

GAO

## Testimony

Before the Committee on Veterans' Affairs, House of Representatives

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# HOMELAND SECURITY

## Need to Consider VA's Role in Strengthening Federal Preparedness

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Mr. Chairman and Members of the Committee:

I am pleased to be here as you discuss the impact of the September 11 events on the mission of the Department of Veterans Affairs (VA). As the Comptroller General recently stated,<sup>1</sup> we at GAO, along with all Americans, were shocked and saddened by the terrorist attacks last month on the World Trade Center and the Pentagon. Even before these catastrophic events, terrorism was the focus of concerted emergency response preparations by multiple federal agencies. Now, more than ever, we must keep our attention and vigilance focused on blunting the threat and consequences of terrorism.

While state and local governments have primary responsibility for managing the medical and other consequences of a domestic terrorist incident, the federal government, including VA, plays a key role to augment the efforts of state and local authorities. Indeed, consequence management—the measures taken to alleviate the mass damages and suffering caused by a terrorist incident—has increasing prominence for federal preparedness as the nation strengthens its strategy for homeland security. In this regard, one of VA's health care missions is to provide backup medical resources to the military health system and communities following domestic terrorist incidents and other major disasters.

In the wake of the devastating attacks, you asked us to discuss (1) the activities VA has undertaken in its emergency preparedness role and (2) VA's capabilities as the federal government plans for strengthened homeland security. To do this, we drew on our work on VA's participation in federal terrorism preparedness efforts,<sup>2</sup> other GAO reports on combating terrorism, and our broader work related to VA's primary health care mission.

In summary, VA currently plays a supporting role in assisting other agencies that have lead responsibility for responding to disasters, including terrorism. In its areas of responsibility—conducting disaster simulation exercises and maintaining medical stockpiles—VA has taken steps to enhance national emergency preparedness. Specifically, it has evaluated disaster simulation exercises to help improve medical response

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<sup>1</sup>*Homeland Security: A Framework for Addressing the Nation's Efforts* (GAO-01-1158T, Sept 21, 2001).

<sup>2</sup>See related GAO products listed at the end of this statement.

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procedures and strengthened the security of federal pharmaceutical stockpiles to ensure rapid response support to local authorities who may be overwhelmed by terrorist attack.

VA also has resources that could play a role in future federal homeland security efforts. Its assets include the bricks, mortar, and human capital components of its health care system, graduate medical education programs, and expertise involving emergency backup and support activities. In managing large-scale medical emergencies arising from terrorist attacks, VA's emergency response capabilities have strengths and shortcomings. For example, most VA hospitals and clinics coordinate their emergency plans with their local communities. On the other hand, like their community hospital counterparts, VA facilities are less prepared to treat victims of biological than chemical terrorist attacks. In our view, determining how VA can best contribute to homeland security is especially timely, given the extraordinary level of federal activity underway to better prepare for managing large-scale disasters.

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## Background

Of VA's \$48.8 billion budget in fiscal year 2001, \$20.9 billion was for carrying out its four health care missions. Its first, most visible health care mission is to provide medical care for veterans. VA operates a national health system of hospitals, clinics, nursing homes and other facilities that provide a broad spectrum of medical, surgical, and rehabilitative care. More than 3.8 million people received care in VA health care facilities last year. Under its second mission—to provide education and training for health care personnel—VA manages the largest medical education and health professions training program in the United States, training about 85,000 health professionals annually in its medical facilities that are affiliated with almost 1,400 medical and other schools. Under its third mission—to conduct medical research—VA funding was about \$1.2 billion in 2000 for over 15,000 medical research projects and related medical science endeavors.<sup>3</sup>

VA's fourth mission—to serve as backup to the Department of Defense (DOD) health system in war or other emergencies and as support to communities following domestic terrorist incidents and other major disasters—has attracted greater congressional interest since the

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<sup>3</sup>These funds come from appropriations, pharmaceutical manufacturers, National Institutes of Health, and foundations.

