



2/1/73 Phaseout  
Telegram



GRAPHIC MESSAGE

NAME OF AGENCY DHEW, PHS, HSMHA, Regional Medical Programs Service	PRECEDENCE  ACTION:  INFO:	SECURITY CLASSIFICATION
ACCOUNTING CLASSIFICATION 3-3971015 7530321 23.6J	DATE PREPARED Feb. 1, 1973	TYPE OF MESSAGE <input type="checkbox"/> SINGLE <input type="checkbox"/> BOOK <input checked="" type="checkbox"/> MULTIPLE-ADDRESS
FOR INFORMATION CALL		
NAME Gerald T. Gardell	PHONE NUMBER 31800	
THIS SPACE FOR USE OF COMMUNICATION UNIT		
MESSAGE TO BE TRANSMITTED (Use double spacing and all capital letters)		

TO: TO ALL RMPs COORDINATORS & GRANTEE OFFICIALS  
 PER ATTACHED LIST

THE PRESIDENT HAS SUBMITTED HIS BUDGET PROPOSALS TO THE CONGRESS. WHILE THE AMOUNT FOR FISCAL YEAR 1973 FOR RMPs GRANTS AND CONTRACTS IS SHOWN \$125,100,000, THE ACTUAL AMOUNT AVAILABLE TO THE PROGRAM FOR GRANTS AND CONTRACTS DURING THE PRESENT FISCAL YEAR IS \$55,358,000. THE ACTUAL REDUCTION IN THE AMOUNT AVAILABLE IS DETAILED ON PAGE 384 OF THE APPENDIX TO THE OFFICIAL SUBMISSION.

YOU ARE AWARE THAT WE HAVE BEEN OPERATING UNDER A CONTINUING RESOLUTION. EARLY IN THE FISCAL YEAR, 17 RMPs WERE FUNDED FOR ANOTHER YEAR WITH START DATES OF SEPTEMBER 1, 1972. THIS WAS FOLLOWED BY AWARDS AT THE END OF DECEMBER TO 18 RMPs WITH START DATES OF JANUARY 1, 1973. THERE REMAIN 21 RMPs WITH MAY 1, 1973 START DATES.

BY TELEGRAM ON DECEMBER 29, 1972, I ADVISED THE 18 RMPs WITH JANUARY 1 START DATES THAT BECAUSE OF THE LIMITED FUNDS AVAILABLE, THEIR AWARDS WERE AUTHORIZED ONLY THROUGH JUNE 30, 1973, FUNDED AT ONLY HALF THE AMOUNT ESTABLISHED FOR ONE YEAR. SIMILARLY WITH THE LIMITED FUNDS AVAILABLE WE HAVE DETERMINED THAT THE 21 REMAINING AWARDS WITH

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**TO:**

JUNE 30, 1973.

NO GRANT FUNDS ARE INCLUDED IN THE PRESIDENT'S BUDGET REQUEST FOR RMP IN FISCAL YEAR 1974. THEREFORE, WITH NO ADDITIONAL FUNDS PROPOSED TO BE MADE AVAILABLE IN FISCAL YEAR 1974, AND WITH THE LIMITED FUNDS AVAILABLE THIS YEAR, THE ABOVE FUNDING DECISIONS WERE MADE TO AVOID THE POSSIBILITY OF OVEROBLIGATING FISCAL YEAR 1973 FUNDS. FURTHER, IN ORDER TO TREAT ALL 56 RMPs AS EQUITABLY AS POSSIBLE AND ATTEMPT TO PROVIDE FUNDS FOR THE MOST CRITICAL SITUATIONS, ALL OF FISCAL YEAR 1973 GRANT AWARDS WILL TERMINATE ON JUNE 30, 1973. IT FOLLOWS, THEN, THAT THE 17 GRANTS AWARDED AS OF SEPTEMBER 1, 1972, WILL RECEIVE AMENDED AWARDS REDUCING THE BUDGET PERIOD BY TWO MONTHS WITH APPROPRIATE PRORATED FUNDS. AS STATED ABOVE, ALL RMP GRANTS WILL BE TERMINATED ON JUNE 30, 1973.

