	93.3	56	82	83	140	57
District of Columbia: Washington	118	86.4	102	102	82	190	108
Florida:							
Bay Pines	239	93.3	223	446	437	685	248
Gainesville	120	94.2	113	120	123	236	113
Lake City	120	96.7	116	79	79	199	120
Miami	212	80.2	170	295	200	414	214
Tampa	120	96.7	116	161	159	280	121
Georgia:							
Atlanta	120	92.5	111	57	56	170	114
Augusta	40	90.0	36	54	51	90	39
Dublin	86	93.0	80	19	19	105	86
Idaho: Boise	60	95.0	57	139	144	206	62
Illinois:							
Danville	120	95.0	114	437	437	558	121
Hines	221	87.8	194	400	304	553	249
Marion	60	100.0	60	76	77	140	63
North Chicago	190	95.3	181	77	82	270	188
Indiana:							
Ft. Wayne	54	96.3	52	29	28	82	54
Indianapolis	60	95.0	57	235	233	293	60
Marion	69	94.2	65	68	74	143	69
Iowa: Knoxville	200	97.5	195	47	42	247	205
Kansas:							
Leavenworth	45	95.6	43	14	11	56	45
Topeka	79	96.2	76	30	27	106	79
Wichita	60	96.7	58	118	119	180	61
Kentucky: Lexington	100	97.0	97	81	81	181	100
Louisiana: Alexandria	139	78.4	109	189	86	276	190
Maine: Togus	60	90.0	54	68	60	120	60
Maryland:							
Ft. Howard	47	93.6	44	26	24	71	47
Perry Point	80	97.5	78	60	49	132	83
Massachusetts:							
Bedford	162	91.4	148	61	85	223	138
Brockton	100	97.0	97	38	39	136	97
Northampton	50	98.0	49	13	13	63	50
Michigan:							
Allen Park	72	95.8	69	74	70	144	74
Ann Arbor	120	83.3	100	308	311	424	113
Battle Creek	203	98.5	200	107	115	314	199
Iron Mountain	40	97.5	39	156	158	198	40
Saginaw	30	93.3	28	159	159	189	30
Minnesota: St. Cloud	130	97.7	127	89	83	213	130
Mississippi:							
Biloxi	34	94.1	32	23	23	57	34
Jackson	120	91.7	110	139	136	252	116
Missouri:							
Columbia	54	94.4	51	30	29	83	54
Poplar Bluff	49	95.9	47	40	40	89	49
St. Louis	103	97.1	100	264	214	351	137
Montana: Miles City	26	96.2	25	4	5	30	25
Nebraska: Grand Island	42	92.9	39	149	150	190	40

See footnotes at end of table.

**VA Medical Centers—Nursing Home Care Component:
Selected Data—Fiscal Year 1987**

Location	Average Operating Beds ¹	Bed Occupancy Rate (%) ²	Average Daily Census ³	Admissions ⁴	Discharges and Deaths ⁴	Patients Treated ⁵	Patients Remaining on Sept. 30, 1987
Nevada: Reno	60	96.7	58	231	231	292	61
New Hampshire: Manchester	120	80.8	97	157	169	266	97
New Jersey:							
East Orange	60	95.0	57	51	40	99	59
Lyons	90	95.6	86	54	50	140	90
New Mexico: Albuquerque	47	97.9	46	218	219	266	47
New York:							
Albany	100	97.0	97	284	304	397	93
Batavia	57	89.5	51	98	83	149	66
Bath	167	98.2	164	87	87	258	171
Bronx	120	84.2	101	180	150	273	123
Brooklyn	300	96.3	289	97	80	380	300
Buffalo	36	94.4	34	58	59	96	37
Canandaigua	100	97.0	97	53	53	153	100
Castle Point	148	94.6	140	92	97	242	145
Montrose	122	93.4	114	77	68	190	122
Syracuse	35	88.6	31	25	34	67	33
North Carolina:							
Asheville	82	98.8	81	26	29	109	80
Fayetteville	39	94.9	37	47	47	87	40
Salisbury	93	96.8	90	58	57	150	93
North Dakota: Fargo	50	92.0	46	192	194	244	50
Ohio:							
Chillicothe	90	98.9	89	73	73	163	90
Cincinnati	206	93.2	192	146	145	346	201
Cleveland	195	93.3	182	186	168	371	203
Dayton	284	95.4	271	135	133	406	273
Oregon:							
Portland	120	95.8	115	241	240	359	119
Roseburg	75	98.7	74	33	33	108	75
Pennsylvania:							
Altoona	8	50.0	4	2	35	35	...
Butler	131	92.4	121	99	139	245	106
Coatesville	120	95.8	115	158	160	276	116
Erie	40	95.0	38	64	66	104	38
Lebanon	120	91.7	110	191	195	316	121
Pittsburgh (Univ. Dr.)	228	92.1	210	184	198	402	204
Wilkes-Barre	120	97.5	117	29	30	149	119
South Carolina: Columbia	120	92.5	111	163	165	281	116
South Dakota: Sioux Falls	75	97.3	73	122	121	197	76
Tennessee:							
Memphis	120	89.2	107	519	515	621	106
Mountain Home	58	96.6	56	44	44	106	62
Murfreesboro	48	95.8	46	12	12	59	47
Texas:							
Big Spring	40	97.5	39	67	59	101	42
Bonham	100	95.0	95	63	61	161	100
Dallas	120	94.2	113	212	215	334	119
Houston	103	93.2	96	196	201	304	103
Kerrville	120	94.2	113	92	100	219	119
Temple	120	92.5	111	144	151	266	115
Waco	84	97.6	82	16	16	100	84
Utah: Salt Lake City	10	80.0	8	41	44	49	5
Vermont: White River Junction	30	93.3	28	152	146	175	29
Virginia:							
Hampton	120	91.7	110	176	170	291	121
Richmond	120	94.2	113	84	83	202	119
Salem	100	96.0	96	113	112	211	99
Washington:							
American Lake	76	94.7	72	28	26	100	74
Seattle	60	95.0	57	338	337	401	64
Spokane	60	95.0	57	84	89	150	61
West Virginia:							
Beckley	42	95.2	40	11	11	53	42
Martinsburg	120	98.3	118	50	50	170	120
Wisconsin:							
Tomah	100	99.0	99	61	59	159	100
Wood	200	86.5	173	332	302	502	200
Wyoming: Cheyenne	48	95.8	46	43	41	90	49

¹ Based on the number of operating beds at the end of each month for 13 consecutive months (September 1986–September 1987).

² Average daily census as a percent of the average operating beds.

³ Based on the number of patient days during the fiscal year divided by the number of days in the fiscal year.

⁴ Transfers included in individual facility totals excluded from overall total.

⁵ Discharges and deaths during the fiscal year plus the number of patients on the rolls at the end of the fiscal year.

TABLE 33

EXTENDED CARE

Community Nursing Homes: Selected Data—Fiscal Year 1987

Location of Authorizing VA Facility	Average Daily Census ¹	Admissions ²	Discharges and Deaths ²	Patients Treated ³	Patients Remaining on Sept. 30, 1987
Total	12,251	29,986	28,943	41,925	12,982
Alabama:					
Birmingham	66	196	229	287	58
Montgomery	19	45	36	71	35
Tuscaloosa	56	144	130	195	65
Tuskegee	41	50	43	86	43
Alaska: Anchorage	24	93	87	112	25
Arizona:					
Phoenix	122	351	331	473	142
Prescott	51	143	150	205	55
Tucson	99	365	310	425	115
Arkansas:					
Fayetteville	15	73	74	91	17
Little Rock	160	465	436	634	198
California:					
Fresno	52	142	123	166	43
Livermore	25	53	45	68	23
Loma Linda	109	303	217	331	114
Long Beach	128	324	290	434	144
Martinez	81	232	182	286	104
Palo Alto	125	232	211	355	144
San Diego	58	141	145	207	62
San Francisco	48	185	138	188	50
Sepulveda	92	150	129	223	94
West Los Angeles	192	414	440	637	197
Colorado:					
Denver	86	193	171	256	85
Ft. Lyon	41	44	39	81	42
Grand Junction	27	80	82	111	29
Connecticut:					
Newington	47	132	99	145	46
West Haven	50	101	109	155	46
Delaware: Wilmington	63	180	191	242	51
District of Columbia: Washington	81	153	145	229	84
Florida:					
Bay Pines	151	527	516	674	158
Gainesville	71	183	182	258	76
Lake City	19	74	63	92	29
Miami	126	229	404	526	122
Tampa	134	531	553	691	138
Georgia:					
Atlanta	141	348	346	502	156
Augusta	136	283	254	405	151
Dublin	68	191	204	274	70
Hawaii: Honolulu	13	40	43	55	12
Idaho: Boise	34	139	127	168	41
Illinois:					
Chicago (Lakeside)	109	363	290	422	132
Chicago (West Side)	141	379	409	529	120
Danville	64	131	115	187	72
Hines	199	639	637	837	200
Marion	58	142	152	212	60
North Chicago	212	196	215	428	213
Indiana:					
Ft. Wayne	58	201	194	259	65
Indianapolis	96	307	289	395	106
Marion	108	111	136	221	85
Iowa:					
Des Moines	50	180	186	232	46
Iowa City	72	322	379	443	64
Knoxville	34	75	109	134	25
Kansas:					
Leavenworth	77	256	205	284	79
Topeka	102	147	130	232	102
Wichita	64	228	220	293	73
Kentucky:					
Lexington	78	223	216	311	95
Louisville	89	321	240	339	99

See footnotes at end of table.

Community Nursing Homes: Selected Data—Fiscal Year 1987

Location of Authorizing VA Facility	Average Daily Census ¹	Admissions ²	Discharges and Deaths ²	Patients Treated ³	Patients Remaining on Sept. 30, 1987
Louisiana:					
Alexandria	51	211	219	258	39
New Orleans	83	273	228	334	106
Shreveport	114	352	330	438	108
Maine: Togus	70	121	144	202	58
Maryland:					
Baltimore	41	108	104	146	42
Ft. Howard	18	44	38	62	24
Perry Point	77	71	70	151	81
Massachusetts:					
Bedford	76	95	87	169	82
Boston	113	247	267	370	103
Brockton	145	178	153	319	166
Northampton	81	71	60	145	85
Michigan:					
Allen Park	100	277	277	383	106
Ann Arbor	58	199	199	259	60
Battle Creek	143	217	188	349	161
Iron Mountain	22	65	66	86	20
Saginaw	92	265	224	341	117
Minnesota:					
Minneapolis	251	818	736	1,028	292
St. Cloud	89	109	113	210	97
Mississippi:					
Biloxi	135	226	256	375	119
Jackson	65	189	212	277	65
Missouri:					
Columbia	58	237	214	287	73
Kansas City	79	245	204	291	87
Poplar Bluff	37	147	125	177	52
St. Louis	105	273	293	395	102
Montana:					
Ft. Harrison	43	132	113	158	45
Miles City	22	56	58	80	22
Nebraska:					
Grand Island	9	34	29	42	13
Lincoln	26	98	91	121	30
Omaha	54	249	243	299	56
Nevada: Reno	32	84	94	120	26
New Hampshire: Manchester	39	91	99	132	33
New Jersey:					
East Orange	105	222	201	333	132
Lyons	42	53	60	100	40
New Mexico: Albuquerque	63	140	136	196	60
New York:					
Albany	58	91	79	135	56
Batavia	11	16	24	31	7
Bath	45	97	95	142	47
Bronx	38	106	102	140	38
Brooklyn	53	121	116	175	59
Buffalo	65	136	154	211	57
Canandaigua	37	25	30	62	32
Castle Point	22	52	38	67	29
Montrose	29	30	28	56	28
New York	34	71	82	116	34
Northport	99	138	134	236	102
Syracuse	41	79	76	116	40
North Carolina:					
Asheville	102	246	267	361	94
Durham	88	210	240	315	75
Fayetteville	49	133	152	215	63
Salisbury	78	139	153	242	89
North Dakota: Fargo	41	114	99	144	45
Ohio:					
Chillicothe	215	385	364	599	235
Cincinnati	57	194	187	252	65
Cleveland	171	200	201	382	181
Dayton	100	191	182	290	108

See footnotes at end of table.

Community Nursing Homes: Selected Data - Fiscal Year 1987

Location of Authorizing VA Facility	Average Daily Census ¹	Admissions ²	Discharges and Deaths ²	Patients Treated ³	Patients Remaining on Sept. 30, 1987
Oklahoma:					
Muskogee	64	238	245	303	58
Oklahoma City	81	369	397	489	92
Oregon:					
Portland	109	373	348	462	114
Roseburg	79	188	208	271	63
White City	2	12	4	11	7
Pennsylvania:					
Altoona	38	93	115	147	32
Butler	37	101	93	136	43
Coatesville	234	264	274	508	234
Erie	26	97	110	133	23
Lebanon	128	252	218	364	146
Philadelphia	152	358	420	599	179
Pittsburgh (University Dr)	109	398	375	498	123
Pittsburgh (Highland Dr)	143	141	182	314	132
Wilkes-Barre	63	126	131	197	66
Puerto Rico: San Juan	58	185	125	203	78
Rhode Island: Providence	69	162	136	210	74
South Carolina:					
Charleston	50	142	141	189	48
Columbia	64	148	120	187	67
South Dakota:					
Ft. Meade	17	73	68	86	18
Hot Springs	9	25	21	31	10
Sioux Falls	40	163	161	193	32
Tennessee:					
Memphis	75	163	167	256	89
Mountain Home	124	281	272	404	132
Murfreesboro	48	84	62	127	65
Nashville	70	181	163	237	74
Texas:					
Amarillo	56	178	185	237	52
Big Spring	43	101	81	136	55
Bonham	48	184	173	237	64
Dallas	104	335	333	460	127
Houston	124	365	335	459	124
Kerrville	54	154	118	174	56
Marlin	21	36	37	60	23
San Antonio	126	358	352	480	128
Temple	71	204	199	283	84
Waco	96	170	144	264	120
Utah: Salt Lake City	92	294	252	369	117
Vermont: White River Junction	26	87	80	113	33
Virginia:					
Hampton	62	150	145	214	69
Richmond	59	162	170	226	56
Salem	80	122	79	157	78
Washington:					
American Lake	81	185	169	261	92
Seattle	138	444	425	564	139
Spokane	46	174	158	215	57
Walla Walla	34	109	101	128	27
West Virginia:					
Beckley	23	97	96	119	23
Clarksburg	96	302	229	327	98
Huntington	90	251	232	330	98
Martinsburg	91	175	161	260	99
Wisconsin:					
Madison	46	184	180	237	57
Tomah	97	147	159	250	91
Wood	88	189	199	282	83
Wyoming:					
Cheyenne	20	75	86	104	18
Sheridan	22	55	48	77	29

¹Based on the number of patient days during the fiscal year divided by the number of days in the fiscal year.

²Transfers included in individual facility totals excluded from overall total.

³Discharges and deaths during the fiscal year plus the number of patients on the rolls at the end of the fiscal year.

State Domiciliary Homes: Selected Data—Fiscal Year 1987

Location of State Home Domiciliary	Location of Authorizing VA Facility	Average Daily Census ¹	Admissions	Discharges and Deaths	Patients Treated ²	Remaining on Sept. 30, 1987 ³
Total		4,185	3,531	3,613	7,819	4,206
Arkansas: Little Rock	Little Rock, AR	85	47	35	116	81
California: Yountville	San Francisco, CA	642	593	555	1,223	668
Colorado: Homelake	Denver, CO	70	77	74	146	72
Connecticut: Rocky Hill	Newington, CT	296	475	490	783	293
Georgia: Milledgeville	Dublin, GA	157	116	115	285	170
Idaho: Boise	Boise, ID	84	89	87	167	80
Illinois: Quincy	Iowa City, IA	85	81	70	161	91
Indiana: Lafayette	Indianapolis, IN	71	19	27	94	67
Iowa: Marshalltown	Des Moines, IA	99	37	42	137	95
Kansas: Fort Dodge	Wichita, KS	69	20	22	91	69
Louisiana: Jackson	New Orleans, LA	81	66	62	144	82
Maryland: Charlotte Hall	Washington, DC	69	78	52	150	98
Massachusetts:						
Chelsea	Boston, MA (OC)	274	267	250	526	276
Holyoke	Northampton, MA	29	20	16	47	31
Michigan:						
Grand Rapids	Allen Park, MI	128	75	81	214	133
Marquette	Allen Park, MI	82	32	20	104	84
Minnesota:						
Hastings	Minneapolis, MN	186	126	149	320	171
Minneapolis	Minneapolis, MN	172	66	92	253	161
Missouri: St. James	St. Louis, MO	32	44	40	78	38
Montana: Columbia Falls	Ft. Harrison, MT	59	42	59	103	44
Nebraska: Grand Island	Grand Island, NE	98	46	56	154	98
New Jersey: Menlo Park	East Orange, NJ	35	12	12	48	36
New Mexico: Truth or Consequences	Albuquerque, NM	12	29	32	46	14
New York: Oxford	Syracuse, NY	59	20	23	80	57
North Dakota: Lisbon	Fargo, ND	106	57	64	155	91
Ohio: Sandusky	Cleveland, OH	226	142	189	415	226
Oklahoma:						
Ardmore	Oklahoma City, OK	28	40	48	75	27
Clinton	Oklahoma City, OK	20	12	22	37	15
Sulphur	Oklahoma City, OK	25	33	37	60	23
Pennsylvania:						
Erie	Erie, PA	63	8	16	77	61
Holidaysburg	Altoona, PA	157	239	254	402	148
Rhode Island: Bristol	Providence, RI	35	3	8	40	32
South Dakota: Hot Springs	Hot Springs, SD	55	18	26	76	50
Vermont: Bennington	White River Jct., VT	22	55	51	75	24
Washington:						
Orting	Seattle, WA	59	25	25	85	60
Retsil	Seattle, WA	106	117	114	227	113
West Virginia: Barboursville	Huntington, WV	135	234	247	390	143
Wisconsin: King	Madison, WI	121	45	37	169	132
Wyoming: Buffalo	Sheridan, WY	50	26	14	66	52

¹ Based on the number of patient days during the fiscal year divided by the number of days in the fiscal year.

² Discharges and deaths during the fiscal year plus the number of patients on the rolls at the end of the fiscal year.

³ Bed occupants only.

State Home Hospitals: Selected Data—Fiscal Year 1987

Location of State Home Hospital	Location of Authorizing VA Facility	Average Daily Census ¹	Admissions	Discharges and Deaths	Patients Treated ²	Remaining on Sept. 30, 1987 ³
Total		495	2,610	2,628	3,116	488
California: Yountville	San Francisco, CA	25	666	676	698	22
Connecticut: Rocky Hill	Newington, CT	306	506	517	818	301
Illinois: Quincy	Iowa City, IA	10	318	316	329	13
Iowa: Marshalltown	Des Moines, IA	19	207	207	230	23
Massachusetts:						
Chelsea	Boston, MA (OC)	120	754	759	871	112
Holyoke	Northampton, MA	13	149	142	157	15
Oklahoma: Sulphur	Oklahoma City, OK	3	10	11	13	2

¹ Based on the number of patient days during the fiscal year divided by the number of days in the fiscal year.

² Discharges and deaths during the fiscal year plus the number of patients on the rolls at the end of the fiscal year.

³ Bed occupants only.

TABLE 36

EXTENDED CARE

State Nursing Care Homes: Selected Data—Fiscal Year 1987

Location	Location of Authorizing VA Facility	Average Daily Census ¹	Admissions	Discharges and Deaths	Patients Treated ²	Remaining on Sept. 30, 1987 ³
Total .....	.....	8,531	5,770	5,452	14,116	8,664
California: Yountville	San Francisco, CA	626	722	819	1,381	562
Colorado:						
Florence	Denver, CO	93	77	63	171	108
Homelake	Denver, CO	25	16	15	41	26
Georgia:						
Augusta	Augusta, GA	179	136	141	314	173
Milledgeville	Dublin, GA	217	68	36	259	223
Idaho: Boise	Boise, ID	79	32	29	105	76
Illinois:						
Manteno	Hines, IL	186	205	67	306	239
Quincy	Iowa City, IA	400	460	414	815	401
Indiana: Lafayette	Indianapolis, IN	298	110	91	394	303
Iowa: Marshalltown	Des Moines, IA	464	316	292	770	478
Kansas: Fort Dodge	Wichita, KS	66	30	23	94	71
Louisiana: Jackson	New Orleans, LA	126	50	49	179	130
Maine: Augusta	Togus, ME	100	41	39	139	100
Maryland: Charlotte Hall	Washington, DC	119	97	64	199	135
Massachusetts:						
Chelsea	Boston, MA (OPC)	55	85	86	142	56
Holyoke	Northampton, MA	248	119	117	366	249
Michigan:						
Grand Rapids	Allen Park, MI	539	200	210	745	535
Marquette	Iron Mountain, MI	101	49	40	144	104
Minnesota: Minneapolis	Minneapolis, MN	304	92	104	410	306
Missouri:						
Mexico	St. Louis, MO	128	127	101	235	134
Mt. Vernon	St. Louis, MO	94	122	115	212	97
St. James	St. Louis, MO	132	119	140	262	122
Montana: Columbia Falls	Ft. Harrison, MT	65	60	40	118	78
Nebraska: Grand Island	Grand Island, NE	531	182	152	683	531
New Hampshire: Tilton	Manchester, NH	89	16	22	106	84
New Jersey:						
Menlo Park	East Orange, NJ	306	121	125	438	313
Paramus	East Orange, NJ	58	21	17	124	107
Vineland	Wilmington, DE	249	258	265	517	252
New Mexico: Truth or Consequences	Albuquerque, NM	77	128	100	206	106
New York: Oxford	Syracuse, NY	62	28	31	93	62
Ohio: Sandusky	Cleveland, OH	305	112	80	386	306
Oklahoma:						
Ardmore	Oklahoma City, OK	136	121	123	260	137
Clinton	Oklahoma City, OK	139	127	114	255	141
Norman	Oklahoma City, OK	188	115	104	293	189
Sulphur	Oklahoma City, OK	138	115	117	256	139
Talihina	Oklahoma City, OK	154	184	188	339	151
Pennsylvania:						
Erie	Erie, PA	71	22	21	90	69
Hollidaysburg	Altoona, PA	191	205	206	393	187
Rhode Island: Bristol	Providence, RI	251	47	69	309	240
South Carolina: Columbia	Columbia, SC	143	130	130	274	144
South Dakota: Hot Springs	Hot Springs, SD	27	8	11	36	25
Vermont: Bennington	White River Jct., VT	123	191	184	308	124
Washington:						
Orting	Seattle, WA	100	52	50	152	102
Retsil	Seattle, WA	171	132	138	302	164
Wisconsin: King	Madison, WI	380	122	110	495	385

¹ Based on the number of patient days during the fiscal year divided by the number of days in the fiscal year.² Discharges and deaths during the fiscal year plus the number of patients on the rolls at the end of the fiscal year.³ Bed occupants only.

*Outpatient Medical Care:
Visits to VA Staff and Private Physicians on a Fee-For-Service Basis
Fiscal Years 1978–1987*

Fiscal Year	Total			Category of Visit					
				Examinations					
				Compensation and Pension			Determine Need for Medical Care		
	Total	Staff	Fee	Total	Staff	Fee	Total	Staff	Fee
1987	21,634,757	19,837,424	1,797,333	390,064	262,680	127,384	2,552,303	2,538,598	13,705
1986	20,188,132	18,457,747	1,730,385	378,595	257,323	121,272	2,510,824	2,501,903	8,921
1985	19,600,849	17,789,582	1,811,267	385,837	267,533	118,304	2,510,342	2,495,140	15,202
1984	18,616,073	16,935,050	1,681,023	364,840	271,950	92,890	2,633,510	2,624,022	9,488
1983	18,509,552	16,617,485	1,892,067	370,552	271,189	99,363	2,581,957	2,566,518	15,439
1982	17,808,977	15,861,687	1,947,290	365,218	271,508	93,710	2,402,135	2,368,513	33,622
1981	17,929,550	15,825,064	2,104,486	377,559	283,539	94,020	2,463,349	2,435,466	27,883
1980	17,971,407	15,751,690	2,219,717	373,300	287,724	85,576	2,435,856	2,403,684	32,172
1979	17,262,408	15,053,332	2,209,076	372,077	290,695	81,382	2,239,313	2,213,770	25,543
1978	17,416,275	15,069,573	2,346,702	405,301	321,372	83,929	2,244,929	2,227,915	17,014

Fiscal Year	Category of Visit									
	Treatment						Aid and Attendance	All Other		
	Service-Connected			Nonservice-Connected						
	Total	Staff	Fee	Total	Staff	Fee	Fee	Total	Staff	Fee
1987	8,778,711	7,678,474	1,100,237	8,712,615	8,383,639	328,976	218,240	982,824	974,033	8,791
1986	8,272,497	7,172,538	1,099,959	7,982,896	7,701,311	281,585	213,038	830,282	824,672	5,610
1985	8,108,273	6,919,654	1,188,619	7,540,486	7,291,225	249,261	235,320	820,591	816,030	4,561
1984	7,670,978	6,547,053	1,123,925	6,881,822	6,658,841	222,981	225,780	839,143	833,184	5,959
1983	7,725,734	6,436,834	1,288,900	6,748,935	6,519,512	229,423	246,947	835,427	823,432	11,995
1982	7,428,408	6,056,360	1,372,048	6,537,701	6,337,784	199,917	239,671	835,844	827,522	8,322
1981	7,310,554	5,814,448	1,496,106	6,625,302	6,433,346	191,956	286,817	865,969	858,265	7,704
1980	7,284,333	5,666,049	1,618,284	6,628,669	6,474,561	154,108	321,030	928,219	919,672	8,547
1979	6,735,356	5,132,203	1,603,153	6,675,487	6,541,682	133,805	358,462	881,713	874,982	6,731
1978	6,022,072	4,392,103	1,629,969	7,352,253	7,215,088	137,165	462,295	929,425	913,095	16,330

¹ Data adjusted.

NOTE: Fiscal years 1978 through 1979 reflect breakouts for treatment, aid and attendance, and all other visits previously consolidated under "All Other."

PHARMACY

TABLE 38

Pharmacy Activity—Fiscal Years 1986–1987

Activity	FY 1987	FY 1986
VA Pharmacies		
Prescriptions dispensed — Total	54,123,306	52,069,321
Inpatient	1,028,671	988,319
Ambulatory — Total	53,094,635	51,081,002
Methadone	1,149,284	1,168,420
All other (including fee-basis filled by VA pharmacies)	51,945,351	49,912,582
Unit doses dispensed	168,659,665	165,207,370
Primary intravenous admixtures	2,065,208	2,038,796
Secondary intravenous admixtures ("piggy-backs")	9,768,347	9,306,356
Hyperalimentation	371,725	372,507
Fluids and sets	12,041,903	11,857,327
Fee-Basis		
Prescriptions filled by VA pharmacies	4,750,369	4,780,672
Prescriptions filled by participating pharmacies	273,616	352,167

TABLE 39

CONSTRUCTION

**Replacement and Relocation Hospital Construction Projects,¹ Fiscal Year 1987
Completions and Year End Status**

Location	Number of Projects	Number of Beds	Estimated Construction Cost ²	Value of Work in Place	Percent Complete ³	Date Construction Completed (C) or Contract Awarded (A)
Total	15	9,914	\$1,791,250,753	\$710,480,834	40	
A. Projects completed, Total	3	2,321	295,562,524	295,562,524	100	
Florida : Bay Pines .....	...	830	107,375,300	107,375,300	100	June 1987 (C)
Virginia : Richmond .....	...	814	116,963,224	116,963,224	100	March 1987 (C)
West Virginia : Martinsburg .....	...	677	71,224,000	71,224,000	100	June 1987 (C)
B. Projects under construction, Total	8	5,372	1,000,390,229	414,918,310	41	
Georgia : Augusta (LD) .....	...	750	90,101,650	9,700,112	11	August 1985 (A)
Maryland : Baltimore .....	...	324	102,200,000	4,682,210	5	June 1987 (A)
Minnesota : Minneapolis .....	...	845	182,709,300	152,622,558	84	August 1982 (A)
Oregon : Portland/Vancouver .....	...	610	140,100,000	104,865,988	75	August 1982 (A)
Pennsylvania : Philadelphia .....	...	776	110,761,800	15,010,327	14	November 1985 (A)
Tennessee : Mountain Home .....	...	530	57,985,000	15,405,243	27	March 1985 (A)
Texas : Houston .....	...	1,047	205,439,479	19,078,192	9	April 1986 (A)
Washington : Seattle .....	...	490	111,093,000	93,553,680	84	May 1980 (A)
C. Projects authorized - not under construction, Total	4	2,221	495,298,000			
Florida : Palm Beach County .....	...	400	106,442,000			
Michigan : Allen Park/Detroit .....	...	803	254,077,000			
Ohio : Dayton .....	...	618	77,079,000			
Pennsylvania : Pittsburgh (AD) .....	...	400	57,700,000			

¹ Projects included when approved for development by the Administrator or when there has been an appropriation of funds available for financing all or part of the project.

² Construction anticipated, issued, or awarded, including contingencies.

³ Based on general construction only.

TABLE 40

CONSTRUCTION

**Modernization Construction Projects,¹—Fiscal Year 1987
Completions and Year End Status**

Location	Number of Projects	Description	Estimated Construction Cost ²	Value of Work in Place	Percent Complete ³	Date Construction Completed (C) or Contract Awarded (A)
Total	8		\$491,412,433	\$269,772,513	55	
A. Projects completed, Total	2		88,513,983	88,513,983	100	
Colorado : Denver		Clinical Support Wing	42,231,141	42,231,141	100	October 1986 (C)
Mississippi : Biloxi (GD & BD)		Modernize Various Buildings	46,282,842	46,282,842	100	March 1987 (C)
B. Projects under construction, Total	5		315,726,450	181,258,530	57	
Alabama : Birmingham		Ambulatory Care/Clinical Addition	54,038,000	37,533,597	69	September 1983 (A)
California : San Francisco		Remodel Buildings 2, 4, & 200	35,760,000	11,523,683	32	June 1983 (A)
Louisiana : New Orleans		Clinical Expansion	67,479,650	64,786,298	96	May 1982 (A)
New Mexico : Albuquerque		Clinical Improvements	69,159,800	59,227,540	86	July 1983 (A)
New York : New York		OP/Clinical Addition and Alterations	89,289,000	8,187,412	9	September 1985 (A)
C. Projects authorized—not under construction, Total	1		87,172,000			
Illinois : North Chicago		Environmental Improvements	87,172,000			

¹ Projects included when approved for development by the Administrator or when there has been an appropriation of funds available for financing all or part of the project.

² Construction anticipated, issued, or awarded, including contingencies.

³ Based on general construction only.

Nursing Home Care Units Construction Projects,¹—Fiscal Year 1987
Completions and Year End Status

Location	Number of Projects	Number of Nursing Home Care Beds	Estimated Construction Cost ²	Value of Work in Place	Percent Complete ³	Date Construction Completed (C) or Contract Awarded (A)
Total	24	2,377	\$128,902,109	\$46,058,394	36	
A. Projects completed, Total	4	360	18,757,964	18,757,964	100	
California : Loma Linda		60	3,972,014	3,972,014	100	June 1987 (C)
Florida : Miami		120	5,149,889	5,149,889	100	November 1986 (C)
Louisiana : Alexandria		120	4,906,502	4,906,502	100	March 1987 (C)
Missouri : St. Louis		60	4,729,559	4,729,559	100	June 1987 (C)
B. Projects under construction, Total	8	1,020	62,150,925	27,300,430	44	
Arizona : Prescott		60	4,794,000	.....	...	September 1987 (A)
California : West Los Angeles		120	7,155,932	.....	...	July 1987 (A)
New Jersey : Lyons		240	14,112,199	11,771,361	83	September 1985 (A)
New York : Northport		120	7,446,041	4,856,081	65	September 1985 (A)
North Carolina : Durham		120	8,037,178	1,937,457	24	September 1986 (A)
Puerto Rico : San Juan		120	8,397,997	1,741,407	21	September 1986 (A)
Tennessee : Murfreesboro		120	4,980,151	.....	...	June 1987 (A)
Texas : San Antonio		120	7,227,427	6,994,124	97	September 1984 (A)
C. Projects authorized—not under construction, Total	12	997	47,993,220	.....	...
Projects \$1,000,000 and over, Total	10	931	46,274,220	.....	...
Arizona : Tucson		120	5,556,220	.....	...
California : San Francisco		120	9,128,000	.....	...
: W. Los Angeles (WADS)		117	4,286,000	.....	...
Colorado : Ft. Lyon		37	1,085,000	.....	...
Louisiana : New Orleans		120	14,800,000	.....	...
New York : Syracuse		30	1,864,000	.....	...
Ohio : Cleveland (BR)		95	1,497,000	.....	...
: Dayton		112	1,641,000	.....	...
Pennsylvania : Pittsburgh (HD)		60	1,241,000	.....	...
Texas : Amarillo		120	5,176,000	.....	...
Projects under \$1,000,000, Total	2	66	1,719,000	.....	...