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September 11 terrorist attacks in the United States. This role, however, is not new. Since the early 1980s, when a national system was put in place to provide for local medical responses when a disaster occurs, VA has been providing medical support. In fiscal year 2001, less than one-half of 1 percent of VA's total health care budget, \$7.9 million, was allocated to this mission.<sup>4</sup>

VA was first formally assigned a federal disaster management role in 1982, when legislation tasked VA with ensuring the availability of health care for eligible veterans, military personnel, and the public during military conflicts and domestic emergencies.<sup>5</sup> In the immediate aftermath of the September 11 attacks, VA medical facilities in New York, Washington, D.C., Baltimore, and Altoona, Pennsylvania, were readied to handle casualties. In prior emergencies, such as hurricanes Andrew and Floyd and the 1995 bombing of the federal building in Oklahoma City, VA deployed more than 1,000 medical personnel and provided substantial amounts of medical supplies and equipment as well as the use of VA facilities. VA's role as part of the federal government's response for disasters has grown with the reduction of medical capacity in the Public Health Service and military medical facilities.

VA established an Emergency Management Strategic Healthcare Group with responsibility for the following six emergency response functions:<sup>6</sup>

- *Ensuring the continuity of VA medical facility operations.* Prior to emergency conditions, VA emergency management staff are responsible for minimizing disruption in the treatment of veterans by developing, managing, and reviewing plans for disasters and evacuations and coordinating mutual aid agreements for patient transfers among VA facilities. During emergency conditions these staff are responsible for ensuring that these plans are carried out as intended.

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<sup>4</sup>In addition to this amount, in fiscal year 2001, VA received \$62 million from the Department of Health and Human Services (HHS) to support various aspects of HHS terrorism-related preparedness.

<sup>5</sup>The 1982 VA/DOD Health Resources Sharing and Emergency Operations Act (P.L. 97-174) authorized VA to ensure hospital backup to DOD. At the same time, growing concern about the lack of a medical response plan for civilians led to a 1984 administrative establishment of a national medical system that would back up DOD and handle domestic disasters as well.

<sup>6</sup>Formerly, VA's Emergency Management Preparedness Office had this responsibility.

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- *Backing up DOD's medical resources following an outbreak of war or other emergencies involving military personnel.* In 2001, VA has plans for the allocation of up to 5,500 of its staffed operating beds for DOD casualties within 72 hours of notification.<sup>7</sup> In total, 66 VA medical centers are designated as primary receiving centers for treating DOD patients. In turn, these centers must execute plans for early release or movement of VA patients to 65 other VA medical centers designated as secondary support centers.
  - *Jointly administering the National Disaster Medical System (NDMS).* In 1984, VA, DOD, the Federal Emergency Management Agency (FEMA), and the Department of Health and Human Services<sup>8</sup> (HHS) created a federal partnership to administer and oversee NDMS, which is a joint effort between the federal and private sectors to provide backup to civilian health care in the event of disasters producing mass casualties. The system divides the country into 72 areas selected for their concentration of hospitals and proximity to airports. Nationwide, more than 2,000 civilian and federal hospitals participate in the system. One of VA's roles in NDMS is to help coordinate VA hospital capacity with the nonfederal hospitals participating in the system.
  - *Carrying out Federal Response Plan efforts to assist state and local governments in coping with disasters.* Under FEMA's leadership, VA and other agencies are responsible for carrying out the Federal Response Plan,<sup>9</sup> which is a general disaster contingency plan. As a support agency, VA is one of several federal agencies sharing responsibility for providing public works and engineering services, mass care and sheltering, resource support, and health and medical services. VA is also involved with other agencies in positioning medical resources at high-visibility public events requiring enhanced security, such as national political conventions. VA also maintains a database of deployable VA medical personnel that is intended to help the agency to quickly locate medical personnel (such as nurses, physicians, and pharmacists) for deployment to a disaster site.

