



DEPARTMENT OF VETERANS AFFAIRS
Veterans Health Services and Research Administration
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In Reply Refer To:

Samuel Chilk
Secretary, U. S. Nuclear Regulatory Commission
Washington, D.C. 20555
Attn: Docketing and Service Branch

Dear Mr. Chilk,

I am writing this letter as Program Director, Nuclear Medicine Service, Department of Veterans Affairs, to challenge the NRC to eliminate the inappropriate assessment of annual "user fees" for VA facilities.

In fiscal year 1991, with 137 sites and over 150 broad and specific licenses in the VA, our annual "user fee" billing was over \$806,645. Since we have no capacity to generate increased revenues nor pass this added burden on to our clientele, it means tax-payer financed "medical care dollars" appropriated to provide medical care to this nation's veteran population, primarily the service-connected injured/disabled and the veterans with restricted incomes, were denied an equivalent amount of curative/restorative care. The \$806,645 would have provided 50 patients a six week course of radiation therapy for cancer, 672 cardiac catheterizations, or 1663 nuclear cardiology studies. Or it could have purchased three new single-headed gamma cameras to augment our attack on an antiquated equipment infrastructure that could increase veterans access to state-of-the-art nuclear diagnostic care for years to come.

For fiscal year 1992, your annual fees specific to VA facilities, increased an average of 35%, (not the 7% cited nationwide) representing another quarter of a million dollars. What benefit does this cost provide the VA? This annual "user fee" does not improve the public health or safety and in fact, in both the near and far term, is a burden to the health of those who have earned the health care entitlement or are the least able to pay.

Six of our smaller facilities have terminated NRC licenses and others who have experienced up to 200% increases in annual "user fees" between 1991-1992 are considering ceasing operations. In spite of these medical licensees producing small numbers of nuclear studies and having no research component, generating no revenues, they do not even qualify for meeting your "small entity" exemption. Your failure to apply a meaningful reality-based decision matrix that addresses non-profit status, educational missions, etc., has created a situation where two organs of the federal government expend considerable monies to

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transfer taxpayer dollars, with no benefits accruing to the very people the agencies were designed to serve and protect.

Medical care costs continue their double digit inflationary spiral and the NRC fuels the increase with annual "user fees." Each "user fee" also increases the cost of radionuclides to the VA. Sixty percent of the VA's Nuclear Medicine non-personnel costs of \$19,334,488 in 1991 were related to radionuclides. What benefit accrues to the veteran population we serve, when radionuclide costs increase and managers have to either ration nuclear studies or other medical care because revenues are not expandable?

If not on humanitarian nor a non-profit bases, the VA should be exempt from "user fees" like other non-profit educational institutions. For a medical system that historically has provided residency training for 3/4 of this nation's medical practitioners, not to be recognized as a significant educational entity is ludicrous.

In summary, the Department of Veterans Affairs requested an exemption from annual "user fees" initially that was not granted. After two years of paying these fees, the net result has been to deny veterans access to nuclear studies or other medical care with no trade-off benefit. For the NRC to continue this irrational means of achieving financial self-sufficiency on the backs of this nation's veterans is unconscionable.

Sincerely yours,



Milton D. Gross, M.D.
Program Director, Nuclear Medicine Service

cc: ADCMD (11)
DADCMD (111)