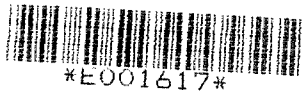
E001617

McLaughlin
CR2219

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PUBLIC HEALTH SERVICE

HEALTH RESOURCES ADMINISTRATION

ROCKVILLE, MARYLAND

- - -

Thirtieth Meeting of the

NATIONAL ADVISORY COUNCIL ON REGIONAL MEDICAL PROGRAMS

- - -

Conference Room G
Parklawn Building
Rockville, Maryland
Tuesday, July 17, 1973

The meeting was convened at 9:07 a.m., Dr. H. B. Pahl, Acting Director, Regional Medical Program Service, presiding.

COUNCIL MEMBERS PRESENT:

Mrs. Audrey M. Mars
Dr. George E. Schreiner
Mr. Edwin C. Hiroto
Dr. Paul Haber (for Dr. Marc J. Musser)
Dr. John P. Merrill
Dr. Alton Ochsner
Dr. Alexander M. McPhedran
Mrs. Mariel S. Morgan
Dr. Russell B. Roth
Dr. Benjamin W. Watkins
Mr. Sewall O. Milliken

ALSO PRESENT:

Dr. Robert van Hoek
Dr. Robert Laur
Mr. Robert Chambliss
Dr. Paul Teschan

(cont'd)

ALSO PRESENT (continued):

Dr. Harold Margulies
Mrs. Judith Silsbee
Mr. Jerry Gardell
Mr. Van Nostrand
Mr. Kenneth Baum

-- and others

C O N T E N T S

P R O C E E D I N G S

DR. PAHL: The meeting will now come to order. I have been waiting a few minutes because we do expect to have Dr. Roth here. Dr. Margulies, although not officially connected with the program, is on his way, and I'm sure you wish to see him. And we also expect to have Dr. Merrill appear a little bit later this morning en route from out of town.

Before getting into our agenda, I would like to welcome each of you personally and officially back to the council table, a circumstance which perhaps some of us did not expect to see happen at least during a portion of the year.

We are very glad to have the opportunity to meet with you particularly during what I am sure is a very busy summer period for all of us, and we feel fortunate that you have been able to arrange your schedules to be with us.

We have a rather full day, and the staff has worked very hard in preparation for the Council, and so, with your permission, I will move along and try to indicate to you, after we get through some of the general announcements, what the plan of the day is and what we hope to accomplish.

We did indicate that we would like to have you feel free to depart early afternoon, but, of course, if the

discussion continues on, we would be very pleased to stay as long as you feel it is important to our mutual understanding of the matters at hand.

Now, first, I would like to welcome Dr. Paul Haber, whom I also haven't met but who is sitting in for Dr. Musser from the Veterans Administration. We are pleased to have you here, Dr. Haber.

In terms of our general announcements, in the folders under the tab "Agenda Materials" and behind the seating chart there is the usual statement on conflict of interest and the confidentiality of meetings. I believe these have been with us in each of our Council meetings. Thus, it is not important to go over them. And, of course, all of our Council meetings, including this one, are open meetings.

Dr. Roth, welcome back to the council table.

DR. ROTH: Thank you.

DR. PAHL: I would like to indicate that Mr. Ogden is unable to attend the meeting this time and sends his regrets and looks forward to working with the staff and the Council in coming months.

Dr. Cannon also is unable to attend, although we had a very long conversation by telephone concerning some of the matters at hand, and he indicated he would be perhaps in touch with some of you conveying his thoughts about items

which undoubtedly would be coming up for attention, and we will be glad to have those comments at the appropriate time.

I did intend to make some introductions, but perhaps we will have to hold those off until the parties appear. But let me indicate whom we do expect to have presenting items to you today, and, undoubtedly, they will be here later this morning.

Dr. Robert Laur will be speaking with us somewhere about 11:30, quarter of 12. Dr. Laur is the Acting Administrator of the new Health Resources Administration and is very active and has been active, of course, in that capacity in the Regional Medical Programs issues and concerns over recent months.

And timing couldn't be better. Dr. Robert van Hoek will be meeting with us for I hope as much as possible during the course of the meeting and at least after coffee will have a few remarks to make. Dr. van Hoek is not only the Program Director of the National Center for Health Services Research and Development and has met with the Council before and presented items of interest, but also is the Acting Director of the new Bureau of Health Services Research and Evaluation which has been developed within this new organization, and we will be having more to say to you about that in a few minutes.

We may have some guests from downtown.

But you will also recognize familiar faces around the wall. And, of course, the other person I would like to specifically mention is Dr. Paul Teschan as the Chairman of the Coordinators' National Steering Committee and Program Director of the Tennessee Mid-South Regional Medical Program, who also will have to be departing early but would like to have an opportunity to present a few comments to you from the Coordinators' point of view, and we will make opportunity for that presentation.

And the "strange face" sitting next to Paul is one that you recognize full well (indicating Dr. Margulies). I must say it feels very strange sitting here and having him sitting there. (Laughter)

I will have more to say about this as we go along.

Concerning some housekeeping details, some of us will have our first cup of coffee, and some the second cup, about 10:15. We had scheduled the lunchtime break at approximately 12:30, but, of course, that is subject to how you feel the day is moving along.

And Mrs. Handal in the yellow outfit will be very interested in helping you with plane reservations and any changes that you would like to make.

This is an open meeting. We have members of the public who are at the appropriate point in the agenda welcome

to make comments and observations.

If any member of the public does wish to address the Council, we would appreciate it if he would identify himself or herself as to name, organization, and the group he represents if other than himself.

Now, the plan of the day sounds a little formal, but, in fact, as you know, we have not met since the first week of February, and at least here in Rockville much has been going on, and we would like to take this opportunity primarily to bring you up to date as to what has been happening from our point of view, and through the Steering Committee chairman we will have what has been happening in the Regional Medical Programs from their point of view.

Thus, I will have a somewhat brief report to give to you, pointing out certain highlights of activities that we have been engaged in and some matters that we will be discussing over the day, and following that there will be a report by Mr. Lyman Van Nostrand who is the Chief of our Planning Branch of the Office of Planning and Evaluation, who will give an overview of the rather complicated budget and legislative chronology, which will bring you up to date as to where we are and how we got here.

Following this -- and there are items in the agenda book which will be identified for you by the individual

speakers -- we will then have a presentation of the overview of the phaseout, and Mr. Chambliss and Mrs. Silsbee will describe what we did, how we went about it, what we see the impact to have been.

Then we will have something concerning the financial aspects, which are rather important, and Mr. Gardell, who deserves some kind of medal yet unstruck by the Government for call beyond duty this year, will present to you the overview of what our financial affairs are. Mr. Chambliss will then wind up on a programmatic note giving you some indication of where the regions are in terms of activities tjat are now going on.

We are certainly far from on our knees. We have been stumbling a bit but I don't believe that we are beyond repair. And I believe Mr. Chambliss will indicate that to you in his report.

We do have today two formal actions that we would like to have you consider and take action on, and these will be the subject of handouts. They represent delegations of authority which will become clear to you as to why we need these delegations of authority in order to manage our affairs during this still somewhat difficult transition period.

Then, if we can accomplish most of this by 10:15 to 10:30, we will have presentations by Dr. Laur,

Dr. van Hoek, Dr. Teschan, and we may have to rearrange the order in order to accommodate schedules.

And then, most importantly, both before and after lunch or over the lunch period, depending upon your pleasure, we need to discuss very important issues as to where we go from here, the kinds of programmatic options which are under consideration, and some of the review process and procedures which we are facing and on which we need your guidance and assistance.

So really the first half of the morning, if you will, is devoted to historical presentations, what happened and how we got here, and then we move into where we go from here.

As I say, we sorely need your good advice, counsel and participation in coming months.

That is our overall plan for the day, and you will be hearing from a number of our staff members.

Since Dr. Merrill is not here, let us omit the consideration of future meeting dates, but I will indicate to you we are looking toward a two-day Council meeting the last week of November after Thanksgiving, but I believe it would be better if we held off the actual decision on that until Dr. Merrill is able to arrive.

So if we may turn to a consideration of the minutes of the last meeting of the Council, February 7th, I

would ask the Council if there are any corrections to be made in the minutes. And if not, I will receive a motion for approval of the minutes.

DR. McPHEDRAN: I move they be approved.

MRS. MARS: Second.

DR. PAHL: It has been moved and seconded to approve the minutes of the February 7th Council meeting. All in favor say "aye."

(Chorus of "ayes.")

So moved.

I would like now to turn to my report, which I do intend to make fairly brief. We are all on a little bit of a time schedule this morning, and that includes the chairman, and I will try to observe that.

The most important and singular event which has occurred since we last meet as a Council and staff has, of course, been the departure of Dr. Margulies from the leadership of the program. And I must say again that I find it quite strange to be sitting here with Dr. Margulies on the sidelines. But I am glad even with the press of duties he is able to meet with us today, and I hope he will be able to meet with us in the future, since we again need his outlook, information and guidance.

I would like to say that from my point of view it often happens -- and I think this is a case in point --

that people who have served the Government very well in a capacity of major responsibility for one reason or another, through reassignment, reappointment to positions of major responsibility, seem to drift off from the program and it is never quite recognized.

And I would like to take this opportunity I think to make it a part of our formal record that we note that this is an important event in the life of the Regional Medical Programs and that Dr. Margulies served the program not only as the Acting Director from March of 1970 to December of 1970 but also, as you know, gave strong leadership as the Director from December of 1970 through June 17th of 1973.

There is nothing magic about June 17th except I became the Acting Director on June 18th, which happens to be the day the President signed the one-year extension, so I believe I revitalized the program, not Dr. Margulies. (Laughter)

I know Dr. Margulies is generally uncomfortable about being on the receiving end of statements, but again the staff, because it has been summer and we have been very busy in our own respective responsibilities, have not had occasion to get together, and I believe this is an appropriate point to read a statement into the record, a brief statement, which perhaps, I trust, expresses some of

the feelings that the staff have concerning Dr. Margulies' leadership over these years.

And so, with your permission, I will read the brief statement.

"On behalf of all of the staff of the Regional Medical Program Service, both those who are with us this morning and those who are absent or who have departed from the program, I want to take this opportunity publicly to express to you, Harold, our congratulations and very best wishes as you assume your new duties as Associate Administrator for the Office of Planning, Evaluation and Legislation in the Health Resources Administration.

"More importantly, however, I want particularly to express our awareness and deep appreciation for your having set a high standard of excellence in which we have taken great pride throughout your several years as the Director of the Program.

"We note here for all to witness, particularly in these troubled days of our country, the strength you have afforded to all because of your personal integrity and your selfless dedication to the highest principles of public interest and to working in the public interest though at times this has been at personal cost.

"As your staff we have benefited too from your belief in the worth of each person as an individual and the

need to work for the betterment of that person, and nowhere is this better exemplified than in your personal and official commitment to the principle and program of providing equal opportunity both within the Regional Medical Program Service and the Regional Medical Programs for all persons regardless of race, sex, or other circumstances which may compromise such opportunity.

"Harold, it has been a rewarding experience for each of us to have worked together with you in the Regional Medical Program Service toward a worthwhile goal, improving the health of all of our people. We wish you our best in your new endeavors."

(Applause)

DR. McPHEDRAN: Dr. Paul, may I add something to that?

DR. PAHL: Dr. McPhedran.

DR. McPHEDRAN: I want to add my thanks, Harold. You have been a great help in our search for ways to insure quality medical care for everyone. It has been a pleasure for the same reasons given by Herbert Pahl. I have appreciated your literate speaking and writing, but, more than that, your friendliness and consideration for others which informs all of your work.

I am pleased to learn that you will continue in that same kind of effort.

DR. PAHL: Thank you, Dr. McPhedran. And I know I speak for all the members of the Council in having these statements recorded in the official record of this Council meeting.

You didn't expect this, I know, and so you may now leave for vacation -- or I guess it's tomorrow you leave for vacation. (Laughter)

Turning back to our report, which seems a little less of interest to me right at the moment, but, nonetheless, let me pursue the agenda I set for myself.

I would like to indicate, first of all, what is the status of our Council. Unfortunately, I have to relate that Dr. Gerhard Meyer has resigned, with his regrets, by letter, most recently, as a result of the press of business, and so I believe this leaves us, Ken, with seven or eight --

MR. BAUM: It leaves us I think with seven vacancies.

DR. PAHL: Seven Council vacancies. Of course, nominations had been in for the Council this past spring, and all of that was held in abeyance because of the proposed termination of the program.

So we do hope to have our Council up to full strength in coming months, but I also have to indicate to you that five of those sitting around the table have terms

expiring this November 30th, and we will be most fortunate indeed if we can arrange matters to have all of you with us beyond that point in time, and we will be working toward that end with your permission.

Our Review Committee, as the next topic, no longer exists. As you may know, there is a general interest within the Government, and certainly within DHEW, to reduce the number of advisory groups to the extent that the Government's business may still be conducted without undue detriment.

In addition to that, with the phaseout of the program, we had no choice but to have the Review Committee as an established committee submitted to the Department for termination June 30th. And with the efficiency which the Department does sometimes show, these papers were processed somewhat prior to June 18th, and so we find ourselves at this point in time with no Review Committee.

To reestablish a Review Committee represents a certain lag in time due to procedures one must go through, so as a Council and staff we stand together and alone, and this will have a bearing on some of the matters that we discuss this afternoon concerning how we conduct our affairs over coming months, because our primary responsibility, of course, is to not only support but revitalize the regions, and we must do this under somewhat strained circumstances.

I would like to indicate for those of you who are not aware that the chairman of our former Review Committee, Dr. Schmidt, is now the Commissioner of Food and Drug Administration, so we do have the opportunity to pass in the halls and on the elevator, but we don't see him in connection with Regional Medical Programs business.

Now I would like to turn to a brief review of the various organizational changes that have taken place since we met. We have these in your folder, but I would ask you not particularly to turn to them since we have vu-graphs. But under "Organizational Charts" you will be able at your leisure to study what all these new boxes are.

But I would like, if I might at this point, to run through rather quickly for you with vu-graphs these changes, and we will hope that this shows what the new structure of the health part of the Department looks like.

(Slide)

I hope all of you can see this. Can you hear me?

The organization of the health agencies is, of course, under the Secretary of HEW, Mr. Caspar Weinberger, and Under Secretary Frank Carlucci. The Assistant Secretary for Health is Dr. Charles Edwards.

Under Dr. Edwards there is the National Institutes of Health under Dr. Stone, the Center for Disease Control under Dr. Sencer, Food and Drug Administration under our

former chairman of the Review Committee, Dr. Schmidt, the Health Services Administration under Mr. Harold Buzzell, and the Health Resources Administration, the administration that we are located with, under Dr. Robert Laur who will be addressing us later this morning.

The Health Services and Mental Health Administration under Dr. Verne Wilson, therefore, has been broken into three units, the Center for Disease Control, the Health Services Administration, and the Health Resources Administration.

In addition to that, the Bureau of Health Manpower Education and certain other activities have been brought into one or another of these units.

This now constitutes the set of agencies and responsibilities that Dr. Edwards has.

May I have the next vu-graph?

(Slide)

Now, turning to Dr. Edwards' office, the Deputy Assistant Secretary is Dr. Henry Simmons, and, of course, the Executive Office is under Rupert Moure.

Health Planning and Program Evaluation is under Beverlee Myers, who was with Dr. Wilson in HSMHA.

Program Operations, Lionel Bernstein.

Policy Analysis and Research, Daniel Zwick.

Regional Operations, Mr. Kelso.

Administrative Management under John Droke.

Beverlee Myers, having been in HSMHA and worked very closely with RMPS in past years, of course, understands the program and I think will be a wonderful liaison to have in this new position.

The next chart, please.

(Slide)

Now, turning to the Health Services Administration, the Administrator is Mr. Harold Buzzell, and there is a Program Planning, Evaluation and Legislation Office and Administrative Management. But the programmatic areas are the Indian Health Service, the Federal Health Programs Service, the Bureau of Community Health Services under Dr. Paul Batalden, and the Bureau of Quality Assurance under Mike Goran, which includes the PSRO, Utilization Review, Medical Review, and Independent Professional Review.

Again, these charts are in your book. It is a lot of information and new titles. You can study them at your leisure.

The next chart, please.

(Slide)

We now turn to the organization where we are located, the Health Resources Administration. These are all acting appointments at the moment. The Acting Ad-

Administrator is Dr. Robert Laur.

Public Affairs, Mr. Lebow.

Planning, Evaluation and Legislation, Dr. Margulies.

Administrative Management, Mr. Parks.

Programatically, the Administration has been constructed along the lines of three major bureaus. The one bureau, the National Center for Health Statistics, under Dr. Perrin, has a major responsibility for aggregating all of those kinds of functions in which generalized information and statistics are sought from various programs.

So it does include the National Center and also the Bureau of Health Manpower Education's Medical Intelligence Division -- is that it, Harold? --

DR. MARGULIES: Yes.

DR. PAHL: -- and other units. And this also has the Federal, State, local cooperative health data system.

The Bureau that we are located in is the Bureau of Health Services Research and Evaluation under Dr. van Hoek, and later this morning he will perhaps have a few words to say about the proposed organization of this. But it does consist of Dr. van Hoek's current program responsibility, the National Center for Health Services

Research and Development, together with the Emergency Medical Services activities of what was HSMHA, and the Regional Medical Program Service.

I will say more of this in just a moment.

But to give you the third bureau, it is the Bureau of Health Resources Development under Dr. Ken Endicott of the Bureau of Health Manpower Education and consists of the Bureau of Health Manpower Education under Dr. Peter Eichman, Comprehensive Health Planning Service under Mr. Robert Janes, and the Health Care Facilities Service under Dr. Harald Graning.

All of the bureaus are currently organizing themselves and will be submitting proposed plans of organization over the course of the summer, and again Dr. van Hoek perhaps will be interested in giving you a timetable for this.

I think the point is that we are in the bureau which includes both the Emergency Medical Service system and the R & D activities.

I made a note for myself that it's interesting to me that within the six-month period -- and I hope this is not a prognosis by any means -- that we have had at the Administrator level of the agency in which I find at least myself working Drs. Wilson, Sencer, Mr. Buzzell, and Dr. Laur. And so if sometimes the policies from Washington seem

to be changing and directions move a little differently, you will see that this rapid turnover of top management undoubtedly is partly responsible, and we continue to suffer to a certain extent certainly within the health area in the fact that certain key positions are not filled at all and certain major positions turn over rather frequently.

We do not at the moment have a full-time permanent Administrator of the Health Resources Administration, but this is probably true across Government from what I can understand, but it does make a difference in how well we can act.

Now I would like to turn to the staffing of our own Regional Medical Program Service --

(Slide)

-- and indicate to you where we are, where we were before we engaged in the phaseout process which applied to the Regional Medical Program Service itself, of course, not just to the Regional Medical Programs.

And without trying to make too much of the numbers, we have looked at the professional people on board in January -- at January 1 -- and at July 1 and our clerical and supporting staff January 1 and July 1 by office.

First of all, the totals. We did have 234 people in January. We are now down to 128 people.

We had 125 professionals. We are down to 84.

We had 109 supporting personnel, and we are down to 44.

This should indicate that we have been going through the same kind of personnel loss that the Regional Medical Programs have.

There has been within the Government a RIF, a reduction in force program, which has a planned program for us for a reduced number by September 30 and March 31, so that if the personnel continue to depart -- which we believe is no longer necessary with the extension of the program -- we would have been down to perhaps 70 people by September 30 and 30 people by March 31 and 9 people by the end of the year.

I would like to take just one moment and publicly again thank-- The staff knows full well what has happened here in recent months. But Mr. Charles Hilsenroth, who has been our Assistant Administrator or Director for the Administrative Management and Services of the Regional Medical Programs, has done an outstanding job.

I think only those of you who have worked in the public service know how difficult it is sometimes to rearrange transfers of personnel and to locate opportunities for personnel as they move out of a program into other areas, and without question Mr. Hilsenroth, who retired last

month, has done an outstanding job in relocating our personnel, the kind that you see have been lost from each and every office.

I think due recognition of this was made, but it should be also a matter of record here.

Now, the numbers themselves, either in the professional category or the clerical category, don't really indicate what has happened. As you know from being with many organizations yourselves, it is who leaves, the timing, and, of course, the morale problem. And so we find at the moment that we have key people in each office who have left.

And it would be somewhat I guess not necessary really for me to indicate to you, but the fact that Dr. Hinman is sitting over there, the fact that Dr. Margulies is sitting there, the fact that we have people from the Office of Planning and Evaluation, Systems Management, this office is leaderless (indicating Office of Communications and Public Information)-- And we can go down and down.

So we have been working against a difficult set of circumstances and continue to do so. We are trying to stabilize and move ahead. And to the extent that the Agency is reorganized and the Bureau is reorganizing this has posed or superimposed a set of problems which we continue to deal with.

I would like to turn to the other topic of the overall picture of our budget.

(Slide)

This chart is in the book. I won't spend too much time on it. The original budget request for fiscal 1973 was $131 million. The amount in the appropriation bills for 1973, which was vetoed, is $164 million.

We roughly spent $59 million in 1973, and Mr. Gardell again will receive a commendation because out of that we ended up with a balance of $2,449, which is again an unusual circumstance particularly with the ways in which the program has been going recently.