¹ Projects included when approved for development by the Administrator or when there has been an appropriation of funds available for financing all or part of the project.

² Construction anticipated, issued, or awarded, including contingencies.
³ Based on general construction only.

Research and Education Construction Projects,¹—Fiscal Year 1987
Completions and Year End Status

Location	Number of Projects	Description	Estimated Construction Cost ²	Value of Work in Place	Percent Complete ³	Date Construction Completed (C) or Contract Awarded (A)
Total	18		\$52,371,289	\$12,613,449	24	
A. Projects completed, Total	3		10,692,433	10,692,433	100	
Arkansas : Little Rock (NLRD)		Remodel Bldg. 103 - Educ. Training Ctr.	1,678,368	1,678,368	100	July 1987 (C)
California : Long Beach		Research Addition	8,165,493	8,165,493	100	October 1986 (C)
Missouri : St. Louis (JB)		Renovate B-6 for Animal Research	848,572	848,572	100	April 1987 (C)
B. Projects under construction, Total	6		7,543,482	1,921,016	25	
Projects \$1,000,000 and over, Total	3		5,391,814	521,247	10	
Illinois : Danville		Construct Learning Resource Ctr.	1,693,110	.....	...	September 1987 (A)
South Carolina : Columbia		Addition to Bldg. 9 (Research)	1,894,704	.....	...	September 1987 (A)
Texas : Dallas		Renovate B-3, Research	1,804,000	521,247	29	October 1987 (A)
Projects under \$1,000,000, Total	3		2,151,668	1,399,769	65	
C. Projects authorized—not under construction, Total	9		34,135,374	.....	...
Projects \$1,000,000 and over, Total	8		33,336,874	.....	...
California : Palo Alto (PAD)		Animal Research Operatory	1,655,000	.....	...
: Palo Alto (PAD)		Exp. Rehab. Engr. & Res. Ctr. (PH3)	1,269,000	.....	...
Idaho : Boise		Construct Research Facility	1,569,874	.....	...
Illinois : Hines		New Animal Research Bldg.	1,477,000	.....	...
New Jersey : East Orange		Reloc./Consol. Research, Expnd Clin. Lab.	3,107,000	.....	...
New York : Buffalo		Research Bldg/Clinical Expansion	14,518,000	.....	...
Oklahoma : Oklahoma City		Expand Animal Facility	1,500,000	.....	...
Vermont : White River		Research & Education Bldg.	8,241,000	.....	...
Projects under \$1,000,000, Total	1		798,500	.....	...

¹ Projects included when approved for development by the Administrator or when there has been an appropriation of funds available for financing all or part of the project.

² Construction anticipated, issued, or awarded, including contingencies.

³ Based on general construction only.

TABLE 43

CONSTRUCTION

*Other Improvement Construction Projects,¹ Fiscal Year 1987
Completions and Year End Status*

Location		Description	Estimated Construction Cost ²	Value of Work in Place	Percent Complete ³	Date Construction Completed (C) or Contract Awarded (A)	
TOTAL		857 Projects	\$1,638,715,713	\$571,688,601	35		
A. Projects completed, Total		138 Projects	168,180,883	168,180,883	100		
Alabama	Birmingham	Enclose 9-West Porch	120,900	(C)	100	October	1987 (C)
	Montgomery	Refurbish Ground Flr. Bldg. 4	227,115	(C)	100	November	1986 (C)
	Tuscaloosa	Emergency Electrical Sys. Revision	263,001	(C)	100	November	1986 (C)
Arkansas	Tuscaloosa	Install Sprinkler/Smoke Det. Bldg. 61	179,157	(C)	100	July	1987 (C)
	Tuskegee	Replace Bed Building #62	9,524,970	(C)	100	July	1987 (C)
	Fayetteville	Energy Control System	204,308	(C)	100	June	1987 (C)
Arizona	Fayetteville	Construct Storage Building	273,883	(C)	100	March	1987 (C)
	Fayetteville	Replace Telephone System	325,812	(C)	100	May	1987 (C)
	Little Rock	Const. Covered Walk-Bldg. 170 to 76	402,711	(C)	100	July	1987 (C)
California	Little Rock	Renovate Bldg. 68 Educ. (PH II)	468,600	(C)	100	July	1987 (C)
	Phoenix	Laundry Addition	142,782	(C)	100	September	1987 (C)
	Phoenix	Additional Parking Spaces	146,557	(C)	100	December	1986 (C)
Colorado	Prescott	Dietetic Bldg. Alterations	490,469	(C)	100	June	1987 (C)
	Tucson	Clin. Add. for Lab., Surg., Pad, Etc.	12,712,592	(C)	100	October	1987 (C)
	Tucson	Add Canteen and Mail Bldg. 1A	354,438	(C)	100	October	1986 (C)
Connecticut	Tucson	Add Remote Energy Control Pts.	215,141	(C)	100	May	1987 (C)
	Fresno	Clinical Addition	4,512,350	(C)	100	July	1987 (C)
	Fresno	Clin. Add. (Asbestos Abatement)	46,041	(C)	100	July	1987 (C)
Delaware	Fresno	Expand Microbiology	176,572	(C)	100	October	1986 (C)
	Fresno	Remodel Kitchen	437,893	(C)	100	April	1987 (C)
	Fresno	Renovate 16 Bed Rooms	349,761	(C)	100	April	1987 (C)
Florida	Livermore	Remodel Vacated Pharm. Spc. for Lab.	377,686	(C)	100	March	1987 (C)
	Loma Linda	Renovate Ward 3SE	166,784	(C)	100	November	1986 (C)
	Long Beach	Relocate MICU, Building 126	1,414,480	(C)	100	September	1987 (C)
Georgia	Martinez	2nd, 3rd Flrs.-Educ./Admin. Bldg.	1,713,843	(C)	100	September	1987 (C)
	Palo Alto (PAD)	Surg Add. & Fire/Safety Imprv.	15,900,264	(C)	100	August	1987 (C)
	Palo Alto (PAD)	Correct Electrical Deficiencies	1,351,536	(C)	100	November	1986 (C)
Idaho	San Diego	Radiology Room 4-Site Prep.	161,836	(C)	100	September	1987 (C)
	San Francisco	Modernize Intensive Care Unit	1,351,341	(C)	100	February	1987 (C)
	Sepulveda	Convert Ward 3-6 to Administration	249,447	(C)	100	October	1986 (C)
Illinois	Sepulveda	Animal Research Expansion	401,730	(C)	100	April	1987 (C)
	Ft. Lyon	Patient Privacy, 5B North	428,719	(C)	100	March	1987 (C)
	Newington	Fire Protection Bldg. 1 & 2	221,760	(C)	100	October	1986 (C)
Indiana	Newington	Addition to Rooms	441,755	(C)	100	November	1986 (C)
	Wilmington	CAT Scanner Site Preparation	236,755	(C)	100	February	1987 (C)
	VA Central Office	Expansion Room A-75 VACO	414,594	(C)	100	May	1987 (C)
Iowa	Gainesville	Load Mgmt. Sys. & Variable Vol.	335,799	(C)	100	March	1987 (C)
	Lake City	Renovate Ward 8, Building 62	388,196	(C)	100	April	1987 (C)
	Miami	OP Add./Renov. & SCI Relocation	17,648,254	(C)	100	September	1987 (C)
Kansas	Tampa	Radiation Therapy Unit	4,228,946	(C)	100	May	1987 (C)
	Dublin	Renovate Wards - Building 17	1,330,619	(C)	100	October	1986 (C)
	Dublin	Relocate Nuclear Med. & Morgue	318,889	(C)	100	March	1987 (C)
Kentucky	Boise	Geothermal Injection Well	311,817	(C)	100	May	1987 (C)
	Chicago (Lakeside)	Ward Fire & Smoke Dampers	239,794	(C)	100	February	1987 (C)
	Hines	Install Elevator, Bldg. 12-Handicap	148,426	(C)	100	April	1987 (C)
Louisiana	Marion	Renovate & Expand Warehouse, Bldg.-16	376,858	(C)	100	April	1987 (C)
	Indianapolis (TSD)	Replace X-Ray	147,900	(C)	100	July	1987 (C)
	Marion	Upgrade Basement Building 12	380,026	(C)	100	October	1986 (C)
Maine	Marion	Replace Greenhouse	431,873	(C)	100	October	1986 (C)
	Des Moines	Remove Handicapped Barriers	252,335	(C)	100	December	1986 (C)
	Iowa City	Expand Warehouse	319,684	(C)	100	December	1986 (C)
Maryland	Iowa City	Relocate Cardiac Cath.	348,825	(C)	100	March	1987 (C)
	Iowa City	Isolation, Female & Quiet Rm. (PH I)	129,184	(C)	100	December	1986 (C)
	Iowa City	Relocate CYSTO Room	234,330	(C)	100	April	1987 (C)
Massachusetts	Iowa City	Relocate Research LAB	551,599	(C)	100	May	1987 (C)
	Knoxville	Handicap Imprv. Bldg. 81, 82, 85 (PH 3)	547,210	(C)	100	May	1987 (C)
	Knoxville	Erect Showers, Bldg. 74	74,254	(C)	100	December	1986 (C)
Michigan	Topeka	Energy Mgmt. System Bldg. 40	416,181	(C)	100	April	1987 (C)
	Lexington	Add Election Buildings 2 & 16	375,372	(C)	100	July	1987 (C)
	Lexington	Fire Exit Stairwell, Bldg. 5	155,291	(C)	100	July	1987 (C)
Minnesota	Lexington	Renovate Floor 2, Building 1	1,174,956	(C)	100	July	1987 (C)
	New Orleans	Renovate MICU/CCU	1,070,172	(C)	100	June	1987 (C)
	Togus	Renovate 1st Floor, Bldg. 205	406,155	(C)	100	May	1987 (C)
Mississippi	Baltimore	Renovate OR	142,779	(C)	100	March	1987 (C)
	Perry Point	New Laundry Building	3,124,424	(C)	100	March	1987 (C)
	Boston	Renovate Animal Holding Facility	391,284	(C)	100	November	1986 (C)
Montgomery	Brockton	Fire and Safety Improvements	1,468,015	(C)	100	December	1986 (C)
	Brockton	ADP Site Prep. at West Roxbury	299,608	(C)	100	November	1986 (C)
	Brockton	Renovate Building 46 (Research)	271,690	(C)	100	July	1987 (C)
New York	Brockton	Install CAT Scanner	169,323	(C)	100	October	1986 (C)
	Northampton	Enclose Walkways	1,879,774	(C)	100	November	1986 (C)
	Allen Park	Install Linear Accelerator	150,913	(C)	100	August	1987 (C)
North Carolina	Allen Park	Consolidate & Exp. Neurology (DOMINO)	177,225	(C)	100	July	1987 (C)
	Allen Park	Renovate Surgery Locker/Lounge	375,750	(C)	100	December	1986 (C)
	Allen Park	Update Animal Lab	406,247	(C)	100	August	1987 (C)
Ohio	Ann Arbor	Psych Ward Renovate 6th Floor	304,058	(C)	100	October	1986 (C)
	Ann Arbor	Psych Ward Renovation 7 East	323,958	(C)	100	April	1987 (C)
	Ann Arbor	Radiology Renovate & Equip. Replace	190,000	(C)	100	March	1987 (C)
Oregon	Saginaw	Clinical Expansion/Admin. Relocate	238,556	(C)	100	August	1987 (C)
	Saginaw	Nuclear Medicine Network	181,955	(C)	100	April	1987 (C)

See footnotes at end of table.

Other Improvement Construction Projects,¹ Fiscal Year 1987
Completions and Year End Status

Location	Description	Estimated Construction Cost ²	Value of Work in Place	Percent Complete ³	Date Construction Completed (C) or Contract Awarded (A)
Minnesota : St. Cloud	Renovate Wards 2nd Flr. Bldg. 51	1,320,159	(4)	100	April 1987 (C)
Missouri : Columbia	Relocate Audiology Svc. (DOMINO)	85,933	(4)	100	December 1986 (C)
: Columbia	Relocate Rehab. Medicine Service	313,184	(4)	100	March 1987 (C)
: Kansas City	Renovate Bldg. 3 for Day Hospital	468,063	(4)	100	June 1987 (C)
: Kansas City	VAMC ADP Equipment Installation	207,937	(4)	100	November 1986 (C)
Montana : Ft. Harrison	Pave Gravel Parking Lot	134,932	(4)	100	May 1987 (C)
Nevada : Reno	Renovate for CAT Scanner	185,299	(4)	100	January 1987 (C)
New Hampshire : Manchester	Relocate Radiology & Chapel	1,565,778	(4)	100	July 1987 (C)
New York : Bath	Renovate B-41 (Admin.)	376,950	(4)	100	April 1987 (C)
: Brooklyn	Patient Privacy B-1 8th & 11th Flrs.	394,700	(4)	100	October 1986 (C)
: Montrose	Emergency Generator	614,723	(4)	100	December 1986 (C)
: Montrose	Modernize Pulmonary Function, B#7	314,371	(4)	100	December 1986 (C)
: Montrose	Additional Elevator, Bldg. 14	312,976	(4)	100	December 1986 (C)
: New York	Renovate 14S, Prost., Ortho., Restor.	1,187,698	(4)	100	December 1986 (C)
: New York	Relocate Personnel Service	393,482	(4)	100	May 1987 (C)
North Carolina : Asheville	Renovate/Replace CV Lab. No. 2	340,731	(4)	100	March 1987 (C)
: Asheville	Energy Mgmt. & Heat Run-Around	1,842,218	(4)	100	June 1987 (C)
: Durham	Additional Elevators	2,729,628	(4)	100	June 1987 (C)
: Durham	Animal House Addition	464,251	(4)	100	January 1987 (C)
North Dakota : Fargo	Addition for Clinical Imprv.	12,759,602	(4)	100	September 1987 (C)
Ohio : Cincinnati	Trash Chute	357,169	(4)	100	November 1986 (C)
: Dayton	Consolidate Kitchen, Bldgs. 300 & 411	412,450	(4)	100	August 1987 (C)
: Dayton	CAT Scanner, Building 300	409,525	(4)	100	November 1986 (C)
Oklahoma : Oklahoma City	Consolidate Rehab. Medicine	402,648	(4)	100	November 1986 (C)
: Oklahoma City	Recreation Building	547,968	(4)	100	October 1986 (C)
Oregon : White City	Renovate B-205S	397,702	(4)	100	April 1987 (C)
: White City	Renovate Building 206N	421,154	(4)	100	September 1987 (C)
: White City	Renovate Bldg. 206S	384,441	(4)	100	August 1987 (C)
Pennsylvania : Butler	AOV, 4 West	938,088	(4)	100	February 1987 (C)
: Lebanon	Renovate Bathrooms Nurses Station	351,838	(4)	100	February 1987 (C)
: Philadelphia	Expand Clinical Lab. (2S)	210,494	(4)	100	March 1987 (C)
: Wilkes-Barre	Relocate Nuclear Medicine	1,345,380	(4)	100	May 1987 (C)
: Wilkes-Barre	CAT Scanner Installation	230,935	(4)	100	November 1986 (C)
Rhode Island : Providence	Emergency Generator	1,464,215	(4)	100	December 1986 (C)
: Providence	CAT Scanner	349,146	(4)	100	May 1987 (C)
South Carolina : Charleston	Core ADP Expansion	100,848	(4)	100	June 1987 (C)
South Dakota : Sioux Falls	Clinical & Support Svc. Addition	10,437,330	(4)	100	September 1987 (C)
Tennessee : Murfreesboro	Clinical Add./Alterations (PH 2)	10,540,972	(4)	100	November 1986 (C)
: Nashville	Correct F&S Defic. (1st Flr.)	367,904	(4)	100	October 1986 (C)
: Nashville	Correct F&S Defic. (Bsmt.)	245,816	(4)	100	October 1986 (C)
: Nashville	Install Smoke Dampers-Flrs. 2, 3, 4	320,263	(4)	100	December 1986 (C)
Texas : Bonham	Expand Equipment Storage Bldg. 20	248,584	(4)	100	November 1986 (C)
: Kerrville	Update 2nd Distr. & Essen. Electrical	1,571,872	(4)	100	May 1987 (C)
: Kerrville	Outpatient Service Elevator	338,722	(4)	100	September 1987 (C)
: San Antonio	Security Windows	303,713	(4)	100	November 1986 (C)
: Temple	Dietetic Expansion	980,709	(4)	100	January 1987 (C)
: Waco	Renovate Bldg. 12, Admin. & Ancil. Svc.	426,931	(4)	100	May 1987 (C)
: Waco	Renovate Laundry Building	297,027	(4)	100	May 1987 (C)
Vermont : White River	Install CAT Scanner	327,373	(4)	100	April 1987 (C)
Virginia : Hampton	Remodel Nursing Station, Bldg. 110	327,151	(4)	100	February 1987 (C)
: Hampton	Renovate for CAT in Radiology	221,347	(4)	100	January 1987 (C)
Washington : Spokane	Correct Vent. Defic., Bldg. 1 (PH 2)	297,709	(4)	100	January 1987 (C)
Wisconsin : Madison	Replace Incinerator	394,245	(4)	100	December 1986 (C)
: Tomah	Modernize Buildings 406 & 408	5,679,668	(4)	100	December 1986 (C)
: Tomah	Metal Storage Bldg. (Rd. & Ground Equip.)	204,193	(4)	100	March 1987 (C)
West Virginia : Clarksburg	Ward Renovation (3A)	1,197,847	(4)	100	July 1987 (C)
Wyoming : Cheyenne	Upgrade Telephone System	267,805	(4)	100	October 1986 (C)
: Sheridan	Renovate Bldg. 11 for Rooms	999	(4)	100	December 1986 (C)
B. Projects under construction, Total		396 Projects	823,939,210	403,507,718	49
Projects 1,000,000 and over, Total		102 Projects	719,722,824	349,228,268	49
Alabama : Tuscaloosa	Outpatient Addition	7,861,205	7,588,374	97	August 1983 (A)
California : Fresno	New Warehouse	1,690,584	1,115,556	66	October 1986 (A)
: Fresno	Reconstruct MCIU/CCU & Stepdown	1,849,000	.....	.....	September 1987 (A)
: Long Beach	Construct Supply Warehouse	2,979,840	.....	.....	June 1987 (A)
: Long Beach	Upgrade Secondary Electrical Distr.	4,638,000	.....	.....	September 1987 (A)
: Long Beach	120-Bed SCIU Addition	18,196,970	8,523,967	47	September 1986 (A)
: Palo Alto (PAD)	SCI Addition	14,493,675	3,985,945	28	November 1986 (A)
: San Diego	SCI Unit/SCI/OP Clinic	9,436,526	5,160,397	55	September 1986 (A)
: San Diego	Emergency Gen. & Conserv. of Energy	3,865,829	2,368,372	61	December 1986 (A)
Colorado : Grand Junction	Outpatient and Clinical Addition	8,573,322	5,563,107	65	September 1986 (A)
Dist. of Col. : Washington	Additional Sprinklers	1,313,000	25,980	2	August 1987 (A)
Florida : Gainesville	Install Diagnostic MRI	1,484,248	212,756	14	April 1987 (A)
: Miami	Smoke Control Sys. & Fire Alarm	1,595,000	89,000	6	July 1987 (A)
Idaho : Boise	Geothermal Conversion	3,427,163	826,311	24	March 1987 (A)

See footnotes at end of table.

TABLE 43—Continued

Other Improvement Construction Projects,¹ Fiscal Year 1987
Completions and Year End Status

CONSTRUCTION

Location		Description	Estimated Construction Cost ²	Value of Work in Place	Percent Complete ³	Date Construction Completed (C) or Contract Awarded (A)	
Illinois	Chicago (WS)	OP Add. & Renovate of Bldg. 11A & B	19,624,788	17,947,735	91	August	1984 (A)
	Chicago (WS)	Remodel Surgical Suite (OR)	1,864,679	1,376,396	74	September	1985 (A)
	Danville	Renovate Bldg. 14 for Admin. Use	2,775,017	2,186,489	79	July	1986 (A)
	Hines	New Warehouse/Service Bldg.	7,698,326	7,404,009	96	April	1985 (A)
	Hines	40 Bed Long Term SCI Unit	4,567,890			September	1987 (A)
	Hines	New Linear Acceleration Facility	1,624,280			June	1987 (A)
	Hines (DPC)	2nd Flr. Addition, Building 215	1,537,929			September	1987 (A)
	Marion	Dental/Medical Support	1,216,635	1,215,853	99	December	1985 (A)
	Marion	Expand Dietetics/SPD	1,577,920	190,589	12	April	1987 (A)
	Indianapolis	Warehouse/Laundry Consolidation	1,961,393	550,421	28	April	1987 (A)
Indiana	Indianapolis	Radiology Oncology Treatment Ctr.	1,903,594	935,103	49	March	1987 (A)
	Marion	Phone System Modernization	1,603,969	1,281,975	80	September	1986 (A)
	Marion	Addition to Laundry	1,312,167	965,380	74	November	1986 (A)
Iowa	Iowa City	Ambulatory Care/Clin. Add. (PH 2)	18,787,700	5,600,862	30	September	1986 (A)
	Knoxville	Fire & Safety Improvements	1,810,535			September	1987 (A)
Kansas	Topeka	F/S, Pat. Privacy & Elec. Imprvs.	15,426,015	4,400,429	29	December	1986 (A)
Kentucky	Lexington (UD)	F/S Imprv. (Deaden Corridor)	1,001,000			July	1987 (A)
	Lexington (UD)	Clinical Addition	26,635,925	8,671,245	33	July	1986 (A)
	Louisville	Clinical & Education Addition	10,864,244	6,562,208	60	August	1986 (A)
Louisiana	Louisville	Correct Exit Defic. Building 1	1,075,944	901,506	84	September	1986 (A)
	Alexandria	Clinical Improvement	20,636,085	10,230,674	50	September	1986 (A)
	New Orleans	Renovate Kitchen	1,021,072	308,840	30	August	1985 (A)
Maine	Shreveport	Ambulatory Care Bldg./Linear Accel.	10,804,174	10,480,737	97	September	1985 (A)
	Togus	Building 207 East Wing	1,016,181	976,665	96	June	1986 (A)
Maryland	Perry Point	Elevator Bldg. 11, 13-15, 22, 80 & 82	1,553,897	1,418,868	91	September	1985 (A)
Massachusetts	Boston	F/S Improvements: Sprinklers	3,350,241			September	1987 (A)
	Boston	MRI Suite	1,535,813	1,477,416	96	June	1986 (A)
	Brockton	Modernize Buildings 2 & 7	18,983,241	7,807,234	41	September	1985 (A)
Michigan	Brockton (WR)	OPC Add., Research & Educ. Admin. Svc.	35,863,155	10,483,619	29	September	1986 (A)
	Allen Park	Install Sprinklers-Pat. Areas	1,576,220	1,166,725	74	September	1986 (A)
	Iron Mountain	Sprinkler Hazard Areas, Bldg. 1	1,393,633	1,321,796	95	March	1986 (A)
Minnesota	St. Cloud	Renovate Wards 1st Floor B-50	1,229,504	781,760	64	April	1987 (A)
Mississippi	Jackson	Install Sprinklers	1,551,019			September	1987 (A)
Missouri	St. Louis (JB)	Clin Add./Wd. Renovate/New Amb. Care	24,951,933	21,664,615	87	July	1983 (A)
	St. Louis (JB)	Remodel Ward 6N	1,161,018	822,310	71	September	1986 (A)
	St. Louis (JB)	Laundry Replacement	1,897,000			September	1987 (A)
Nebraska	Grand Island	F&S Improvements, HVAC	4,544,536	2,954,407	65	April	1986 (A)
	Omaha	Outpatient Clinical Addition	10,996,887	10,759,098	98	December	1984 (A)
	Omaha	Corr. Elec. Fire/Safety Defic.	3,366,479			July	1987 (A)
New Jersey	East Orange	Improve and Correct Envir. DEF	28,970,344	25,258,809	87	August	1983 (A)
	Lyons	Fire and Safety Improvements	4,134,000			September	1987 (A)
New York	Bath	Renovate Building 78, NHCU	5,622,183	5,474,941	97	August	1985 (A)
	Brooklyn	Telephone Sys. Replic. Site Prep.	1,464,476	513,891	35	August	1987 (A)
	Buffalo	Fire and Safety Improvements	4,138,724	4,130,448	99	September	1984 (A)
	Castle Point	Building Addition	7,779,623	3,352,853	43	August	1986 (A)
	Montrose	Additional Elevators, (PH 2)	1,057,000			June	1987 (A)
	Northport	10 Bed SICU	1,849,887	952,584	51	March	1986 (A)
North Carolina	Syracuse	F&S, Pat. Privacy & Sup. Sys. & HVAC	27,405,588	18,327,345	67	June	1985 (A)
	Durham	Boiler Plant Replacement	2,860,661	400,052	14	September	1986 (A)
	Fayetteville	Clinical Addition	10,399,613	10,137,226	97	July	1985 (A)
	Salisbury	Geropsychiatric Building	15,544,000			September	1987 (A)
	Salisbury	F/S Imprv. (Standpipes & Fire Pmps.)	1,771,956	615,701	35	November	1986 (A)
	Chillicothe	Renovate Building 1 (PH 3)	4,166,824	2,842,178	68	September	1986 (A)
Ohio	Cincinnati	Remodel Morgue, Loading Dock	1,268,816	1,248,294	98	June	1986 (A)
	Cincinnati	Renovate 8th Floor, Psych Ward	1,428,202	956,182	67	August	1986 (A)
	Cleveland (B)	Replace Fire Alarm System	1,088,922	1,055,359	97	September	1983 (A)
	Cleveland (B)	Clinical Imprv. & Reloc. Surg. Svc.	8,159,800			September	1987 (A)
	Dayton	Fire and Safety Various Bldgs.	1,287,000			July	1987 (A)
Pennsylvania	Altoona	Ambulatory Care Addition	8,397,000	7,913,524	94	September	1984 (A)
	Coatesville	Fire and Safety Improvements	9,819,144	1,933,076	20	June	1986 (A)
	Coatesville	Air Conditioning-Remaining Wk.	2,938,786	1,727,102	59	June	1986 (A)
	Erie	Construct Warehouse/Prime Elec.	1,875,000			August	1987 (A)
	Philadelphia	Sprinkler Hosp. Bldg. (034APF)	1,323,714			September	1987 (A)
	Pittsburgh (HD)	Mod. HVAC, F/Smoke Det. & Sec. Elec.	27,596,162	10,732,531	39	September	1986 (A)
	Pittsburgh (UD)	Outpatient Clinic Addition	20,918,868	19,249,104	92	September	1984 (A)
	Wilkes-Barre	Alcohol Treatment Unit	1,211,008			September	1987 (A)
South Carolina	Charleston	Clinical Services Add. & Renov.	67,983,787	7,110,825	10	July	1985 (A)
South Dakota	Hot Springs	Renovate Dietetics, Bldg. 53 (PH 1)	1,285,833			September	1987 (A)
Tennessee	Murfreesboro	Life Safety Code Deficiencies	1,295,100			September	1987 (A)
Texas	Amarillo	Addition & Renovation of Clin. Sup.	17,333,309	16,206,945	94	December	1985 (A)
	Bonham	Const. Central Air Condition Plant	1,318,956			September	1987 (A)
	Dallas	Upgrade Primary Electrical Dist. Sys.	2,793,877	2,648,596	95	September	1986 (A)
	Dallas	Fire and Safety Improvements	1,512,000	356,913	24	January	1985 (A)
	San Antonio	Supply Warehouse and SPD	3,703,649	3,677,817	99	September	1985 (A)
	Temple	Clinical Expansion & Reloc. Sup. Facil.	12,901,914	12,752,667	99	June	1983 (A)
	Waco	New Dietetics Building	4,229,977	832,136	20	August	1986 (A)
	Waco	Telephone System Replacement	1,060,000	27,063	3	August	1985 (A)
	Waco	Renovate Buildings 10 & 90	7,599,930			September	1987 (A)
Utah	Salt Lake City	Expand Radiology	1,589,000			September	1987 (A)
	Salt Lake City	MRI Addition	1,069,000			September	1987 (A)

See footnotes at end of table.