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<sup>7</sup>Annually, VA's medical centers estimate the number of beds that could be made available to receive returning military casualties. As of 2001, VA's plan would provide up to 7,574 beds within 30 days of notification.

<sup>8</sup>Within HHS, the Office of Emergency Preparedness is in charge of NDMS activities.

<sup>9</sup>The Federal Response Plan is authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act (P.L. 93-288, as amended).

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- *Carrying out Federal Radiological Emergency Response Plan efforts to respond to nuclear hazards.* Depending on the type of emergency involved, VA is responsible for supporting the designated lead federal agency<sup>10</sup> in responding to accidents at nuclear power stations or terrorist acts to spread radioactivity in the environment. VA also has its own medical emergency radiological response team of physicians and other health specialists. When requested by the lead agency, VA's response team is expected to be ready to deploy to an incident site within 12 to 24 hours to provide technical advice, radiological monitoring, decontamination expertise, and medical care as a supplement to local authorities' efforts.
  - *Supporting efforts to ensure the continuity of government during national emergencies.* VA maintains the agency's relocation site and necessary communication facilities to continue functioning during a major national emergency.

In addition to these functions, VA plays a key support role in the nation's stockpiling of pharmaceuticals and medical supplies in the event of large-scale disasters caused by weapons of mass destruction (WMD).<sup>11</sup> These stockpiles are critical to the federal assistance provided to state and local governments should they be overwhelmed by terrorist attack. Under a memorandum of agreement between VA and HHS' Office of Emergency Preparedness (OEP), VA maintains at designated locations medical stockpiles containing antidotes, antibiotics, and medical supplies and smaller stockpiles containing antidotes, which can be loaned to local governments or predeployed for special events, such as the Olympic Games. In fiscal year 2001, OEP reimbursed VA \$1.2 million for the purchase, storage, and maintenance of the pharmaceutical stockpiles.

VA also maintains stockpiles of pharmaceuticals for another HHS agency, the Centers for Disease Control and Prevention (CDC). Under contract with CDC, VA purchases drugs and other medical items and manages a spectrum of contracts for the storage, rotation, security, and transportation of stockpiled items. VA maintains the inventory of pharmaceutical and medical supplies called "12-hour push packages,"

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<sup>10</sup>For example, the Nuclear Regulatory Commission is the lead agency for an emergency that occurs at a nuclear power plant. In other circumstances, the Department of Energy or the Environmental Protection Agency could be the lead federal agency.

<sup>11</sup>The term weapons of mass destruction refers to chemical, biological, radiological, nuclear agents or weapons, and large conventional explosives.

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which can be delivered to any location in the nation within 12 hours of a federal decision to deploy them. It also maintains a larger stock of antibiotics, antidotes, other drugs, medical equipment, and supplies known as vendor-managed inventory<sup>12</sup> that can be deployed within 24 to 36 hours of notification. In fiscal year 2001, CDC contracts included an estimated \$60 million to reimburse VA for its purchasing and management activities associated with the stockpiles, including the cost of medical items.<sup>13</sup>

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## VA Has Taken Steps to Enhance Federal Emergency Management Preparedness

Consistent with the agency's fourth health care mission, VA operates as a support rather than command agency under the umbrella of several federal policies and contingency plans for combating terrorism.<sup>14</sup> Its direct emergency response activities include conducting and evaluating terrorist attack simulations to develop more effective response procedures and maintaining the inventories for stockpiled pharmaceuticals and medical supplies.

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## VA Has Conducted and Evaluated Disaster Simulation Exercises

Our prior work on federal coordination of efforts to combat terrorism found that VA led many disaster response simulation exercises and conducted follow-up evaluations.<sup>15</sup> These exercises are an important part of VA's efforts to prepare for catastrophic terrorist attacks. The exercises test and evaluate policies and procedures, test the effectiveness of response capabilities, and increase the confidence and skill level of personnel. Those exercises held jointly with other federal, state, and local agencies facilitate the planning and execution of multiagency missions and help identify strengths and weaknesses of interagency coordination.

