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TRANSCRIPT OF PROCEEDINGS

DEPARTMENT OF HEALTH EDUCATION AND WELFARE

DIVISION OF REGIONAL MEDICAL PROGRAMS

AD HOC REVIEW COMMITTEE

Rockville, Maryland
May 22, 1974

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DIVISION OF REGIONAL MEDICAL PROGRAMS

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MEETING OF AD HOC CONSULTANTS

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Conference Room G/H,
Parklawn Building,
5600 Fishers Lane,
Rockville, Maryland, 20852,
Wednesday, May 22, 1974.

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PRESIDING:

DR. HERBERT B. PAHL, Acting Director.

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C O N T E N T S

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P R O C E E D I N G S

1
2 DR. PAHL: Perhaps we can call the meeting to order.

3 As Mrs. Handel distributes the remaining invitations
4 for you to be appointed as a member of the Ad Hoc Regional
5 Medical Review Committee, I would like to welcome all of you
6 back to the Parklawn basement for a three-day period and say
7 that it is very good to see all of the familiar faces again
8 and to have one or two individuals new to this table meet with
9 us.

10 You will notice that there are around the room most
11 of the familiar faces; you will also notice that there are a
12 number of faces missing, and we'll have a little bit to say
13 about our current status as we go through this morning.

14 First I would like to check whether each person on
15 the committee has in fact signed the letter and form that were
16 distributed to you this morning because -- it's a technicality
17 but it must occur under our current provisions before we can
18 have you act as a committee.

19 Is there anyone that hasn't received the sheet, Eva,
20 or has not signed it?

21 MRS. HANDEL: Everyone here has it.

22 DR. PAHL: All right. Fine.

23 MRS. HANDEL: A few people are absent.

24 DR. PAHL: Now, although we've been away from this
25 kind of activity for nearly a year and a half, I think I would

1 like to take the opportunity to introduce some of our key
2 staff to you, and then, following this, because all of you
3 really have not met together as a group before and worked
4 together, at least in these special circumstances, perhaps we
5 could go around the table and have you say just a few words
6 about who you are and what your relationship to RMP has been
7 locally or on one of the review committees so that you can get
8 to better know each other, and I think then we can go on with
9 our business at hand.

10 With respect to the introductions at the head table,
11 I would first like to introduce Mr. Eugene Rubel to my right,
12 who is the Acting Director of the CHP Program as well as the
13 Acting Associate Director for Health Resources Planning in the
14 Bureau of Health Resources Development, which is the bureau
15 that we are now functionally located in -- and we'll have more
16 to say about that.

17 And because Mr. Rubel has to depart for hearings on
18 the Hill no later than 9:30, we'll rearrange our schedule a
19 little bit so that he'll have an opportunity to say a few
20 words to you and you can have a little bit of discussion with
21 him.

22 On Mr. Rubel's right, of course, is Mr. Chambliss
23 who has been serving as the Acting Deputy Director of the RMP
24 program and for a period of two months earlier in this year,
25 in January and February when I was away, carried the full

1 brunt of the office activities, which I very much appreciate,
2 and, in turn, he will now be away for six weeks from mid-June
3 through July -- turnabout's fair play, so I'm looking forward
4 to taking over his responsibilities.

5 And on my left is Mr. Peterson, of course, with the
6 Office of Planning and Evaluation. We're doing very little
7 evaluation; we're still doing one heck of a lot of planning,
8 and we're very glad to have Pete with us.

9 Mrs. Silsbee, whom you would expect to see here, has
10 been quite ill this past week. She may be in today or
11 tomorrow -- we certainly hope so. She's been suffering from
12 a combination of the flu, bronchitis, and a few other things,
13 and I think the pressure of work -- I don't think anyone can
14 quite determine except herself -- has been very heavy and
15 that undoubtedly has led to a little bit of weakened resist-
16 ance. So we are hopeful to have her back with us before the
17 meeting gets too far along, but perhaps she won't be able to
18 take as full a measure of responsibility in directing the
19 discussions as we had anticipated, but I know you will want
20 to see her and wish her well if she is back this morning or
21 this afternoon.

22 We have two visitors that I know are with us. I'd
23 like to introduce Mr. Don Parks, who is the Deputy Chief on
24 the Operations Staff of the Bureau of Health Resources
25 Development and is sitting in for Dr. Green, the Bureau

1 Director. And I know this is Don's first interaction with the
2 committee, and I hope you'll feel free to stay as much of the
3 meeting time as you can, Don.

4 And on the other side of the room we have Dr.
5 Roberts from the National Heart & Lung Institute, and we hope-
6 fully will have his presence during a portion of the meeting,
7 and perhaps there'll be some discussions you'd like to partici-
8 pate in as we go along.

9 I don't know whether I've missed any other visitors
10 or not. If so, you might at this time wish to identify your-
11 self if you are from another agency.

12 If not, I think I would like to ask -- just perhaps
13 starting with Mrs. Wyckoff because she brings a breath of
14 spring here in her blue outfit to introduce herself to the
15 committee and just say a word about her relationship to the
16 RMP activities, past or current. And if we could perhaps just
17 go around the table rather quickly, then some of you who
18 haven't sat with this group before will have an opportunity to
19 know who each other is, and then you can get better acquainted
20 at coffee breaks and so forth.

21 So, Florence, would you be good enough to say just
22 a word or two, please?

23 MRS. WYCKOFF: All right. Well, I used to be on the
24 National Council of the Regional Medical Program, and I am now
25 on the Board of the Health Services Education Council, which

1 is a baby of RMP, in California in the central five counties
2 with a base in San Jose near my home.

3 I'm also with the National Cancer Institute program
4 Review Committee for Education.

5 DR. WHITE: I'm Phil White and I was on the National
6 Review Committee for what seemed like a couple of decades. I
7 can't remember when it stopped, but I'm glad be back.

8 I'm now a practicing neurologist and I haven't had
9 any opportunity to do paperwork like this for a long time.

10 DR. PAHL: We hope to get you reindoctrinated.

11 Dr. Vaun?

12 DR. VAUN: Bill Vaun, Director of Medical Education,
13 Monmouth Medical Center in Long Branch, New Jersey; Professor
14 of Medicine at Hahnemann Medical College.

15 I guess I'm here because I've been relating to the
16 New Jersey RAG over a period of years.

17 DR. PAHL: Thank you. Welcome, and we're glad to
18 have you here.

19 Dr. Hirschboeck?

20 DR. HIRSCHBOECK: I'm the former coordinator of the
21 Wisconsin Regional Medical Program and still involved as a
22 RAG member. I am now doing a little mini RMP work in a commu-
23 nity hospital in Milwaukee.

24 DR. PAHL: Dr. Heustis?

25 DR. HEUSTIS: I am a consultant in health programs

1 organization on a part-time basis working for myself. Former-
2 ly I was the coordinator of the Michigan program for three or
3 four years, and before that the State Health Commissioner of
4 Michigan for twenty-some-odd years.

5 DR. PAHL: Well, I'm sure you're used to some paper-
6 work, as we are here.

7 Dr. Hess?

8 DR. HESS: I'm Joe Hess. I'm a former Review Com-
9 mittee member. I have done very little RMP work since we were
10 retired a little over a year ago.

11 DR. PAHL: We'll rectify that over the next three
12 days.

13 Mr. Barrows?

14 MR. BARROWS: Ken Barrows. My background is the
15 insurance business and I was the original chairman of Iowa's
16 CHP A agency and more recently the chairman for two years of
17 the Iowa RAG. I'm still on both organizations.

18 DR. PAHL: Thank you. We're glad to have you here.

19 Sister Ann Josephine?

20 SISTER ANN JOSEPHINE: I'm Sister Ann, and I had
21 originally worked with the Intermountain Regional Program and
22 then for several years on the Review Committee, but since '72,
23 the fall of '72, I haven't had an opportunity to work with
24 this group and I'm glad to be back.

25 DR. PAHL: We're glad to have you back, too.

1 Dr. Teschan?

2 DR. TESCHAN: I'm Bill Teschan. I'm a faculty
3 member at Vanderbilt University, a practicing nephrologist,
4 former director of the Tennessee Mid-South RMP, and Chairman
5 of the National Board.

6 DR. PAHL: Welcome.

7 Dr. McCall.

8 DR. MCCALL: I'm Charlie McCall, formerly Director
9 of the Texas Regional Medical Program. I'm now with the
10 University of Texas Health Science Center, Southwestern
11 Medical School, Associate Dean of Medical Affairs (phonetic).

12 My only current association with the Texas Regional
13 Medical Program or regional medical programs at all has been
14 as a member of the (inaudible) Planning Committee for the
15 state.

16 DR. PAHL: Thank you.

17 Mr. de la Puente?

18 MR. DE LA PUENTE: I'm Joe de la Puente. I used to
19 be deputy to Pete Peterson in Program Planning and Evaluation.

20 Now I am with the Bureau of Health Services Research
21 and I'm a permanent friend of RMP.

22 DR. PAHL: We need them. Thank you.

23 Dr. Bob Slater.

24 DR. SLATER: Well, it's nice to be back.

25 I started off in '66, I guess, on the first National

1 Council of RMP when I was in Vermont and then spent three
2 years on the Review Committee and succeeded George James as
3 the chairman of that in my last year.

4 And then I think I faded out somewhere along the
5 line, about '68 or '69, and I've really lost track of RMP, and
6 I'm happy to be back in again.

7 I've just gone to Philadelphia -- I'm just moving
8 into Philadelphia with what was the Women's Medical College.
9 I'm looking forward to that. It's sort of a social challenge
10 in this next decade, the emancipation of women.

11 DR. PAHL: I gather you consider that a vast
12 improvement, and I would agree with you.

13 DR. SLATER: It certainly beats working for founda-
14 tions.

15 DR. PAHL: Mrs. Salazar.

16 MRS. SALAZAR: I'm Jesse Salazar, formerly Opera-
17 tions Officer and Deputy to Dick Russell in the Western Opera-
18 tions Branch, now retired.

