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TRANSCRIPT OF PROCEEDINGS

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

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DIVISION OF REGIONAL MEDICAL PROGRAMS

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RMP AD HOC REVIEW COMMITTEE

Rockville, Maryland

Wednesday, August 7, 1974

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C O N T E N T S

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

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RMP AD HOC REVIEW COMMITTEE

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Conference Room G-H
Parklawn Building
5600 Fishers Lane
Rockville, Maryland 20852

Wednesday , August 7, 1974.

The meeting convened at 8:30 a.m., Dr. Herbert B. Pahl, Acting Director,Division of Regional Medical Programs, presiding.

PRESENT:

EUGENE RUBEL, Acting Associate Director, HRP.

SARAH J. SILSBEE, Acting Chief, Operations and Development, DRMP.

MR. GARDELL, Acting Deputy Director, DRMP.

ROBERT TOOMEY, Greenville, South Carolina.

DR. WILLIAM THURMAN, New Orleans, Louisiana.

DR. ALEXANDER McPHEDRAN, Augusta, Maine.

DR. LEONARD SCHERLIS, Baltimore, Maryland.

DR. JOHN HIRSCHBOECK, Milwaukee, Wisconsin.

DR. JOSEPH HESS, Detroit, Michigan.

MR. KENNETH BARROWS, West Des Moines, Iowa.

PRESENT (continued):

JOHN THOMPSON, New Haven, Connecticut.

DR. WILLIAM VAUN, Long Branch, New Jersey.

SISTER ANN JOSEPHINE, Notre Dame, Indiana.

DR. PAUL TESCHAN, Nashville, Tennessee.

MRS. JESSIE SALAZAR, Albuquerque, New Mexico.

DR. WINSTON MILLER, Minneapolis, Minnesota.

DR. ALBERT HEUSTIS, Three Rivers, Michigan.

DR. ROBERT CARPENTER, Ann Arbor, Michigan.

And Others.

P R O C E E D I N G S

DOCTOR PAHL: Good morning. May we come to order. And at this time, may I welcome you as members of the Ad Hoc RMP Review Committee. For many in the room, that will be a significant advance this time.

I do want to say how much I appreciate having both the review committee members return on such -- after such a short interval, and also such a fine turn-out of our national advisory committee members, council members. We expect to have a total of twelve.

Can this br turned down a little bit?

We expect to have a total of twelve of the council members present today, and with other commitments, I believe there will only be two council members here who will be present tomorrow, that won't be able to sit in on the proceedings today. Thus, I think we are extremely fortunate in being able to salvage a very difficult situation and conform with court order requirements and commitments to the Regional Medical Programs, and as well as possibly get into your summer schedules.

I want to welcome to this table specifically Sr. Ann. We are pleased to have you back. And I see Dr. McPhedran and I believe the others were here at our previous meeting.

We have as our agenda a relatively short open session, with a few reports from me. I believe some news of great intere to you from Mr. Rubel concerning the legislation. And then,

following some comments from visitors we will go into our closed session and get on with the day's work which I believe will be a rather full day.

Again, I want to say how much we as a staff appreciat having all of the assistance of the committee members in sending in comments and telephoning us about their thoughts so that this day can be made as productive as possible.

I would like to make a vew comments before asking Mr. Rubel to give his remarks. First of all, as I indicated earlier at our previous meeting our former acting deputy director, Mr. Cleveland Chandlis has accepted a year's leave of absence with the National Academy of Sciences to engage in a study of the Veteran's Administration Medical Services and Delivery System.

This is a year long activity and he is expected to return to this agency at the end of that time. Bob officially started Monday of this week and we expect to see a good bit of him, since he is just down town, but nonetheless we have had to fill that position with the many requirements on my office, and so I am pleased to announce that Mr. Gerald Gardell will continue to serve as acting deputy director.

Having done so while Mr. Chandlis was away for six weeks at a training session at Harvard. So Gerry is joining our ranks on a semi-permanent basis, depending on our life-time as RMP.

And I am very pleased that he has accepted this continuing responsibility. The court order has been signed and the litigation has come to an end. We now know how much money we have finally to distribute and it is about what we indicated to you last time.

In practical terms we have $28 million dollars of remaining released fiscal 73 funds for or following tomorrow's council meeting together with whatever unexpended balances remain available for support of the regions. So the total that we would have approximates $29 and a half to $30 million dollars for awards after tomorrow's council meeting.

And we will obligate our remaining RMP funds to the RMP's prior to August 31, which is our commitment.

I would like to take this opportunity since the council members are here and others will be coming a little later to indicate that there was an approval of 88.7 million dollars by the council for RMP's. And we following consultation with the administration decided to award 84.4 million which made it possible for us to reserve 28 million for this review cycle.

We felt that that would be prudent in view of our knowledge that there was going to be in the neighborhood of forty some million dollars in requests coming in before you and the council this time. As a matter of fact the applications before you today total 46 million dollars in requests, so

I think that was a wise decision following the last council meeting.

I won't go into all of the specific decisions post council last time because I will take this up tomorrow when we meet just with the council. I did discuss these decisons with the committee at it's last meeting.

I expect that you are all very interested, however, in knowing something of the status of legislation which has been changing so very rapidly. And Mr. Rubel has consented to take time out from what is these day's an extremely busy schedule to tell you what is, I think, some good news, and possibly give some indication as to what you think the time table might be from now on despite Washington Post headlines to the contrary.

MR. RUBEL: Thank you, Herb. As most of you probably know by now, the Health and Environment, whatever it is called, subcommittee of the Committee on Interstate and Foreign Commerce did report out a bill two weeks ago and that bill is on the agenda for the full committee this week.

The clean bill is known as HR 16204. There are a couple of copies floating around town. They are very difficult to get at the moment, but within the next several days I am sure copies will be available and if you are interested the best way, really, is to contact the document room in the House, or one of your representatives.

The subcommittee spent over a week having a so-called policy discussion, sent the staff back to do a draft. A draft was given to the committee. Those are all the expletives that we are deleting. And the committe then spent almost three weeks on -- I'll try to talk loud and we can do away with this.

The committee spent almost three weeks in marking up the bill. I am sure that history is going to talk a lot about something called Omega. This is the draft that they are working with. Whenever the government printing office actually produces a draft they put a slug on top with some kind of title, and this was called Omega.

We hope that this was going to be the last one. So it was descriptive. And after three weeks this bill is the product. It is a long bill. I think a hundred eleven pages.

Complicated bill, and Ithink it is fair to say that it is a product of the subcommittee.

There was very excellent attendance throughout the deliberations. The votes typically had a total of nine or ten from a membership of 11. So that there was very good sitting power, if nothing else. And virtually every member of the subcommittee contributed in some way or other.

There are certainly very many controversial items both in the bill, and that people proposed that didn't make it. In many respects it is based on the original legislation first proposed by Congressman Rogers, and Roy, and Hastings back in December, and then re-introduced with changes by the three of them.

Several months later. HR 12053, and HR 13995. Certainly the structure that is in this bill is very similar. What we have are Health Systems Agencies at the local level. Private non-profit organizations, at the state, a state agency as well as a state-wide health coordinating council.

Those are the structure that they have created or proposed. The coordinating council is composed, two thirds of its membership comes from the health system's agency. And the third appointed by the governor. The state agency is an agency of state government.

The composition of the governing board of the health system's agency is one half plus one consumer's and the remain-

ing members, providers.

So that there is clearly a feeling that everbody has to participate. There is, there was a very definite decision made to preclude our local agency being anything but a private non-profit organization. There was an attempt to allow units of local of local governme or a multi-purpose planning organization like COGS, or economic development organizations to be allowable, and that was not accepted.

We had a lot of debate about the functions. I guess the major issue here was to what extent rate review, review of rates to be charged by Health Care institutions should be a responsibility or should not be a responsibility of this mechanism.

After a lot of debate one way or another that was finally excluded completely. That was one big issue, certainly the issue that should concern you the most. The way the bill is structured now, there is a limited resource development fund, able to be used by each of the local health systems agencies.

There are limitations on what this money can be used for. It may not be used to pay for the delivery of services, or for instruction. There is a limitation on the dollar amount that may be expended for any particular project of $75,000 in any given year, and there is a limitation on the number of year that a particular project can be funded: two years.

At the state level there is a continuation very much similar to what we have today in the Hill-Burton program. But certainly that is a vehicle for the development of resources. There was a proposal made that a fourth unit be created at the state level, non-profit organization whose job and role would be the development of resources.

And a mention of implemention of resources developmer at the local level, health systems agencies would have been deleted. That attempt failed. It was not accepted by the subcommittee.

I think the notable changes that were made -- the bil does provide that if a state wants to participate in this program, it must either enact a certificate of need, or have a certificate of need program, or participate under the program, under section 1122 of the Social Security Act, that a review of capital expenditures.

I think there is a very clear commitment on the part of the committee that we need controls over capital expenditures, in addition to 1122, where the penalty is loss of interes and appreciation payments under medicare, and medicaid. The committee decided that a state would have to enact laws on its own, to prohibit any third party payer from making those same payments.

And further prohibiting any institution, if it proceeded with a capital expenditure that had been denied, from

charging any individual for those same capital costs. So that within a relatively short period of time, we will have, I am prettysure, in place around the country a mechanism where an institution proceedswith a capital expenditure without the approval of this mechanism that is being created here, it will not be able to get re-imbursed after any payment to pay for the capital portion, the interest and depreciation of that expenditure, although many for services within that institution would continue.

Would continue to flow. Well, I could sit here for two hours and go over all the details of the bill. Let me just spend a couple of minutes talking about time-tables. Everything that is going on in Washington is dependent upon the action to be taken by the House on Impeachment, and any trial in the Senate.

And it is very difficult to know what is going to happen to other activities during the same time period. The critical point here is not so much the House, but the Senate. The Senate held hearings way before the House did on this kind of legislation, as you probably know. Senator Kennedy introduced S 2994 which is a variation of the original Rogers bill.

The subcommittee, the House subcommittee kind of dumped all of its legislation in the laps of the full committee. Whatever it is, the public welfare or something or other, chair

by Senator Williams. They have been holding mark-up sessions on manpower legislation and rumor has it that as soon as they finish with manpower they will take up planning. When that happens, I don't know.

People keep telling me tomorrow, but it was tomorrow three weeks ago, so I begin to doubt their veracity. People are expecting more than we can deliver. It is conceivable that it will be next week, though. On the House side, I think the full committee will report out the bill, either by the end of this week, or at some point next week.

I don't believe there is enough time to have the bill reported to the House floor prior to the Impeachment debate which is now scheduled to start a week from Monday. So we, like most of the parts of government are very nicely entangled with the national debate which is going on.

Fortunately, there are no immediate problems ahead. There is no immediate need for legislation to be enacted tomorrow. We have, through a variety of circumstances many -- managed to forward fund all of the pieces of this puzzle. I am still reasonably confident that we will have some type of legislation by the end of September.

Or sometime in October. But I was more than reasonably confident several weeks ago. We are just going to have to see what happens.

Herb, if I could, I would like to switch to another

subject.

MR. BARROWS: What happened in the National Council on this thing.

MR. RUBEL: Excuse me, there is a National Council for Health Policy within HEW. Originally they wanted to put it in the Office of the President, and it is definitely in HEW. A council of fifteen members -- no more than eight of whi are from the same party, and no more than three are Federal officials.

With all kinds of expertise on it.

DR. HIRSCHBOECK: Is there any remaining Hill-Burton functioning?

MR. RUBEL: There is pretty much Hill-Burton as we know it today. With, I would say, several major changes. One, a change in the allotment formula. Well, today the formula is heavily weighted toward rural areas and the weighting is removed, and it would be based on population per capita income. And the need for facilities in the state.

Two, the budgets that exist in current Hill-Burton law where a certain amount of money is available to state for modernization. A certain amount for construction, and so on. Even though this bill would be kind of pour from one bucket to another.

We've taken the buckets away and we've got one big pail now. There is one allotment to a state, and there is some

purposes. But they are very minor.

Finally, the authorization level in the House bill is considerably less than what we have under current authorization. The authorization for fiscal 75 is 125 million. 150 million for 76. 175 for 77. When the appropriations for fiscal 74 for Hill-Burton was somewhere in the neighborhood of 200 million dollars.

It is tied in much better than what we have under current law with a planning apparatus which will be no longer a separate scheme. It goes out and develops a facility plan. It has all got to be done as one package.

Now, the Senate does not appear to be going in that direction, and that is certainly not the direction that the administration has been pushing. I would not -- it seems to me that that is one of the major issues that still needs to be thrashed out some.

The extent to which we continue to rely essentially on state apparatus or do we move to some kind of project grant facility construction. There was an amendment proposed by Congressman Nelson that would have converted the program to a project grant program.

And the vote was five to five. Therefore, it did not carry, but there was some significant feeling behind it. And of course, Senator Kennedy proposed very much the same kind of mechanism in a separate bill. How that is going to

work out, I don't know.

DR. MILLER: I understand the new -- has the minimum population of 500,000, maximum 3,000,000. How do you view the transition from our present CHBB agencies to this kind of an organizational change.

MR. RUBEL: It's a little bit more complicated than 3,000,000-500,000. I wish it would be that simple. We can go over three million if the area includes an SMSA that has a population of three-- an SMSA is a standard metropolitan statistical area. We have hundreds and hundreds of them around the country.

You can tell below 500,000 as well. Under unusual circumstances you can go down to 200,000. And under highly unusual circumstances you can go below that. I have been going around telling people that I am a year from now probably going to be the world's greatest expert on the definition of usual and highly -- I'll be able to quote from verbatim, exactly what they mean, essentially they pun it.

What kind of transition from our current B agencies. First of all, let's make it clear that we have a lot of organizations that are going to be competing and a lot of individuals that are going to be competing. We have B agencies, we have in many places RMP's, and in other places we have experimental health service systems, and in other places we have Appalachian Regional Commission agencies.

And then we have a whole variety of others. Agencies that have put themselves together to act as planning agencies, even though they have never been sanctioned, or have gotten any money under 314(b).

And a whole variety of others. The bill specifically says that the Secretary shall give priority to an application that has been endorsed in effect by either a B agency or an RMP. But what priority means, I don't know quite at this time. I guess that is something that we are going to have to work out.

We have many, many, many, many B agencies today that have areas that are too small. Virtually everybody agrees to that. When the original 500,000 came out, I said that would be into arbitrary, and then the 200,000 came out and -- to cite you one example, we have a B agency just recently started a year ago on a Navajo reservation. Well, that is an enormous area.

They have something on the order of a population of 180,000 in the whole Navajo and Hopie reservation. What are we going to tell them. You can't have a planning mechanism, you have to go get the white men involved here. Just political not a very astute way to do things.

Everything is moving in the other direction. Well, I suppose that is a highly unusual circumstance. There are going to be very, very significant changes and I would say

we will only give very surface treatment to arguments that say well we want to do it. This is the proposition because this is the way we are going to do it today.

I don't believe that should be the major criteria. I did not discuss the area designation process, but there is in the bill a process laid out to figure out, to divide the country into health service areas, and the governors of the individual states will have the primary job there.

And it is going to be up to them to look at these kinds of things pretty critically. We have an opportunity here to set a pattern that will be useful for a lot other things Hopefully, to avoid some of the mistakes we have made in say, picking the agency.

Perhaps in picking RMP areas. Perhaps even in designating PSRO areas. So it is going to be a nice. A very active six months. Thus the time period for the area designation process to be carried out.

DR. BARROWS: Will administration be centralized as in the case of RMP or will it be de-centralized. Or do you know?

MR. RUBEL: Well, the statute does not speak to that. There is language proposed in manpower legislation that would mandate that there be central administration. I don't conceive that that will happen, here. In all of our planning is under the assumption that it will be de-centralized.

Let me, if there are no further questions on the legislation, shift to the famous 5 million dollars that was the subject of much litigation work over the last several months. I am not quite sure where we were the last time we met, but an order was entered, I guess about three weeks ago.

Now, a final order that settled the litigation, and in effect, well, not in effect. The Secretary was -- I will read it to you -- provided however, that the Secretary of HEW pursuant to the authority contained in Section 9-10 of the public health service act may obligate on or before 90 days of entry of this order not more than 5 million dollars of the heretofore obligated portion of the aforesaid fiscal year 1973 appropriation. Isn't it fantastic the way lawyers talk?

To grantees other than the regional medical programs constituting the planned plaintiff class. Such grants and contracts under section 9-10 of the Public Health Service Act may be made only for the following activities: one, obligations to augment current efforts in development the state of the art of health plans with major emphasis on the development of criteria for expensive facilities and services such as radiation therapy, and open heart surgery, and then a long list of specific projects. We are pursuing very vigorously the use of this money right now. We intend to utilize it all to the extent that we do utilize it all under the contracting

authority, and therefore there is no requirement for a National Council review under law.