The authorization for fiscal 1974 is $159.6 million, and the continuing resolution under which we operate at the present time for fiscal 1974-- We might as well indicate it's either $60 or $81 million, and it's an academic point at this time because of matters which have moved the whole process somewhat further along.

I think that's all we need from the vu-graph.

Now, I'm taking more time than I should, and I know the staff is nervous. On the other hand, I think it's important that you realize some of the positions that we have been in.

I would like to terminate my portion of this presentation and then turn it over to Mr. Van Nostrand to

go over the budget and legislative overview by saying that the WASHINGTON POST today -- they must have been psychic -- recognized the position that the Regional Medical Programs have been in. And I'm very happy to say that those of you who got up early enough and got past the front page and that rather startling series of things may have gotten to see on the comic page where Charles Schulz finally recognized the Regional Medical Program Service's problems and expressed the philosophy perhaps that the staff has had to adopt over recent months.

It's a four-picture comic strip, and Peanuts is saying, with his face in his hands, "I used to try to take each day as it came -- you know, live one day at a time. My philosophy has changed. I'm down to half a day at a time." (Laughter)

I'd like to indicate I think we're out of a half a day at a time and we're back at least to the one day. And I think with this Council meeting we're beginning to look at weekly, monthly, and possibly even the full fiscal year.

With that I'd like to have Lyman come and address you on the budget and legislative chronology.

MR. VAN NOSTRAND: As Dr. Pahl has said, you could call this year almost the fall and rise of RMP, although the novel isn't quite finished yet.

It really started back in 1972, the Presidential budget for FY 73. The figure that was proposed was $130.3 million. During the appropriations process, the bills that came through were quite a bit higher across the board, not only for RMP but for all of HEW.

In the case of RMP, the figure that they came up with was $164.5 million, which was some $34 million over the President's budget.

Because both the HEW appropriation packages were so high, the President vetoed both of those.

This forced us to go into the situation of a continuing resolution. The figure that was picked for this was the lower of the House and the Senate appropriations. Since the House figure was $150 million, that was the figure that became our sort of current rate.

In January 1973 the President released the FY 74 budget, and this was, of course, where they made the major decision to propose termination of RMP in FY 74. At the same time they put in an amended 1973 level budget which was for the amount of $55.4 million.

When they proposed the termination of RMP, they gave what they considered a rationale behind this. They said that the program had been going for eight years, had spent about $500 million. They felt the program had never really established a clear focus for itself. It had been

part of the time on heart disease, cancer and stroke, moved into comprehensive care delivery systems.

Another problem they found with the program was that they felt too much money was being spent on the core staffs. Over the past few years this has averaged about 40 percent, and there was some problem with this.

There was some feeling that too many funds had been going into training and continuing education, with the belief that this kind of thing could have been picked up by physicians, nurses on their own, on their own salaries, hospital costs, and so forth.

And there was some dispute too in terms of: Had RMP really gotten the latest advances out into the system? There was some question about this. Could it really be proved?

An additional rationale was that there were a number of new health programs that had come along that could pick up some of the functions RMP had in the past. The idea was that planning functions could be done by the Comprehensive Health Planning agencies, that the Professional Standards Review Organizations could pick up on the quality of care aspects of health care. NIH was doing more in the way of heart disease and cancer control programs and that they could pick up some of the things that RMP had been doing.

And also that probably another very big piece, with the passage of the social security amendments last year that included reimbursement for kidney disease-- The idea was that with Medicare paying for kidney disease, a lot of the work RMP had been doing in this area probably wouldn't have to be continued.

On March 8th, the first evidence of some congressional opposition to this proposal was evidenced when Senator Kennedy introduced, with 15 of the 16 members of the Labor and Public Welfare Committee, a one-year extension of 12 of the Public Health Service authorities. This included RMP as well as a number of others, including Hill-Burton, Community Mental Health Centers, R & D, Health Statistics, Allied Health Training, a whole broad range of programs.

The level of authorization that they put in there was the same as it had been in the previous RMP authorization, $250 million.

The basic rationale of why they were calling for a one-year extension was that the committee felt they had not had enough time to review these programs, that the budget had proposed phaseout in such a quick period of time they really hadn't had time to go over and see what the strengths and faults of the program were, what changes needed to be made to modify it so it was a little more

productive.

On March 14th an extension bill was also introduced in the House, H. R. 5608. This was Representative Hastings along with the entire Subcommittee on Public Health and Environment.

The first hearings were March 22nd in the Senate. That was a one-day hearing after which the bill was reported out. And a few days later, on March 27th, the Senate passed the bill by a vote of 72 to 19.

This was followed with hearings in March, March 27 through 29, and again on May 8, in the House. Along with the Administration testimony, there were also the RMP coordinators and a panel of RMP physicians that were on RAGs around the country, and they presented evieence that they thought was contrary to the point of view being expressed by the Administration.

They talked about some of the accomplishments RMP had had. They admitted there were some problems in certain areas, that there could have been more focus on certain problems, but they thought the overall record was generally favorable around the country.

On May 15th, H. R. 7806 was substituted for the first House version, the idea being to lower the total authorization levels in there by over a billion dollars so there would be less reason to cite vetoing it in terms of

budget-busting.

Because of that, the RMP authorization was dropped from a level of $250 million to $159 million.

On May 31, the House passed this bill by a vote of 372 to 1.

On June 5 the Senate decided to drop its original version of the bill which had the $250 million for RMP and accept the House version, I think on the assumption that it had a better chance of being signed by the President, and that was passed by a vote of 94 to 0.

So, in essence, the bill went to the President with really only one vote against it. It was passed unanimously in the Senate and 372 to 1 in the House. And the President signed the bill on June 18th.

In his signing message he said that he realized, you know-- He acknowledged the opposition they had had to the passage of this but he said he felt if the Congress had one year to look over these programs and recodify and consolidate, they might be able to come up with a better package, how to authorize some of the authorities under the Public Health Service law.

Once we had the authorization, the next step in this process, of course, was to get appropriation, the actual funds. There have been both House and Senate hearings over the last couple of months.

The first real action on this was the House passage of the FY 1974 appropriation bill. That included a figure of $81.935 million for RMP. The Senate is still holding hearings on the 1974 appropriation. If they follow their usual form, they will come up with a figure higher than that, which leads to the problem again that if the HEW appropriation is too high -- again the House version is already a billion over -- will this lead to another veto? And so that is something that has to be looked out for down the pike.

At the same time, because the Senate had not finished its work on the appropriation, it required the signing of a continuing resolution. This allows us to spend through September 30th, and the rate at which we are allowed to spend is the lower of the House version or last year's continuing resolution.

Since last year's was $150 million and this year's is $82 million -- the House version for FY 74 is $82 million -- our current rate at least for this purpose is $82 million, at least according to the congressional interpretation.

At the same time, at the end of FY 73, a supplemental appropriation bill was passed. This is something that happens almost every year. The Executive Branch sends in all the last-minute items that have seemed to have

occurred in the budget, expenses that were not really known in advance.

That budget was sent to the Senate and the House. The House added $12 million under Section 304 and Title IX of the Public Health Service Act -- which is the RMP authorization -- for construction for D. C. Children's Hospital here in D. C.

At the same time, the Senate both in committee and outside, in the floor debate, added the $12 million for D. C. Children's, added $4.5 million for construction of a children's center in the northwestern part of the United States, very probably in the State of Washington, and $500,000 for completion of a hospital up in Vermont which Senator Aiken had added on to the proposal.

So the bill as passed -- and the President signed it -- this was after the negotiations on the Cambodian resolution -- includes $17 million that is available until expended under Section 304, which is the RMP authorization, for construction of these three projects that I have mentioned.

Dr. Pahl I guess will be speaking to you later about those in terms of delegations of authority of how we are going to handle those.

The only other thing I thought I might mention quickly in terms of other legislation that is sort of coming

along the pike is in terms of the HMO bill. The Senate passed that on May 15th with a total authorization of $885 million for three years. The House is working on the bill I think this week, H. R. 51. They expect to have a markup I think this week, which would mean it would be reported shortly thereafter.

That is expected to have much lower authorization levels than the Senate version, more in the version of a demonstration grant program.

The other bill that is moving along fairly well is the Emergency Medical Services bill. That passed the Senate on May 15th, the House on May 31st. The conference report was reported out July 10th, which essentially put money into planning, feasibility studies, establishment and initial operations, research in emergency medicine, and training grants. And that was for $185 million for three years.

And the only other thing with that which may cause some problem is the fact that the eight Public Health Service Hospitals were added as an amendment to keep these open, which is being opposed by the Administration. So that may or may not cause a problem. It's hard to tell at this point.

A third piece I thought I would mention is the kidney disease part of the social security amendments of

1972. The reimbursement, for Medicare, began on July 1, 1973, and interim regulations on how this was to be worked out were put in the FEDERAL REGISTER on June 29th, essentially saying that for the time being, until final regulations are done, they will continue paying through the normal Medicare channels for hospitals that have already been doing such kidney operations, dialysis, and so on, and that as the program gets going, within six months to a year, they will probably have final regulations that set up what the final procedures are going to be.

DR. PAHL: Thank you very much, Lyman.

We have given you a good bit of information in both my report and Lyman's, and I think we might ask whether you have any questions or points to make or observations as a result of these presentations before we move on.

In this connection, I would like to again indicate to you that in your agenda books, which I hope you will-- Pardon me. Dr. Schreiner?

DR. SCHREINER: When you originally introduced this, you mentioned a continuing level of either $60 or $80 million, and I don't understand where the $60 million came from.

DR. PAHL: There has been a debate going on as to whether the continuing resolution from the Department's point of view would be at the current operating level of the

program or whether the congressional, $82 million House allowance, would be the level of the continuing resolution.

And this has been a matter of great internal interest within the bureaucracy. At the moment, as I have indicated, this is not of major import because we will be taking up this afternoon the actual funding and fiscal situation of the program, so that at the moment we are not privileged to be expending at either of those levels.

So although it is of still great academic interest, I believe we'll accept the congressional level of $82 million as being at least the lower figure which we can expect from the Congress, and then leave it to OMB and the Department to decide what the funding level of the program may be, looking hopefully, of course, toward full authorization and release of all the funds that are made available.

But it's an internal kind of consideration of continuing resolution levels, and the lawyers have had a wonderful time trying to decide just what the continuing resolution means.

If you read the legislation and the report, you will also find that the Congress has tried to make very clear from their point of view what they believe the Administration should consider to be the continuing resolution level.

Yes, Dr. Haber?

DR. HABER: Previously you mentioned one of the criticisms of the Regional Medical Programs was too much money had been put into core staff. I don't understand how that is a criticism. Can you elaborate on it?

DR. PAHL: Lyman, do you want to, or shall I?

MR. VAN NOSTRAND: Essentially what they were saying I think is that some of the activities-- They tended to equate core staff with administrative costs, which is not necessarily the case.

DR. HABER: That's what I mean.

MR. VAN NOSTRAND: The idea was the money could have gone into direct operational projects rather than into program staff. I think when the coordinators presented their testimony they tried to show that the administrative costs at least in their definition amounted to about 7, 8 or 10 percent and that the activities carried out by the program staff were really as good as the operational projects in terms of getting something done.

So it's really a matter of their view of how you define what core staff is doing.

DR. PAHL: It has been looked at as a very high overhead, when, in fact, it constitutes very important programmatic activities included in that figure. There has been a good bit of misunderstanding as to just what that

includes, and we have tried to clarify it.

I would indicate in the agenda books that under the various tabs again we have the Xeroxed charts of all those which have been presented to you through the vu-graphs. Also there is a more detailed legislative chronology, actual excerpts from the congressional hearings and staff relative to the RMP program this year, a section on related legislation.

I believe you will find all of these of value and interest to read a little bit more at your leisure.

If we may turn over to the next item on the agenda, which is the overview of the phaseout, we have asked Mrs. Silsbee, Mr. Gardell and Mr. Chambliss to give to you-- And I would believe perhaps we could accomplish this in a half hour. I have eaten up a little too much time. But I believe that might be about an appropriate time to give you a picture of what really has happened from the period when we last met in terms of administrative actions and where we stand.

Just by way of introduction, since you all know Mrs. Silsbee, I would like to say she very graciously has accepted, and I am pleased to announce to the Council, appointment as Acting Director of the Division of Operations, having formerly served as the Deputy Director of that Division, and, likewise, Mr. Chambliss has graciously

accepted to serve as the Acting Deputy Director to me for the Regional Medical Program Service, having served as the Director of the Division of Operations.

And so, you see, it's the domino game of everyone moving upward into better jobs, bigger titles, greater responsibilities. And we are really pleased that they take on these responsibilities for us.

Judy.

MRS. SILSBEE: Well, when Council met last time, we had had the first step in the phaseout, and I believe you had just received copies of the February 1 telegram which went to the Regional Medical Programs explaining that the phaseout would have to occur and that we would need applications putting forth their plans.

The telegram stated the criteria which would be used to review the phaseout plans, stating that during the phaseout only activities that had a short-term impact that we could note would be considered or that had an opportunity to be picked up from other sources and needed some additional time in order to accomplish that fact.

We sent the telegram on February 1. And since apparently in the Department of HEW no one had ever phased out a program in any orderly fashion before, we had to start from scratch. We had to develop instructions. We had to think of the kind of information that the Regional

Medical Programs would need in order to do this in an orderly fashion, and, knowing that the Regional Medical Programs is an unusual grant program, in that it involves a number of different organizations, not only the grantee but all the affiliates, this was our major consideration. How could we do this in a way that would be helpful to the Regional Medical Programs under very stressful conditions?

So it took us a while. And I think Jerry Gardell's staff does need a hosanna here, because from the grants management standpoint they had to develop this material from scratch.

The instructions went out sometime in the latter part of February, and the applications were expected back on March 15th. At the same time we had promised by April 15th to give a response so that they would-- Again looking at June 30th as a first part of the phaseout, February 14th the end point, this would give the Regional Medical Programs time enough to do with all of their various organizations what they had to do in order to have an orderly phaseout.

Well, we received the applications, and they came in-- I think it was probably a first in the history of Regional Medical Programs. Just about every one of them made the deadline of March 15th.

And the applications as a whole were very well organized. The Regional Medical Programs under tremendous

stress of time and decisions did a beautiful job of presenting their plans.

The applications broke out into various categories. There were programs that had decided to essentially phase everything out June 30th. There were those that had done a pretty stringent weeding-out job at the regional level and were recommending projects based on our two criteria and providing the documentation. There were those that were trying to keep the program staff intact, because the program staffs in certain regions, as Dr. Pahl mentioned earlier, some program staffs, do a series of studies, and so forth, were the vital part of the program, and they had used small amounts of money for studies, and so forth, in order to make the program go. And then there were those Regional Medical Programs that wanted to keep everything going pretty much.

We had no experience in reviewing phaseout plans, but we did have some understanding of what the Department expected in terms of phaseout and why they had allowed this extra time, because there had been one consideration of June 30th -- period. They were interested in allowing some projects meeting these two criteria to go on.

So that had to be our major cue in looking at the applications, looking at the projects, to see whether they met one criterion or another, and then to see if they

had the documentation that went along with it, and then to develop the program staff, minimal program staff, that was needed to monitor those projects and phase out the program.

The review of the 56 applications was done under very intensive circumstances. We decided very early on we couldn't do a gradual review as we usually do, with the staff looking at it and then coming up and recommendations being made that way, because we were having to do it and make our own ground rules as we went along and then go back to staff information.

So aside from a few forays to the emergency medical clinic on my part and to the hospital on Dr. Pahl's part, five of us sat day by day during the day considering these applications, and night by night reading them so we would be ready for the next day.

Well, about April 11th we were able to send out the telegrams to the regions stating what they could continue beyond June 30th and a level of support that we would allow them.

The telegrams also indicated-- Or we knew that there would be appeals, so there had to be appeal review afterwards. And gradually all these decisions were made, and we were ready to phase out.

You may be interested in the back of the book under "Phaseout" that the majority of the regions were

approved to go from June 30th to January or February of 1974. About five were approved to phase out June 30th, three of which had opted for that.

Of the projects that were approved-- And again I want to emphasize that they had to meet one criterion or the other. Of those projects -- there were about 289 -- of the 289, 209 of them were in the regions that were going on to January or February of 1974.

(Slide)

In terms of the types of activities that we now find ourselves with before the phaseup again, I did an analysis which could be challenged by practically anyone in terms of the types of projects, and that's in a little vu-graph. But you can always quarrel about how you are going to categorize. But I categorized all of them on the same basis, which are my definitions.

As you can see, the majority of those projects that were approved beyond were in the area of categorical diseases, or I threw in there specific groups like the neonatal group, and so forth. And emergency medical services about 11 percent. Health manpower, general, which would include our support for the health services education activities. And health manpower, specific, which was for specific professional groups or for specific types of training, including categorical diseases.

That's all I have.

DR. PAHL: Okay. Are there any questions that you may have concerning this rather brief but I hope interesting view of what the staff tried to accomplish in a rather short time frame and as fairly as possible?

These were professional judgments relative to regions and projects, and, of course, the staff stands to be criticized and have been criticized, but I would merely say that in the circumstances we had to operate, at least from our point of view, we tried to be as fair and equitable as possible, and I think only history will record whether this was in fact as good as we tried to make it be.

Are there any questions?

MRS. MARS: What happened to the three that were phased out June 30th? Are they still continuing?

MRS. SILSBEE: Well, actually, there were five that were scheduled to be phased out. But that shows in relationship to our former rating of A, B and C.

MRS. MARS: Take the five then.

MRS. SILSBEE: Of the five, once the legislation was extended, two of them which seemed to have enough there to go on requested reconsideration. They had opted originally to go out of business on June 30th. We had no plan B for them. We had a plan A only. So that was the only

thing we could consider. And the decision was made to continue those. They had funds that would allow them to do it.

MRS. MARS: This was two of them?

MRS. SILSBEE: Two of them. Three of them have been phased out.

MRS. MARS: Completely?

MRS. SILSBEE: Completely.

MRS. MARS: Which ones are they?

MRS. SILSBEE: Delaware, Ohio, and Northeast Ohio.

MRS. MARS: Thank you.

DR. PAHL: Dr. Roth.

DR. ROTH: I don't know when or even if it will become appropriate to say more about a document that has been given to me, but this came from the coordinators, and in the first part of it there is a statement that relates to what we have just been talking about on phaseouts.

Let me ask a question. This saysthat it is believed that the February issuance of phaseout orders with subsequent amended awards to each individual Regional Medical Program was in violation of Public Law 91-515 because those orders were never approved by this Council.

Would you care to react to that? And is it of any significance if it's true?

DR. PAHL: I feel like perhaps one of the individuals who has been appearing before the Senate. That's a two-point question. (Laughter)

Let me answer the second point first. If true, yes, it is significant.

With regard to the first matter, we do not concur with that position, because as members of the Executive Branch we feel that we really must follow what is the Administration's position, and, therefore, when the President did not request support for the program for fiscal 1974 it seemed to us to be a matter of prudent administration to alert, which is what that telegram did -- to alert, all Regional Medical Programs of this fact and to ask them to take those kinds of steps which could lead to an orderly termination and the request, therefore, to submit plans of phaseout.

We did not terminate the program with that telegram. I think this is a point which should be understood. That telegram was considered to be a matter of administrative necessity in view of the fact that no funds were requested for the continuation of the program.

The administrative actions which followed were considered to be that -- administrative actions on the basis of prudent management.

The decision to terminate the program, if you

will, was a collective decision by the Administration. I'm not enough of a lawyer to know in fact whether this required Council approval or not. But we felt it was a matter solely of management and not a question of Council approval, because this was not seeking advice about programmatic areas or approval of grant funds for the support of activities by the regions.

In confirmation of this point of view, I would say that as soon as the President signed the extension legislation, which, of course, we had been also looking forward to ourselves daily, the first official act which was taken -- and I happened to be the one in the chair at the time -- was to institute the Council involvement by trying to call this meeting together.

So, in fact, we view it as a very desirable feature to have Council involvement in matters of advising on policy and certainly in approving grant funds for expenditure by RMPS. But the termination was viewed as a necessary prudent managerial procedure and not requiring Council.

That I think is the viewpoint. Whether legally this position can be sustained I honestly don't know, and we have been so busy trying to be prudent managers, with both our internal staff and our external programs having great difficulties, that we did not wait for a 4-month

written opinion from General Counsel, very frankly.

That is as honest a statement as I can make. And as soon as our program has been extended, we have come back -- not reluctantly but quite enthusiastically -- to seek your advice as to how to advise us on matters of great importance to us, and also, of course, at the appropriate time, to approve the expenditure of funds.

DR. ROTH: Thank you.

MRS. MARS: Yes, but now that these three are actually phased out and there is a continuation, isn't it illegal that they're not to receive funds or are not being continued? The three that are phased out -- the three programs?

DR. PAHL: Let me go off the record, please.

(Discussion off the record.)

DR. PAHL: May we go on the record again?

Dr. Schreiner.

DR. SCHREINER: Since one of our previous drives was to get Ohio consolidated, I just wondered if it would be appropriate to simply reassign the territory to an existing, ongoing regional program. This really punts the legal question, because you haven't phased out anything. You're simply redistricting. And maybe this is the right time to think about it.

DR. PAHL: I believe we will be considering

territorial questions at some point.

At this point it is fair to say, and for the record it should be stated, that RMPS did, in fact, phase out the three Regional Medical Programs, so at this point that action has been taken.