Other Improvement Construction Projects,¹ Fiscal Year 1987
Completions and Year End Status

Location		Description	Estimated Construction Cost ²	Value of Work in Place	Percent Complete ³	Date Construction Completed (C) or Contract Awarded (A)	
Virginia	: Hampton	Fire and Safety Improvements	4,247,058	890,104	21	September	1986 (A)
	: Hampton	Electrical System Modernization	1,501,466	.....	...	September	1987 (A)
	: Richmond	Linear Accelerator	1,500,642	1,029,561	69	September	1986 (A)
Washington	: American Lake	Laundry Replacement	2,600,000	.....	...	September	1987 (A)
	: Spokane	Add HVAC Plant	1,330,000	.....	...	September	1987 (A)
West Virginia	: Clarksburg	Clinical Add. & Alterations	21,922,669	8,174,929	37	September	1986 (A)
Wisconsin	: Milwaukee (Wood)	Correct Elec. Defic./Prm. Pow (Dom. Area)	1,630,000	.....	...	September	1987 (A)
	: Milwaukee (Wood)	Telephone System Replc. Site Prep.	1,130,956	394,783	35	April	1987 (A)
Projects under 1,000,000, Total			294 Projects	104,216,386	54,279,450	52	
C. Projects authorized—not under construction, Total			323 Projects	646,595,620	.....	...
Projects 1,000,000 and over, Total			121 Projects	567,006,968	.....	...
Alabama	: Montgomery	Outpatient and Ward Renovation	23,114,000	.....	...
	: Tuskegee	Correct Fire Deficiencies	1,375,000	.....	...
	: Tuskegee	Correct Handicapped Barriers	1,461,000	.....	...
	: Tuskegee	Fire and Safety Improvements	1,318,000	.....	...
	: Tuskegee	Fire and Safety Improvements	1,737,000	.....	...
Arizona	: Phoenix	Remodel Building 21	1,130,000	.....	...
California	: Livermore	F/S Imprv., 1 Svc. Elev, Exp. Amb. Care	12,331,000	.....	...
	: Livermore	Widen Bridge & Entrance Road	1,140,002	.....	...
	: Long Beach	Correct Fire Protection Defic.	1,574,000	.....	...
	: Long Beach	Relocate/Consol. Hemodi. 5N Bldg. 126	1,176,000	.....	...
	: Los Angeles	Outpatient Clinic Building	39,100,000	.....	...
	: Palo Alto (MPD)	Correct Fire & Safety Defic.	1,428,552	.....	...
	: San Diego	Non-Structural Seismic Corr.	5,030,000	.....	...
	: San Diego	Fire and Safety Improvements	1,335,000	.....	...
	: San Diego	Remodel MICU/CCU	1,385,600	.....	...
	: San Francisco	Non-Structural Seismic Defic.	1,488,512	.....	...
	: San Francisco	Nuclear Magnetic Resonance	1,335,147	.....	...
	: Sepulveda	Psych Outpatient Building 4	1,516,000	.....	...
	: West Los Angeles	Bldg. 300 Flr. 2N Remod. Canteen	1,546,000	.....	...
Colorado	: Ft. Lyon	Patient Privacy, 4B	1,082,800	.....	...
Connecticut	: West Haven	Fire and Safety Improvements	5,813,000	.....	...
	: West Haven	Telephone Conduit System	1,348,900	.....	...
Delaware	: Wilmington	Patient Privacy	1,117,000	.....	...
	: Wilmington	Renovation of Dietetics	1,179,094	.....	...
Dist. of Col.	: Washington	Enclose C Roof	1,343,300	.....	...
Florida	: Miami	Renovate MICU/CCU	1,583,000	.....	...
	: Miami	Elevated Parking Structure	1,470,000	.....	...
Georgia	: Dublin	Patient Privacy, Bldg. 13	1,593,400	.....	...
Illinois	: Chicago (LS)	Modernization Wards 11th Flr.	1,100,000	.....	...
	: Chicago (WS)	Fire & Safety/Pat. Priv. Imprv.	5,136,000	.....	...
	: Chicago (WS)	Renov. Bldgs. 11A & 11B (PH II)	14,672,000	.....	...
	: Danville	Reloc. Amb. Cr., Nuc. Med. & Rad. Ste.	1,554,000	.....	...
	: Hines	180 Bed Psychiatric Replc. Fac.	21,693,000	.....	...
	: Hines	Install Smoke Dmprs., Bldgs. 12 & 200	1,400,000	.....	...
	: Hines	Renovate Bldg. 200 PH 1 Lab. Svc.	1,135,900	.....	...
	: Marion	Correct Seismic Deficiencies	4,822,000	.....	...
Indiana	: Indianapolis	Backfill, Alter., New Wing Add.	1,741,000	.....	...
	: Indianapolis (TSD)	F & S Improvement (WT & CS)	6,898,000	.....	...
	: Marion	Correct Electrical Defic. (PH 3)	1,641,284	.....	...
Iowa	: Knoxville	Prv. Connect Corrdrs. (W. Campus)	1,501,500	.....	...
Kansas	: Wichita	Construct Regional Office	4,224,000	.....	...
Kentucky	: Lexington (LD)	Renovate Kitchen Bldg. 3	1,233,000	.....	...
Louisiana	: New Orleans	Renovate 3rd Flr. Pat. Rms. (East)	1,640,000	.....	...
Maine	: Togus	Clinical Improvements, Bldg. 200	25,121,000	.....	...
Maryland	: Fort Howard	Multi-Purpose Building	1,461,100	.....	...
	: Fort Howard	Renovate 1st & 2nd Flrs. Bldg. 6	1,122,078	.....	...
Massachusetts	: Boston	Raceway Sys., Low Voltage Wire	1,068,000	.....	...
	: Northampton	Replace Telephone System	1,421,000	.....	...
Michigan	: Ann Arbor	Linear Accelerator	1,663,594	.....	...
Minnesota	: St. Cloud	Renovate Wards 1st Flr. Bldg. 50	1,164,000	.....	...
Missouri	: Kansas City	Renovate Dietetics (Incl. HVAC)	1,381,200	.....	...
	: Poplar Bluff	Electrical Distr. System Imprv.	1,578,000	.....	...
	: St. Louis (JB)	Energy Recovery System	1,285,000	.....	...
	: St. Louis (JB)	Renovate Ward 4N Building 1	1,170,000	.....	...
	: St. Louis (JB)	Renovate Ward 7B	1,033,000	.....	...
	: St. Louis (JB)	Remodel 1st Flr. Center & West	1,382,000	.....	...
	: St. Louis (JB)	Seismic Corrections	12,613,000	.....	...
	: St. Louis (JB)	Remodel Building #53	7,653,000	.....	...
Mississippi	: Jackson	Renovate Electrical System	1,363,008	.....	...
	: Jackson	Clinical Addition	32,732,000	.....	...
	: Jackson	Upgrade Electrical Distr. System	1,629,000	.....	...
Montana	: Fort Harrison	Renovate Ward 3	1,021,277	.....	...
	: Miles City	Remodel Ward 4	1,141,894	.....	...
New Hampshire	: Manchester	Clinical Upgrade & Warehouse Bldg.	1,076,726	.....	...
New Jersey	: East Orange	Upgrade MICU	1,200,000	.....	...
	: Lyons	Renovate Bldg. 4-Intermediate Care	2,934,000	.....	...
	: Lyons	Renovate Bldg. 7 & 57	10,875,000	.....	...

See footnotes at end of table.

*Other Improvement Construction Projects, ¹ Fiscal Year 1987
Completions and Year End Status*

Location		Description	Estimated Construction Cost ²	Value of Work in Place	Percent Complete ³	Date Construction Completed (C) or Contract Awarded (A)
New Mexico	: Albuquerque	Renovations - Bldg. 4	1,319,500	.....	...
New York	: Albany	Modify Wards	20,202,000	.....	...
	: Albany	Install Sprinkler System	1,645,300	.....	...
	: Albany	Renovate 1C Clinics	1,220,000	.....	...
	: Albany	Renovate 1D Admitting	1,393,074	.....	...
	: Albany	Renovate Chemistry Lab.	1,533,953	.....	...
	: Albany	Telephone Site Preparation	1,284,850	.....	...
	: Bronx	Therapeutic Pool Addition	1,072,000	.....	...
	: Brooklyn	Centralized Tray Service	1,733,000	.....	...
	: Brooklyn	Renov. Wards (8W & 13W) Bldg. 1	1,468,085	.....	...
	: Brooklyn (SA)	Mod. Kitchen & Sat. Dining Areas	3,746,000	.....	...
	: Buffalo	Remodel Main Kitchen	1,652,523	.....	...
	: Canandaigua	Total Sprinkler System	1,506,970	.....	...
	: Montrose	Patient Privacy Building 4	1,274,000	.....	...
	: Montrose	Emergency Generators	1,959,000	.....	...
North Carolina	: Asheville	Dietetic Kitchen Renovation	1,442,415	.....	...
	: Durham	Clinical Add/F&S in Wings	27,787,000	.....	...
Ohio	: Cleveland (B)	Fire and Safety Improvements	2,218,000	.....	...
	: Cleveland (WP)	Fire and Safety Improvements	4,426,000	.....	...
	: Dayton	Steam Sys. to Bldgs. 307, 310, 315, & 143	1,570,802	.....	...
	: Dayton	Linear Accelerator & Cat Scan	1,034,000	.....	...
	: Dayton	12KV Distribution System	1,563,000	.....	...
Oklahoma	: Oklahoma City	Renovate 3 Wards - PH 1	1,700,000	.....	...
	: Oklahoma City	Renovate 3 Wards - PH 2	1,674,000	.....	...
	: Oklahoma City	Fully Sprinkler Bldg. 1	1,198,403	.....	...
Pennsylvania	: Altoona	Warehouse Building	1,347,500	.....	...
	: Coatesville	New Kitchen and Dining Hall	6,299,000	.....	...
	: Pittsburgh (UD)	Dead Corridor, Pat. Prv. & Bthrms.	1,656,000	.....	...
	: Pittsburgh (UD)	Radiation Therapy Suite (UD)	1,402,800	.....	...
	: Pittsburgh	Add Smoke Dampers, Sprinklers	1,709,800	.....	...
Rhode Island	: Providence	Renovate Ward 4A	1,823,000	.....	...
South Carolina	: Columbia	Vertical Extension, 4th Flr., S.	1,668,000	.....	...
South Dakota	: Ft. Meade	Medical Support Service Exp.	1,365,000	.....	...
	: Ft. Meade	Renovate Surgical Suite	1,273,000	.....	...
	: Hot Springs	Renovate E Wing B-12, Grnd. & 1st Flr.	1,553,000	.....	...
Texas	: Dallas	Expand Laundry for NHCU	1,425,108	.....	...
	: Dallas	Expand Cobalt Therapy	1,572,400	.....	...
	: Temple	Main Kitchen Renovation	1,349,581	.....	...
	: Waco	Renovate Buildings 91 and 92	11,624,000	.....	...
	: Waco	Renovate Bldgs. 91 & 92 (PH 1)	1,000,000	.....	...
Utah	: Salt Lake City	Egress Improvements	1,484,649	.....	...
	: Salt Lake City	F&S Improvements (Sprinklers)	1,095,950	.....	...
	: Salt Lake City	Patient Privacy, Building 3	1,590,698	.....	...
	: Salt Lake City	Electrical Improvements	3,023,582	.....	...
Virginia	: Salem	OP Clinic, Nursing Unit (PH 1A)	47,796,000	.....	...
	: Salem	OP Clinic, Nursing Unit (PH 1B)	10,036,000	.....	...
Washington	: American Lake	New Rehab. Med. Facility	1,150,000	.....	...
West Virginia	: Clarksburg	Ward Renovation (4A)	1,349,000	.....	...
	: Huntington	Clinical Improvement Add. (PH 2)	37,266,000	.....	...
	: Martinsburg	Water Treatment Plant (Comp. Items)	1,215,157	.....	...
Wisconsin	: Milwaukee (Wood)	Fire and Safety Improvements	6,524,000	.....	...
	: Tomah	Modernize Buildings 403 & 404	5,262,000	.....	...
Wyoming	: Cheyenne	Expand & Renov. B-1 for Clin. Func.	12,882,000	.....	...
	: Sheridan	Outpatient Clinic Addition	9,108,000	.....	...
Projects under 1,000,000, Total			202 Projects	79,588,652	.....	...

¹ Projects included when approved for development by the Administrator or when there has been an appropriation of funds available for financing all or part of the project.

² Construction anticipated, issued, or awarded, including contingencies.

³ Based on general construction only.

⁴ Same as value of construction issued or awarded when project is physically and/or financially complete.

National Cemetery Projects¹—¹ Completions and Year End Status—Fiscal Year 1987

Location	Number of Projects	Description	Estimated Construction Cost ²	Value of Work in Place	Percent Complete ³	Date Construction Completed (C) or Contract Awarded (A)
Total	85		\$38,802,435	\$15,532,706	40	
A. Projects completed, Total	25		4,480,508	4,480,508	100	
Alabama : Ft. Mitchell National		Develop 50 Acres/Admin & Svc Bldg	2,585,395	2,585,395	100	February 1987 (C)
California : Riverside National		Interment Shelter Drain	13,425	13,425	100	April 1987 (C)
California : Riverside National		Install Flow Meters	8,230	8,230	100	January 1987 (C)
California : San Francisco National		Hand Access RRMS/Shwr. Emp. Toilet	65,009	65,009	100	August 1987 (C)
California : San Francisco National		Install Additional Drainage	6,190	6,190	100	April 1987 (C)
Colorado : Ft. Logan National		Const. Omaha, Denver DR,R/W & Lndscp.	94,695	94,695	100	December 1986 (C)
Florida : Bay Pines National		Construct Road	25,460	25,460	100	November 1986 (C)
Indiana : Marion National		Asbestos Removal - Storage Bldg. #3001	1,375	1,375	100	May 1987 (C)
Kansas : Leavenworth National		Service Building Door & Drive Thru	12,866	12,866	100	February 1987 (C)
Maryland : Annapolis National		Fencing	11,900	11,900	100	December 1986 (C)
Massachusetts : Massachusetts National		Asbestos Removal	186,000	186,000	100	December 1986 (C)
Mississippi : Corinth National		Asbestos Removal - Lodge & Svc. Bldg.	14,316	14,316	100	October 1986 (C)
Nebraska : Ft. McPherson Nati		Asbestos Removal - Svc. & Lodge Bldgs.	10,775	10,775	100	October 1986 (C)
New Jersey : Finn's Point National		Asbestos Removal	3,724	3,724	100	January 1987 (C)
New York : Long Island National		Lawn Irrigation System	946,625	946,625	100	May 1987 (C)
North Carolina : Raleigh National		Asbestos Removal - Lodge	10,469	10,469	100	February 1987 (C)
Oregon : Willamette National		Asbestos Removal - Lodge	8,025	8,025	100	October 1986 (C)
Oregon : Willamette National		Asbestos Removal & Energy Conservation	54,948	54,948	100	January 1987 (C)
Tennessee : Knoxville National		Tree Work and Landscaping	38,322	38,322	100	October 1986 (C)
Tennessee : Knoxville National		Renovate Maintenance Building	98,840	98,840	100	February 1987 (C)
Tennessee : Memphis National		Asbestos Removal - Service Bldg	11,599	11,599	100	October 1986 (C)
Tennessee : Memphis National		Re-Roof Admin./Maint. Bldg	18,070	18,070	100	August 1987 (C)
Virginia : Nashville National		Repair Stone Wall	68,750	68,750	100	May 1987 (C)
Virginia : Winchester National		New Drainage Installation	8,772	8,772	100	October 1986 (C)
Wisconsin : Milwaukee National		Road Work	176,728	176,728	100	March 1987 (C)
B. Projects under construction, Total	25		18,250,373	11,052,198	61	
Projects \$1,000,000 and over, Total	5		14,807,982	8,803,756	59	
California : Riverside National		Develop 40,000 Gravesites & Additional Facilities	4,021,729	2,299,204	57	April 1987 (A)
Colorado : Ft. Logan National		Adm. Bldg./Entrance/Gate & Dr.	1,077,313	1,018,837	95	February 1986 (A)
Florida : Florida National		Initial Gravesite Development	5,253,164	2,383,512	45	January 1987 (A)
Minnesota : Ft. Snelling National		Administration & Svc. Bldg.	3,278,646	2,101,682	64	September 1986 (A)
West Virginia : West Virginia National		Gravesite Dev. & Add'l Facilities	1,177,130	1,000,521	85	August 1986 (A)
Projects under \$1,000,000, Total	20		3,442,391	2,248,442	65	
C. Projects authorized - not under construction, Total	35		16,071,554			
Projects \$1,000,000 and over, Total	8		11,465,852			
Colorado : Ft. Logan National		New Service Building Complex	1,189,852			
Hawaii : National Memorial		Overlook, Adm. Bldg., Vehicle Storage	2,387,000			
Kansas : Leavenworth National		Roads, Drainage, Gravesites	1,420,000			
New York : Long Island National		Grounds Renovation	1,000,000			
Tennessee : Chattanooga National		Administration Bldg. & Rd. Reloc.	1,530,000			
Texas : Houston National		Hemicycle Committal Shelter	1,639,000			
West Virginia : West Virginia National		Administration/Maintenance Bldg.	1,100,000			
Wisconsin : Milwaukee National		Administration/Service Building	1,200,000			
Projects under \$1,000,000, Total	27		4,605,702			

¹ Projects included when approved for development by the Administrator or when there has been an appropriation of funds available for financing all or part of the project.

² Construction anticipated, issued, or awarded, including contingencies.

³ Based on general construction only.

TABLE 45

CONSTRUCTION

Domiciliary Construction Projects¹—Completions and Year End Status—Fiscal Year 1987

Location	Number of Projects	Number of Beds	Estimated Construction Cost ²	Value of Work in Place	Percent Complete ³	Date Construction Completed (C) or Contract Awarded (A)
Total	4	1,100	\$38,742,272	\$11,082,166	29	September 1987 (C)
A. Projects completed, Total	1	200	9,164,818	9,164,818	100	
Virginia : Hampton .....	...	200	9,164,818	9,164,818	100	
B. Projects under construction, Total	3	900	29,577,454	1,917,348	6	September 1987 (A) September 1986 (A) August 1987 (A)
Projects \$1,000,000 and over	3	900	29,577,454	1,917,348	6	
California : West Los Angeles .....	...	300	10,500,000	.....	...
Texas : Temple .....	...	408	13,729,979	1,917,348	14	
Wisconsin : Milwaukee .....	...	192	5,347,475	.....	...
C. Projects authorized - not under construction, Total .....	...	...	.....	.....	...

¹ Projects included when approved for development by the Administrator or when there has been an appropriation of funds available for financing all or part of the project.

² Construction anticipated, issued, or awarded, including contingencies.

³ Based on general construction only.

National Cemeteries—Location, Interments, and Status of Gravesites
September 30, 1987

National Cemetery	FY 1987 Interments	Gravesites			Available Sites		Close-out Date (Fiscal Year) ⁴
		Used Cumulative ¹	Reserved	Set-Aside (Adjacent)	Cremain ²	Casket ³	
Total	53,665	1,684,011	58,518	38,762	51,111	325,245	
Alexandria, LA	139	6,880	139		39	622	1992
Alexandria, VA	1	4,064	23		73	1	Closed
Alton, IL		504	34		7	6	Closed
Annapolis, MD	3	2,927	28			2	Closed
Balls Bluff, VA		25					Closed
Baltimore, MD	337	34,730	2,778		674	35	Closed
Barrancas, FL	608	15,979	545	1,283	363	1,207	2006
Bath, NY	143	9,644			67	3,554	2013
Baton Rouge, LA	9	5,036	44		2	1	Closed
Bay Pines, FL	1,115	7,395		1,116	939	2	Closed
Beaufort, SC	184	12,483	161		105	4,056	2013
Beverly, NJ	357	37,664	3,333		45		Closed
Biloxi, MS	392	4,471	506	627	247	1,397	1992
Black Hills, SD	436	8,275	398		568	12,915	2030+
Calverton, NY	6,803	55,552		18,779	5,034	34,745	2030+
Camp Butler, IL	354	10,116	258		72	6,463	2017
Camp Nelson, KY	206	7,045	59		216	1,950	2013
Cave Hill, KY	1	5,635	3		12	18	Closed
Chattanooga, TN	565	26,910	468		31	14,379	2020
City Point, VA	13	5,513	73		12		Closed
Cold Harbor, VA		971					Closed
Corinth, MS	33	6,397	17		39	9,494	2030+
Crown Hill, IN		795					Closed
Culpeper, VA	132	5,802	4		32	2,856	2015
Cypress Hills, NY	25	18,570	54		49	30	Closed
Danville, IL	106	6,842			262	8,172	2030+
Danville, KY		393	1		9	2	Closed
Danville, VA	3	2,155	25		27		Closed
Dayton, OH	527	28,164	1		99	5,015	1998
Eagle Point, OR	249	2,814			123	1,089	2030+
Fayetteville, AR	106	3,960	85		46	225	1991
Finn's Point, NJ	1	2,704	2		150		Closed
Florence, SC	117	5,055	57		16	1,098	1997
Florida, FL ⁶							*
Fort Bayard, NM	71	2,101			31	2,512	2030+
Fort Bliss, TX	921	19,769	1,087		297	13,507	2006
Fort Custer, MI	498	2,275	22	588	850	6,870	2030+
Fort Gibson, OK	305	9,024	104		230	1,094	2006
Fort Harrison, VA	4	1,113	2				Closed
Fort Leavenworth, KS ⁵							Closed
Fort Logan, CO	1,836	34,175	637		788	4,485	2030+
Fort Lyon, CO	34	1,102			1	1,051	2030+
Fort McPherson, NE	142	4,244	65		416	1,270	2022
Fort Meade, SD		188					Closed
Fort Mitchell, AL	66	64			16	6,017	2030+
Fort Richardson, AK	93	1,588			267	1,119	2030+
Fort Rosecrans, CA	1,171	47,556	1,951		520	35	Closed
Fort Sam Houston, TX	2,258	49,484	2,753		1	14,274	1999
Fort Scott, KS	67	3,422	80	96	14	3,553	2030+
Fort Smith, AR	213	6,543	188		81	1,944	1998
Fort Snelling, MN	3,242	87,736	11,661	4,622	4,194	6,388	2030+
Glendale, VA	5	1,308					Closed
Golden Gate, CA	1,492	101,440	7,179		4,886	32	Closed
Grafton, WV		2,086	45				Closed
Hampton, (VAC) VA		22					Closed
Hampton, VA	367	22,026	432	506	114	1,062	1989
Hot Springs, SD		1,481				1	Closed
Houston, TX	1,467	20,144	30		431	9,319	2030+
Indiantown Gap, PA	717	2,913			1,049	8,675	2030+
Jefferson Barracks, MO	2,906	77,389	1,872		386	6,634	2017
Jefferson City, MO	5	1,586	49		23	1	Closed
Keokuk, IA	59	2,846	58		36	2,484	2030+
Kerrville, TX		460					Closed
Knoxville, TN	122	7,745	181		110	236	1989
Leavenworth, KS	800	35,748	504		706	5,758	2030+
Lebanon, KY	25	2,177	28		52	1,292	2030+
Lexington, KY		1,388			9		Closed
Little Rock, AR	405	17,961	276		31	316	1988
Long Island, NY	2,814	236,059	11,740		5,900	52	Closed
Los Angeles, CA	758	72,471	2		1,532	3	Closed
Loudon Park, MD	5	6,494	5		132	8	Closed
Marietta, GA	109	16,626	348		87		Closed
Marion, IN	114	5,265			7	179	2030+
Massachusetts, MA	1,165	5,776		2,351	1,318	9,013	2030+
Memphis, TN	785	33,114	512		529	2,439	1991

See footnotes at end of table.

National Cemeteries—Location, Interments, and Status of Gravesites
September 30, 1987

National Cemetery	FY 1987 Interments	Gravesites			Available Sites		Close-out Date (Fiscal Year) ⁴
		Used Cumulative ¹	Reserved	Set-Aside (Adjacent)	Creman ²	Casket ³	
Mill Springs, KY	41	1,922	28	.....	109	347	1997
Mobile, AL	11	3,618	235	.....	5	6	Closed
Mound City, IL	45	7,000	60	.....	24	1,226	2020
Mountain Home, TN	181	7,126	.....	.....	93	2,719	2030+
Nashville, TN	586	28,160	351	1,080	305	4,257	1998
Natchez, MS	71	5,232	46	.....	45	304	1992
National Memorial Cemetery of the Pacific, HI	875	31,258	634	.....	5,064	820	1989
New Albany, IN	41	5,042	132	.....	172	740	2005
New Bern, NC	145	6,042	88	.....	107	602	1993
Philadelphia, PA	24	10,371	36	.....	13	2	Closed
Port Hudson, LA	203	7,275	29	.....	7	622	1991
Prescott, AZ	10	2,966	.....	.....	.....	.....	Closed
Puerto Rico, PR	959	17,380	1,209	.....	14	15,403	2030+
Quantico, VA	599	2,542	.....	.....	3,522	38,542	2030+
Quincy, IL	11	507	1	.....	13	72	1992
Raleigh, NC	170	4,619	79	132	116	557	1992
Richmond, VA	10	7,294	191	.....	.....	1	Closed
Riverside, CA	5,338	37,234	.....	6,704	4,066	6,769	2030+
Rock Island, IL	395	12,820	212	878	412	2,064	1994
Roseburg, OR	7	2,380	.....	.....	.....	.....	Closed
St. Augustine, FL	16	1,186	16	.....	21	.....	Closed
Salisbury, NC	160	15,114	60	.....	114	551	2002
San Antonio, TX	1	3,009	27	.....	23	291	Closed
San Francisco, CA	409	24,370	589	.....	106	17	Closed
Santa Fe, NM	880	16,484	376	.....	202	3,716	1994
Seven Pines, VA	2	1,134	1	.....	.....	.....	Closed
Sitka, AK	20	717	1	.....	3	1,321	2030+
Springfield, MO	292	8,799	182	.....	182	2,189	1998
Staunton, VA . . . . .	.....	843	5	.....	9	2	Closed
Togus, ME . . . . .	.....	5,371	.....	.....	.....	.....	Closed
West Virginia, WV	5	4	.....	.....	.....	2,996	2030+
Willamette, OR	2,636	64,223	1,847	.....	1,615	9,153	1998
Wilmington, NC	86	5,003	58	.....	43	.....	Closed
Winchester, VA	9	5,068	35	.....	88	1	Closed
Wood, WI	944	25,656	1	.....	65	8,553	1997
Woodlawn, NY	28	6,324	202	.....	8	1	Closed
Zachary Taylor, KY	449	9,539	880	.....	143	444	1988

* Not yet open.

¹ Includes all types of gravesites including columbaria niches.² In-ground sites suitable for cremated remains and columbaria niches.³ Gravesites available excluding reserved and adjacent gravesites set-aside.⁴ Cemeteries indicated as "closed" may continue to inter eligible family members in already occupied gravesites and previously reserved gravesites.⁵ Included with Leavenworth national cemetery data.

Disability, Death: Number of Cases, Expenditures by Period of Service

Period of Service	Number of Cases as of Sept. 30, 1987	Total Expenditures ¹ (in Thousands) Fiscal Year 1987	Estimated Average Annual Expenditure Per Case ²	
			Fiscal Year 1987	Fiscal Year 1986
Grand total	3,807,549	\$14,242,471	\$3,741	\$3,647
Living veterans	2,843,663	10,864,979	3,821	3,764
Service-connected	2,212,303	8,424,191	3,808	3,766
Retired emergency officers	50	477	9,546	9,608
Nonservice-connected	631,306	2,440,310	3,865	3,755
Special acts	4	1	144	144
Deceased veterans	963,886	3,377,492	3,504	3,315
Service-connected	327,689	2,063,000	6,296	6,100
Nonservice-connected	636,193	1,314,491	2,066	1,968
Special acts	4	1	328	234
Prior periods ³	5,456	11,281	2,068	1,979
Living veterans	69	374	5,420	5,920
Service-connected	69	374	5,420	5,905
Nonservice-connected	69	374	5,420	5,905
Deceased veterans	5,387	10,907	2,025	1,937
Service-connected	63	428	6,798	6,711
Nonservice-connected	5,322	10,478	1,969	1,884
Special acts	2	1	404	216
World War I	294,924	830,662	2,817	2,664
Living veterans	41,866	219,517	5,243	4,906
Service-connected	7,894	37,954	4,808	4,949
Retired emergency officers	50	477	9,546	9,608
Nonservice-connected	33,922	181,086	5,338	4,889
Deceased veterans	253,058	611,145	2,415	2,238
Service-connected	18,661	123,436	6,615	6,497
Nonservice-connected	234,397	487,709	2,081	1,903
World War II	1,942,740	6,824,781	3,513	3,440
Living veterans	1,463,523	5,299,705	3,621	3,563
Service-connected	981,534	3,611,755	3,680	3,633
Nonservice-connected	481,989	1,687,950	3,502	3,422
Deceased veterans	479,217	1,525,076	3,182	3,067
Service-connected	147,821	860,111	5,819	5,603
Nonservice-connected	331,396	664,965	2,007	1,974
Korean conflict	393,483	1,727,014	4,389	4,276
Living veterans	307,613	1,370,886	4,457	4,366
Service-connected	217,743	940,540	4,319	4,253
Nonservice-connected	89,870	430,346	4,789	4,649
Deceased veterans	85,870	356,128	4,147	3,955
Service-connected	37,814	235,431	6,226	6,045
Nonservice-connected	48,056	120,698	2,512	2,373
Peacetime	433,268	1,717,882	3,965	4,008
Living veterans	381,706	1,360,209	3,563	3,614
Service-connected	381,702	1,360,208	3,564	3,614
Special acts	4	1	144	144
Deceased veterans	51,562	357,673	6,937	6,802
Service-connected	51,560	357,672	6,937	6,802
Special acts	2	1	252	270
Vietnam era	737,678	3,130,851	4,244	4,138
Living veterans	648,886	2,614,288	4,029	3,941
Service-connected	623,430	2,473,735	3,968	3,884
Nonservice-connected	25,456	140,553	5,521	5,422
Deceased veterans	88,792	516,564	5,818	5,546
Service-connected	71,770	485,922	6,771	6,563
Nonservice-connected	17,022	30,641	1,800	1,704

¹ Totals may not add due to rounding.² Averages based on unrounded expenditures for veterans on the rolls at the end of the fiscal year.³ Includes the Spanish-American War, Mexican Border period, Indian Wars, and the Civil War periods.

TABLE 48

COMPENSATION AND PENSION

Disability Cases: By Age Group, by Period of Service—September 1987

Age Group	All Periods ¹			World War I and Earlier ¹			World War II		
	Total ^{2 3}	Service-Connected	Non-Service-Connected	Total ²	Service-Connected	Non-Service-Connected	Total	Service-Connected	Non-Service-Connected
Median age	62	60	67	92	91	92	67	67	68
Total veterans	¹ 2,843,663	2,212,303	631,306	41,935	7,894	33,991	1,463,523	981,534	481,989
Under 20	136	136	.....	.....	.....	.....	.....	.....	.....
20 to 24	11,387	11,387	.....	.....	.....	.....	.....	.....	.....
25 to 29	44,560	44,553	7	.....	.....	.....	.....	.....	.....
30 to 34	90,080	87,371	2,709	.....	.....	.....	.....	.....	.....
35 to 39	207,514	199,060	8,454	.....	.....	.....	.....	.....	.....
40 to 44	226,488	216,422	10,066	.....	.....	.....	.....	.....	.....
45 to 49	132,150	128,426	3,724	.....	.....	.....	.....	.....	.....
50 to 54	176,276	153,366	22,910	.....	.....	.....	40	14	26
55 to 59	295,271	227,295	67,976	.....	.....	.....	21,627	9,258	12,369
60 to 64	488,443	360,123	128,320	.....	.....	.....	403,724	285,303	118,421
Under 65	1,672,305	1,428,139	244,166	.....	.....	.....	425,391	294,575	130,816
65 to 69	600,223	437,337	162,886	.....	.....	.....	548,076	386,407	161,669
70 to 74	313,592	219,079	94,513	.....	.....	.....	288,463	194,471	93,992
75 to 79	150,247	88,334	61,911	.....	.....	.....	141,375	79,625	61,750
80 to 84	51,680	25,699	25,983	50	6	42	48,248	22,357	25,891
85 to 89	18,870	6,731	12,182	7,283	2,063	5,218	10,260	3,303	6,957
90 to 94	30,152	5,836	24,279	28,763	5,039	23,688	1,137	550	587
95 and over	6,594	1,148	5,386	5,839	786	5,043	573	246	327
65 and over	1,171,358	784,164	387,140	41,935	7,894	33,991	1,038,132	686,959	351,173

Age Group	Korean Conflict			Vietnam Era			Peacetime Service-Connected ³
	Total	Service-Connected	Non-Service-Connected	Total	Service-Connected	Non-Service-Connected	
Median age	57	57	56	41	41	40	47
Total veterans	307,613	217,743	89,870	648,886	623,430	25,456	381,702
Under 20 . . . . .	.....	.....	.....	.....	.....	.....	136
20 to 24 . . . . .	.....	.....	.....	.....	.....	.....	11,387
25 to 29 . . . . .	.....	.....	.....	61	54	7	44,499
30 to 34 . . . . .	.....	.....	.....	36,466	33,757	2,709	53,614
35 to 39 . . . . .	.....	.....	.....	186,647	178,193	8,454	20,867
40 to 44 . . . . .	.....	.....	.....	198,686	188,620	10,066	27,802
45 to 49	165	42	123	64,961	61,360	3,601	67,024
50 to 54	55,351	32,926	22,425	53,878	53,419	459	67,007
55 to 59	182,577	127,070	55,507	54,157	54,057	100	36,910
60 to 64	40,330	30,467	9,863	26,502	26,466	36	17,887
Under 65 (total)	278,423	190,505	87,918	621,358	595,926	25,432	347,133
65 to 69	16,392	15,189	1,203	18,829	18,815	14	16,926
70 to 74	7,944	7,428	516	7,135	7,130	5	10,050
75 to 79	3,198	3,038	160	1,278	1,277	1	4,394
80 to 84	1,175	1,129	46	220	216	4	1,991
85 to 89	337	330	7	66	66	.....	969
90 to 94	100	96	4	.....	.....	.....	151
95 and over	44	28	16	.....	.....	.....	88
65 and over (total)	29,190	27,238	1,952	27,528	27,504	24	34,569

¹Includes 2 Spanish-American War and 67 Mexican Border nonservice-connected veterans.²Includes 50 Retired Emergency Officers.³Includes 4 Special Acts.