19 DR. PAHL: Well, we're bringing you out of retire-
20 ment for a short while.

21 Dr. Win Miller.

22 DR. MILLER: I'm Winston Miller. I was Director of
23 the Northlands Regional Medical Program in Minnesota for seven
24 years, and I'm now a consultant for medical review in the
25 State Department of Health and I have no direct connection

1 with RMP.

2 DR. PAHL: Glad to have you back again. Very nice.

3 Dr. McPhedran.

4 DR. MCPHEDRAN: I'm Alex McPhedran. I was formerly
5 a member of the National Advisory Council for Regional Medical
6 Programs. I'm currently Director of Medical Education at a
7 family practice residency program in Augusta, Maine.

8 DR. PAHL: Thank you very much --

9 DR. CARPENTER: Last but not least.

10 DR. PAHL: Usually that's the position I get. I'm
11 sorry.

12 Dr. Bob Carpenter.

13 DR. CARPENTER: How quickly they forget.

14 DR. PAHL: Bob Chambliss will take over the meeting
15 now.

16 DR. CARPENTER: Two years ago I was the Director of
17 the Western Pennsylvania Regional Medical Program and I've
18 retired to academic administration with the University of
19 Michigan.

20 DR. PAHL: I'll try again. Thank you.

21 As you know, we are down from 56 RMPs to 53 RMPs,
22 but I guess Western Pennsylvania is still with us, and I want
23 to make that clear for the record.

24 Keeping in mind the time, I would like to make just
25 a few comments before turning the meeting over to Mr. Rubel.

1 It has certainly been indeed a long time since a
2 review committee has met. It seems to me it was about
3 November of 1972. And I, for one, hardly know where the time
4 has gone. It has been a very complex, difficult period with
5 much to do with a dwindling staff, and so forth, and I don't
6 intend to try to relate to you all that we've gone through,
7 but I would indicate just a little chronology for you, and
8 again refer you to the materials which Mrs. Silsbee developed
9 and sent out to you which I think are very excellent in giving
10 an over-all perspective of what has happened.

11 But since we did last meet, you will recognize that
12 in February of 1973 we informed you and everyone over the
13 country that it was necessary to engage in a phase-out acti-
14 vity.

15 Dr. Margulies at that time, of course, was the
16 Director of the program and for some five months, February
17 through the remaining part of that fiscal year, the Staff
18 engaged in a rather heroic effort -- much criticized but none-
19 theless in terms of the volume of activity and the level of
20 professional work, an heroic effort to have regions phase out
21 in an orderly fashion, and the turmoil both around the country
22 and within RMP was very high. But on hindsight, for what it's
23 worth, many of us feel that it was an activity that was well
24 accomplished both locally and centrally in view of the circum-
25 stances that existed at that time.

1 Regions responded against impossible time require-
2 ments, impossible demands to prepare plans. We, in turn, had
3 to make hundreds of difficult decisions -- again, I'm sure
4 judgment was in error in many of those -- but everyone did do
5 the best possible, and as we approached June we had what was
6 considered to be an orderly phase-out program of a national
7 activity that had been in existence for some seven years.

8 Fortunately, the Congress did see fit to keep the
9 program alive and the President, about mid-June, signed the
10 extension legislation and this has had its ups and downs since
11 then, which, again, I won't relate in detail. They've been
12 highlighted here.

13 But, in general, the net result of that was that
14 instead of having 56 Regional Medical Programs three programs
15 were phased out completely and the remaining 53 programs at
16 that time continue in existence, and we hope will have a full
17 and vigorous lifetime at least through June 30, 1975, as a
18 result of activities that we'll be involved in in these three
19 days and in June, July, and August.

20 The extension of the program did not mean that our
21 own staff was given the same kind of stability and, so, in a
22 very quick fashion we have reduced our own headquarters'
23 staff from 247 people to a current figure of 88 or 87 or 85 --
24 it changes daily, and as people have luncheons and hall cele-
25 brations, why, it's with mixed feelings. We're happy to see

1 them gain employment elsewhere; we're very sorry to see them
2 have to leave the program because of the continued central
3 uncertainties.

4 To lead toward whatever Mr. Rubel may feel he would
5 wish to discuss with you, I would indicate that not only has
6 the RMP program internally, headquarters-wise, been undergoing
7 its own set of difficulties, but the agency, as you know, has
8 undergone a massive reorganization and, whereas, we used to
9 be in the Health Services and Mental Health Administration,
10 approximately July 1 last the agency was split into the two
11 sister agencies, the Health Resources Administration, HRA, in
12 which we are located, and the Health Services Administration,
13 in which, of course, the majority of health services-oriented
14 programs are located.

15 Thus, while we were trying to gear up again for an
16 extended year of life, we were also trying to fit into a re-
17 organized agency, and that has had its own convolutions as
18 always and we're still not completely settled down, but for a
19 period of approximately six months from last June through this
20 past January, we were in one of the three bureaus into which
21 that agency was organized. We were in the Bureau of Health
22 Services Research and Evaluation, which at that time was under
23 Dr. Robert Van Hoek, who subsequently has left, and that has
24 undergone a change of leadership.

25 About January or February of this year, when it

1 became clear that the Administration and the Congress were
2 both thinking along the same lines of combining CHP, the Hill-
3 Burton, and RMP programs, it certainly seemed to make good
4 sense administratively to try to bring these programs together
5 functionally within headquarters, keeping their separate
6 identities, but nonetheless to try to get to work a little bit
7 more closely together, and, so, unofficially we have moved
8 over in part from the one bureau, Health Services Research as
9 it's now termed, into the Bureau of Health Resources Develop-
10 ment. And the reason for that is because that bureau contains
11 all of the former NIH Bureau of Health manpower activities
12 which obviously are related to our interests and we to their
13 interests. And, secondly, it contained the health facilities
14 utilization Hill-Burton program, as well as the Comprehensive
15 Health Planning program.

16 So by bringing RMP from the one bureau functionally
17 into the Bureau of Health Resources Development, we were able
18 administratively within the agency to bring the three programs
19 closer together, and in fact there has been a much more close-
20 there has been a closer working relationship and there obvious-
21 ly will be an evolution internally as the external legislation
22 becomes better defined and eventually mandated.

23 Now, in order to help coordinate the headquarters'
24 three programs to function more effectively, the appointment
25 of Mr. Rubel was made -- and, Gene, I'm not exactly sure. It

1 strikes me about January -- so many things have happened --
2 but about January, mid-January or so, this year Mr. Gene
3 Rubel was asked to take on a second hat. His first hat, which
4 still continues, is the Director of the Comprehensive Health
5 Planning program, and that's a full-time occupation.

6 The number two and major responsibility which he has
7 been asked to take on is to coordinate internally and work very
8 closely, of course, with the agency and the department in
9 helping develop the Administration's legislative package for
10 health resources planning.

11 So that in a functional sense the Hill-Burton
12 program, his own program, and our program here are trying to
13 work together under his leadership in terms of getting
14 together and seeing how we can move forward toward health
15 resources planning before we actually know exactly what the
16 nature of the legislation will be.

17 And because Gene has to be again downtown today
18 because the hearings on health resources planning are going
19 on before Senator Magnuson's Appropriations Committee, rather
20 than dilute his time, I would prefer with that kind of back-
21 ground to ask Mr. Rubel if he would care to comment on any of
22 these or other matters of organization or direction that he
23 may be going, and then to stay as long as you can and perhaps
24 be responsive to some inquiries from the committee.

25 Gene?

1 MR. RUBEL: Thank you, Herb.

2 I am going to have to go, but I will do my best to
3 be back and spend as much time with you today as I can and
4 then on Friday as well, so let's not look upon this as the
5 only opportunity we have.

6 I think Herb has stated the organizational situation
7 quite well. Back in January and February we went through a
8 great deal of debate and looking at alternatives to figure out
9 what the best way was of taking the monies appropriated in
10 fiscal '74 and those that had been impounded in '73 and con-
11 tinuing pursuant to the federal court order, as well as the
12 decisions made in the department, to take approximately \$120
13 million and give it out to the 53 Regional Medical Programs.

14 The process that we've come up with is not a
15 terribly satisfactory one, but I think, under the circum-
16 stances, it was the best that we could do. Once we put
17 together the schedule and the process, we did consult with the
18 steering committee of the coordinators and they endorsed our
19 proposal, and that's, I guess, why we're here today, and
20 perhaps later on Herb will expand on that -- on that further.

21 We are no doubt -- at least in my mind -- in the
22 midst of a transition here, and any transition is difficult.
23 The Congress is presently debating what future kinds of acti-
24 vities that it wishes to see in the whole arena of planning,
25 regulation, resource development, and that category of

1 programs. It's doing that in the context of debate on
2 national health insurance, as well as looking at other func-
3 tions that the Federal Government is performing in research
4 and manpower and the like.

5 As you probably all know, virtually all of the
6 legislative authority that we have in our agency expires on
7 June 30th and RMP is among those, as are CHP and Hill-Burton
8 and manpower and research and statistics and everything else
9 that we do.

10 And both committees, Senator Kennedy's subcommittee
11 and Congressman Rogers' subcommittee, have been hard at work
12 trying to decide what they'd like to see in the future. It's
13 in that context that we sit here trying to decide what -- how
14 much funding each of the RMPs should get.

15 It's pretty clear that we're not going to have any
16 new legislation by June 30th -- at least it is to me -- but
17 it's equally clear to me that before the summer is over we
18 are going to have new legislation, and I don't think it's
19 going to contain in it the continuation of any of the existing
20 three programs as we know them today, Hill-Burton, RMP or CHP.

21 I think both the Administration as well as the
22 chairmen of both subcommittees have made it pretty clear that
23 they're not satisfied with the structures that we have today
24 and they would like to make structural changes, and I don't
25 think they're going to take any one of the three that we have

1 today or continue any of the three for another year -- that's
2 one of the alternatives that many people talk about, "Well,
3 it'll be just another one-year extension." I don't see that
4 in the cards.