I did make a commitment to the council when we last met to report on how we were planning to use this money. And because I can't be here tomorrow, I wanted to take this opportunity to do so.

I don't know to what extent we have had copies of the document that we have had developed distributed, but if it hasn't been distributed yet, it will be.

MRS. SILSBEE: Yes, it has been.

MR. RUBEL: The court order said to augment the current efforts. And there have been very significant current efforts on our part to try to help the planning process along. What is it and how do you do a better job of it. The document that you have is really divided into three pieces.

The first piece describes things that we have already accomplished. Things that have already been done. The second work that is currently under way, and the third part, which begins on page 25, describes our plans for the use of the five million dollars.

I can only describe for you in very general terms specific projects, and I can't really go into the question of dollars to be outfitted to these, because since this is a public meeting, we have got a lot of contractors out in the world that would be very interested in what our thoughts on

how many millions of dollars are going into each of these things.

And we are very much determined that this is going to be a nice, open, competitive process. But following the awarding of contracts, all the materials here will certainly be open to the public and free for anyone to look at.

We have divided our work into really five pieces, four of which are described here, and then there is a fifth catch all, which will only use the minority part of the money, but we have got a variety of activities that don't quite fit into either of these.

Any of these four. And this is what the court order said we should give emphasis to developing planning approaches and criteria for health services. We already have several major contracts under way. This is an attempt at going even further with the results of both of these efforts.

Approximately a year from now we will have contained in one place and it will probably take up this whole room, but in one place kinds of criteria standards to be used for determining whether something is needed or not needed for virtually all of these major kinds of services and capital expenditure items that are out in the world.

There has been an enormous amount of work done in the past, but it has never been pulled together. It has never been critically analyzed. It has never been made accessible, and

if you read this brief description here as well as things previously you get a better understanding of what we are talking about; from my point of view there is really nothing more important that we can do.

The other two pieces relating to that effort are to try and get a better understanding of how institutions should share and how does a planning organization deal with the problems of sharing of services by institutions. Again, a lot of work done, but to what extent it gets to the gut issues that you have to deal with, when you are out in the real world, is debatable.

Finally, the third -- how should we deal with technological advances and with the mushrooming of new things, how do you make decisions today when you don't quite know what the future is going to bring. And I use as an example here constantly the EMI brain scanner.

We have virtually every institution in the country trying to buy one of these things. There are a lot of people telling us they are obsolete already. The backlog on ordering them is ten months, or thereabouts. They only cost $350,000 apiece.

The profession hasn't quite figured out what kind of quality standards you have to have. Meanwhile by the time we're over we will probably be spending by that time include the cost of these things and the training of the people to

operate them. I don't know. Many of hundreds of millions of dollars. How do you cope with that kind of phenomenon.

Another example is the problem of coronary bypass. nd all that travail that we have gone through for at least ten years now trying to figure out whether it is useful or not. If it is useful, we probably need to doublt our capacity to perform open heart surgery.

If it isn't, we have too many open heart surgery units right now. Okay. Now, how do you deal with that in a planning environment. Not a very easy question to answer, but it is simply something that we think needs to be grappled with. The second major area relates to the data collection and analysis.

And I won't dwell on it. We are of the opinion that there is a hell of a lot more data around than people know what to do with, and our focus is not some much on the collectio but how do you use data. And I think that this is something that will be useful to virtually all of our agencies, around the country.

The third -- knowledge about our health care system. How do components interact is the major thing that we are trying to pursue here. What are the impacts, for example of introduction of the health maintenance organization in the community.

What does it mean and what kind of dislocations occur

Take another example. What happens if you put in a neighborhood health center.

We make these decisions all the time; somebody says, okay, we are going to move but we really don't know what it means for everybody else. And the approach that we want to take here is much, rather than theoretical, trying to look at specifics, look at specific communities, trying to assess what happens when there is a major change.

What happened in Sacramento, California, when Kaiser moved in. And try to just describe what has happened as a way of beginning to be able to say, okay, this is what happened. Now, how do you try to deal with it. Things that happen are both positive and negative. There is a plan for something else to happen.

In another community, or in that same community at some later date. In general, we are trying very hard in all of our work to do as much description as we possibly can. I am of the opinion that we have not spent enough time describing what we have done.

We spend a lot of time trying to figure out what kind of impact it has. And the people come along and say what is it that you have done and we can't show them. You can't document. We are so busy doing that we don't spend the time to get it down on paper.

Finally, the fourth piece is how do we have people,

how do we get people out there, that can do the job, or perhaps do the job better than perhaps they are doing it today. And that is broken down into two pieces.

The first, what kind of -- essentially what kind of short term training is useful and desirable. About the health care system, and about the specific tools that people need in order to do this job. The second, and something that I am very excited about, something that we are calling now, the Center for Health Resources Planning Information.

We are in the process of setting up an information exchange mechanism that just doesn't exist today. This is the medlars of planning and development. How many of you sitting around the room have said, okay, we need to work on -- let's say, a renal disease plan, and you say, okay, what is anybody else done in the world.

And there is a frantic looking around, and the only real mechanism that exists today is word of mouth. Within a relatively short period of time -- we hope some time around March -- that it will be trivial for anyone in the field to know exactly -- let's take the EMI scanner, what kind of work people have done.

And within a matter of days, or at the most a couple of weeks to actually have hard copies of what other people have produced. I have observed this is not just confined to planning agencies, but RMP's as well. We have an enormous amount of

duplication of effort around the country. People going through exactly the same searching and struggling, which is completely and totally unnecessary.

But there is no organized way to get that information transmitted today from one place to another. Chirpee is also what we are calling it. It stands for Health and Resources Planning information, and also listed in the new legislation as something that would become our responsibility.

DR. SCHERLIS: Will you catalogue other than formerly published information?

MR. RUBEL: The major emphasis here will not be on cataloging. General kinds of things. It will be on cataloging materials that have been developed by operating institutions. With some attempt at screening so we won't put stuff in here that is awful.

We are not, the major focus is not on trying to be a great abstracter of the literature, because the literature is not going to help you most of the time on this stuff. There isn't much of a literature.

DR. SCHERLIS: Any request?

MR. RUBEL: No. The purpose here is to provide a source of information for people that are out there attempting to do this kind of work, to find out what other people have done to get access to it. Yes, sir.

DR. SCHERLIS: I would hope that part of your funding mechanism would require that you have this material submitted

back to you in an appropriate format so that information can be made available. One of the difficulties I have found with reviewing the comprehensive health plan agency functions or RMP functions is that everyone is discovering, all over the country, all over again, and the repetition as far as the development of either education materials, everyone having his own audio-visual laboratory, his own computer techniques for EKG, interpretation.

The list goes ad infinitum. The same is true, if not of RPM alone, but I would think it would be more true of the board of efforts of planning CHBNA planning agencies.

MR. RUBEL: Absolutely.

DR. SCHERLIS: While Chirpee sounds good, the temptation is to say it might be for the birds, unless for a need, to have a format built in this which would demand that you as part of your funding mechanism insist that the reports come back in usable forms, for immediate feedback because I have been impressed with duplication of wasted facilities at CHP and at RMP levels.

I am sure they have accomplished a great deal, but now we are starting out new, that this won't be just an attempt or an effort, that there would be some attempt in this to insist that if money is provided the information be forthcoming and be available for distribution.

MR. RUBEL: Well, absolutely. That is exactly what

our intent is.

DR. PAHL: Thank you, Gene, are there any other questions? I appreciate, very much, Gene, your spending the time today, since we do have the great majority of our council members here, also since you won't be able to be here tomorrow. So thank you, and stay as long as you can, this morning, and return this afternoon, as we go into our deliberations, if you can.

Before asking you to listen to a very brief report from Dr. Alvin Goodman concerning the kidney activities, and this is important because we have some twenty five applications in this area, in the present applications.

I would like to, both for the record, and I think for those limited numbers of individuals on our review committee and council who are members of the legal profession indicate that we certainly have the utmost respect for both the legal profession and I am not directing these comments to anyone in particular.

MR. RUBEL: I'll stand by what I said.

DR. PAHL: We've both had a lot of experience this year. I would like to introduce Dr. Alvin Goodman, the Program Director in the Bureau of Quality Assurance in our sister agency the Health Services Administration. The Program Coordinator, the end stage renal disease program who said that he would be able to take a few minutes this morning and give you the current

status of this activity because we will be taking administrative action on these specific projects as a result of, I guess, the development of the programs.

So, I would here take a few minutes and bring us up to date.

DR. GOODMAN: Sure. Well, we have begun the implementation of the program, when I spoke, I guess it was to the council about eight weeks ago. We discussed briefly what the program was to consist of in terms of its regional approach; at the present time the regional health administrators have received their packets of instructions and are now sending them, setting about to determine with health planning consultan and providers of care their regional networks in the network areas.

So we are only going to serve to be another headache to Gene and his people. In developing networks, and network areas, prior to designation of health service areas. We told them not to divide health service areas when they designate their areas.

But since no one knows what a health service area is the admonishment may not serve any type of a purpose. In any event, this cooperative network of institutions and hospitals bringing together all their resources tobear on kidney disease without duplication is about to be designated during this and next month.

And after that is done, that basis is done, the regulations will have appeared by the end of that time, and medical review boards and so forth will start coming into being. And that, too, has to interface very strongly and tightly with PSRO's.

The major problem in terms of relationship with what may, wha must be our antecedent organization regional prcgrams. Th problem that is very recently posed is the the request for funding on kidney projects that have ome through and perhaps and perhaps not.

We are going to research it, to what degree this is true, whether or not the applicants have taken cognizance of the fact that there is now a new additional legal mechanism, in which to be certified to be a provider or supplier of care that is, the medicare program, and that would be incongruous for one agency of government to grant the where with all to an applicant the ability to provide care, the machines, the dialysis machines, for example, and so forth, or money for personnel, wherein the applicant organization has not secured approval to be such a provider of care for medicare from the social security agency.

Therefore, there is, on the one hand, an application for money for a grant from RMP, but on the other hand, there is a highly new national program, and the bulk of this care falls under social security regulations.

And the Bureau of Quality Assurance which I represen has responsibilities for medical aspects of that program, the medical council and social security. This poses a certain discipline that would have to be followed by the applicant organization.

Meaning that the rds would be subject to certain caveats that money could no be expended unless the appropriate approvals were secured to the Medicare program, and those instances where a new or extension of services were to be supplied, in end-stage renal disease clearly through the Medicare program.

And the applicant organization must secure that appropriate approval, otherwise we would wind up on the horns of very serious dilemmas. And very serious legal ajudication problems, if this is not done.

A perusal of the applications, of 25 plus application would indicate that a large number are requesting either new or extension of dialysis or transplant facilities included while under the Medicare act. Another segment asks all organ procurement programs, educational programs and actual procurement. And the organ procurement also falls under Medicare reimbursement, as well as effected, fall under our regulations our future permanent regulations.

So we have to develop a joint health and social security attitude as to what we do. I -- about such applicatic and what caveats they may be subject to and the third group of applications fall under computer and data systems. And in time there will be a national Medicare medical data system, or information system addressing both demographic aspects as well as manpower aspects.

And quality medical care aspects. And one has to ask to what degree that individual application from a particula and specific regions requesting funds for such activities are very duplicative and as well to what extent social security Medicare will pay twice if at all for so much duplication in activity.

When clearly in Medicare will support those activitie which are designed on a national basis. And so all of these matters will have to be looked at very closely with our colleagues in RMP in order to decide exactly what to do. So all I have posed, really, are two problems, the tentative solutions that have to be subject to certain caveats.

Decisions are still pending which should take place in the next few days, and I suppose that is not unique since we discussed problems before, one is another one in a particular discipline, but anyhow, through it all I do see a kind of silver lining, in that agencies are now cooperating together, looking at these problems very clearly. That while Gene was talking before, regionalization of that fits.

We are actually engaged in regionalization of efforts at the medical care agencies at this moment. And I think all this type of seeming impediments will come out and wash and there will be a system a year or so from now that will be working relatively smoothly, thank you.

DR. PAHL: Thank you very much, Al. Are there any

questions on either the kidney area? I believe that Dr. Shriner is not here today. And Dr. Merrill will not be able to make either today's or tomorrow's, is that correct? Tomorrow's council meeting.

Well, thank you very much Al. I appreciate your coming down.

Before we go into the comments and so forth from the public I would like to take this opportunity to -- since the review committee and the council members to my knowledge have never really met together before, I would like to take this opportunity to introduce to the review committee the council members who are here, and who are sitting very quietly and listening.

Hopefully, then, we'll have their session tomorrow. And since they don't have microphones, perhaps I may do the introductions. And then I would appreciate it, if perhaps, the committee would just introduce itself to the council members because you will be sitting over the course of the day and I hope you will have some change to meet and say hello to each other.

So if we may start, on my left. Of the room. I would like to introduce Dr. Janeway, Dr. Wammick, Mrs. Morgan, Dr. Gramlich, and Mr. Hiroto. And then, on my right, Dr. Watkins, Mrs. Klein, Mrs. Martinez, Mr. Ogden, and Dr. Komaroff. And we, I guess, expected Dr. Shriner, we expect him later this

morning, is that correct?

He may very well come in a little bit later, and I would like, starting on my left, to have the committee introduce themselves to the council. I think this will give us the necessary break before we go into our further session.

DR. PAHL: Mr. Toomey?

MR. TOOMEY: I am Bob Toomey, and I am from Greenville South Caroline, the Director of the Greenville hospital system.

MR. THURMAN: We don't need that. Bill Thurman from Tulane University School of Medicine.

DR. MCPHEDRAN: Alex McPhedran from Augusta, Maine.

DR. SHERLIS: Leonard Sherlis, University of Maryland Medical Center.

DR. HIRSCHBOECK: John Hirschboeck, St. Mary's Hospital Milwaukee.

DR. HESS: Joe Hess.

MR. BARROWS: Ken Barrows, Des Moines, Iowa.

DR. CARPENTER: Bob Carpenter, from the University of Michigan, Ann Arbor.

DR. HEUSTIS: Albert Heustis, from Three Rivers, Michigan.

DR. MILLER: Winston Miller from Health Department, Minneapolis, Minnesota.

MRS.SALAZAR: Jessie Salazar, Albequerque, New Mexico.

SR. ANN: Sr. Ann, from Notre Dame, Indiana.

DR. VAUN: -- Vaun, from New Jersey.

DR. THOMPSON: John Thompson, Yale University School of Medicine.

DR. PAHL: Thank you very much. This is an opportunity also to wake us all up. But I do hope you have a chance to meet each other over the course of the day.

Before we ask for any comments from the public, I would like to ask the committee whether there are any additional questions or topics which should be discussed at this time, clarification of anything that we have said so far, or points that we haven't brought up.

If not, I would like to indicate, because the council members are sitting here, that as the review committee knows we will be reviewing again at this meeting applications from both Maryland and Nassau-Suffolk. This is not news to the review committee.

This is news to the council members. So if the review committee will pardon me for a moment, I will elaborate on why that is so. And that will save an explanation later and I think it is appropriate to perhaps, some of the comments from the visitors who are here.

Both the review committee and the national advisory council recommended that these two regions both not receive funds for the application in question last time as well as to have the regions terminated in an orderly fashion. There was full

discussion by both the review committee and the council for each of these applications.

However, following the council meeting and because and I have to phrase things very carefully, because we were managing a program within the constraints of an existin court order we found it as ad administration not possi to carry out the second part of that recommendation, that is, to terminate the regions in an orderly fashion.

But rather to merely implement the first part of the recommendation, which was to provide no funding for the applications in question. And I don't think this is probably the appropriate form, and I am not certain that Im the right party to be able to recount the many discussions that we had with our office of general counsel.

But I am pleased to inform you that once we found that we were not able to implement that second part of the council recommendation we acted quickly as a staff to so inform those two regions, and to do two additional things. To make it possib through extension of the deadline to have the regions review what they have proposed to submit to us, and I believe the deadline was extended from July 1, for applications, to July 9th or 10th.

And also, we made our staff available to the staffs and regional advisory groups at both regions in order to assist them in understanding the basis for their recommendations, and

to provide any assistance we could in helping them in presenting their applications which currently are before us.

So I am happy to report to you that we believe that through these activities we have for your consideration today, and for the council's consideration tomorrow, the two applications, which perhaps are somewhat strengthened as a result of this rather intensive activity, particularly on the part of the staffs of the regions, together with a good bit of overtime work on the part of our own staff.

The real basis, and I should try to indicate that to you is that the applications last time represent technically supplements to existing grants. The budget period for our RMP's is from last January 1 through June 30, 1975. That's the budget approved for all regional medical programs.

