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B-133944, Jan. 31, 1958

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B-133944, JAN. 31, 1958

TO HONORABLE SUMNER G. WHITTIER, ADMINISTRATOR, VETERANS ADMINISTRATION:

LETTER DATED SEPTEMBER 30, 1957, OF THE FORMER ADMINISTRATOR OF VETERANS AFFAIRS, AS SUPPLEMENTED BY YOUR LETTER OF DECEMBER 27, 1957, REQUESTS OUR DECISION CONCERNING THE PROPER FISCAL YEAR APPROPRIATION CHARGEABLE FOR COSTS OF PRESCRIPTIONS WRITTEN BY CERTAIN DESIGNATED PHYSICIANS AND DENTISTS AND OF SERVICES RENDERED HOLDERS OF PROSTHETIC SERVICE CARDS BY PROSTHETIC SHOPS.

THE SPECIFIC QUESTION PRESENTED IN THE SEPTEMBER 30 LETTER IS WHETHER THE VETERANS ADMINISTRATION COULD CONSIDER REPAIRS TO PROSTHETIC APPLIANCES OBTAINED FROM COMMERCIAL SOURCES BY VETERANS AGAINST PROSTHETIC SERVICE CARDS FURNISHED VETERANS THEREFOR AND PRESCRIPTIONS WRITTEN BY FEE BASIS PHYSICIANS, FILLED BY COMMERCIAL PHARMACIES AND BILLED TO THE VA BY STATE PHARMACEUTICAL ASSOCIATIONS, AS FALLING WITHIN THE PRINCIPLES OUTLINED IN OUR DECISIONS OF JULY 24, 1950, B-92679 AND OCTOBER 7, 1952, B-111765.

THE DECISION OF JULY 24, 1950, B-92679, INVOLVED MEDICAL, HOSPITAL, AND DENTAL SERVICES RENDERED TO VETERANS IN EMERGENCIES WITHOUT PRIOR AUTHORIZATION OF THE VETERANS ADMINISTRATION. IN THAT DECISION WE HELD THAT THE APPROPRIATION CURRENT AT THE TIME THE CLAIMS WERE APPROVED, OR IN OTHER CASES AT THE TIME A RETROACTIVE AUTHORIZATION OR APPROVAL IS ISSUED CONFIRMING ACCEPTANCE OF THE OBLIGATION, WAS CHARGEABLE WITH THE COSTS OF THE SERVICES. THE GOVERNMENT WAS NOT OBLIGATED PRIOR TO THAT TIME. THE DECISION OF OCTOBER 7, 1952, B-111765, INVOLVED CONTRACTS FOR THE PAYMENT OF TUITION FOR TRAINING OF CIVILIAN EMPLOYEES OF THE NAVY WHICH HAD BEEN ENTERED INTO WITHOUT SPECIFIC APPROVAL BY THE SECRETARY OF THE NAVY AS REQUIRED BY LAW. WE HELD IN THAT DECISION THAT THE SECRETARY OF THE NAVY COULD APPROVE CONTRACTS ALREADY EXECUTED, BUT THAT THE APPROPRIATIONS CURRENT AT THE TIME THE CONTRACTS WERE ORIGINALLY EXECUTED WERE PROPERLY CHARGEABLE WITH THE EXPENSES INCURRED THEREUNDER.

THE VETERANS ADMINISTRATION AUTHORIZES THE SERVICES PRESENTLY UNDER CONSIDERATION IN ADVANCE OF THEIR PERFORMANCE; HENCE, THE PRINCIPLES OUTLINED IN THE DECISIONS OF JULY 24, 1950, B-92679, AND OCTOBER 7, 1952, B-111765, ARE NOT APPLICABLE.

THE FORMER ADMINISTRATOR'S LETTER OF SEPTEMBER 30, 1957, STATES THAT FUNDS ARE RESERVED AT THE BEGINNING OF EACH MONTH TO COVER INVOICES FROM PROSTHETIC SHOPS FOR SERVICES RENDERED HOLDERS OF PROSTHETIC SERVICE CARDS ISSUED BY THE ADMINISTRATION TO VETERANS WITH SERVICE CONNECTED DISABILITIES REQUIRING THE USE OF PROSTHETIC APPLIANCES. AT THE END OF JUNE EACH YEAR FUNDS ARE RESERVED TO COVER SERVICES RENDERED TO HOLDERS OF PROSTHETIC CARDS PRIOR TO JULY 1 FOR WHICH

INVOICES WILL BE RECEIVED IN THE EARLY PART OF THE SUCCEEDING FISCAL YEAR. INVOICES FOR ALL OF THESE SERVICES ARE PAID DIRECTLY FROM THE APPLICABLE APPROPRIATION CURRENT AT THE TIME THE SERVICES WERE RENDERED. WE BELIEVE THAT THIS PROCEDURE IS PROPER AND SHOULD BE CONTINUED.