5 The fact of the matter is that there is not a single
6 bill pending before the Congress -- at least there wasn't
7 yesterday morning -- I don't know who threw things in the
8 hopper yesterday -- that would continue any of the three
9 programs as they are currently in the statute and, therefore,
10 I see very little likelihood that the same structures that we
11 have today will exist next year and, therefore, I think -- at
12 least in my mind it's pretty clear that the grant awards that
13 we're going to be making next month and finally those in
14 August are going to be the last grant awards made to RMPs as
15 such.

16 Now, I would extend a note of caution and that's
17 that people said that about RMP and they've been saying it
18 about other programs two years ago, and yet we're still here
19 today, so anything is possible.

20 It's really up to the Congress to make its judgment,
21 to decide what it would like to see.

22 I'm only telling you what I can see as an observer
23 from afar -- the kind of questions they've asked and the
24 legislative proposals that they have submitted.

25 We have had very extensive hearings before both the

1 Senate Subcommittee -- several months ago now and more recent-
 2 ly before the House Subcommittee -- dealing with the subject
 3 of what we call health resources planning, and it's now up to
 4 both committees to produce their proposals if they have any
 5 and go through the long legislative process.

6 The Administration has a bill. In the House it's
 7 got a number of S. 3166. It is only one of many proposals.
 8 Senator Kennedy submitted his own version; there have been
 9 four or five bills presented by members of the House Sub-
 10 committee. They're very complicated, very explicit as to
 11 what they want to see happen and very explicit about the pro-
 12 cedures to be used.

13 Unlike current laws that we have, certainly for CHP
 14 and RMP today, where there has been a lot of criticism about
 15 purpose, they now seem to be going in very much the other
 16 direction and laying it out from A to Z three times over.
 17 Perhaps one of the reasons for that is their reaction to what
 18 they did back in '66 and '65, or what their predecessors did.
 19 I don't know how much of a holdover in members there really
 20 is.

21 Perhaps -- you know, I don't know how much I should
 22 go into the particular pieces of the legislation. They all
 23 focus one way or another on the three major topics, regula-
 24 tion, planning, and implementation. To some extent or other,
 25 they cover those.

1 I think it's fair to say that all recognize that
2 each of these has some role, but depending on whose bill you
3 look at, they place more or less emphasis on any or all of
4 those three functions.

5 It's also important to recognize that debate about
6 national health insurance is going on and those functions are
7 also contained in the various and sundry bills that are being
8 discussed by different committees on the Hill, Ways and Means
9 and Finance Committee, and one of the interesting things here
10 is going to be to what extent they actually manage to work
11 together or somehow work separately.

12 You may know, for example, that Senator Kennedy's
13 and Congressman Mills' health insurance bill has a very large
14 resource development fund that three or four years from now
15 would have four or five billion dollars a year in it for the
16 purpose of developing resources, and that's a lot of money.
17 That kind of puts into a little corner everything that the
18 Health Committees have done -- if you add in manpower, and
19 you can even add in biomedical research, and it still looks
20 like a minor fraction.

21 Now, exactly how that kind of apparatus would func-
22 tion, to the extent that it's actually enacted, and how it
23 would fit in with these agencies that we're talking about
24 today, is very uncertain.

25 In the meantime, with all this uncertainty we have

1 RMPs functioning out there; we have CHP agencies functioning;
2 we continue to build health care facilities, and we have lots
3 of meetings talking about what's going to happen in the future
4 and we have a lot of people bemoaning their fates and saying,
5 "Gee, whiz, how can we live with this, all this uncertainty?"

6 Dr. Endicott on many occasions has talked about the
7 mess that we're living in, and it is indeed a mess. We all
8 recognize it.

9 I hope a year from now we can look back on this
10 period and say, "Yeah, there was a period of uncertainty there,
11 but we're over it."

12 It certainly looks very tall and very high to me
13 right now -- but I don't know when we're going to have enact-
14 ment of legislation. I do know that we have worked very hard
15 to try to structure a transition. We have attempted for all
16 of our agencies to build in pretty much a full year of opera-
17 tion so that during that year we can move from what we have
18 today to wherever we're going in the future, and the awards
19 that we'll be making before June 30th, certainly for core
20 staffing of RMPs, will allow each of the RMPs to function and
21 function well, I hope, during fiscal '75, and by the time
22 we're finished, I hope we'll be able to more or less do that
23 same thing for the other organizations.

24 Fiscal '75 is going to be, I think, a year of change
25 and it will be in fiscal '76, beginning in 1975, where some

1 things are going to be fading away, I would predict.

2 Let me just say two words about -- a few words about
3 what you're going to be doing over the next three days.

4 We have tried to emphasize the need for RMP applica-
5 tions to be reviewed by CHP agencies as part of this process,
6 and I spent a fair amount of time last night going over
7 summaries of the applications that we now have. And, first
8 of all, in the great majority of cases it's obvious that there
9 is very close working relationship between the RMPs and the
10 various state agencies, as well as the areawide agencies.

11 In many cases I was very happy to note comments
12 like, "Formal review was a technicality since we've been work-
13 ing together in developing these applications jointly."

14 And that's the situation in the majority of the
15 cases, and it doesn't cause us any problems.

16 On the other hand, we do have some places -- just
17 a handful -- where there is obviously a very basic disagree-
18 ment between what the Regional Advisory Group has proposed and
19 what the CHP agencies feel are the priorities in needs of
20 their communities.

21 I would like you to look at those handful very
22 closely and, based on whatever we have on paper now and what-
23 ever Staff has been able to decipher, you're going to have to
24 make some kind of judgment as to which one of those views to
25 accept, and I think that's the kind of thing that really must

1 be presented to the National Council, and they have to make a
2 decision as well.

3 In the papers that you have, it's been highlighted,
4 the extent to which CHP comments have been received and what
5 they've been, and I would like you to look at those, in par-
6 ticular in the half-dozen or so places where there appears to
7 be a problem.

8 The second point I would ask you to look at is the
9 extent to which RMPs have responded to the challenge of help-
10 ing in the planned development process around the country.
11 As part of the application package that we sent out to all
12 the RMPs, I guess early in March, late in February -- I also
13 can't remember times very well --

14 DR. PAHL: March, I think.

15 MR. RUBEL: -- we tried to suggest that it would be
16 very useful to try to expedite the planned development process.
17 Congress passed the Comprehensive -- the Partnership for
18 Health amendments, the statute, back in '66, and we know how
19 few areawide agencies and state agencies have actually
20 developed the plan and have really set something down so that
21 RMP would have no trouble in deciding, "This is where we can
22 put our money."

23 And we've all heard about the endless struggles,
24 "Well, there isn't any plan and, so, we have to do the plan-
25 ning," and the like.

1 We have tried over the last year to focus CHP atten-
2 tion to the planned development process. We have gone through
3 an extensive development of what we call performance standards
4 and, as some of you may know, we've actually gone out and
5 assessed or are in the process of assessing every single CHP
6 agency in the country to determine how well they meet those
7 standards.

8 But it's clear that that planned development process
9 is not something that's going to happen overnight, and we sug-
10 gested that it would be very useful -- not necessarily to
11 support CHP, but to support the planned development process,
12 and, again, here I think it's fair to say that many, many of
13 the RMPs have responded and have responded very well to that
14 challenge.

15 It's something that I'd like you to look at as you
16 go through the various and sundry applications.

17 Again, I go back and emphasize we're in a transition.
18 We have the possibility of organizations, once this funding
19 cycle is over and the funds are spent, facing extinction --
20 not just RMP agencies, but all of these that we've been talk-
21 ing about.

22 The challenge that they have had has had to attract
23 good staff, how to put together good proposals with that kind
24 of uncertainty in a very short timeframe.

25 We do have another cycle coming here and I think

1 some of the newer things will probably be in there for most
2 regions. We can't expect a perfect kind of process here.
3 The Administration has stated unequivocally, I think, that it
4 is committed to obligating all of the funds available here to
5 the extent that there are applications that you, that our
6 Staff, and that the National Council feel should be funded.

7 It's a lot of money by any standards. It can have
8 a significant impact, I think, as has much of the funding
9 that's already been done over the last six or seven years.

10 Therefore, you've got a big job ahead of you here
11 and you have thirty or forty minutes to talk about each one
12 of these, and I don't envy you. Based on those thirty or
13 forty minutes, you've got to make a judgment.

14 But like it's been said so many times about our
15 system of government, it's a lousy way to do things, but
16 nobody's come up with a better way. It's very much the same
17 kind of situation we find ourselves in.

18 I'd be delighted to respond to your questions that
19 you have.

20 DR. PAHL: Dr. White.

21 DR. WHITE: I've heard about the dissolution. What
22 do you feel is the root cause of this? Why? Where does the
23 dissatisfaction arise from? Is it due to quality or political
24 situations --

25 A VOICE: Can we hear the question, please?

1 DR. PAHL: Use the microphone, Dr. White, please.

2 DR. WHITE: I was asking for the root cause for the
3 dissolution of these programs, from whence arose the dis-
4 satisfaction and from what did it stem, quality, political
5 considerations, what-have-you.

6 MR. RUBEL: I presume you're talking about all three
7 of the programs --

8 DR. WHITE: Yes.

9 MR. RUBEL: First, Hill-Burton, I think there's a
10 feeling pretty much on the part of everybody that a program
11 that was very important back in the late '40s, with all the
12 problems of nonconstruction of anything during World War II,
13 plus the imbalances between urban and rural America, those
14 problems are not with us any more, and structures that we had
15 set up then perhaps were not appropriate today.

16 One very important point, as part of the Hill-
17 Burton program, we had a planning part -- you know, that
18 wonderful, magic state plan, and there we set up a nice little
19 bureaucracy to do its thing, and at the same time we had a
20 CHP agency, both statewide and areawide, and they were con-
21 flicting with each other, and we had GAO presenting very
22 embarrassing reports saying, "They come out with different
23 answers."

24 So that -- I would guess that by the time we're over
25 here we will have a federal program for construction of some

1 sort or other, but it's going to be very different from the
2 Hill-Burton as we know it today.

3 RMP suffered, I think, from the very beginning with
4 a lack of any clear-cut goal. I think this has been pretty
5 much recognized.