I believe, Bob, perhaps you might care to comment, if it was you who had that conversation, or-- Who had the conversation concerning the activities from Northeast Ohio in perhaps reforming-- Mrs. Kettle? Mrs. Kettle, would you care to make a statement, please?

MRS. KETTLE: As far as I know --

DR. PAHL: Would you care to use the microphone so everyone can hear?

MRS. KETTLE: The acting coordinator who stepped in to administer the phaseout procedures of Northeast Ohio met with the chairman of the Regional Advisory Group for Northeast Ohio, and they called a joint meeting of the board of trustees. Northeast Ohio had a corporation as a grantee.

And they met with the board of trustees last night I believe to see about courting Mr. Milliken, Mr. Cashman, and called for assistance in tracking down some Ohio -- Columbus -- people so that they could just discuss and explore coalition.

DR. PAHL: Thank you.

I would indicate that in terminating these three regions the staff officially and the coordinators officially indicated that both groups would be interested in providing as much assistance to these regions as may be desired in reforming, but at this point the Council does have 53 programs existing and not the 56.

Mr. Milliken, would you care to comment on anything that you may know of?

MR. MILLIKEN: This is all news to me. This is the first time I have heard about it.

DR. PAHL: Well, we're all trying to get caught up.

MR. MILLIKEN: I'm sorry.

DR. PAHL: Dr. Teschan, do you want to speak for the coordinators in this?

DR. TESCHAN: No, everything has been said exactly as we understand it.

MR. CHAMBLISS: I might call to memory of Council that the Northwest Ohio Regional Medical Program did set a precedent in Ohio. If you recall, that region at the time was one of the, shall we say, weaker regions, and it was merged into the Ohio RMP.

So we have had some history of this kind in Ohio, and this action that has been taken does not preclude them from reapplying.

DR. PAHL: All right. If we may move on, with your indulgence -- I know blood sugar levels may be a little low -- but if we can just get through a few more minutes I believe it would be helpful to finish this part of the presentations with Mr. Gardell at this point giving you what our fiscal activities have been and then Mr. Chambliss just winding up. Then we could break for coffee, delaying the actions we were considering taking until a little bit later.

At this point I would like to welcome Dr. Merrill to the Council, who made a special effort to be here from out of town. Thank you, John, for making the effort.

And then we will again have to rearrange our agenda in order to accommodate Dr. Teschan's presentation before he has to depart at 11:30.

So perhaps we will just take a few minutes longer than we had originally proposed for the meeting, but I think it will be better if we can continue the present report.

Jerry.

MR. GARDELL: Thank you.

As you can tell, we have had some fun this year.

And I might thank my predecessors here in their presentations because they have helped considerably to lay the groundwork for the presentation I am going to make, which is very brief, but to try to show you that we tried

to stay within our legal limits, if you will call it legal, as far as the amounts of money are concerned, both from the standpoint of the Council levels, our funding levels, and the amount of money available to us.

If you will excuse me, I will read from a script prepared for me -- and I was the writer -- that hits all the highlights. And I don't want to miss any of them. So I hope you will understand what we had to do.

We were prepared initially in 1973 to fund 56 regions on a 12-month basis, as usual, using a projection of at least $96.6 million. And, therefore, after the June NAC meeting, we funded 17 grants for one year with a September 1 start date.

However, our allocation of approximately $52 million for grants under the continuing resolution caused us to announce on December 29, 1972 that we would fund the additional 18 regions coming up with a January 1 date for six months only, in line with the NAC levels, at annualized funding levels, but with the understanding that the second half of the budget period would be made at a later date when additional funds were made available to us.

This was based on the assumption, of course, that the appropriation act would be passed with an allocation near our projection or maybe even better than that.

Finally, when the President's budget was submitted and did not include any funds for RMPS in 1974 and our 1974 allocation remained the same, we informed the RMPs on February 1 that no grant awards would be made beyond June 30, 1973 except that we would provide for phaseout purposes but not to extend beyond 2/15/74.

The 17 September awards in accordance with this decision were reduced by two months, because they normally would have ended August 31. And the May 1 awards which should have been made for 12 months were then extended for just two months.

So an aside here is that what we are now faced with is a possibility of one budget period involving three separate fiscal years, so you can see we are going to have some problems in reconciliation as well as just plain making the funds available.

Budgets for all the programs were to be negotiated in line with the criteria contained in the February 1 telegram which Mrs. Silsbee mentioned to you.

Then the phaseout plans A and B were reviewed as indicated by her and the programs were funded with ending dates at that point ranging from June 30, 1973 through 2/14/74 depending upon a realistic assessment of the staffing needs to complete the approved projects and activities as reviewed and provided RMPs in our April

telegram.

A balance of approximately $6.9 million remained from this process which could not be made available at that time to the regions because of the phaseout decision.

Now, this is a combination of what our normal operation is of offsetting against unexpended balances that the regions report to us, so that is how we came up with the $6.9 million, which was in line with our projection of our lapse anyway.

On June 27th, after the legislation was extended on the 18th, the phaseout restrictions were lifted and discretionary funding authority was reinstated to the regions but with the understanding that they would not receive additional funds at that time.

On July 11th, however, after the continuing resolution was signed, authority was granted to us to negotiate budgets with each RMP for funds from fiscal 1974 continuing resolution that would be necessary to maintain the program's viability, providing for adequate staff and activities at a level not to exceed three times the average monthly expenditure rate for the period April 1 through June 30 to be made available for the succeeding period July 1 through September 30, 1973 out of fiscal 1974 money.

It also permitted us to distribute the remaining

$6.9 million out of 1973 money but not to be used until approved by us. And that was because the mission as yet had not been defined and we wanted to make sure that that money would be used hopefully in line with the mission.

This distribution was accomplished by prorating on a monthly basis the program staff costs for each region as of 12/31/72, which we thought was a good operating point, for a six-months period ending 12/31/73, but offset again by the funds presently available to the regions for the program needs for that same period.

This process resulted in, as was mentioned by Dr. Pahl, a balance of $2,449 of the funds available to us for grants in fiscal year 1973.

We are presently reviewing the requested funding needs of programs for the period 7/1 through 9/30/73, and we will amend the current awards as the requests are approved.

Now, currently, the continuing RMPs have ending dates as follows, and this is because we had to distribute the $6.9 million and give them additional time to use it, but that date is negotiable.

We have one program ending on November 30, and that happens to be Florida. And the only reason is it didn't get any additional of the $6.9 million, so, therefore,

we will extend it through 12/31 so that everybody is at least up to 12/31/73.

Now, they have asked for an extension without additional funds, so they have enough at least to remain viable.

We have 21 ending on 12/31, four ending on 1/31, and 27 of them go through 2/14/74.

So these figures do change from the ones that were mentioned previously, but that was prior to the time that we have amended awards.

Depending upon decisions regarding the coming review process which we are going to be facing, it may be necessary to extend further these programs that have a termination date of 12/31/73 to assure their continued support until we can make them an award for 12 months or whatever period of time is decided out of fiscal 1974 funds.

It may also be necessary to provide certain programs additional funds beyond 9/30 to maintain their viability provided for through the use of the first quarter's allocation. In other words, some of them really are taken through 9/30 with additional funds.

Now, if that is not enough to take them through 12/31 until we can reach them with a 1/1 beginning date for a new budget period, we will have to extend them again.

It should be clearly understood by all of you that

in these changes to the existing grants we have always utilized the NAC levels of record annualized, and the annualized funding levels, so we have not exceeded both. In no instance have we exceeded the NAC levels and we do not anticipate that we will between now and the next review cycle, and I think that is extremely important because it was hard to do in our machinations to keep abreast of the amount of funds available to us.

So that is the story of what we have done. I have tried to do it in a nutshell for you. Now, if you have any questions --

DR. PAHL: This is a very technical presentation, and perhaps the major thing you have gotten out of it is how complicated a set of procedures we have had to go through in order to account for budget periods, ending dates, fiscal 1972 funds, fiscal 1973 funds, fiscal 1974 funds, continuing resolution, balance out of 1973, phaseout periods.

And one reason for having Mr. Gardell present it to you was, first of all, you should have the information, which I'm sure you couldn't absorb. Secondly, it should be a matter of public record for one point in time what it was that we did do.

And, thirdly, again I think it does indicate the high level of professional activity which has gone on internally in trying to accommodate both the congressional

intent and the Administration's position. And I believe I can speak for Dr. Teschan's group of 53 but formerly 56 coordinators who have repeatedly given public commendation to Mr. Gardell and his grants management group throughout this most difficult period.

So we are ready to entertain questions on any matter, but it is a matter of record what we did try to accomplish.

Mr. Milliken.

MR. MILLIKEN: What were the two programs that were reinstated?

DR. PAHL: The two programs that had been scheduled for June 30th phaseout and were reinstated were North Dakota and Puerto Rico, and there is a written record as to why these actions were taken, and we will be glad at some point to mention that to you.

But both were on the basis of very valid reasons and merits of the case.

Are there any questions?

We will be talking a little bit more after coffee about this $6.9 million balance in fiscal 1974 funds. I wouldn't be unduly concerned about all of the kind of problems we have been involved with. It is very technical, very complicated. But we at this point end up with all regions being assured of funding for a sufficient period of

time that we can accommodate the legislative requirement of Council approvals, at the same time accommodating the Department's position of still trying to determine what the direction of the program should be, and this represents a complicated set of actions going on simultaneously.

Dr. Roth.

DR. ROTH: I don't know whether this is a fair question, but it would seem to me personally in trying to adjust to the situation I would like some kind of a notion about what happens.

You have got a one-year extension. Should one be making two sets of alternate plans, an orderly phaseout presuming that there is no further extension or revitalization of the program, or do you simply have to wait for what is going on downtown in the Rogers Subcommittee, for example, of considering ways of putting this together with other programs for extensions?

DR. PAHL: Well, that is part of the heart of what we should be talking about today, and with your permission I would like to defer it and put it in a larger context after we have had an opportunity to get you some coffee and ourselves impart a little bit more information to you.

We need advice from you not just today but in

coming months about this matter. But it is an important topic for today's conversation, so I would like to defer it with your permission.

Jerry, thank you very much. And, of course, we will be ready to answer any kinds of questions you may have over the course of the day on this, but we did want to give you a picture of the convolutions which we have had to go through in order to maintain this period of activity in the program.

And now, as the last brief presentation, Mr. Chambliss does wish to end up not on a fiscal note but to tell you what our overview is concerning the programmatic activities of the regions today.

Bob.

MR. CHAMBLISS: I would like to end on a programmatic note. As we worked towards the impending phaseout of RMPS, the Director sought to pull out certain specific project activities for support beyond the June 30, 1973 deadline, and these projects fell into three specific areas.

First, projects in the area of hypertension.

Second, those in the area of health services educational activities.

And, last, those in the area of EMS, or emergency medical service systems.

In the area of hypertension, RMPS had under

support about eight projects totaling approximately $1 million, and these were selected out for continued support as far as they could go depending on the determined phaseout date of an individual Regional Medical Program.

Also in the area of health education activities, as you recall, this is the area, health education type activity, supported by Regional Medical Programs that took off on the initiative as set forth in the Carnegie Report. As Mrs. Silsbee pointed out in her expression to you, we are supporting about 11 percent of all the projects that were identified for continuation in the area of health education activities.

And in this health education activity area the staff has endeavored to visit all of these projects that had high potential for viability.

If you recall, about $6.8 million was awarded to the regions for this type of activities, and these activities went on in 27 Regional Medical Programs. About 38 of these projects went for developmental or operational activities, and about 41 of these projects were for the support of feasibility studies or planning studies.

Now, as we began to contemplate the phaseout, we felt that there was a need to site visit each of the identified projects to assess their progress, to update our knowledge on them, to see what type of evaluation was being

conducted, and to determine if possible their potentialities for continued support perhaps from some other source of support in HEW.

Now, to date, out of 15 RMPs that were identified where site visits should be made, we have conducted 11 of those site visits by members of the staff, and there are four of those site visits to RMPs yet remaining to be conducted.

We have set up a task force of Regional Medical Program staff, and this has been augmented by representatives from the Bureau of Health Manpower. They have been augmented also by representatives from the Veterans Administration and also from the regional offices, and representation has also come from the Secretary's office, to see how these projects were moving along.

We think that this perhaps has been one of the most worthwhile areas of support that RMP has engaged in. These independent, community-based consortias have proven to have started a new type of activity at the local level bringing together educators, providers, health institutions, and consumers, all sitting around the table to discuss health manpower needs at the local level.

As one of the site visitors has reported, one person at one of the RMPs indicated that this is the type of activity that should have been engaged in at the local

level 30 years ago, to bring this coalition of people together to discuss manpower needs of a specific location.

Then in the area of emergency medical services, funds were awarded to the RMPs out of 1972 supplemental funds in the amount of $8.6 million. These funds went to 28 separate RMPs for the support of 34 emergency medical services planning and operational projects.

Now, these projects ranged in dollar amounts from $16,000 up through over $1 million, the highest being $1.7 million. However, the majority of these projects ranged in amount from $25,000 through $100,000, and there were three that exceeded the $1 million level, Wisconsin, Tri-state, and Hawaii.

Here again a task force was established of RMPS staff members. This staff has been augmented by staff from the National Center for Health Services Research and Development headed by Dr. van Hoek, and there has been joint planning effort toinvolve their staff in going to some of the larger and more critical EMS activity projects, and they have done so.

Out of a total of 28 RMPs, 20 site visits have been made. There are only three remaining to be done at the moment. And the objective of these visits has been to again update our knowledge, to assess the project being made to determine whether the plan for a given project was being

carried out in accordance with the application, to assess the development going on around emergency medical activities sponsored by RMPS, and to see if there were involved in the ongoing program activity an evaluation component where some assessment could be made as to the productivity, the viability and the strength of a given EMS project.

Of course, these projects touched on communications, planning, transportation, public education, training, equipment, and the development of local EMS councils.

We feel around this activity there has been a significant developmental activity to improve emergency medical services and to develop a high sense of awareness of the need for concerted planning and systems development for the care of the emergency patient at the local level.

I might say one thing that came to my attention about a visit I think you would like to know. In the Alabama Regional Medical Program an award of about $150,000 was made. There was to be training for a total of 1,200 people, trainees, in the program. With that amount of money they have trained in excess of 1,400 people.

At one of the hospitals where a training program had been conducted and completed during the hurricane season, ten days after the training project was completed that community was hit with a tornado. There were 47 victims brought to the hospital wherein the training program had

been conducted just ten days prior thereto, many with very serious traumatic injuries. The staff was alert and ready to perform under stress, catastrophic circumstances. The patients were treated. Triages were set up. The emergency medical plan, involving the health department, the police department, the fire department, and all other emergency activities, was brought into play, and, as was pointed out, it was a great demonstration of the worthwhileness of this type of activity.

Here again we thought you would like to know that just as a matter of information.

If I may summarize then by shifting over to another set of activities that is ongoing in the RMPs, we thought you would like to know that of the 53 RMPs, all have coordinators. However, there are ten acting coordinators on duty now. Three of those coordinators you already know were acting, but the new acting coordinators are Mr. Edward Morrissey in Connecticut, Dr. Francisco in Northern New England, Dr. Harrison Owens in Nassau-Suffolk, Dr. Stephen Langfeld in Greater Delaware Valley, Mr. Chad Combs in Susquehanna Valley, J. L. Robertson in Alabama, and Mr. T. R. Newman in Ohio Valley.

This gives you some indication of the viability of the RMPs, that they are still engaged in holding on to their leadership and recruiting leadership for the support

and continuation of the RMPs.

Time is short, and let me say if there are any questions I will be glad to answer them for you.

DR. PAHL: Thank you, Bob. And I apologize, because I think it was my exuberance this morning which perhaps shortened your time. And since I have been in the same position, I apologize and appreciate your summarizing.

I think we have had quite a bit of material, and with your indulgence I think it would be perhaps well if we broke here for coffee.

Dr. Teschan has repeatedly indicated to me he has to leave at 11:30. I think it is very important that you have his presentation before he departs because he does represent the other coordinators and it's important you hear from them through him.

So if we could break for coffee now and reconvene at no later than ten after-- And please bring your coffee back with you, but get a stretch, and then we will have time I think-- Paul, will that be sufficient?

DR. TESCHAN: 11:05 would be better.

DR. PAHL: Make it 11:05, if you can, please.

(Whereupon, a recess was taken.)

DR. PAHL: May we sit down at the table, please, and come to order?

Without taking further time from Dr. Teschan's

presentation, I would like to say that we are very pleased to have him here because what we have been presenting to you so far, of course, is the RMPS' view of what has happened, why it has happened, and where we now stand, and it is most important that you have directly, firsthand, the view from not only a coordinator of one of the programs but the spokesman for all of the coordinators of the RMPs.

Paul.

DR. TESCHAN: Thank you, Dr. Pahl.

First of all, I think it's important that you understand that we of the coordinators and the members of the regional advisory groups are enormously appreciative of Herb Pahl and Jerry Gardell and the staff's activities in support of the RMP. The facts are 53 of the 56 programs have come through this very difficult time.

I feel that the degree of discouragement, the erosion of morale and the damage which has been done in the regions would have been far greater if we hadn't had the kind of steadfast support and the kind of very careful attention to our individual problems which this staff has continued to give in spite of all their problems in dealing with the shifting administrative pressures that you have had just a little glimpse of here.

So I'd like to say I fully agree with the comments that have been made today, and we are fully in

accord with the idea that what procedures the staff has undertaken, with the possible exception of convening this Council once more in the area of March and the awards -- with that possible exception -- we are fully appreciative that, given their situation and their direction, they have proceeded as best they could, and we appreciate it.

Now, I think the important message, quickly, that I would like to-- There are several important messages I would like to communicate to you, and I much appreicate this opportunity to do so.

The first point, and the overriding point I think, is that RMPs are still under attack within the Administration, in our view. The coordinators' consensus is that the evidence is clear that the phaseout has not, in effect, been rescinded, that the practical operating circumstances of the programs are not compatible with what has been called here revitalization. It's not the case.

And, therefore, I want you to understand the way it looks in the area where we operate. For example, what has come by a rescinding of phaseout restrictions is that within the phaseout order we now can rebudget between continuing projects and staff. Well, that still spells phaseout.

And in view of the one-quarter authorizations which you have also heard about, it follows that recruitment

is out of the question.

Commitments of any substantive or significant scope are also out of the question.

I have also determined this morning that the reduction in force program imposed upon RMPS is still in effect.

We understand through our various communications that the Secretary still maintains precisely the attitude that he had when we last met together on February 7th.

Now, the particular point I think we should get into more specific detail on has to do with the telegram from this office on July 5. In that telegram there was a notification that negotiations would be underway for a level of support to assure viability through the first quarter. Well, everyone knows through five years or more of experience with this program that the RMPs do not operate on a quarterly basis, that the intent of the law is a one-year extension. The intent of the authorization and appropriations is a one-year extension.

Therefore, a quarterly allocation and authorization are in contravention of the intent of the law, and this is the way the coordinators see it.

Now, you understand, and I want to reiterate here, I am stating a viewpoint from the way we see it. This is in no way to be interpreted as a criticism of Dr. Pahl

or the situation in which the RMPS staff must operate. I am not holding them responsible for what I am seeing, but I am leading into what I propose and offer to you for your consideration as to action or position which this Council might wish to take.

The second element of the telegram of July 5th is that the RMPS has been authorized to utilize $6.9 million of unexpended FY 1973 funds but that no expenditure may be made until the Department announces the mission of the Regional Medical Programs Service for the rest of 1974.

Again let's recognize that the Congress extended RMP. It did not write a new law. It did not create a new situation at all. This Council has approved an authorized mission statement under which all RMPs are operated. There is at this point no Council-approved or Council-authorized change in the mission.

Classically, the RMP has generated the mission statement from this Council and not from higher up in the Department.

So our view is that we have a mission and that there is no basis for a further mission statement at this time under the intent of an extension of the law. And certainly, therefore, the idea that then the $6.9 million may not be expended until there is this new mission statement is an additional obstacle, obstruction. That is, in effect,

the money does not flow in spite of the intent or the language saying that we now can obligate it from RMPS. In fact, the money does not flow. It has another contingency which we see to be virtually illegal in view of the extension concept which the Congress intended.

There is another element in this July 5 telegram that says that proposed RMP activities, presumably reviewed at intervals, will need to meet review criteria to be established -- another sense of obstruction and delay and interference with the purpose of the Congress to extend the programs.

And the RMP coordinators are somewhat exercised as you might understand on those points.

DR. PAHL: Paul, if I may just interrupt for a moment, we have included these telegrams in your folder. I don't think you have to turn to them right now, but we can consider them after Dr. Teschan has to depart.

It's the last set of yellow sheets under the tab called "Phaseout," which is the third tab from the back. And the last yellow sheet is that July 5 telegram Dr. Teschan has been referring to. We can take that up at greater length following his presentation.

DR. TESCHAN: The point of this discussion is really not the detail of the telegram as such but the significance of it as its effect is felt in the regions

where the action is supposed to take place.

I think the overall issue that I am indicating is that the intent of the Department is to continue the phaseout of RMP, to place obstacles in its way and essentially to proceed despite the fact that the congressional support as you have just seen and the President's signature exist.