PHYSICIANS AND DENTISTS DESIGNATED BY THE VETERANS ADMINISTRATION TO RENDER NECESSARY TREATMENT TO ENTITLED VETERANS FREQUENTLY WRITE PRESCRIPTIONS FOR DRUGS, MEDICAMENTS, AND CERTAIN SICKROOM SUPPLIES. SUCH PRESCRIPTIONS MAY BE FILLED BY A NEARBY HOSPITAL OR REGIONAL OFFICE OR BY A LOCAL PHARMACY. WHEN PRESCRIPTIONS ARE FILLED BY A LOCAL PHARMACY, THE VA IS WITHOUT KNOWLEDGE THEREOF UNTIL THE BILL, SUPPORTED WITH THE ORIGINAL PRESCRIPTION, IS RECEIVED IN THE VA OFFICE WHICH AUTHORIZED THE TREATMENT. YOU SAY THAT THE COST OF DRUGS AND MEDICAL REQUISITES WHICH MAY BE PRESCRIBED CANNOT BE ESTIMATED WITHIN AN ACCEPTABLE DEGREE OF ACCURACY BECAUSE (1) THE VETERANS ADMINISTRATION CANNOT KNOW WHETHER A PHYSICIAN OR DENTIST WILL PRESCRIBE MEDICATION IN CONJUNCTION WITH HIS TREATMENT, (2) THE PHYSICIAN OR DENTIST MAY FURNISH THE MEDICATION FROM HIS PERSONAL STOCK AND REGARD THE COST AS COVERED BY HIS FEE FOR THE MEDICAL OR DENTAL SERVICE, (3) THE VETERAN MAY NOT HAVE THE PRESCRIPTION FILLED, OR (4) HE MAY MAIL OR PRESENT IT TO A VA INSTALLATION FOR FILLING.

CONTRACTS HAVE BEEN ENTERED INTO WITH THE STATE PHARMACEUTICAL ASSOCIATIONS WHICH, IN ADDITION TO ESTABLISHING A FIRM PRICE SCHEDULE, PROVIDE FOR A CONSOLIDATED MONTHLY BILLING TO THE VA FOR ALL PRESCRIPTIONS HONORED THROUGH MEMBER PHARMACISTS. THERE ARE A FEW NONMEMBER PHARMACISTS WHO BILL THE APPROPRIATE OFFICE OF THE VA DIRECTLY AND ARE PAID FROM THE CURRENT APPROPRIATION. YOUR LETTER STATES THAT ALL BUDGET ESTIMATES COVERING DRUGS AND MEDICAL REQUISITES USED BY THE VETERANS ADMINISTRATION HAVE BEEN SUBMITTED ON THE BASIS OF OBLIGATIONS ESTABLISHED TO COVER VETERANS ADMINISTRATION KNOWLEDGE OF GOODS PLACED IN USE OR CONSUMED RATHER THAN ORDERS PLACED. UNTIL RECENTLY, BILLS FROM THE STATE PHARMACEUTICAL ASSOCIATIONS COVERING THE COST OF PRESCRIPTIONS WERE PAID FROM THE REVOLVING FUND 36X4537, SUPPLY FUND, VETERANS ADMINISTRATION, WHICH WAS THEN REIMBURSED FOR THE AMOUNT EXPENDED FROM THE APPROPRIATION CURRENT ON THE DATE CLAIM WAS MADE BY THE STATE PHARMACEUTICAL ASSOCIATION. RECENTLY, THE USE OF THE REVOLVING FUND FOR THIS PURPOSE WAS DISCONTINUED AND SUCH CHARGES ARE BEING PAID DIRECTLY FROM THE CURRENT APPROPRIATION. AN ESTIMATED AMOUNT OF FUNDS IS ADMINISTRATIVELY RESERVED UNDER THE CURRENT APPROPRIATION AT THE BEGINNING OF EACH MONTH TO COVER THE MONTHLY BILLING PROVIDED BY THE AGREEMENTS, WHICH AMOUNT IS CONVERTED TO A FIRM OBLIGATION WHEN THE ASSOCIATION'S INVOICE SUPPORTED BY SUPPLEMENTING EVIDENCE, THE APPROVED PRESCRIPTIONS, IS RECEIVED IN THE FIELD STATION'S FISCAL DIVISION. IN SUPPORT OF THIS PROCEDURE, YOU PROPOSE THAT THE CONTRACTS WITH THE ASSOCIATIONS BE USED AS THE DOCUMENTARY EVIDENCE FOR OBLIGATING PURPOSES.

IT ADMITTEDLY IS DIFFICULT TO ESTIMATE THE COST OF PRESCRIPTIONS WHICH MIGHT BE ISSUED IN ANY MONTH OR YEAR BY THE DESIGNATED PHYSICIANS AND DENTISTS THROUGHOUT THE UNITED STATES. ALSO, THE SEGREGATION OF THE PRESCRIPTIONS WHEN RECEIVED BY THE FISCAL YEARS DURING WHICH THEY WERE FILLED WOULD ENTAIL CONSIDERABLE EXPENSE ESPECIALLY DURING THE FIRST QUARTER OF EACH FISCAL YEAR. IN VIEW THEREOF AND ESPECIALLY SINCE THE FUNDS HAVE BEEN, AND APPARENTLY WILL CONTINUE TO BE, BUDGETED AND APPROPRIATED ON THAT BASIS, WE DO NOT FEEL REQUIRED TO OBJECT TO THE OBLIGATION OF THE APPROPRIATION ON A MONTHLY BASIS TO COVER THE MONTHLY BILLS REQUIRED UNDER THE ANNUAL CONTRACTS WITH THE PHARMACEUTICAL ASSOCIATIONS, PROVIDED THAT THIS PROCEDURE IS FOLLOWED CONSISTENTLY AND THE FUNDS ARE BUDGETED AND APPROPRIATED ON THAT BASIS.