6 I've heard Dr. DeBakey talk about his original com-
7 mittee and what they were thinking about and what finally came
8 out of the Congress, and you talk to the staff people on the
9 Hill -- you can give them a couple of drinks -- and they'll
10 tell you that they were ordered to write a bill that said
11 beautiful things but really didn't include anything in it. It
12 was a compromise. They had to come up with something, but
13 they took out all the guts.

14 And I think it's fair to say that RMPs, together
15 with the administration here, were trying to put something
16 into that nice framework where there really wasn't anything in
17 the first place.

18 CHP, perhaps more than the others, was enacted
19 before its time. The forces -- our society just wasn't ready
20 for the kinds of activities that were contemplated then. It
21 was only when Medicare and Medicaid really took a strong hold
22 that it was recognized -- and the federal budget kept going
23 up and up and up -- that there was more of a recognition that
24 perhaps we just can't let the system do whatever it wants,
25 passage of certification-of-need laws in 23 states and all of

1 them using the kind of CHP mechanism, that we had amendments
2 of the Social Security Act, Section 1122.

3 But I think there's a feeling that the structure
4 that was created then perhaps isn't a good enough structure
5 for what we need today, and Congress feels, and the Administra-
6 tion as well, that we've got to make some modifications in the
7 way we do health planning.

8 But perhaps most important dealing with both RMP and
9 CHP, that we don't need as many structural units out there as
10 we have created -- "we," the Federal Government -- that it's
11 far better to try to put these together in fewer organizations,
12 and perhaps the reason for that stems from the observation
13 that many of these organizations spend a good deal of their
14 time trying to figure out whose turf is whose.

15 It gets worse, because we have things called experi-
16 mental health services, delivery systems, and exactly how they
17 fit in is not entirely clear. We still have remnants of
18 hospital planning councils, some purely voluntary and some
19 fostered by the Hill-Burton program back in the early '60s.

20 There are a lot of organizational elements out
21 there and I would, in looking at the scene, say that one of
22 the purposes here is to tighten things up.

23 Now, there are some people that would respond and
24 say, "That's too simplistic and you really can't; you need
25 different kinds of organizations," and we've heard that kind

1 testimony over the last several weeks.

2 MR. BARROWS: We've developed a very rich back-
3 ground of experience back in the states in trying to make
4 these programs do the job that Congress intended. Is that
5 background going to be called upon in trying to fashion a new
6 program -- I mean, if the dogs don't like it, do you put out
7 any package of the canned food that you want?

8 How about the people that have been trying to make
9 these programs work? Have they been heard in this --

10 MR. RUBEL: Well, I would say very definitely.
11 There's very extensive testimony by all kinds of people --
12 governors, directors of programs, national organizations that
13 represent them -- the record has been made. Now, whether any-
14 body's been listening is a different question.

15 DR. TESCHAN: I'd like to ask whether in the last
16 three or four months your office has issued to CHP B agencies
17 any particular direction as to how they are to request pro-
18 fessional and technical assistance from their RMPs in plan-
19 ning development? In other words, what has emanated from your
20 office to stimulate B agencies particularly to utilize the
21 professional capabilities of the RMPs in planning?

22 MR. RUBEL: We took the whole application package
23 that we sent to the RMPs and we sent it to all the CHP
24 agencies with a covering memo explaining that this process was
25 going on and we thought it was very desirable for CHP agencies

1 to work together with RMPs, particularly towards the end of
2 how we expedite the planning development process. That was
3 done in early March, as I --

4 DR. TESCHAN: This is to help the development of
5 those applications we're now seeing, if I understand you cor-
6 rectly.

7 MR. RUBEL: That's right.

8 DR. TESCHAN: I'd like to get off the present
9 package, if I can, and talk more generally in terms of an on-
10 going CHP planning and need identification and plans to meet
11 those in the various CHP B areas. You see, the development of
12 these applications is a matter unto itself. I'm talking about
13 the ongoing CHP areawide planning.

14 What direction, if any, comes from your office to B
15 agencies as to how RMPs should be contacted and involved at
16 CHP's initiative, to involve professional and technical
17 expertise on the RMP side in their ongoing plan development?

18 MR. RUBEL: Well, I can't recall that we've said
19 anything specifically, you know, responding to that directly,
20 although it has certainly been implicit in -- well, it's been
21 implicit for a long time. In some places it works very well
22 and other places it works -- it doesn't work at all.

23 DR. TESCHAN: Well, the thing I'm interested in, for
24 example, if you've talked with Herb or are aware of the
25 legislative and administrative history of CHP-RMP interaction,

1 you may be well-aware of not only the mandated -- the legisla-
2 tively mandated clause but also the regulations coming out and
3 the instructions coming out of the RMPS saying how these two
4 shall interact.

5 The mandate so far has been directed, as I under-
6 stand it -- and that's why I brought up the question -- to the
7 RMP, as to what initiatives we should be taking -- the RMP
8 should be taking. That's very explicit, in a lot of prose --
9 and Ken Vaun is one of the authors of that prose -- in con-
10 siderable detail.

11 I am looking in the current batch and I will be
12 interested in the next several days' discussion as to what
13 initiatives I hear that are reciprocal, and it's the reci-
14 procity that I'd like to -- in echoing Dr. Barrows' comment
15 that enormous enterprises of five or six or seven years' dura-
16 tion now have assembled a tremendous capability in the regions
17 which in many respects -- in my own experience certainly --
18 have been largely ignored by the areas -- at least ignored to
19 the detriment of plan development.

20 And so, therefore, it's really in terms of your
21 original hat and continuing hat in the CHP agency as to
22 whether or not this might not be an excellent time in the
23 waning months of needing to have some plan development
24 (inaudible) for this to occur.

25 I'm looking for it in the applications here as well

1 as --

2 MR. RUBEL: I'm not sure how to respond. I would
3 agree with you by and large. I don't know how you direct that
4 to happen, and I don't know particularly how you'd direct it
5 to happen when we're on the verge of making some substantial
6 changes in what goes on.

7 There is no question that there have been many, many
8 problems on both sides.

9 I would think that in these coming months we've got
10 to focus most of our attention on how to forestall those
11 problems from coming in the future, rather than trying to play
12 with them in these waning months, as you call them.

13 DR. PAHL: Gene indicated that he would be able to
14 be back with us some more both today and -- Friday?

15 MR. RUBEL: Right.

16 DR. PAHL: Thursday you're out of town.

17 So I think there will be opportunity to discuss
18 further with him some of these points because they're very
19 crucial to what both RMP and RMPS and CHP are trying to
20 accomplish.

21 Gene, thanks for taking as much time. We look
22 forward to having you back when the hearings are over.

23 My staff has thoroughly instructed me to deliver any
24 number of items of information to you. At the same time, what
25 Mr. Rubel told you about thirty to forty minutes per

1 application is quite true, and we've made all of those calcu-
2 lations here and calculated your time.

3 So I want to assure you before we go on that what
4 we're going to try to do is run through a number of things
5 which I think should be of interest and in some cases are
6 important to you to know, and then break at 10:30 for no more
7 than twenty, twenty-five minutes, and you can bring your
8 coffee back here -- let's say 25 minutes -- and during that
9 interval you will find that these tables are going to be pull-
10 ed apart at the divider line so that we will be able to break
11 at the appropriate time -- we may have to reconvene for a few
12 minutes after coffee as a total group to wind up one or two
13 points if I don't get finished, because we do have to talk
14 about funding and what it is you're to do and a few other
15 things, but I'll try to just give you highlights, not too many
16 details.

17 But when we come back, the tables will have been
18 separated and there will be a Panel "A" and Panel "B," which
19 you're familiar with. Mr. Chambliss will be in charge of
20 Panel --

21 MR. CHAMBLISS: "A."

22 DR. PAHL: -- "A," and Mr. Peterson in charge of
23 Panel "B," and after this morning's discussion, which will end
24 either just at 10:30 or shortly after we return, you can get
25 to work on the applications following perhaps a very brief

1 review of exactly what the parameters are for running the
2 individual panels.

3 Then you're on your own for the rest of today and
4 tomorrow up until -- we'd like to target the hour of 11
5 o'clock Friday morning when we would like to reconvene the
6 two panels into a whole again and bring back as a group the
7 findings of your reviews because, handling the applications in
8 two separate panels, we want to make certain that the same
9 kinds of issues are handled as equitably and consistently as
10 we can, and we'd like to have the group as a whole hear any-
11 thing which seems important to know before we take the com-
12 mittee's recommendation on to the Council, which meets in mid-
13 June -- the 14th and 15th, I believe.

14 So I'm urging you, first of all, that the Staff has
15 used these little computers to calculate that you can't get
16 the work done by Thursday night, we urge you to stay until
17 mid-afternoon on Friday -- we realize it's Memorial Day week-
18 end, but we also realize that there is a need to do justice to
19 all the applications whether they happen to be discussed first
20 or last, and to the extent possible we tried to gear our own
21 Staff work -- the chairmen are being held responsible for
22 keeping you to about a 40-minute point, and we'll both have
23 some things to say as to how to manage this activity, but in
24 fairness to the regions and what they have been through in
25 trying to bring these materials to you, I'm sure to the extent

1 possible you will accommodate that final discussion, and if
2 we get together at 10:30 or 11:00 on Friday for a group meet-
3 ing -- perhaps early afternoon would suffice, but we have to
4 have a full committee discussion, I believe, so the two panel
5 chairmen will be able to resolve together with you any of
6 those matters which perhaps have not been handled equitably
7 across regions.

8 Now, with that apart, let me try to take the next
9 period of time and go over with you a few matters which I
10 believe should be of interest -- hitting the highlights,
11 recognizing that we will be here for a few days. Mr. Chambliss
12 and I are fairly familiar with all of the details behind all
13 of the points I'm going to mention, and should any of you
14 individually have questions or want further information or
15 clarification, we'll make every effort to give that to you,
16 but I don't want to bore you with hours and hours of chrono-
17 logy over the last 17 months, because it really isn't appro-
18 priate.

19 I would like to go back for a moment to our staff-
20 ing because so many of you have been intimately involved with
21 our Staff. I would like to tell you the major changes which
22 have occurred, apart from the numbers.