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<sup>12</sup>These vendor-managed inventories are carried on the manufacturers' inventory records as either "government owned" or "government reserved" and may be rotated with the vendor's normal operating stock in order to ensure freshness. The 12-hour push packages comprise approximately 20 percent of the stockpile; the vendor-managed inventory comprises the remaining 80 percent.

<sup>13</sup>CDC has been working with VA since 1999 to build its stockpiles. In addition to the fiscal year 2001 funds, CDC received \$51 million in fiscal year 1999 and \$52 million in fiscal year 2000 for purchasing items for the stockpiles.

<sup>14</sup>For a compendium of relevant policy and planning documents, see *Combating Terrorism: Selected Challenges and Related Recommendations* (GAO-01-822, Sept. 20, 2001).

<sup>15</sup>See *Combating Terrorism: Federal Response Teams Provide Varied Capabilities: Opportunities Remain to Improve Coordination* (GAO-01-14, Nov. 30, 2000).

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VA has sponsored or participated in a variety of exercises to prepare for combating terrorism, including those involving several federal agencies and WMD scenarios. In addition, VA participates in numerous other disaster-related exercises aimed at improving its consequence management capabilities. The following are examples of terrorism-related exercises in which VA has participated.

- In March 1997, in conjunction with the state of Minnesota, VA participated in the “Radex North” exercise in Minneapolis, which simulated a terrorist attack on a federal building. The attack involved simulated explosives laced with radioactive material, requiring the subsequent decontamination and treatment of hundreds of casualties. One of the objectives was to test the capabilities of VA’s radiological response team. The exercise had 500 participants and was designed to integrate the federal medical response into the state and local response, including local hospitals.
- In July 1997, VA participated in “Terex ‘97” in Nebraska. The exercise’s main objectives were to provide federal and state public health agencies with integrated training in disaster response and to assess coordination among federal, state, and local agencies for responding to a catastrophic, mass-casualty incident. The VA hospital in Lincoln provided bed space for mock casualties wounded by simulated conventional explosives. In addition, VA management staff worked with other federal, state, and local health care officials to coordinate emergency response efforts.
- In May 1998, VA, DOD, and HHS cosponsored “Consequence Management 1998” in Georgia. The 2-day exercise trained and evaluated federal medical response team personnel in emergency procedures for responding to a WMD attack. In organizing the event, VA’s radiological response team worked with the Marine Corps’ special response force to decontaminate mock casualties. The VA medical center in Augusta supplied logistics support, including stockpiled pharmaceuticals.
- In May 1999, VA sponsored “Catex ‘99” in Minnesota. Over 80 groups representing federal, state, and local governments, the military, volunteer organizations, and the private sector worked with VA to train for a mass-casualty WMD incident. In a scenario depicting simultaneous chemical weapons attacks throughout the Twin Cities region, VA activated and oversaw an emergency operations center, which coordinated response efforts, including simulated casualty evacuations to hospitals in Detroit, Cleveland, Milwaukee, and Des Moines.

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- In May 2000, VA participated in “Consequence Management 2000” in Georgia. Developed jointly by VA, DOD, HHS, and various state and local agencies, the exercise trained federal emergency personnel in procedures and techniques for responding to a WMD attack. The event also served to familiarize federal, state, and local agencies with the U.S. Army Reserves’ role in the event of a catastrophic terrorist incident. Simulating a mass-casualty terrorist attack in Georgia, VA emergency response teams performed triage and decontaminated patients exposed to chemical and radiological agents. Several VA medical centers in Georgia, Alabama, and South Carolina provided care to simulated serious casualties.
  - In May 2000, VA participated in “TOPOFF 2000,” a national, “no-notice” exercise designed to assess the ability of federal, state, and local agencies to respond to coordinated terrorist attacks involving WMD. The event was the largest peace-time terrorism exercise ever sponsored by the Department of Justice and FEMA, and incorporated three main crisis simulations: a radiological scenario in Washington, D.C.; a chemical scenario in New Hampshire; and a biological scenario in Colorado. VA provided consequence management support to other federal agencies, identified hospital bed space for potential casualties, and dispatched medical personnel to various locations. VA also placed its radiological response team on alert.