That applications that we did last time are technical are supplements to the existing awards, and therefore, are inappropriate for recommendation to terminate an entire program on the basis of a supplemental request. The reason I gave this explanation at this time is because I know that we have the coordinator of the Nassau-Suffolk Regional Medical program here, and I know that he wishes to make a statement in a few minutes to the groups.

So that I thought you needed this background preparation. I believe we may also have representation from the Maryland regional medical program at the open session of tomor-

row's council meeting.

So, again, I think the group as a whole should understand these status.

MR. [illegible]UBEL: If I might, I did make a short st[illegible]ent to the counci[illegible] when it met, on this subject the last ti[illegible] I would just like to reiterate it. It is pretty clear to [illegible], some may disagree, that we are going through a transiti[illegible] I did not mention, again, it's on the specifics in the bil[illegible] that there are some specific transitional provisions.

Very clearly, I think, indicate that the subcommittee's desire that there be come orderly phase out and phase in, that those that should have an opportunity to compete have that opportunity, and don't forfeit it because they have been put out of existence by somebody else.

The action that we have taken so far as regards to B agencies, actions that we are about to take with respect to experimental health delivery systems, all point in that direction We are not asking here for an abrupt cessation of all activities and something else is going to get set up some years from now.

On the other hand, to the extent that there are organizations operating today where there is a feeling that they are not being productive, and that further expenditur[illegible]s of Federal funds is unwarranted, you and the council have the responsibility to make a judgment.

And if you find that that is true, we should not be

in the business of wasting public funds so that is really what the issue is here.

We have that same issue with respect to some CHPB agencies and we have had that same issue with respect to the experimental health delivery systems. And it is not an easy job, that you have. I guess that is why we have asked you to work with us.

But I hope that you can make whatever decisions have to be made in that context.

DR. PAHL: Dr. Thurmon?

DR. THURMON: If I may just ask for one clarification, you made the statement that we cannot terminate a program because of the supplemental situation. Is that because of existing court order, because it is not true for other federal programs. When you ask for a supplement, someone evaluates your ongoing program and they say it isn't worth it.

You can terminate a program. There are several other examples, of that.

DR. PAHL: We were informed that under the wording and restrictions of the court order that is the way we were advised by our office of general counsel. And when we go into the closed session I will merely remind to the committee that as Gene has just indicated, the review committee and the council may take whatever specific action on the application in question.

That again, with these applications, beyond making recommendations to funding levels for this application because we are still living within the spirit of the court order, no other recommendation would be appropriate or could be implemented.

Of course, again, let me say that as a program we would implement the action on these and other applications following the council recommendation in such a way as to manage the affairs both of local RMP and ourselves as well we could over whatever a period of time available funds would provide for the continuation of either those or other programs.

DR. THURMON: Thank you.

DR. PAHL: Now, Dr. Scherlis.

DR. SCHERLIS: I am unclear in terms of what health system agency survives at the present time. You spoke about, if we felt that some RMP's then you would want an input. I guess, that applies to B agencies as well. What do you see happening at a local level?

Who is it. Who says we are what at a local level? Who decides this? Does someone raise the flag a little higher in the area, or -- speak a little bit more loudly how is this decision to be made at a local level?

MR. RUBEL: Did everyone hear the question? If I understand it boils down to who picks the new organization?

As I indicated before, you really have a two-step process. One, of area designation. And as you designate the area that is going to solve a lot of problems to the extent, that for example, one of the big issues that I have heard about should there be one health service area for the State of Iowa, or should it be divided into pieces?

If the decision is state-wide expenditure -- that is going to give you one set of organizations that might be competing, and if you divide it, into several pieces that is going to give you another set of organizations, so that the decision on area designation indirectly is going to have a large impact on which organizations as such can compete, now, of course, individuals can go and work for all sorts of people.

The bill provides that in terms of selection of agencies, it's up to the Secretary to make this selction with several constraints. One, he has got to give priority, as I said before to applications that have been approved by the B agency, or the RMP, or the RMP in the area.

What priority means has yet to be determined. Second the governor has to approve the selection. That's all the law says. The bill says. There is no provision for how you go about putting this together in this bill anymore than there is today, under 314(a) or (b).

Or title nine, or the RMP legislation. Presumably it is clear. We can only fund one. You can't have more than

one agency in an area, so you have got to select within the constraints that I mentioned it would be up to federal officials to make a decision as to one or the other.

DR. SCHERLIS: Let's look at it as if a state has it's state planning agency, whatever that is called. And it is -- under this, you have potentially, if it's a large state, you have I assume health system agencies. Is that right?

MR. RUBEL: Every state would have one.

DR. SCHERLIS: Well, these local state agencies, will they be appointed from the federal level, or the state level?

MR. RUBEL: By HEW, except that the governor has to approve of the selection of the agency.

MR. THOMPSON: It's going to be the damndest boo, ha ha, we've had for quite some time, so there is no reason for anticipating it. Can you imagine a CHB agency designating another agency to take it's place without handing shits out?

DR. SCHERLIS: I said, the B agency saying we want a B agency.

MR. THOMPSON: That's right. And we're not going to prove anything --

MR. RUBEL: Surely. Sister Ann?

SR. ANN: When you are talking in terms of identifying a program as being productive, do you measure this productivity in terms of an integrated program, or individual fragments. I mean, individual projects, but a fragmented program?

MR. RUBEL: Well, it's very hard to talk about it in the abstract. I would venture to say that sure there is something being done worth while by the most terrible organization, no matter what it is about. I would look upon it, with given money to the organization be throwing it down a rat hole that is, you are just going to waste money.

How well the plan is put together. Maybe it is fragmented. Or isn't fragmented. I wouldn't put as much emphasis on it at this point. But that is my own private view. And this is something that you will have to decide for yourself. We are not here, you know, under other circumstances I would probably give you a very different response.

But recognizing all of the trials and tribulations we have had over the last two years, it's a wonder that we have got anything out there. And it would be pretty simple for us to tick off a hell of a lot of organizations if we wanted to. And that is clearly not what the review committee did and not what the council did.

So did that help at all?

SR. ANN: Yes.

DR. THURMON: Sr. Ann is charitable, above all else. And also mild today, very mild.

DR. PAHL: Is there any further discussion on the topic or other points that the committee wishes to address?

MR. THOMPSON: There is only one question. It wasn't

addressed. And that is how fast the PSRO's are coming up. Because many of the proposals we have are to help somebody get ready for a PSRO.

Now, whether it's defensive or offensively, we don't know exactly which. From the wording, so I would like to have some comments on you know how fast they are moving.

DR. PAHL: We don't have a representative, I believe, in the room, from PSRO, but I would like to perhaps reply by stating what we have done in an administrative fashion relative to the RMP activities which are related to PSRO's. We have met with Dr. Goran, the director of the Bureau of Quality Assurance under who the PSRO program is being implemented.

We have arranged with him to have his office provide the final decision making as to whether an RMP request for a PSRO type activity should be funded or should not be funded, and once that decision is made, both the applicant, the regiona medical programming, we are informed, and we then release the funds which we have already awarded to the RMP's but held in escrow until such decision has been made.

So, to answer your question, from my information, the PSRO program, from Parklawn Building, seems to be moving together quickly. And that a number of awards both have been and will be made in the coming months. And insofar as that activity and our activity go along in some sense in parallel fashion.

We have administratively given the decision making authority to the Bureau and to the program before funding our activities. Now, that is not a completely responsive answer to your question, and I think we would have to get somebody from BQA to tell us the exact status of their activity.

I honestly can't say unless there is somebody in the room who can. Judy?

MRS. SILSBEE: No. I was just going to say Mr. Thompson we have submitted a number of pagge 15's in these applications up to BQA. I understand a memorandum is in process telling us yes, no, or maybe. And then this process will be gin. So we have really thrown the ball to them.

MR. RUBEL: I can comment in a general way in terms of where they are. There were some major contract, 90 odd contracts negotiated prior to the end of the fiscal year, for several purposes. We do have several, as I understand it. Conditionally designated PSRO's.

The first one was in Utah, with a big Utah, and they are proceeding to do what the PSRO's are supposed to do. The great bulk of the contracts would not fit the conditional designation, but they were for setting up -- and I don't know quite the jargon that was used, but essentially planning kind of mechanisms.

And that is what the great bulk of activity is around, so far. And I think this fiscal year is going to be largely

a planning year. We'll know probably by the time the year is over. But maybe it doesn't actually operating organizations maybe it will be more than that.

That is kind of where they are. You are absolutely right. That some of the proposals, certainly in the last batch were offensive, and some were defensive. And we are very much concerned that RMP money not be used to thwart the admission of PSRO's as enacted by the Congress.

MR. THOMPSON: You know, this whole thing reminds me of a very well known parable in the New Testament, which was called the prudent steward. The steward was being called up to his king for an accounting and he knew he was in trouble so he went out to the people that he was in charge of and he said how many barrels of oil do you owe my master, and the guy said 50.

So he said all right. Twenty five. And then he went out and he gave away all his masters's goods. Before he went up to the master. And the master took a look at this and said you indeed were very prudent, and even if the good word is good, is prudent as evil, perhaps this would be a better world.

So it seems we are going around passing out money to all of these people that is -- a great deal of it, while not being poured down a rat hole as you called, is going to support other institutions whose jucture we aren't too damn sure of

either.

In other words, here, we are going pass CHB a big chunk over here. Well, CHB and RMP may be phased out, you know, at the same time. So it is very difficult, you know, to decide down which kind of hole you know. We are labeling holes now, that's as far as we've gotten.

DR. SCHERLIS: Is that parable correct?

SR. ANN: That is related to my question, too, you know. Because in terms of productive, you know, some programs may have seen their role as essentially a banker role, and that is related exactly to what you are saying, and you know that maybe we are not concerned at this point about that. I get that impression.

MR. RUBEL: I share your concern. And I have watched it as well. I have got to focus on the future. I have to focus on the hope that three or four years from now, when we have a similar group sitting here, we don't keep talking about the same holes.

Transitions are difficult and this one has taken far longer than it should have. I will leave it to the scholar and historians to do the disection and show us, you know, what we did right. And what we didn't do right. You know, we have got to get on with the job.

As far as I am concerned, under the very difficult conditions that we have with all the Congressional uncertaintie

How do you move forward?

DR. THURMON: I don't completely share John's opinion of this thing. Both the CHB and the RMP functions are going to continue, they are going to continue under new management, and how well this merging of the two is conducted is pretty much a matter up to people like us.

DR. PAHL: Judy.

MRS. SILSBEE: I will say, John, in terms of the PSRO review, they started out with a very adament -- the RMP's were getting in their ball park, and as time went on, they studied the situation, they weresort of glad in many instances tohave them there and release the funds.'

DR. PAHL: Is their further discussion? If not I would like at this time to call for comments. From members of the public who may be here, and I would like to ask that anyone who wishes to make a comment, or submit a statement to the committee to please identify himself and the organization he represents, if other than himself.

And to keep the comment not too long, since I believe we have a full day. But I do know first, I would like to call on Mr. Prasad, because I know he would like to comment. And if you will please come at this time and introduce yourself and make your statement.

MR. PRASAD: Thank you very much. I am Rajeshwar Prasad. I am Executive Director of Nassau-Suffolk RMP. Dr. Lordand Scherr, whose paper is being distributed to you, was supposed to be here. But being the Chairman of the New York State Medical Board his presence was required elsewhere.

And he'll be here tomorrow before the national advisor council. And I would briefly describe his -- the salient and important aspects of the paper which has been distributed to you, which he has requested to be incorporated in the minutes.

He wished to share with you the intended program which Nassau-Suffolk RMP has drawn up in response to our local needs. As I already told you, the paper has been distributed, and I hope you will have time to go through it, which gives a clear picture of Nassau's RMP program.

I do recognize the comments made by Mr. Rubel and Dr. Pahl and Dr. Goodman, and I think we have taken into consideration all those comments before, also, in developing our region's program.

First, the peculiarities of the Nassau-Suffolk region with it's two and a half million inhabitants. We have two counties which are very different. Nassau County is a fairly sophisticated county, which needs primary serving traditionally deprived population groups. Supporting services and building a network for health care delivery.

On the contrary, Suffolk county is a rural county,

which is, actually, at this point in time, in a transitional stage from rural to suburban area.

Which has serious manpower facility and service shortages. The program for fiscal year 1975 seems to meet the outstanding and particular needs of both the Counties. Secondly the projects which have been submitted and are -- they are built on the accomplishments of the past in the areas of renal disease and medical services.

And I emphasize here that we have two projects which are considered projects with the stress on the educationa aspect. Two medical services projects which emphasis training of ambulance personnel, and nursing personnel. Of the remainin eighteen projects, I would say some fourteen relate to the ambulatory care which is the primary thrust of the program for 1975.

The thrust is on to meet the area's greatest needs. Which have been recognized by RMP as well as our local CHB. It is a two pronged approach and that is what has developed in our identification. Of the primary care projects which are related to direct patient care, we have implemented health care projects which are designed to obviate or mitigate human disfunction.

Dr. Scherr and his follow RAGS members would also like to state publicly that these -- of course on one of them the program has recently remonstrated the present leadership

to have both its bylaws and due process certified which is quite a job.

Moreover, the granting organization has recently undergone an audit by HEW and I must stress that in the conference which was held recently, the auditors commented the agencies fiscal procedures. Now, the current program strategy and the viable organization of RMP for full consideration of our application before you.

Thank you, very mucy.

DR. PAHL: Thank you, Mr. Prasad. Are there any questions that you would like to direct to Mr. Prasad?

If not, are there other members of the public who have any comments or statements to make. If not, I think we will adjourn this portion of the meeting, which will terminate the open session, and because of the full work we have ahead of us, I would appreciate it if perhaps we could get coffee and doughnuts, and with your permission, bring them back to the table, and perhaps start our day's activities so that we don't delay unduely.

And if we could reconvene in fifteen, or no more than twenty minutes, as soon as we can get through the line, I think that would be fine. And members of thepublic will not be admitted to the next session.

(Whereupon, a short recess was taken.)

DR. PAHL: Could we come to order please?

This session starts our closed portion of the meeting. The review of applications. And I have really just one or two things to say, very briefly, and then we will get right into the reviews, with Mrs. Silsbee leading our activities.

First, really for the record, I wish to indicate the general rule of confidentiality of these meetings, and the discussions. Secondly, I would like to again review for you very briefly our current funding situation so that you would know the frame work in which we are reviewing these applications

And I want to make one or two points which perhaps will be helpful in a general way, as we go through the day. Forty six million dollars are being requested by 53 regions for this set of applications. We had anticipated having approximately 43 million dollars in requests, but with the reintroduction of both the Maryland and the Nassau-Suffolk applications, this 43 and some odd figure millions was increased to 46 million.

As I mentioned just a while earlier this morning we had 28 million dollars remaining from the released 73 impound funds for award, following the council meeting. And we also have in the neighborhood of one and a half to two millions of dollars in unexpended balances, from prior budget periods.

Among some of the RMP's. It is our belief, and we will be discussing this with the council tomorrow, but since most council members are here, and since it is -- I feel it is

appropriate that you know our total picture, we are going to offset those unexpended balances with arrow currently available funds which has the net effect of increasing the funds available to us for awards after the council meeting by one and a half to two million dollars.

Thus the budget figure is just under 30 million dollars. Is what we have to distribute to the RMP's following the council meeting. I believe we will be pretty close on target. The award process after August council meeting will complete the obligation by us of our fiscal 73 and 74 funds.

All fiscal 74 funds already had been obligated as of June 30th, 1974. And the awards that we will be making this month, we will distribute to the RMP's all funds available to us at this time for support of RMP's.

The only additional source of funds that may be available for us to distribute to RMP's could be a small amount which may remain as a result of the five million dollars, which under the court order has been specifically allocated for other purposes as Mr. Rubel indicated.

And for which he is planning to let contracts, hopeful go over all the five million dollars, and he has 90 days in which to do this. If at the end of 90 days there is any of that five millions of dollars left unobligated, that reverts to our program for distribution and support of the RMP's.

So if that, none of that were obligated we would have

an additional five million to distribute, but in practical terms, I believe all or certainly the great majority of those dollars will be obligated so that we will have at most a very small amount since we won't know this until October, I believe October 20th, is the 90 day period from the Court order.

What we all plan to do and we have a draft resolution for the council to consider tomorrow, what we plan to do is distribute any such residual funds on a formula basis in proportion to what the decisions have been by the council over this year for the different regions.

So that each region would share in proportion to its current funding from the several decisions made on the application that were reviewed last time and this time. That is a little complicated but what I really wish to say is that you have before you 46 million dollars in requests. We have, perhaps 29 and a half to 30 million dollars. We are not asking you as you know from our non-meeting last time, we are not asking you to reduce each application's requested amount by a uniform perdentage to arrive at this 30 million.