23 You will recall perhaps that when we used to meet
24 together we were organized into at least two main divisions,
25 a division of operations, which at that time was under

1 Mr. Chambliss' direction and is now under Mrs. Silsbee's
2 direction, and a division of professional and technical
3 development, which at that time was under Dr. Ed Hinman's
4 leadership.

5 We also had an office of planning and evaluation
6 under Mr. Peterson, an office of grants management within the
7 division of operations under Mr. Gardell, and an office of
8 systems management, our internal computer system for informa-
9 tion gathering and retrieval, under Mr. Frank Ignowski. We
10 also had a public affairs and information office and the usual
11 supporting services.

12 Without detailing who has left, because it's too
13 long a list, let me say that as the first casualty of our own
14 internal phase-out operation of February '73, the division of
15 professional and technical development reduced from approxi-
16 mately 70 people, most of whom were professionals with skills
17 in many areas, down to a residue of about eight. That eight
18 occurred between February and June.

19 We lost the office of systems management head,
20 Mr. Ignowski -- we're glad to say he went into the office of
21 the Assistant Secretary of Health, and I'm sure he's doing a
22 fine job there and we're happy to say that his deputy at that
23 time has been acting in that capacity, Mr. Ott, since then.

24 That staff has, by and large, remained intact
25 although we've suffered a few casualties.

1 The office of public affairs has been completely
2 eliminated, so we have no public information coming out from
3 here and we're dependent upon the Bureau's good offices to
4 provide that service to us.

5 Mr. Peterson's planning and evaluation group of
6 bright young people who used to number of -- what, seventeen --

7 MR. PETERSON: Eighteen.

8 DR. PAHL: -- seventeen or eighteen people, a very
9 sharp group, did a tremendous amount of work, has been reduced
10 to Mr. Peterson and has been amplified and augmented by Miss
11 Morrill, who was one of the residuals from the division of
12 professional and technical development, and Mr. de la Puente
13 for a while was with Pete -- but basically, from the old
14 office that you used to know, it's Mr. Peterson.

15 The administrative services obviously had their ups
16 and downs, but we manage not to have our wastepaper baskets
17 emptied, our Xerox machine generally out of commission, and
18 so forth -- we are doing a fantastically good job for the
19 changes that have occurred.

20 Within the operations division we have been most
21 fortunate in that practically everyone stayed for most of the
22 months intervening between the time that we last met. How-
23 ever, over recent months we have lost a number of key people,
24 some of whom are represented in this room because they have
25 very kindly consented, with a little arm-twisting on our part

1 and the courtesy of Dr. Endicott, the Agency Administrator, to
2 return for this month and give us something like eight or nine
3 full days of their time, at the same time carrying full loads
4 in their new occupations, to help us out with our current
5 applications, and we appreciate this very much. That's the
6 only way that we could even have a sufficient staff to get
7 through this review cycle.

8 Mrs. Silsbee has lost about six people within the
9 Grade 13-14, five to six to seven man-years experience per
10 person, within the last four weeks, five weeks.

11 And, so, you can see that it does remain difficult
12 to maintain this activity.

13 Within the total organization, I am happy to say,
14 however, that we do have many of our key people remaining
15 with us and that is a special tribute which I'd like to make,
16 because what you don't know is that for about 18 months we
17 have been under what in government is known as a RIF situa-
18 tion, a reduction in force, which is an official threat hang-
19 ing over the head that there will not be a job for you, but
20 there is never a cancellation and never an implementation, and
21 part of my daily joy has been to try to find out whether we're
22 going to go ahead with such an activity or not, and the months
23 roll by and the Staff remain uncertain.

24 Some of us know we have jobs; others of us who have
25 less time in government know that we will be out looking if

1 such a thing gets implemented, and that has hung over the
2 heads of most people from February of 1973 until about two and
3 a half weeks ago, which indicates the decision-making
4 capability of the department or at least the tenor of the
5 times.

6 In addition to that, our Staff has been under and
7 continues to be under a proposed decentralization of our
8 headquarters' staff to regional offices, which is not puni-
9 tive, it is a -- what do I want to say? -- an administration,
10 governmental policy and it has many fine features to it. The
11 only point is it either should happen or not happen, and that
12 has been going on for the last two and a half to three months
13 and finally, through some degree of efforts on our part and
14 others, there has been sufficient pressure brought on the
15 Secretary from the outside that the determination has been
16 made that no decentralization of our staff to regional offices
17 will occur until after the new legislation is passed, which,
18 of course, can be tomorrow, June 30th, August, September.

19 This means that our Staff, forty of whom will have
20 their jobs handed over into regional offices, will have to
21 find other employment, that is, either go to regional offices
22 or find jobs other than in RMP, and since we have approxi-
23 mately eighty-five or eighty-seven people and you take forty,
24 you can see what this does to the morale.

25 Now, the only reason I mention this, and I don't

1 want to belabor it, is because I believe that what appears
2 before you in terms of what has appeared before you and what
3 will occur in the way of Staff effort and interaction visible
4 to you has been done under the most low-morale conditions
5 that one could possibly impose on a staff, and I think it's a
6 real credit to their professional integrity and sense of
7 responsibility that they have kept their minds on their jobs
8 while their friends, colleagues, depart, while they are
9 uncertain about their own futures.

10 And I know this has been recognized by the steering
11 committee, the coordinators; I know it has been recognized by
12 the regions; and many comments favorable to the Staff have
13 come to me and also to individuals on the staff, but I think
14 you should know the circumstances under which they have been
15 and continue to labor.

16 I also want to tell you now something about another
17 activity which will be going on simultaneously with yours, and
18 that is, in the current fiscal '74 appropriation there has
19 been set aside approximately \$4 million for the establishment
20 of a new pilot arthritis center program. This crept into our
21 bailiwick somewhat accidentally. The arthritis group in the
22 country had tried to put these funds into the NIH legislation
23 and due to so many quirks that we all know about, it never
24 survived and because it was a good idea, it found a home in
25 RMP.

1 So this year when we finally received our appro-
2 piation in released funds -- which I will mention in a
3 moment -- starting in about February, Bob Chambliss -- well,
4 starting in January, I guess it was, Bob -- Bob Chambliss and
5 Mr. Matthew Spear, who is --

6 Matt, would you just want to stand up for a moment
7 and be identified for them?

8 Thank you.

9 Bob Chambliss and Matt Spear initiated what is going
10 to culminate starting tomorrow, Friday, and Saturday, and also
11 at Council time -- initiated a \$4.2 million program in pilot
12 arthritis centers and we have, therefore, over the recent
13 months been laboring with 53 Regional Medical Program applica-
14 tions, which is a 400 percent -- 300 percent increase over
15 what we generally have. You will remember that we generally
16 handled about seventeen or eighteen applications because we
17 had three cycles a year. Since we're doing them all at once,
18 we have 53 applications for your consideration and the
19 Council's, and Mr. Spear is the happy recipient of 43 applica-
20 tions for pilot arthritis centers.

21 We have a group of -- an ad hoc consultant group
22 coming in tomorrow, and that has been going on simultaneously,
23 and all those decisions will be going to the June Council.

24 Because of the staffing situation which I have
25 indicated to you, we have not only had to utilize Mrs.

1 Silsbee's full operations division staff for these applica-
2 tions that you're looking at, but we've had to draw upon
3 perhaps seven or eight employees who used to be in that divi-
4 sion to return, as I just mentioned a moment ago, during this
5 month to help us out.

6 So you all are the beneficiaries of Staff work by
7 people who've already left the program, but have donated
8 their time -- and I might say very cooperatively and under-
9 standingly.

10 Mr. Spear, on the other hand, has had no staff other
11 than himself and a secretary, and we have had to call on the
12 remaining staff -- and that represents everybody, I assure
13 you, within RMP headquarters -- to first of all learn some-
14 thing about reviewing applications, what to look for -- we've
15 had orientation sessions and outside consultants and reading
16 material, and we have drawn in people from all of our offices
17 and units.

18 So people have been doing a very heavy job on two
19 programs. What it comes down to is about a 400 percent work-
20 load over normal this particular period, March, April, May,
21 June, July, and August, with a staff which I've indicated to
22 you and the full understanding and cooperation of those who
23 remain.

24 I don't mention it in order for you to do anything
25 because the regions have been laboring under the same kind of

1 problem, but to indicate that we have not been immune from
2 this because we're the ones who issue the edicts.

3 I believe Dr. Mason, who will be the chairman of
4 that arthritis committee, will probably be meeting here with
5 us sometime over the three-day period, and that group will be
6 meeting with us in the rooms here in the Parklawn Building
7 starting tomorrow, so I will not be with you at least in the
8 early part of tomorrow as a result of getting that group
9 oriented. And, as you know, with a brand new program there
10 are many issues and policy matters to be discussed.

11 Now I'd like to turn from those matters to a little
12 bit of a history, again a quick rundown to give you a perspec-
13 tive or a framework of understanding, and I'm primarily refer-
14 ring to material now which Mrs. Silsbee sent to you in a
15 memorandum of May 7th and she included -- and you don't need
16 this in front of you -- an Attachment A which was termed
17 "Historical Sketch." I thought it was very well done -- I was
18 depressed when I read it; I didn't realize I had been through
19 so much; I was sorry she had done it -- but it's so well done
20 I call it to your attention because I'd like to run down and
21 just perhaps amplify on one or two points, hitting the high-
22 lights for you.

23 This historical sketch starts June 1973 with the
24 extension legislation. One of my favorite memories in recent
25 years is June 18th, 1973, which I believe was a Monday,

1 because that preceding Friday Dr. Margulies very graciously
2 turned over the reins of the program to me -- I forget who our
3 Administrator was at the time; we've had six or seven in that
4 period -- and my appointment was effective Monday morning,
5 June 18th, and it turns out that the President signed the
6 extension legislation on that day, and Dr. Margulies congratulated
7 me as having achieved something which he had not been
8 able to do in the preceding months.