Now, our feeling here is that the Council needs to take a stand, and a stand has been prepared as an offering for your consideration. Dr. Roth has already referred to it. And it reads like this in the draft that we would offer for your consideration:

"The National Advisory Council on Regional Medical Programs believes the February issuance of phaseout orders with subsequent amended awards to each individual RMP was in violation of Public Law 91-515 because those orders and awards were never approved by this Council. Therefore, the Council hereby recommends to RMPS that all previously issued phaseout orders be rescinded immediately."

We would also offer for your consideration the possibility of your recommending that the awards actually made under what has been called phaseout be retrospectively legalized -- that is, approved by the Council.

Now, all we mean in connection with Dr. Roth's previous question on this point is that the language in section 904(a) simply indicates that awards are made as

standard procedure by the Secretary on recommendation of this Council. The so-called phaseout awards and these intervening awards now have not been so processed. But I think the Council could undertake that at this point.

"Public Law 93-45 continues RMP for one year, or until June 30, 1974. The law's substantive language remains the same. This Council has approved the mission statement for RMP that is consistent with the provisions of the present law. The Council regards this mission statement as still valid and any subsequent mission statement at this time is unnecessary and inappropriate. Likewise, previously adopted policies of this Council shall remain in effect until altered or revoked by this Council.

"The Council hereby authorizes RMPS to issue amended awards up to the existing 1973 approved level of each Regional Medical Program, and that these amended awards be made to all RMPs for the entire 1974 fiscal year as soon as money becomes available. Future awards to the regions should not be made for less than one year although supplemental awards for the remaining months in this fiscal year may be made after appropriate consideration by this Council. All interim awards which have heretofore been made for maintenance of program staffs are hereby approved."

And that is the issue I indicated.

"Finally, the Council reconfirms its faith and confidence in the concept of RMP and urges the Department to reconsider its position relative to RMP."

And I'll leave this copy with Herb if he finds it useful.

I think the issue could be summarized further this way. The RMPs today are the remaining long-shot chance of a cooperative enterprise between the Federal Government and private providers and private enterprise in the health care field. There is really no other way by which the panoply of the bureaus and agencies which you saw in the organization statement and charts can see their effect actually occurring in the towns and cities and neighborhoods and crossroads unless there is an in-place mechanism. There is no other competitor for an in-place mechanism to get it to happen.

Assuming for a moment, therefore, that if it is intended that there will be effects in EMS, that there be effects in the quality assurance area, etc., these effects will occur because they happen in localities, not because they happen only at the bureau level.

We see also, as Mr. Van Nostrand has clearly pointed out to us today, an erosion of RMP's mission by the Administration assigning to new bureaus and new agencies the kinds of activities which have been RMP

prerogatives and responsibilities up to now. However, that is a fraudulent position, because you won't get it to happen by the establishment of a new bureau on an organization chart or filling additional offices with additional personnel in Parklawn Building. I'm sorry.

Therefore, our presentation to the Assistant Secretary's office has been that RMP be recognized as the local in-place organization for the implementation of the whole variety of Federal health initiatives which need local application. We in the RMPs could very easily see these bureaus that you have just seen as the resources on which we call to implement these things.

You will see I think shortly some further comment that the regional offices, the ten of them of HEW, are supposed to have this type of activity and role. Our feeling is that in our area, for instance, in Tennessee, that the regional office in Atlanta is as remote to the hills and valleys that we are familiar with and work in as would be a bureau in Washington.

So I think the critical issue here is that we still have a fighting chance, an uphill fighting chance, to establish and to develop public and private partnership in the effect -- that is, in getting the activities to happen in the communities of the region if RMP is so recognized by the Department, the Administration, and by this

Council.

We believe that there are, secondly, four areas of mission which the RMPs are able to do:

First of all, we do believe we have a role in quality assurance and would cooperate with the bureau with that name in implementation activities.

Secondly, we believe that we have a track record in the proved utilization of manpower and a track record in developing the community-based area health education consortia. We are able to do that and should be mandated to continue it.

Thirdly, we have obviously demonstrated capability, as Mr. Chambliss has indicated, in improving primary care services, including EMS. We should be mandated to do that from the EMS office.

We have five years' established experience in regionalizing specialized services and the HEW should be using RMP for that purpose in their communities rather than in each of these instances eroding the RMP's energies and contribution by separate bureaucratic mechanisms for these localized fragmentary initiatives in the health care field.

Now I would like to go off the record for just a moment.

(Discussion off the record.)

DR. PAHL: Thank you, Paul. I know you are dashing for an airplane. Is there any point that-- Dr. Merrill?

DR. MERRILL: I'd like to ask Paul a question. Is it your opinion that the vehicle through which an expression of opinion by this Council should be made is a resolution written out and transmitted to the Secretary?

DR. TESCHAN: I do believe so.

DR. MERRILL: I'm not convinced that action would be greatly effective.

DR. TESCHAN: You're asking that at two levels, John. My answer to that is, yes, a resolution that is resolute and clearcut and unequivocal may have no immediate, direct effect in moving affairs, but it doesn't detract from its value, because the National Advisory Council will be on record. It will raise a standard around which others can rally. And essentially this is a very important area if private and voluntary participation is to enter the health field and continue in the health field.

So don't underrate the significance of your action.

DR. PAHL: Thank you very much, Paul.

I am afraid that because of the need to return to the Southern Coordinators' meeting Paul will not be able to be with us this afternoon during the discussion. We have

assured him that we will get to him what does transpire.

Before we move on, I would like to say as the acting director of the program that we do endorse the statement that Dr. Teschan just made. That is, we do believe that this Council should play a very real role in the policies and activities of the program. And the reason we are meeting today in July is to not only bring you up to date but to look to you for that kind of advice and formal advice to the Department, the Secretary, the Assistant Secretary for Health, the Administrator of Health Resources Administration, and myself as to your interests and concerns.

And so I would like to fully support Dr. Teschan in this plea for very strong Council involvement regardless of what position that may be on your part.

Now, with that, I would like to say one more thing and then perhaps open it for discussion.

One of the things we were not able to do this morning was to distribute prior to the coffee break our one proposed Council resolution which at least includes one part of that which Dr. Teschan distributed. And, Ken, if you will distribute that.

I am not asking for action on this at the moment, but I think you will be considering the proposal that Dr. Teschan made, and you will see in the proposed resolution that we have drafted for you, if you will, the need to

endorse actions which we have taken particularly as regards the adjustment of budget period and the proration of funding levels and Council ceiling support levels of regions that Mr. Gardell was telling you about, technical aspects which we had to engage in in order to keep the programs alive and which we may still have to engage in during the coming months.

So I'd like to have you read that and consider that together with Dr. Teschan's more inclusive proposal.

DR. McPHEDRAN: Dr. Pahl, --

DR. PAHL: Dr. McPhedran.

DR. McPHEDRAN: -- I wanted to ask a question about this telegram, that is, the telegram that Dr. Teschan read, which is the last yellow thing in the phaseout section of the agenda, particularly about this matter of stipulations that no expenditure be made therefrom until the Department announces the mission of the Regional Medical Programs Service for the remainder of fiscal year 1974 and that proposed RMP activities meet review criteria to be established.

You must have had some reason for putting that in. I must say I would agree with Dr. Teschan's interpretation of that, and I wondered why this was put into the telegram. Why were those stipulations made?

DR. PAHL: These stipulations, although the

wording is ours, were put in the telegram on the basis of requirements which came out of the Department.

Now, let me amplify that a little bit. I think I would like to go off the record for a moment, please.

(Discussion off the record.)

DR. PAHL: Before continuing the discussion, because I am not quite certain what Dr. Laur's schedule might be, having just come from downtown and as Acting Administrator of Health Resources Administration undoubtedly having to leave shortly to do other things, and being fully aware and involved in all of the activities I have just indicated to you plus others which I have not been privy to, I think if you will permit we might hold Council discussion and take advantage of the fact that he can be with us and ask him to either address any question that he may care to or respond to some questions from you.

And in this connection I would like to welcome you, Bob, to our Council and ask you to take as much time as you might have to reflect on matters either of organizational or RMPS variety, the latter being, of course, the preference.

DR. LAUR: Thank you, Dr. Pahl.

These are times where I'm not so sure it pays to stop and reflect.

I would like to do a couple of things if I may.

First of all, express greetings to you from Dr. Edwards. He and I were just now at a meeting with Secretary Weinberger on some other matters, and Dr. Edwards had hoped to be able to come out here and visit with you during this meeting. He still has that hope but I think it is diminishing as the day goes along and other events intrude on his calendar.

But he did want me to convey his greetings to you.

Secondly, of course, to convey my own. This Council has not only served our predecessor organization, HSMHA, exceptionally well over the years, but your willingness to come in now under short notice and with so many uncertainties I find very gratifying, and we are most appreciative of your willingness to help.

I guess I'd like to keep the remarks short for two reasons. One is this spot on these agendas always provides an interesting time for the staff, especially now where there is a new person, not new to the organization but new to the day-to-day workings of RMP. I'm sure the staff always wonders, "What will that damn fool say next and get us in trouble over."

So, you know, it's an interesting little tense time for them when these sessions occur.

And from the point of view of the Council it

means sitting through another 20 minutes of inanities from an Administration official who isn't very much involved in the process and it's a little difficult to endure.

So I thought for both of those reasons I wouldn't say much. (Laughter)

But I would like to respond as best I can to any questions you might have or observations you have about this rather difficult situation we all find ourselves in.

And I would only make one observation that may or may not help you understand the kind of direction that we will be trying to provide RMP in the new Health Resources Administration.

It seems to me that the first question was the question that motivated this Council originally, that motivates the people who work in Regional Medical Programs around the country, and that motivates the staff, and that is: What will be best for patients in the country? What can be done to make the greatest contribution to the improvement of health of people?

And if we start with that concern, other considerations I think begin to fall into perspective as to whether an organizational arrangement is or is not very critical to improving the care of patients or the health of people.

Well, I only offer that as an observation which I think motivates the staff, which I know has motivated this

Council, and its predecessor members. And I would always like to keep that as one of our fundamental concerns as we plow ahead.

Even with that noble motivation, we will have difficulty doing the right thing. There is no question but what in the weeks and months ahead we are going to make some mistakes in the Health Resources Administration as we try to administer these programs. I will probably make more than anybody else, first because I probably am better at it, and also because of my naivete in some of these areas.

It seems to me that the only contribution I might be able to make is that we would like to have our mistakes called to our attention as rapidly as you discover we are making them, and on that basis urge you to be in touch with myself and with Dr. Pahl and the staff of RMP.

I simply do not believe in advisory councils who don't contribute. This Council has certainly not had that reputation. It has been an outstanding one. And even in the situation we are now in I would like very much to have it be a functioning Council that you believe is important and you believe is making a contribution to HEW's efforts.

So I want to say as we struggle through the next period please let me know if you think that will make any difference, if that will be helpful to something, how we

could do things better, and remain in touch with Dr. Pahl and the staff.

Well, enough of a preamble. If anyone has questions or observations, I'd welcome them.

MRS. MARS: Do you see any real future for RMP beyond this year?

DR. LAUR: Okay. That is certainly a very good questions, Mrs. Mars.

DR. PAHL: I held off answering Dr. Roth until you came because I wanted also to hear the answer.

DR. LAUR: You were all waiting to hear the answer. (Laughter)

MRS. MARS: Right. You realize this is a very frustrating experience for everyone concerned, particularly the Council members.

DR. LAUR: I'd like first of all to ask if someone would kind of keep track of me and not let me respond too long. I could go on at some length on that question.

I'd say two things. There is absolutely a future for the kind of fundamental activities that RMP has been addressing itself to across the country. By that I mean the involvement at the local operating level of the key participants in the provision of care in a way that causes them to make things happen that would not otherwise happen

or would not happen as rapidly.

Now, that is a long, sort of abstract statement, but I believe at the local level or regional level, if you will, in assembling resources to improve the delivery of care to patients, Regional Medical Programs have been an effective instrument at least in some instances and that there is no substitute for the kind of involvement that those effective instances have demonstrated.

Now, whether it continues as Regional Medical Programs -- in capital letters -- federally funded by HEW, and so on, that I think is yet to be answered. There is quite a ways to be gone as to what the Department's position is going to be, what the Congress' position is going to be, what your recommendations to us will be. All of that lies before us.

I simply cannot myself envision a world, given the kind of health care problems we have and the limited resources with which we have to work, where we would ignore the kind of activity to which the RMPs have been addressing themselves. That would astound me if that were the case.

I will hazard on the record a personal observation about the specifics of RMP in the sense that it is the challenge to the Health Resources Administration, the staff and the Council right now in the next several short months to come up with a proposal to the Administration

which will be accepted which will foster the kind of activity I have already alluded to.

Now, I haven't sensed personally -- and my involvement in RMP is fairly recent, fairly superficial -- but I haven't sensed an outright opposition on the part of the Administration to the concept of Regional Medical Programs. The concern has been one over has the concept (a) been mal-addressed, you know. Have we simply gone at a good idea in an ineffective way? Or have we devoted more resources to the concept than the concept merits? You know, at least at a given point in time?

It has been those kind of concerns that I think were addressed. And I would have to say also that those concerns were raised at a time in which it was absolutely necessary to make very substantial cutbacks in the Federal budget.

In other words, questions that otherwise might have been not so deeply and poignantly addressed were addressed under those budget-cutting circumstances.

Whether those circumstances are still with us or not I think other people have to determine besides myself. They certainly haven't totally gone away. And that will condition how much we can aspire to with RMP.

But I believe the Health Resources Administration-- I expect-- I wouldn't even be interested in working

in HRA right now if I didn't think we were going to come up with some proposal for continuation of RMP-type activities.

MRS. MARS: But not as RMP as such?

DR. LAUR: I don't know about RMP as such. I think that has to be thought through.

Given-- How can I put this and not sound unkind? I was about to say given the barnacles which RMP has accumulated -- and that's not a very kind way to put it -- but there are a lot of associations with RMP right now, and some of those may be impediments to doing what we can to improve the health care of people, you know.

RMP in my estimation-- I had a very satisfactory relationship with it. It doesn't have barnacles from my point of view. It's something that I wouldn't mind continuing as, you know, capital letters, Regional Medical Programs. But I think we have to weigh that as to whether those words are the right words.

The first question is: What is the activity, what is the function that can be addressed, and what is the Federal role in that function?

Then if it ought to be called RMP, we'll call it RMP I think.

DR. PAHL: Dr. Merrill?

DR. MERRILL: No.

DR. McPHEDRAN: I have some things to say about

that.

You know, the Council wasn't mute on February 7th. At least I wasn't. I had something to say at the time. This is in response to something that Dr. Teschan said in his remarks.

I think that I thought at the time that it was too bad to see the whole thing apparently being discontinued at that time, and I said at the time -- I can't remember exactly how it was said -- that it was done out of ignorance more than out of wisdom. And I still feel that that's so.

And I think the ignorance, for example, is reflected in this statement in the telegram that I referred to -- that no expenditure be made until the Department announces the mission -- for example -- when this was done as part of continuing resolution. There was a mission and there were review criteria that had been established, and this could have been put in the telegram.

Obviously, Dr. Pahl put it in because someone else told him that he should. But it couldn't have been put in by anybody who knew how the thing had been operating.

So that I think that it seems to me that the actions that were taken were taken in blissful -- or perhaps not so blissful -- ignorance and not in wisdom.

It doesn't seem to me to have been a sensibly planned kind of activity.

I really find myself, as I have reflected on the suggested statement prepared by the coordinators, pretty much in support of what the coordinators have felt about this.

I think that it's surprising in the site visits I have made to find the number of Regional Medical Programs that did as good a job as they did. I thought it was surprising to find as good staff work from RMP as there was.

This is a new kind of activity for me. I never knew anything about it before 1970, so I learned everything about it right here and on the site visits.

And I know that the barnacles are there, but it seems to me that what is implicit in your suggestion, Dr. Laur, that there might be some other vehicle to carry on this mission is that the RMPs in the various regions would probably be disassembled. And some of them are really very good. They are not all, but some of them are really very good.

And it would be just a shame and a pity to do that, I think, just as it would be a shame and a pity to take away their activities in quality assurance and manpower need assessment and their activities in improvement of primary care and EMS.

I agree with Dr. Teschan that the more of those things that are taken away, the less effective will be the

Regional Medical Programs.

I think that it would be far better to go back, if we could go back, to where we were eight or ten months ago and try to scrape some of the barnacles off, as probably will be possible with some of the phaseouts that have been done. It may be easier to get some of the barnacles off and go on with the organizations that were good and pursue the policies of this office before, which were in the main selection for funding of programs that were good and were satisfactory, if there were hard times not to make across-the-board cuts. This is a policy of the previous Director which I concurred with and I think everybody on the Council did as well.

I think it would be really a shame to take apart these various regional organizations. Some of them we could do without, but many of them are really very good.

And I cannot help but believe that the direction for the phaseout, as I said before, was done by people who really did not know what they were talking about.

DR. LAUR: I don't know how to respond to that. If I say I totally agree, I have got a problem on one hand. It seems to me we are saying the same thing, which is there is a useful activity there. If it ought to remain as Regional Medical Program, then let's try and do that. If it ought to be strengthened or if there ought to be some

changes made in certain aspects, let's decide as best we can what those changes are and see if we can get them accepted.

But this group probably more than-- I'm sorry. Does this microphone bother somebody's eardrums? If we've got cardiologists or somebody in the room who are so carefully attuned to listening to little thumps and noises, this probably drives them crazy.

This Council perhaps more than any group we could assemble does understand, I think, the very real world we now face as we move ahead with the kind of program you have described, Dr. McPhedran, and that's that some very important and very well intentioned Administration officials have decided, under the circumstances decisions were made in, about what the future of RMP should be. If we are to ask them to change their minds, I think we are going to have to approach it in a way which they will find persuasive. And, you know, I think that's the job we have in front of us.

I don't think they are about to be steamrollered. I don't think they're about to suddenly decide that the analysis they went through, on whatever basis, is suddenly wrong and they wish they hadn't done it and so they are going to do everything differently. I don't believe that is going to happen.

I do believe that we have not found a way -- personal opinion -- to express what it is that Regional Medical Programs do in a way that people not intimately involved in the activity can understand.

Time after time after time, even among knowledgeable health professionals, I have found it necessary to take a half an hour to articulate what it seems to me was the real function of an RMP as opposed to the kind of transitory projects with which an RMP might be engaged at that moment.

And if you have to do that with knowledgeable physicians and hospital administrators and health officials, then it isn't surprising to me that economists or budget officials in the Federal Government or Congressmen might have some difficulty with the whole concept.

So we have a challenge I think as a staff to find ways to articulate that, and that's in part, Mrs. Mars, what I meant earlier about maybe a new word will be required, --

MRS. MARS: Yes.

DR. LAUR: -- just to express the same activity.

DR. PAHL: Dr. Merrill.

DR. MERRILL: This bears a little bit on the question I asked Dr. Teschan, because, although I don't have it in front of me, it seemed to me his statement was really kind of affirmation of the status quo. I'm not sure how

MERRILL

effective that is in the present climate of opinion. And I wonder if perhaps a more forceful and effective instrument emanating from this body might not be a revision perhaps embodying things such as no across-the-board cuts, but paring specific barnacles, if you will, and some positive suggestions to which the Administration might be more receptive than simply strong affirmation of the status quo.

DR. PAHL: Dr. Roth.

DR. ROTH: I'd like to ask a couple of I think related things.

We referred to this telegram with the implication at any rate that there shall be a new mission statement. Do we have anything cooking on the stove in terms of staff suggestions for a revised mission statement?

And is it contemplated -- we mentioned the possibility of a November meeting -- that it would be debated and discussed by then? Is there any chance we'd get a new mission if we went that route before the expiration of the present extension?

DR. PAHL: No, not really. Somehow the discussions got into mission statement when actually what the Department currently is doing is attempting to make a determination as to what programmatic option or options it wishes to pursue with the program over the coming year.

Now, there have been a number of suggestions

made to the Secretary as to the kinds of activities which the regions can profitably engage in for this one-year period, and at his request an options paper and subsequent revisions have been transmitted internally. And I'm sorry. Because they remain internal, we are not able to distribute them to you. But it is not doing a disservice to that position I believe to state very clearly that all of the options in this internal communication are statements of activities which the regions have been doing and are very familiar and comfortable with.

For example, quality assurance activities. Strengthening CHP programs, particularly the (b) agencies. EMS. Hypertension. Kidney activities. And the community-based area health consortia.

When you hear this, you wonder what is different than what we have been doing. And the point is nothing that I know of that is under active consideration by the Department is different than what we have been doing. The difference, therefore, is that perhaps one or several of these activities will either be specifically excluded from this year's set of functions or perhaps all of them will still be considered permissible by the Department.

So it is not the Department or RMPS -- separating ourselves for the moment -- are trying to devise a different mission statement. It is that the Department feels that

with the one-year extension and working in good faith with the congressional intent there is a need during this one-year transition period -- which begs the question of transition to what -- but during this one-year transition period the Regional Medical Programs should be active in activities which themselves do not perpetuate the RMPs as RMPs, yet will strengthen administration in Federal health programs or health priorities and perhaps provide a bridge into a new state of affairs after the one-year extension is terminated.

And so the kind of activities that we have been asked to suggest for the Department's consideration are those I have mentioned. We believe that there can be useful work done in the areas of emergency medical services, hypertension control programs, end-stage kidney disease activities, CHP strengthening, and activity of health planning agencies and certain manpower development and utilization programs and quality assurance programs.