We are asking you for the full benefit of your review on the merits of the applications and we would anticipate that there would be varying degrees of funding within that set of applications. So that different percentages would apply The other point that I would like to address briefly has to do with the requests of these applications for funds which

would be used to support specific activities beyond June 30th 1975.

In a number of specific instances, applicants have requested budgets which would carry those activities, not through the June 30,1975 period, but for an additional second year of funding through June 30th, 1976. Now, I would like to make it perfectly clear that all RMP's whether they have requested specifically second year funding or not have the option locally as we give them the money.

After this council, and as we gave them money after the June council, they have the option to the regional advisory groups decision making authority to decide which projects will be supported and whether to perhaps fund a more limited number of projects for, if they wish, a two year period.

Because this can be done by letting contracts. There is a problem in this which we all are very much aware of, and that is if the RMP's terminate June 30, 1975, with contract outstanding beyond that date, there is a logical question of who will monitor those activities.

It is a most appropriate and legitimate question, and if I sat here before and indicated to you and told my staff we are all very much concerned about it, but as is the way with bureaucracy we don't have a definitive answer for you. But logical possibilities are the forthcoming organizations under the new legislations, will absorb such continuing activi-

ties.

Hill-Burton has several hundreds of millions of dollars in continuing obligations out in the fields. So we are not overly concerned about having a few RMP activities. So either the forthcoming organization will absorb those responsibilities or the DHEW regional offices will be called upon to monitor continuing activities.

Or Washington headquarters staff under the name of some group or other, will monitor the activities. What I am really saying, therefore, is that as you look at the applications in here, you should be aware that most people have asked for one year funding, through June, 1975.

But that if they have asked for funding beyond that period of time, it is legitimate, to ask and legitimate for them to conduct their activities in that sense, unless there is a specific prohibition on your part, to deny the activity that is the recommendation by the council and concurrence by the council to deny that activity in toto or to deny funding beyond a given period of time.

You should recognize that by awarding funds knowingly for a second year funding, you are denying funds obviously since their is only an approval of 30 million dollars to other RMP's. So what you give more to one program, obviously must come out in some undetermined fashion from the remaining total RMP's.

Now, I want to mention one more thing so that there is no misunderstanding, and it bears on the discussion by Dr. Goodman in the kidney program this morning. This is a very complicated set of activities because it involves the Medicare reimbursement.

And Bureau of Health Insurance, Bureau of Quality Insurance, and Regional Medical programs. As he indicated to you, and as I did also, we are making administrative arrangements with Dr. Goodman's office and Medicare so there again will be like the PSRO activity no funding of activities which is inconsistent with legislation which is on the books, but over which we have either no control, and certainly no real responsibility to administer.

And this connection, we will probably in certain cases no permit kidney projects to be supported beyond June 30 1975, regardless of what the applicant may request in the applications before you. Because of the problems and schedule of the Bureau of Health Insurance, Bureau of Quality Assurance, and Medicare Programs, they are trying to establish a national network and it will be highly inappropriate for RMP's to fund for two years, certain kinds of activities which obviously will be inconsistent with what we know to be the government's guidelines, directions and requirements.

Now, we will be guided in these decisions by those requirements and by those officials who are in charge of the

kidney program. So you do not have to concern yourself unduly, except to recognize that in the case of kidney, there may well be an administrative requirement not permitting funding beyond one year, despite what the applicants have requested.

Now, are there any questions on what I have gone over, or is there anything that I could clarify for you?

If not, I think this represents my full comments and I would like to turn the meeting over to Mrs. Silsbee who will conduct the reviews.

Yes, Mr. Toomey?

MR. TOOMEY: Perhaps I missed it, but suppose you have a one year project in which there is a -- which is slow in getting started, or in which all of the funds are not used up and the program hasn't been completed, and perhaps there is another three months.

What happens in that overlap of time? Does it phase out? Does somebody else have to monitor the last few months?

DR. PAHL: Let me say that none of us are really certain what is going to happen. Because it depends on the passage of legislation and the time table in which that occurs. In the House bill, which has been submitted by the full committee, but not acted upon by the House, there is language which would permit the extension of CHPB agencies experimental health service systems and RMP programs, if necessary to go through an additional six months beyond June 30, 1975.

In order to accomodate the transition problems if the legislation is delayed in passage, I honestly, therefore, can't tell you what will happen, but as usual we will know when we get there. And all I can say is that you are free here to make the recommendations, certainly on the one year period.

And I feel certain that there will be an appropriate administrative regulations developed we find out when and what legislation is passed, to accomodate that. That is more than a platitude. I just don't have a decisive answer for you.

DR. HEUSTIS: Dr. Pahl. Are the instructions sufficiently clear so that everyone knew that they could have applied for a full two years as well as just the one? Let me just parenthetically add that the majority of the ones that I reviewed ask for funds for only one year.

My reading of the instructions even though I believe I am familiar with what you said, about the possibility that the second year did not clearly convey to me that you are really asking for two year programs. So on the recommendations which I made I have just arbitrarily deleted all the funds for the second year.

And then they could be put back in again. If this were overruled by a higher authority.

DR. PAHL: We did not encourage, by any means, two year funding. At the annual meeting, I am not sure when that

now was, March, I believe.

We clearly stated to the assemblage that two year funding was a possibility, under the conditions which I have described. But that generally we were talking about having budgets for one year through June 1975, and the reason we had to take that posture is a very realistic one.

The administration has made the decision that RMP's may not expend any funds beyond that period, and a number of our RMP's are free-standing corporations and we get into this set of problems, but there is the possibility we did not encourage it, we do not encourage it.

But if it seems to you, and to the council in specific instance that it seems meritorious to provide those additional funds, perhaps we can accomodate it administratively; yes, Dr. Miller?

DR. MILLER: It seemed to me in that -- there is another thing that must be going on here. And that is where an RMP applies for a project that has a budget of 150 to 300 thousand dollars, on each project, even though there is a ten month situation they must in effect have it in mind that they are going to spend whatever they can in ten months, and contract for the rest of it.

Is that a permissible kind of thing? I was pretty critical when I reviewed these after that kind of thing. But maybe I was too critical.

DR. PAHL: Well it is permissible. Its hard to know what's in people's minds and so forth. It is permissible. What we feel will be the self-correcting device is that we have fewer, probably on the average, for a given region than the region requests.

So that is usual when the money's do go back to the region with the award statement there will have to be a decisio by the regional advisory group as to which projects and for how long. And in that sense we are fortunate, since we have fewer funds than requested dollars. I believe this will be our internal self-correcting mechanism.

Judy, I believed you wished to --

MRS. SILSBEE: No.

DR. PAHL: Jessie?

MRS. SALAZAR: Dr. Pahl. I have been trying to find to talk when this is appropriate.

DR. PAHL: Could you please use one of the microphones so that the reporter can follow?

MRS. SALAZAR: I was wondering since we are meeting in joint session today with the National Advisory Council membe that it would be appropriate for us to have a statement from a council member, perhaps you can do this. On a little of the background of our two resolutions that we passed in our main conference of why they were some of the discussions, and some of the considerations that went into their turning them down.

DR. PAHL: The question has to do with a council action on the two recommendations made by the committee. The one recommendation that was drafted by the committee and passed on to the council concerned the cooperation, if you will, by CHPB agencies and planning groups, in relation with working with RMP's and notifying them of what their actual area wide plans are.

So that applications can be reviewed more appropriatel by the planning agencies. The reason, I believe, the the council did not deem it necessary to act was first of all, Mr. Rubel was present at that meeting, to represent, if you will, both the comprehensive health planning program as it's national director, as far as in his responsibility for the forthcoming health systems agencies organization.

And gave assurance, I believe to the council, that he would, to the extent the time and conditions permitted before we evolve into something new, work to effect greater cooperation both from national headquarters and local groups with RMP's, and I believe this assurance was of such a nature that the council thought it therefore inappropriate to act upon matters which are really not it's responsibility.

Namely the comprehensive health planning program and with the assurance of the director of that program here. So satisfied that a statement was not required. The second recommendation which was an action to preserve RMP experience and

relationships and had to do with recommending to RMP's that they look to their infra-structure as being appropriate for the transition period.

I believe that statement was subject to a number of interpretations. As one viewed the different RMP situations. That again, with the amount of information that was being generated at that time, and it has almost become a flood of information from headquarters concerning the new legislation.

What this implies in the actual constructive activitie which are being engaged in now. Which I can mention in a moment to acquaint first hand RMP organizations CHP organizations and Hill-Burton organizations with the impact of the proposed legislation will have upon these organizations.

That again, perhaps it was unwise to adopt a formal statement. I believe the statements were well received. They were discussed, but for those reasons it was not felt necessary to take formal action. With regard to the last point I mentioned, namely the constructive steps being taken, I don't beli Mr. Rubel either mentioned or if he did, did not emphasize that during the latter part of December, and early October, there have been organized already three separate regional meetings to which I have already been invited.

Representatives of RMP's CHP's and Hill-Burton progra and the purpose of these two day meetings, one here in Washington, and one in San Francisco, and one in St. Louis, will

be for certainly the federal administrators to impart information as part of the agenda.

And secondly, I'm sure, to have those several groups interact among themselves and thirdly to have those individuals and organizations convey feelings, concerns and needs back to the federal establishment. This has already occured in the sense that the meetings have been arranged and the organizations invited to send participants. So these steps implement, I think, what Mr. Rubel was saying, and are a good faith action on his part.

And thus, in a sense it was not necessary for the council to take formal action. Now, I have tried to summary from memory the set of circumstances which pertained at that time, but if anyone on the council would like to either correct or amplify any of what I said I would certainly be happy.

Is that responsive?

MRS. SALAZAR: Thank you.

DR. PAHL: Are there any further points before we enter? Dr. Carpenter?

DR. CARPENTER: I am concerned a little bit about, this, still about this possibility of second year funding. In that I think as our discussions go along we may -- it's possible that the committee will become more generous as they become more and more aware of the possibilities that exist with that kind of latitude.

And so to try to get some constancy between our decision today and our decision it would help me to know whether the members of the rest of the committee view this as a major consideration in our deliberations.

I think principally it comes up to me in relation to the fact that a number of projects suggested seem to me to be patently ridiculous within a ten month period. They are not nearly so obviously impossible if the region has 22 months in which to complete them.

And I am not, you know in the end of all of this we are going to distribute all the money anyway. It's just a question of the nature of the kind of formula that we want to end us with.

And I think that varies, depending on whether we are now quite generous with a region that is asking in this application to double its funding. On the basis of a one year application there is no reason on earty to double the funding.

That is, if this is in essence a two year application it's not a bad region, then, I can't be sure they couldn't do something, and I can't be sure they could.

DR.PAHL: Dr. McPhedren?

DR. MCPHEDREN: No.

DR. PAHL: I believe as we go through the applications this matter will be taken up. I am really just calling your

attention. That you should be aware as a group that administratively the regions regardless of the level of the funding they receive this time, and also of course, from their currently available funds, make their own decisions as to whether they wish to have fewer programs for a longer period of time, or spend all their money within the one year period.

And then trust to fate as to what will be required next spring. We can't sit here and make those decisions because they are local decisions. You should be aware of what the applicant is requesting and just your recommendation -- adjust your recommendations in the light of what you think would be best for the total program and for that region specifically.

And I can't give further guidance besides pointing out the need to be need to be aware of it.

Are their further points to be raised? Or discussion to be made on the points that have already been raised?

If not, I would like to turn the meeting over to Mrs. Silsbee, who will lead us through the applications.

MRS. SILSBEE: I was going to announce that Dr. Cassien will be late, but I think he may be right on time, since he was due about 11:00. But Mr. Barrow does have to leave early so we are going to start out with Alabama. But then we are going to intersperse the applications that Mr. Barrow has been assigned to as we go along.

Not all at once. I think that isn't a very good way

to do it. But his regions are Albany, Lakes Area, Maryland, New Jersey, and Washington-Alaska so those will come out of the alphabetical order.

But let's start out with Alabama, and the primary reviewer is Dr. Vaun.

DR. SCHERLIS: What kind of a time frame have you concocted for us today?

MRS. SILSBEE: Well, we have 53 applications -- no, we have 48 applications, and it is now ten minutes till eleven. And we not only have the comments of the people here but we have the comments of the people who were here in July. Dr. White, and I was going to say Dr. Thurmon, but he is here.

Our missing member, so I was trying to do a calculation and I decided it wasn't worth while. But it's about three minutes, two minutes; now in looking over the comments that you have written it looks as if there has been some coming together of the reviewers' comments in a good many instances.

So I think if you feel there is a need for some real discussion don't hesitate to do that. Because, by and large, most of them seem to be in some kind of agreement. But because the council is here wanting to hear your rationale for the funding recommendations, and staff is, also, interested in that because we have to provide the feed-back to the Regional Medical Program, and your reviews, and perhaps the primary reviewer could state this and then the reviewer either add or say nothing

You know, as the case may be.

What you are recommending and why you are recommending it in succinct fashion and then I think we can go through them, and then there will be some discussion on some of these. I don't think we should hesitate to do that.

Okay. Dr. Vaun? Alabama.

DR. VAUN: Alabama. The overall assessment appeared unchanged from the previous assessment. Can you hear?

MRS. SILSBEE: Can they hear?

DR. PAHL: Let me make a general request, because our reporter is trying to get this meeting on tape today to have members use microphones.

DR. VAUN: Could we make a presumption that most people have had our comments and might have read them so that we won't have to spend time reading them?

MRS. SILSBEE: The review committee has had your comments.

DR. VAUN: Council members have not.

MRS. SILSBEE: Council members have not.

DR. VAUN: So I guess we are obligated to read them.

MRS. SILSBEE: I don't think you have to read them in total, Dr. Vaun. But in terms of the gist of rum.

DR. PAHL: The highlights, I think, would be.

DR. VAUN: That's all I put in anyway. So I have to read them. Maybe I'll start at the end with my recommenda-

tion.

DR. PAHL: Oh, pardon me. We have a unique problem which I think that is with conflict of interest. And we have other people sitting around the bars because they represent the National Advisory Council regions come up for review. Please keep in mind that both council members as well as review committee members should excuse themselves from the room when applications in question are reviewed.

So I would appreciate it if you could keep that in mind. Go ahead.

DR. VAUN: The general aspects of the Alabama program did not bother me. There was one project, project 134 -- which appeared very similar to the previous request on surgical cancer to which we reacted negatively last time. One, I question the priority of such a submission for such a large sum of money devoted to this, and there is some background as to why this seems to be a high priority in the state of Alabama, which perhaps, even though I question the feasibility of implementing some aspects of the the para-natal program in one year.

Here comes this one year business, again, in my final recommendation I didn't consider this. So perhaps it is unimportant. The requested funding level of 861,956 dollars I recommend that it be reduced by the amount of the uteral surgical cancer screening for 181,000, rounded out to six

hundred eighty thousand dollars recommended funding. Some thought was given to the possibility of eliminating these project funds, might deprive the state of other sources of money for uteral cervical cancer screening.

In as much as we do not know the other sources of federal funds we cannot assume this. Also, in as much as it was very infeasible that the otherprojects would need all their funding for the one remaining year. Whether Alabama did or did not implement the uteral cervical cancer screening project with the decreased level of funding would depend on their own priorities.

The recommended level of funding, then, is $680,000.

MRS. SILSBEE: Mrs. Salazar?

MRS. SALAZAR: Judy, I'll read this.

DR. PAHL: Excuse me, we will have to use the microphones.

MRS. SALAZAR: I am sorry. On Dr. Vaun's question about the other -- just one question about the federal funds. The point that Dr. Vaun -- could we, maybe staff it, at this point, have some additional information about it?

MRS. SILSBEE: Mr. Jewell?

MR. JEWELL: Mrs. Salazar, the only thing I know is that there is a big push on Alabama for cancer now, because the Governor's first wife died of cancer, and they have established -- have broken ground for the Lauraleen Wallace Cancer Foundation, and this is a conglomerate of other federal

local and state, and volunteer funds. To build this institution it is just a traditional building fund, plus a big push in the state for local cancer funds, to establish this.

MRS. SILSBEE: Did that answer your question?

MRS. SALAZAR: Yes.

MRS. SILSBEE: Dr. Vaun, is there further discussion? Mrs. Salazar?

MRS. SALAZAR: No.

MRS. SILSBEE: Dr. Vaun. You made a recommendation. Do you want to make that a final motion?

DR. VAUN: I'll move that the funding level for Alabama be six hundred eighty thousand dollars.

MRS. SILSBEE: Is their a second?

MRS. SALAZAR: Second.

MRS. SILSBEE: The motion has been made and seconded that the Alabama application be approved at the level of eight hundred --

DR. VAUN: Six hundred eighty thousand.

MRS. SILSBEE: Six hundred, eighty thousand. Excuse me. Is there further discussion?

(No response.)

MRS. SILSBEE: All in favor?

