



E000625

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CGB

Analysis of S. 596, A Bill to amend the Public Health Service Act to assist in combatting heart disease, cancer, stroke and other major diseases.

Major points of the Bill include the following:

Section 900

(Page 2) 1. Funds for carrying out the purposes of this part of Title IX of the Act are only for grants (no provision was made in the Bill for utilizing some of the funds for operational costs; a subsection in Section 901 permitting this expenditure would be an improvement in the wording of the Bill).

2. The purposes of the Title are to encourage and assist in the establishment of Regional Medical Complexes and to afford to the medical profession and the medical institutions the opportunity of making available to patients latest advances in diagnosis and treatment. It is of interest that the purpose is not stated to be actually to make available these advances, but rather to afford an opportunity for this to be done. It should also be noted that causation and prevention are not mentioned.

3. The Title is "to accomplish these ends without interfering with the patterns, or the methods of financing, of patient care or professional practice, or with the administration of hospitals." It is not possible to accomplish these ends without some interference in these activities.

Section 901

4. The basic legislative authority for the Title is for a five year period.

5. Fifty million dollars is authorized in the first year with amounts for each of the next four years to be determined by the Appropriations Committees and the Congress.

(Page 3)

6. While it is implied that associations of institutions and agencies listed could be recipients of grants for operation of Regional Medical Complexes, the wording might be improved if this were explicitly included in the language.

7. The funds appropriated for each fiscal year are available for a two year period.

8. A 10% matching requirement for construction and built-in (fixed) equipment is required.

9. Patients or an appropriate third party would pay for medical care costs unless such costs are incident to research, training or demonstrations activities.

10. It should be noted that the Bill does not contain a subsection stating that the functions of the PHS and the authorities of the Surgeon General under other Titles of the Act are not to be limited nor expenditure of funds therefor by this Title.

Section 902

(Page 4)

11. "- - - each of which" is not clear in the sentence at the top of page 4 as to whether each participating unit of a Regional Medical

Complex must be engaged in research, training, diagnosis and treatment, or whether the group as a whole must be engaged in all of these activities. Presumably it is the latter.

12. While the Bill gives specific emphasis to heart disease, cancer and stroke, at the option of an applicant any other disease found by the Surgeon General to be of major significance to the health of the Nation may be dealt with in Regional Medical Complexes if application for a grant is acted upon favorably (It is difficult to see how the Surgeon General can rule that most diseases are not of major significance to the health of the Nation; therefore, the effect of this Title is to provide a mechanism for supporting medical activities across the board.)

13. The subsection under definitions dealing with a geographic area really says no more than that the complexes are to be situated within the United States. The meaning of geographic area is not clear other than that it may be composed of any part or parts of any one or more States.

14. Since the definitions require that a medical center must contain a medical school and a Regional Medical Complex must contain a medical center, the Regional Medical Complex must contain a medical school. It should be noted that some major cancer research institutes are already providing the integrated elements of research, training and care, even extending into the surrounding communities, which apparently this Title

is designed to encourage, but these institutes are not eligible for grants under this Title unless they have "arrangements for the coordination of activities" with other units, including a medical school.

15. It is not very clear what is intended by "arrangements for the coordination of the activities of component units of the Regional Medical Complex."

16. A categorical research center, a required element of a Regional Medical Complex, is an institution or part of an institution the primary functions of which are research (including clinical research), training of specialists, and demonstrations and which, in connection therewith, provides specialized high quality diagnostic and treatment services for in-patients and out-patients.

(Page 5)

17. A Diagnostic and Treatment Station, also a required element of a Regional Medical Complex, is a unit of a hospital or other health facility which will be engaged in diagnostic and treatment activities with patients.

18. The definition of "construction" given in sub-section (f) includes renovations, remodeling and alterations. As the wording now stands in the Bill, it would require 10% matching for these items; therefore an addition to this subsection allowing for costs for these items to be considered as operating costs would avoid the problem. Also the word "built-in" should be inserted between the words "initial" and "equipment"

in order to make it clear that the 10% matching is required only for fixed equipment and not for subsequently needed non-fixed equipment.

19. These definitions would presumably permit the establishment and operation of a new medical school. Also it would appear that VA Hospitals are eligible to receive funds or even possibly a grant, provided they have coordinated arrangements with a medical center. Conceivably PHS hospitals might also be eligible under such arrangements.

Section 903

20. Grants are of two types: (a) planning and development; and (b) establishment and operation of Regional Medical Complexes.

21. The Surgeon General is required to consult with the National Advisory Council on Medical Complexes, but no wording is included which states that favorable action of a Council is required before a grant may be awarded, as is common in several of the grants programs of the Public Health Service.

(Page 6)

22. Grants can be made only upon application.

(Page 7)

23. A local advisory group for the Regional Medical Complex is required and such group will include "representatives of organizations, institutions, and agencies concerned with activities of the kind to be carried on by the complex and members of the public familiar with the need for the services provided by the complex."

Section 904

24. Grants for establishment and operation of the Regional Medical Complexes must be administered such that applications may be approved

(Page 8) only if they contain, or are supported by reasonable assurances that, Federal funds paid pursuant to the grant will not supplant funds that are otherwise available for establishment or operation of the Regional Medical Complex. It should be noted this requirement is extremely difficult to administer and is probably unenforceable.

Section 905

(Page 9) 25. The Title requires the establishment of a new Council with at least one of the appointed members outstanding in heart disease, one in cancer, and one in stroke. The relationship to existing programs and Councils, especially in the three disease areas, is not clear (and will likely create considerable operational difficulties). Provided the clause "not otherwise in the employ of the United States" does not prevent a person's serving on more than one Council, it may be important for the new Council to consist at least in part of a number of persons also serving on existing statutory Councils.

Section 906

(Page 11) 26. The Surgeon General shall prescribe general regulations covering the terms and conditions for "the coordination of the programs assisted under this Title with programs for training, research, and demonstrations relating to the same diseases assisted or authorized under other titles of this Act or other Acts of the Congress" (This Title will make this coordination quite difficult with much staff time and effort possibly being diverted from direct program development into complex and complicated coordination activities).

Section 907

27. A report on the program is required before the end of the fifth year and will include a statement on the relationship between Federal financing and financing from other sources of the activities undertaken pursuant to this Title.

It is obvious that various interpretations are being given to the meaning of the parts of the Bill, as well as to the implications for the future. Some consider the Title in a rather narrow sense to provide for the mechanics of establishing the coordinated arrangements of the various components of a Regional Medical Complex. Others see the Bill as a broad omnibus bill which will eventually allow for funding of programs for research, training, and service under Title IX. If the Bill is read literally and attention is not given to the intent of those who wrote the Bill (and we cannot yet tell how interpretation will be modified on the basis of hearings and the Congressional Committee actions and reports since they have not yet been completed), there seems little doubt that the Title could permit funding of a wide variety of programs in research, training, and service and, indeed, some believe the Bureau of the Budget might well believe it would be simpler to place the appropriations and programs within this one Title rather than funding the various activities in the current programs throughout the Service. These various interpretations of the Bill and the uncertainties resultant from actions not yet taken by the Congress make very difficult the task of visualizing the operation of the program and deciding on its preferred placement for responsibility of implementation in the Service.