COMPENSATION AND PENSION

Terminations of Disability and Death Awards, by Period of Service - Fiscal Year 1987

Reasons for Terminations	Grand Total	Total		World War I and Earlier ¹		World War II		Korean Conflict		Vietnam Era		Peace-time Service-Connected
		Service-Connected	Non Service-Connected	Service-Connected	Non Service-Connected	Service-Connected	Non Service-Connected	Service-Connected	Non Service-Connected	Service-Connected	Non Service-Connected	
Disability, total	173,641	72,818	100,823	1,880	16,177	36,602	76,895	4,591	6,570	10,137	1,181	19,608
Death of veteran	111,441	51,705	59,736	1,848	12,229	35,856	44,433	4,301	2,888	4,778	186	4,922
Disability less than 10 percent	923	923				22		9		239		653
Disability less than permanent and total	220		220				46				58	
Estate in excess of \$1,500	45	26	19		4	5	15			11		7
Excessive corpus of estate	668		668		189		449					
Failure to cooperate	2,448	1,011	1,437		219	8	1,010	2	130	240	78	761
Income provisions	29,198		29,198		2,210		24,028		2,405		555	
Person entitled is incarcerated	177	5	172				107		22	3	43	2
Veteran on active duty or in receipt of retirement pay	3,587	3,587				26		32		1,065		2,464
Failure to return questionnaire	5,193		5,193		725		3,901		463		104	
Miscellaneous ²	19,741	15,561	4,180	32	601	685	2,906	244	519	3,801	154	10,799
Death, total	134,147	25,454	108,693	1,992	45,102	9,232	44,125	2,421	12,051	8,602	7,415	3,207
Death of payee	50,248	13,435	36,813	1,837	26,320	7,480	10,129	1,571	329	1,098	35	1,449
Dependency not established or discontinued	22,587	5,653	16,934	1	60	413	7,963	354	6,092	4,259	2,819	626
Excessive corpus of estate	584	11	573		413	7	137	3	12		11	1
Income provisions	35,366	470	34,896		10,645	41	17,484	34	3,649	297	3,118	98
Payee incarcerated	65		65				54		11			
Person entitled (surviving spouse, child, parent) married	4,010	1,423	2,587	7	239	324	1,495	101	439	601	414	390
Failure to return questionnaire	10,293	660	9,633	3	4,481	123	3,804	61	763	330	585	143
Miscellaneous ²	10,994	3,802	7,192	144	2,944	844	3,059	297	756	2,017	433	500

¹ Includes all wartime periods prior to World War I. Disability includes 1 service-connected and 8 nonservice-connected veterans. Death includes 9 service-connected and 641 nonservice-

connected veterans.

² Includes temporary terminations.

TABLE 50

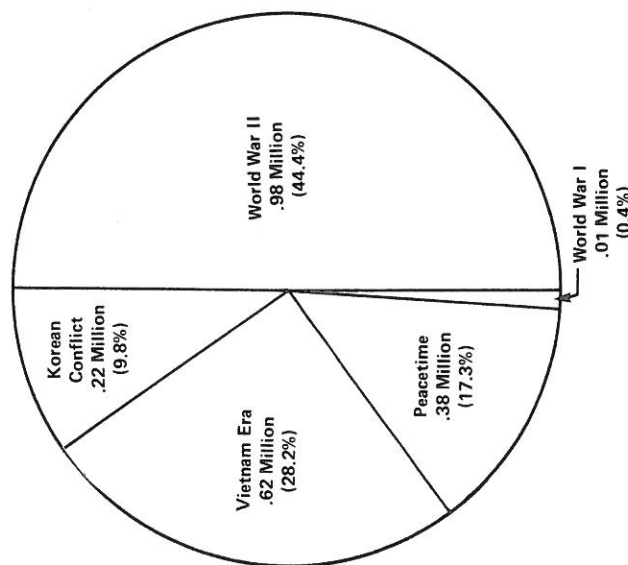
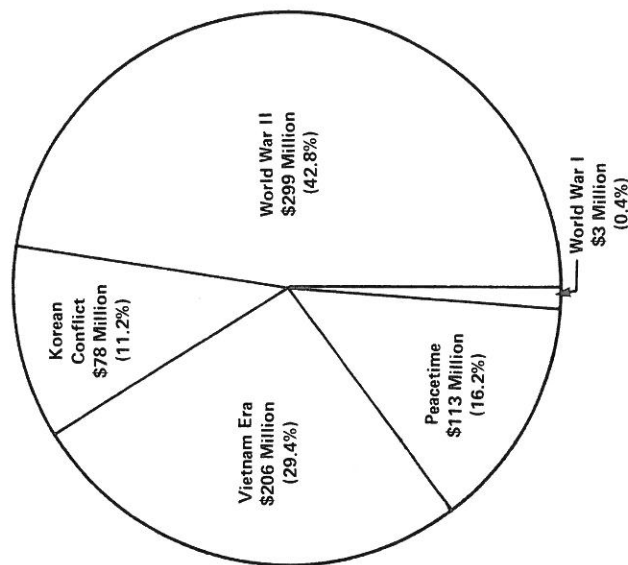
Disability: Class of Dependent, Period of Service—September 1987

Class of Dependent	Total			World War I		World War II		Korean Conflict		Vietnam Era		Peacetime	
	Number	Monthly Value (Sept. 1987 only)	Average Monthly Value	Number	Average Monthly Value	Number	Average Monthly Value	Number	Average Monthly Value	Number	Average Monthly Value	Number	Average Monthly Value
Total veterans	2,212,303	\$698,587,855	\$316	7,894	\$384	981,534	\$305	217,743	\$358	623,430	\$330	381,702	\$296
Veterans less than 30 percent disabled (no dependency benefit)	1,256,020	107,978,455	86	3,867	119	544,245	85	116,819	86	349,932	87	241,157	86
Veterans 30 percent or more disabled	956,283	590,609,400	618	4,027	638	437,289	578	100,924	673	273,498	640	140,545	657
Without dependents	281,361	155,272,430	552	2,128	605	134,412	505	29,743	600	66,218	575	48,860	618
With dependents	674,922	435,336,970	645	1,899	675	302,877	610	71,181	704	207,280	661	91,685	677
Spouse only	457,404	287,002,543	627	1,870	674	281,852	604	54,502	697	72,366	628	46,814	682
Spouse, child, or children	180,076	119,494,786	664	20	790	17,110	663	13,748	693	112,384	664	36,814	652
Spouse, child, or children, and parent or parents	1,734	2,004,565	1,156	.....	.....	171	950	125	1,267	1,136	1,175	302	1,154
Spouse, parent, or parents	1,296	1,365,190	1,053	.....	.....	533	959	326	1,159	248	1,045	189	1,148
Child or children only	30,663	20,703,438	675	9	643	2,476	660	1,880	668	19,591	681	6,707	665
Child or children and parent or parents	492	563,269	1,145	.....	.....	22	908	30	1,162	349	1,134	91	1,239
Parent or parents only	3,257	4,203,179	1,291	.....	.....	713	1,189	570	1,347	1,206	1,305	768	1,319
Total dependents on whose account additional compensation was being paid	1,048,780	.....	.....	1,924	.....	327,304	.....	92,466	.....	464,103	.....	162,983	.....
Spouses	640,510	.....	.....	1,890	.....	299,666	.....	68,701	.....	186,134	.....	84,119	.....
Children	400,613	.....	.....	34	.....	26,155	.....	22,623	.....	274,464	.....	77,337	.....
Parents	7,657	.....	.....	.....	.....	1,483	.....	1,142	.....	3,505	.....	1,527	.....

NOTE: Includes special monthly compensation, where applicable.

MONTHLY
VALUE OF
COMPENSATION
PAYMENTS

By Period of Service
September 1987



VETERANS
RECEIVING
COMPENSATION

By Period of Service
September 1987

Death: Class of Beneficiary, Period of Service—As of September 30, 1987

Class of Beneficiary	All Periods			World War I and Earlier ¹		World War II	
	Number	Monthly Value (Sept. 1987 only)	Average Monthly Value	Number	Average Monthly Value	Number	Average Monthly Value
Total cases	327,689	\$172,715,510	\$527	18,724	\$541	147,821	\$500
Compensation	22,799	1,816,523	80	10	85	15,969	80
Dependency and indemnity compensation	303,640	170,116,080	560	18,714	541	131,015	550
Dependency and indemnity compensation and compensation	1,250	782,907	626	.....	.....	837	622
Surviving spouse alone	240,398	143,004,350	595	17,937	542	116,573	566
Surviving spouse and children	19,542	13,832,792	708	215	808	2,481	736
Surviving spouse, children, and mother	764	632,633	828	.....	.....	24	990
Surviving spouse, children, and father	77	61,254	796	.....	.....	4	878
Surviving spouse, children, mother, and father	169	144,438	855	.....	.....	1	1,005
Surviving spouse and mother	4,711	3,450,288	732	.....	.....	1,628	733
Surviving spouse and father	430	306,477	713	.....	.....	143	726
Surviving spouse, mother, and father	393	285,108	725	.....	.....	51	792
Children alone	10,874	3,497,868	322	552	404	1,486	382
Children and mother	519	229,686	443	.....	.....	21	578
Children and father	52	22,490	433	.....	.....	1	826
Children, mother, and father	90	40,142	446	.....	.....	.....	.....
Mother alone	42,181	6,063,012	144	20	328	22,652	157
Father alone	3,847	587,790	153	.....	.....	1,957	187
Mother and father	3,642	557,182	153	.....	.....	799	205
Total survivors	372,916	.....	.....	18,980	.....	153,716	.....
Surviving spouses	266,467	.....	.....	18,152	.....	120,893	.....
Children	45,279	.....	.....	808	.....	4,691	.....
Mothers	52,470	.....	.....	20	.....	25,176	.....
Fathers	8,700	.....	.....	.....	.....	2,956	.....

Class of Beneficiary	Korean Conflict		Vietnam Era		Peacetime	
	Number	Average Monthly Value	Number	Average Monthly Value	Number	Average Monthly Value
Total cases	37,814	\$514	71,770	\$554	51,560	\$573
Compensation	5,674	78	4	66	1,142	78
Dependency and indemnity compensation	31,815	590	71,758	554	50,338	584
Dependency and indemnity compensation and compensation	325	626	8	631	80	675
Surviving spouse alone	26,786	632	43,061	642	36,041	631
Surviving spouse and children	1,141	710	9,873	702	5,832	702
Surviving spouse, children, and mother	10	803	439	811	291	841
Surviving spouse, children, and father	3	698	45	813	25	763
Surviving spouse, children, mother, and father	1	744	107	856	60	852
Surviving spouse and mother	568	714	1,744	735	771	739
Surviving spouse and father	46	706	174	698	67	726
Surviving spouse, mother, and father	26	712	242	713	74	724
Children alone	492	348	5,491	296	2,853	320
Children and mother	10	468	335	428	153	455
Children and father	1	449	36	432	14	404
Children, mother, and father	1	480	60	425	29	488
Mother alone	7,416	120	7,730	132	4,363	133
Father alone	686	111	779	118	425	126
Mother and father	627	121	1,654	141	562	149
Total survivors	40,655	.....	94,669	.....	64,896	.....
Surviving spouses	28,579	.....	55,684	.....	43,159	.....
Children	2,026	.....	23,576	.....	14,178	.....
Mothers	8,659	.....	12,312	.....	6,303	.....
Fathers	1,391	.....	3,097	.....	1,256	.....

¹ Includes the Spanish-American War, Mexican Border period, and Civil War.

TABLE 52

COMPENSATION

Disability, Degree of Impairment, Type of Major Disability, Period of Service—Sept. 1987

Degree of Impairment	Total				Psychiatric and Neurological Diseases				General Medical and Surgical Conditions ¹			
	Number	Percent of Total ²	Monthly Value (Sept. 1987 Only)	Average Monthly Value	Number	Percent of Total Psychiatric and Neurological Diseases ²	Percent of Degree of Impairment	Average Monthly Value	Number	Percent of Total General Medical and Surgical Conditions ²	Percent of Degree of Impairment	Average Monthly Value
Total All Periods												
Total	2,212,303	100.0	\$698,587,855	\$316	441,421	100.0	20.0	\$567	1,770,882	100.0	80.0	\$253
Zero percent (statutory award)	23,427	1.1	1,565,134	67	.....	.....	.....	.....	23,427	1.3	100.0	67
10 percent	878,079	39.7	60,913,711	69	125,036	28.3	14.2	69	753,043	42.5	85.8	69
20 percent	352,995	16.0	45,375,303	129	24,052	5.4	6.8	129	328,943	18.6	93.2	129
30 percent	308,265	13.9	66,818,924	217	73,638	16.7	23.9	214	234,627	13.2	76.1	218
40 percent	182,166	8.2	56,995,713	313	26,232	5.9	14.4	310	155,934	8.8	85.6	313
50 percent	109,260	4.9	48,332,089	442	41,018	9.3	37.5	436	68,242	3.9	62.5	446
60 percent	111,872	5.1	87,987,742	787	18,801	4.3	16.8	691	93,071	5.3	83.2	806
70 percent	64,223	2.9	59,730,923	930	25,247	5.7	39.3	880	38,976	2.2	60.7	962
80 percent	36,364	1.6	39,483,616	1,086	9,906	2.2	27.2	1,109	26,458	1.5	72.8	1,077
90 percent	14,066	0.6	17,115,417	1,217	3,882	0.9	27.6	1,244	10,184	0.6	72.4	1,206
100 percent	131,586	5.9	214,269,283	1,628	93,609	21.2	71.1	1,556	37,977	2.1	28.9	1,807
World War I ³												
Total	7,894	100.0	3,030,362	384	1,425	100.0	18.1	611	6,469	100.0	81.9	334
Zero percent (statutory award)	105	1.3	6,838	65	.....	.....	.....	.....	105	1.6	100.0	65
10 percent	1,712	21.7	139,227	81	129	9.1	7.5	84	1,583	24.5	92.5	81
20 percent	2,042	25.9	314,073	154	256	18.0	12.5	162	1,786	27.6	87.5	153
30 percent	1,137	14.4	248,099	218	186	13.1	16.4	222	951	14.7	83.6	217
40 percent	694	8.8	218,217	314	112	7.9	16.1	321	582	9.0	83.9	313
50 percent	511	6.5	224,331	439	198	13.9	38.7	442	313	4.8	61.3	437
60 percent	547	6.9	445,175	814	75	5.3	13.7	653	472	7.3	86.3	839
70 percent	254	3.2	235,388	927	71	5.0	28.0	791	183	2.8	72.0	979
80 percent	199	2.5	198,014	995	39	2.7	19.6	891	160	2.5	80.4	1,020
90 percent	42	0.5	47,939	1,141	3	0.2	7.1	1,202	39	0.6	92.9	1,137
100 percent	651	8.2	953,061	1,464	356	25.0	54.7	1,432	295	4.6	45.3	1,502
World War II												
Total	981,534	100.0	298,959,683	305	222,403	100.0	22.7	481	759,131	100.0	77.3	253
Zero percent (statutory award)	12,930	1.3	865,222	67	.....	.....	.....	.....	12,930	1.7	100.0	67
10 percent	386,033	39.3	26,722,344	69	73,872	33.2	19.1	69	312,161	41.1	80.9	69
20 percent	144,754	14.7	18,574,058	128	11,627	5.2	8.0	128	133,127	17.5	92.0	128
30 percent	145,694	14.8	30,742,453	211	40,758	18.3	28.0	209	104,936	13.8	72.0	212
40 percent	83,130	8.5	25,299,772	304	13,460	6.1	16.2	302	69,670	9.2	83.8	305
50 percent	52,861	5.4	22,943,921	434	19,800	8.9	37.5	429	33,061	4.4	62.5	437
60 percent	54,741	5.6	44,056,309	805	9,265	4.2	16.9	679	45,476	6.0	83.1	830
70 percent	28,432	2.9	27,073,375	952	10,535	4.7	25.8	943	17,897	2.4	62.9	957
80 percent	17,669	1.8	18,838,535	1,066	4,552	2.0	23.4	1,109	13,117	1.7	74.2	1,051
90 percent	6,108	0.6	7,295,964	1,194	1,431	0.6	75.4	1,208	4,677	0.6	76.6	1,190
100 percent	49,182	5.0	76,547,730	1,556	37,103	16.7	.....	1,518	12,079	1.6	24.6	1,675

Korean Conflict		217,743	100.0	78,029,262	358	39,245	100.0	18.0	746	178,498	100.0	82.0	273
Total	.....	6,569	3.0	439,205	67	.....	.....	.....	.....	6,569	3.7	100.0	67
Zero percent (statutory award)	.....	76,454	35.1	5,309,098	69	8,205	20.9	10.7	69	68,249	38.2	89.3	69
10 percent	.....	33,374	15.3	4,288,114	128	1,726	4.4	5.2	128	31,648	17.7	94.8	128
20 percent	.....	29,669	13.6	6,347,978	214	5,433	13.8	18.3	213	24,236	13.6	81.7	214
30 percent	.....	18,489	8.5	5,744,377	311	2,144	5.5	11.6	311	16,345	9.2	88.4	311
40 percent	.....	10,746	4.9	4,736,143	441	3,317	8.5	11.6	436	7,429	4.2	69.1	443
50 percent	.....	12,972	6.0	10,599,218	817	2,093	5.3	16.1	714	10,879	6.1	83.9	837
60 percent	.....	7,444	3.4	7,221,456	970	2,592	6.6	34.8	917	4,852	2.7	65.2	999
70 percent	.....	4,208	1.9	4,693,664	1,115	1,111	2.8	26.4	1,134	3,097	1.7	73.6	1,109
80 percent	.....	1,587	0.7	1,914,697	1,206	455	1.2	28.7	1,227	1,132	0.6	71.3	1,198
90 percent	.....	16,231	7.5	26,735,312	1,647	12,169	31.0	75.0	1,604	4,062	2.3	25.0	1,778
100 percent	.....	623,430	100.0	205,611,782	330	112,285	100.0	18.0	634	511,145	100.0	82.0	263
Vietnam Era													
Total	.....	903	0.1	59,327	66	.....	.....	.....	.....	903	0.2	100.0	66
Zero percent (statutory award)	.....	242,602	38.9	16,835,697	69	26,177	23.3	10.8	69	216,425	42.3	89.2	69
10 percent	.....	106,208	17.0	13,639,285	128	6,354	5.7	6.0	128	99,854	19.5	94.0	128
20 percent	.....	83,811	13.4	18,974,114	226	17,073	15.2	20.4	226	66,738	13.1	79.6	227
30 percent	.....	54,310	8.7	17,632,299	325	6,934	6.2	12.8	326	47,376	9.3	87.2	324
40 percent	.....	31,212	5.0	14,278,132	457	11,338	10.1	36.3	452	19,874	3.9	63.7	460
50 percent	.....	28,916	4.6	21,206,300	733	5,216	4.6	18.0	692	23,700	4.6	82.0	742
60 percent	.....	20,186	3.2	18,258,776	905	8,173	7.3	40.5	828	12,013	2.4	59.5	957
70 percent	.....	10,586	1.7	11,715,874	1,107	3,019	2.7	28.5	1,109	7,567	1.5	71.5	1,106
80 percent	.....	4,878	0.8	6,092,841	1,249	1,513	1.3	31.0	1,289	3,365	0.7	69.0	1,231
90 percent	.....	39,818	6.4	66,919,137	1,681	26,488	23.6	66.5	1,573	13,330	2.6	33.5	1,894
100 percent	.....	381,702	100.0	112,956,766	296	66,063	100.0	17.3	634	315,639	100.0	82.7	225
Peacetime ⁴													
Total	.....	2,920	0.8	194,542	67	.....	.....	.....	.....	2,920	0.9	100.0	67
Zero percent (statutory award)	.....	171,278	44.9	11,907,345	70	16,653	25.2	9.7	69	154,625	49.0	90.3	70
10 percent	.....	66,617	17.5	8,559,773	128	4,089	6.2	6.1	128	62,528	19.8	93.9	129
20 percent	.....	47,954	12.6	10,506,280	219	10,188	15.4	21.2	214	37,766	12.0	78.8	220
30 percent	.....	25,543	6.7	8,101,048	317	3,582	5.4	14.0	312	21,961	7.0	86.0	318
40 percent	.....	13,930	3.6	6,149,562	441	6,365	9.6	45.7	431	7,565	2.4	54.3	450
50 percent	.....	14,696	3.9	11,680,740	795	2,152	3.3	14.6	719	12,544	4.0	85.4	808
60 percent	.....	7,907	2.1	6,941,928	878	3,876	5.9	49.0	794	4,031	1.3	51.0	958
70 percent	.....	3,702	1.0	4,037,529	1,091	1,185	1.8	32.0	1,091	2,517	0.8	68.0	1,090
80 percent	.....	1,451	0.4	1,763,976	1,216	480	0.7	33.1	1,229	971	0.3	66.9	1,209
90 percent	.....	25,704	6.7	43,114,043	1,677	17,493	26.5	68.1	1,580	8,211	2.6	31.9	1,895
100 percent	.....											

NOTE: Includes special monthly compensation, allowance to dependents, unemployables receiving compensation at the 100 percent rate but appearing as less than totally impaired (60%-90%), and other special awards, where applicable.

¹ Includes tuberculosis (lung and pleura).

² Percent totals may not add to 100.0 percent due to rounding.

³ Excludes Retired Emergency Officers.

⁴ Excludes Special Acts.

TABLE 53

PENSION

Disability: Type of Major Disability and Pension by Period of Service—September 1987

Type of Disability and Pension	Total				World War I and Earlier ¹		
	Number	Percent of Total	Monthly Value	Average Monthly Value	Number	Percent of Total	Average Monthly Value
Total cases	631,306	100.0%	\$194,279,576	\$308	33,991	100.0%	\$404
Type of disability							
Psychiatric and neurological diseases	149,760	23.7	55,816,470	373	4,218	12.4	567
Psychoses	41,448	6.6	14,570,152	352	297	0.9	598
Other psychiatric and neurological diseases	108,312	17.2	41,246,318	381	3,921	11.5	564
General medical and surgical conditions ²	355,821	56.4	109,629,350	308	23,858	70.2	359
Considered permanently and totally disabled at age 65	125,725	19.9	28,833,756	229	5,915	17.4	469
Type of pension							
PL 95-588	431,227	68.3	167,047,532	387	19,620	57.7	599
Sec 306	194,767	30.9	26,792,125	138	11,065	32.6	154
Old Law	5,312	0.8	439,919	83	3,306	9.7	81

Type of Disability and Pension	World War II			Korean Conflict			Vietnam Era		
	Number	Percent of Total	Average Monthly Value	Number	Percent of Total	Average Monthly Value	Number	Percent of Total	Average Monthly Value
Total cases	481,989	100.0%	\$278	89,870	100.0%	\$389	25,456	100.0%	\$451
Type of disability									
Psychiatric and neurological diseases	99,833	20.7	355	31,397	34.9	380	14,312	56.2	426
Psychoses	22,025	4.6	341	11,094	12.3	337	8,032	31.6	390
Other psychiatric and neurological diseases	77,808	16.1	358	20,303	22.6	403	6,280	24.7	471
General medical and surgical conditions ²	263,192	54.6	277	57,687	64.2	397	11,084	43.5	485
Considered permanently and totally disabled at age 65	118,964	24.7	217	786	0.9	232	60	0.2	295
Type of pension									
PL 95-588	320,142	66.4	351	69,366	77.2	462	22,099	86.8	494
Sec 306	160,108	33.2	135	20,237	22.5	144	3,357	13.2	165
Old Law	1,739	0.4	87	267	0.3	84	.....	.....	.....

¹Includes Spanish-American War and Mexican Border period.²Includes tuberculosis (lungs and pleura).

NOTE: Percent totals may not add to 100.0 percent due to rounding.

TABLE 54

Death: Class of Beneficiary, Period of Service—September 1987

PENSION

Class of Beneficiary	Total			World War I and Earlier ¹	
	Number	Monthly Value	Average Monthly Value	Number	Average Monthly Value
Total cases	636,193	\$106,817,852	\$168	239,719	\$166
Surviving spouse alone	562,439	98,384,599	175	227,508	169
Surviving spouse and child/children	27,094	5,273,314	195	3,309	212
Child/children alone	46,660	3,159,939	68	8,902	67
Total dependents	680,145	.....	.....	243,710	.....
Surviving spouses	589,533	.....	.....	230,817	.....
Child/children	90,612	.....	.....	12,893	.....

Class of Beneficiary	World War II		Korean Conflict		Vietnam Era	
	Number	Average Monthly Value	Number	Average Monthly Value	Number	Average Monthly Value
Total cases	331,396	\$164	48,056	\$214	17,022	\$150
Surviving spouse alone	296,506	169	34,036	254	4,389	267
Surviving spouse and child/children	14,497	192	4,924	208	4,364	176
Child/children alone	20,393	66	9,096	68	8,269	73
Total dependents	351,281	.....	56,638	.....	28,516	.....
Surviving spouses	311,003	.....	38,960	.....	8,753	.....
Child/children	40,278	.....	17,678	.....	19,763	.....

¹Includes Spanish-American War, Mexican Border period, Indian Wars, and Civil War.

Incompetent and Minor Beneficiaries Served

Fiscal Year	Total Beneficiaries	Incompetent Adults				Minors		
		Total	Type of Fiduciary			Total	Type of Fiduciary	
			State Court Appointed	Federal	Supervised Direct Payment		State Court Appointed	Federal
1987	124,322	116,624	29,772	80,362	6,490	7,698	661	7,037
1986	125,026	116,225	31,169	78,591	6,465	8,801	884	7,917
1985	125,053	114,818	32,708	75,652	6,458	10,235	1,236	8,999
1984	125,083	113,334	34,331	72,424	6,579	11,749	1,702	10,047
1983	128,210	114,273	35,875	71,874	6,524	13,937	2,277	11,660
1982	128,693	112,267	37,066	68,939	6,262	16,426	2,964	13,462
1981	132,446	112,757	38,708	67,826	6,223	19,689	4,002	15,687
1980	138,797	114,905	40,917	67,930	6,058	23,892	5,490	18,402
1979	143,286	115,933	42,890	67,283	5,760	27,353	7,022	20,331
1978	145,891	115,187	44,759	65,029	5,399	30,704	9,184	21,520

EDUCATIONAL ASSISTANCE

TABLE 56

Persons in Training by Entitlement and Type of Training — Fiscal Year 1987

Program	Total	Institutions of Higher Learning	Resident Schools Other Than College	On-Job Training	Other
Post-Korean Conflict Educational Assistance Program (Title 38, U.S.C., Chapter 34)	238,798	202,508	25,526	6,558	4,206
Educational Assistance for Children of Totally Disabled or Deceased Veterans (Title 38, U.S.C., Chapter 35)	43,427	39,725	3,596	93	13
Educational Assistance for Spouses of Totally Disabled or Deceased Veterans (Title 38, U.S.C., Chapter 35)	5,268	4,525	724	7	12
Vocational Rehabilitation Program for Disabled Veterans (Title 38, U.S.C., Chapter 31)	24,599	16,049	564	570	7,416
Post-Vietnam Era Veterans' Educational Assistance Program (Title 38, U.S.C., Chapter 32)	76,772	71,738	5,034	.....	.....
Montgomery GI Bill — Active Duty (Title 38, U.S.C., Chapter 30)	130	NA	NA	NA	NA
Montgomery GI Bill — Selected Reserve (Title 10, U.S.C., Chapter 106)	52,459	52,459	.....	.....	.....
Section 901 — Educational Assistance Test Program	650	NA	NA	NA	NA
Veterans' Job Training Program	(¹)	NA	NA	NA	NA
Hostage Relief Act	2	2	NA	NA	NA

¹ Emergency Veterans Job Training Program: Employer Applications — Received 8,619 Approved 8,076
 Veteran Applications — Received 70,254 Approved 61,479

NA — Not available. No breakout by type of training is presently available.

TABLE 57

HOUSING ASSISTANCE

Guaranteed or Insured Loans, Direct Loans, and Property Management

Item	Cumulative Through Sept. 30, 1987	Fiscal Year	
		1987	1986
Guaranteed or Insured Loans			
Number of loans, total	12,430,895	479,491	313,769
Home	12,321,932	474,391	307,747
Manufactured home	108,963	5,100	6,022
Amount of loans (\$000), total	\$300,383,497	\$34,900,051	\$21,965,777
Home	\$298,421,240	\$34,783,518	\$21,832,718
Manufactured home	\$1,962,257	\$116,533	\$133,059
Amount of guaranty and insurance (\$000), total	\$133,094,391	\$12,237,302	\$7,895,903
Home	\$132,154,249	\$12,179,515	\$7,829,782
Manufactured home	\$940,142	\$57,787	\$66,121
Defaults and claims total:			
Defaults reported	4,144,560	182,044	182,323
Loans in default, end of period . . . . .	.....	136,682	127,678
Defaults disposed of, total	4,007,878	173,040	169,927
Cured or withdrawn	3,415,967	132,655	136,725
Percent	85.2	76.7	80.5
Claims vouchered for payment	591,911	40,385	33,202
Rate per 1,000 loans outstanding . . . . .	.....	9.7	7.9
Average number of loans outstanding . . . . .	.....	4,148,040	4,193,009
Direct Loans			
Number of loans fully disbursed	333,204	1	4
Amount of loans fully disbursed (\$000)	\$3,437,894	\$33	\$119
Property Management			
Number acquired	613,738	36,422	29,972
Number sold	584,497	34,181	27,910
Number redeemed	6,608	175	187
Number on hand, end of period . . . . .	.....	22,633	20,567

NOTE: Cumulative data include prior years' adjustments.

Insurance in Force - Fiscal Year 1987

Item	Participating								Nonparticipating	
	U.S. Government Life Insurance		National Service Life Insurance ¹		Veterans Special Life Insurance ¹		Veterans Reopened Insurance ¹		Service-Disabled Veterans Insurance	
	Number of Policies	Amount of Insurance ²	Number of Policies	Amount of Insurance ²	Number of Policies	Amount of Insurance ²	Number of Policies	Amount of Insurance ²	Number of Policies	Amount of Insurance ²
In force at beginning of year	58,144	\$222,854	3,007,746	\$18,969,694	357,148	\$3,010,075	132,862	\$868,166	183,953	\$1,668,196
Insurance issued during year									3,247	29,898
Insurance reinstated during year	3	9	13,798	58,893	383	2,949	1,891	7,570		
Insurance terminated during year by:										
Death	4,696	20,188	68,265	398,503	2,864	23,376	3,103	18,207	2,407	21,131
Maturity at endowment	510	2,578	8,390	50,207	251	1,704	958	6,553	124	790
Permanent total disability	1	5								
Lapse, expiry, and net changes	(-)22	(-)126	25,645	297,712	11,971	113,728	339	12,392	3,036	29,709
Cash surrender	289	1,148	9,264	53,641	1,786	15,178	493	3,369	1,591	14,083
Total terminated	5,474	23,793	111,564	800,063	16,872	153,986	4,893	40,521	7,158	65,713
In force at end of year	52,673	\$199,070	2,909,980	\$18,228,524	340,659	\$2,859,038	129,860	\$835,215	180,042	\$1,632,381
Selected year end items:										
In force on five-year term plan	335	\$2,163	845,797	\$6,669,092	63,297	\$580,350			81,362	\$784,243
In force on all other plans	52,338	196,907	2,064,183	11,559,432	277,362	2,278,688	129,860	835,215	98,680	848,138
In force with disability income rider	557	3,556	224,330	1,738,694	50,549	444,628	6,138	46,392		
In force under disability premium waiver	213	\$1,365	137,895	\$932,476	9,852	\$84,826	11,236	\$68,031	42,419	\$399,763

¹ Excludes paid-up additional insurance purchased by dividends.² Amounts are in thousands.