VOICES: Aye.

MRS. SILSBEE: No?

(No response.)

MRS. SILSBEE: The motion is carried. Now we go to Albany. Mr. Barrows?

MR. BARROWS: I was like the rest of you concerned with the inter-regional equity. It occurred to me that programs of equal quality should share in the available funds on an equal basis. As a rule of thumb, I took an average program, as being entitled to about sixty five percent of its request.

Better or worse than average being proportionately moved up and down, whether you agree with that rationale or not. That is the one I used, to explain my recommendations. Albany looks to me like a top notch program. I think we are all agreed on that.

It has, I would say, only one deficiency by my standards, keeping it from being excellent, and that is it seems to have involved the practicing health professionals in a rather minimal degree, at least that is the way I read the data.

I think it is one of the unique strengths of the regional medical program, but it is a fine program nonetheless. I think they ought to get about 80 or 85 percent of their request, or $450,000. And I think Dr. Carpenter came up with a more generous analysis.

MRS. SILSBEE: Dr. Carpenter?

DR. CARPENTER: Thank you. My unaccustomed generosity

requires some explanation. I gather. I may be swayed by the fact that this is the only application I read that really did much for me.

And I was impressed, first of all, that the original application in May was by and large a request for continuation and my own experience with the region was that in the time they had to apply, it really was very logical to say the least for the regions to make that kind of a decision.

Furthermore, most of the projects that they proposed seemed to me to be really miraculously well designed for the short time funding that was available. So I gave them back the money that had been administratively taken away from them after cancel's decision and added a good part of this application and came up with a recommendation for $524,000.

MRS. SILSBEE: Well, one of you could come up with one figure, and one of you has come up with another. Now, do you want to negotiate, or allow, or do you want to discuss it further?

MR. BARROWS: I would be willing to go up a little bit. To fund this particular program, at almost 100 percent of its request is going to detract from the funds available for other equally deserving agencies, programs.

MR. MILLER: It is a question of the -- there are two projects in this group for $130,000 to $136,000. Do you really think they can use this money effectively in a ten month period?

For these things, primarily care of children of low income families? And data systems for foster --

MR. BARROWS: I would contribute, one of the remarkable strengths of this program is that it has done a fine [illegible] of providing cost sharing from other institutions and co[illegible]nuity. So with respect to the longivity of the program, and its impact, I think they would get high marks on that point.

MRS. SILSBEE: Is not the primary care for low income children the kind of trial thing that Bev Myers was trying to do with the other regional medical programs?

DR. CARPENTER: Yes, I think that's right. There is a -- RMP contribution to the project. Those weren't the projects that bothered me. I think 59 and 61 are weak. But I felt the two you mentioned probably could -- probably were worth the price.

MR. BARROWS: To me this long, would you split the difference?

DR. CARPENTER: Sure.

MRS. SILSBEE: Would you all do the mathematics? 587. Five hundred thousand. Do I hear a motion.

MR. BARROWS: 487 would be more precise.

MRS. SILSBEE: Do you want to make a motion?

MR. BARROWS: I'll make that motion.

MR. CARPENTER: I'll second that.

MRS. SILSBEE: The motion has been made and seconded

that the Albany application be approved at the amount of 487. Further discussion?

(No response.)

MRS. SILSBEE: All in favor?

VOICES: Aye.

MRS. SILSBEE: Opposed?

(No response.)

MRS. SILSBEE: The motion is carried.

MR. VAUN: May I just make one observation?

MRS. SILSBEE: Yes.

MR. VAUN: I am a little disturbed on that because there is one program here that I think should get more than 100 percent; the level of the request from Albany is not that great. There are several programs that I think submitted very, very inflated figures, assuming that they are going to get cut.

And there are others who really submitted a pure down budget. So I'm not sure because award them 100 percent that we are depriving a good region of something. I think we may taking a lot more from somebody, but I don't think many of them deserve it. Some of them deserve it.

MR. BARROWS: I am more cynical than you. I think that all of them were inflated.

MR. VAUN: That didn't work out with couple of mine.

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MRS. SILSBEE: The next application to be looked at is Arkansas. We will skip Arizona for the moment. And the primary reviewer on that is Dr. Scherlis.

DR. SCHERLIS: Are we skipping Airzona for any particular reason?

MRS. SILSBEE: Because Dr. Teschan isn't here yet.

DR. SCHERLIS: This region had been reviewed in detail at the time of the May-June review panel and was given an over-all assessment of average at that time. Mr. Roger Ward had just been appointed in an acting capacity. The Arkansas May 1 application was recommended for approval at a funding level of 1.4 million, with the additional 100 under the arthritis proposal.

The July 1 application request was for 816,000 plus. In this there were 18 new proposals. We felt that the 18 projects represented an array of proposals which would challenge any RMP/in the absence of previous proposals which even were approved at the time of the last review committee.

There was a significant question as far as those projects which were givenlow priorities by the RMP of Arkansas, including a disease center for $176,000. Also included were a miscellaneo array of projects including Arkansas rate price project.

Some of the projects given even higher priorities appear to represent a collection of average to less than

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average proposals. In view of the level of funding previously granted, the over-all assets of the ARkansas Regional Medical program and the number and types of projects now submitted, a funding level of $400,000 is recommended in place of the $816,000 requested.

So I move a funding level of $400,000 for the Arkansas Regional Medical Program in the present review cycle.

DR. CARPENTER: I am the secondary reviewer, and I think that is a good motion. I second it.

MRS. SILSBEE: Do you want to discuss it any further, Dr. Carpenter?

DR. CARPENTER: No, not unless someone else questions it. I have written on it.

MRS. SILSBEE: O.K. This is the first application that we have reached that has an EMS training project in it. And just as we have fanned out activities from PSRO, the EMS systems and EMS training have been sent over to the Bureau of Health Resources Development.

We have not yet received an answer from them on any of these. And I think the reason why might be interesting: The EMS training program has been decentralized, and they don't know who the applicants are and they don't know what the approvals are.

And these will not be available until sometime in September or October. So in order to not hold this up, we

will put a caveat in every letter saying keep in touch with your local regional office and make sure that your activities do not duplicate the other activities.

That is about the only way we can do it and keep going.

The motion has been made and seconded that the Arkansas application be approved at $400,000. Is there further discussion?

(No response.)

MRS. SILSBEE: All in favor?

VOICES: Aye.

MRS. SILSBEE: Opposed?

(No response.)

MRS. SILSBEE: The motion is carried.

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MRS. WILSBEE: The next application that we will look at is Bi-State. Mr. Toomey?

MR. TOOMEY: The situation at Bi-State apparently has changed recently by reason of a change in management. Dr. Felix has taken charge as the coordinator. And from the information that I gather from staff, he has moved in rather well rather quickly and is doing rather an excellent job of coordinating particularly with the planning agencies inthe area.

However, despite the fact that they have had a change in leadership, that doesn't change the report that I wrote, which says that the organization presented a minimal image. Its leadership continues to have problems. The Regional Advisory Group has turned over the leadership to the Executive Committee.

And this, as far as I know still exists. The Regional Advisory Group does not function, but the Executive Committee does. They are and have been now developing a relationship with CHP agencies with some success. Despite the apparent success of the projects, there is little resemblance to the agreements and are, in my opinion, of little use or value.

And I don't remember specifically, but I've got the numbers: No. 57, 58, 60, 61, 64 and 71. In addition, the feasibility of completion, particularly of No. 61, is somewhere

between impossible and minimal.

For instance, the project number 61, I believe, of which I spoke, which is a planning project for regional health services development, says the objective is to coordinate the total spectrum of health services in a 10-county area,

The coordinating group, based at the area's health care planning council, would gather information, make recommendations, facilitate arrangements that would lead to a coordinated regional health system. Specific areas of investigation and implementation include: outreach home care, hospital outpatient departments, health education, rehabilitation services, hospital outpatient departments, health education, rehabilitation services, physical therapy programs, hospital group purchasing, insured services, development of common medical records and information systems, uniform accounting systems and allied help, manpower training.

Any one of these would probably be a two-year program. Because of the picture that is presented with the projects, but more particularly really because of the picture presented from the program and the staff and its past record, my funding recommendation was $275,000.

MRS. SILSBEE: Mr. Witte, who was the other reviewer didn't make it today. And do your comments, Mr. Toomey, reflect his?

MR. TOOMEY: Yes. Let me read his, because it is -- the application supplemental continuation application requests $472,000 for initiation of 16 new projects, including health, manpower, accessibility of health care, quality assurance, planning, long-term care, renal functioning, and hypertension.

The projects in this application, as compared with the May-June application, appear to be in keeping with the health needs of the Bi-State RMP region as identified in the RMP/CHP planning. The projects address themselves to primary care, availability of trained manpower, quality of care and the use of physician extenders.

Mr. Witte states that his concerns are: One, what would be the effect of a new program coordinator coming in as the program tapers off; two, project 58, audit model and project 60, quality of care, should be reviewed by the Bureau of Quality Assurance to insure conformance with PSRO legislation; three, it is difficult for this reviewer to understand the logic and method of the RAG priority system, and, four, all of the projects that apparently reflect local needs, many of them are overly ambitious and this reviewer doubts that they would ever see fruition with only one year of funding.

The July request was $472,000; the recommended level of funding, $270,000 to $300,000. My recommendation

was $275,000.

DR. VAUN: I will second that.

MRS. SILSBEE: Does Staff have anything they want to add to this information?

DR. HEUSTIS: May I ask a question while he is getting ready. Are we supposed to, all of us, have copies of Dr. Witte's recommendations? Several of us don't seem to have it.

MRS. SILSBEE: You were supposed to bring them with you.

DR. HEUSTIS: We did bring them -- all that you sent us.

MR. TOOMEY: I believe Mr. Witte's just came in.

MRS. SILSBEE: Mrs. Leventhal, did you put the late ones in the book? O.K.

Mr. Zizlavsky?

MR. ZIZLAVSKY: I would like to take the opportunity to make comments on probably six or seven areas. First of all, Dr. Felix, who is the new coordinator, came in for a one-day orientation. I assure that he has been rebureaucratized.

Secondly, Dr. Felix has made a commitment. He is responding to the National Advisory Council's past concerns and plans to increase the Regional Advisory Group. Thirdly, Dr. Felix has been invited to the program planning committee

of ARCH, which is the CHPB agency. And it seems as though he will be an active participant.

Fourthly, fifteen of the sixteen projects -- this was a previous concern from the May-June review cycle of the Review Committee as well as the National Advisory Council were concerned with in discussing this with the program. And I have asked Mrs. Williams to insert this in the books also, that they have related fifteen of the sixteen projects to this joint CHP-RMP health meeting which was held earlier in the year.

And I am not sure if that information is in the booklets. Projects 58 and 60 have been reviewed by the Bureau of Quality Assurance PSRO, and they do conform to the PSRO legislation. There aren't any problems in this area.

One of the past concerns has been their minority involvement. In doing a rough assessment, out of their 72 projects 12 of their projects, or approximately 16 and two thirds per cent, have responded to minority areas.

We have some comment from the regional office which came in at the eleventh hours. And three of these projects are basically favorable. There are comments to three of the negative comments that Mr. Toomey made. And I just point that out rather than reading all the comments on each of these projects individually.

This is the only updated information that I have.

MRS. SILSBEE: Is there further discussion on Bi-State? Dr. McPhedran?

DR. McPHEDRAN: No, I agree. I have been there before. I move the question.

MRS. SILSBEE: The motion has been made and seconded that this application be approved at $270,000 --

MR. TOOMEY: $275,000.

MRS. SILSBEE: $275,000. Is there further discussion?

(No response.)

MRS. SILSBEE: All in favor?

VOICES: Aye.

MRS. SILSBEE: Opposed?

(No response.)

MRS. SILSBEE: The motion is carried.

MRS. SILSBEE: Now, could we go to Lakes area, Mr. Barrows?

MR. BARROWS: O.K. I think we concluded at the last meeting that this was sort of a coasting program, barely average. That would be the strongest you could put it.

The new projects look a little more related to where we are today. But the objectives that they are working on -- my original recommendation was to give them average treatment, which would give them about $196,000. But on reflection I think that was perhaps too generous.

So I came up with a final guess at $150,000. I think Dr. Heustis has a little different slant on this, and we should hear from him.

MRS. SILSBEE: Dr. Heustis?

DR. HEUSTIS: Let me say just a couple of things generally. In the first place, I am fully aware that we must balance the money requested with the money available. It seemed to me on my first go-round on this on an individual basis was not primarily to be concerned with that, but primarily to be concerned with the over-all quality of the nine categories that were specifically listed in the review sheet.

Secondly, my indicated analysis didn't reinforce that. In other words, I didn't really try to balance the

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request or do what Mr. Barrows has done -- come up with some type of formula to guide me.

The second thing that I would point out that this one and two-year situation, it seemed to me that, in view of the preponderance of requests being for only one year -- and that is the way that I at least read the language when I looked at it the first time, that anybody that asked for money for two years was, in spite of the legal possibility of doing it, was perhaps stretching things a little bit.

And if money is going to be granted for two years it should be considered entirely separately. So that I took out all of the funds for two years. I think those in general are the things that I did.

I was not impressed at all about this. It looked as though perhaps the staff was trying to avoid the previous criticism of being involved too much and allowed the pendulum to swing the other way.

I came up with a recommendation of $100,000. And I would be pleased to split the difference with my colleague and would move $150,000, as he suggested.

MR. BARROWS: That is acceptable to me. I will second the motion.

MRS. SILSBEE: Mr. Nash, did the reviewers get the letter that Dr. Ingle sent in that the Regional Advisory Group had asked them to have about the staffing, because

they felt you hadn't understood what the staff situation was?

MR. NASH: As far as I know, Judy, it was put in the books.

MS. BARRON: I did not see it.

MRS. SILSBEE: I think maybe a copy of that should be made available.

MR. NASH: All right.

MRS. SILSBEE: But this was one of the applications that Council changed the recommendations of the Committee last time. They actually increased the level of funding somewhat. I just mention that as background. But, in turn the region has spoke.

The regional staff had been asked that a letter be provided to show how the staff worked in the nonprofit organization.

DR. HEUSTIS: Let me further amplify: As I look over the individual projects -- you folks can read what is in the book -- it is not very impressive. I was not impressed with what was going to happen or anyway what it was telling me was going to happen with any of the money that was given to them.

MRS. SILSBEE: The motion has been made and seconded that the Lakes area application be approved at $150,000. Is there further discussion?

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(No response.)

MRS. SILSBEE: All in favor?

VOICES: Aye.

MRS. SILSBEE: Opposed?

DR. THURMAN: Yes.

MRS. SILSBEE: What does that mean?

DR. THURMAN: I am opposed. I think this is being overly generous with a region that we have discussed at length in May. But to give them more money for these projects which are obviously designed to take care of the criticism, I am just opposed.

MRS. SILSBEE: I believe the motion was carried.

DR. THURMAN: Yes.

DR. HEUSTIS: In other words, you don't want me to be as generous. I will remember that the next time.

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MRS SILSBEE: Could we go to California next, just so Mr. Barrows doesn't have to talk one after another? Dr. Hirschboeck?

DR. HIRSCHBOECK: I think Dr. Heustis is the first reviewer.

MRS. SILSBEE: Oh, O.K. Dr. Heustis?

DR. HEUSTIS: I was very much impressed again, as we were before, with the California plan. They tried, it seemed to me, to approach their problems as far as setting up different categorial coordinators in a way that would be productive.

The question of really working on this along with CHP, and even though their comments were not available I certainly got the impression that matters were being worked out because this was a strong and well-managed program and because of their great needs, I recommended the whole works as requested, $5,592,000.

MRS. SILSBEE: As I recall, the May application was primarily a continuation so this is -- it was a continuation; this is the first new activity.

Dr. Hirschboeck?

DR. HIRSCHBOECK: Well, I think I differ somewhat from Dr. Heustis --

MRS. SILSBEE: By about 4 million dollars?

DR. HEUSTIS: I think we would take pride in the

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degree of difference.

DR. HIRSCHBOECK: First of all, I think what I see occurring here is the re-establishment of a subregional program that they had once before. At least there are certain facets of that through this creation of these coordinating programs for hypertension, access to care, et cetera.

And I am wondering whether this is really something for a 10 to 12-month period. There is an awful lot of work to be done here. And by approving this entire request what we are doing is handing them a very substantial letter of credit for a lot of other development beyond, through the contract process.

This is one comment I have. Secondly, I think the kidney projects still confuse me in that a number of them on the forms 15 are scheduled to terminate on August 31st, and yet continuing funding is requested in the form 16. And if we followed the practice of funding programs for just three years as a general rule, we are extending quite a few of these kidney projects into another year beyond the three that was originally agreed upon through the RMP system.