VA also conducts follow-up evaluations of these simulation exercises. Evaluations typically include, among other things, operational limitations, identified strengths and weaknesses, and recommended actions. Our work shows that VA has a good record of evaluating its participation in these exercises. The evaluations generally discuss interagency issues and are disseminated within VA. Among the favorable findings from VA’s reviews were that emergency personnel were activated quickly and were deployed to incident sites fully equipped and prepared; personnel demonstrated high levels of motivation and technical expertise; and interaction among federal, state, and local personnel and between civilian and military counterparts was positive. The reviews also identified the following concerns:

- On-site medical personnel experienced communications problems due to incompatible equipment.
- Communication between headquarters and field offices was at times hindered by an over-reliance on a single means of communication.
- Unclear standards and inadequate means for reporting available bed space also posed problems.

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- Caregivers sometimes had difficulty tracking patients as they progressed through on-site treatment stages.
  - Incident-site security was a recurrent concern, especially with respect to decontamination controls.

We have made a number of recommendations to federal lead and support agencies to improve such interagency exercises and follow-up evaluations, including the dissemination of evaluation results across agencies.<sup>16</sup>

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## VA Has Improved Inventory Management of Medical Stockpiles

VA has improved the internal controls and inventory management of several medical supply stockpiles it maintains for OEP and CDC to address previously identified deficiencies. VA is responsible for the purchase, storage, and quality control of thousands of stockpile supply items. It maintains stockpiles at several sites around the country for immediate use by federal agency teams staffed with specially trained doctors, nurses, other health care providers, and emergency personnel whose mission is to decontaminate and treat victims of chemical and biological terrorist attacks. In 1999, we found that VA lacked the internal controls to ensure that the stockpiled medical supplies and pharmaceuticals were current, accounted for, and available for use.<sup>17</sup> However, our recent work shows that VA has taken significant corrective actions in response to our recommendations that have resulted in reducing inventory discrepancy rates and improved accountability.<sup>18</sup>

At the same time, we have recommended additional steps that, VA, in concert with OEP and CDC, should take to further tighten the security of the nation's stockpiles. These include finalizing and implementing approved operating plans and ensuring compliance with these plans through periodic quality reviews. VA supports these recommendations and is taking action with OEP and CDC to implement them.

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<sup>16</sup>See [GAO-01-822](#).

<sup>17</sup>*Combating Terrorism: Chemical and Biological Supplies Are Poorly Managed* (GAO/HEHS/AIMD-00-36, Oct. 29, 1999).

<sup>18</sup>*Combating Terrorism: Accountability Over Medical Supplies Needs Further Improvement* (GAO-01-463, Mar. 30, 2001).

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## Considering VA's Strengths and Limitations Important in Planning for Homeland Security

VA has significant capabilities related to its four health care missions that have potential applicability for the purpose of homeland security. At the same time, it is clear that some of these capabilities would need to be strengthened. How best to employ and enhance this potential will be determined as part of a larger effort currently underway to develop a national homeland security strategy. As the Comptroller General recently noted, this broad strategy will require partnership with the Congress, the executive branch, state and local governments, and the private sector to minimize confusion, duplication of effort, and ineffective alignment of resources with strategic goals. It will also require a systematic approach that includes, among other elements, ensuring the nation's ability to respond to and mitigate the consequences of an attack.