9 What he didn't tell me was what it was going to be
10 like having followed that extension of the legislation.

(sic) 11 Nonetheless, starting at that time we engaged in a
12 series of convolutions with the regions which can perhaps
13 best be described as reaction to crises and hectic. You will
14 recall that at that time we had 56 Regional Medical Programs
15 and they were all on a presumably orderly phase-out plan.
16 With the signing of that legislation and with the expectation,
17 now, of funds, fiscal '74 funds becoming available to us since
18 the President signed the legislation, we all tried to reverse
19 ourselves and see just what was needed to get through the
20 summer months and get back into viable programs.

21 Three programs in fact were phased out; two in Ohio,
22 Northeast Ohio and Ohio Regional Medical Program, and the
23 Delaware Valley -- the Delaware program which was in the plan-
24 ning phase.

25 The expected funding for fiscal '74 did not come

1 about immediately as is customary and there were difficult
2 times over the summer, and as Mrs. Silsbee indicated we had
3 to give emergency funds to certain programs just to try to
4 keep some people on a salary basis from week to week. I would
5 indicate that those were difficult times because we were work-
6 ing very closely with Dr. Edwards' office and there were
7 periods of great uncertainty. At times it was indicated that
8 perhaps it would be best to fund regional medical programs on
9 a monthly basis until they could decide what to do with the
10 program, and you can imagine some of the turmoil.

11 Then we graduated from that proposal, not made by
12 us, to a quarterly funding to see how the RMPs were doing and
13 that brought its own set of complications, and somehow we
14 survived over the summer. There were many long distance
15 telephone calls; Mr. Gardell's office of grants management
16 was quietly going crazy with the numbers and the dollars;
17 the communications between downtown and Parklawn Building were
18 frequent and at variance with the preceding conversations, so
19 that we never quite knew where we stood.

20 But at the end of fiscal '73, in June of '73 just
21 before the start of fiscal '74, there was a balance in our
22 program of nearly 7 millions of dollars which, according to
23 the directions of Dr. Edwards, we did finally distribute to
24 regions, so that about midnight of June 30th, in good govern-
25 ment fashion, we distributed to all regions or to most of the

1 regions, I'm sorry, all except four or five, an allocation of
2 nearly 7 millions of dollars.

3 Unfortunately at that time we had been given
4 instructions that this allocation could not be used by the
5 regions, just hand it to them, and after the department
6 decided what the program should be, we would then let the
7 regions spend this money. So we found ourselves in the
8 months of July, August, and September in the peculiar position
9 of having given money to the regions but they couldn't use the
10 money and they were in certain cases borrowing and trying to
11 keep staffs together, and this seemed to be a paradox, but
12 that's what continued on not only through the summer months
13 but all through the fall.

14 But by that time the wheels of government moved,
15 and as Mrs. Silsbee indicated, eventually through a lot of
16 negotiations the department gave us 17 millions of dollars
17 for the first quarter funding -- it came rather late for a
18 first quarter funding, but we were very happy to receive it
19 and distributed those funds to regions which sort of kept them
20 alive up to December 31.

21 Then later in the fall we were successful in prying
22 loose twenty-four additional millions of dollars and that
23 money was designed to keep regions alive from January of '73
24 until last june.

25 You'll recall that there was a government-wide

1 crisis with impoundment of funds, and obviously we were
2 caught very heavily in that, and, so, we had a bank reserve,
3 if you will, of about \$89 millions of fiscal '73 funds and
4 something in the neighborhood of -- I keep getting these
5 figures mixed up, but perhaps -- Jerry, fourteen?

6 How much did we have released, \$19 million?

7 MR. GARDELL: Actually, it was about twenty-five.

8 DR. PAHL: I've never seen so many budget documents
9 in my life, but, anyway, we had fiscal '74 funds in the order
10 of \$25 million which were not available to us and fiscal '73
11 impounded funds of approximately \$89 million, and we had this
12 little \$7 million kitty distributed around which nobody could
13 seem to release, and we were on emergency funding, and that
14 is the set of circumstances under which the regions were oper-
15 ating and, so, when I tell you our problems, I do want to
16 indicate that the regions were having their own.

17 Then things became a little bit clearer and this was
18 because of an activity which the Regional Medical Programs
19 initiated. There was the development of the National Associa-
20 tion of Regional Medical Programs. They became incorporated
21 and they introduced a class action suit against the government
22 to force the government to release the impounded funds. The
23 lawsuit was filed in September and it has been a most interest-
24 ing period since September -- I've never had legal training,
25 but I feel like a half-baked lawyer; I've certainly been

1 involved in the process.

2 There were a number of defendants cited in this
3 lawsuit. That included Secretary Weinberger -- it included
4 the Honorable Secretary Weinberger and the Honorable George
5 Schultz and the Honorable Roy Ashe and Herb Pahl, and I was
6 about to file a grievance action, but I didn't.

7 The lawsuit was entered in September and due process
8 occurred so that we anticipated an action on this by the
9 first week of December. That was something which I found
10 doesn't occur. It's sort of like the present litigation that
11 the country is in. It seems to go on forever, and, actually,
12 today is May 22 and I still don't have the final answer,
13 although the court finally decided on February the 7th to
14 accede to the plaintiff's request to release all funds.

15 So, actually, on February the 7th, a Federal
16 District Court Judge did issue an order which required the
17 release of all impounded funds, \$89 million from fiscal '73
18 as well as the rest of the fiscal '74 funds. So all of the
19 funds from 1973 and 1974 theoretically became available to us.

20 That order also required the Administration to
21 remove the various kinds of restrictions which we had placed
22 on local RMPs from the preceding February, so we had the
23 opportunity to learn how to draft rescinding notices and semi-
24 legalistic documents which basically put the program back
25 into its prephase-out set of circumstances without a number

1 of restrictions that the department had placed upon the
2 programs relative to the funding or how the funds could be
3 used, and so forth.

4 Since February the 7th there has been an interesting
5 series of events which I couldn't possibly go through the
6 chronology without looking at files, but merely to say that
7 the government felt that the amount of money that had been
8 released en toto which would be available for support of RMPs
9 was too much to be used effectively by RMPs and there have
10 been a number of activities, one of which was filing an appeal
11 to the court order by the government and requesting that funds
12 be permitted to be used for some other purposes.

13 This has resulted in a series of negotiations across
14 the table which have not quite been completed and the initial
15 request, which was to use as much as up to \$30 million, has
16 now been whittled down to perhaps \$5 million, and hourly I
17 hope to know how much money you all may be talking about, but
18 I can give you a figure within \$5 million of how much we may
19 have -- the only thing I know is that by June 30th I will have
20 the answer because we have an obligation to distribute some
21 funds.

22 I do want to indicate to you that it has been a
23 very, very complex period through the class action suit. What
24 that suit basically does, though, is it did release the funds.
25 The actual amount available to RMPs -- I will give you in a

1 minute -- is known within 5 millions of dollars at this point
2 and that's pretty good compared to where we started from.

3 The court order also did remove the various kinds of
4 restrictions and it says that RMPs may engage in those kinds
5 of activities in the current set of applications and the forth-
6 coming set of applications to be submitted July 1 which are in
7 accordance, obviously, with the enabling legislation of
8 Regional Medical Programs, Title IX, as well as the Mission
9 Statement that you're all familiar with, as well as whatever
10 Council policy has been, but it does not put restrictions or
11 requirements on the regions to do one thing or another.

12 Therefore, your applications will show a wide
13 spectrum of activities. Some of them will not be as
14 "balanced" as perhaps you might like to see, but there are not
15 requirements on the regions that they engage in emergency
16 medical services or that they have a kidney activity or that
17 they engage in this or that.

18 And this is important, because Mr. Chambliss and I
19 have been trying to operate under what has been not only our
20 interpretation, but with the General Counsel's Office here --
21 and we've formed many close and enduring friendships with a
22 few individuals in that office -- what has been the interpre-
23 tation of the court order.

24 I think that's all I'll say about the litigation.
25 We hope to have an answer shortly, but basically it won't

1 affect your decisions right now because I can give you a
2 rather close figure.

3 And I would like now, therefore, to turn to what
4 kind of funding we are talking about and give you a picture
5 of that.

6 And, Bob, why don't -- Pete, would you want to --
7 what I would like to do is have you look just briefly at the
8 table which we're distributing and which came out of our
9 office of systems management -- that's to show you that it's
10 a viable office -- and this has a good deal of information
11 and I don't want you to get too absorbed in the details
12 because there will be an opportunity for you later to refer to
13 this as you go through individual applications.

14 What we have tried to do here is to give you an
15 over-all picture of the dollar amounts requested by regions
16 and the dollar amounts available.

17 The first column gives the name of the region, just
18 alphabetically.

19 The next column is what their current annualized
20 level is, which represents the six-month funding level of
21 support which was provided in the current award starting
22 January 1, '74, and which we have projected over a twelve-
23 month period. Basically that is their operating level if
24 they had received a full year's award most recently, which
25 they did not. We gave them all six-month awards up through

1 this June 30th, and all this does basically is show you what
2 their yearly operating level is.

3 The second column is targeted available funds and
4 at the bottom of that column are the totals, and you will see
5 that there is a figure of \$114 million. That is the figure
6 which we believe will be available for support of RMP programs
7 totally from the released impounded funds together with the
8 available remaining '74 funds. In other words, we have that
9 much money to support the programs from their current applica-
10 tions together with the applications that they will be sending
11 in July 1 and that you'll be looking at in July. This is our
12 total amount of money left to support RMP programs and this
13 money will be used to support activities through June 30, '75,
14 to support RMPs through June 30, '75.

15 That figure is soft by perhaps \$5 million because
16 the litigation is not yet ended and, if anything, the \$5
17 million will be reduced from that, so you might say we have
18 \$109 to \$114 or \$115 million. Exact figures are not known.
19 But that's pretty close; that's the best I can do for you
20 right now.

21 Let me come back -- well, no. Let me discuss the
22 targeted available funds right now.

23 That column opposite the individual regions reflects
24 the total fiscal 1973 and fiscal 1974 funds which we believe
25 will be available for distribution to the RMPs and was

1 derived by using the same percentage factor as was used in
2 distributing fiscal '74 funds provided in the current budget
3 period.