So these are some of my questions. There is a question about this being a fine over-all regional medical program serving a very large population. But considering the amount of money that they have received in the past in the May application and what they are asking for now --- namely,

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$5,592,215 -- I think this is pretty heavy for the population, and also in terms of the capability of the program to digest all of these funds even though they are setting up these subregional divisions again.

So I would recommend that instead of the total amount that we go down to something like 2 million at the most.

MRS. SILSBEE: Mr. Russell, did you have any background information on subregional offices?

MR. RUSSELL: Well, what CCRMP has done is when they did away with the physical subregional offices they retained the competency of some of those program staffs. So they have been building on the competency of individuals. It is not a restructuring of this subarea office concept. Does that help?

DR. HIRSCHBOECK: Yes. I think that really explains it. On the other hand, we are going back into what has the elements of a former program. They have an educational network which was approved in the last application, and now these access to care, the hypertension and the others -- well, it just seems to me that is going back to what we had determined wasnot to be accomplished in this particular program, to some extent.

I guess my main concern is that the amount they are requesting as compared to the rest of the regions is a

pretty stiff amount.

DR. HEUSTIS: I just need a minute of rebuttal, if I may, Madam Chairman.

MRS. SILSBEE: Yes, Dr. Heustis.

DR. HEUSTIS: I am not at this time really willing to offer a motion to compromise, because I feel very strongly about this program. IfRMP certainly stands for the things that are publicly talked about, here is a program that, at least to me, from the knowledge available to me from the two written documents, tries to meet these.

And if we are talking about shared services as a coming thing and if we are talking about getting people to work together from different institutions, from different hospitals on specific programs all over the state, it seems to me that their concept addresses this very well, and, again, with a good staff.

Sure, it is a lot of money. But here, at least in my opinion, it is feasible of being used well and wisely over the period of time. And it doesn't bother me at all that this 5 million dollars -- I will help to make it up on some of the others I have to review.

MRS. SILSBEE: Dr. Miller?

MR. MILLER: I ask the reviewers to comment specifically about projects, kidney disease information evaluation, $207,000 for 10 months; neighborhood emergency

transpo tion, $108,000; access program, regional coordination, $271,000; access to care in Los Angeles, $300,000. How can these monies be spent judiciously in 10 months?

DR. HIRSCHBOECK: This is my major question. There are so many of these instances.

DR. HEUSTIS: Well, my major concern was not with the individual projects. And I cannot defend the specific amounts of money because I didn't really see that as my job. But my concern was with the process by which these were developed.

And they do have in California a very extensive and defined state review process. And I just limited my over-all concern to the quality of staff review process and those nine things without really getting into the specifics of the projects.

I can't defend them one way or the other.

MRS. SILSBEE: With respect to the kidney, Dr. Miller, this will be a determination from Dr. Goodman to see how this fits in. And it isn't something that -- if it is a new activity it won't be funded probably. But that is something Dr. Goodman is going to make the determination on.

MR. THOMPSON: No, 13 of these kidney projects here.

MRS. SILSBEE: Yes, there are quite a few. But some of them will be continued and some of them won't. We

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just don't know right at this moment.

Mr. Russell, do you have anything further, sir?

MR. RUSSELL: Well, in terms of the time available, 70 of the projects involved in this applicati are planned for a 12-month period. As you know, Californi contracts all of these activities so they can obligate the money.

MRS. SILSBEE: Is there further discussion?

SR. ANN: Do you see that as a strength, to say they can obligate the money? Do you see this as a strength in support of this?

MR. RUSSELL: Well, I think the best was I can answer that is: They have used this mechanism very successfully in the past.

MRS. SILSBEE: Dr. Scherlis?

DR. SCHERLIS: Just to help me get a better feeling about this, since there is a large sum involved. There are 25 projects involving high blood pressure. Is there any hope that any of these will be continued, because they appear to be more than just information type of programs. They appear to be screening.

What do you view as the future for the hypertension programs assuming the funding stops in 12 months?

DR. HEUSTIS: From the past record, at least given in the books that were available to us, their track record is very good for getting projects continued that have been

started. So I assume this would happen.

DR. CARPENTER: They face the issues of a screening program. In their form 15, do they indicate that they have thought how the hypertension might conceivably get treatment?

MR. THOMPSON: We are falling into a trap here. We can't review every one of California's projects. We have got to more or less come up with what we think is feasible.

DR. SCHERLIS: They are so wide apart, I am trying to get a feeling.

MR. THOMPSON: You know what California has been like. We stumble on it every time it comes up for review, we shoot half a day.

MRS. SILSBEE: Dr. Hess.

DR. HESS: Is a substitute motion in order?

MRS. SILSBEE: There hasn't been a motion.

MR. THOMPSON: Let's get a motion.

DR. HEUSTIS: No motion?

MRS. SILSBEE: No, I haven't heard a motion. There are two different views -- unless, Dr. Hirschboeck, you'll make a motion.

DR. HIRSCHBOECK: I will move an award of 2 million dollars.

DR. VAUN: I will second that.

DR. HEUSTIS: The group should know that I have to vote against this motion. It is not enough.

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MRS. SILSBEE: The motion had been made and seconded that the California application be approved at the level of 2 million dollars. Is there further discussion? . Hess?

DR. HESS: I would just like to indicate that I would agree with Dr. Heustis that that is a bit low for the quality of program and the size of population and so on in California.

MR. BARROWS: Judy, in order to keep this democratic and not necessarily good parliamentary tactics, could you have a show of hands on how many would prefer two and how many would prefer 3 million, to get the sentiment?

DR. HEUSTIS: How about 4 and 5?

MR. BARROWS: All right.

MR. THOMPSON: Point of order. There is a motion on the floor. I move the question.

MRS. SILSBEE: That means we have to vote, doesn't it?

MR. THOMPSON: That's right.

MRS. SILSBEE: The motion has been made and seconded that the California application be approved at 2 million dollars. All in favor?

Opposed?

Excuse me. All in favor put their hands up. There are one, two, three four.

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Opposed?

All right. That motion has been defeated.

MR. BARROWS: I will move 3 million.

DR. SCHERLIS: I second it.

DR. THURMAN: I call the question.

MRS. SILSBEE: The motion has been made and seconded that it be approved at 3 million dollars. All in favor?

DR. HEUSTIS: Can we discuss it?

DR. THURMAN: I called the question.

MRS. SILSBEE: 3 million dollars. All in favor? Somebody help me count.

DR. pAHL: Fourteen.

MRS. SILSBEE: Fourteen.

Opposed?

DR. HEUSTIS: For the record.

DR. PAHL: One.

DR. HEUSTIS: I believe very strongly in this.

MRS. SILSBEE: The motion is carried -- 3 million dollars.

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MRS. SILSBEE: Let's do Central New York. And the reviewer is Dr. Hess, primary reviewer.

DR. HESS: This is a region that was rated average in the general review, this is a region that was considered to be average in our May review of the over-all program. The final funding decision at that time was $670,000. The general management of the region appears to continue to be effective.

The goal statement that wasmissing in the May review has since been sent to DRMP and appears adequate. It was not clear to me what the funding priorities were for the different projects in this application.

Another issue that was unclear to me was the justification of the need for the amount of funding proposed for some of the primary care activities, particularly the funding, what I would read from the description of the plan to fund the salaries of practicing physicians. It seems to me that the fees for service ought to pretty well support the physician services that were planned.

It is also somewhat impossible for me to tell what their followup plans were for the adult health screening project as well as it was unclear as to the priority of need for the family planning, midwife planning project, number 71.

Given the over-all rating of this program and

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the questions and what appeared to me as some areas of uncertain terms of justification for their requests, my feeling was that instead of a level of 655 which was requested that a level of 450,000 would be an appropriate level.

MRS. SILSBEE: Dr. Miller?

DR. MILLER: I share many of the same concerns that Dr. Hess reviewed. But I would like to call attention to a few specific things which I think are important in this application.

The first one is that I think there should be a general rule -- and I am not sure that it is a general rule -- but for the remaining, for a one-year period, the expensive equipment should be rented and not purchased in these projects.

The one project, 063, proposed to buy an ambulance for $17,000. I think this should be rented if the project is activated. The same concern I felt regarding physician income, although I don't think that probably in the first year the fees for service will pay the full costs of developmental service programs.

But there are five projects in here with salaries to physicians or physicians' assistants for primary care that total $233,000. My estimate was that patients' income ought to cover at least 25 per cent of these costs even in the first year of such demonstration projects.

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I felt also, as I think we are going to see all day today, that many projects lack documented evidence for the primary care projects, screening projects, followup projects, comprehensive home care project. In this case, it will either have a significant final output in one year or will be continued by sponsoring organizations after termination of RMP funding.

I actual feel that a condition on the funding for many of these projects ought to require some documentation that there will be some continued followup on projects like this that could really not achieve any lasting benefit if they are terminated in one year.

Calculating on the basis of these determinations, I came up with a recommended funding level of $575,000, which is quite a little bit more than Dr. Hess has suggested. But I would be willing to either go along with the recommendation of Dr. Hess or somewhere in betweeen.

MRS. SILSBEE: Does Staff have anything to add to the situation?

MR. STOLOV: I just basically think it is a matter of evening out the funding level. But we have received the priorities due to the region's concern of how they allocated the money.

They sent a sheet -- I thought it was your book. All others that were made were in reviews. And Staff can

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only say just one point with Dr. Miller about the 25 per cent that is anticipated income reducing the grants.

Our grants management people tell us that if we do that and the money doesn't come in, then we are shorting the region. And we usually wait on the other end for this to happen.

But other than that, it is a good observation, as I say.

MR. MILLER: It is quite possible to design projects with that in the budget.

MR. STOLOV: That is correct.

MR. MILLER: And when that is totally eliminated, it obviously is something that should be corrected.

MRS. SILSBEE: All right. We have two funding levels by the two reviewers. Does somebody want to make a motion.

MR. MILLER: I will make a motion that the Central New York program be funded at $450,000, as recommended by the primary reviewer.

MRS. SILSBEE: Is there a second?

DR. HESS: Second.

MRS. SILSBEE: The motion has been made and seconded that the Central New York application be approved at $450,000. Is there further discussion?

(No response.)

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MRS. SILSBEE: All in favor?

VOICES: Aye.

MRS. SILSBEE: Opposed?

(No response.)

MRS. SILSBEE: The motion is carried.

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MRS. SILSBEE: Now, could we go to Maryland? In Maryland, the reviewers for Maryland are Dr. Vaun and Mr. Barrows.

Dr. Vaun?

DR. VAUN: You took it out of sequence, Judy, you should have warned me.

Because of the previous rating of poor in RMP, it appears necessary in order to review leadership and organization. Though I was not present for the last discussion, last meeting, it does not appear that the letters from the Vice Chairman of RAG or Chairman of the RAG did much to objectively refute the comments of Dr. Pahl's letter of July 2.

As a matter of fact, the reaction to Dr. Pahl's letter and to some of the criticism from CHP to projects seemed to follow a similar pattern of how outsiders view RMP and how they view themselves, the composition of the staff in RAG would not appear to have changed much overnight.

The previous comments regarding the RAG being heavily provided are still relevant and it should be mentioned once again. The staff, though small, lists an appropriate spectrum of health professionals.

The activities of the committees do not appear to reflect a great deal of involvement. The present submission, as I understand it, contains a total of $724,786 for funds,

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$252,961, feasibility funds, $50,000, project funds, eight new proposals, $421,825.

The objective of the program as now stated is to, quote, facilitate health programs aimed at urban and rural poor, end of quote. The project proposals appear congruent with this stated objective. CHP support, except for what appears to be some bureaucratic wrangling at the upper echelon level, seems to be proper.

I believe that the RAG response is adequate to convince me personally that lack of CHP support does not detract from the merit of the project. Whether it will detract from implementation is another matter.

The only question I would raise in reviewing the individual projects is the redundance which appears to strike the hypertension proposals. Despite comments to the contrary, I do not feel they are different. As a matter of fact, it would appear the successful implementation of one preceeds the other.

RAG's conditions on approval of project 69 can be further suspect in this area.

Recommendations. I would recommend that funding be $650,000. I arrived at this through decreasing project funding by $50,000, $40,000 for number 69, the hypertension project, and $10,000 from several others, together with the denial of $50,000 for feasibility.

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Feasibility money sounded like what used to be called developmental funds. And the performance of this RMP would not appear to warrant such a grant.

MRS. SILSBEE: Mr. Barrows?

MR. BARROWS: I arrived at the identical figure for quite different reasons. The program didn't look quite as bleak to me as it did to Dr. Vaun, but that was sort of irrelevant.

The Office of the General Counsel has concluded that under the court order we are required to keep viable -- I hate to use that word -- but a viable RMP in Maryland. It seemed to me it took about 250 bucks of staff money and they need at least 400,000 for project money to have any kind of a meaningful program.

So we came out with the identical figure. I will second your motion if you made it.

DR. VAUN: I so move.

MRS. SILSBEE: A motion has been made and seconded that the Maryland application be approved at $650,000. Is there further discussion?

(No response.)

MRS. SILSBEE: All in favor?

VOICES: Aye.

MRS. SILSBEE: Opposed?

DR. THURMAN: No.

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MRS. SILSBEE: Let the record show that there were two opposed, and also that Dr. Scherlis was out of the room during this discussion. The motion has been carried.

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MRS. SILSBEE: Now we are going to go back to Colorado/Wyoming. Let me explain what I am doing here: I am trying to get Mr. Barrows, all his reviews done before he has to depart for the airport, because he ca with the full, he told us before he came that he would have to leave but he came because he wanted to help make a quorum.

Then, in addition, Dr. Gramlich has departed someplace. So I am trying to fit his requests in. So that is why I am jumping around. But we will do Colorado/Wyoming. Then we will go to New Jersey -- just so you know what the sequence is here.

O.K. Colorado/Wyoming.

DR. McPHEDRAN: I am moving for this grant period that $200,000 be our recommendation. And the justification is as follows: This is a request for $382,913. I think you have the figures on the white sheet, for 16 projects, and six projects that weren't funded in the first May application.

In May, the region was judged to be superior to above average. A request of about 1.9 million had been made; the committee recommended 1.6 million, and DRMP funded at 1.5.

In reviewing the current material, I find myself more in sympathy with the intent of the six new projects which total about $109,000 than with the resubmitted projects

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which were the bulk of the $382,000.

And Dr. White, whose written comments were available to me, questioned two of those resubmitted projects specifically. I have some other questions about projects, but I think they are really beside the point, the main point, which is I think that this is a reasonable recommendation, and I have discussed it with Sister Ann before.

So I move $200,000.

MRS. SILSBEE: $200,000.

Sister Ann, do you have anything to add?

SR. ANN: Yes, I concur.

MRS. SILSBEE: O.K. The motion has been made and seconded that the Colorado/Wyoming application be approved at $200,000. Is there further discussion?

(No response.)

MRS. SILSBEE: All in favor?

VOICES: Aye.

MRS. SILSBEE: Opposed?

(No response.)

MRS. SILSBEE: The motion is carried.

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MRS. SILSBEE: Now we will do New Jersey. And let the record show that Dr. Vaun is out of the room. And let the record also show that Mr. Hiroto was out of the room when California went on.

The primary reviewer is Dr. Teschan. Hi. Welcome.

DR. TESCHAN: Howdy. The Committee will remember that New Jersey was recognized as a superior region, that it requested 1.4 million in the May request -- that is, the current funding. The May request was 3.9. The RMP funding is thirty-oh-three-one. The July request came in at about three times estimated.

We have no reason, in reviewing the July application, to change the assessment. There are two major projects of particular interest in their application. One, the application brings it to our attention particularly, one is called cultural awareness, addressing on behalf of a number of RMP's that have been involved in the planning conference the problem of delivering health care not only to recipient populations but with providers in various professions whose cultural and racial backgrounds are different.

So the issue here is, I think, joined in real reality. And I was impressed with that approach. Second is the clear-cut -- and this in the long run may be the most significant part, significant effort on the part of New Jersey and other regions, several of the regions who are

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working like this, to attempt in their interaction with CHP to develop a sound mutual operations base for the evolution into the successor formats, whatever the legislation both in the States and nationally may require.

So that I think, as usual, with the superb staff in RAG and the cooperative enterprise among the various participants in the New Jersey RMP, the region is way ahead of the game getting ready for the new era.

Dr, Barrows and I had a chance to discuss this situation. My recommendation was for 1 to 1.1 million. And basically, although the recommendation was large, the request was large. We thought that because of the liberal treatment in the first go-round it perhaps would justify a balance between the request and something a little more modest at this time.

So I will yield the floor to Mr. Barrows.

MRS. SILSBEE: Mr. Barrows?

MR. BARROWS: My reason is identical. It is an outstanding program. This is a very interesting application, the July 1. But in our June funding, we doubled the level of their activity at that time. And I share Paul's concern that we have already been generous enough.