And we are awaiting a determination by the Department, which we had hoped to have for you by today but unfortunately we don't, which then places the Department's stamp on what should be the set of activities for this one-year period.

But I see there is nothing here that is really a new mission. It is a set of determinations on activities.

And in that framework the first of the two steps in the telegram was incorporated. Namely, we are awaiting the Department's determination for programmatic direction either to use the $6.9 million which has been distributed from the fiscal 1973 balance or to indicate to the regions what should be their set of activities utilizing fiscal 1974 funds, which as yet are going to be at an unknown level and will be determined following the selection of options.

And, of course, this is of great interest to the Council and your roles and prerogatives in the program.

DR. ROTH: This gets to the second part of my question, because I have heard of all these figures from $6.9 million, $60 million, $82 million, on up, $159 million, and so on. Being relatively naive about these things, I know that there was this administrative phaseout decree and it was then said that if Congress wanted to pull together an extension law there would be some question as to whether they could get it passed.

Well, they did under the circumstances. It was then postulated that it might be vetoed. It was not. But it is still unanswered in my mind. There is one further stop to funds, and that is impoundment or simple failure to release.

Now, is this essentially what we don't know the answer to as yet, whether we are really talking about money

in hand that you can fund the program with?

DR. PAHL: I think you are perfectly correct in your observation that there is from our point of view as a service an unknown figure, and that is what funds will actually be made available to us.

To try to clarify the figures, because it is difficult, the House has recommended through the appropriation process a figure of $81.9 million. Since we do not have a full appropriation, we are on a continuing resolution. Under that continuing resolution we certainly, under any objective view of that, would be permitted to go as high as the current operating level, which roughly is $60 million. It was, Jerry, $58 --

MR. GARDELL: $55 million this year.

DR. PAHL: $55 million this year. But the Department has by administrative action determined that it is in the best interests of the program to state initially at this point in time only that all programs, all 53 programs, will be given sufficient funds under the continuing resolution, 1974 resolution, to make sure that they remain viable through the first quarter of the fiscal year, through September 30th, and we are actively negotiating now through Mr. Gardell's staff with each region to make sure there are sufficient funds that 53 programs will not only be in existence but will have some complement of

RE APPROPRIATION.

professional and supporting staff, space, equipment, and so forth, through the period September 30th.

What we haven't been able to give to the regions is a clear statement as to what kinds of activities they should be engaged in at this point in time or what they will be permitted to do or should be encouraged to do with either the monies that we just distributed at the end of 1973 or any additional funds that come to them through 1974. And that is the status of affairs with respect to the Department's looking at these options.

I hope that clarifies it.

DR. ROTH: I promise to stop with this one. But given those answers, is it an essentially correct over-simplification of the status of this Council-- We have got a few options. We could go the route which is at least started with the resolution that staff has circulated to us which says, "We thank you for and approve, retroactively okay, the way you have adapted to a difficult situation." And we could append to this, since we don't know how much money we are talking about, how much we are going to get, that we ought to go along on this basis and trust our staff to do the very best they can with the money available for the best kinds of projects. That's one option.

The other option is to go in, in rather starry-eyed

ROTH RE RESOLUTION

fashion, with the resolution put in by the coordinators which directs the way money should be spent that we aren't even sure we're going to have.

Or we could I presume as a Council go over the whole batch of 53 programs and pick out the things we thought were good and we would make the recommendation for where the money ought to go. And that seems totally impractical in the time frame.

But is this about the options up to the Council?

DR. PAHL: Yes. I think I perhaps would-- I find myself in a difficult position. The Council under the authorizing legislation has been established to advise the Secretary on policy for the program, so it seems to me perfectly appropriate, at least with my experience with councils, for this Council to take whatever kind of formal action it wishes, and it could be in the form of a resolution or statement or discussion as to what it views either to be concerns or support of the Administration's current position.

We have not been able to bring to you -- and that may be an administrative failing -- but we have not been able to bring to you the rapid changes which have occurred, and thus you have not been brought into position in which in fact you could advise us or the Administration about program directions. Today you do hear what the status of

affairs is.

To my knowledge, the determination has not yet been made by the Secretary, although Dr. Laur may be able to comment on that, as to what the Department would like to see the programs do this year.

I think it is most appropriate, therefore, that any kind of statement that you would wish to make to me as the Acting Director, to Dr. Laur or certainly to Dr. Edwards or Mr. Weinberger and which we would transmit to the appropriate office -- to make whatever statement you feel is appropriate in exercising your prerogative under the law and advising us on programmatic directions, options, emphases, priorities that you may see or endorsing your previous positions.

And that's something that we feel-- And I think Dr. Teschan was indicating before that a position by the Council perhaps would be of great assistance to the Secretary. After all, the Secretary and officials below him are that much further removed from the actual program operation and direction that perhaps they would value very highly the advice of this Council.

In addition to that, I believe that the question of the actions taken through the phaseout period and the legality of those actions we have attempted to answer, and I think that's a point which I have to leave to the

Council to decide how it best wishes to handle it.

I would like to make one more statement, and that is that in the resolution -- and if you have not really had time to look at this, and again I am not asking for action at this point -- the resolution which we proposed for your consideration merely would endorse a very limited set of administrative actions that we have taken. Namely, the adjustment of budget periods and the adjustment of funding levels on a prorated basis and the adjustment of the Council-recommended levels on a prorated basis, which had to be taken in order to carry out what we knew to be your intent and the Administration's intent and the congressional intent, and that is to meet the tests of viability for all of the regions over this period.

The resolution that we have proposed for you does not in any way state -- very clearly does not in any way state that the Council has approved those professional judgments concerning either the phaseout of individual RMPs or anything concerning the decisions made relative to which projects, contracts, etc., could or could not be continued.

We are in this resolution asking for that endorsement only of what had to be done in a technical fashion in order to arrive at a continuity of the program through the phaseout period and as we go into the fiscal year.

So I do want to make that clear, and we as a staff bear the responsibility for the professional judgments which were made throughout this phaseout period of the individual Regional Medical Programs and the activities allowed to go on within those programs.

That is more than you asked for, Dr. Roth, but does this help you in your options for the Council?

And perhaps Dr. Laur or Dr. van Hoek, from whom we haven't heard, might care to comment, because they do sit in on some of the meetings that I am not privy to and they may be able to shed some light on this.

DR. VAN HOEK: Well, to respond specifically to Dr. Roth's question, it seems to me that there are two parts to the question. One is the question of retroactive actions, retroactive approval or endorsement of actions that were taken. The other is what happens from today on.

And what happens from today on again is two parts. One is the immediate question of what do we tell the regions in terms of priorities or program activities that they can carry on during this fiscal year, whether that's at the use of $6.9 million or some higher figure, and the other part being how can the Council working with the staff develop program statements, justifications for the continuance of the activities beyond this fiscal year -- in other words, participate in the development of options for

VAN HOEK

legislative proposals. Whether that is a continuation of an RMP -- in capital letters -- or whether that is some other substantive program with a different process should be examined.

Now, that is not an immediate question. That can be done over the next several months. But I think it is tied in with the shorter-range issue, because the point-- And as usual telegrams always use the wrong words and give us more problems than we anticipated. But the term "mission" I meant to mean the fact that within the existing mission of RMP, through the continuing resolution, that we would identify priorities or specific activities that could be carried out over this next fiscal year which would be of an important nature but would not lead to commitments which would conflict with either legislative proposals or budgetary proposals that would be forthcoming over the next several months.

And so, therefore, that is really the question. We are really involved in two processes. One is a legislative process where, despite the continuing resolution, there is nothing on the books that carries it beyond June 30, 1974. And then there is the appropriation process which, despite the continuing resolution, means the funding level may be anywhere from zero to total authorization, depending on what we propose to the Department and to OMB.

And I really think it's our initiative, as we have done with the options, once the Secretary suggests support of certain approaches -- and we would like your advice on that -- it's up to the Department and us then to go to OMB and justify the release of the funds to carry out that activity.

DR. PAHL: Dr. Schreiner.

DR. SCHREINER: I like that analysis. But what bothers me is I have this cartoonist vision of a construction elevator that's been stopped with the motors running on the 89th floor pending study to see whether there is enough energy to go higher, and the banker sais, "Well, while we're studying this we're going to cut off the electricity."

And it's just innocent, but I think it's incredible that this can be a serious proposal or that this Council can foster standing still for three months.

Now, there are certain basic activities in the perpetuation of a local resource at the very, very minimum. The electric bill, the salary of the coordinator and the secretary to the coordinator are very, very minimum.

Now, it seems to me completely incredible to say that you're going to have people who are losing coordinators and losing secretaries not having the authority to contract for a year to hire somebody for a year to keep this activity going.

SCHREINER

You simply cannot-- I don't think it's viable to say you are going to go out and recruit somebody for a three-month period. And that's where the rub comes. The rub doesn't come in in your studying the things. The rub doesn't come in in your wanting to prune off the barnacles. The rub comes in that the method of going about it is to me a totally inoperable, totally unfeasible -- and so lacking in insight that I don't see how anyone can believe it.

Because you end up September 1 with one of two possibilities. You cut the program here, in which case you have wasted three months of funds, or you say we're really going to continue it to the end of the continuing resolution, in which case you have lost a quarter of momentum and you have again wasted three months, so that there is only one activity that can happen. That is, you are going to waste a quarter's budget in the whole thing.

And it seems to me that I agree with Russ, or John, that a resolution is going to get us anywhere, but I wonder if we can't at least ask for a workshop or a meeting or something concrete to get that three-month business out of the way, because it seems to me that is just so untenable, given all the circumstances, that I just can't see how as a Council-- At least I couldn't personally endorse that as a method of operation.

DR. PAHL: I think, Dr. Merrill, were you trying to

get a comment in?

DR. MERRILL: I wanted to point out what I was saying consists of two parts, one of which George talked about, which is the immediate one. But the other one is long-range clout other than simply endorsement of the status quo.

This is perhaps something we can talk about this afternoon. But a lot of specific suggestions have been made in the last hour which if put into the form of a resolution would give it some teeth rather than, "Just let's get on with what we're doing." That certainly is the immediate part, but there is something I think which would make RMP durable for a good many years, not just three months, which we might be able to entertain this afternoon in specific points, a number of which have been made in the last hour.

DR. PAHL: Mr. Milliken.

MR. MILLIKEN: I'd like to ask Mr. Gardell if there is any information in the past or any way to find out in the future that this quarterly funding thing is any different than in the past -- that is, circumstances of not appropriations but resolution funding -- or if this is a deliberate intent manufactured for this special situation.

MR. GARDELL: We have never extended any program in the beginning of a fiscal year for a quarterly period of

time, so this is the first time we have done that.

Normally, your continuing resolution gives you enough money to be able to get on with the business and to make your first set of awards for the 12-month period, assuming you are going to function on a 12-month period, which is exactly what I said in my presentation.

MR. MILLIKEN: Then it's quarterly?

MR. GARDELL: No, it's not necessarily quarterly.

MR. MILLIKEN: Are there any other parts of Government where this has been done before?

MR. GARDELL: There are some programs that fund on a quarterly basis, but I'm not aware of any of a categorical nature.

DR. PAHL: Mrs. Silsbee has a comment.

MRS. SILSBEE: In answer to your question, Mr. Milliken, I have not been privy to any of the discussions, but I think perhaps it's an understanding of a grant process that may be lacking.

I having made my entire career in trying to develop review procedures that are in line with the understanding of the reviewing groups and the staff, it has been difficult, and one of the things behind the resolution we have there is, as you know, we developed a triennial system where regions were looked at and you as Council approved some for three years, and then we had an understanding

of how the review would be accomplished in year 2 and year 3.

At the same time you as Council frequently did not recommend triennial funding. You recommended anniversary funding.

Well, at this point in time, going back and looking at the review record, we have 13 regions that are in an anniversary situation, and as of this moment six of those really in terms of our understanding should be looked at by the Council.

Now, we're trying to work all of this around because we don't have an application for you to look at. We have got to get this back into some kind of working arrangement between the Council and the staff. We don't know what to tell the regions to apply for. We are in a bind. And in a sense that resolution, which may be improperly worded, was to try to get you to let us extend until such time as a region can come in with an application.

MRS. MARS: Dr. Pahl, --

DR. PAHL: Mrs. Mars.

MRS. MARS: -- is there enough program staff left in the majority of the RMPs to be able to carry on effectively any major activity?

DR. PAHL: Yes. We have made a survey on that. Mr. Chambliss may wish to respond in more detail. But the

SEE RE APPLICATION

answer is yes. In the majority of the regions that is true.

MR. CHAMBLISS: Yes, there has been a survey, and there is a minimum of staff on board in each of the RMPs, including the coordinators and their secretaries.

MRS. MARS: That isn't what I asked. I said is there enough program staff left to carry on major activity? Not just coordinator and minimum staff. In the actual programming part of the staff.

MR. CHAMBLISS: My impression is that there is a minimum of staff that could --

MRS. MARS: Could effectively carry out major activities?

MR. CHAMBLISS: Yes. Also our survey has shown that the regional advisory groups are essentially intact and will be ready to respond once they have more knowledge as to what the real missions of the RMPs will be.

DR. PAHL: Mr. Hiroto.

MR. HIROTO: I have a couple of questions I think that have some legal implications.

Your definition of the Council's role would indicate to me that if it is merely advisory then this resolution is not necessary for staff, for RMP here, to do what they have done, and so I wonder if the enabling legislation had a little more meat to it than the fact that the

Council was merely advisory in nature.

DR. PAHL: The Council is advisory in nature relative to the policies, program directions, and so forth. It has a very real function in recommending to the Secretary approval for expenditures of grant funds, and, in fact, the Program Service may not expend grant funds without the specific recommendation for approval by this Council.

So it has a very well defined role in the approval for expenditure of grant funds -- not contract, but grant funds -- and is advisory in terms of program policies.

And it was in the program policy area that the resolution would be advisory.

But I believe it is fair to say that all Government officials take very seriously statements by advisory councils relative to such policy matters. And my own personal opinion is it would be very helpful to know what the Council may feel about these important matters.

When it comes to grant funds, the purpose of our resolution -- and what Mrs. Silsbee was trying to allude to -- and I don't want to come back to our resolution all the time because it's not really in conflict with what Dr. Teschan said -- is that it is giving to us your post-action endorsement of that which we had to do and providing us with a delegation of authority in a very limited fashion to

continue between Council meetings to do that which actually will be necessary if regions are to remain viable, which is everyone's intent.

And again I think that it is important to separate then the fiscal actions which we have had to take and the authority which we really need from you to take those actions when we don't have applications or have ceiling levels which are meaningful for regions until such time as we can get back into concert with the recommendations, which we expect we will be able to do by fall.

We are trying to put the brakes on phaseout, stabilize, and move forward -- with serious question marks in this area. But we have certain legal obligations which we recognize, one of them being that the staff does not have the authority to continue to support regions and fund them without approval from this Council.

On the other hand, we have no applications to bring to you and no way to advise you and no review committee to recommend ceiling levels, funding levels.

So this is an interim procedure of delegating to us necessary administrative authority. That is what our resolution is intended to do.

This does not encompass all, of course, that is in the coordinators' resolution, which is broader.

Dr. Haber?

DR. HABER: I must say I am extremely sympathetic to the position of the staff in this, because there is a basic kind of schizophrenia involved here. On the one hand, as an effective bureaucrat, there is an apparent mandate from the Administration which one must take seriously. On the other hand, there is, as all of you know who are purveyors of health care and interested in the delivery system -- I think Dr. Laur mentioned it -- the concern as to what happens to the people out in the regions. One would want to continue certain promising kinds of activities.

It seems to me that some historical perspective might be useful here, and I'd like to ask the question of you or Dr. van Hoek or Dr. Laur. That is, part of the problem, it seems to me, is due to an evolution of the mission. The Regional Medical Programs started out to do something somewhat different from what now or laterally appears to be the mission.

If one could address that, that as heart, cancer and stroke centers some good was accomplished, much good was accomplished in the dissemination of this kind of expertise throughout the system, if that could be developed, then I think one might have a clue to what your immediate posture might be for the ensuing 12 months.

Because then again it seems to me that out of the

array of options you chose, one could say, "All right. The part of the mission that is available to us for this year is changing. Yet over the course of time RMP has done these following things all under the rubric of disseminating effective health care."

And what I'd like to ask is could a case be made that the heart, cancer and stroke centers concept was indeed helped by the RMPs and that the mission evolved into something else which you were not able to complete because the program was caught in mid-flight?

DR. PAHL: Dr. Laur may wish to address the point, because I believe some of the recent meetings he has had entailed those very considerations.

Dr. Laur.

DR. LAUR: I'll try to respond first to that question and then make an observation. To my knowledge, the case cannot be made that heart, stroke and cancer centers rendered that kind of a positive service. Now, if the Council can make that case or if the staff can, you know, that would be certainly a starting point.

My impression has been that there was considerable disagreement around the country especially at the local level as to whether those ideas were, in fact, the best way to disseminate improved health care to the people.

Now, I would welcome comment from staff on that.

But that sort of goes back to the original notion of Dr. DeBakey and the Commission and what finally became law and what finally happened in practice, and I am only trying to read the tea leaves at the bottom of the cup now that we have all had a deep draught from it which says to me that since it didn't happen that way in the real world there was probably something faulty with the idea in at least many parts of America.

Now, I would like to have my own understanding broadened if that is not the case.

DR. HABER: Well, I am not sure I can make the answer, but I am sure there are people who can make the answer that the dissemination of techniques in care of the coronary patient and the education of a great variety of allied health professional people was in some definite measure attributable to the deployment of the Regional Medical Programs, and maybe the same thing is true in cancer, less so possibly, but certainly in stroke.

I think if that case could be made, or at least if the issue could be raised enough so that people could not definitely negate it, I think that would give you a clue as to what the situation might be, what the position might be.

DR. LAUR: I wonder if I could take a slightly different cut at the same question by saying I do not believe

that this Council or this staff or the people whom you suffer under as administrators of HRA right now can make that case within the time available to make any difference. That goes back to Dr. Merrill's long-range question of: Is that the way we ought to go in the future?

But I thought Dr. Schreiner's question was much more short-run, which was: Somebody made what to him doesn't look like themost intelligent decision, which was to fund up to September 30th the core support of RMP so that they would be around to do some good mission for the remainder of this year while the long-run fate gets settled in Congress and in the Administration.

Now, it seems to me he had a very specific idea in mind, which was: "Dummies, don't try to do it that way because it won't work. At least assure core support through the year."

That's a quite different level of decision and recommendation to us than, "Go back to the centers idea as to the way to get work done."

DR. HABER: No, no, permit me. I was trying to say if one could say the mission had been evolving, that part of it could be accomplished, then you have a line on what you are to do for the next year.

Dr. Pahl read for us a list of seven or eight different options. Real case could be made that the accom-

plishment could be furthered during the course of the year.

I would agree with Dr. Schreiner's analysis. I'd say don't lose a quarter of the time. But you could do a great deal towards, say, hypertension control demonstrably in the course of the year, or kidney programs, or --

DR. LAUR: Perhaps I read much more into your observation than I was entitled to. Every one of the options which we have developed and suggested to the Secretary, the ones you heard, are ones we deliberately picked on the ground that we thought RMPs were superbly equipped to make a major contribution in the time available.

In other words, we wouldn't have suggested them had we not thought they were appropriate to the mission of RMP and to the health needs of the country and that we had a reasonable chance of getting the money to do those jobs with.

We tried to be quite selective in what we recommended.

I was extending your thought to say what we ought to now be doing in the coming year is to establish regional centers for hypertension, which left me less than enthusiastic.

DR. HABER: If the mission is changing, the agglomeration of these could be subtended on the mission, which would require the continuation of RMPs.

DR. PAHL: Dr. Ochsner.

DR. OCHSNER: I would like to speak to the question of the centers. It seems to me the idea originated by the DeBakey Committee was the centers, but I think they failed miserably in establishing what we have in mind in the RMP. And to go back, they did fail I believe, and that's the reason why this mechanism was set up.

Now, whether this is the right one or not-- But I don't believe that they did a good job in hypertension and cancer and stroke. They were given a time to do it, and they didn't.

DR. LAUR: From this or other groups I think, Dr. Ochsner, your observation is quite important in the sense that Dr. van Hoek at the end of the table now serves as the Director of the Bureau of Health Services Research and Evaluation, and it seems to me after years of exploration we have at least uncovered an important question that ought to be studied by the Federal Government, which is how do you go about accomplishing aims like that?

At least we ought to be doing some research on it if not actually moving forward with an action program if we think we have the answers.

But what I am trying to separate out today in the remaining hours of your time is: Can you give us advice, which we may or may not follow but I assure you we

will welcome, on: Given the circumstances right now, what would be the intelligent thing to do, the most useful thing to do?

And you suggested some already.

I think we in turn will have to say: Now, under the constraints with which we have to work, with the Secretary's office, with the legislative situation, with the Congress, some things can be envisioned and others cannot.

What the staff I think is looking for are two kinds of help from you.

One is let's put the past behind us, kind of seal it now and be done with that, and give us the kind of guidance you are willing to give us to govern our future actions, recognizing that we will have to take some action before we can get together again and discuss it thoroughly. That is, in the interests of getting on with the job of RMPs, some funding decisions will have to be made between now and September. The sooner the better in our estimation. And we need some guidance from you on how to do that and leave you feeling comfortable with our actions.