In this regard, VA has a substantial medical infrastructure of 163 hospitals and more than 800 outpatient clinics strategically located throughout the United States, including the largest pharmaceutical and medical supply procurement systems in the world and a nationwide register of skilled VA medical personnel. In addition, VA operates a network of 140 treatment programs for post-traumatic stress disorder and is recognized as the leading expert on diagnosing and treating this disorder.

VA holds other substantial health system assets. For example, the agency has well-established relationships with 85 percent of the nation's medical schools. According to VA, more than half of the nation's medical students and a third of all medical residents receive some of their training at VA facilities. In addition, more than 40 other types of health care professionals, including specialists in medical toxicology and occupational and environmental medicine, receive training at VA facilities every year. In recent years, VA expanded physician training slots in disciplines associated with WMD preparedness.

In 1998, several government agencies, including VA, contributed to a presidential report to the Congress on federal, state, and local preparations and capability to handle medical emergencies resulting from WMD incidents.<sup>19</sup> The report outlined both strengths and weaknesses in regard to VA's emergency response capabilities. The report noted the potential for VA to augment the resources of state and local responders

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<sup>19</sup>The report, *Preparations for a National Response to Medical Emergencies Arising from Terrorists' Use of Weapons of Mass Destruction*, was required by the Veterans Benefits Act of 1997 (P.L. 105-114), and submitted by the President to the Congress in July 1998.

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because more than 80 percent of VA hospital emergency plans are included in the local community emergency response plan. However, the report also noted that

- VA hospitals do not have the capability to process and treat mass casualties resulting from WMD incidents.
- VA hospitals and most private sector medical facilities are better prepared for treating injuries resulting from chemical exposure than those resulting from biological agents or radiological material.
- VA hospitals, like community hospitals, lack decontamination equipment, routine training to treat mass casualties, and adequate on-hand medical supplies.

Currently, VA's budget authority does not include funds to address these shortcomings.

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## Concluding Observations

Myriad federal efforts are underway to strengthen the nation's ability to prevent and mitigate the consequences of terrorism. Consideration of what future role VA may assume in coordination with its federal partners in consequence management is an important element. Currently, the agency, in a supporting role, makes a significant contribution to the emergency preparedness response activities carried out by lead federal agencies. Expanding this role in response to stepped up homeland security efforts may be deemed beneficial but would require an analysis of the potential impact on the agency's health care missions, the resource implications for VA's budget, and the merits of enhancing VA's capabilities relative to other federal alternatives.

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Mr. Chairman, this completes my prepared statement. I would be happy to respond to any questions you or other Members of the committee may have.

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## Contact and Acknowledgments

For more information regarding this testimony, please contact me at (202) 512-7101. Stephen L. Caldwell, Hannah F. Fein, Carolyn R. Kirby, and Paul Rades also made key contributions to this statement.

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# Related GAO Products

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*Bioterrorism: Public Health and Medical Preparedness* ([GAO-02-141T](#), Oct. 9, 2001).

*Bioterrorism: Federal Research and Preparedness Activities* ([GAO-01-915](#), Sept. 28, 2001).

*Combating Terrorism: Selected Challenges and Related Recommendations* ([GAO-01-822](#), Sept. 20, 2001).

*Homeland Security: A Framework for Addressing the Nation's Efforts* ([GAO-01-1158T](#), Sept. 21, 2001).

*Combating Terrorism: Accountability Over Medical Supplies Needs Further Improvement* ([GAO-01-463](#), Mar. 30, 2001).

*Combating Terrorism: Federal Response Teams Provide Varied Capabilities; Opportunities Remain to Improve Coordination* ([GAO/01-14](#), Nov. 30, 2000).

*Combating Terrorism: Chemical and Biological Medical Supplies Are Poorly Managed* ([GAO/HEHS/AIMD-00-36](#), Oct. 29, 1999).

*Combating Terrorism: Analysis of Federal Counterterrorist Exercise* ([GAO/NSIAD-99-157BR](#), June 25, 1999).

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