I totally agree with the 1.1 million dollars. Did you move that?

MRS. SILSBEE: Is that in the form of a motion?

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DR. TESCHAN: We so move, 1.1 million.

MR. BARROWS: I will second it.

MRS. SILSBEE: The motion has been made and seconded that the New Jersey application be approved at 1.1 million dollars. Is there discussion?

(No response.)

MRS. SILSBEE: All in favor?

VOICES: Aye.

MRS. SILSBEE: Opposed?

(No response.)

MRS. SILSBEE: The motion is carried.

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MRS. SILSBEE: Now we will go to Florida. Dr. Miller, and Dr. Perry, who is the secondary reviewer, is not here, but his comments have been available.

DR. MILLER: I will say to begin with that Dr. Perry's review, which was mailed out to all of us in advance, ends up with a recommended funding level that is fairly close to what my review was, although we did not work together on it.

This application is from a very strong RMP, and it parallels the application previously reviewed of a very ambitious program oriented toward a long-term view of progressive change. In fact, you get the very strong feeling that they don't believe RMP is going to die at all--and they are going to keep on going for five years and are planning these projects with that in mind.

I feel there is a serious question of the justification for 10-month funding of such projects, unless there is documented proof that the project will be continued and completed with other support. My feeling was that they should not be started.

And there was no documentation in the application to show that they would be, although Florida has had an outstanding record for getting additional funding. In July 1st, the program was funded for 36 components, and the present application is for another 27 components with a

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total budget of 1 and a half million.

There are seven projects in the application which are broad long-term type goals and large budgets. Examples are the blood bank management control system, $91,000; regional genetics program, $111,000; Florida rehabilitation service system, $50,000; health care delivery in short-term penal institutions, $200,000; early detection and proper treatment of oral cancer, $101,000; glaucoma screening, $174,000; Statewide arthritis program of $246,000. These budgets total $974,000, and I do not recommend that they be given funding.

It is suggested as an alternative that the excellent staff of FRMP pursue staff efforts during the year to obtain commitment from other health organizations to pursue the good long-term goals of these projects.

Several of the projects smaller in size and budget also seem questionable from the standpoint of feasibility for significant complete accomplishment in one year. And the region should require some assurance that results will be published so that some real impact can be anticipated from these kinds of activities.

My recommended level of funding was $506,000. Now I will review Dr. Perry's recommendations for the record. He noted the superior nature of the region and the fact that he had site-visited their fine leadership in staff and RAG

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and their strong system of processing and objective review and monitoring of the projects.

He noted that the RAG received 53 applications for this supplemental grant application, and that they eliminated a number and submitted 27 only in this application. The recommendations, he says, I am quite concerned about some of the larger projects and the time frame in which to make them operative and effective.

Since I do have such faith in their own review processes and priority setting, I spent considerable time looking at the breakdown of priorities. And their highest priority groupings were 18 projects. Among these were all of their most significant programs dealing with coordination, area health planning support and so forth.

With the exception of one project, the regional genetics program, all of their financially larger projects fell either into a medium or a low priority category. I am not impressed with the ways in which this project can become effective in the following time frame.

And he recommended specific funding limited to the highest priority projects, 18 of them, at a total cost of $710,000, and elimination of the genetics project completely, which is 111,000, ending up with a recommended award level of $600,000.

Madam Chairman, I recommend, I move that the

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Florida Regional Medical Program be approved at $600,000 award.

DR. THURMAN: Second.

MRS. SILSBEE: The motion has been made and seconded that the Florida application be approved at a level of $600,000. Is there further discussion?

(No response.)

MRS. SILSBEE: All in favor?

VOICES: Aye.

MRS. SILSBEE: Opposed?

(No response.)

MRS. SILSBEE: The motion is carried.

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MRS. SILSBEE: Now we will go to Greater Delaware Valley, and that is Dr. Hess.

DR. HESS: In our May review, we gave the Greater Delaware Valley RMP an above average rating. We noted that there had been good leadership developed there and that in general their goals, objectives and priorities were consistent and they seemed to be taking an effective regionwide approach to their responsibilities.

Since our May meeting the coordinator, Dr. Roberts, has resigned and has been replaced by Dr. Wolf who formerly had been the RAG chairman. And he certainly has a long background with the Greater Delaware Valley RMP and should be able to provide capable leadership and continuity.

One of the things that concerned me is the relative preponderance in this submission of medium and low-priority projects. And related to that, the question is whether the region could adequately monitor and manage the large number of new projects proposed in the remaining time.

In general these seemed to be of lower quality than theprojects that were submitted in the May application. I suppose that reflects good judgment on their part to save the more uncertain ones to the last. Their request was for a million, 70 thousand dollars, and my recommendation was $600,000 plus a theraflex budget which relates to Delaware which formerly was in the Greater Delaware Valley and then

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broke off and naturally does not have a RMP at this present time.

So that would -- I forget the precise amount of the theraflex system --

MR. NASH: $84,512.

DR. HESS: $84,000. So that would make a total of $684,000, my recommendation.

MRS. SILSBEE: Dr. Thurman?

DR. THURMAN: I agree and so move.

MRS. SILSBEE: All right. The motion has been made and seconded that the Greater Delaware Valley application be approved at the level of $684,000, of which $84,000 goes to Delaware for theraflex.

MR. NASH: That's $84,512. Put the 512 in there.

DR. THURMAN: Thank you, Mr. Nash. So moved. We will take it.

MRS. SILSBEE: $84 thousand what?

MR. NASH: 512.

MRS. SILSBEE: O.K. The motion has been made and seconded that the Greater Delaware Valley application be approved at $684,512, of which $84,512 is earmarked for theraflex in Delaware. Is there further discussion?

(No response.)

MRS. SILSBEE: All in favor?

VOICES: Aye.

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MRS. SILSBEE: Opposed?

(No response.)

MRS. SILSBEE: The motion is carried.

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MRS. SILSBEE: Now we will do Hawaii. Mr. Russell has been to Hawaii so many times I am picking up the accent. Dr. Hirschboeck?

DR. HIRSCHBOECK: This region has improved tremendously since the new coordinator has taken over. And this was in evidence in the June application or the new application. And this impression persists in the July application.

The projects and programs are all well planned and targeted. The review comments by the CHP agency is excellent. The RAG is very actively involved. And I recommend approval for the full amount requested, $486,750.

MRS. SILSBEE: Dr. Thurman?

DR. THURMAN: Agreed and seconded.

MRS. SILSBEE: The motion has been made and seconded that the Hawaii application be approved at $486,750. Is there further discussion?

DR. SCHERLIS: Just one question: Is there any specific delegation of funds or allocation of funds to the trust territories as has been the custom in the past?

MRS. SILSBEE: Mr. Russell?

MR. RUSSELL: Yes.

MRS. SILSBEE: Did you hear the question?

MR. RUSSELL: Yes, there are funds in as far as the trust territories.

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DR. SCHERLIS: They will be reserved specifically for them?

MR. RUSSELL: Right.

DR. SCHERLIS: All right.

MRS. SILSBEE: That isn't a part of the motion at this point. Do you want to make it part?

DR. HIRSCHBOECK: I will include that in the motion.

MRS. SILSBEE: Before we have always earmarked funds for the Pacific basin. Is that necessary to do this time?

MR. RUSSELL: I don't think it is, but --

MR. THOMPSON: YOu are giving them all the money. You don't have to earmark it.

MRS. SILSBEE: All right. The motion has been made and seconded that the Hawaii application be approved at $486,750. All in favor?

VOICES: Aye.

MRS. SILSBEE: Opposed?

(No response.)

MRS. SILSBEE: The motion is carried.

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MRS. SILSBEE: Now we will do Washington/Alaska. And that is Mr. Barrows' last one. And let the record show that Mr. Ogden is out of the room.

MR. BARROWS: Washington/Alaska is another top-notch program. The July application is for 15 new projects. They are all rather varied; they are all consistent with the past activity of the program and its objectives. They are all for large amounts, too.

My recommendation is that we fund for around 80 per cent of their requests, which would give them by my standards preferred treatment, or roughly $498,000.

MRS. SILSBEE: Mr. Thompson?

MR. THOMPSON: I agree with the comments on the program. I was a little more generous, I think, because they went through the trauma of a negative CHP review and then found out it was the wrong CHP agency that was reviewing.

MR. BARROWS: I will take your figure.

MR. THOMPSON: So my recommended figure was $530,000.

MR. BARROWS: All right. I second it.

DR. HEUSTIS: May I raise a matter of information, Madam Chairman, before the motion is made?

MRS. SILSBEE: Yes.

MR. HEUSTIS: In the opinion of the chair, are we being consistent when we deal with projects we all thought were excellent in the past in applying Mr. Barrows' formula?

I am thinking we just talked about an excellent program in Hawaii and gave them all they wanted.

And now in the opinion of the chair are we being fair? I am sorry to put the chair on the spot, but that is the only way I can bring it to the floor.

MRS. SILSBEE: Well, the chair feels that it is fair because the Hawaii application, last time they hadn't looked at it in the same light. It is because --

DR. HEUSTIS: I don't need any more explanation.

MRS. SILSBEE: O.K.

MR. BARROWS: I might add that I haven't been applying that up and down the line. There have been deviations for regions both ways.

MRS. SILSBEE: They have been changed by the other reviewer,too.

A motion hasn't been made, has it?

MR. THOMPSON: Yes. A motion has been made that Washington and Alaska be funded at $530,000.

DR. SCHERLIS: Seconded.

MRS. SILSBEE: The motion has been made that the Washington/Alaska application be funded at $530,000. All those in favor?

VOICES: Aye.

MRS. SILSBEE: Opposed?

(No response.)

MRS. SILSBEE: The motion is carried.

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MRS. SILSBEE: Have Mr. Ogden come back in. And we can go back to Illinois.

DR. SCHERLIS: Under the specific direction of the chair I will discuss Illinois. At the time of the May-June review meeting, Illinois was funded at a level of $2,760,000, with an over-all assessment of average or superior.

This program has had strong leadership with very good relationship with the CHP agencies. The level of funding provided on the last review was essentially similar to that which had been requested.

The present application is for a total of 1 million plus. Review of their various proposals also included the sum of $300,000 for a contract for a metropolitan Chicago hospital information system and 10 new operational proposals for the balance.

Some of the projects for which support is requested are not up to the level usually received from the Illinois regional medical program. It was noted that approval had not yet been recommended for the $300,000 contract proposal. There were no priorities listed, and it was a serious question as to whether the project and how the planning can be accomplished within the one year frame, as suggested.

The over-all appraisal of the superior group of proposals was that they were at best fair. The funding level

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was therefore recommended which was reduced to $750,000 in place of the 1 million plus that had been asked for.

The statement that, quote, it is recommended to the RAG the funds be requested and if awarded sequestered for this purpose apply to the $300,000. And this seemed to be cacheting the funds until such time as they might have it to spend.

It was thought that perhaps a small sum could be used for planning. That is why the sum of $750,000 was proposed. I therefore offer as a motion that the Illinois Regional Medical Program be supported at the level of $750,000.

MRS. SILSBEE: Now, Dr. Slater was the other reviewer. Dr. Scherlis, have you had an opportunity to look at his comments?

DR. SCHERLIS: We discussed this together at the time of the last meeting. It was my understanding that he was also going to propose the same sum. And he thought that the total should be reduced by about 20 per cent. I reduced it by about 25 per cent.

So I would assume we are in essential concurrence. We did discuss this in detail at the time of the last meeting.

DR. THURMAN: Seconded.

DR. SCHERLIS: Pardon me, at the time of the last

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coffee discussion that we had, whatever that was.

MR. THOMPSON: The last nonmeeting.

MRS. SILSBEE: The motion has been made and seconded that the Illinois application be approved at $750,000. Could I ask a question?

DR. SCHERLIS: Surely.

MRS. SILSBEE: You talked about some contract. Is that part of the motion?

DR. SCHERLIS: I would suggest strongly to the region that the sum of $750,000 not be utilized for the $300,000 contract except on a minimum basis, possibly for planning. This was concurred in.

MRS. SILSBEE: That is strong advice to the region. O.K.

Is there further discussion?

(No response.)

MRS. SILSBEE: All in favor?

VOICES: Aye.

MRS. SILSBEE: Opposed?

(No response.)

MRS. SILSBEE: The motion is carried.

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MRS. SILSBEE: Now we go to Indiana. That is because it is next in the alphabet. Mr. Thompson?

MR. THOMPSON: There is nothing in this request which changes the previous impression that the Indiana Regional Medical Program has not progressed measurably or matured substantially. And I think the coordinator is leaving or has -- I don't know whether he has left yet or not.

The specific proposals may have --

MRS. SILSBEE: Could you use that little thing?

MR. THOMPSON: The proposals may have been considered innovative in here. One of the regional medical programs that they do not reflect there in the priorities as stated on page 19 towards innovation of medical delivery, medical care delivery.

The relationships with the various comprehensive health planning agencies are obviously strained. And even the basic categorical programs they were asked to review got mixed notices.

The over-all rating of the programs reflected in this proposal remains below average. A suggested funding level of $215,000.

MRS. SILSBEE: And Dr. Slater was the other reviewer He came up with a slightly different funding level.

MR. THOMPSON: All right. What wasit?

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MRS. SILSBEE: Do you have it? $255,350.

Do you want to make a motion of 215?

MR. THOMPSON: Well, I will split it with him and make it $240,000.

DR. THURMAN: I am not going to second that. I am going to discuss.

MR. THOMPSON: All right.

MRS. SILSBEE: It hasn't been seconded so you can't discuss it.

MR. TOOMEY: I will second it.

DR. THURMAN: O.K. Can we discuss?

MRS. SILSBEE: Yes.

DR. THURMAN: Why are we giving them any money?

MR. THOMPSON: Are you asking me?

DR. THURMAN: Yes.

MRS. SILSBEE: Yes.

DR. THURMAN: As I understand it -- and correct me if I am wrong -- we have met the legal constraint and they received money last time around.

MRS. SILSBEE: You didn't recommend phasing this one out last time around.

DR. THURMAN: I know that. But we are not going to burn anybody's fingers if nobody gets the money this time around, because these are supplements to supplements to supplements, actually.

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DR. PAHL: You may take whatever action you desire on the present application in terms of recommending or not recommending funding. They are not supplements to supplements. They are supplements to the basic grant.

MR. THOMPSON: In answer to your question, I guess the primary reason that I recommended funding as I did was the fact that at least there was within the project application -- for the first time, I might add -- at least some concern for something other than a categorical grant.

Now, this was for Indiana a fairly major move although again it was not reflected, you know, in their proposals. Now, Dr. Slater specifically deleted some grants that were again primarily concerned with specific areas, and came up with somewhat the same kind of review.

DR. THURMAN: Again my concern is that Dr. Slater's comment says, pedestrian, poorly written, lacking in clarity, no conceptual design, reruns, nobody in the State understands what anybody else is doing. And I just -- that is the reason I question it.

MR. THOMPSON: Well, as I say --

DR. HEUSTIS: May I offer a substitute motion?

DR. THURMAN: Pardon? IF Mr. Thompson would accept it, I would offer a substitute motion that we not approve any money for Indiana in this review.

DR. HEUSTIS: I would support the amended motion.

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MRS. SILSBEE: Mr. Thompson?

MR. THOMPSON: I would not accept that. I think we are being a little harsh. And when I say the attempt to change the Indiana RMP was more than just lip service. They do have in this section an attempt to involve both RAG and non-RAG representatives in the establishment of priorities for the RMP, which is, for them that is a long way down the path.

And this is presented on table 1, which makes me think that at least they are trying to drag themselves into the same place that most RMP's were in before they were killed.

DR. THURMAN: I call for the question.

MRS. SILSBEE: The motion has been made and seconded that the application from Indiana be approved at $240,000. All in favor?

DR. HEUSTIS: Excuse me, Madam Chairman?

MRS. SILSBEE: Yes?

DR. HEUSTIS: Was not his amendment supported at zero?

MRS. SILSBEE: He wouldn't --

MR. THOMPSON: I would not accept that.

DR. HEUSTIS: If he gets support for his amendment he doesn't need his acceptance.

MS. SILSBEE: Would you want to explain that?

DR. SCHERLIS: I would move the chair seek counsel.

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DR. THURMAN: From whom? Basically what I really asked, Al, was if Mr. Thompson would accept my amendment. And he said, no, he wouldn't accept it. So I didn't put you and myself in position of overriding him basically without his permission.

I did not offer a substitute motion.

DR. HEUSTIS: Well, may I move to amend his motion?

MRS. SILSBEE: I suppose so.

DR. HEUSTIS: I would move $100,000.

MRS. SILSBEE: Now, you've got to get somebody to second that.

DR. HEUSTIS: That's right. If somebody supports it.

A VOICE: Seconded.