I guess I would add one other point in defense of the September 30 date, since I was in at least some of the discussions. There were really two major concerns. They weren't exactly compatible but that governed that process.

One of them was the view by some of the officials in the Administration that they were right all along about RMP, that basically it was not fulfilling a worthwhile enough mission to deserve funding and it ought to be phased out. You might come back with a new approach -- that was okay -- but RMP was essentially a failure and it ought to be phased out.

So that concept is governing some of the kind of decisions that were made. They didn't wish to reverse that decision so they were trying to come up with ways of satisfying the intent of the Congress with the extension legislation without reversing that basic decision.

Now, that's real. It's there. And the staff has to struggle with that.

On the other hand, there was another dimension which said, "In reality we want to come up with a useful mission for RMP. We can't do it overnight. So let's at least get enough money out there to sustain them" -- and here's where they may have made an error in judgement as to what it takes to sustain -- "at least let's get the money out immediately so no RMP will be in dire straits while we get all this straightened out," in the factual circumstances which are that most of the RMPs were carrying out activities into February.

You know, December and February were the times in

which under the phaseout plan they were continuing on into those dates.

So I think their perception was that not very many people are in dire straits right now and that to avoid a hasty decision that seems to commit the Administration to continuation of RMPs full blast, we'll have this time-limited one.

But we picked a time -- "we" meaning this is how the conversation went -- a time was picked which provided what they thought was ample opportunity to come up with an ongoing funding level and a set of HEW expectations of RMP.

DR. SCHREINER: This is precisely where I find the problem, because if the assessment is that this was a polite gesture by Congress and there is no real intent to go beyond a year, then to have full funding of the non-programmatic portions is really a waste of the taxpayers' money.

MR. HIROTO: I think so too.

DR. SCHREINER: If you're talking about allowing somebody to recruit a coordinator so that he can extend the existing programs, then somebody has got to be able to recruit a coordinator on the basis that he is going to be here for a year.

As I read this telegram, you know, there are vacancies all over the country, but you can't recruit anybody

for more than three months, but he is supposed to then arrange for the extension of programs beyond -- at least from February to June at the very, very least if you are going to meet the intent of Congress.

And so here you are recruiting a guy, you know, and saying he is going to have a job for three months, but his real task is to be sure this program is running well June 30, 1974.

And I find that administratively untenable. You either have to decide certain parts of it are going to be extended for the full year of the extension so that you can carry out the intent of Congress, or you are going to say that the whole thing is impossible and is a gesture, and then you ought to cut it down.

What I'm saying is there are three possibilities. Of the three, it seems to me the one you have chosen is the least tenable of the three.

DR. PAHL: Before continuing this most important discussion -- because this is why we wanted you to assemble on the 17th of July -- I'd like to come back to some practicalities.

We are very concerned that we have as much discussion and advice from you today as we can possibly derive. I had indicated earlier that we hoped to be completed by 2 o'clock, and some of you may have made your plans on that

basis. I should have realized, of course, that, having lived with all of these parameters these many months-- We thought we could perhaps summarize them more rapidly than we did, and if we took too long we apologize for that, but we felt we had to give you a flavor and a background set of data so that you can go into the considerations of the future a little bit better prepared.

So what I would like to ask is what kind of schedule we may look to with you for the rest of the day. If you can stay somewhat longer than 2 o'clock, for example, we could profitably continue this discussion perhaps to 1 o'clock or so and break for lunch in the cafeteria, during which time you could discuss some of these matters which I don't think we have gotten quite enough to the point that you feel prepared to propose a position of the Council, and then reconvene.

But if we do break for lunch, it is going to be relatively short after we do reconvene, and it may not provide that kind of opportunity for further discussion that both you and we would like.

So, as a simple question, is it possible for you to stay beyond the 2 o'clock period or do you not wish to break for lunch and we'll try to guide our own conversations here and the other material which I have to present to you which is part of this discussion and which I'd like to do

before we broke for lunch? And I'd like to be guided by what your schedules are.

DR. McPHEDRAN: How far behind are we in your proposed agenda?

DR. PAHL: I would suspect if we could continue to 3 o'clock we would have the kind of opportunity that at least I think staff would appreciate having, but I don't know what that does to your schedules.

MRS. MARS: Three is all right.

MRS. MORGAN: I have a 5 o'clock.

DR. ROTH: 4:30.

DR. OCHSNER: I have to leave at 1 o'clock.

MR. MILLIKEN: I have to leave at 2:30.

DR. PAHL: Why don't we try to stay as much through -- but terminate definitely at three.

Let me inject one or two things here which I believe should come into the conversation at this point and try to recap -- not "recap" but give you what I consider to be some important elements which perhaps have gotten lost in all of this general discussion.

That is, where do we stand now and what is the staff thinking about in trying to react to all of this? Because I think this should be part of your lunch-table conversation and afternoon thoughts.

Facts: We now have 53 Regional Medical Programs,

all of them guaranteed to be viable through the first quarter of the fiscal year, with a clear intent of the Department I believe to try to make determinations which will permit all 53 to continue throughout the fiscal year with some kind of profitable activity along the set of options that I have indicated.

My best information at this point is that there would be a series of options supported by the Department, and, thus, regions would not be confined to doing this or that but that there would be some electivity. The decision has not yet been made.

MR. MILLIKEN: Is there readily available by staff a breakdown of this sort of thing now, regional program by program?

DR. PAHL: A set of what now?

MR. MILLIKEN: Identification of existing projects that --

DR. PAHL: Yes, we have, although not for you today, but we do have knowledge on each program as to what activities are being continued and, of course, can derive the latest information on that. So we can get for you where we stand, but we are not prepared to do that today because of the time considerations.

MR. MILLIKEN: I understand.

DR. PAHL: However, the set of activities in any

one region now going on have already been funded through the phaseout awards that were made. In addition to those activities, in some regions there are no activities going on. They have just discontinued. They have just terminated their last activity. In most regions there are a handful of activities going on, and in some regions there are quite a few activities going on.

Most regions have more than a minimal complement of staff, but it varies dramatically from region to region.

Next, $6.9 million has been distributed to the regions at the end of this fiscal year which at the moment they are not permitted to use pending instructions from the Department as to purposes for which they may be used. And within those purposes certain criteria must be met.

I want to address myself to that in a moment, because that is the second part of the telegram we haven't talked about which you should be aware of and which we have given much thought to.

Thirdly, we are operating under a continuing resolution, and it is my understanding that as soon as the Department makes a determination as to what the regions may do, we will then develop a spending plan and submit this through the Department to the Office of Management and Budget requesting those funds which would be appropriate to

the options decided upon by the Department.

So I do not know what the spending level is for fiscal 1974. It will not probably be greater than $81.9 million, and it probably will be not less than $30 or $40 million.

This is the result of many conferences and inferences, but we do not know. I don't believe the determination has been made since the options haven't yet been selected.

Now, the options that are under consideration are all those kinds of things which the Regional Medical Programs have been doing. There are no surprises to the Council, and there are no surprises to the coordinators or to the community groups. Thus, it is a question of making a decision, not starting off in a new direction for any given Regional Medical Program.

Now, let me turn for a moment to that second stipulation in the telegram, because it is important that you understand the thinking at least that staff has given to that cryptic phrase which says, "Regional Medical Programs Service has been authorized to utilize the balance of FY 1973 funds (approximately $6.9 million) with the stipulations that no expenditure be made therefrom until the Department announces the mission of the Regional Medical Programs Service for the remainder of FY 1974 and" --

now the second stipulation -- "that proposed RMP activities meet review criteria to be established."

What this really says is that the Department has indicated that in expending either the $6.9 million balance from fiscal 1973 -- which has already been distributed in individual awards to the 53 regions but they are not allowed to spend it -- or in permitting expenditures from the fiscal 1974 funds yet to be made available to the regions, not only will those funds have to be spent in certain programmatic areas now under consideration by the Department, but within those areas the actual projects which are funded and activities which are engaged in must meet certain review criteria which at this point in time are not developed.

So we have an obligation placed upon us by the Department to develop reasonable criteria of a general nature for those programmatic areas which are approved by the Department and to have these criteria be applied by the local Regional Medical Program in consideration of the activities they would like to engage in with either the balance of 1973 funds or the 1974 funds and to have a review process involving you, the Council, and we, the staff, which would certify that the projects are in fact meeting the criteria.

And since telegrams cost money, we didn't write

all that. We just thought we would put that all down on July 5. And since July 5 we have been trying to determine how as a staff we might accommodate these various constraints or, if you will, requirements.

In a sense, we are returning from program review which you are familiar with with the triennial application to a modified project review.

Now, I would like to give you the thinking of staff because it does involve both advice from you and hopefully your participation with us over coming months, and the best way I can phrase this I think is to reflect back upon how we managed the earmarks on the emergency medical services funds and also on the community-based AHECs where we involved Council in the development of criteria and the subsequent review of these and yet had a type of project review back here at the national level, not depending solely on the review process at the local level.

What we would propose is in accordance with the Department's interest in not waiting until the end of September before regions can get moving, but to provide that kind of framework which will permit regions to move ahead as quickly as the Department decision can be made known to regions.

What we have considered is the following, and I

would appreciate it if staff would react or add to what I am about to say because I do want to make it as clear as possible so that we can either get your endorsement or advice as to how to proceed otherwise. And I do mean that.

We have given much thought but I am sure there are other ways of doing this.

We do expect a Departmental decision on these various options within a very short period of time. I indicated to you we had hoped to have that decision today, which means we may have it this week or next week. I believe we are that close, because I understand that the Assistant Secretary's office is in a position to make its recommendations to the Secretary's office, where the final decision will be made, so that we hope for a decision very quickly.

Once this decision is known, the only thing holding up the regions from, therefore, utilizing the $6.9 million that is already out there and from developing a spending plan for 1974 is the fact that we don't have these criteria which the Department believes we should develop and apply against the specific projects to be funded within the constraints or possibilities provided by the Department.

So in developing criteria, what we propose to do is to ask the Council if they will with staff and with selected

coordinators who are closest to these kinds of activities, be they hypertension control programs, EMS programs, quality of care and assurance programs, or what have you, to participate with us in the development of these criteria by forming yourselves or with our guidance into small subcommittees of two or three Council members who could meet possibly in the very first part of September to approve a general set of criteria for the programmatic areas determined by the Department, and to then make these criteria immediately known to the regions, the regions then having the opportunity to immediately provide to us those applications for projects in those areas which, since the criteria are now known to both the region and the Council, would be a simple certification process here to indicate that these projects can be approved, approval sent to the regions, and the regions immediately then engage in the kind of staff hirings and initiation of projects or staff service that are requested.

We believe that the actual criteria could be developed very quickly over early August and we would hope that in the early September meeting we would make it a little bit more clear. The actual applications for specific projects to be funded could come in from the regions.

So this would be very much like the EMS and the health services education activity program that we had

about a year ago.

This would get regions started immediately with the funds that have been made available.

Now, we would believe that if this process were one which you believed would be effective and in which you would participate, we would have to ask that there be an understanding by the Council that these subcommittees had delegated to them the authority of the full Council for making the decisions for the actual award of grant funds either out of the $6.9 million or the 1974 funds for these specific activities without bringing them back to a full Council meeting.

Again we are working within a time constraint, but this would get the regions moving in a very definite programmatic direction.

It adds an additional layer of review which perhaps everyone would not wish to engage in but which seems to be the appropriate method for proceeding right now.

We are open to other suggestions as to how to proceed effectively.

We do believe that it is not possible to rate in any numerical way the projects that may come in. I may be very mistaken about this. But certainly some kind of ranking in priority order will be required because we will have to pay on some graded scale, again in accordance with

what may be indicated by the Department to be preferences or even certain levels of funding for certain directions.

Now, that is a modified project review for the immediate future which is merely designed to get the regions moving faster than waiting until September 30th, and we believe, therefore, this could all be done over August by perhaps one meeting on criteria and one meeting in September of the individual committees, sub-committees, of the Council with staff to review the specific projects that came in.

The more important thing, of course, is to look at the regions as a whole over the fiscal year and the future of this in the longer term, so what I have just proposed is a short-term expedient arrangement to help us all get back into some kind of functioning within the regions.

The longer-term considerations of each region and the program as a whole would be presented at a November Council meeting where we would have two days, if your schedules permit, to look at all of the regions collectively and individually and these longer-term considerations as to what happens beyond June 30th and the kinds of things which we neither have time for now nor are as clear to us as they should be, and over the course of the coming weeks and a few months I believe we will have a better appreciation for what the stands of both the Congress may be and the Administration.

Now, I just wanted to mention this to you because as a staff we are under an obligation to the Department which is, of course, my problem to somehow release those funds already made available to the region and those funds which can be made available to the regions provided we have criteria and provided projects can be developed which meet such criteria.

Now, the kinds of criteria that I am talking about are broad in nature, general in nature, and generally revolve around the idea that whatever project would be submitted would be one which would have an impact in a real way in a community over this one-year period.

There is no coercion from the Department in any sense of the word to design criteria along a certain line or to make things impossible either here or within the regions. The idea is to use what funds are made available out of the 1973 funds or the 1974 funds to accomplish something in a relatively visible way within the communities over the one-year period but not to start those kinds of activities which would if initiated have to be continued by an RMP as an RMP in order to make an impact in the region.

Because, gain, we are probably talking about the continuation of the program in some new form, or alternatively an actual termination, and this from my point of view here

has not been finally determined. But the intentions as I best perceive them are to continue the program in a modified form, the structure of which is at least for me ill-defined but which by November Council meeting may well have much greater opportunity for discussion and useful input from you.

If it turns out, of course, that it is possible before that time, we most certainly would want your advice. But it is not too helpful today to speculate too lengthily I believe on what happens after next June 30th except perhaps to indicate an overall concern or point of view by the Council.

Now, again, that is rather technical, but we have very severe administrative constraints, and we not only need your advice as to how to proceed over the next 60 days but we from our point of view-- With this recommendation to you, it would involve your actual participation with staff and with selected coordinators to help develop the criteria very quickly and get your approval and then to have possibly a September meeting with the subcommittees, a subcommittee probably established for each option, a subcommittee for the strengthening of health planning agencies in the community and a subcommittee maybe for the EMS activity, who could be given the authority by this full Council today to act on behalf of the full Council and thus

to start the regions moving ahead very positively with what funds are available.

I hope I haven't muddied the waters. All of that is contained in those few words of the stipulation No. 2.

Dr. Roth.

DR. ROTH: Well, I'd like to react to that. As I look around, I guess I'm the only one that was on the Council back in the days when we were reaching a decision, which may have been an ill-advised decision, but we always had the dilemma with limited dollars do you put them into places with a demonstrated capacity to use them to put on a good program or do you look at the areas which are backward, deprived, who probably need the kind of stimulus that RMP thought it was prepared to give without putting on such sophisticated programs?

Our decision was that indeed we weren't going to deprive the backward, underprivileged areas in order to pour more money into Boston and Philadelphia and places where there was all this capacity.

Now, that may have been a wrong decision at the time, and it certainly is a luxury that we can't afford if we believe that the RMP philosophy is right, that the catalytic role of RMP has demonstrated a capacity to do good in areas, and if we would like in the time available to us

and with the funds available to make RMP as visible as possible, build its credibility and hope that it will attract further funds and congressional and departmental support, it seems to me that this is important, because what has high visibility may be a very rudimentary program in rural Mississippi and what has value in Philadelphia or Boston or metropolitan Washington may be something very different.

And I would think that committees would have a terribly hard time looking at 53 regions and coming out with hard and fast criteria of these sorts.

It tends to suggest to me that there may be an awful lot of wheel-spinning involved in this simply in order to involve Council in a relatively nonmeaningful way.

If we are officiating at the demise of a program, you go one way. If we are struggling to save it, you go another.

And I believe that the RMP staff as I have observed them in my connection with the program want RMP to survive and believe in it. I have been on enough site visits with them and enough Council meetings with them to know that I think they want it to work.

And with the limited number of dollars it seems to me that the only practical thing in this short time period is for the Council to charge staff with picking out,

in the areas which appeal to me that you have listed-- I mean EMS has high visibility. AHEC support may have high visibility. These kind of things. And with the money you have got available and geographic distribution the best you can, try to put on a final flare of fireworks, if that's what it is, and see if you can't be spectacular enough with it that Congress and the Department and the Administration will want to continue the program.

I'd be willing to consider putting faith in a staff that we have been working with long enough.

It's sort of like we have been saying in the regions. You build a good core and then you depend on core to exercise its judgment on how the available funds should be used. We never realy let them do that, but there is the opportunity to do that with this central core staff.

DR. PAHL: Well, thank you.

Are there other expressions by Council?

We will be breaking for lunch in a moment.

Dr. Schreiner?

DR. SCHREINER: I always feel guilty mentioning kidney and hope somebody else will. But I notice it was left out.

DR. PAHL: We had our coffee break. (Laughter)

DR. SCHREINER: I think if people are going to talk about strengths of the program, even though that came

in very much later than the original heart, cancer, stroke routine, we have got a real talking point in focusing against H. R. 1 where we are going to spend $250 million next year in implementation.

Where would this be if there weren't a State-wide program in Wisconsin, for example? Where would this be if there weren't a State-wide program in Arkansas?

And these were things that were set up by RMP, and I haven't even heard them mentioned once, but they are very, very practical points.

And I think that we obviously ought to continue during this year while we are interdigitating with a big pay program-- There's no danger we are going to have to take over the cost of the patient care, because it is already taken over. We ought to work on methods for better distribution, better techniques for coordination of programs, develop tertiary care centers, all these kind of things.

Because our focus is right there in a way that is going to interdigitate with the spending of big dollars.

DR. PAHL: I thank you for calling my attention to really a very major oversight, because in trying to keep all these points in mind I did fail to say that one of the key options is the kidney option. It's right here in the paper, so you will have to accept the veracity of the

statement.

DR. HABER: You did mention it.

MRS. MARS: You did.

DR. PAHL: It must have been in passing. Let me emphasize it most certainly here.

Now, if we might, since we have until 3 o'clock, entertain with you whether you would like to use this as a point to break for lunch and consider some of these matters-- Let me tell you what we see to be at least two necessary items, or three necessary items, of business, all of which I hope are relatively short.

One, our own proposed resolution to you, or some variation thereof, is necessary to give us that kind of administrative legality to continue on in the next two months. This is apart from the development of these criteria and the application of the criteria. But adjusting budget periods, and so forth.

The second thing is there is a resolution we have to hand out to you dealing with the construction funds which way back in the early morning were mentioned by Mr. Van Nostrand, and again for us to conduct the Government's business in an expeditious way over the next period until we meet. We will have to take a few minutes and tell you what that is and ask you if you will approve the resolution we are proposing or some variation thereof or else

we are always going to be answering the telephone to the Congress. But we have to get into that.

The third thing is while most of you are still here we would like to have a two-day meeting for November set, although we may have to either adjust that one way or the other depending on circumstances.

We believe it would be helpful, and if we may just get that first point out of the way because people may have to leave as we go through the day, I believe there was a calendar provided to you and we'd like to have you look at the month of November.

Staff has determined-- Is the 27th a holiday?

MR. BAUM: Yes, Thanksgiving is the 27th in red.

MRS. MORGAN: The 22nd is Thanksgiving.

DR. PAHL: Does anyone know for the purpose of Government business what --

DR. ROTH: It is Rosh Hashanah. No, I'm sorry. I'm corrected. That's September 27th.

MR. PETERSON: According to the Esso calendar the 22nd is Thanksgiving.

DR. PAHL: What we'd like to have you do is look at the week of the 26th, the last week of November, and see if we can select a two-day period which is such that most of you can attend, hopefully all of you but most of you can attend, and at which time we would not only review

what had happened, of course, between now and then but look at all of these longer-term questions and bring to you the Department's position, the Congressional position, and so forth.

The reason for that is by that time we would be able to anticipate formal applications from each region for the total fiscal 1974 funding and you would be acting on those applications for the entire fiscal year, not this piecemeal trying to use the $6.9 million, but if, for example, we are given $40, $45, $50 million for fiscal 1974, the request for the total fiscal 1974 picture from each region would be in an application which had been reviewed by staff with recommendations to you and that would be part of the business of the Council, together with these longer-term considerations.

And there would be staff papers for you and positions that we would hope to give you from the Congressional and Administration point of view.

DR. ROTH: Just a question. Are the five of us whose terms expire still alive for this meeting?

DR. PAHL: You're alive through November 30th, and it is our hope, of course, with your personal interest and permission, that we will be permitted to extend all terms, and we are looking into the niceties of advisory committee regulations and requirements.

But we would propose to the Department that it is important for us to have the continuity of your participation, so although the terms do expire November 30th, that meeting would be legal, and beyond that we have to get special action from the Department.

We would always be trying to act with filling some vacancies with people knowledgeable about RMP program so we could have as effectuve, full complement of the Council as possible. That is a lot to be done in that period.

DR. ROTH: Then I would propose Monday and Tuesday, the 26th and 27th.

MRS. MARS: Fine.

DR. PAHL: How does that fit with other people's calendars?

Fine. All right. The schedule then is for November 26 and 27, Monday and Tuesday, and, of course, we will be in a position I hope to be much more logical about the proceedings than perhaps today.

Let us break for lunch, and if we could reconvene perhaps at 2 o'clock --

MRS. MARS: Let's make it before that.

DR. PAHL: Let's try to make it quarter of 2. If you have indigestion, it's a result of Council action. (Laughter)

So let's try to make it back by quarter of 2 and

hopefully discussion takes place so that we can get our business out of the way along the lines we have been talking about.