Servicemen's and Veterans Group Life Insurance Statement of Operations (Accrual Basis)

Item	Policy Year Ending June 30, 1987	Cumulative From Sept. 29, 1965
INCOME		
Premiums	\$192,613,274	\$2,702,886,685
Extra hazard payments		513,046,301
Interest earned	27,355,284	301,239,197
Total	219,968,558	3,517,172,183
DISPOSITION OF INCOME		
Death claims	228,860,977	2,992,494,342
Net cost of extra mortality on conversions	(-)2,575,547	46,841,188
Expense of administration	7,568,499	90,690,521
Taxes and fees	4,375,463	56,061,243
Term to age 60 reserve (Retired Reserves)	(-)810,077	30,196,414
Five-Year Term and conversion cost reserve (VGLI)	5,969,630	38,639,541
Contingency reserve	(-)23,420,387	262,248,934
Total	219,968,558	3,517,172,183

TABLE 60

EMPLOYMENT

Employment: Full-Time, Part-Time, and Intermittent by Facility Type

Facility Type	Sept. 30, 1986	Sept. 30, 1985	Percent Change
Total	250,013	240,423	+4.0
Central Office	4,514	4,237	+6.5
Field	245,499	236,186	+3.9
Medical centers (separate)	196,600	188,918	+4.1
Domiciliaries and medical centers	23,215	22,324	+4.0
Regional offices (separate)	11,329	11,075	+2.3
Regional office and medical centers	8,373	7,978	+5.0
Regional office and insurance centers	1,367	1,329	+2.9
Independent outpatient clinics	1,358	1,235	+10.0
Data processing centers	1,572	1,619	-2.9
National cemeteries	1,020	1,030	-1.0
Supply depots and marketing center	405	418	-3.1
Miscellaneous activities ¹	260	260	0

¹ Includes VCS field offices, national cemetery area offices, records processing center, prosthetic center, prosthetic distribution center, and VCS finance center.

TABLE 61

EMPLOYMENT

Employment: Full-Time, Part-Time, and Intermittent by Pay System

Pay System	Sept. 30, 1987	Sept. 30, 1986	Percent Change
Total	250,013	240,423	+4.0
GS/GM	139,594	134,206	+4.0
Title 38 (excludes canteen)	65,585	63,764	+2.9
Wage system	39,627	37,299	+6.2
Canteen	3,488	3,516	-0.8
Non-U.S. citizens—Manila	184	180	+2.2
Senior executive service	132	128	+3.1
Others ¹	1,403	1,330	+5.5

¹ Includes stay-in-school, purchase and hire, executive pay, hospital administration residents, and experts/consultants.

Employment: Sex and Veteran Preference - September 30, 1987

Veteran Preference	Total		Male		Female	
	Number	Percent	Number	Percent	Number	Percent
Total	250,013	100.0	113,872	100.0	136,141	100.0
With preference ¹	75,949	30.4	67,797	59.5	8,152	6.0
Without preference	174,064	69.6	46,075	40.5	127,989	94.0

¹ Includes mother, spouse, widow, widower of veteran.

EMPLOYMENT

*Employment: Minority Groups by Grade—Full-Time and Part-Time With Permanent Appointments
September 30, 1987*

Grade or Supervisory Level	Total Employment ¹	Percent Minority Employment	Black	Hispanic	Asian or Pacific Islander	American Indian or Alaskan Native
Total All Pay Plans	210,506	33.21	52,509	9,594	6,644	1,161
GS/GM and Equivalent	172,846	30.32	37,849	7,428	6,202	932
GS-1 through GS-4	32,663	42.52	11,496	1,684	446	261
GS-5 through GS-8	57,836	36.57	17,375	2,480	910	387
GS-9 through GS-12	62,974	22.39	8,171	2,504	3,185	243
GS/GM-13 through GS/GM-15	19,201	16.93	794	755	1,661	41
GS-16 through GS-18	172	10.47	13	5	0	0
Other Pay Systems ²	441	12.24	33	7	7	7
Wage System	37,219	46.87	14,627	2,159	435	222
Non-supervisory	33,139	47.27	13,099	1,949	412	204
Leader	620	47.10	243	38	8	3
Supervisory	3,460	42.98	1,285	172	15	15

¹ Excludes Philippine nationals at Manila.² Includes Senior Executive Service, Statutory Pay Plans, Veterans Canteen Officers, and Assistant Veterans Canteen Officers.

EMPLOYMENT

Employment of Women by Pay Category—Full-Time, Part-Time, and Intermittent—September 30, 1987

Pay Category	Total Employment	Women	
		Number	Percent
Total	250,013	136,141	54.5
GS/GM Total	139,594	83,781	60.0
GS-1 through GS-6	87,113	61,010	70.0
GS-7 through GS-12	45,610	21,582	47.3
GS/GM-13 and above	6,872	1,189	17.3
Title 38 (excludes Canteen)	65,585	39,932	60.9
Wage System	39,627	9,083	22.9
Canteen	3,488	2,594	74.4
Non-U.S. Citizens—Manila	184	92	50.0
SES	132	6	4.5
Other ¹	1,403	653	46.5

¹ Includes stay-in-school, purchases and hire, executive pay, hospital administration residents, and experts/consultants.

*Employment of Handicapped Individuals with Targeted Disabilities
by Pay Category - Full-Time, Part-Time, and Intermittent
September 30, 1987*

Pay Category	Total Employment	Handicapped Individuals With Targeted Disabilities	
		Number	Percent
Total All Pay Categories	250,013	4,197	1.68
Total White Collar	207,030	2,915	1.41
GS-1 through GS-4	39,819	1,244	3.12
GS-5 through GS-8	59,369	733	1.23
GS-9 through GS-11	27,097	441	1.63
GS-12 through GS/GM-13	11,378	203	1.78
GS/GM-14 through GS/GM-15	1,921	22	1.15
GS/GM-16 through GS-18 and SES	142	1	.70
Other ¹	67,304	271	.40
Wage System	42,983	1,282	2.98
WG-1 through WG-3	22,313	984	4.41
WG-4 through WG-6	5,411	78	1.44
WG-7 through WG-9	3,613	57	1.58
WG-10 through WG-12	4,227	38	.90
WG-13 through WG-15	3	.....	.....
Other ²	7,416	125	1.69

¹ Includes Title 38, executive pay, hospital administration residents, experts/consultants, and foreign nationals.

² Includes leaders and supervisory personnel as well as purchase and hires.

Appropriations, Expenditures and Balances—Cash Basis

Account Categories	Appropriations	Expenditures		Nonexpenditure Transfers	Restored (+) or Covered into (—) U.S. Treasury	Investments	Cash Balance
		Fiscal Year 1987	Cumulative through September 30, 1987				
General and Special Funds:							
Compensation and pension	\$260,461,340,000	\$14,426,283,025	\$259,318,984,078	\$16,969			\$1,142,372,891
Readjustment benefits	69,974,549,904	776,400,704	69,723,582,508	(—)207,522,000			43,445,396
Veterans insurance and indemnities	415,976,036	4,856,359	465,369,669	49,746,500			352,867
Medical care, current year	9,762,668,861	8,516,872,425	8,516,872,425	(—)34,465,861	\$(—)79,237,195		1,132,093,380
Medical care, 1954-86	104,005,288,226	982,877,853	102,849,815,790	(—)16,898,000	(—)938,663,067		199,911,369
Medical and prosthetic research	2,526,272,061	195,122,502	2,490,608,524	20,000,000	(—)4,366,467		51,297,070
Assistance for health manpower training institutions, 1973-85 ¹	296,693,000	191,253	295,853,955		(—)446,361		392,684
Medical administration and miscellaneous operating expenses, current year	41,769,000	32,338,187	32,338,187		(—)264,643		9,166,170
Medical administration and miscellaneous operating expenses, 1954-86	1,074,508,172	7,926,545	1,028,514,874		(—)44,969,219		1,024,079
General operating expenses, current year	770,500,000	671,622,559	671,622,559	(—)12,000,000	(—)5,175,375		81,702,066
General operating expenses, 1954-86	11,779,024,990	48,601,137	11,597,816,693		(—)174,312,329		6,895,968
Construction of hospital and domiciliary facilities	1,042,596,863		1,032,915,863	(—)9,681,000			
Construction, major projects	5,331,823,000	376,206,535	3,470,870,516	(—)21,265,240			1,839,687,244
Construction, minor projects	1,566,359,092	158,571,378	1,273,892,011	(—)33,964,558	(—)4,000		258,498,523
Construction, minor projects (Corps of Engineers)			2,126,796	2,126,796			
Grants for construction of state extended care facilities, 1966-89	266,762,000	26,045,859	182,369,403		(—)2,212,545		82,180,052
Grants to the Rep. of the Philippines, no year	863,000	1,041	861,054				1,946
Grants to the Republic of the Philippines, 1987	500,000	25,597	25,597				474,403
Grants to the Republic of the Philippines, 1950-86	54,444,037	241,121	40,535,698		(—)13,369,598		538,741
Grants for the construction of state veterans cemeteries, 1980-88	23,339,000	1,185,021	9,640,055		(—)3,777,878		9,921,067
Parking garage revolving fund	26,000,000	2,378,200	2,378,200	4,000,000			27,621,800
Loan guaranty revolving fund	739,020,742	382,059,134	2,733,205,277	2,102,285,502			108,100,967
Direct loan revolving fund	1,733,055,599	(—)33,064,086	(—)1,199,367,540	(—)2,920,622,045			11,801,094
Canteen service revolving fund	4,965,000	(—)3,246,405	(—)44,305,426		(—)20,172,086		29,098,340
Rental, maintenance, and repair of quarters			(—)97,127		(—)97,127		
Service-disabled veterans insurance fund	4,500,000	1,983,570	(—)5,625,095				10,125,095
Soldiers' and sailors' civil relief	3,528,000		2,011,031	(—)16,969	(—)1,500,000		
Veterans reopened insurance fund		(—)7,579,916	(—)482,470,364			\$482,184,000	286,364
Special therapeutic and rehabilitation activities fund		16,872	(—)932,743	(—)100,000			832,743
Vocational rehabilitation revolving fund	3,447,000	(—)12,671	393,628		(—)1,600,000		1,453,372
Education loan fund		(—)9,870,504	24,668,879	28,522,000			3,853,121
Servicemen's group life insurance fund		(—)12,879,053	(—)145,141,273			144,953,999	187,274
Supply fund	130,000,000	(—)23,338,011	(—)56,686,568	(—)71,400	(—)15,677,579		170,937,589
Reinstated entitlement program for survivors	51,000,000	(—)2,844,613	36,486,585		(—)5,366,847		9,146,568
Emergency veterans job training	160,000,000	38,005,112	158,112,996	45,500,000			47,387,004
Total: Appropriations and funds	472,250,793,583	26,556,976,730	464,027,246,715	(—)1,004,409,306	(—)1,311,212,316	627,137,999	5,280,787,247
Deduct proprietary receipts from the public		228,546,076					
Total: Federal funds	472,250,793,583	26,328,430,654	464,027,246,715	(—)1,004,409,306	(—)1,311,212,316	627,137,999	5,280,787,247
Trust Funds:							
Post Vietnam era veterans education	1,604,933,598	283,607,110	1,204,512,185	201,225,412			601,646,825
General post fund, national homes	178,603,942	20,617,434	157,190,699		(—)386	20,613,000	799,857
National service life insurance fund	40,661,277,214	1,034,059,985	30,527,972,446		(—)89	10,125,109,000	8,195,679
U.S. Government life insurance fund	4,105,071,912	40,325,415	3,880,844,784		(—)1,811,199	221,986,000	429,929
Veterans special life insurance fund	250,000	(—)78,213,032	(—)1,147,970,675	(—)51,150,000	(—)4,250,000	1,092,590,000	230,675
Sub-Total: Trust funds	46,550,136,666	1,300,396,912	34,622,549,439	150,075,412	(—)6,061,674	11,460,298,000	611,302,965
Deduct: Proprietary receipts from the public		588,813,388					
Total: Trust funds	46,550,136,666	711,583,524	34,622,549,439	150,075,412	(—)6,061,674	11,460,298,000	611,302,965
Deduct: Intragovernmental transactions		87,977,312					
Total: Veterans Administration	518,800,930,249	26,952,036,866	498,649,796,154	(—)854,333,894	(—)1,317,273,990	12,087,435,999	5,892,090,212
Appropriations and funds not included above:							
Personal funds of patients		1,434,933	(—)50,165,517				50,165,517
Funds due incompetent beneficiaries		1,457	(—)15,218				15,218
Miscellaneous administrative and construction expenses	10,855,083,789		10,476,102,823		(—)378,980,966		
Miscellaneous benefit and insurance expenses	25,110,301,012		24,621,740,653		(—)488,560,359		
Miscellaneous trust funds	4,700,842,392		4,658,621,658		(—)42,220,734		
Miscellaneous transfer appropriations and working funds	38,634,996		31,269,691		(—)7,365,305		
Total: Other appropriations and funds	40,704,862,189	1,436,390	39,737,554,090		(—)917,127,364		50,180,735

¹ Assistance for Health Manpower Training Institutions expired in 1985.

Note: Totals may not add due to rounding.

TABLE 67

FISCAL

Net Outlays—FY 1986 and FY 1987
(Dollars In Thousands)

Outlays	FY 1987	FY 1986 ²
Grand Total	\$27,021,138	\$26,648,963
Medical Care Total		
Medical Care	9,758,414	9,351,202
Medical and Prosthetic Research	9,499,750	9,095,306
Medical Administration and Miscellaneous Operating Expenses	195,123	181,246
Grants for Construction of State Extended Care Facilities	40,265	54,780
Grants to the Republic of the Philippines	26,046	16,684
Assistance for Health Manpower Training Institutions	268	562
Canteen Service Revolving Fund	191	986
Special and Therapeutic and Rehabilitative Activities Fund	(3,246)	1,579
Total Benefits Programs	17	59
Compensation	15,691,823	15,544,173
Pension	10,502,353	10,416,201
Burial Benefits and Miscellaneous Assistance	3,793,200	3,874,368
Veterans Job Training ¹	130,730	121,909
Readjustment Benefits	38,005	34,192
Reinstated Entitlement Program for Survivors	821,625	918,056
Loan Guaranty Revolving Fund	(7,183)	9,856
Vocational Rehabilitation Revolving Fund	383,790	162,769
Direct Loan Revolving Fund	(13)	(61)
Education Loan Fund	33,064	(28,669)
Veterans Insurance and Indemnities	9,871	(6,248)
Service Disabled Veterans Insurance	4,856	9,936
Veterans Reopened Insurance Fund	1,984	(2,533)
Servicemen's Group Life Insurance Fund	(7,580)	40,123
Construction Programs	(12,879)	(5,726)
Trust Funds (Net)	537,156	522,386
Post-Vietnam Era Veterans Education Account	472,972	596,860
General Post Fund	283,607	225,251
National Service Life Insurance	20,617	11,844
U.S. Government Life Insurance	1,034,060	1,037,408
Veterans Special Life Insurance	40,325	44,739
Proprietary Receipts from the Public	(78,213)	(72,156)
Intragovernmental Transactions	(827,424)	(650,226)
General Operating Expenses and Miscellaneous	(143,350)	(116,350)
General Operating Expenses	704,123	750,692
Grants for the Construction of State Veterans Cemeteries	720,224	729,522
Supply Fund	1,185	3,710
	(17,286)	17,460

¹ In 1985, correct name was *Emergency Veterans Job Training*.

² Corrected data.

Estimated Selected Expenditures by State—Fiscal Year 1987¹

State	Total	Readjustment Benefits						
		Total		Educational Assistance				
				Post-Korean Conflict Veterans (Title 38, U.S.C., Ch. 34)		Dependents Educational Assistance (Title 38, U.S.C., Ch. 35)		
						Number Trained During Year		Expenditures
		Total Number Who Trained During Year	Amount	Total Number Who Trained During Year	Amount	Sons and Daughters of Deceased or Totally Disabled Service-connected Veterans	Widows/Widowers and Spouses of Totally Disabled Service-connected Veterans	
World Totals	² \$28,100,515,860	³ 312,092	\$878,667,006	238,798	\$631,006,097	43,427	5,268	\$116,909,042
Philippines	126,678,470	2,218	7,621,026	1,253	6,000,341	931	34	1,562,682
Other foreign areas	80,098,378	284	5,498,438	174	5,063,760	109	1	434,678
Puerto Rico	367,361,944	2,424	8,781,014	707	2,795,797	1,174	119	3,451,954
Other U.S. areas	3,990,814	280	616,161	254	502,338	22	4	45,143
Total U.S.	27,522,386,254	302,358	856,150,367	236,410	616,643,861	41,191	5,110	111,414,585
Alabama	567,539,687	8,757	27,283,682	6,726	19,599,707	1,306	202	3,578,290
Alaska	75,310,427	1,365	2,593,059	1,238	2,082,242	72	11	131,193
Arizona	441,900,610	7,339	19,255,194	5,732	14,083,934	928	161	2,513,242
Arkansas	440,844,939	3,547	12,083,466	2,481	8,142,321	730	97	2,162,345
California	2,481,035,973	38,713	98,536,289	33,119	80,445,798	3,815	569	9,924,194
Colorado	380,533,478	7,436	23,161,291	6,128	17,875,034	759	119	2,270,678
Connecticut	263,096,103	2,078	4,988,460	1,673	3,555,012	228	22	662,650
Delaware	78,009,409	759	2,354,899	553	1,139,158	97	15	229,251
District of Columbia	858,859,855	1,663	1,387,540	1,388	848,991	200	12	258,790
Florida	1,647,151,760	18,011	47,274,284	14,450	34,129,211	2,902	434	7,405,891
Georgia	723,453,459	8,907	29,230,853	7,053	21,079,213	1,416	187	4,170,807
Hawaii	85,421,192	2,962	6,351,526	2,656	5,102,075	209	33	594,191
Idaho	97,177,287	1,445	5,097,063	1,149	3,711,159	193	16	535,408
Illinois	992,636,277	7,786	19,764,936	6,515	14,939,185	757	83	2,011,083
Indiana	436,679,691	4,988	16,618,792	3,634	11,016,122	651	56	1,801,818
Iowa	306,981,098	2,079	7,424,318	1,527	4,712,141	337	19	957,858
Kansas	292,108,229	3,731	11,690,055	2,965	8,868,788	423	45	1,245,731
Kentucky	456,053,045	4,354	14,439,828	3,043	9,513,987	798	78	2,301,438
Louisiana	516,918,725	5,202	16,578,847	3,921	12,220,101	852	69	2,292,435
Maine	167,371,984	1,720	4,981,326	1,254	3,092,331	247	36	767,592
Maryland	407,692,047	7,108	12,556,852	5,976	8,707,167	669	68	1,669,363
Massachusetts	828,429,626	4,750	10,672,566	3,391	6,019,864	1,023	53	2,537,822
Michigan	732,057,081	6,531	18,026,270	4,868	12,163,520	1,007	66	2,481,499
Minnesota	481,947,789	3,739	12,016,389	2,803	8,624,764	515	40	1,392,961
Mississippi	389,694,943	2,766	9,095,959	1,915	6,106,892	566	42	1,547,333
Missouri	621,068,039	6,509	18,574,201	5,415	14,599,508	697	87	2,029,364
Montana	91,246,730	1,096	3,626,191	864	2,474,557	116	20	352,422
Nebraska	207,929,860	2,825	7,724,287	2,334	5,734,930	319	52	930,603
Nevada	123,866,010	2,080	5,252,262	1,595	3,523,315	140	31	370,547
New Hampshire	119,547,149	1,543	3,396,473	1,202	2,147,250	176	17	417,831
New Jersey	589,062,085	3,437	10,268,183	2,368	6,123,099	524	58	1,787,364
New Mexico	240,081,009	3,310	10,680,378	2,526	7,442,446	440	63	1,355,564
New York	1,917,348,431	9,015	23,137,818	6,467	14,697,989	1,714	145	4,261,363
North Carolina	722,548,390	9,670	33,189,984	7,170	24,071,685	1,689	255	4,878,504
North Dakota	73,150,971	1,114	3,410,314	910	2,457,050	100	7	312,653
Ohio	1,006,042,980	8,939	25,110,191	6,857	16,411,180	1,203	141	3,246,692
Oklahoma	469,364,259	7,251	22,869,141	5,355	16,125,500	1,172	156	3,237,094
Oregon	379,632,692	3,847	12,815,372	2,889	8,304,235	424	76	1,150,793
Pennsylvania	1,272,529,810	8,157	20,164,103	6,006	12,726,194	1,273	84	3,396,615
Rhode Island	128,032,192	1,346	2,871,996	997	1,818,539	224	21	548,528
South Carolina	366,242,557	6,749	20,223,415	5,373	15,879,888	926	131	2,654,993
South Dakota	138,506,261	1,219	3,616,996	856	2,075,879	156	18	438,878
Tennessee	661,526,115	5,680	17,562,856	4,083	12,117,783	894	108	2,364,182
Texas	1,890,702,248	29,628	82,870,643	23,031	61,496,195	4,105	546	10,274,114
Utah	153,512,419	2,266	7,415,743	1,586	4,957,649	377	35	955,303
Vermont	78,790,837	395	1,281,034	213	522,064	95	9	249,853
Virginia	727,716,052	12,426	32,791,202	9,909	24,125,539	1,633	237	4,475,088
Washington	533,385,294	9,869	33,661,293	8,026	26,608,292	1,062	197	3,408,645
West Virginia	308,330,744	1,523	5,113,491	950	3,059,964	325	30	923,991
Wisconsin	486,505,379	3,906	12,358,662	2,636	7,486,644	609	43	1,677,735
Wyoming	66,813,027	822	2,700,394	634	1,877,770	98	10	272,003

¹ Readjustment Benefits and Compensation and Pension, for the 50 states, D.C., and Puerto Rico, were derived from the Federal Assistance Awards Data System (FAADS). Other U.S. Areas data were obtained from VA cost reports for Compensation and Pension and from FAADS for Readjustment Benefits. Data for the Philippines and Other Foreign Areas were obtained from VA costs reports. Information for Insurance and Indemnities for

the 50 states and D.C. are statistical estimates. All other dollar estimates are derived from VA accounting reports.

² Excludes post-Vietnam era training, burial benefits, emergency job training, new G.I. bill, and various other VA funds and expenditures.

³ Estimated data. Includes 4,528 persons not identified by location.

TABLE 68

FISCAL

Estimated Selected Expenditures by State—Fiscal Year 1987

State	Readjustment Benefits—Continued				Insurance and Indemnities	Hospital and Domiciliary Construction ⁴	Medical Services and Administrative Costs
	Vocational Rehabilitation		Automobiles and Other Conveyances for Disabled Veterans	Specially Adapted Housing for Disabled Veterans			
	Subsistence, Equipment and Supplies, Books and Tuition (Title 38, U.S.C., Ch. 31)						
	Total Number Who Trained During Year ⁵	Amount					
World Totals	³ 24,599	\$105,140,648	\$16,007,177	\$9,604,042	\$1,690,281,118	\$588,871,042	\$10,641,314,251
Philippines		58,003			1,218,202	40,452	2,967,856
Other foreign areas					3,654,749		
Puerto Rico	424	2,331,183	202,080		2,183,451	2,298,352	106,600,889
Other U.S. areas		60,412	8,268		322,571		
Total U.S.	19,647	102,691,050	15,796,829	9,604,042	1,682,902,145	586,532,238	10,531,745,506
Alabama							
Alaska	523	3,512,543	294,531	298,611	25,873,797	13,538,582	190,156,476
Arizona	44	329,719	49,905		3,320,182	333,077	51,454,041
	518	2,273,883	384,135		26,995,765	2,482,394	157,553,923
Arkansas	239	1,359,673	213,194	205,933	15,792,233	4,695,173	158,923,909
California	1,210	5,727,339	1,447,869	991,089	189,613,203	53,769,085	987,241,838
Colorado	430	2,710,906	174,173	130,500	23,069,990	9,957,530	138,928,526
Connecticut	155	599,144	171,654		25,852,924	1,009,843	106,363,994
Delaware	94	703,663	282,827		6,633,318	1,534,774	36,346,014
District of Columbia	63	265,739	14,020		4,472,348	40,665,713	763,803,017
Florida	225	3,044,055	1,075,431	1,619,696	112,522,412	10,834,486	467,946,826
Georgia	251	3,084,652	505,681	390,500	35,348,206	16,672,045	213,458,179
Hawaii	64	628,846	26,414		7,671,711	77,167	24,649,163
Idaho	87	763,504	86,992		5,411,910	1,636,814	31,974,929
Illinois	431	2,563,615	251,053		79,023,954	12,945,668	495,828,971
Indiana	647	3,176,943	331,698	292,211	26,020,525	6,055,857	148,606,546
Iowa	196	1,490,688	157,131	106,500	21,020,305	7,622,914	135,812,694
Kansas	298	1,520,514	55,022		15,449,713	7,123,547	128,599,943
Kentucky	435	2,326,711	297,692		18,957,616	18,243,141	139,750,719
Louisiana	360	1,700,411	223,900	142,000	22,979,059	26,806,169	178,917,691
Maine	183	996,623	124,780		11,711,295	3,213,355	49,565,535
Maryland	395	1,893,864	144,573	141,885	40,368,965	3,852,773	125,821,665
Massachusetts	283	1,427,072	545,808	142,000	53,242,728	20,941,885	309,619,063
Michigan	590	2,854,830	276,716	249,705	54,225,538	4,510,023	258,375,329
Minnesota	381	1,702,896	222,240	73,528	31,668,699	29,786,707	195,109,295
Mississippi	243	1,195,366	92,435	153,933	12,255,973	9,388,156	133,014,903
Missouri	310	1,619,345	325,984		30,089,988	14,323,940	262,310,328
Montana	96	594,172	205,040		5,986,381	302,603	30,903,603
Nebraska	120	920,944	137,810		9,308,030	8,432,856	92,770,834
Nevada	314	1,208,623	114,277	35,500	9,326,948	1,285,094	46,421,616
New Hampshire	148	677,547	147,845	6,000	9,767,571	1,905,227	32,625,509
New Jersey	487	1,915,583	442,137		68,801,626	15,951,883	168,600,598
New Mexico	281	1,643,661	90,707	148,000	14,434,817	3,979,317	87,548,717
New York	689	3,327,099	851,367		129,268,068	56,467,815	818,507,219
North Carolina	556	3,020,028	379,466	840,301	31,619,801	10,656,407	213,510,642
North Dakota	97	524,884	44,727	71,000	2,987,622	2,252,178	34,125,415
Ohio	738	3,537,197	1,088,023	827,099	61,956,646	9,160,746	351,990,424
Oklahoma	568	2,958,136	317,411	231,000	20,177,003	1,098,327	116,344,403
Oregon	458	2,952,828	198,138	209,378	20,165,762	11,209,869	163,354,803
Pennsylvania	794	3,425,802	615,492		92,800,942	39,398,680	473,141,843
Rhode Island	104	424,367	45,062	35,500	5,728,635	461,947	46,732,526
South Carolina	319	1,266,933	243,601	178,000	23,516,291	4,450,436	112,543,494
South Dakota	189	961,657	66,422	74,160	5,096,999	3,347,504	77,874,257
Tennessee	595	2,409,438	493,953	177,500	29,971,308	9,391,628	276,199,580
Texas	1,946	9,101,609	1,098,356	900,369	98,685,050	53,677,711	621,318,021
Utah	268	1,428,895	73,896		7,998,474	3,127,492	74,959,420
Vermont	78	476,895	26,238	5,984	5,513,507	987,500	35,242,490
Virginia	647	2,871,179	712,736	606,660	50,303,125	6,111,692	231,137,893
Washington	584	3,190,733	276,123	177,500	31,935,773	2,552,710	174,967,439
West Virginia	218	1,028,585	100,951		13,893,490	12,741,605	124,738,890
Wisconsin	618	2,850,074	237,709	106,500	31,039,276	4,574,325	198,553,677
Wyoming	80	501,637	13,484	35,500	3,026,643	985,868	37,498,676

³ Estimated data. Includes 4,528 persons not identified by location.⁴ Includes \$34,625,000 in grants for construction of state extended care facilities.⁵ Data not available for Philippines, other foreign areas, and other U.S. areas.

NOTE: The Direct Loans for Disabled Veterans category was excluded from the table because there were no loans made during the year.

Estimated Selected Expenditures by State—Fiscal Year 1987

State	Compensation and Pension							
	All Periods of Service							
	Living and Deceased Veterans						Living Veterans	
	Total		Service-Connected		Nonservice-Connected		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
World Totals	3,807,491	\$14,301,382,443	2,539,992	\$10,511,692,418	1,267,499	\$3,789,690,025	2,843,609	\$10,894,302,804
Philippines	29,190	114,830,934	21,699	77,797,182	7,491	37,033,752	11,391	48,955,136
Other foreign areas	17,216	70,945,191	8,832	48,756,772	8,384	22,188,419	7,362	33,090,126
Puerto Rico	47,066	247,498,238	21,655	153,870,845	25,411	93,627,393	34,917	206,293,673
Other U.S. areas	3,035	3,052,082	2,761	2,426,075	274	626,007	2,546	2,301,556
Total U.S.	3,710,984	13,865,055,998	2,485,045	10,228,841,544	1,225,939	3,636,214,454	2,787,393	10,603,662,313
Alabama	84,840	310,687,150	49,042	201,052,688	35,798	109,634,462	58,420	219,716,567
Alaska	5,424	17,610,068	4,992	16,072,940	432	1,537,128	4,955	15,292,513
Arizona	57,068	235,613,334	44,753	199,393,350	12,315	36,219,984	46,288	187,097,567
Arkansas	57,971	249,350,158	31,416	169,101,536	26,555	80,248,622	40,840	191,979,622
California	318,114	1,151,875,558	232,924	927,221,293	85,190	224,654,265	245,475	852,356,210
Colorado	47,226	185,416,141	37,641	155,325,047	9,585	30,091,094	37,613	141,567,459
Connecticut	37,930	124,880,882	29,345	103,315,979	8,585	21,564,903	30,540	100,564,471
Delaware	9,257	31,140,404	6,575	24,186,370	2,682	6,954,034	7,039	23,590,806
District of Columbia	11,842	48,531,237	7,512	35,264,672	4,330	13,266,565	8,607	34,756,272
Florida	241,611	1,008,573,752	181,896	833,897,190	59,715	174,676,562	191,067	792,155,395
Georgia	108,953	428,744,176	68,960	314,789,435	39,993	113,954,741	77,773	313,640,546
Hawaii	12,101	46,671,625	10,299	41,379,707	1,802	5,291,918	10,001	36,396,211
Idaho	14,232	53,056,571	10,172	41,469,012	4,060	11,587,559	11,247	42,387,809
Illinois	115,582	385,072,748	69,663	241,479,433	45,919	143,593,315	84,477	292,487,609
Indiana	67,646	239,377,971	42,797	164,706,395	24,849	74,671,576	49,653	183,254,917
Iowa	36,184	135,100,867	22,486	89,526,537	13,698	45,574,330	26,467	102,728,467
Kansas	34,453	129,244,971	22,834	92,343,709	11,619	36,901,262	25,429	96,522,915
Kentucky	70,163	264,661,741	38,282	166,840,694	31,881	97,821,047	49,443	200,390,922
Louisiana	74,133	271,636,959	37,790	155,932,863	36,343	115,704,096	49,471	189,482,450
Maine	24,986	97,900,473	15,985	72,920,613	9,001	24,979,860	18,912	78,451,839
Maryland	62,227	225,091,792	44,192	174,437,282	18,035	50,654,510	46,665	166,673,657
Massachusetts	117,636	433,953,384	90,599	352,347,616	27,037	81,605,768	94,552	350,467,449
Michigan	114,879	396,919,921	79,770	298,511,668	35,109	98,408,253	88,162	318,112,303
Minnesota	60,194	213,366,699	40,779	145,696,179	19,415	67,670,520	46,253	164,327,314
Mississippi	57,128	225,939,952	27,813	134,657,612	29,315	91,282,340	38,770	165,252,102
Missouri	79,294	295,769,582	46,480	192,210,919	32,814	103,558,663	56,487	219,971,700
Montana	13,259	50,427,952	9,261	38,169,345	3,998	12,258,607	10,696	41,383,986
Nebraska	21,974	89,693,853	14,552	63,277,055	7,422	26,416,798	16,592	68,800,143
Nevada	17,591	61,580,090	13,597	49,840,608	3,994	11,739,482	14,736	49,414,720
New Hampshire	18,305	71,852,369	14,150	59,434,455	4,155	12,417,914	14,981	59,405,556
New Jersey	102,188	325,439,795	77,101	269,218,497	25,087	56,221,298	80,715	261,611,335
New Mexico	29,240	123,437,780	20,679	97,735,104	8,561	25,702,676	22,976	99,191,727
New York	247,178	889,967,511	166,718	640,948,524	80,460	249,018,987	189,655	702,573,619
North Carolina	114,226	433,571,556	66,555	298,314,790	47,671	135,256,766	79,655	317,040,444
North Dakota	8,529	30,375,442	5,725	20,673,209	2,804	9,702,233	6,746	24,493,587
Ohio	156,640	557,824,973	104,140	392,828,553	52,500	164,996,420	118,846	438,446,872
Oklahoma	70,260	308,875,385	43,891	211,606,490	26,369	97,268,895	52,176	239,524,551
Oregon	44,097	172,086,886	29,472	124,966,355	14,625	47,120,531	34,571	137,737,388
Pennsylvania	191,135	647,024,242	125,633	475,507,931	65,502	171,516,311	141,223	501,824,070
Rhode Island	19,196	72,237,088	14,015	57,358,609	5,181	14,878,479	14,904	56,859,741
South Carolina	58,824	205,508,921	33,166	136,803,044	25,658	68,705,877	39,284	139,609,406
South Dakota	12,168	48,570,505	7,026	30,127,519	5,142	18,442,986	9,118	38,046,769
Tennessee	89,438	328,400,743	47,357	203,072,238	42,081	125,328,505	61,449	239,257,731
Texas	263,405	1,034,150,823	179,917	796,982,500	83,488	237,168,323	194,994	775,287,918
Utah	16,067	60,011,290	12,451	47,763,915	3,616	12,247,375	12,978	47,786,370
Vermont	8,616	35,766,306	5,701	27,907,836	2,915	7,858,470	6,592	29,246,815
Virginia	102,525	407,372,140	70,754	319,596,853	31,771	87,775,287	75,713	298,810,204
Washington	74,364	290,268,079	58,029	236,379,777	16,335	53,888,302	59,772	225,590,281
West Virginia	39,684	151,843,268	22,034	97,236,731	17,650	54,606,537	28,538	118,474,879
Wisconsin	64,947	239,979,439	43,638	171,245,921	21,309	68,733,518	50,903	194,986,596
Wyoming	6,054	22,601,446	4,486	17,764,946	1,568	4,836,500	4,974	18,632,513

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United States
General Accounting Office
Washington, D.C. 20548

Comptroller General
of the United States

B-226801

To the Administrator of Veterans Affairs
Veterans Administration

We have examined the consolidated statement of financial position of the Veterans Administration (VA) as of September 30, 1987 and 1986, and the related consolidated statements of operations and changes in financial position and reconciliation to budget for the fiscal years then ended. Our examinations were made in accordance with generally accepted government auditing standards and, accordingly, included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances, except as described in the following two paragraphs. In addition to this report on our examination of VA's 1987 and 1986 consolidated financial statements, we are reporting on our evaluation of internal accounting controls and compliance with laws and regulations. During our examination, we identified matters which do not affect the fair presentation of the financial statements, but nonetheless warrant management's attention. We are reporting them separately to VA.