4 Now, that sentence doesn't mean much to you except
5 to say that when we finally had fiscal '74 funds become avail-
6 able to us over last fall as I indicated to you in those
7 separate allotments, we had, you will recall, no review com-
8 mittee. We had to make a decision as to how to distribute
9 those first and second quarter dollars to regions.

10 What we did was try to find out how much in the pre-
11 phase-out period of the total amount during the fiscal '73
12 prephase-out period each region had received on a percentage
13 basis. So if Region X had received 6.2 percent or 12.1 per-
14 cent of the total prephase-out -- immediately prephase-out
15 dollars, then we took that same percentage and applied it to
16 the fiscal '74 funds that had just become available to us and
17 made that calculation and distributed those dollars to the
18 region. That was the only fair way we could because we had
19 no review committee, we had no applications; all we had
20 received was dollars from the Bureau of the Budget and an
21 immediate order, like, "Why didn't you do it yesterday?" to
22 get the dollars distributed.

23 So we had to do a formula and we, therefore, kept
24 the relative merit of the regions intact by using the same
25 percentage allocation for the fiscal '74 dollars as we had

1 found resulted from thorough reviews in fiscal '73 prior to
2 the phase-out.

3 I hope that makes sense. We used a formula which we
4 felt was fair. This was also checked out with the steering
5 committee of coordinators who felt that it certainly was
6 fair; the Administration felt it was fair; and that's what we
7 did.

8 So those available targeted figures that you see in
9 this column now represent that same percentage for each
10 region applied to what we believe will be the total funds
11 available for distribution, namely, the \$109 or the \$114
12 million. In other words, we are perpetuating in that column,
13 merely as a reference point -- we're perpetuating the relative
14 order of regions that was in effect immediately prior to
15 phase-out.

16 Now, that's sort of a complicated history and if
17 there's a question on that, I'll try to respond to you. If
18 not, let me go on.

19 The next column -- the next three columns are the
20 May 1 requests and the total figure for Alabama requested is
21 seen there in the current application; the next column, the
22 difference, is the difference between the May 1 request by
23 each region and Column C, the targeted available funds, and
24 then that shows the percentage difference. So, for example,
25 Alabama has come in with a request which is 136 percent above

1 the available funds targeted for that region on the basis of
2 the calculation which I've indicated.

3 Now, I want to come back and make sure you do under-
4 stand about targeted available funds when we finish because I
5 don't want any misunderstanding on how that's to confine in
6 any way or restrict in any way your discussions or evaluation
7 of applications -- but we've been working in the transition
8 period and we've had to have some reference points.

9 Then as we go across the page you will see columns
10 which are headed May 1 plus July 1, and you'll see the July
11 estimate. We have asked each region to provide to us what
12 they believe will be their requested amount in their July 1
13 application if, in fact, they intend to submit a July 1
14 application. And as you run down that column, I think you
15 will find six or seven regions where there are zeros which
16 indicates that they only intend to use the current application
17 and do not intend to submit a July 1 application.

18 The next column would be the total of the May 1 and
19 the July 1 application to show what their total program would
20 be -- what their total requested program is through next year.

21 Then the same difference between that total request
22 and Column C, that is, the available funds, and the percentage
23 of that that that difference represents.

24 And then the last column on the right you don't
25 have to do anything with, but we thought you might be

1 interested in that these are the figures for the arthritis
2 applications requested from those regions. These applications
3 in arthritis are not coming to this committee, unless there's
4 some reason that the two committees should confer on something.
5 Those funds have been earmarked and they are above and beyond
6 that \$114 million.

7 So we have 43 applications which will be competing
8 for approximately \$4.2 million and that \$4.2 million is above
9 and beyond that \$114 million or the \$109 million which I've
10 indicated to you is available for support of the regular RMP
11 programs.

12 Now let me come back and mention again about the
13 targeted funds because I think it's very important that you
14 understand how this figure is to be used and how it's not to
15 be used -- how it is not to be used is more important perhaps.
16 It is not to be used as a predetermination on our part here at
17 headquarters that this is what the region deserves.

18 You are free to review the applications and make
19 your recommendations and exercise your judgment as in the past.
20 You have in that second column current level annualized
21 basically what a projected twelve-month funding is under the
22 current operating conditions, which gives you an order of
23 magnitude of how the dollars are flowing around the country
24 currently on a twelve-month basis.

25 The targeted funds are merely a calculation within

1 the office here, knowing that we would have -- I've tried to
2 indicate to you how uncertain the litigation has been. I
3 haven't known within thirty to forty millions of dollars
4 since February how much money I had, and when we had to make
5 some decisions, we had no way of arriving at firm figures, so
6 what we did was make the best estimate possible and this came
7 out to be finally that we think we may have \$114 million
8 available.

9 And on that basis, in order to help guide regions
10 in preparing applications -- because they knew less than we
11 did -- in order to guide regions and give them some benchmark,
12 we decided that we would have about \$115 million available.
13 We applied the percentage figure from the prephase-out
14 relative awards. We applied that figure to what we thought we
15 would have available and notified regions -- for example, to
16 Alabama, just as an example, we would have indicated that they
17 had just perhaps under \$2 million which, if everything had
18 stayed the same as it had been just prior to phase-out, they
19 could sort of expect that that would be their "fair share."

20 Of course, everything hasn't stayed the same. There
21 have been vast changes which are reflected in the applications
22 and in the Staff discussions on these applications it will
23 come to your attention.

24 Some of the regions are being treated unfairly by
25 this targeted column because they were at a certain point in

1 their history either at a very high point or at a very low
2 point when phase-out came -- all 53 regions were not being
3 treated similarly. Consequently, you'll have to take into
4 account that there have been dramatic improvements or perhaps
5 even in the other direction -- although I hope not too fre-
6 quently -- and, thus, these merely represented benchmark
7 figures by us to the regions to say, "Please submit an appli-
8 cation to us, but the sky is not the limit. We think we may
9 have around \$115 million. If so, and if everything existing
10 prephase-out were not changed and we had no review process
11 except a formula, we would probably give you this, but we do
12 expect to have a review committee, we do expect to have a
13 Council, we do expect to have good applications; therefore,
14 all of these factors will be taken into account. But so that
15 you don't submit a \$10 million application, we'll give you
16 something to shoot at, but you're not restricted," and this is
17 not a formula being applied to the regions; it was a guidepost
18 for the regions and a guidepost for us, and you may increase
19 or decrease on the basis of your judgments, exercise of
20 discretion, and specific funding recommendations as in the
21 past.

22 Now, as we go -- well, let me ask: are there -- I
23 don't expect you to particularly look -- well, I should make
24 one or two points.

25 First of all, on July 1, the total at the bottom of

1 the page, we have been told by the regions that we can expect
2 to have about \$42 million come in in requests and those \$42
3 million will come in from perhaps 47 regions. Again, these
4 are estimates. The region may elect not to come in on July 1
5 or if it says now it isn't, it may elect to; it may increase
6 its actual application request or it may decrease it.

7 These are their best estimates made in response to
8 my request for a realistic estimate so we can try to manage it
9 with some degree of orderliness.

10 So we now have before us, if you look at the total
11 line at the very bottom of the page -- what we have before us
12 under column -- the second total, \$114 million, is probably
13 what we will have, although it may be \$109 million, but it's
14 \$109 to \$115 million.

15 The current total request for May 1 applications,
16 that is, the ones that are in hand before us this period,
17 totals the same amount at \$114 million as the total funds
18 that are available for award by both the June and the August
19 Councils, that is, after the next review cycle, too. So, for
20 example, if everything that came in was approved today or
21 this period by both committee and Council, we don't need a
22 July cycle. We could have --

23 MR. CHAMBLISS: It's coincidental.

24 DR. PAHL: It's coincidental -- I'm going to get to
25 that in a moment.

1 And this figure is just coincidental, yes.

2 If you now go over under the July 1 total, you'll
3 see that the regions have indicated about \$42 million from 47
4 regions will be coming to this committee in July and in
5 August Council meeting. The total coming in, therefore, for
6 May 1 and July is approximately \$157 million in requests
7 against about \$110, \$115 million available funds. That's the
8 framework in which you, Staff, and Council are operating in
9 the real world.

10 Now, this is not vastly different than it would have
11 been had we had seventeen or eighteen applications in three
12 review committees and three Councils, because requests always
13 total more than available funds. But I do bring it to your
14 attention because we have an unusual opportunity this period
15 to look at the entire program of all 53 regions knowing
16 therefor that we have something in the neighborhood of \$45
17 million plus or minus \$3 million more in requested sum between
18 now and the July 1 applications than we have available funds
19 to support, and in knowing this, therefore, you must recognize
20 that you shall have to exercise the same kind of judgments and
21 discretion as you have in the past, namely, look at the
22 programs, look at the priorities, look at the goals and objec-
23 tives, look at the capability of the staffs, look at the RAG
24 involvement, see whether it's a cohesive and coherent program,
25 look at the feasibility of the activities, et cetera.

1 And for this purpose Mrs. Silsbee and Staff have
2 outlined for you in the materials that went out to you and are
3 in the front of your blue book those criteria and factors
4 which should be forming the basis of your judgment as in the
5 past.

6 Again, we're in a program review; we're not going to
7 duplicate local technical review which is done in the regions,
8 as you know. We are not trying to have you exercise the same
9 degree of sensitivity to all the problems as you did in the
10 past because we know that you have not been visiting regions
11 and, to a large measure, our Staff has not either. We know
12 that we have inadequate information relative to the way we
13 used to have it, but, yet, we do have the job to do.

14 So within the framework of where we have to work, we
15 believe the Staff has done a very thorough job and will be
16 able to fill you in and answer questions. They will be able
17 to highlight key issues, sensitive areas or something of this
18 nature, but you do only have a limited amount of time per
19 application, so we ask you to focus on those issues which are
20 really key.