(Whereupon, at 1:12 p.n., the luncheon recess was taken.)

AFTERNOON SESSION

1:50 p.m.

DR. PAHL: Mrs. Mars informs us that it's five minutes past our lunch hour self-imposed limit. So with that liberty that I have just taken, perhaps we can reconvene. We have approximately an hour and ten minutes.

In thinking about how we may best utilize our time and also feeling that it's important before you take your final actions that Dr. van Hoek have a few minutes to present some matters which he believes you should consider before taking whatever actions you believe are appropriate, I'd like to have Dr. van Hoek present his thoughts to you first.

Then, following that, I think we should deal in a businesslike way with at least the resolutions that are in hand and then take up whatever additional points you feel are necessary.

So, with that, Bob, would you like to address the Council?

DR. VAN HOEK: I just wanted to briefly give you some thoughts based on my experience over the last several years, most recently being involved in both the reorganization task forces and some of the legislative issues that we have been faced with. I think they serve as a frame of reference for you to consider both in terms of looking at

some of the options that might be considered and how RMP could impact on those or implement those options as well as any ideas that you might have for the future of the program.

There are several issues that we are currently faced with. As you know, RMP was only one of 12 programs which were to be allowed to expire this fiscal year and which received a one-year extension. Furthermore, along with that extension, most if not all the health manpower legislation which HEW currently administers is scheduled to expire on June 30, 1974.

So what we are working on over the next several months in essence is the development of health legislation for virtually everything that we are doing in terms of health manpower and the delivery of health services aside from the financing programs, Medicare and Medicaid.

Secondly, as Medicare continues to be expanded and Medicaid continues to be evaluated, there are the questions of restructuring those programs, if not looking at the various options of national health insurance.

The reorganization is tied in with that, in that the basic concept behind the reorganization was in essence to bring together the various programs or functions that are carried out in the health agencies which in many cases have been separated into separate programs because of the legislative base and the appropriations structure, and the

reorganization was predicated specifically on the basis of pulling together similar functions and leading probably, undoubtedly, to significant revision of legislation and appropriation structures over the next fiscal year.

Now, walking you through a process which we in essence did in part of our reorganization work, if you take a look at some of the functions which are carried out and you look at various programs, the question is asked: What was the basis for that program functioning as a separate entity? And you then have two issues, two primary issues.

One is program content. In other words, should the Federal Government be carrying out this program activity or are there significant gaps in which the Federal Government should be involved?

And then, secondly, if the Federal Government should be involved, what is the process by which that function or program should be carried out?

So you are really facing two issues with RMP.

Now, let me point out two separate things. In the reorganization, on the flip chart here, I have diagrammed part of the health agency structure, with the Assistant Secretary for Health having an Office of Policy Analysis and Research. This was the office that Scott Fleming headed until he left in June, now headed by Dan Zwick.

And then HRA in which RMP is located, as well as the National Center for Health Services R & D, considered to be the principal agency for carrying out studies, evaluation, analyses, data collection, and supporting developmental activities in the delivery of health services. It is the principal R & D agency aside from Biomedical Research, which is NIH, and because of that responsibility it has the primary resources to assist the Office of Policy Analysis and Research which has the responsibility for the Assistant Secretary and for the Secretary of carrying out analyses and the development of health policy in HEW.

So that shows you the importance of the location of the RMP program, the RMP staff, as well as other activities in HRA.

Now, if you look at the blackboard, what I have done is just quickly sketched -- and this is just in essence a rough example of some of the program content, some examples of program content or functions which have been identified both in looking at the organization of HRA and other programs in the health agencies and also looking at it from the standpoint of where those activities are currently carried out.

Now, some of the priorities that were discussed this morning for RMP and which are considered high priority in the Department and in the country as a whole are listed

there:

Quality assessment.

Standard setting.

Health statistics.

Planning and resource allocation.

All of these functions have been identified as key functions that need to be performed and in which the Federal Government has some part to play, whether just by subsidizing community activities or actually conducting some of these in a more direct fashion.

I have not completed the second column, but if you take those functions and look at the way HSMHA and other agencies were operating and the way we were structured, virtually every one of the programs in HSMHA, for instance, was carrying out that function in one form or another, with very little coordination, very little joint planning or joint funding. And it was driving HEW, the communities at large, and the regional offices, who were trying to link some of these resource and research activities with the service delivery program, to despair in terms of trying to find out what was going on and what information was coming out of all these activities.

And I can duplicate that for every one of those functions.

In addition, you can also duplicate it in terms

of legislation.

The question should be asked then in terms of column 3: What is currently on the books which provides the legislative authority and the funds to carry out those functions either in a primary responsibility and then, similarly, secondary responsibilities?

For instance, quality assessment. The primary implementation in the Nation is going to be through PSRO. But there are a series of other activities related to PSROs which need to be carried out in terms of research and evaluation of the effectiveness of PSRO, the development and evaluation of criteria, methods, the techniques of quality assessment, and so forth, which are based at the moment primarily in HRA.

But here again in terms of quality assessment in PSRO you can identify more than five agencies which have in one way or another had some involvement in the early stages of the PSRO development. And so on through.

The question then can be raised: Are there program functions or content which are not being met through any existing legislation or any existing programs which should be carried out? And whether that is carried out in HRA or RMP is one question.

Second, if there are gaps that need to be filled, is a program like RMP the most appropriate route to go?

In other words, what is the content of the program? And then what is the process by which you implement it? Is there a need for the Federal Government to subsidize community organizations to carry out the functions that have been carried out by RMP in the past or to carry out some new function in the future?

My own reaction in some cases has been that RMP has been used more in addition to a number of the standard functions -- has been used to a great extent in those special initiatives. That is, at some point in time the model cities was a big initiative, so RMPs got involved in model cities. Then there were HMOs two years ago, and EMS one year ago, and so forth.

And it relates to Paul Haber's question earlier about the changing mission and priorities that have occurred over the period of time.

And I would like to throw out just one problem that I have identified as the Director of NCHSR&D looking both at quality assessment and the problems of health services delivery. And I think there is a major gap that is not being addressed by any of the health agencies at the present time.

And that is methods for studying medical care effectiveness. And by that I mean medical care effectiveness in the Archie Cochran-British sense of the word and in terms

of evaluating the effectiveness of medical care in an actual practice setting rather than in the research setting where many of the treatment modalities are being tested and evaluated at the present time and again that would link logically PSRO, Biomedical Research, and some of the things for which RMPs were originally established.

So I just wanted to bring out some of those thoughts that have come up among the staff, and it's not just limited to RMP, but I think it's particularly pertinent to RMP since we are in process of looking at both what it should do this year and what the nature of the program might be in the future.

DR. PAHL: Is there any discussion on the points? These are some of the broader considerations that I think are well to have in a way classified for us, because we will be dealing with them both in the immediate future but more importantly in the longer-term considerations.

I don't know whether you have comments now or over the course of the afternoon or-- Dr. Laur, do you have any comments?

DR. LAUR: No.

DR. PAHL: Well, if not, I would again thank you and suggest that there are two or three items of business which perhaps we can address.

And because one of them is brand new and doesn't

get into the resolutions from the coordinators and ourselves, I would like first to treat the construction authority resolution, because it is an isolated point.

Ken, would you distribute our proposed resolution to the Council?

And if you will bear with me while I try to just go through this very briefly, as Mr. Van Nostrand indicated this morning, there has been through the legislative process a sum of $17 million authorized for the construction of specified facilities.

Although you don't have to turn to your book, under the tab marked "Quotes" -- in which there is a summary of excerpts from the legislative activities that have taken place on the next to the last page -- at the bottom there is a section which deals with the construction authority, and perhaps I should just read it to you. This is excerpted from the Second Supplemental Appropriations Act, Public Law 93-50, July 1, 1973.

"Health Services Planning and Development - For an additional amount for 'Health services planning and development', for carrying out, to the extent not otherwise provided, section 304 and title IX of the Public Health Service Act, $17,000,000, to remain available until expended."

That means that $17 million has been made available in no-year money, so it is not a question of whether the

money will be spent or has to be spent in this fiscal year. It is just a question of how effectively we can discharge the obligation for funding the facilities which were further identified as follows:

In the Senate Report No. 93-160 and also in the floor debate it was indicated that these funds are for the following items:

First, $12 million to permit completion of the new Children's Hospital National Medical Center in Washington, D. C.

Secondly, $4.5 million to meet the initial needs for a children's medical center serving the Northwestern regions of the United States.

And, thirdly, $500,000 to complete a hospital in northern Vermont, the North Country Hospital and Health Center at Newport, Vermont, by providing additional grants for hospital construction.

Now, in the press of activities, I will have to admit that we have not been able to devote quite as much time to this particular part of the end-of-the-year legislative activities as we would have liked to, and there is some question at least in staff's mind as to what our authorized level of expenditure for construction within the Regional Medical Program Service can be, since under the authorizing legislation we are permitted to spend in one

fiscal year no more than $5 million. Yet here in the legislation we have a total of $17 million for these three facilities.

This poses a kind of problem which I have not been able to resolve prior to the Council meeting, and rather than face it directly I felt I would perhaps try to come to you with a resolution which is an innocuous one but will let us proceed once we are able to resolve the legal issue, which perhaps is very simple but which is at least in my mind at this point a little confusing.

The second matter is that it is quite clear that the funds have been given under section 304 and title IX, and two of the three facilities clearly are within the Regional Medical Program Service responsibility, and those are the North Country Hospital, Newport, Vermont and the Children's Orthopedic Hospital in Seattle, Washington.

What again is not clear, because several authorities have been cited in the legislation, is just which program element in the Health Resources Administration is responsible for building or assisting to build the Children's Hospital in Washington, D. C.

Consequently, in view of the somewhat uncertain state of affairs from this end of the table relative to this legislation, and not having had the opportunity to obtain legal opinion on this, we have developed what I think

is an appropriate resolution for you to consider and hopefully act upon favorably, which I would like to read for the record. And if action is appropriate on it, it would permit us to conduct the business in accordance with whatever is determined by counsel of the Department to be our legal responsibilities and possibilities.

So the resolution that we have provided to you states:

"WHEREAS the Congress has appropriated $17 million, to be available until expended, intended for construction of facilities identified as follows in the Congressional reports:

"Childrens Hospital, Washington, D. C.

"North Country Hospital, Newport, Vermont

"Childrens Orthopedic Hospital, Seattle, Wash.

"and WHEREAS the construction of such facilities would contribute to the purposes of Title IX through the strengthening of primary care, enhancing the quality and capacity of facilities, strengthening linkages between primary and specialized care,

"and WHEREAS the Congress has authorized the allocation of said funds under Title IX and other authorities of the Public Health Service Act,

"and WHEREAS the RMP legislation authorizes up to $5 million per year for new construction,

"the National Advisory Council on Regional Medical Programs, recognizing the clear intent of Congress that construction of the above facilities be assisted, delegates to the Director, Regional Medical Programs Service, the authority to award funds up to the full legal limit under Title IX for that construction determined to be appropriate"--

And I believe the word "Provided" should be included, Mr. Baum.

MR. BAUM: Yes.

DR. PAHL: Following "appropriate," please insert the word "Provided."

"1. appropriate application is made therefor, and

"2. the applications, plans and specifications meet all HEW and local requirements applicable to the types of facilities to be constructed.

"The Council, further, strongly urges that funds to be awarded for construction of said facilities shall be in addition to, and not part of, the total allocation for support of RMPs in Fiscal Year 1974."

Again, the purpose of asking you to take favorable action on this draft resolution is to provide to the staff the authority to proceed within the legal limits of expenditure for those facilities which are determined to be appropriate for construction under RMP authority as quickly as possible rather than to delay longer

since it would not be in the best interests of the communities. In some cases the construction already being underway and the funds being no-year funds, there is no need to delay unnecessarily since the funds in fact will be spent as soon as all of the requirements can be met.

Now, I am sorry that I do not have identified for you, therefore, the exact funds that we will spend this year, since it's up to legal determination, and I do not have the knowledge at this point as to whether the RMP program is responsible for Children's Hospital, Washington, D. C., and, of course, we will discharge whatever the Department determines to be our responsibility in accordance with congressional intent.

MRS. MARS: I move we accept the resolution, Mr. Chairman.

MRS. MORGAN: Second.

DR. SCHREINER: Question.

DR. PAHL: It has been moved and seconded to accept the resolution. Dr. Schreiner?

DR. SCHREINER: I don't know whether it's in order but I would like to propose that a slight amendment be made -- that is, that the words "strongly urges" be removed and that the word "agrees" be substituted.

MRS. MARS: Where?

DR. SCHREINER: Last paragraph.

MR. MILLIKEN: Second.

DR. ROTH: Is there any possible relationship or parallelism between this and the $15 million of our money they stole for HMOs?

DR. PAHL: There is construction authority in the authorizing legislation for RMP, $5 million per year. This has been exercised I believe only once, and that had to do with the Seattle --

MRS. MARS: The Hutchinson --

DR. PAHL: The Fred Hutchinson Cancer Center.

So, to answer your question directly, I believe there is only the palest of coincidences which may appear on the surface. This is a perfectly appropriate expenditure at least up to the $5 million for projects.

The identification of these projects, of course, came through the legislative process. So it is not quite in the sense of having an open competition for these funds. And the question, therefore, is not making these available for competition but to assist in the construction of these specific facilities.

I don't believe there is any relationship between the HMO funding of last year and these specific requirements.

DR. VAN HOEK: There was an attempt to put the $12 million in the 304 authority last year and it fell out because of continuing resolution-appropriation problems, but

they did submit an application for funding as a research facility and that application was disapproved.

MRS. MARS: I accept Dr. Schreiner's amendment.

DR. PAHL: The proposed amendment to the resolution, which has been moved for approval and seconded, is that the phrase "strongly urges" in the last paragraph be replaced by the --

MRS. MARS: The word "agrees."

DR. PAHL: -- word "agrees." Is there further discussion on this by the Council?

CONSTRUCTION VOTE

MR. MILLIKEN: Question.

DR. PAHL: If not, all in favor of the amended resolution please say "aye."

(Chorus of "ayes.")

Opposed?

(No response.)

It is so ordered.

By the way, we, of course, will inform you at an appropriate time what the resolution of these legal issues is and what funding is proposed from the Regional Medical Programs.

I would like to turn now to the resolution which we proposed for your consideration, and without attempting to in any way lessen or bypass the resolution introduced by Dr. Teschan for the coordinators, I would like

to treat this particular resolution separately, because it does something a little different and it's more limited.

And since we have had a chance to look at it again, let me say very clearly that the intent is to both approve a limited set of administrative actions taken by us, limited to the adjustment of budget periods, the proration, the forward proration, of funding levels and of Council-approved levels for regions, as actions which we had to take in order to accommodate the intent of the Congress and the intent of the Administration until such time as we could have a Council meeting, and, secondly, to delegate to us in this limited fashion -- that is, adjustment of budget periods and funding level and Council-approved level on a proration basis -- so that we merely prorate those levels over whatever period of time is necessary and whatever sums are necessary in the near future as necessary until again as a Council we can meet to look at applications from regions and act on them in the way in which we are accustomed.

And at this time that would appear to be the two-day meeting in November, although if that proves to be unnecessarily far in the future with respect to how things go, we may have to be in touch with you and see if we can construct an earlier Council meeting.

We are still trying our best to predict how events

will flow.

Mr. Milliken.

MR. MILLIKEN: Are you ready for a question? Go ahead if you're not.

DR. PAHL: Yes, but I think I will have to read this into the record so we make sure it is there, with your permission.

MRS. MARS: May I just ask are you saying that unless we pass such a resolution your hands are more or less tied? Is that the --

DR. PAHL: Yes, it's staff's best impression that we are skirting administrative flexibility here. We know we have a Presidential extension of a bill. We know the Council must approve the awarding of grant funds. And we are not quite certain about our schedule of Council meetings and what actually will be necessary until we meet again.

So we are asking you to give us that authority of the kind we have already exercised in this limited way to permit us to conduct the business until such time as we have applications and a bona fide review and recommendations from the Council in terms of new applications.

DR. MERRILL: Doesn't approval of this resolution mean we are in essence approving the quarterly funding principle as outlined in your telegram?

DR. PAHL: No, it really isn't related to the quarterly funding as such.

I think what we are basically saying is that the quarterly funding, which is a departmental-- By the way, I'd like to strike that. That carries an implication which I think is not really true.

All regions are now guaranteed viability through the first quarter, but I believe the Department's clear intent is not to fund the program on a quarterly basis. And this resolution merely lets us, depending upon the availability of fiscal 1974 funds that may become available before we meet again, move ahead to both adjust Council-approved levels and funding levels in order to expend funds in the way in which we mentioned before we may have a full Council meeting and full applications from the regions.

The problem really has to do with the fact that regions don't have applications waiting on their desks to send to us because we yet don't know what to tell them to construct in the way of program areas and the criteria that I have mentioned.

And yet we may have a continuation of fiscal 1974 continuing resolution funds made available to us which, if we have this authority, we can help regions move ahead functionally without actually having a Council meeting and

incomplete applications for you, and we can't see having real applications much before perhaps October for staff review and analysis to present to you in November.

So this is not really in any way to be interpreted or related to a quarterly funding principle. The staff did not construct it that way. It isn't viewed that way, and it won't be implemented that way. And we could reconstruct it in some fashion if that is the interpretation. But they are separate issues.

DR. MERRILL: I think this statement that you have just made, read into the record, will solve the problem.

DR. PAHL: Okay.

DR. SCHREINER: But, Herb, as a matter of fact, no RMP that has a vacancy for a coordinator can hire a man on a year's contract even though they have congressional authority to do that.

DR. PAHL: The technicalities are complicated. What we have said to the Department is that we will guarantee the viability of the regions through the first quarter, and by viability I have indicated to Dr. Laur and Dr. van Hoek he must accept our professional judgment as to what viability means, and if there is not now a coordinator present, then a region without a coordinator still as of September 30th would not be considered viable from a prudent manager's point of view.

And so actually although there is still the schizophrenia and the technical complications, in fact as a staff we are negotiating with regions to have them hire staff, to retain their current staff, and the necessary supporting staff and space and equipment.

So that if it is the desire of the region to hire a coordinator, from our point of view that constitutes a reasonable definition of viability to permit that.

The question more is whether you can hire a man on the basis of the kind of telegram language that we have had to send out. So it's not that we are restricting the region by not allowing them to hire people. It is that the communications which have gone out don't make it very reasonable for responsible people to want to take on this until there is some greater sense of stabilization from Washington.

And, of course, we are very hopeful very quickly of giving that stabilization. And such things as the resolution that we are considering here would help us implement such a situation.

DR. SCHREINER: We're not trying to give you a hard time, because we really appreciate --

DR. PAHL: I know you do.

DR. SCHREINER: -- your situation. On the other hand, I would have great difficulty, because if I were

on record voting for that, someone could pick up that paper and say, "What are you beefing about? You okayed it."

And it seems to me that it would strengthen your hand maybe if we got specific, if we feel strongly enough, or at least I would feel if I felt strongly enough on that point, to make that as a specific exception, so that there is a clear record.

But I'm afraid that, you know, when this gets translated in the newspapers it's going to mean that the Council is all in favor of this.

DR. PAHL: Well, I think we could certainly -- and we would be certainly pleased to have incorporated into this document or into another resolution the clear sense of the Council that it does not endorse any principle other than full-year funding.

Perhaps, Bob, you might like to comment. I'm not sure, because it is a lot of material I have presented on a complicated topic-- Perhaps it would be-- If you had a point to make --

MR. CHAMBLISS: We do feel, Dr. Schreiner, that this resolution will keep the RMPs alive until such time as --

DR. SCHREINER: I understand.

MR. CHAMBLISS: -- there is adequate release of the constraints of the telegram and adequate release of

funds.

To answer specifically Mrs. Mars' question, I would say, yes, this does tie our hands unless we do have this kind of authority.

DR. SCHREINER: We appreciate all that.

DR. PAHL: It's the quarterly funding --

DR. SCHREINER: How many unfilled positions for permanent coordinators are there? Seven?

MR. CHAMBLISS: We have no unfilled positions. We do have, as I reported earlier, ten acting coordinators. Three of those have been acting for an extended period of time, which has been brought to your attention prior to today. There are seven new acting coordinators.

DR. SCHREINER: Has any one of those signed a year's contract?

MR. CHAMBLISS: Fortunately, they come from the professional staff in the main, and that problem has not been a very acute one. They are members of the staff who have been promoted to the coordinator -- the acting coordinator -- slots.

MRS. MARS: Why don't you just add a few words in here in this last paragraph as you'd like it.

DR. SCHREINER: That's what I think would strengthen you.

DR. PAHL: Yes, we would appreciate having that

made explicit, because it is the intent to divorce this from any support of a quarterly funding principle.

MRS. MARS: The only thing I don't like about it is this part here where it says "endorses the specified administrative actions taken to date." We never had a chance to endorse them. We were simply told what was going to happen.

So we have to accept what has been done, so there is no question about that.

MR. CHAMBLISS: Well, it can be an endorsement with retroactivity, Mrs. Mars.

DR. PAHL: The position is a difficult one --

MRS. MARS: I know you can, but --

DR. PAHL: -- that we have placed you in. And what we basically are asking is endorsement with understanding of the constraints, and, of course, that's been clear all morning.