Fiscal year 1986 was the first year that VA prepared its financial statements and maintained its accounting records in accordance with generally accepted accounting principles for federal agencies. In addition, our examination of VA's consolidated statement of financial position for fiscal year 1986 (GAO/AFMD-87-38, dated July 29, 1987) was the first year this statement had been audited in accordance with generally accepted government auditing standards. Because of these conditions, it was not practical for us to perform various auditing procedures with respect to determining whether, as of October 1, 1985, the beginning of the 1986 fiscal year, the amounts of advances, accounts and loans receivable, accounts payable, and the related amounts of revenues and expenses were recorded in the proper accounting period. These amounts were material to determining operating expenses and revenues and the adjustments affecting the report on reconciliation to budget. Accordingly, we do not express an opinion on the accompanying consolidated statements of operations and changes in financial position and reconciliation to budget for the fiscal year ended September 30, 1986.

Our opinion on the fiscal year 1986 consolidated statement of financial position was qualified because documents supporting the original cost of land, buildings, and equipment, many of which were acquired by VA over periods dating back to its establishment in 1930, were not readily obtainable, and we were unable to satisfy ourselves by means of alternative auditing procedures as to the net aggregate book value of these older assets. Furthermore, although equipment records are maintained in an automated system, accounting records of land and buildings are kept manually, are not always subject to centralized or uniform accounting controls, and, at the VA sites visited during our examination, contain a high degree of error in recorded values. Accordingly, as in our 1986 audit, we determined that it was not practical to perform, nor did we perform, sufficient alternative auditing procedures to remove our qualification relating to the presentation of these assets.

The accompanying financial statements reflect statutorily calculated insurance reserves totaling \$11.6 and \$11.4 billion for fiscal years 1987 and 1986, respectively (see note 6). These reserves, which cover policy benefits relating to five VA life insurance programs, were established under federal statutes which prescribed conservative investment yields and mortality assumptions. Under generally accepted accounting principles for federal agencies, more realistic interest earnings projections and actual mortality experiences are used for calculating such reserves. Insurance policy reserves, calculated using interest rates ranging from 7 to 8.5 percent and mortality assumptions which are based on actual program experience, would amount to approximately \$8.6 and \$8.3 billion for fiscal years 1987 and 1986, respectively. Thus, using the statutory assumptions has resulted in an excess accumulation of about \$3 billion more than needed to ultimately cover present policy benefits. Any excess fund accumulations inure, based on statutory requirements, to policyholders and will ultimately be distributed to them as dividends and other benefit enhancements. Nevertheless, the use of statutory assumptions does not materially affect operating expenses for fiscal year 1987. VA did not compute the difference in operating expenses that would have resulted from using statutory assumptions for fiscal year 1986.

As discussed in note 5, the financial condition of certain sectors of the economy, particularly the energy and agricultural sectors, adversely affected the home mortgage industry's performance during 1987. The rate of housing foreclosures for VA has increased substantially since 1986.

For example, the average foreclosure rate on VA guaranteed home loans increased from 16.8 percent in fiscal year 1986 to 19.6 percent in fiscal year 1987. While VA expects this trend to reverse itself in 1988, other mortgage industry experts expect the trend to continue. At the same time, the number of VA guaranteed loans has also increased. This greatly increases VA's exposure to losses in its loan guaranty revolving fund because the revolving fund's fees are not intended to fully cover the losses and other costs associated with foreclosures of VA guaranteed mortgages. The continuing high level of foreclosures which result in increased cash outlays for property acquisitions has severely strained the revolving fund's resources. In response, VA obtained, primarily through a fiscal year 1988 supplemental appropriation, \$726.6 million in additional funds for the loan guaranty revolving fund. Although loan guaranty operations for the remainder of fiscal year 1988 will be continued because the emergency supplemental appropriation has been obtained, a continuing high rate of foreclosures on VA guaranteed mortgages may require additional supplemental appropriations in future years.

In our opinion, except for the effect of adjustments, if any, that might have been necessary had we been able to perform necessary auditing procedures to substantiate the asset and related expense accounts, as discussed in paragraph three above, and, except for the \$3 billion overstatement in insurance reserves due to the use of statutory assumptions rather than more realistic assumptions under generally accepted accounting principles, as discussed in paragraph four above, the consolidated financial statements referred to above present fairly the financial position of the Veterans Administration at September 30, 1987 and 1986, and the results of operations, the changes in financial position, and the reconciliation to budget for the fiscal year ended September 30, 1987, in conformity with generally accepted accounting principles for federal agencies applied on a consistent basis during the period.



Charles A. Bowsher
Comptroller General
of the United States

May 16, 1988

VETERANS ADMINISTRATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 1987 AND 1986

(Dollars in Thousands)

	1987	(Restated) 1986
ASSETS:		
Fund Balance with U.S. Treasury	\$ 5,997,027	\$ 6,148,403
Imprest Funds	9,616	9,790
Advances, Accounts, and Loans Receivable, net (note 8)	3,211,966	3,343,486
Investments (note 7)	12,242,563	11,789,489
Foreclosed Property Held for Sale	864,104	807,531
Land, Buildings, and Equipment Net of Accumulated Depreciation (note 9)	6,839,263	6,310,049
Other Assets	151,615	154,585
Future Financing Sources	\$ 4,095,108	\$ 2,975,991
TOTAL ASSETS	\$ 33,411,262	\$ 31,539,324
LIABILITIES, TRUST FUND BALANCES, AND EQUITY:		
Accounts Payable, Principally to the Public	\$ 1,111,935	1,036,395
Accrued Compensation and Pension Benefits	1,280,054	1,237,046
Accrued Payroll and Payroll Related Liabilities	1,011,568	935,941
Dividends on Credit or Deposit (note 6)	706,018	630,381
Insurance Dividends Payable (note 6)	956,347	929,714
Other Liabilities	459,879	387,121
Reserve for Federal Employees Compensation Act	423,727	366,048
Reserve for Losses on Guaranteed Loans (note 5)	2,718,898	1,735,252
Insurance Statutory Reserves (note 6)	11,612,555	11,382,576
Borrowings from Treasury	1,730,078	1,730,078
TOTAL LIABILITIES	22,011,059	20,370,552
TRUST FUND BALANCES	889,639	929,421
EQUITY OF THE U.S. GOVERNMENT:		
Unrealized Appropriations:		
Deferred Appropriations	7,334,826	6,846,607
Unobligated Balances	1,369,786	1,851,850
Undelivered Orders	1,805,952	1,540,894
TOTAL EQUITY OF THE U. S. GOVERNMENT	10,510,564	10,239,351
TOTAL LIABILITIES, TRUST FUND BALANCES, AND EQUITY	\$ 33,411,262	\$ 31,539,324

The accompanying notes are an integral part of these statements.
Note 11 includes financial information by major program area.

VETERANS ADMINISTRATION

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 1987 AND 1986

(Dollars in Thousands)

	1987	(Restated) (Unaudited) 1986
OPERATING EXPENSES AND DIVIDENDS:		
Expenses by Category:		
Personnel Compensation and Fringe Benefits	\$ 6,982,792	\$ 6,641,146
Veterans Benefits	15,630,956	15,673,194
Claims and Indemnities	3,272,296	2,206,460
Depreciation	363,477	337,997
Supplies and Materials	1,622,952	1,537,771
Contractual Services	1,320,649	1,180,408
Rent, Communications, and Utilities	516,267	503,446
Other	262,591	335,455
Total Operating Expenses	29,971,980	28,415,877
Provisions for Dividends to Policyholders	928,845	907,170
Provisions for Servicemen's Group Life Insurance Reserve	9,027	9,533
	\$30,909,852	\$29,332,580
OPERATING REVENUE AND FINANCING SOURCES:		
Operating Revenues:		
Premium Income	\$ 877,756	\$ 848,402
Interest Income	1,383,742	1,350,391
Loan Origination fees	340,972	258,111
Reimbursements and Other	395,015	277,456
Total Operating Revenue	2,997,485	2,734,360
Financing by Source:		
Appropriations and Financing Sources Realized	26,560,145	25,633,985
Funds to be Provided by Future Appropriations	1,119,116	640,360
Transfers, Reimbursements, and Other	233,106	323,875
Total Financing Sources	27,912,367	26,958,220
	\$30,909,852	\$29,332,580

The accompanying notes are an integral part of this statement.
Note 11 includes financial information by major program area.

VETERANS ADMINISTRATION

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL
POSITION AND RECONCILIATION TO BUDGET
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 1987 AND 1986
(Dollars in Thousands)

	1987	(Restated) (Unaudited) 1986
NET USE OF RESOURCES:		
Operating Expenses	\$ 29,971,980	\$ 28,415,877
Items Requiring (Providing) Funds:		
(Increase) in Reserves	(1,271,304)	(745,585)
Depreciation	(363,477)	(337,997)
(Decrease) Increase in Accounts Receivable	(420,471)	61,068
Increase in Accounts Payable and Accruals	(274,715)	(159,725)
Revenues Accounted for as		
Offsetting Collections	(2,263,283)	(2,114,457)
Funds Used By Operations	25,378,730	25,119,181
Non-Operating Uses:		
Dividends (note 6)	927,500	882,935
Acquisitions of Land, Buildings, and Equipment	969,993	952,690
Purchase of Foreclosed Property Held for Sale	1,380,338	1,147,210
Issuance and Repurchase of Loans and Liens	1,327,375	1,085,081
Other, Net	(3,062)	34,083
Financing Activities:		
Sale of Foreclosed Property Held for Sale	(1,482,928)	(1,214,867)
Sale of Loans, with Recourse	(849,196)	(818,368)
Loan/Lien Repayments/Optional Income Settlements	(372,900)	(296,682)
Disposals of Equipment and Other	(95,266)	(242,300)
Revenues Collected for Treasury	(228,546)	(113,253)
NET USE OF RESOURCES (BUDGETARY OUTLAYS)	26,952,038	26,535,710
SOURCES OF BUDGETARY RESOURCES PROVIDED		
Current Year Appropriation	26,605,398	26,464,426
Less: Reductions Pursuant to P.L. 99-177 (Gramm-Rudman-Hollings)		(234,053)
Current Year Appropriations, Net	26,605,398	26,230,373
Interest on Government Securities	964,383	943,956
Net Transfers, Reimbursements, and Other	(165,973)	(95,185)
Funds Returned to Treasury	(170,226)	(58,723)
TOTAL RESOURCES PROVIDED	27,233,582	27,020,421
INCREASE (DECREASE) IN U.S. TREASURY AND IMPREST FUNDS	281,544	484,711
Funds Exchanged for U.S. Government Securities	(433,094)	(360,611)
NET INCREASE (DECREASE) IN U.S. TREASURY AND IMPREST FUNDS	(151,550)	124,100
U.S. TREASURY AND IMPREST FUNDS:		
Beginning of Year	6,158,193	6,034,093
End of Year	\$ 6,006,643	\$ 6,158,193

The accompanying notes are an integral part of this statement.
Note 11 includes financial information by major program area.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Entity and Basis of Consolidation

In fulfilling its mission to provide veterans with care, support, and recognition, the Veterans Administration maintains 15 general funds, 10 revolving funds, 5 trust funds, and 10 other funds. The financial activities of these funds have been classified into the following functional areas: Medical and Construction; Veterans Benefits (compensation, pension, education, and other benefits); Housing Credit Assistance; Life Insurance; and Administration. Some of the trust and revolving fund activities for the insurance and housing credit assistance programs are augmented by budget appropriations.

The consolidated financial statements account for all funds for which the VA is responsible and are presented on the accrual basis of accounting as required by the GAO policy and procedures manual for guidance of Federal agencies (Title 2). All significant intra-agency balances and transactions have been eliminated in consolidation.

Recognition of Financing Sources

The current congressional budgetary process under which VA operates does not distinguish between capital and operating expenditures. For budgetary purposes, both are recognized as a use of budgetary resources (outlays) as paid. For financial reporting purposes under accrual accounting, however, operating expenses are recognized currently while expenditures for capital and other long-term assets are capitalized and are not recognized as expenses until they are consumed in the VA's operations. Financing sources for these expenses, which derive both from current and prior year appropriations and operations, are recognized on this same basis. The consolidated statement of changes in financial position and reconciliation to budget presents a reconciliation of operating expenses on an accrual basis with budgetary expenditures.

For certain accrued expenses (e.g., annual leave earned but not taken, insurance premiums for disabled veterans funded by appropriations, and losses on guaranteed loans), current or prior year appropriations are not available to fund the expenses. However, such expenses are customarily financed (funds appropriated, or for a portion of the loan losses, revenues received) in the year payment is required. An amount due from future financing sources is therefore recognized in operations each year for the year's accrued amount of such expenses. The cumulative amount of these accruals is reflected on the consolidated statement of financial position as an asset, future financing sources. The total amount of the future financing sources account is also reflected in the liability section of this statement as part of various liability accounts.

Operating Revenue And Other Financing Sources Recognition

Interest income, which is earned primarily from the investments of the insurance program, is recognized on the accrual basis. Insurance premiums are recognized as revenue when due. Loan origination fees, which are charged to veterans at a rate of 1 percent of the loan principal, are recognized as revenues at the time of the guaranty.

Funds With U.S. Treasury

VA does not maintain cash in commercial bank accounts. Cash receipts and disbursements are processed by the U.S. Treasury. The balance in the U.S. Treasury represents appropriated and trust funds that are available to pay current liabilities and finance authorized purchase commitments. As of September 30, 1987, and 1986, \$1,805,952,000 and \$1,540,894,000, respectively represent funds earmarked to pay outstanding purchase commitments.

Property and Equipment

The majority of the reported property represents facilities and equipment used to provide medical care to veterans. Property and equipment, including transfers from other Federal agencies, are valued at cost. Expenditures for major additions, replacements, and alterations are capitalized. Routine maintenance is recognized as an expense when incurred. Costs of construction are capitalized as Construction in Progress until completed and then transferred to the appropriate property account.

Buildings are depreciated using the straight line method over estimated useful lives ranging from 25 to 40 years, based upon the American Hospital Association's estimate of useful lives of hospital assets. Equipment is depreciated using the straight line method over useful lives, which, for most equipment, range from 5 to 20 years.

Accrued Compensation and Pension Benefits

Compensation and pension benefits are accrued when veterans have satisfied the VA's eligibility criteria. This accrual only pertains to benefits due and payable in a particular fiscal year. See note 4 for a description of the VA's future liability under its compensation and pension program.

Losses on Guaranteed Loans

Upon foreclosure of a guaranteed loan, the VA may be required to pay the maximum claim, acquire the property, or acquire the property and pay less than the maximum claim pursuant to criteria established in Section 1816 of Title 38, United States Code. Thus, when the VA acquires the property, the cost is comprised of the claimed amount paid the lender less net proceeds from the sale of the property. The VA incurs an additional cost for direct home (vendee) loans, issued upon the sale of foreclosed properties, that subsequently default.

Estimated losses on anticipated defaults of guaranteed loans are recorded as expenses, and a reserve is established at the time loans are guaranteed. This reserve represents the estimated cost of defaults for those guaranteed loans which will, based on prior default experience, default in the future. A portion of this reserve is subsequently reclassified as a reduction to direct home loans receivable when such loans are issued (see Note 8) and as a reduction of foreclosed property held for sale when property is acquired, in order to record such property at its net realizable value.

Annual, Sick, and Other Types of Leave

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. At least once per year, the balance in the accrued annual leave account is adjusted to reflect current pay rates of cumulative annual leave earned, but not taken. Sick and other types of leave are expensed as taken.

Insurance Program Liabilities

Insurance program liabilities are recorded for unpaid claims in process, for an experience based estimate of claims incurred but not reported, and for incurred death and permanent disability installment claims. These liabilities are included in accounts payable.

Dividends Payable

Dividends from the VA's insurance programs are recorded as a liability when declared by the Administrator of Veterans Affairs. Dividends are normally declared when fund balances are in excess of statutorily required insurance claim reserves.

Trust Fund Balances

Trust fund balances are comprised of the Post-Vietnam Educational Assistance Trust Fund, Insurance Trust funds, and the General Post Fund. These funds are accounted for separately and can be used only for specified purposes. They are not available to fund general purpose governmental activities and thus are excluded from VA's equity accounts.

Deferred Appropriations

Deferred appropriations include VA's investment in plant, property and equipment, and certain accounts receivable for which outlay authority is not available until collection.

Workers Compensation

Legal actions brought by employees of the VA for on-the-job injuries fall under the Federal Employees Compensation Act (FECA), administered by the Department of Labor (DOL). DOL bills each agency annually as its claims are paid; however, payment on these bills is deferred two years so they may be funded through the budget process. Using estimates provided by the Department of Labor, VA has recorded FECA liabilities for balances billed to VA by DOL and for an estimate of the present value of the long-term payments related to cases on hand at the end of the fiscal year. An actuarial evaluation of the

long-term liability for FECA is currently underway, and adjustment to the balances recognized for these financial statements may be necessary when actuarially-based liabilities are made available to agencies.

NOTE 2: INTRAGOVERNMENTAL FINANCIAL ACTIVITIES

The VA's financial activities interact with and are dependent upon those of the Federal Government as a whole. Thus, VA's financial statements do not reflect the results of all financial decisions and activities applicable to it, as if it were a stand-alone entity.

- o The VA's consolidated financial statements are not intended to report the Agency's proportionate share of the Federal deficit or of public borrowing, including interest thereon. Financing for budget appropriations reported on the VA's statement of operations could derive from tax revenues or public borrowing or both; the ultimate source of this financing, whether it be tax revenues or public borrowing, has not been specifically allocated to the VA.
- o Financing for major and minor construction projects was obtained through budget appropriations. To the extent this financing was derived from public borrowing, no interest has been capitalized since such borrowings are recorded in total by the Department of the Treasury and are not allocated to individual departments and agencies.
- o Since the U.S. Treasury Department does not charge agencies interest on borrowings from the Treasury, VA does not recognize interest costs related to foreclosed property in its financial records. In fiscal year 1987, VA held foreclosed properties an average of 8 months. Based on this estimate and the average interest rate for the public debt (8.7 percent), the holding costs associated with the foreclosed property held for sale were approximately \$68 million in fiscal year 1987.
- o VA's Housing Credit Assistance program has a liability to the U.S. Treasury of \$1.7 billion. These funds were originally provided to support the direct loan fund, but were subsequently transferred to the loan guaranty fund and have since been fully used. The liability bears no interest and VA's ability to pay it is contingent upon receiving other financing.
- o During fiscal year 1986, the majority of the VA's employees participated in the contributory Civil Service Retirement System (CSRS), to which VA makes matching contributions. The VA does not, however, report CSRS assets, accumulated plan benefits, or unfunded liabilities, if any, applicable to its employees since this data is only reported in total by the Office of Personnel Management.

On January 1, 1987, the new Federal Employees Retirement System (FERS) went into effect pursuant to Public Law 99-335. Employees hired after December 31, 1983, are automatically covered by FERS while employees hired prior thereto may elect to either join FERS or remain in CSRS. One of the primary differences between FERS and CSRS is that FERS

offers a savings plan to which VA will automatically contribute 1 percent of pay and then match employee contributions up to an additional 4 percent of basic pay.

Employees participating in FERS are also covered under the Federal Insurance Contributions Act (FICA) for which VA contributes an employer's matching amount to the Social Security Administration.

VA's total contributions for CSRS and FERS participants, including contributions to Social Security, during fiscal year 1987 and fiscal year 1986 were as follows:

	1987	1986
CSRS	\$306,844,931	\$353,345,340
FERS	132,990,446	
FICA	104,309,122	83,015,593
Total VA Contributions	<u>\$544,144,499</u>	<u>\$436,360,933</u>

While VA has no liability for future payments to employees under these programs, the Federal Government is liable for future payments to employees through the various agencies administering the programs.

- o Certain legal matters to which VA may be a named party are administered and, in some instances, litigated and paid by other Federal agencies. These primarily relate to allegations of medical malpractice but also include other tort claims and contract disputes. Generally, amounts (over \$2,500 for Federal Tort Claims Act cases) to be paid under any decision, settlement, or award pertaining to these litigations are funded from a special appropriation called the Judgment Fund that is maintained on deposit with the Department of Treasury. Since VA, except for contract dispute payments, is not required to reimburse the Judgment Fund for payments made on its behalf, the amount of payments from the Fund for VA are not reflected in VA's statements. Amounts paid from the Judgment Fund on behalf of VA were \$30 million and \$33 million in fiscal years 1987 and 1986, respectively. Amounts reimbursed the Judgment Fund by VA for contract dispute payments were not material.

NOTE 3: RESTATEMENT OF FISCAL YEAR 1986 STATEMENTS

The fiscal year 1986 consolidated statement of financial position and consolidated statement of operations and changes in financial position and reconciliation to budget have been restated to recognize VA's liability for workers' compensation benefits, to reflect corrections of errors in insurance reserves and accrued annual leave, to reduce accounts receivable from the Department of Defense, and to reclassify items described below. In total, these changes have increased assets by \$755 million, liabilities by \$706 million, and equity by \$49 million.

In accordance with title 2's requirements, a liability has been established recognizing VA's portion of the long-term liability for employee injuries administered under the Federal Employees Compensation Act by the Department of Labor (DOL). As discussed in Note 1, "Workers Compensation", the liability consists of actual billings received by VA and included in its annual budget submissions as well as an estimate of the long-term compensation payments for cases on-hand as of the end of the fiscal year. In FY 1987, DOL estimated its long-term liability for future payout, net of current billings to the agencies, as part of its annual financial statements. GAO has opined that under title 2 each agency must recognize its portion of the long-term liability. Because this information was previously unavailable for recognition on the agency level, VA has restated its 1986 financial statements to reflect both the billed and estimated long-term liabilities for workers' compensation claims.

Life Insurance programs reserves have been restated and increased by \$153 million principally to recognize a reserve in the SDVI program for waiver of premium. Previously these reserves were erroneously omitted from VA's financial reporting although VA's statutory accounting principles require their inclusion. "Future financing sources" have been increased by \$361 million because these premiums are paid from VA's annual appropriation; Trust Fund Balances were increased by \$208 million.

Accrued annual leave as of September 30, 1986, has been restated to correct an overstatement of the liability of \$63 million which resulted from a software programming error. Amounts to be provided from future financing sources have been correspondingly decreased.

Veterans benefits accounts receivable and equity have been reduced by \$60.6 million based on a fiscal year 1987 ruling by the Department of Justice allowing the Department of Defense to fund certain education benefits on an as-needed basis as described in Note 8, "Receivables". Previously these receivables were recognized and reported when veterans were enrolled in a program of studies.

Certain other financial information has been reclassified to conform to the current year's presentation. Significant among these reclassifications was the establishment of a Provision for Amounts to be Provided by Future Financing Sources of \$640 million. Previously these amounts were included in Appropriations Realized. Trust fund balances have been reclassified and are reported as separate liabilities reflecting the restricted nature of these funds and segregating them from appropriated and other equity accounts related to general purpose activities of the Administration. Consistent with OMB policy, which precludes VA's recognizing certain veterans benefits accounts receivable as available budget authority until these accounts are collected, unobligated balances of \$294 million have been reclassified as deferred appropriations.

NOTE 4: FUTURE LIABILITY FOR COMPENSATION AND PENSIONS

Veterans or their dependents receive compensation benefits if the veteran was disabled or died from military service-connected causes. War veterans or their dependents receive pension benefits if the veteran was disabled or died from nonservice-connected causes or is age 65 or older. Certain pension benefits are subject to specific income limitations. The compensation and pension benefits for fiscal years 1987 and 1986 were:

<u>Fiscal Year</u>	<u>Compensation</u>	<u>Pension</u>
1987	\$10,513,080,000	\$3,792,945,000
1986	\$10,427,024,000	\$3,850,179,000

The VA has a future liability for benefits expected to be paid in future fiscal years to veterans and, if applicable, their survivors who have met or are expected to meet defined eligibility criteria. The future liability of the compensation and pension programs is not currently funded, nor is there any intent to do so. Rather, payments for benefits that become due in a particular fiscal year are financed from that year's appropriation; in effect, on a pay-as-you-go basis. Payments of the future liability as it becomes due rely on congressional authorization of future tax revenues or other methods, such as public borrowing, for their financing.

The future liability for compensation and pension benefits represents the present value, using a 8.7 percent discount rate, of projected annual benefit payments. Projected benefit payments were based on assumed cost of living increases ranging from 3.1 percent to 5.1 percent for 1988 - 1992 and 2.6 percent to 5.6 percent thereafter. In addition, the mortality and accession rates used were based on trends in the current veteran population.

This calculation was not based on an independent actuarial study, and thus there is a risk that the assumptions and methods underlying it may not be reflective of actual economic and demographic trends affecting veterans.

The present value of the estimated future liability for compensation and pension benefits payable for the next five fiscal years and thereafter is as follows (dollars in thousands):

1988	\$ 13,512,659
1989	12,371,058
1990	11,292,115
1991	10,303,321
1992	9,387,798
Thereafter	79,587,692
TOTAL	<u>\$136,454,643</u>

No liability for compensation and pension benefits has been included in the accompanying consolidated statement of financial position.

NOTE 5: HOUSING CREDIT ASSISTANCE PROGRAM - COST OF GUARANTEED LOAN DEFAULTS

Most of the VA's housing credit assistance program involves the partial guaranty of loans, primarily home mortgages, issued to eligible veterans by private lenders. Although VA continues its direct loan program, the majority of VA's housing credit activities, such as the issuance of loan guaranties and the sale of foreclosed property on credit terms (vendee loans), are funded through the loan guaranty revolving fund.

The total amount of such loans at September 30, 1987, was \$182 billion, of which VA had guaranteed \$77 billion, and the total amount of such loans at September 30, 1986, was \$143 billion, of which VA had guaranteed \$63 billion. This increase in the level of VA guaranteed loans has increased VA's exposure to losses to its loan guaranty revolving fund. The Loan Guaranty funding fee, 1 percent of the loan principal, is not intended to fully fund the losses and other costs associated with foreclosures of VA guaranteed mortgages.

VA's guaranty in effect transfers some or all risk of default from the lender to the VA. It also provides other benefits to the veteran by inducing lenders to provide interest rates which are usually lower than conventional mortgage rates and by not requiring a down payment. Thus a subsidy is provided to veterans since they are receiving terms that are more favorable than would exist without Federal Government involvement.

Reserve for losses on guaranteed loans

One element of this subsidy is the present value of the cost the VA will bear as loans already guaranteed default in the future. A reserve for estimating losses from such defaults was included in fiscal year 1986 statements and has been included in the consolidated statement of financial position for fiscal year 1987. The present value of the costs of defaults is based on historical default data developed by the VA and assumes that the remaining outstanding guaranteed loans will default over a nine-year period, as follows (dollars in thousands):

1988	\$ 674,862
1989	741,507
1990	525,589
1991	340,407
1992	315,513
1993 - 1996	355,724
	<u>\$2,953,602</u>

The reserve balances as of September 30, 1987, and September 30, 1986, are recorded as follows (dollars in thousands):

	<u>1987</u>	<u>1986</u>
Offsets against loans receivable (Note 8)	\$ 133,088	\$ 107,056
Offsets against foreclosed property held for sale	101,616	83,451
Reserve for losses on guaranteed loans	<u>2,718,898</u>	<u>1,735,252</u>
Total reserve balance	<u>\$2,953,602</u>	<u>\$1,925,759</u>
Discount rate	8.7%	9.2%

The discount rate is based on the average interest rate of U.S. interest-bearing debt. The decrease in the interest rate increased the present value of the cost of defaults. However, the increase in the cost of defaults attributable to the change in interest rates is not material.

Impact of reserve on future appropriations

The projected cost of guaranteed loan defaults will not necessarily reflect the VA's future appropriation requests over the next nine years, since those requests will also include anticipated inflows and outflows of resources for nonoperating uses such as for transfers, purchases and sales of property, and issuances and repayments of loans, sale of loans, and the receipt of the 1 percent funding fee.

To the extent revolving fund revenues are not sufficient to fund future costs, then financing will have to be obtained from future appropriations or other congressionally approved sources.

Loan Sales

During fiscal year 1987, VA sold certain of its vendee loans to the public under agreements with recourse provisions for \$890,462,000. Under these agreements, loans sold that subsequently default are repurchased by the VA. Any losses from defaults of repurchased loans are borne by the VA. Estimated losses from defaults of loans sold with recourse are a component of the reserve for losses on guaranteed loans, discussed above.

The VA was to sell certain of its vendee loans to the public without recourse, starting in fiscal year 1987. However, VA has made only one such offering in April 1987, which was not successful because the reduced proceeds the VA would have received were not considered acceptable. In October 1987, legislation was enacted (Public Law 100-136) to sell loans with recourse, or at face value or higher if sold without recourse. Subsequent to enactment of this legislation, VA has made three loan sales with recourse. However, all future loan sales are currently planned to be without recourse.