IT IS OUR INTENTION TO PERMIT GRANT EXTENSIONS BEYOND JUNE 30 BUT TO NO LATER THAN FEBRUARY 15, 1974. ADDITIONAL FUNDS WILL NOT BE AWARDED EXCEPT AS DETERMINED NECESSARY TO ADHERE TO THE PRINCIPLE OF EQUITABLE TREATMENT. THIS WOULD BE TO ACCOMMODATE ONLY THOSE ACTIVITIES AND PROGRAM STAFF IDENTIFIED BY THE RMPs AS REQUIRING SUPPORT

BEYOND JUNE 30, 1973 THAT CANNOT BE

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TO:

TERMINATED BY THAT DATE DUE TO NEED TO FINALIZE NECESSARY REPORTS, PUBLISH FINDINGS, ETC. UPON RECEIPT OF YOUR PLANS BY MARCH 15, 1973, FOR TERMINATING GRANT SUPPORT, WE WILL ANNOUNCE ON APRIL 15, DECISIONS REGARDING REDISTRIBUTION OF ANY GRANT FUNDS AVAILABLE THROUGH ADJUSTMENT AWARDS WHICH CAN BE USED TO PHASEOUT RMPS SUPPORT. IT MAY WELL BE THAT WE WILL NOT BE ABLE TO SUPPORT MUCH OF WHAT IS CONSIDERED ESSENTIAL BY YOU BECAUSE OF THE LIMITED FUNDS AVAILABLE. YOUR PLAN, THEN, FOR BEGINNING AN IMMEDIATE PHASEOUT OF RMPS SUPPORT TO BE COMPLETED NO LATER THAN FEBRUARY 15, 1974, SHOULD BE DEVELOPED AND SUBMITTED TO US NO LATER THAN MARCH 15, 1973. THE PLAN SHOULD REFLECT THE FOLLOWING REQUIREMENTS:

1. DO NOT ENTER INTO ANY NEW CONTRACTS OR AGREEMENTS FOR ACTIVITIES OR PERSONNEL WHICH COMMIT RMPS FUNDS.
2. REQUEST CONTINUED SUPPORT FOR ONLY THOSE ACTIVITIES REQUIRING RMPS FUNDS THAT WILL PRODUCE A PREDICTABLE RESULT JUSTIFYING THE FEDERAL INVESTMENT, OR
3. REQUEST CONTINUED SUPPORT FOR THOSE ESSENTIAL ACTIVITIES WHERE A MECHANISM HAS BEEN ESTABLISHED TO CONTINUE WITHOUT INTERRUPTION SUPPORT OF THE ACTIVITY FROM

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TO:

IT IS REQUESTED THAT YOUR PLAN BE SUBMITTED IN WRITING, ACCOMPANIED BY PAGES 1, 6, 15 and 16 OF THE APPLICATION FORM 34-1, FOR PHASING OUT ALL RMPS SUPPORT BY JUNE 30, 1973, AND A SEPARATE PLAN AND SET OF FORMS FOR ACTIVITIES PROPOSED FOR CONTINUATION BEYOND JUNE 30, 1973, BUT IN NO EVENT BEYOND FEBRUARY 15, 1974.

MAY I ALSO REMIND YOU THAT YOUR PLAN FOR PHASING OUT OPERATIONS MUST INVOLVE THE GRANTEE OFFICIAL AND THE RAG IN ACCORDANCE WITH THEIR RESPONSIBILITIES DELINEATED IN RMPS-NID DATED AUGUST 30, 1972. STAFF IN THE DIVISION OF OPERATIONS AND DEVELOPMENT ARE AVAILABLE TO CONSULT WITH YOU IN THE PREPARATION OF YOUR PLAN.

IT IS EXPECTED THAT ALL EXPENDITURE REPORTS UNDER THIS PROCEDURE WILL BE RECEIVED IN RMPS BY NO LATER THAN JUNE 15, 1974.

I AM SURE EACH OF YOU RECOGNIZE THAT IN THE LIGHT OF THE PRESIDENT'S RECOMMENDATIONS WE NEED TO PROCEED WITH THE DEVELOPMENT OF PHASEOUT PREPARATIONS IN AN ORDERLY AND PROMPT MANNER.

*Harold Margulies*  
 HAROLD MARGULIES, M.D.  
 DIRECTOR

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