21 And in that connection I would like to point out
22 that because you have not been meeting with us and because so
23 much has happened in other areas, such as emergency medical
24 services legislation, PSRO, HMO, and kidney, that the Staff
25 has been instructed -- and I'm sure you'll find this on

1 occasion from both Mr. Peterson and Mr. Chambliss -- that if
2 in your individual discussions of applications you come to an
3 issue as to whether this is within policy framework of RMP to
4 support something like this, the two chairmen have been
5 instructed, if you will, to request you to do the following:
6 if you cannot come to a decision, we will highlight that and
7 try to just have the National Advisory Council and ourselves
8 make the decision; if the information is inadequate to make a
9 decision about a policy issue at that point, let's not try to
10 take the entire forty minutes to wrangle over something that
11 none of us around here can do.

12 Most of the time the Staff will have sufficient
13 information to tell you whether that project is within our
14 guidelines, and we've tried to point out to our Staff where
15 there are issues, and I believe that everyone is rather well
16 prepared.

17 To our knowledge, there will be relatively few such
18 kinds of issues come to our attention. So if you think, for
19 example, that the emergency medical services project submitted
20 by Region X really belongs over in emergency medical services'
21 program in the Health Services Administration, be assured that
22 we as Staff have already sat with the Director and the Deputy
23 Director of that program, that we will be doing so after com-
24 mittee and before Council, and to our knowledge what we're
25 bringing to you in that area is legitimate for you to consider

1 and, therefore, we shouldn't even really try to resolve such
2 issues here.

3 The same thing with the PSRO. We're not permitted
4 to provide out-and-out support for PSRO. If in your opinion
5 the information in the application indicates that that's what
6 that project is, then it's legitimate on policy grounds to
7 say, "No," and move ahead. If you can't tell from the appli-
8 cation, then a recommendation by committee that would be
9 appropriate would be, "If it's within policy for RMP to
10 support this particular activity, we think it fits in with the
11 goals and priorities and capability of the local Regional
12 Medical Program," and leave it to us between now and Council
13 and with Council and with the other program to make that
14 determination, because we've all been operating under very
15 heavy time pressure with inadequate firsthand information
16 about the regions, mostly just with papers, precious few site
17 visits, and we just can't have the same amount of information
18 that you and we have had in the past.

19 So I think we can move ahead in that framework
20 without undercutting in any way the quality of your review,
21 but it may give us a few more things to do after committee to
22 work with the Administration and Council.

23 Now, that's the best we can do, and I don't think
24 those will be too numerous.

25 Mr. Chambliss and Mr. Peterson will be meeting with

1 you in your separate panels when we do reconvene, and they
2 will be going over a number of specific items relative to the
3 review and, again, will be emphasizing what Mr. Rubel said,
4 the need to highlight critical comments by CHPs and to try to
5 come to some recommendation on those, if appropriate; the
6 questions of funding EMS, kidney activities, and so forth.

7 Please be assured that our Staff is aware and
8 heavily involved with what is going on in the other areas that
9 I've alluded to. So, for example, we're very familiar and
10 working very closely with Dr. Goodman and the whole new kidney
11 network program which is in the Health Services Administration.
12 We've been working with him for months and, so, when you see
13 kidney diolysis and kidney transplantation activities in these
14 projects, you may exercise your judgment and discretion in the
15 same fashion as you always have, and as there are any policy
16 questions between our activities and the program that is being
17 started by the Health Services Administration for a national
18 network, we're all involved and will be taking care of these
19 policy issues, so don't try to get tied up in whether it's
20 appropriate for us to do this or that.

21 We'll be facing these over the coming weeks and in
22 most cases they are not issues because we've already been able
23 to talk with them prior to this meeting.

24 If you'll give me just five more minutes, I think I
25 won't have to reconvene as a total group.

1 First of all, conflict of interest and confiden-
2 tiality. I don't think it's necessary to say this, but you
3 have in your book the usual statement, and I do wish to make
4 it a matter of public record that not this session, but
5 during the closed portion of the meeting when grant applica-
6 tions are being reviewed, it is important that all proceed-
7 ings be treated confidentially, as well as the papers you're
8 handling.

9 We also ask you to leave the room should there be a
10 known conflict of interest either because of geography or
11 something that you, yourself, know.

12 The second point has to do with our Council. Our
13 National Advisory Council -- which I am sorry I did fail to
14 mention as we were running down this list of items -- has
15 been gradually depleted over the months and this has been a
16 source of great frustration because fewer and fewer members
17 have had to do the work of the Council.

18 We met with them several times from last summer on
19 and have tried to work effectively with them, and I believe
20 we've gotten some very helpful support and advice from them,
21 but at best it has been difficult because the number has
22 gotten down to seven Council members, and the department,
23 upon repeated requests from us, has not seen fit to augment
24 that Council.

25 As a result of a great activity on the part of a

1 large number of people, both inside and outside, I'm happy to
2 report to you that within the last few weeks the Secretary has
3 seen fit to augment the Council. Letters of invitation have
4 been sent, and I believe in your folders there is -- or, if
5 not, we will give you a list of the current Council, and we're
6 very happy with the composition because there are many -- I
7 think thirteen letters of invitation were sent out, twelve
8 were accepted, and many of the people have close past
9 alliances, understanding, and involvement with RMP, so there
10 are relatively few individuals on the Council now who are
11 completely unfamiliar with RMP, and we feel, therefore, we'll
12 be able to work very effectively with them this June and this
13 August.

14 We are planning to have an orientation meeting for
15 Council members, I believe at the end of this month, at which
16 we'll try to bring them up to date so that when they do come
17 to the June Council meeting following this meeting they will
18 have an understanding of the issues and concerns and be able
19 to interact and advise in a more intelligent fashion.

20 We have some additional committee members that I'm
21 happy to see have been able to make it with us this morning.
22 Mr. Toomey is with us here. We're glad to have you.

23 Dr. Thompson is here -- and did Dr. Thurman come in?
24 Yes. Dr. Thurman.

25 How are you? We're glad to have you here and work

1 with us.

2 I think we have Dr. Scherlis --

3 A VOICE: He's not here yet.

4 DR. PAHL: He is perhaps still to arrive.

5 Otherwise, we're complete.

6 Two additional visitors have come to participate
7 not only with us this morning but in the closed panel
8 sessions and should feel free to participate as appropriate.

9 Mr. Smith, who is from Regional Office 3 in
10 Philadelphia, and Mr. Wiley from the Atlanta Regional Office--
11 5? I'm sorry. Regional Office 5 -- I'm sorry, I had it down
12 as 3 -- and they'll be interacting with you on some of the
13 applications.

14 Before we break there are just one or two more
15 short issues. One has to do with the fact that I'd like to
16 confirm with you that there is the July 17th and 18th meeting
17 scheduled, and we realize the difficulty this places on you
18 and just assure you that it places the same difficulties on
19 Staff, and we hope, to the extent possible, that you will be
20 able to make this, and should you not be able -- and that is
21 not an invitation -- but should you not be able, please
22 advise us ahead of time because it is in fact going to be a
23 rather large review with a majority of applications and,
24 again, many requests, and we have assured the coordinators
25 over and over again that this is a bona fide review.

1 For example, I have allocated funds last March so
2 that there will be funds available without question following
3 the August Council. We do not intend to spend all the funds
4 after June Council should your recommendations be even to
5 fund everything today, because we have assured them that when
6 they come in July 1, both the review and the funding dollars
7 will be there.

8 In terms of just other matters, I wanted to make
9 sure in reference to Mr. Rubel's discussion about the forth-
10 coming legislation and the number of bills that are there --
11 I know that a number of you have been following rather closely
12 perhaps this rather complex set of bills on health resources
13 planning and others of you have not. It is very difficult to
14 keep up as to the differences in what these may mean, and
15 Miss Morrill -- Marge, why don't you raise your hand and show
16 them what you have? -- she has prepared -- let me just use the
17 microphone -- she has prepared sort of an abstract of the key
18 features of the various bills both Administration and Con-
19 gressional now being discussed relative to the health
20 resources planning.

21 Because it is bulky and because some of you, frankly,
22 have enough to do without wading through all the things which
23 may happen and would prefer to wait, we decided not to over-
24 burden our Xerox facilities and Staff and automatically
25 distribute these. We thought we would leave a set over here

1 on the table where you registered, together with a sheet, and
2 if you would like to have a copy, we'd be glad to have you
3 sign up your name and we'll have a copy either at the meeting
4 for you or mail it to you -- but many people, frankly, don't
5 need to keep up with all the vagaries of Congress and the
6 Administration -- so to the extent that you find it -- this is
7 an important kind of activity for Mr. Rubel and Pete's office
8 and Miss Morrill, but it is, frankly, most difficult to find
9 just what is actually going to happen and what is proposed.

10 Now, I believe, if there are no further matters,
11 Bob, from you, I'd like to -- are there? -- well, first, I was
12 going to ask if there are any questions or comments from the
13 public? This will conclude the open portion of the meeting --

14 Let me, if I might, Dr. Vaun, come back in just a
15 moment, because I want to make sure -- I think some of the
16 public members may have to leave.

17 Let me just ask if there are any comments or state-
18 ments to be made by anyone who is here from the public?

19 (No response.)

20 DR. PAHL: If not, then I'd like to ask Dr. Vaun
21 and other members of the committee to either comment or make
22 a statement or have us clarify on any of the matters raised
23 or overlooked during this morning's proceedings.

24 DR. VAUN: Just as the regions' request came very
25 close to the money that was available by coincidence, for the

1 record, I'd like it to be known that we did not see this in
2 the event that our recommended reduction coincidentally
3 happens to jibe with their overage.

4 DR. PAHL: Absolutely.

5 We have been amazed by the number of coincidences
6 in this program throughout, so nothing surprises us, but we
7 feel we have to give you the framework in which you're work-
8 ing.

9 Now, on procedure, I think if we could now break
10 and reconvene at 11 o'clock or no later than 11:05 -- if
11 necessary, bring your coffee back. We'll rearrange the room
12 and then you can have Panel "A" and Panel "B" and we can get
13 down to the business at hand.

14 Thank you very much.

15 (Whereupon, at 10:40 a.m., a brief recess was taken.)
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