Participation Certificates

In fiscal year 1988, the final series of Federal Asset Financing Trust (FAFT) Participation Certificates (PCs) will mature. VA's current share of these PCs is \$577.7 million. The PCs are secured by a portion of VA's loans receivable. VA has transferred \$431.6 million in principal payments to a sinking fund established at the Government National Mortgage Association (GNMA). GNMA determined in September 1984 that principal payments received to date were sufficient to meet future principal payments, and suspended transfer of principal collections. VA has also transferred \$455 million in interest payments to GNMA for coverage of the periodic interest payments on the PCs. In September 1985, GNMA determined that the interest payments received to date were also sufficient to meet the interest due to PC holders, and suspended transfers of interest collections.

GNMA has invested funds not needed to meet current interest payments on the PCs. The balances associated with this investment at September 30, 1987, and September 30, 1986, were \$154.7 million and \$134.8 million, respectively (Note 7). VA has recognized income from the GNMA investment monthly, although the funds were retained in GNMA's sinking account. Furthermore, VA has, for budget purposes, considered this income to be an increase in its unobligated balance available for current operations rather than reserving the funds for payment of the debt. Therefore, to fund its final payment due at the maturity of the PCs on August 12, 1988, VA has included the necessary funding for the balance due at maturity as part of the emergency supplemental appropriation submitted in January 1988.

PRINCIPAL DUE ON PCs	\$577,684,000
VA PRINCIPAL PAYMENTS	<u>431,637,845</u>
BALANCE DUE AT MATURITY	<u>\$146,046,155</u>

Factors Impacting The Loan Guaranty Revolving Fund

The financial condition of certain sectors of the economy, particularly the energy and agricultural sectors, has adversely affected the housing mortgage industry's performance over the last year. The rate of housing foreclosures has increased substantially. The average foreclosure rate on VA guaranteed home loans increased from 16.8 percent in fiscal year 1986 to 19.6 percent in fiscal year 1987. The foreclosure rate for VA guaranteed mobile homes increased from 47.8 percent in fiscal year 1986 to 65.7 percent in fiscal year 1987. The record number of defaults by veterans in oil-producing states, such as Texas, Oklahoma, and Colorado, accounted for more than one-third of the total number nationwide in 1987.

Additionally, since the foreclosure rate has greatly increased in these states, VA, other government agencies, and private lenders have accumulated increasing inventories of foreclosed properties. The market to sell these properties is extremely competitive, resulting in overall depressed property values.

SUBSEQUENT EVENTS

Lapse in authority to collect fees

During fiscal year 1988, the enabling legislation authorizing the collection of the loan origination fee lapsed for six weeks. As a result of this lapse in legislation, VA lost an estimated \$30 million in revenues to the loan guaranty revolving fund.

Emergency supplemental appropriation request

Presently, the high level of foreclosures resulting in increased cash outlays in property acquisition and claim costs, implementation of policies requiring loan sales without recourse, and the temporary loss of authority to collect loan origination fees have severely strained the revolving fund resources. As reported above, VA will also need to make the final payment of the PCs in August 1988, adding to the financial difficulties of the revolving fund.

Therefore, in January 1988, VA requested an emergency supplemental appropriation for an increase of \$526.6 million for the loan guaranty revolving fund as part of a \$1,049.7 million total request. To forestall curtailed loan guaranty operations, VA also transferred \$200 million to the loan guaranty revolving fund from its Readjustment Benefits (education) appropriation. On April 29, 1988, Congress appropriated \$526.6 million for the loan guaranty revolving fund and an additional \$182.5 million to reimburse the Readjustment Benefits appropriation. Therefore, the loan guaranty revolving fund has required a total of \$726.6 million in additional funds in fiscal year 1988. Although loan guaranty operations for the remainder of fiscal year 1988 will be continued since the emergency supplemental appropriation was approved, a continuing high rate of foreclosures on VA guaranteed mortgages may require additional supplemental appropriations in future years.

NOTE-6: INSURANCE PROGRAMS

The Veterans Administration administers the following life insurance programs which provide permanent (whole life) and term coverage: National Service Life Insurance (NSLI); United States Government Life Insurance (USGLI); Veterans Special Life Insurance (VSLI); Veterans Reopened Insurance (VRI); and Service-Disabled Veterans Insurance (SDVI). Data on insurance in force for each of these programs is as follows:

Insurance in Force
As of September 30, 1987 and 1986

<u>Program</u>	<u>Number of Policies</u> (Thousands)		<u>Amount of Insurance</u> (Millions)		<u>Principal Veterans Group Covered</u>
	<u>1987</u>	<u>1986</u>	<u>1987</u>	<u>1986</u>	
NSLI	2,913	3,011	\$21,647	\$21,695	WW II
USGLI	53	58	199	223	WW I
VSLI	341	357	3,075	3,162	Korea
VRI	130	133	891	908	WW II/Korea
SDVI	180	184	1,632	1,668	WWII/Korea/Vietnam
Total	<u>3,617</u>	<u>3,743</u>	<u>\$27,444</u>	<u>\$27,656</u>	

Insurance Reserves

Statutory insurance reserves consist of the actuarial computation of the present value of amounts that will be necessary to pay benefits in the future as policyholders or their beneficiaries make benefit claims. The two most important factors used to compute these reserves are assumed investment yields and mortality rates. The assumed investment yields and mortality rates used by the VA are prescribed by Federal statutes. The statutory reserve standard is necessary to insure the solvency and equity of the insurance program. This standard is on a basis similar to that used by many mutual life insurance companies in the United States.

The statutory insurance reserve balance as of September 30, 1987, consists of reserves for:

<u>Program</u>	<u>Death Benefits</u>	<u>Death Benefit Annuities</u>	<u>Disability Income and Waiver of Premium</u>	<u>Other</u>	<u>1987 Statutory Reserve Total</u>
(dollars in thousands)					
NSLI	\$8,082,269	\$465,070	\$ 880,877	\$162,394	\$ 9,590,610
USGLI	162,411	32,149	2,496	1,220	198,276
VSLI	848,576	3,445	120,334	1,325	973,680
SDVI	257,854	2,299	148,462		408,615
VRI	411,939	1,251	28,184		441,374
TOTAL	<u>\$9,763,049</u>	<u>\$504,214</u>	<u>\$1,180,353</u>	<u>\$164,939</u>	<u>\$11,612,555</u>

The statutory insurance reserve balance as of September 30, 1986, consists of reserves for:

<u>Program</u>	<u>Death Benefits</u>	<u>Death Benefit Annuities</u>	<u>Disability Income and Waiver of Premium</u>	<u>Other</u>	<u>1986 Statutory Reserve Total</u>
(dollars in thousands)					
NSLI	\$7,832,314	\$498,663	\$ 929,186	\$135,612	\$ 9,395,775
USGLI	181,837	35,728	2,798	1,371	221,734
VSLI	792,724	3,420	121,572	10,600	928,316
SDVI	248,075	2,341	148,600		399,016
VRI	407,153	1,219	29,363		437,735
TOTAL	<u>\$2,462,103</u>	<u>\$541,371</u>	<u>\$1,231,519</u>	<u>\$147,583</u>	<u>\$11,382,576</u>

These statutorily computed reserves for guaranteed benefits differ from those computed under generally accepted accounting principles (GAAP) for Federal agencies (title 2). Under GAAP, future policy reserves are based on recent mortality experience and on interest assumptions that are expected to hold true for at least the next 10 years. As a result, GAAP policy reserves are lower than those computed using statutory assumptions. The remainder is called Participating Policyholders' Interest in Accumulated Participating Earnings (Participating Policyholders' Interest). It represents future benefits that inure to program participants based on statutory requirements and practices. Currently, however, this remaining balance cannot be fully disbursed without seriously affecting the solvency of the programs.

The GAAP Life Insurance Reserve Balances and Participating Policyholders' Interest as of September 30, 1987, are shown below:

<u>Program</u>	<u>Death Benefits</u>	<u>Death Benefit Annuities</u>	<u>Disability Income and Waiver of Premium</u>	<u>Other</u>	<u>1987 GAAP Reserve Total</u>	<u>Participating Policyholders Interest</u>
(dollars in thousands)						
NSLI	\$5,601,202	\$465,070	\$ 880,877	\$162,394	\$7,109,543	\$ 2,594,514
USGLI	100,086	32,149	2,496	1,220	135,951	67,785
VSLI	480,804	3,445	120,334	1,325	605,908	417,715
SDVI	257,854	2,299	148,462		408,615	
VRI	271,386	1,251	28,184		300,821	162,184
TOTAL	<u>\$6,711,332</u>	<u>\$504,214</u>	<u>\$1,180,353</u>	<u>\$164,939</u>	<u>\$8,560,838</u>	<u>\$3,242,198</u>

The GAAP Life Insurance Reserve Balances and Participating Policyholders' Interest as of September 30, 1986, are shown below:

<u>Program</u>	<u>Death Benefits</u>	<u>Death Benefit Annuities</u>	<u>Disability Income and Waiver of Premium</u>	<u>Other</u>	<u>1986 GAAP Reserve Total</u>	<u>Participating Policyholders Interest</u>
(dollars in thousands)						
NSLI	\$5,330,897	\$498,663	\$ 929,186	\$135,612	\$6,894,358	\$2,614,294
USGLI	111,825	35,728	2,798	1,371	151,722	75,504
VSLI	434,710	3,420	121,572	10,600	570,302	398,065
SDVI	248,075	2,341	148,600		399,016	
VRI	261,094	1,219	29,363		291,676	170,756
TOTAL	<u>\$6,386,601</u>	<u>\$541,371</u>	<u>\$1,231,519</u>	<u>\$147,583</u>	<u>\$8,307,074</u>	<u>\$3,258,619</u>

Statutory reserves are based on interest rates ranging from 2.3 percent to 4.5 percent. GAAP reserves are based on interest rate assumptions ranging from 7 percent to 8.5 percent. Actual average investment yield for insurance program securities was 9.58 percent as of September 30, 1987, and 9.57 percent as of September 30, 1986.

Statutory mortality assumptions include the American Experience Table, the 1941 CSO Table and the 1958 CSO Basic Table. GAAP mortality assumptions are based on actual mortality experience of the insurance programs, with a provision for adverse deviation.

One of the differences between total GAAP with Participating Policyholders' Interest and total Statutory is the Trust Fund balance for individual life insurance policies. Certain premium items are also accounted for differently under Statutory and GAAP principles. Statutorily, a liability is set up for unearned premiums and advance premiums. Under GAAP, the liability for these items is reduced. A comparison is provided below:

Unearned Premium Reserve and Advance Premium
(dollars in thousands)

<u>Program</u>	<u>9/30/87</u>		<u>9/30/86</u>	
	<u>Statutory</u>	<u>GAAP</u>	<u>Statutory</u>	<u>GAAP</u>
NSLI	\$105,487	\$48,111	\$100,615	\$47,057
USGLI	23	23	42	42
VSLI	23,341	11,347	21,704	10,566
SDVI	1,447	1,447	1,440	1,440
VRI	3,487	2,638	3,120	2,391
Total	<u>\$133,785</u>	<u>\$63,566</u>	<u>\$126,921</u>	<u>\$61,496</u>

Under statutory principles, an asset is set up for uncollected premiums. Under GAAP, this asset is reduced. A comparison is provided below:

Uncollected Premiums
(dollars in thousands)

<u>Program</u>	<u>9/30/87</u>		<u>9/30/86</u>	
	<u>Statutory</u>	<u>GAAP</u>	<u>Statutory</u>	<u>GAAP</u>
NSLI	\$2,292	\$ 933	\$3,275	\$1,333
VSLI	447	202	549	243
SDVI	91	91	135	135
VRI	<u>47</u>	<u>35</u>	<u>73</u>	<u>54</u>
Total	<u>\$2,877</u>	<u>\$1,261</u>	<u>\$4,032</u>	<u>\$1,765</u>

Policy Dividends

The VA Administrator annually determines the excess funds available for dividend payment. Dividends to be paid are based on an actuarial analysis of the individual programs as of the end of the preceding calendar year. Dividends are declared on a calendar year basis and are paid on policy anniversary dates. Policyholders may receive them in cash, use them to pay premiums in advance, repay loans, purchase paid-up insurance, or place them in an interest bearing account.

Dividends paid during fiscal years 1987 and 1986 were as follows:

	<u>Dividends Paid</u>	
	<u>1987</u>	<u>1986</u>
	(In Thousands)	
NSLI	\$804,878	\$764,086
USGLI	13,554	14,667
VSLI	76,033	69,018
VRI	<u>33,035</u>	<u>35,164</u>
TOTAL	<u>\$927,500</u>	<u>\$882,935</u>

Since July 1, 1972, NSLI policyholders with participating policies have been authorized to apply their dividends to purchase paid-up additional insurance. In April 1986, the Administrator approved an increase in the interest basis on paid-up additions reserves from 3.5 percent to 4.5 percent. As a result, effective January 1, 1987, approximately 810,000 NSLI policies were given an immediate one-time increase of approximately \$400 million of paid-up additional coverage. In addition, since the purchase rates under the new interest basis are lower than the prior rates, the same annual dividend will now purchase approximately 15 percent more paid-up additional coverage. A special notice of this action was included with the statements of paid-up additions released to policyholders on the 1987 anniversaries of the policies.

During fiscal year 1986, in addition to regular annual dividends, VRI policyholders or their beneficiaries received a termination dividend of approximately \$800,000. This termination dividend was a return of excess funds in insurance reserves to policyholders.

Insurance Cash Surrender Value

All whole life policies build cash surrender values equal to policy reserves plus any dividends held on account. Policyholders may borrow up to 94 percent of the cash surrender value or use it to purchase reduced paid-up insurance.

VA Supervised Insurance Programs

VA also supervises the administration of the Servicemen's Group Life Insurance Program (SGLI) and the Veterans Mortgage Life Insurance (VMLI). SGLI is supervised by VA, but directly administered by the Prudential Life Insurance Company of America which provides group life insurance coverage and pays all claims and expenses associated with the program. This coverage is provided to active members of the Military Services, to cadets attending service academies, and to active members of the Armed Forces Reserves, National Guard, and ROTC.

VA's responsibilities are to establish premium rates and to act as the transfer agent for premiums paid by payroll deductions and for extra hazard costs paid by the service organizations involved. VA also determines the adequacy of SGLI's insurance reserves, and, if excess reserves exist, VA can both lower premium rates and withdraw excess funds. To date, VA has withdrawn approximately \$94 million from these reserves. These funds, together with investment interest earned thereon, are held in a trust which, as of September 30, 1987, had a balance of \$144.9 million. On September 30, 1986, this balance was \$133.2 million. This balance is used as a premium stabilization fund to augment premium payments remitted by the insured.

SGLI Insurance In Force

	<u>1987</u>	<u>1986</u>
Number of Policies	3,540,376	3,484,241
Amount (in millions)	\$176,065.8	\$173,156.9

In addition to SGLI, VA supervises a similar program, Veterans Group Life Insurance, which provides life insurance to discharged veterans.

The VMLI program, similar to SGLI, is supervised by the Veterans Administration and directly administered by Bankers Life Insurance Company of Nebraska. Under this program disabled veterans can obtain coverage of up to \$40,000 of the outstanding balance of their home mortgages. Coverage ceases at age 70. Premiums, based on standard mortality tables, are deducted from the veterans' monthly compensation payment. Administrative expenses and the additional cost of insuring these medically impaired lives are borne by the Government through appropriations.

VMLI Insurance in Force	1987	1986
Number of Policies	5,539	5,658
Amount (in millions)	\$182.7	\$181.8

Insurance Administrative Expenses

Except for the SGLI and VRI programs, administrative costs are not charged to VA life insurance programs. Administrative costs charged the SGLI program were \$334,000 and \$319,000 in 1987 and 1986 respectively. Administrative costs charged the VRI program were \$1,316,000 in 1987 and \$1,235,000 in 1986. Administrative costs for the other insurance programs borne by VA appropriations were \$26,515,000 and \$26,072,000 in 1987 and 1986.

NOTE 7: INVESTMENTS

Insurance program investments, which comprise most of VA's investments, are in non-marketable U.S. Treasury special bonds and certificates and, to a lesser degree, in GNMA participation certificates. Interest rates for Treasury Special securities are based on average market yields for similar Treasury issues. The special bonds, which mature during various years through 2002, are generally held to maturity unless needed to finance insurance claims and dividends. The certificates are short-term in nature and are either redeemed or replaced at maturity depending upon the cash needs of the insurance program. At September 30, 1987, investment securities consist of:

<u>Security</u>	<u>Interest Range</u>	<u>Insurance Programs</u>	<u>Other Programs</u>	<u>Total</u>
(dollars in thousands)				
Special Bonds	5.875-13.75%	\$11,737,185		\$11,737,185
Certificates	8.375-10.375%	194,638		194,638
GNMA Certificates	6.2-6.45%	135,000		135,000
Bonds	7.875-8.5%		\$ 2,251	2,251
Notes	10-14.625%		18,743	18,743
Other	Various		154,746	154,746
		<u>\$12,066,823</u>	<u>\$175,740</u>	<u>\$12,242,563</u>

At September 30, 1986, investment securities consist of:

	<u>Interest Range</u>	<u>Insurance Programs</u>	<u>Other Programs</u>	<u>Total</u>
		(dollars in thousands)		
Special Bonds	5.875-13.75%	\$11,285,674		\$11,285,674
Certificates	7.125-11%	214,344		214,344
GNMA Certificates	6.2-6.45%	135,000		135,000
Bonds	7.875-8.5%		\$ 2,251	2,251
Notes	7-14.625%		17,420	17,420
Other	Various		134,800	134,800
		<u>\$11,635,018</u>	<u>\$154,471</u>	<u>\$11,789,489</u>

All investments are in securities issued by the U.S. Department of Treasury except for GNMA, which were issued by the Government National Mortgage Association, a subdivision of the U.S. Department of Housing and Urban Development. Other VA programs with investments are Housing Credit and Medical.

NOTE 8: RECEIVABLES

Non-Federal accounts receivable principally represent amounts due from individuals for Education Loan defaults, Home Loan Guaranty and Direct Loan defaults, and Compensation & Pension overpayments. Federal accounts receivable are mostly accrued interest payments due from the U.S. Treasury Department on VA investments. Non-Federal advance payments are principally advances to VA construction contractors, grant recipients, beneficiaries, and VA employees engaged in official travel. Federal advance payments are mostly to the General Services Administration for the procurement of supplies and equipment. Current loans receivable are wholly amounts due under VA's Housing Credit Assistance Program. Non-Current loans receivable represent amounts due from loans and liens against VA-issued life insurance policies and also amounts owed VA's Housing Credit Assistance Program beyond the next 12 months.

The receivables as of September 30, 1987, consist of:

	<u>Current</u>	<u>Non-Current</u>	<u>Total</u>
<u>Accounts:</u>			
Individuals/Corporations	\$2,363,256	\$ 19	\$2,363,275
Federal Government	350,139	480	350,619
Less: Allowances for Loss	<u>1,982,060</u>		<u>1,982,060</u>
Accounts Receivable, net	<u>731,335</u>	<u>499</u>	<u>731,834</u>
<u>Advances:</u>			
Individuals/Corporations	44,933		44,933
Federal Government	<u>110,519</u>		<u>110,519</u>
Total Advances	<u>155,452</u>		<u>155,452</u>
<u>Loans</u>			
Individuals	602,118	1,857,405	2,459,523
Less: Allowances for Loss	<u>134,843</u>		<u>134,843</u>
Loans, Net	<u>467,275</u>	<u>1,857,405</u>	<u>2,324,680</u>
Net Receivables	<u>\$1,354,062</u>	<u>\$1,857,904</u>	<u>\$3,211,966</u>

The receivables as of September 30, 1986, consist of:

	<u>Current</u>	<u>Non-Current</u>	<u>Total</u>
<u>Accounts:</u>			
Individuals/Corporations	\$1,929,789	\$ 42,364	\$1,972,153
Federal Government	330,088	445	330,533
Less: Allowances for Loss	<u>1,545,919</u>		<u>1,545,919</u>
Accounts Receivable, net	<u>713,958</u>	<u>42,809</u>	<u>756,767</u>
<u>Advances:</u>			
Individuals/Corporations	56,550		56,550
Federal Government	<u>132,837</u>		<u>132,837</u>
Total Advances	<u>189,387</u>		<u>189,387</u>
<u>Loans</u>			
Individuals	536,287	1,968,101	2,504,388
Less: Allowances for Loss	<u>107,056</u>		<u>107,056</u>
Loans, Net	<u>429,231</u>	<u>1,968,101</u>	<u>2,397,332</u>
Net Receivables	<u>\$1,332,576</u>	<u>\$2,010,910</u>	<u>\$3,343,486</u>

NOTE 8: RECEIVABLES (Continued)

"Kicker" Contributions

Receivables representing funding for certain veterans education benefits are not included in accounts receivable. These benefits, called "Kicker" Contributions, represent amounts to be provided by the Department of Defense (DOD) at the discretion of the Secretary of Defense to the Post-Vietnam Era Veterans Education Assistance Program (VEAP) account of any participant over and above the regular DOD contributions (\$2 for every \$1 contributed by the participant) in order to encourage persons to enter or remain in the Armed Forces. The Department of Justice recently ruled that the failure of Congress to specify how these contributions are to be made (whether the total expected amount should be deposited at the time a participant enrolls in an educational program or whether the branch of service may contribute to the fund on a "pay-as-you-go" basis) enables the Department of the Army to deposit "Kicker" contributions on an annual or semiannual basis. Thus, since DOD does not recognize the liability, it is improper for VA to record the receivable. The balances attributable to these funds were \$180 million and \$60 million in 1987 and 1986, respectively.

NOTE 9: PROPERTY AND EQUIPMENT

The majority of the reported property represents facilities and equipment used to provide medical care to veterans. Property and equipment, including transfers from other Federal agencies, are valued at cost. Expenditures for major additions, replacements, and alterations are capitalized. Routine maintenance is recognized as an expense when incurred. Costs of construction are capitalized as Construction in Progress until completed and then transferred to the appropriate property account.

Buildings are depreciated using the straight line method over estimated useful lives ranging from 25 to 40 years, based upon the American Hospital Association's estimate of useful lives of hospital assets. Equipment is depreciated using the straight line method over useful lives, which, for most equipment, range from 5 to 20 years.

Property and equipment consisted of the following as of September 30, 1987:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
	(dollars in thousands)		
Land	\$ 85,123	\$	\$ 85,123
Buildings	5,215,825	1,746,422	3,469,403
Equipment	2,786,842	1,649,730	1,137,112
Other	732,127	291,568	440,559
Construction in progress	1,707,066		1,707,066
TOTAL	<u>\$10,526,983</u>	<u>\$3,687,720</u>	<u>\$6,839,263</u>

Property and equipment consisted of the following as of September 30, 1986:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
	(dollars in thousands)		
Land	\$ 81,416	\$	\$ 81,416
Buildings	4,873,656	1,638,255	3,235,401
Equipment	2,543,943	1,433,636	1,110,307
Other	663,542	263,617	399,925
Construction in Progress	<u>1,483,000</u>		<u>1,483,000</u>
TOTAL	<u>\$9,645,557</u>	<u>\$3,335,508</u>	<u>\$6,310,049</u>

Prior to 1986, VA did not record depreciation for property and equipment, except for equipment in its Supply Fund. During 1986, in addition to recording 1986 depreciation, VA also recorded accumulated depreciation of \$2,982,024,000 relating to fiscal years prior to 1986. This amount has been treated as a prior period adjustment, and the deferred appropriations account has been adjusted accordingly. Current year depreciation amounted to \$363,477,000 in FY 1987 and \$337,997,000 in FY 1986.

VA leases facilities, primarily office space and medical facilities, from GSA. These leases are cancelable without penalty. In addition, VA has operating leases with the public for office, data processing, and other equipment. Fiscal year 1987 and fiscal year 1986 rent expense for these leases amount to approximately \$76,329,000 and \$76,125,000, respectively, from GSA, and \$59,529,000 and \$57,900,000, respectively, from the public.

NOTE 10: COMMITMENTS AND CONTINGENCIES

VA is committed under obligations it has incurred at the end of each year for goods and services which have been ordered but not yet received (undelivered orders). Aggregate undelivered orders amounted to \$1,805,952,000 and \$1,540,894,000 at September 30, 1987 and 1986, respectively. Of these amounts, \$960,440,000 in 1987 and \$755,962,000 in 1986 relate to construction projects of both long- and short-term duration. The remainder is principally comprised of obligations for medical supplies and equipment which were incurred by VA in the normal course of fulfilling its mission.

As previously stated in Note 2, VA is a party in various administrative proceedings, legal actions, and tort claims brought by or against it, primarily relating to allegations of medical malpractice. However, also as stated in Note 1, such legal settlements of tort claims awards in excess of \$2,500 and contract disputes are paid from a Governmentwide Judgment Fund appropriation maintained by the Department of the Treasury, with an agency having to reimburse the Fund for only contract dispute payments.

In the opinion of VA's management and general counsel, the ultimate resolution of legal actions still pending at September 30, 1987, will not materially affect VA's operations or financial position, especially when consideration is given to the availability of the Judgment Fund appropriation to pay court settled legal cases.

NOTE 11: SUPPLEMENTAL INFORMATION

The following schedules provide further detail, by major program area, of assets, liabilities and U.S. Government equity, of revenue, financing sources and expenses, of sources and uses of funds by major program area and of budgeted and actual outlays.

- o The medical program area includes financial data for the medical care program, including the VA's 172 medical facilities, medical research and administration, and construction. The construction program was included since most of its activities relate to medical facilities.
- o The veterans' benefits area includes the compensation, pension, and education programs, as well as the burial and miscellaneous assistance and veterans' job training programs.
- o Housing credit assistance includes both VA's loan guaranty and direct loan programs.
- o The administration area includes costs of managing the Agency as a whole and the National Cemetery System. Also included are costs of managing the Supply Fund and automated data processing systems.

Personnel compensation and fringe benefits for employees involved in veterans benefits, housing credit assistance, and life insurance have not been allocated to these major program areas and are included in the administration area.

NOTE 11: (CONTINUED)

VETERANS ADMINISTRATION

SCHEDULE OF ASSETS, LIABILITIES, AND EQUITY BY MAJOR PROGRAM
SEPTEMBER 30, 1987
(Dollars in Thousands)

	Medical and Construction	Veterans Benefits	Housing Credit Assistance	Life Insurance	Administration and Other	Consolidated
ASSETS:						
Fund Balance with U.S. Treasury	\$ 3,624,002	\$ 1,849,305	\$ 119,902	\$ 19,808	\$ 384,010	\$ 5,997,027
Imprest Funds	9,616					9,616
Advances, Accounts, and Loans Receivable	243,527	322,909	1,172,506	1,408,271	64,753	3,211,966
Investments	20,994		154,746	12,066,823		12,242,563
Foreclosed Property Held for Sale			864,104			864,104
Land, Buildings, and Equipment Net of Accumulated Depreciation	6,836,854				2,409	6,839,263
Other Assets	31,043				120,572	151,615
Future Financing Sources	996,000	40,247	\$2,596,289	\$ 371,141	91,431	\$ 4,095,108
TOTAL ASSETS	\$11,762,036	\$ 2,212,461	\$4,907,547	\$13,866,043	\$ 663,175	\$33,411,262
LIABILITIES, TRUST FUND BALANCES, AND EQUITY:						
LIABILITIES:						
Accounts Payable, Principally to the Public	\$ 608,569	\$ 1	\$ 135,555	\$ 172,126	\$ 195,684	\$ 1,111,935
Accrued Compensation and Pension Benefits		1,280,054				1,280,054
Accrued Payroll and Payroll Related Liabilities	924,743				86,825	1,011,568
Dividends on Credit or Deposit				706,018		706,018
Insurance Dividends Payable			171,856	956,347		956,347
Other Liabilities	71,779			148,855	67,389	459,879
Reserve for Federal Employees Compensation Act	385,592				38,135	423,727
Reserve for Losses on Guaranteed Loans			2,718,898	11,612,555		2,718,898
Insurance Reserves						11,612,555
Borrowings from Treasury			1,730,078			1,730,078
TOTAL LIABILITIES	1,990,683	1,280,055	4,756,387	13,595,901	388,033	22,011,059
TRUST FUND BALANCES	20,503	598,994		270,142		889,639
EQUITY OF THE U.S. GOVERNMENT:						
Unrealized Appropriations:						
Deferred Appropriations	6,865,853	316,365			152,608	7,334,826
Unobligated Balances	1,205,316	0	151,157		13,313	1,369,786
Undelivered Orders	1,679,681	17,047	3		109,221	1,805,952
TOTAL EQUITY OF THE U.S. GOVERNMENT	9,750,850	333,412	151,160		275,142	10,510,564
TOTAL LIABILITIES, TRUST FUND BALANCES, AND EQUITY	\$11,762,036	\$2,212,461	\$4,907,547	\$13,866,043	\$ 663,175	\$33,411,262

VETERANS ADMINISTRATION

SCHEDULE OF ASSETS, LIABILITIES, AND EQUITY BY MAJOR PROGRAM

SEPTEMBER 30, 1986

(Dollars in Thousands)

(Restated)

	Medical and Construction	Veterans Benefits	Housing Credit Assistance	Life Insurance	Administration and Other	Consolidated
ASSETS:						
Fund Balance with U.S. Treasury	\$ 3,532,060	\$ 1,917,842	\$ 368,897	\$ 24,817	\$ 304,787	\$ 6,148,403
Imprest Funds	9,790					9,790
Advances, Accounts, and Loans Receivable	215,204	354,076	1,208,749	1,495,510	69,947	3,343,486
Investments	19,671		134,800	11,635,018		11,789,489
Foreclosed Property Held for Sale			807,531			807,531
Land, Buildings, and Equipment Net of Accumulated Depreciation	6,307,381				2,668	6,310,049
Other Assets	34,544				120,041	154,585
Future Financing Sources	903,221	1,626,322		360,602	85,846	2,975,991
TOTAL ASSETS	\$11,021,871	\$ 2,271,918	\$4,146,299	\$13,515,947	\$ 583,289	\$31,539,324
LIABILITIES, TRUST FUND BALANCES, AND EQUITY:						
LIABILITIES:						
Accounts Payable, Principally to the Public	\$ 612,829	\$ 5	\$ 109,373	\$ 172,743	\$ 141,445	\$ 1,036,395
Accrued Compensation and Pension Benefits		1,237,046				1,237,046
Accrued Payroll and Payroll Related Liabilities	854,053				81,888	935,941
Dividends on Credit or Deposit				630,381		630,381
Insurance Dividends Payable				929,714		929,714
Other Liabilities	8,309	6,552	159,767	140,614	71,879	387,121
Reserve for Federal Employees Compensation Act	333,104				32,944	366,048
Reserve for Losses on Guaranteed Loans			1,735,252			1,735,252
Insurance Reserves				11,382,576		11,382,576
Borrowings from Treasury			1,730,078			1,730,078
TOTAL LIABILITIES	1,808,295	1,243,603	3,734,470	13,256,028	328,156	20,370,552
TRUST FUND BALANCES	21,011	648,491		259,919		929,421
EQUITY OF THE U.S. GOVERNMENT:						
Unrealized Appropriations:						
Deferred Appropriations	6,337,930	340,894			167,783	6,846,607
Unobligated Balances	1,419,041	13,144	411,826		7,839	1,851,850
Undelivered Orders	1,435,594	25,786	3		79,511	1,540,894
Insurance Fund Balances						
TOTAL EQUITY OF THE U.S. GOVERNMENT	9,192,565	379,824	411,829		255,133	10,239,351
TOTAL LIABILITIES, TRUST FUND BALANCES, AND EQUITY	\$11,021,871	\$2,271,918	\$4,146,299	\$13,515,947	\$ 583,289	\$31,539,324