Put the other way, if you do not endorse these actions, since it is a matter of history one can't undo the actions, and I prefer to adopt the point of view I think that Dr. Teschan tried to convey to us, and that is if we can kind of close a door on the past, because it has been difficult on all parties concerned, and move ahead-- And we feel this would help clear the way both psychologically as well as in any legal and program sense

that would give us a better basis for moving ahead.

But it is placing the Council in a most awkward position.

DR. MERRILL: Could one amend this paragraph (4), article (4), so that it reads at the end of the second line "with the clear understanding that funding of programs be undertaken on an annual basis"?

DR. PAHL: Most assuredly, yes.

Would the Council accept that amended version? That would be most supportive of our position.

MRS. MARS: And with a clear understanding, Dr. Merrill, that --

DR. MERRILL: That the programs be funded on an annual basis.

DR. ROTH: I second that.

DR. PAHL: The suggestion has been made and seconded to amend the section (4) of the draft resolution with the words added "with the clear understanding that programs be funded on an annual basis," that phrase being inserted at the end of the second line.

DR. MERRILL: And in place of the third line.

DR. PAHL: Yes, and elimination of the third line.

MR. BAUM: Herb, do you want to read the whole thing into the record?

DR. PAHL: All right. Let me ask you, Dr.

AMEND-MENT

Merrill, to insert your exact wording, but let me read the entire first part so we have it for the record, if I might. I think it's an important resolution.

This would be Council resolution endorsing adjusted budget periods and approved support levels for RMPs and delegating to the Director, RMPS, limited authority for making similar future adjustments.

"(1) WHEREAS: the President in his budget message to the Congress of January 29, 1973, did not request any further support for RMPs for 1974, thus necessitating that a planned phasing out of both the RMPS and the RMPs be instituted for the orderly termination of the program, and

"(2) WHEREAS: in implementing this phaseout process the RMPS found it necessary to adjust selectively the budget periods of the RMPs and to prorate both their funding and Council-approved ceiling support levels, and

"(3) WHEREAS: on June 18, 1973, in accordance with the strongly expressed intent of the Congress, the President extended the program for one year, then" --

Section 4. And now, Dr. Merrill, may we have your complete section?

DR. MERRILL: "(4) BE IT RESOLVED that the National Advisory Council accepts and endorses the specified administrative actions taken to date and, with the clear understanding that the programs would be funded

on an annual basis, delegates to the Director, RMPS," etc.

DR. PAHL: All right. " . . .delegates to the Director, RMPS, authority to act in similar fashion as he deems necessary until such time as the Council can review applications from RMPs and determine new support levels for the individual regions."

MRS. MARS: That's good.

DR. PAHL: It has been moved and seconded to accept this amended resolution. Is there further discussion?

MRS. MARS: Question.

DR. PAHL: If not, all in favor please say "aye."

(Chorus of "ayes.")

Opposed?

(No response.)

It is so moved.

Now, the third matter is one that is on the broader issue and involves I believe the Council's recommendations -- to accept the resolution or the statement which has been prepared by the Steering Committee for consideration by the Council or to amend it in any way it deems advisable or to take any other such actions as you feel is appropriate under the circumstances.

And may I remind you that before we broke for lunch there was a suggestion made which perhaps could either be included in a formal resolution or perhaps discussed

a little further by the Council, so that there is no misunderstanding as to whether staff will have delegated to it the authority by the Council for the development of criteria and the use of these criteria to award funds either from the fiscal 1973 balance or from fiscal 1974 continuing resolution funds for the support of specific regional activities in accordance with whatever program areas are designated by the Secretary for this fiscal year.

MRS. MARS: How important is it that cancer, stroke and heart be brought into -- and kidney -- be brought into this criteria?

DR. PAHL: How important?

Let me remove the first non-obstacle. The kidney is involved. This is a very clearly specified program area which we have every reason to believe will be sympathetically viewed by the Secretary.

There is a hypertension control program option specifically proposed.

There is nothing specifically in the cancer or stroke categories, although these could be appropriately included and would be appropriately included in such things as the quality of medical care and the manpower development and utilization categories.

MRS. MARS: Because I'm sure you will recall the directive that was given to us that we must turn back towards

more emphasis on heart, stroke and cancer, and I'm wondering whether this would influence Congress at all in their thinking and perhaps in furthering and continuing the Regional Medical Program if such emphasis were directed at this time.

DR. PAHL: Well, this might be a point of view which the Council may wish to include in a statement which could be forwarded to the Department and may have a bearing. I'm afraid the state of affairs --

MRS. MARS: Do you know what the thinking of the Department is in this?

DR. PAHL: Well, at the moment I think we feel as staff that we could accommodate all of these activities within the broad options that I have identified for you, although the cancer field is not singled out, nor is stroke, as a separate area of activity. At this point the opportunity for further input into the Secretary's office is limited because of the time that we are working.

So the only thing that could be done is to have an expression of the Council's interest and to the extent possible have this expression of interest implemented within the options selected by the Secretary and with the Secretary's approval.

MRS. MARS: I was solely thinking of how this would influence Congress when this came up next year for

refunding possibly or for reconsideration of continuation of the program.

DR. PAHL: I honestly don't know, because there are the two points of view that the Regional Medical Programs has in fact done well by broadening beyond the initial categorical disease orientation. At the same time there is a very real interest on the part of individuals and groups to emphasize these areas and less some of the other developments which have occurred in recent years.

And I'm not sure I can really speak for how Congress would really view this, because it's too many people speaking for Congress and I don't have that sense.

MRS. MARS: From whence came the directive that we were given by Dr. Stone, if it wasn't Congress, so to speak, or was it Dr. Wilson? Where did that come from? We were given a very strong directive.

DR. PAHL: Off the record, please.

(Discussion off the record.)

DR. PAHL: On the record.

DR. VAN HOEK: I think it's fair to point out that the options that we have discussed and presented to Dr. Edwards and presumably are going to the Secretary, although they speak of hypertension and renal disease, are very specific, targeted activities.

The renal disease option is specifically

geared to RMPs assisting in the implementation of the H. R. 1 provisions, the support under Medicare of renal dialysis and transplantation, and hypertension area is specifically targeted not to a broad national program of hypertension and hypertension centers but to supplement the National Heart Institute's program in consumer education, professional education and screening and to assist in organizing community resources to do hypertension screening and treatment.

DR. PAHL: On balance, and being subject to review of the transcript, I would have to say it is my best impression that the Department's posture at this moment is to include in this year's activities, and as a strong consideration for any continued program, certainly emphasis on those categorical disease areas which were the initial development of the program in the legislation, but not by any means to restrict the programs, Regional Medical Programs, or the mission, to those activities, but, rather, to have them a part of broader areas of activity such as we have been following over the past perhaps two years now.

And yet I don't think I can honestly say what the Department's final position will be.

We will certainly take into account administratively and also bring to the attention of others whatever the Council's position on this might be. Because this is advice.

It is a transition year. And certainly it does bear on what the Department and the Congress may think the future of this program could be.

So not only now but as we go into other Council meetings and through the year I believe these points of view should be discussed and positions or recommendations made.

DR. McPHEDRAN: Dr. Pahl, I just wanted to ask something about these things that Dr. van Hoek put up on the board. I'm really asking is it thought that a Federal agency in order to be viable should undertake one or so of these functions? I mean in the reorganization plan?

And my further question is: Isn't it likely that there are going to be some kinds of activities that will have to include all of those?

For example, any intelligent medical care plan would have to include everything on that side (indicating). So that a Regional Medical Program would have to do all of those things really in order to be a Regional Medical Program. And would not they have to have an agency here -- and again I don't know about that -- but an agency from whom they would get direction in this and who would be their resource here?

I mean is it conceivable that a regional agency that was designed to foster cooperative arrangements between local health agencies and voluntary cooperative physicians,

and so forth-- Would not that agency have to have some kind of single central agency like RMPS?

I mean if you didn't call it RMPS, wouldn't you have to have that by another name in order to make the concept of an RMP dealing with all of those things on a regional level-- Wouldn't you have to have it? Or could you call it something else? Or what -- just in your thinking about reorganization?

I don't think that anybody here -- maybe I haven't understood it -- but I don't think anybody here has quarreled seriously with the idea that there is a place for some kind of regional -- maybe State would be better -- but we have all in the past said that maybe the State health agencies never could do it properly and that was the reason for starting Regional Medical Programs in the first place -- but that there was real reason for them to get together to help coordinate these activities.

And I don't see how those regional agencies could ever be expected to do it unless they had some central Federal agency like RMPS to deal with.

I don't really pretend to understand these things very well, but if you would explain that to me I'd like to know what your thoughts are.

DR. VAN HOEK: Well, under previous health agency organizations, and particularly under the current proposed

ones, you can identify a primary responsible agency or organization which deals with each one of those functions. They may be doing that effectively or not, to varying degrees. And they may have varying degrees of Federal funds to carry out that activity.

What you're really asking is how at the community level do you integrate the technical resources that come from both Federal agencies and from local agencies and how do you integrate the resources in the community to do an effective job of planning and operating a delivery system?

And the question can be asked: What is that process in the regions? Is that a Regional Medical Program? Is that a State health authority? Is it, you know, just in essence the laissez faire economic market system?

And I think that is one of the problems we are facing right now, why RMP is being looked at, why other legislation is being examined so closely, in that it really deals with a political and social issue in which I don't think, you know, there is a clear direction for the country as a whole or even at the community level for any particular community.

In some areas they are moving toward, you know, State authorities, and so forth, but they are primarily focusing on cost control through certificate of need

legislation and rate-setting rather than the overall integration of health services and resources.

DR. McPHEDRAN: Well, I am persuaded by Dr. Merrill and Dr. Roth that we ought to have, rather than the statement suggested by the coordinators, a statement from this Council that would give at least some new ideas of ours about the function of Regional Medical Programs.

And I also don't think that I can imagine how-- At least I couldn't write one in ten minutes. I don't think I could write one in ten hours probably. But I wanted to have a chance to think about this. And I guess I want to clear up in my own mind some of these questions about this particular point.

You see, I really think that the idea of the Regional Medical Programs, at least where they were well functioning, the few I could think of -- I could name them but I won't -- I think the really good ones took into consideration many of those different things.

And had they had to deal with that many, as many functions as they worked on, had they had to deal with that many separate agencies here, you know, to get support funds or to get advice, or so forth, I think that they would have been less effective than they were, much less effective I suspect.

And so that I think that having a Regional Medical

Program Service that was really well done, as we have said today -- we weren't just kidding about that; it was well run on the whole; they got good staff support -- then I think this enabled them to do a great deal of what they did or it facilitated that a lot.

What it would have been like without that I don't know. Goodness knows.

But I think that just as in proper medical care you have to take all those things in consideration -- I mean if you're any good at all you do all of them or many of them -- so would you in the Regional Medical Programs where you are trying to foster voluntary arrangements between the doctors and hospitals and nursing homes. I think all those things would have to be-- And the medical schools, goodness knows. All those things would have to be taken into consideration.

So that I don't think that from what I know about State health authorities-- I don't think that without being completely done over they could manage that.

But I think in the places where it was well done that the Regional Medical Programs at least did that part, and they were the only agencies, it seems to me, that did it. And that's why my special plea is for them.

Now, I know that didn't work out everywhere, but that certainly is the way I feel about it. I think that the

mechanism ought to be preserved for that region and the hull should be cleaned in places where it's needed, or scrapped if necessary in some places perhaps.

DR. PAHL: Thank you, Dr. McPhedran. I think that is a very eloquent statement about what the Regional Medical Programs and Program Service has been all about, and I don't think certainly we could have phrased it as well.

Is there discussion?

Time is moving along, and I know your schedules won't permit you to stay much longer, so we would appreciate having whatever kind of thoughts you feel are important.

Dr. Schreiner.

DR. SCHREINER: Yes. I think it's very important when representing this program to the Secretary's office that you point out that duplication per se is not necessarily immoral or unethical or evil if there is an appropriate rearrangement.

Now, you know, everything is fine if you're going into a pure State situation. But where you go to the four corners of Utah or 16 counties around Syracuse, and so forth,-- And a lot of this program's slow start came because it took us a couple of years sometimes to accumulate the statistics. Not that they weren't duplicative,

you know. They are there in Utah. They are there in Arizona. They are there in the New Mexico Health Department. They are there in the Bureau of Indian Affairs. But nobody is going to put them together for that natural region except a local entity which looks at it through those eyes.

So what is really important is not what is going on with rural New York State or urban New York State but for those 16 counties what is important is that somebody pull together those "duplicate" statistics and rearrange them in a way that makes some regional sense.

And this is really what RMP is about. And what makes it difficult to express is because you can sit back and look at any one of those yellow sheets we used to have and say, "Oh, yes, this piece is there, and this piece is there, and this piece is there," you know. There are the eggs, but there's no omelet unless somebody puts it together.

DR. PAHL: Well, thank you. We perhaps will be calling on you more and more to help us express this in ways which will be meaningful to the Administration and the Congress.

Before we move along too much further, is there a consensus by the Council relative to our rather limited field of view at the moment that in the development

of criteria, which is a departmental requirement, that you delegate to the staff -- and, of course, we will keep you fully informed -- the development and application of these and the authority to award funds on the basis of staff review of applications which meet these requirements, at least until such time as full applications from regions can be brought to you for review and action?

Now, please understand we are not requesting this authority of you. This was my understanding of Dr. Roth's statement as to how perhaps we could move ahead. But I would caution you to understand at this point that if criteria are developed we would do so in conjunction with coordinators and individuals who are very familiar with the program areas under consideration and perhaps would be bringing these at least to your attention for comment before sending them out to the regions, because it is a very important step that would be taken.

Because the criteria that would be developed and employed would govern not only the utilization of the $6.9 million from 1973 but would be the same kinds of criteria which would have to govern the use of whatever spending amount is allowed us for the entire FY 1974, which could be five, six, seven times that $6.9 million, depending on what spending plan is approved by the Department.

So we would feel comfortable at least in contacting

those members who would have most interest and ability to comment upon the specific criteria selected even if we didn't formally call you together, because we do not intend to try to have long hiatuses of no information and then spend most of the day trying to catch you up on matters.

But I do want to understand what your feeling is as to whether we are to proceed with your delegation of authority to make awards and inform you of our actions or whether you wish to at least at the time that applications of specific projects may have to be reviewed, approved and funded by staff that you would like to be in on this specific activity in the form of subcommittees as we had announced earlier.

It's a very important point for staff because we don't want to get back into the process where we are through expediency bypassing you without, of course, your full knowledge and endorsement to be bypassed.

MRS. MARS: I think we should certainly permit staff to make the awards as necessary. Certainly it's our vote of confidence in you, and surely your knowledge is such that it would be far greater than ours could possibly be.

I do think that some of the criteria though -- that it should be based on the fact that the programs that

MARS

are accepted for funding are those which certainly will do the greatest good in the shortest time, and also with the thought behind them that they will be programs that can be so effective and so essential to a community that a community will be willing to pick them up and go on with them, or some other organization such as the State itself continue with them.

MARS

I think that probably would be one of the bases of the criteria that I would suggest.

DR. PAHL: Thank you. That is a very important kind of consideration which we too had felt would be the type of criteria that we would wish to develop.

Dr. Roth.

DR. ROTH: Herb, does it throw any sand in the gears to include in that -- I agree with everything Mrs. Mars has said -- but would it in any way vitiate the intent to add the words, "It shall be the intent of this Council to authorize staff to proceed consistent with the existing mission statements achieved by the Council"?

The coordinators have asked for this, and I tend to agree that we have worried this mission concept maybe unduly, and it may have been an unfortunate word in the telegram, but wouldn't that clarify things?

DR. PAHL: Yes, I believe there is nothing that is being discussed within the Department or the

Service which detracts from the mission statement which the Council endorsed for the program some time back. And what we have been talking about is a set of programmatic activities within that broad mission statement.

And from what I have tried to indicate to you as well as I can, it is my belief that the Department will, in fact, provide the regions with the opportunity to engage in activities of the kinds that we are all familiar and comfortable with within that broad mission statement that we still are living by and which the coordinators wish us to live by and which you have just indicated should be our reference point.

So I think the record can show that we are working within that mission statement for this fiscal year, and during the course of this year we all will be concerned with the longer-term directions and organizational structure and processes.

DR. ROTH: If the staff would appropriately word a statement which --

MRS. MARS: Right.

DR. ROTH: -- would clearly say that the Council authorizes staff to proceed consistent with the existing mission statement and according to criteria properly and appropriately adjusted to the regional situations in order to achieve greatest visibility and

project the program in the best possible light, I would so move.

MRS. MARS: I'll second it.

DR. PAHL: All right. It has been moved and seconded for staff to develop this statement. And may I, because I believe this is an important step by the Council and one that we will feel most comfortable with if we can make sure that our words do reflect accurately-- If we could perhaps take the statement which we develop and come back-- And let me just suggest that we do this by telephone. We are doing a lot of things in order to move ahead. But we can have this as a matter of record that you as a Council individually will approve or we will so see to it that our words do in fact convey this for the record, because we are working within departmental and congressional intents, and at times the cross-currents are difficult, and we would like to make sure that we have that. But we know how to act and proceed and will be in touch with you.

DR. MERRILL: Are we talking about a separate statement now simply for your purposes? This has nothing to do with the coordinators?

DR. PAHL: No, we're talking about a separate statement for our purposes. We will develop it and get your --

DR. MERRILL: Because there is a second paragraph to which I object in what is in the coordinators' statement which sounds vaguely like that.

DR. PAHL: The coordinators' statement is open for whatever action the Council wishes. It can be accepted as a reflection of the coordinators' interest and concern or it can be acted upon in any way in whole or in part I'm sure, and that is a matter for you following Dr. Teschan's discussion.

MRS. MARS: Well, I think really we can table it for the moment.

MRS. MORGAN: I move that we table this to our next Council meeting.

DR. PAHL: All right. It has --

MRS. MARS: And let them perhaps come back with a revised statement or something, I don't think this is acceptable.

DR. PAHL: Staff will inform Dr. Teschan that the Council has received this statement, has tabled it for consideration at the next meeting of the Council, and that we will advise them that should they care to revise and resubmit it --

DR. MERRILL: Could we also give them some direction in how we think it ought to be revised?

DR. PAHL: Yes indeed.

DR. MERRILL: Because I think these first two paragraphs are really, as I said several times, kind of a slap on the wrist and a blow for the status quo and would be totally unacceptable to any administrator after a long, hard day. And if one could stress positive aspects of what we intend to do rather than these negative ones --

DR. PAHL: Well, we will take the full record of the Council --

DR. MERRILL: I think in the discussion we have had here there are all the points I would like to make. They can be pulled out.

DR. PAHL: That will be done and we will transmit as full information as possible to Dr. Teschan.

MRS. MORGAN: Don't you feel in these criteria that we have said for staff to come up with where there is input from Council in establishing it this will be something that would also alleviate a lot of the problems here?

DR. PAHL: Yes, it would.

As we just close --

MR. BAUM: Before you close, I have something I would like to clarify for the record. As one who has to write the official record, let me see if I have this straight.

The proposed resolution presented by Dr. Teschan this morning is tabled for further consideration next time with certain advice to be delivered as to where the wording can be strengthened. In the meantime I gather that we have a-- I don't know whether it's a motion or we voted on it or just what by Dr. Roth that we as staff develop a statement which would reflect those things which were put on the table by Mrs. Mars, Dr. McPhedran, Dr. Roth, and others in the afternoon discussion indicating the general intent of the Council with respect to the delegations that were approved and that we check the wording out with you by phone or some other communication before we write it into the minutes of the meeting. Is that correct?

MRS. MARS: It was seconded but I don't think we voted on it.

MR. BAUM: Do we need a vote on that?

DR. PAHL: Well, to make it official, all in approval of that description of our action please say "aye."

(Chorus of "ayes.")

Opposed?

(No response.)

It's carried.

DR. ROTH: My thought was if we had to go

retroactively and approve something that we hadn't approved before, I would rather give you approval now.

DR. PAHL: All right. Okay. Well, we appreciate that vote of confidence.

Before we adjourn -- 30 seconds -- one, I would like to indicate to you the CHP Council has not only an interest in but the requirement for a liaison member from our Council, and Dr. Watkins has been our selection, and he has very graciously consented to represent this Council on the Comprehensive Health Planning Council. I believe that first meeting is in September, but we will be getting information to you. And at Council meetings we would look forward to having reports from you about the activities of that service.

Also I again have been remiss in noting our pleasure at an event that you all are very well aware of. That is, Dr. Roth's presidency of the American Medical Association. And I'm afraid my own limited set of problems made me overlook that announcement earlier today.

Is there any other business?

(No response.)

Almost all of our public members have left, but if there is any public participation this is the last closing moment that one has.

(No response.)

If not, I would like to thank all of you for a very long day and for trying to absorb a tremendous amount of detailed technical material, for your understanding, both personally and officially, in your capacity as Council members, and to say that from this point on we really do look forward to keeping you informed, and we have set up arrangements to do that, so that we will not try to burden you with things but to keep you abreast of high points as we go through still a somewhat complicated year concerning the technical matters internally but giving you points of view from the Administration, the reorganization, the congressional intent, and, of course, our activities relative to the regions.

And again thank you for a very understanding Council and full day.

The meeting stands adjourned.

(Whereupon, at 3:07 p.m., the meeting was adjourned.)

* * *