MRS. SILSBEE: Does that mean the motion is now amended?

DR. MILLER: Can we have discussion?

MRS. SILSBEE: Yes, sir.

DR. MILLER: The comment that was given to us by the Staff here, both CHP A and B agency comments were largely negative. I wonder if we could incorporate into the condition also of funding that no projects be funded without resolution of the conflict between the B agencies and the RMP?

DR. TESCHAN: I would like to comment on that. We

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disagree thoroughly. Unless we have a great deal more specific information about the quality of the CHP B and A review process in that State, the negative CHP comments, I don't believe, have any credence until we know more about it than that.

MRS. SILSBEE: Does Staff have any additional information about the negative CHP comments and the Regional Advisory Groups' response to that?

DR. SCHERLIS: While he is making his was here, I think this is an unnecessary proscription to place upon this State. We have never applied that to any other State, at least in a routine matter. And I for one would not be swayed either way as far as Indiana is concerned in relationship to the agency or agencies because we haven't explored in all the other States when they had given adverse, unfavorable comments.

MRS. SILSBEE: Thank you.

DR. SCHERLIS: I think it is highly irrelevant.

MRS. SILSBEE: Mr. Jewell. We can't hear you, Mr. Jewell.

MR. JEWELL: Was it on the CHP relationships? Was that the question?

MRS. SILSBEE: You didn't hear the discussion?

MR. JEWELL: I didn't hear too much of it.

MRS. SILSBEE: Dr. Miller was making the point that

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there are a number of negative comments. And he was also suggesting that there be an amendment to the amendment, that the funding of any of these activities not be provided until that had been resolved within the region.

We would give them money, but they would have to resolve it before they could put any money into those things that the B agencies had said no to. Dr. Teschan disagreed. We thought perhaps you had some information about how the Regional Advisory Group looked at the B comments and what was done locally.

MR. JEWELL: The only thing that I can add, Dr. Miller, is that I was to the wedding of CHP and PMP within the last six months. And I think they just began to feel their muscles in the CHP --

MR. THOMPSON: Watch that metaphor, now.

MR. JEWELL: I think the recommendation, this is going to be done. It is not included in this application, but there will be nothing until these concerns are satisfied. There will be no funding to the local areas where there is a CHP.

I have been assured that. It is not included in the application.

DR. MILLER: May I make a comment?

MRS. SILSBEE: Dr. Miller.

DR. MILLER: I recognize the reactions of some

others on the Committee have been expressing. And I share, I think, the fundamental viewpoint that it is not too dissimilar.

The resolution of a conflict does not mean that you acquiesce to CHP comments. I means that the Regional Advisory Group pays due consideration to their comments and then acts in an appropriate manner. That was my point, and I doubt that this has occurred here, but I don't know, of course.

DR. VAUN: Though I am not sure what the question is, can I call it? What are we voting on now?

MRS. SILSBEE: If I understand it, we are voting on $100,000 for the Indiana application.

DR. VAUN: Can you amend a motion without the proposer acceptingthe amendment?

MRS. SILSBEE: Well, that is what I asked. We will vote on the amendment.

DR. VAUN: Then we've got to vote on the amendment.

MRS. SILSBEE: The amendment is $100,000.

MR. BARROWS: To make this clear, Judy, if we vote down this proposed amendment, then we are back to Mr. Thompson.

MRS. SILSBEE: 240. Right. O.K. Is everybody clear what you are voting on now -- $100,000 for the Indiana application. That is the motion as amended. All in favor?

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VOICES: Aye.

MRS. SILSBEE: Let's put your hands up, please. That is one, two, three, four.

Opposed?

VOICES: Nay.

MRS. SILSBEE: The nays have it.

Now we are back to the original motion, which is to approve the Indiana application at the level of $240,000. All in favor?

VOICES: Aye.

MRS. SILSBEE: Opposed?

VOICES: Nay.

MRS. SILSBEE: Let the record show three opposed. But the motion is carried.

DR. HEUSTIS: May we put in the record, Madam Chairman, that I suggest that Council pay particular attention to the comments of Dr. Slater in their consideration of this matter.

MRS. SILSBEE: Thank you, Dr. Heustis. We will note that.

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MRS. SILSBEE: Now we will go to Intermountain. And that is Mr. Toomey and Mrs. Salazar. This is another one that the Council changed the recommendation.

MR. TOOMEY: I have some real problems with Intermountain. There was a time back about a year or two ago when there was a rather severe turf problem. That was followed by another problem related to the construction of health development and service coporation.

MRS. SILSBEE: Excuse me. Mrs. Klein, I think because of the geographic spread of Intermountain that you should be out of the room. Let the record show that Mrs. Klein is out of the room.

MR. THOMPSON: You should also show for the record that Sister went out for Indiana.

MRS. SILSBEE: Oh, Yes. Sister Ann Josephine was out for Indiana.

MR. TOOMEY: There also, as well as having a concern about the health development service corporation by the Intermountain RMP, there was considerable concern about the number of projects that were operated under the auspices of the University of Utah.

They had, as I would understand it, they had some major problems in these areas. There was the turf problem, the overlap problem, the health services, health development service corporation, there was University of Utah, there

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were conflict of interest problems.

In fact, as I read this current application, all of those problems have been resolved. They now have projects which stay within their own territory. When there is an overlap, the other RMPs in other areas have met with them, and there is some degree of mutual funding or mutual agreement as to the funding in that part of the funding which will be applicable to each of the RMPs that are concerned.

The University of Utah has backed out of being the requesting agency for the projects. And I believe that all of the projects this time have come from outside of Salt Lake City. And they pay attention to the rural needs of the area.

The problems as regard the health development service corporation have been well resolved. And there apparently is no question any longer of conflict of interest. And, in my opinion, with the advances that have been made inthe resolution of the program problems, this RMP not only was a good one, but with the resolution of the problems it seems to me they have moved into a situation where they are certainly in a very good to superior classification and categorization.

I have some more problems, however, with Intermountain. They have five new planning proposals. This is the categorization that comes from Mr. Kohler, who is the

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deputy director. There are two, four, six, eight, 10, 12, 14 rural health proposals. And there are five secondary tertiary care proposals.

These represent, I think, somewhere in the neighborhood of 19 new project activities. Now, this is how Mr. Kohler classifies these proposals in the yellow sheet in our booklet. The application requests $480,000 for the support of 19 new project activities.

Six projects address health quality improvement; three,quality assurance; two, availability of health assistance; two, accessibility to health care; three availability of health care; and three, quality of health care. The application includes the CPH comments and actions of RAG and Staff to those comments.

Then I have the problem of, aside from who is categorizing them and the fact that there is apparently not consistency in categorizing these proposals as I have read them, I don't think highly of any of them. So that I find myself in the position of feeling that the Intermountain RMP is a superior organization, has done a superior job in resolving the problems that it has had in the past, has moved out beyond Salt Lake City into the other areas of that section of the country for which they are concerned, that in so doing have come up with projects which really are truly, without going through the details of each one,

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I don't think very highly of the projects.

So that I am in a very difficult and very much a quandary on the basis of the program, which is what we basically have been told to concern ourse s with. I would recommend that the entire $450,000 that they requested. But I think I would do it moreon the basis of the fact that they had requested 4 million dollars previously in June, and we had reduced it to 2.2 million, and on the basis of the fact that it is a superior group and it is a very fine organization.

And even though these particular projects don't appeal to me, I believe that they may be able to develop something within that region. Now, that is, you know, this is my quandary. And Mrs. Salazar, I believe, is the --

MRS. SILSBEE: Mrs. Salazar?

MRS. SALAZAR: I share some of Mr. Toomey's concerns. However, the projects, or not one of them, I think the projects are fairly indicative of the new thrust to other areas of Intermountain.

Having looked at Intermountain for a number of years on Staff, I am very delighted to see that some of the programs are now moving out into the hinterland. I think probably this is due in part to this intra-council of the regional medical programs and their participation in RAG and in planning committees and in review committees.

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Some of the residual concerns that I have are statements that Intermountain seems to have engraved on all their applications of minority representation. And they always justify this. I can close my eyes and know exactly what it is going to be.

It is going to be -- they say this time, however, that it is being carefully monitored. And I don't understand that. By whom is that being carefully monitored? Also, their staff is very dynamic and very able. They have a splendid opportunity, I feel, if they are going to move into these areas of medically deprived areas then they could be involving minorities on staff as well as on the review committees and evaluation committees and indeed on the projects.

I think that probably a statement as to the legality of the health development services -- perhaps we should have a clarification of that and an updating of our last review.

MR. TOOMEY: Dr. Pahl has that.

DR. PAHL: I was going to wait. This might be appropriate.

MRS. SALAZAR: I have a little more.

DR. PAHL: All right. Let me hold back, then.

MRS. SALAZAR: The proposed rating and review process has been revised, and I was very happy to see that.

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This was very well streamlined and comprehensive, easy to read. There was one question that I had about these comments and planning review.

I noticed that they, the CHP groups submitted application and they were shot down by the Regional Advisory Group. Now, the question that I have is perhaps generic to the entire, all of the Regional Medical Programs. With the exception of one of the applications I reviewed, I saw no provision for the kinds of comments, the negative comments, particularly for CHP groups, to get fed back into the programs and become part of the activation in terms of the monies that we are voting today and that we voted for in May.

Maybe Staff can clarify that. If the reports came in and we do not approve, how does that get plowed into the mainstream of the Regional Advisory Group.

MRS. SILSBEE: Jesse, if the covering letter from the Regional Medical Program did not speak to that point, STaff has presumably asked the region how the Regional Advisory Group viewed these comments or if, indeed, they had an opportunity to reflect upon them and what their followup is going to be.

In the case of this region, I think, would you ask Miss Murphy if she has additional information about how these negative comments were viewed by the Regional Advisory Group and what they presume to do about it.

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MS. MURPHY: Mr. Posta wrote to all of them and send a document requesting each comment. And most of the CHP B and A directors sit on the RAG. They are always in attendance when projects come up.

MRS. SILSBEE: Does that answeryour question?

MRS. SALAZAR: (Nods head.)

DR. PAHL: I would like to comment on the health services development corporation. There has been a continuing dialogue between the Regional Medical Program, the grantee, the University and ourselves since we last met concerning this point.

And I can say two things: First of all, the Attorney General of the State of Utah now finds that a corporation under the revised conditions not to have a conflict of interest with the Univeristy or the Regional Medical Program.

And we, in turn, have met with Dr. John Dickson, the dean of the School of Medicine and Vice President for Medical Affairs, last week. And in a somewhat lengthy and very constructive session. I think I can assure both Committee and Council that there is now no problem on conflict of interest and that this should not play any part in this consideration of this Committee or the Council.

It is an issue which has been resolved satisfactorily to RMP, to the grantee university and to the Attorney

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General's office of the State of Utah.

MR. TOOMEY: I think is one of my points, which is simply that it was a problem and has been resolved, which has taken a good deal of action on the part of a good number of people, which really represents to me an excellent management, excellent group of people that has been able to take their problems and resolve them.

MR. THOMPSON: I have one question. When you reviewed the projects, there were an enormous number of them that were devoted to quality assurance. And Utah is the first one to have a PSRO. Was there any mention made --

MR. TOOMEY: Well, that is not how they characterize them, John. That is how it was categorized -- and who was responsible for these yellow sheets?

MRS. SILSBEE: Staff.

MR. TOOMEY: They were categorized by Staff.

MRS. SILSBEE: Miss Murphy, the categorization that is on your yellow sheet, where did that come from -- you know, that little blurb?

MS. MURPHY: Mr. Kohler's accompanying letter that came with the application.

MRS. SILSBEE: So this is the RMP characterization.

MR. TOOMEY: Oh, yes?

MS. MURPHY: There was the letter that came in to Mike that they revised.

DR. PAHL: Mary, please use the microphone. We can't get it on our record here, and it is important.

Mr. Posta?

MR. POSTA: I think the question, the whole question of quality assurance has given Staff quite a bit of problems over the last two reviews. The demarcation you are speaking of could be, I think, tabulated from your form 15s when they fill in the appropriate information there.

In terms of talking with the region on person to person, we asked whether or not they had anything in the application which they considered quality assurance. The answer was negative.

Now, again, I do feel that if there was any project in which the particular application that we in Staff should refer to our people here, we would be more than happy to follow through, the same as we have already earmarked, that is, to put in that category.

MRS. SILSBEE: Mike, could you clear up where these various categories that are on this yellow sheet came from, because we seem to be sort of splitting infinitives? That is what we are trying to get.

MR. POSTA: That came from the cover letter from the region, correspondence from the region.

MRS. SILSBEE: It wasn't the covering letter. We don't find it in the one we have.

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MS. MURPHY: Also on the 15s for each project, they put under disease category, and that is how they categorize them.

MRS. SILSBEE: I see.

MS. MURPHY: Each 15.

MR. POSTA: That is what I was going to say. But I would as far as the feedback to the region like to have those specifically any questions brought to the attention of Staff so we can feed it back.

MRS. SILSBEE: Dr. Teschan?

DR. TESCHAN: I wanted to ask either both Mr. Toomey and Mrs. Salazar relative to the projects that you felt are a little less satisfying than some of them used to be in the past as to whether the cash flow in those is a significant proportion outside of Salt Lake City.

That is to say that where the application has been put together by beneficiary sponsors in rural Utah --

MR. TOOMEY: Yes.

DR. TESCHAN: Well, identify the fine question.

MR. TOOMEY: Excuse me. One other thing I just remembered. And that is that they also were generated by, I think the specific number were nine members of the Regional Advisory Group to help develop some of these projects.

DR. TESCHAN: Well, then my question is whether you might consider it reasonable that when people who are

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busy in the region try to get a RMP application in that sometimes the thing doesn't look quite as polished or as effective or possibly it might have been devebped centrally. Certainly it is our experience that as soon as we begin involving people who really have major needs, their sophistication in expressing them and managing them was considerably less.

And we therefore felt you can have that, we really had to make adjustments to that. I don't know if that comment is helpful here or whether it applies. But if it does then it is a very significant point in terms of a funding decision.

SR. ANN: Mr. Toomey, do you feel that with these projects that are outside of Salt Lake City, as so many of them are, that as they design them the staff is going to have the capabilities and plans to kind of monitor them and give the support that is necessary, that they can overcome the problem that has been stated here?

MR. TOOMEY: I wish I could tell you yes. I don't know. I just don't, the projects do not excite me as being innovative or meeting great needs. Whether they be in the area of planning or secondary or tertiary care. They've got a demonstration on ecology ward, for instance, which really is nothing but the establishment of a cancer treatment center for children.

They want people and they want equipment and they want to show that they can treat cancer better than they have; they have a rural rehabilitation project which is sending a physical therapist out into the field, to provide physical therapy.

Some of them aren't that physical assessment training. They have rural areas and they are going to train their personnel to do physical assessment, remote monitoring for critical care. There are a number of hospitals with a minimum amount of medical services that can be provided, so they, perhaps meet the needs.

But there is nothing really -- but yet the organization is pretty tremendous, and I recommend -- I tell you, I recommend $450,000 which is what they requested, because I think that they are a capable organization. I think that they can take the projects and I think that they can do those things that have to be done to make this.

Plus the fact that they were cut in half at the last session.

DR. MCPHEDREN: YOu move that?

MR. TOOMEY: I move the $450,000.

MR. HESS: I want to discuss a question with Mr. Toomey. Even though they are cut less time it concerns the fact that they overlap with two other regions are they not still one of the most generously funded regions in the country?

MR. TOOMEY: I think they are generously funded, yes.

Yes, sir.

MRS. SALAZAR: May I just speak one second? To Mrs. Grant's questions?

MRS. SILSBEE: Mrs. Salazar, could we hear you?

MRS. SALAZAR: One of the things I was pleased to see in the applications covering letter was that they have a new scheme for monitoring their projects in the field by signing regional advisory group numbers as advocates of projects. This to me is new and intermittent, which will tie in staff action and staff monitoring, and staff follow up.

They are also involved in the review and budget analysis I think this represents a new dimension for inter mountain as far as their field activities, are concerned.

MRS. SILSBEE: The motion has been made and seconded that the Inter-mountain application be approved at $450,000. Is there furtherdiscussion?

DR. CARPENTER: I call the questions.

MRS. SILSBEE: All in favor.

VOICES: Aye.

MRS. SILSBEE: Opposed. Let the record show that three opposed. The motion is carried.

Do you want to bring Mrs. Klein back in, now?

It's almost a quarter to one. Would you like to eat?

MR. TOMMEY: Yes.

DR. SCHERLIS: What time should we be back?

MRS. SILSBEE: If we could eat really fast we could be back by 1:15. And let's say 1:20. We'll compromise.

(Whereupon the meeting was adjourned, at 12:40 p.m., to reconvene at 1:20 p.m. the same day.)