VETERANS ADMINISTRATION

**SCHEDULE OF EXPENSES, DIVIDENDS, REVENUE,
AND FINANCING SOURCES BY MAJOR PROGRAM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1987**
(Dollars in Thousands)

	Medical and Construction	Veterans Benefits	Housing Credit Assistance	Life Insurance	Admini stration and Other	Consolidat ed
OPERATING EXPENSES						
AND DIVIDENDS:						
Expenses By Category:						
Personnel Compensation and Fringe Benefits	\$ 6,420,086	\$ 15,630,956	\$2,131,936	\$1,140,184	\$562,706	\$ 6,982,792
Veterans' Benefits	176					15,630,956
Claims & Indemnities	362,617				860	3,272,296
Depreciation	1,602,432				20,520	363,477
Supplies & Materials	1,256,107				64,542	1,622,952
Contractual Services						1,320,649
Rent, Communications, and Utilities	389,585				126,682	516,267
Other	220,622				41,969	262,591
Total Operating Expenses	10,251,625	15,630,956	2,131,936	1,140,184	817,279	29,971,980
Provisions for Dividends to Policyholders				928,845		928,845
Provisions for SGLI Reserve				9,027		9,027
	\$10,251,625	\$ 15,630,956	\$2,131,936	\$2,078,056	\$ 817,279	\$30,909,852
OPERATING REVENUE AND FINANCING SOURCES:						
Operating Revenues:						
Premium Income			191,425	877,756		877,756
Interest Income			340,972	1,192,317		1,383,742
Loan Origination Fees			(45,021)	(8,404)		340,972
Reimbursements and Other	277,211	86,453	487,376	2,061,669	84,776	395,015
Total Operating Revenue	277,211	86,453	487,376	2,061,669	84,776	2,997,485
Financing by Source:						
Appropriations and Financing Sources Realized	9,881,636	15,271,150	674,593	5,848	726,918	26,560,145
Funds to be Provided by Future Financing Sources	92,778	40,247	969,967	10,539	5,585	1,119,116
Transfers, Reimbursements, and Other		233,106				233,106
Total Budgetary Financing	9,974,414	15,544,503	1,644,560	16,387	732,503	27,912,367
	\$10,251,625	\$ 15,630,956	\$2,131,936	\$2,078,056	\$ 817,279	\$30,909,852

NOTE 11: (CONTINUED)

VETERANS ADMINISTRATION

**SCHEDULE OF EXPENSES, DIVIDENDS, REVENUE,
AND FINANCING SOURCES BY MAJOR PROGRAM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1986**
(Dollars in Thousands)
(Restated and Unaudited)

	Medical and Construction	Veterans Benefits	Housing Credit Assistance	Life Insurance	Administration and Other	Consolidated
OPERATING EXPENSES AND DIVIDENDS:						
Expenses By Category:						
Personnel Compensation and Fringe Benefits	\$ 6,092,588	\$ 15,673,194		\$1,112,210	\$ 548,558	\$ 6,641,146
Veterans' Benefits						15,673,194
Claims & Indemnities						2,206,460
Depreciation	337,997					337,997
Supplies & Materials	1,525,631				12,140	1,537,771
Contractual Services	1,133,073				47,335	1,180,408
Rent, Communications, and Utilities	374,624				128,822	503,446
Other	296,942				38,513	335,455
Total Operating Expenses	9,760,855	15,673,194	1,094,250	1,112,210	775,368	28,415,877
Provisions for Dividends to Policyholders				907,170		907,170
Provisions for SGLI Reserve				9,533		9,533
	\$ 9,760,855	\$ 15,673,194	\$1,094,250	\$2,028,913	\$ 775,368	\$29,332,580
OPERATING REVENUE AND FINANCING SOURCES:						
Operating Revenues:						
Premium Income				848,402		848,402
Interest Income			184,433	1,165,958		1,350,391
Loan Origination Fees			258,111			258,111
Reimbursements and Other	259,716	(25,193)	(698)	(2,874)	46,505	277,456
Total Operating Revenue	259,716	(25,193)	441,846	2,011,486	46,505	2,734,360
Financing by Source:						
Appropriations and Financing Sources Realized	9,386,027	15,374,512	138,529	9,391	725,526	25,633,985
Funds to be Provided by Future Financing Sources	115,112		513,875	8,036	3,337	640,360
Transfers, Reimbursements, and Other		323,875				323,875
Total Budgetary Financing	9,501,139	15,698,387	652,404	17,427	728,863	26,598,220
	\$ 9,760,855	\$ 15,673,194	\$1,094,250	\$2,028,913	\$ 775,368	\$29,332,580

VETERANS ADMINISTRATION

**SCHEDULE OF SOURCES AND USES OF
RESOURCES AND RECONCILIATION TO BUDGET BY MAJOR PROGRAM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1987**
(Dollars in Thousands)

	Medical and Construction	Veterans Benefits	Housing Credit Assistance	Life Insurance	Administration and Other	Consolidated
NET USE OF RESOURCES:						
Operations:						
Operating Expenses	\$10,251,625	\$ 15,630,956	\$ 2,131,936	\$ 1,140,184	\$ 817,279	\$ 29,971,980
Items Requiring (Providing) Funds:						
(Increase) in Reserves	(52,488)		(983,646)	(229,979)	(5,191)	(1,271,304)
Depreciation	(362,617)				(860)	(363,477)
Increase (Decrease) in Accounts Receivable	(37,217)	10,675	(384,818)	(4,842)	(4,269)	(420,471)
Decrease (Increase) in Accounts Payable and Accruals	(64,610)	(41,608)	(38,274)	(93,155)	(37,068)	(274,715)
Revenues Accounted for as						
Offsetting Collections	(277,221)	(319,559)	(487,376)	(1,094,351)	(84,776)	(2,263,283)
Funds Used (Provided) by Operations	9,457,472	15,280,464	237,822	(282,143)	685,115	25,378,730
Non-Operating Uses:						
Dividends				927,500		927,500
Acquisitions of Land, Buildings, and Equipment	954,782				15,211	969,993
Purchase of Foreclosed Property Held for Sale			1,380,338			1,380,338
Issuance and Repurchase of Loans and Liens		(2,002)	1,224,720	104,657		1,327,375
Other, Net	(807)				(2,255)	(3,062)
Financing Activities:						
Sale of Foreclosed Property Held for Sale			(1,482,928)			(1,482,928)
Sale of Loans, with Recourse			(849,196)			(849,196)
Loan/Lien Repayments/Net Income Settlements			(161,761)	(211,139)		(372,900)
Disposals of Equipment and Other	(95,260)			(6)		(95,266)
Revenues Collected for Treasury	(33,004)	(195,542)				(228,546)
NET USE OF BUDGETARY RESOURCES (OUTLAYS)	10,283,183	15,082,920	348,995	538,869	698,071	26,952,038
SOURCES OF BUDGETARY RESOURCES PROVIDED						
Intra-agency Transfers						
Current Year Appropriation	10,514,378	15,215,750	100,000	4,770	770,500	26,605,398
Interest on Government Securities				964,383		964,383
Net Transfers, Reimbursements, and Other	21,931	(200,706)		(3,488)	16,290	(165,973)
Funds Returned to Treasury	(160,069)	(661)			(9,196)	(170,226)
TOTAL RESOURCES PROVIDED	10,376,240	15,014,383	100,000	965,665	777,294	27,233,582
INCREASE (DECREASE) IN U.S. TREASURY AND IMPREST FUNDS						
Funds Exchanged for U.S. Government Securities	93,057	(68,537)	(248,995)	426,796	79,223	281,544
NET INCREASE (DECREASE) IN U.S. TREASURY AND IMPREST FUNDS	91,768	(68,537)	(248,995)	(5,009)	79,223	(151,550)
U.S. TREASURY AND IMPREST FUNDS:						
Beginning of Year	3,541,850	1,917,842	368,897	24,817	304,787	6,158,193
End of Year	\$ 3,633,618	\$ 1,849,305	\$ 119,902	\$ 19,808	\$ 384,010	\$ 6,006,643

NOTE 11: (CONTINUED)

VETERANS ADMINISTRATION

**SCHEDULE OF SOURCES AND USES OF
RESOURCES AND RECONCILIATION TO BUDGET BY MAJOR PROGRAM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1996**

(Dollars in thousands)

(Restated and unaudited)

	Medical and Constitution	Veterans Benefits	Housing Credit Assistance	Life Insurance	Administration and Other	Consolidated
NET USE OF RESOURCES:						
Operations:						
Operating Expenses	\$ 9,760,855	\$ 15,673,194	\$ 1,094,250	\$ 1,112,210	\$ 775,368	\$ 28,415,877
Items Requiring (Providing) Funds:						
(Increase) in Reserves	(45,945)		(513,875)	(181,221)	(4,544)	(745,585)
Depreciation	(337,997)					(337,997)
Increase (Decrease) in Accounts Receivable	75,482	(35,799)	(5,433)	4,272	22,546	61,058
Decrease (Increase) in Accounts Payable and Accruals	(118,674)	24,217	(8,055)	(61,040)	3,827	(159,725)
Revenues Accounted for as						
Offsetting Collections	(259,716)	(298,682)	(441,846)	(1,057,708)	(46,505)	(2,114,457)
Funds Used (Provided) by Operations	9,074,005	15,362,930	125,041	(193,487)	750,692	25,119,181
Non-Operating Uses:						
Dividends				882,935		882,935
Acquisitions of Land, Buildings, and Equipment	952,690					952,690
Purchase of Reclosed Property Held for Sale			1,147,210			1,147,210
Insurance and Repurchase of Loans and Liens			969,590	115,491		1,085,081
Other, Net	4,065	3,531	26,487			34,083
Financing Activities:						
Sale of Reclosed Property Held for Sale			(1,214,867)			(1,214,867)
Sale of Loans, with Recourse			(818,368)			(818,368)
Loan/Taken Repayments/Out Income Settlements			(100,993)	(195,689)		(296,682)
Disposals of Equipment and Other	(145,328)	(96,812)		(160)		(242,300)
Revenues Collected for Treasury	(460)	(112,793)				(113,253)
NET USE OF BUDGETARY RESOURCES (OUTLAYS)	9,884,972	15,156,856	134,100	609,090	750,692	26,535,710
RESOURCES PROVIDED:						
Inter-agency Transfers	(43,984)	35,000			8,984	0
Current Year Appropriation	10,165,045	15,349,800	200,000	9,750	739,831	26,464,426
Less: Reductions Pursuant to P.L. 99-177						
(Gramm-Rudman-Hollings)	(156,659)	(45,232)		(5)	(32,157)	(234,053)
Current Year Appropriations, Net	9,964,402	15,339,568	200,000	9,745	716,658	26,230,373
Interest on Government Securities				943,956		943,956
Net Transfers, Reimbursements, and Other	4,507	(107,628)	(2,120)	3,485	6,571	(95,185)
Funds Returned to Treasury	(53,151)	(785)			(4,787)	(58,723)
TOTAL RESOURCES PROVIDED	9,915,758	15,231,155	197,880	957,186	718,442	27,020,421
INCREASE (DECREASE) IN U.S. TREASURY AND IMPREST FUNDS	30,786	74,299	63,780	348,096	(32,250)	484,711
Funds Exchanged for U.S. Government Securities				(358,217)		(360,611)
NET INCREASE (DECREASE) IN U.S. TREASURY AND IMPREST FUNDS	28,392	74,299	63,780	(10,121)	(32,250)	124,100
U.S. TREASURY AND IMPREST FUNDS:						
Beginning of Year	3,513,458	1,843,543	305,117	34,938	337,037	6,034,093
End of Year	\$ 3,541,850	\$ 1,917,842	\$ 368,897	\$ 24,817	\$ 304,787	\$ 6,158,193

**BUDGETED AND ACTUAL OUTLAYS BY FUNCTION AND PROGRAM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1987
(Dollars in Thousands)**

	Budgeted Outlays		
	President's Budget	Enacted Bill	Actual Outlays
HOSPITAL AND MEDICAL CARE:			
Medical Care	\$ 8,960,952	\$ 9,500,505	\$ 9,499,750
Medical and Prosthetic Research	187,332	212,729	195,123
Medical Administration	43,952	43,417	40,265
Construction	687,028	607,851	537,156
Proposed Legislation	(185,173)		
All Other	40,934	(19,347)	10,889
Total Hospital and Medical Care	9,735,025	10,345,155	10,283,183
BENEFITS:			
Income Security for Veterans:			
Compensation	10,415,000	10,418,900	10,502,353
Pensions	3,825,000	3,830,500	3,793,200
Burial and Other Benefits	134,392	135,908	130,730
Proposed Legislation	243,800		
Reinstated Entitlement for Survivors		5,398	(2,845)
Subtotal Income Security	14,618,192	14,390,706	14,423,438
Education, Training, and Rehabilitation:			
Readjustment Benefits (G.I. Bill)	754,897	756,297	776,401
Post-Vietnam Era Education	(75,700)	(7,750)	50,501
Veterans Job Training	5,384	41,737	38,005
All Other	(192,448)	(212,238)	(205,425)
Proposed Legislation	25,573		
Subtotal Education, Training, and Rehabilitation	517,706	578,046	659,482
Total Benefits	15,135,898	14,968,752	15,082,920
HOUSING CREDIT ASSISTANCE:			
Loan Guaranty	148,900	277,800	382,059
Proposed Legislation	(131,800)		
Direct Loans	(43,453)	(36,900)	(33,064)
Total Housing Credit Assistance	(26,353)	240,900	348,995
INSURANCE PROGRAMS	747,832	612,744	538,869
ADMINISTRATION			
Other Benefits and Services	759,317	757,684	698,071
Proposed Legislation	952		
Total Administration	760,269	757,684	698,071
TOTAL VETERAN ADMINISTRATION	\$26,352,671	\$26,925,235	\$26,952,038

Where actual outlays exceeded outlays budgeted in the enacted bill, funds were obtained from available unobligated balances. This does not constitute a violation of the Anti-Deficiency Act (31 U.S.C. 1341).

BUDGETED AND ACTUAL OUTLAYS BY FUNCTION AND PROGRAM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1986
(Dollars in Thousands)

	Budgeted Outlays		Actual Outlays
	President's Budget	Enacted * Bill	
HOSPITAL AND MEDICAL CARE:			
Medical Care	\$ 9,051,700	\$ 9,067,560	\$ 9,095,306
Medical and Prosthetic Research	187,080	181,491	181,246
Medical Administration	57,379	55,631	54,780
Construction	737,800	555,081	522,386
All Other	(27,192)	19,450	31,254
Total Hospital and Medical Care	10,006,767	9,879,213	9,884,972
BENEFITS:			
Income Security for Veterans:			
Compensation	10,194,000	10,453,000	10,416,201
Pensions	3,833,000	3,835,000	3,874,368
Burial and Other Benefits	136,800	128,007	121,909
Proposed Legislation	285,700		
Reinstated Entitlement for Survivors		14,970	9,856
Subtotal Income Security	14,449,500	14,430,977	14,422,334
Education, Training, and Rehabilitation:			
Readjustment Benefits (G.I. Bill)	1,034,500	910,422	918,056
Post-Vietnam Era Education	40,000	(210,600)	(98,624)
Veterans Job Training	35,000	49,200	34,192
All Other	(7,570)	(158,215)	(119,102)
Subtotal Education, Training, and Rehabilitation	1,101,930	590,807	734,522
Total Benefits	15,551,430	15,021,784	15,156,856
HOUSING CREDIT ASSISTANCE:			
Loan Guaranty	383,500	285,450	162,769
Proposed Legislation	(604,600)		
Direct Loans	(45,600)	(44,740)	(28,669)
Total Housing Credit Assistance	(266,700)	240,710	134,100
INSURANCE PROGRAMS	685,961	678,633	609,090
ADMINISTRATION	751,456	718,025	750,692
TOTAL	\$26,728,914	\$26,538,365	\$26,535,710

* After reduction pursuant to P.L. 99-177 (Gramm-Rudman-Hollings). Where actual outlays exceeded outlays budgeted in the enacted bill, funds were obtained from available unobligated balances. This does not constitute a violation of the Anti-Deficiency Act (31 U.S.C. 1341).

NOTE 11: (CONTINUED)

VETERANS ADMINISTRATION
SCHEDULE OF ASSETS AND LIABILITIES
BY LIFE INSURANCE FUND ON SEPTEMBER 30, 1987
(Dollars in Thousands)

	U.S. GOVERNMENT LIFE INSURANCE USGLI	NATIONAL SERVICE LIFE INSURANCE NSLI	VETERANS SPECIAL LIFE INSURANCE VSLI	SERVICE- DISABLED VETERANS INSURANCE SDVI	VETERANS REOPENED INSURANCE VRI	SERVICEMEN'S GROUP LIFE INSURANCE SGLI	TOTAL LIFE INSURANCE
ASSETS:							
Fund Balance (Cash)	\$ 430	\$ 8,549	\$ 231	\$ 10,125	\$ 286	\$ 187	\$ 19,808
Investments	221,986	10,125,109	1,092,590		482,184	144,954	12,066,823
(U.S. Treasury Securities)							
Policy Loans	21,560	925,992	73,538	38,565	27,167		1,086,822
Policy Liens		562	73	741	57		1,433
Accrued Interest	4,112	242,486	26,224		12,117	3,125	288,064
(Treasury Securities)							
Accrued Interest	467	23,925	2,366	1,394	923		29,075
(Policy Loans)							
Other		2,292	447	91	47		2,877
Future Financing							
Sources		4,755		366,386			371,141
Total Assets	\$248,555	\$11,333,670	\$1,195,469	\$417,302	\$522,781	\$148,266	\$13,866,043
LIABILITIES AND TRUST FUND BALANCES:							
LIABILITIES:							
Insurance Claims	\$ 12,330	\$ 140,392	\$ 7,391	\$ 7,043	\$ 4,970		\$ 172,126
Dividends Payable	12,316	826,400	84,265		33,366		956,347
Dividends on Credit or Deposit	19,180	600,220	68,080		18,538		706,018
Deferred Credits	23	105,487	23,341	1,447	3,487		133,785
Other	970	13,131	520	197	252		15,070
Insurance							
Statutory Reserves	198,276	9,590,610	973,680	408,615	441,374		11,612,555
Total Liabilities	243,095	11,276,240	1,157,277	417,302	501,987		13,595,901
TRUST FUND BALANCES	5,460	57,430	38,192		20,794	148,266	270,142
Total Liabilities and Trust Fund Balances	\$248,555	\$11,333,670	\$1,195,469	\$417,302	\$522,781	\$148,266	\$13,866,043

NOTE 11: (CONTINUED)

VETERANS ADMINISTRATION
SCHEDULE OF ASSETS AND LIABILITIES
BY LIFE INSURANCE FUND ON SEPTEMBER 30, 1986
(Dollars in Thousands)

	U.S. GOVERNMENT LIFE INSURANCE USGLI	NATIONAL SERVICE LIFE INSURANCE NSLI	VETERANS SPECIAL LIFE INSURANCE VSLI	SERVICE- DISABLED VETERANS INSURANCE SDVI	VETERANS REOPENED INSURANCE VRI	SERVICEMEN'S GROUP LIFE INSURANCE SGLI	TOTAL LIFE INSURANCE
ASSETS:							
Fund Balance (Cash)	\$ 310	\$ 8,183	\$ 487	\$ 12,109	\$ 333	\$ 3,395	\$ 24,817
Investments	244,879	9,768,263	1,014,121		474,557	133,198	11,635,018
(U.S. Treasury Securities)							
Policy Loans	25,297	1,010,077	78,001	38,280	29,541		1,181,196
Policy Liens	15	635	80	699	61		1,490
Accrued Interest	4,483	234,402	23,795		11,917	2,795	277,392
(Treasury Securities)							
Accrued Interest	550	26,059	2,471	1,338	982		31,400
(Policy Loans)							
Other		3,275	549	135	73		4,032
Future Financing							
Sources		4,682		355,920			360,602
Total Assets	\$275,534	\$11,055,576	\$1,119,504	\$408,481	\$517,464	\$139,388	\$13,515,947
LIABILITIES AND TRUST FUND BALANCES:							
LIABILITIES:							
Insurance Claims	\$ 14,198	\$ 138,703	\$ 7,053	\$ 7,803	\$ 4,986		\$ 172,743
Dividends Payable	13,680	807,065	76,331		32,638		929,714
Dividends on Credit or Deposit	19,639	540,271	55,770		14,701		630,381
Deferred Credits	42	100,615	21,704	1,440	3,120		126,921
Other	749	11,886	539	222	297		13,693
Insurance							
Statutory Reserves	221,734	9,395,775	928,316	399,016	437,735		11,382,576
Total Liabilities	270,042	10,994,315	1,089,713	408,481	493,477		13,256,028
TRUST FUND BALANCES	5,492	61,261	29,791		23,987	139,388	259,919
Total Liabilities and Trust Fund Balances	\$275,534	\$11,055,576	\$1,119,504	\$408,481	\$517,464	\$139,388	\$13,515,947

NOTE 11: (CONTINUED)

VETERANS ADMINISTRATION
SCHEDULE OF EXPENSES, DIVIDENDS, REVENUE,
AND FINANCING SOURCES BY LIFE INSURANCE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1987
(Dollars in Thousands)

	U.S. GOVERNMENT LIFE INSURANCE USGLI	NATIONAL SERVICE LIFE INSURANCE NSLI	VETERANS SPECIAL LIFE INSURANCE VSLI	SERVICE- DISABLED VETERANS INSURANCE SDVI	VETERANS REOPENED INSURANCE VRI	SERVICEMEN'S GROUP LIFE INSURANCE SGLI	TOTAL LIFE INSURANCE
OPERATING EXPENSES AND EARNINGS DISTRIBUTION PROVISIONS:							
Insurance Claims & Indemnities	\$ 8,198	\$ 951,398	\$ 91,954	\$ 47,333	\$ 38,600	\$ 2,701	\$ 1,140,184
Total Operating Expenses	\$ 8,198	\$ 951,398	\$ 91,954	\$ 47,333	\$ 38,600	\$ 2,701	\$ 1,140,184
Provisions for Dividends to Policyholders	13,522	801,047	84,434		29,842	9,027	928,845
Provisions for SGLI Reserve							9,027
	\$ 21,720	\$ 1,752,445	\$ 176,388	\$ 47,333	\$ 68,442	\$ 11,728	\$ 2,078,056
OPERATING REVENUE AND FINANCING SOURCES:							
Operating Revenues:							
Premium Income	\$ 123	\$ 749,729	\$ 78,789	\$ 30,234	\$ 18,881		\$ 877,756
Interest Income	18,251	1,004,611	104,990	2,712	50,025	11,728	1,192,317
Reimbursements and Other	3,333	(3,882)	(7,391)		(464)		(8,404)
Total Operating Revenue	\$ 21,707	\$ 1,750,458	\$ 176,388	\$ 32,946	\$ 68,442	\$ 11,728	\$ 2,061,669
Financing by Source:							
Appropriations and Financing Sources Realized	13	1,914		3,921			5,848
Funds to be Provided by Future Financing Sources		73		10,466			10,539
Total Budgetary Financing	\$ 21,720	\$ 1,752,445	\$ 176,388	\$ 47,333	\$ 68,442	\$ 11,728	\$ 2,078,056

NOTE 11: (CONTINUED)

VETERANS ADMINISTRATION
SCHEDULE OF EXPENSES, DIVIDENDS, REVENUE,
AND FINANCING SOURCES BY LIFE INSURANCE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1986
(Dollars in Thousands)
(Restated and Unaudited)

	U.S. GOVERNMENT LIFE INSURANCE USGLI	NATIONAL SERVICE LIFE INSURANCE NSLI	VETERANS SPECIAL LIFE INSURANCE VSLI	SERVICE- DISABLED VETERANS INSURANCE SDVI	VETERANS REOPENED INSURANCE VRI	SERVICEMEN'S GROUP LIFE INSURANCE SGLI	TOTAL LIFE INSURANCE
OPERATING EXPENSES AND EARNINGS DISTRIBUTION PROVISIONS:							
Insurance Claims & Indemnities	\$ 7,793	\$ 916,092	\$ 96,279	\$48,123	\$40,957	\$ 2,966	\$1,112,210
Total Operating Expenses	\$ 7,793	\$ 916,092	\$ 96,279	\$48,123	\$40,957	\$ 2,966	\$1,112,210
Provisions for Dividends to Policyholders	12,910	788,014	74,984		31,262	9,533	907,170
Provisions for SGLI Reserve							9,533
	\$20,703	\$1,704,106	\$171,263	\$48,123	\$72,219	\$12,499	\$2,028,913
OPERATING REVENUE AND FINANCING SOURCES:							
Operating Revenues:							
Premium Income	90	721,157	76,774	30,116	20,265		848,402
Interest Income	20,153	984,142	94,945	2,543	51,676	12,499	1,165,958
Reimbursement and Other	460	(3,156)	(456)		278		(2,874)
Total Operating Revenue	\$20,703	\$1,702,143	\$171,263	\$32,659	\$72,219	\$12,499	\$2,011,517
Financing by Source:							
Appropriations and Financing Sources Realized		1,595		7,796			9,391
Funds to be Provided by Future Financing Sources		368		7,668			8,036
Total Budgetary Financing	\$20,703	\$1,704,106	\$171,263	\$48,123	\$72,219	\$12,499	\$2,028,913

NOTE 11: (CONTINUED)

VETERANS ADMINISTRATION
SCHEDULE OF SOURCES AND USES OF
RESOURCES AND RECONCILIATION TO BUDGET
BY LIFE INSURANCE FUND FOR THE FISCAL
YEAR ENDED SEPTEMBER 30, 1967
(Dollars in Thousands)

	U.S. GOVERNMENT LIFE INSURANCE	NATIONAL SERVICE LIFE INSURANCE	VETERANS SPECIAL LIFE INSURANCE	SERVICE- DISABLED VETERANS INSURANCE	VETERANS REOPENED INSURANCE	SERVICEMEN'S GROUP LIFE INSURANCE	TOTAL LIFE INSURANCE
	USGLI	NSLI	VSLI	SDVI	VRI	SGLI	
NET USE OF RESOURCES:							
Operations							
Operating Expenses	\$ 8,198	\$951,398	\$ 91,954	\$47,333	\$38,600	\$ 2,701	\$1,140,184
Items Requiring (Providing) Funds:							
Decrease (Increase) in Reserves	23,458	(194,835)	(45,364)	(9,599)	(3,639)		(229,979)
Increase (Decrease) in Accounts Receivable	(367)	(3,178)	2,214	7	161	(3,679)	(4,842)
Decrease (Increase) in Accounts Payable and Accruals	144	(75,109)	(14,017)	322	(4,322)	(173)	(93,155)
Revenues Accounted for as Offsetting Collections	(619)	(793,615)	(183,936)	(35,784)	(68,669)	(11,728)	(1,094,351)
Funds Used (Provided) by Operations	\$30,814	(\$115,339)	(\$149,149)	\$ 2,279	(\$37,869)	(\$12,879)	(\$ 282,143)
Non-Operating Uses:							
Dividends	13,554	804,878	76,033		33,035		927,500
Issuance and Repurchase of Loans and Liens	1,430	81,816	10,052	6,585	4,774		104,657
Financing Activities:							
Loan and Lien Repayments and Optional Income Settlement	(5,408)	(176,182)	(15,149)	(6,880)	(7,520)		(211,139)
Other							(6)
Net Use of Resources (Budgetary Outlays)	\$40,390	\$595,167	(\$ 78,213)	\$ 1,984	(\$ 7,580)	(\$12,879)	\$ 538,869
RESOURCES PROVIDED:							
Current Year Appropriation		4,770					4,770
Interest on Government Securities	17,617	946,766				(4,331)	964,383
Other		843					(3,488)
Total Budgetary Resources Provided	\$17,617	\$952,379				(\$ 4,331)	\$ 965,665
INCREASE (DECREASE) IN U.S. TREASURY AND IMPREST FUNDS							
Funds Exchanged for U.S. Government Securities	(\$22,773)	\$357,212	\$ 78,213	(\$ 1,984)	\$ 7,580	\$ 8,548	\$ 426,796
NET INCREASE (DECREASE) IN U.S. TREASURY AND IMPREST FUNDS	22,893	(356,846)	(78,469)	(7,627)	(47)	(11,756)	(431,805)
U.S. TREASURY FUNDS	120	366	(256)	(1,984)		(3,208)	(5,009)
Beginning of Year	310	8,183	487	12,109	333	3,395	24,817
End of Year	\$ 430	\$ 8,549	\$ 231	\$ 10,125	\$ 286	\$ 187	\$ 19,808

NOTE 11: (CONTINUED)

VETERANS ADMINISTRATION
SCHEDULE OF SOURCES AND USES OF
RESOURCES AND RECONCILIATION TO BUDGET
BY LIFE INSURANCE FUND FOR THE FISCAL
YEAR ENDED SEPTEMBER 30, 1986
(Dollars in Thousands)
(Restated and Unaudited)

	U.S. GOVERNMENT INSURANCE	NATIONAL SERVICE LIFE INSURANCE	VETERANS SPECIAL LIFE INSURANCE	SERVICE- DISABLED VETERANS INSURANCE	VETERANS REOPENED INSURANCE	SERVICEMEN'S GROUP LIFE INSURANCE	TOTAL LIFE INSURANCE
	USGLI	NSLI	VSLI	SDVI	VRI	SGLI	
NET USE OF RESOURCES:							
Operations							
Operating Expenses	\$ 7,793	\$916,092	\$ 96,279	\$48,123	\$40,957	\$ 2,966	\$1,112,210
Items Requiring (Providing) Funds:							
Decrease (Increase) in Reserves	24,043	(188,144)	(53,909)	(9,948)	46,737		(181,221)
Increase (Decrease) in Accounts Receivable	(80)	(788)	2,535	69	(1,144)	3,680	4,272
Decrease (Increase) in Accounts Payable and Accruals	3,153	(50,977)	(12,560)	(134)	(649)	127	(61,040)
Revenues Accounted for as Offsetting Collections	(1,282)	(769,895)	(171,314)	(40,486)	(72,232)	(12,499)	(1,067,708)
Funds Used (Provided) by Operations	\$33,627	(\$ 93,712)	(\$138,969)	(\$ 2,376)	\$13,669	(\$ 5,726)	(\$ 193,487)
Non-Operating Uses:							
Dividends	14,667	764,086	69,018		35,164		882,935
Issuance and Repurchase of Loans and Liens	1,487	91,872	11,095	6,031	5,006		115,491
Other Net							
Financing Activities:							
Loan and Lien Repayments and Optional Income Settlement	(5,181)	(157,418)	(13,282)	(6,075)	(13,733)		(195,689)
Other		(46)	(18)	(113)	17		(160)
Net Use of Resources (Budgetary Outlays)	\$44,600	\$604,782	(\$ 72,156)	(\$ 2,533)	\$40,123	(\$ 5,726)	\$ 609,090
RESOURCES PROVIDED:							
Current Year Appropriation		9,750					9,750
Less: Reductions Pursuant to P.L. 99-177 (Gramm-Rudman-Hollings)							(5)
Current Year Appropriations Net		9,745					9,745
Interest on Government Securities	19,504	924,452				4,330	943,956
Other		(845)				\$ 4,330	3,485
Total Resources Provided	\$19,504	\$933,352				\$ 4,330	\$ 957,186
INCREASE (DECREASE) IN U.S. TREASURY AND IMPREST FUNDS							
Funds Exchanged for U.S. Government Securities	(\$25,096)	\$328,570	\$ 72,156	\$ 2,533	(\$40,123)	\$10,056	\$ 348,096
NET INCREASE (DECREASE) IN U.S. TREASURY	24,075	(337,239)	(72,247)	2,533	39,895	(12,701)	(358,217)
U.S. TREASURY FUNDS	(1,021)	(8,669)	(91)		(228)	(2,645)	(10,121)
Beginning of Year	1,331	16,852	578	9,576	561	6,040	34,938
End of year	\$ 310	\$ 8,183	\$ 487	\$ 12,109	\$ 333	\$ 3,395	\$ 24,817

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