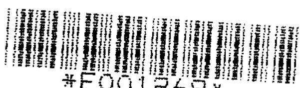
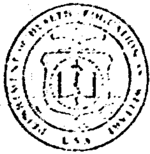

E001268



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
PUBLIC HEALTH SERVICE
HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION
ROCKVILLE, MARYLAND 20852

AUG 6 1971

REGIONAL MEDICAL
PROGRAMS SERVICE

It is a pleasure for me to be able to provide you with the highlights of the meeting of the National Advisory Council on Regional Medical Programs which took place in the Parklawn Building in Rockville on August 3-4, 1971. The meeting opened with the introduction of four new members of the Council who were present: Anthony L. Komaroff, M.D., John P. Merrill, M.D., Mr. Sewall O. Milliken and Benjamin W. Watkins, DPM. Two other recently appointed members of the Council, Mr. C. Robert Ogden and Mrs. Audrey M. Mars, were unable to be present. They are expected to attend the next meeting in November.

In accordance with usual practice I opened the meeting with a discussion of the number of topics of general interest to RMP. I began by summarizing the May 24 meeting which we had with the Secretary, reported to you previously. I pointed out that this meeting, in my estimation, signaled a turning point in the Secretary's appreciation of Regional Medical Programs. There were three points of special interest with respect to the meeting with the Secretary. First, the assemblage was able to identify all the strengths which characterize Regional Medical Programs. Second, the meeting was significant in that RMP elicited especially strong support from the Secretary's professional staff. Third, the Secretary himself indicated that RMP will be a key element in developing mechanisms through which the Department will carry out new initiatives relating to health maintenance organizations, area health education centers, regionalization, and other facets of Federal health programs directions.

Dr. Roth stated that it apparently also had the effect of correcting some prior misconceptions about RMP which the Secretary had held as a result of much earlier experience.

With respect to RMP appropriations, I reported to the Council members that the House and the Senate had reported marked increases in funds for fiscal year 1972. Late in fiscal year 1971 a supplementary appropriation was passed that added $10 million to the $34.5 million already in reserve for fiscal year 1972, making the total reserve $44.5 million. Senate action for the fiscal year 1972 appropriation added $40 million to $30 million additional passed by the House making a total of $70 million added to the $75 million requested to be available in fiscal year 1972. While it is difficult to foresee what the ultimate appropriation will look like, the marked increases plus the larger reserve indicate that there is a possibility that greater amounts will be available for grants in fiscal year 1972. (See Table, Attachment.) There is no Administration action to date, however, to indicate any change from their proposed funding level. Dr. Pahl had attended recent Senate appropriation hearings and also reported that the atmosphere was very friendly. He indicated that the Chairman was particularly gracious and expressed his determination that budget procedures not block expenditure of all money appropriated.

There were some suggestions from the Council that we take a look at the possibility of making use of Section 910, particularly in the light of prospects of increased appropriations. In response to this, I indicated that the first consideration in allocating any additional funds would be the strengthening of strong RMPs that have been hurt by cuts in the past. In the past we had not implemented Section 910 because of restricted availability of funds. It would have been imprudent to implement Section 910 under the circumstances (incidentally, this might have been taken as a signal that additional monies were available when in fact they were not). If additional funds become available, however, we should consider using the Section 910 authority as suggested by the Council.

With respect to other legislative activities, I discussed the status of Area Health Education Centers. As you know, the Area Health Education Center concept was introduced in the Carnegie Report and has become a part of the Administration's program. The AHEC would combine in one community health delivery mechanism and health manpower educational activities. It would depend on affiliations of hospitals, nursing homes, junior colleges, etc., linked with a university health science center, and give first priority to underserved rural or inner-city populations.

I called attention to the fact that AHECs were still being considered by Congress, that is, it was as yet uncertain whether they would be placed in NIH (BEMT) or RMPS. Whatever the outcome, RMP will have great involvement with Area Health Education Centers in coordination with BEMT.

Also in connection with Area Health Education Centers, I called attention to the fact that the Veterans Administration is conducting a series of eight site visits to areas needing greater medical services. The purpose of these site visits has been to move promptly to develop the Area Health Education Center concept. RMP, NIH, and HSMHA were all represented at the VA site visits.

Mr. Friedlander, representing Dr. Musser of the Veterans Administration, noted that the President's Health Message called for closer cooperation between VA and HEW and indicated that VA regarded Area Health Education Centers as ideal areas for cooperation involving both HSMHA and National Institutes of Health. Mr. Friedlander indicated that VA intends to invest only in activities that will improve quality of care and that show a prospect of continuation when AHEC legislation is passed.

I then reported to the Council on the Equal Employment Opportunity plans of RMPS which seek to assure greatly improved employment and career development for minorities and women.

We have agreed to meet the following goals by January 1972:

1. A 6% gain in minority employment (an increase of 16 minority employees).

2. 60% of the minorities gaining employment will enter in the professional series.

3. 50% of all vacancies at or above the medium grade for RMPS will be filled by minorities. (The first one of every two vacancies will be filled by a minority group person.)

4. 40% of all vacancies in professional positions will be filled by females (minority or non-minority).

I also reported that we have an EEO Council made up of RMPS employees which meets weekly and which is by no means hesitant to discuss where we have been deficient in meeting our goals.

In calling particular attention to our own internal policies with respect to the employment of minorities and women, I reaffirmed to the Council that we expect similar efforts to be undertaken on the part of RMP grantees and affiliates. I specifically stated to the Council that EEO cannot be separated from other factors which affect the viability and effectiveness of RMPs. In the future the Council will be provided with specific data regarding the performance of RMPs in relation to EEO so that grant review considerations can be more realistic prior to making recommendation to the Director, RMPS.

Dr. Pahl reported to the Council on an orientation session that had been held the day before for the benefit of new Council members. As I indicated to you in the beginning of this letter, six new Council members have been appointed since the last meeting. They were joined at the orientation by three others, Dr. Ochsner, Mrs. Wyckoff, and Dr. Schreiner, who have only recently been appointed to the Council.

The orientation session is a new procedure designed to give new members of the Council a common base of knowledge about RMPs. The session included a general discussion of how RMPs are organized and what they do, presented by Mr. Peterson. A review of RMPS organization was presented by Dr. Pahl, an overall picture of HSMHA and department programs was presented by Mr. Baum, and I presented some general remarks concerning the direction in which I see RMP programs going.

I thought you would appreciate knowing about our efforts to give new Council members some general background and common understanding about the RMP program in a formal and systematic fashion before assuming their duties. In general the staff who participated felt that the orientation session was quite useful. If the new Council members who participated concur in this view, we will undoubtedly continue this procedure in the future.

Probably one of the high spots of the meeting, and indeed one in which I am certain you will have an interest, was a very, very lively discussion of the quality of medical care. This came up in two contexts, one in relation to what Regional Medical Programs is expected to do in connection with the Health Maintenance Organization activity and second in connection with our plans to implement Section 907 of the Act which requires development and annual publication of a list of hospitals providing the best techniques for treatment of heart disease, cancer, stroke, and kidney diseases.

Let me first take up the consideration of quality of care in relation to Health Maintenance Organizations which consisted largely of a report from me to the Council. I called attention to the fact that a number of contracts (52 I believe) have been let by HSMHA to assist various kinds of sponsoring organizations to do the groundwork for organizing HMOs. I called attention to the fact that a number of RMPs have a very active interest in these projects. More than this, however, I pointed out that RMP has been given specific responsibility to establish guidelines for quality care in HMOs and to develop methods for monitoring the quality of care provided by HMOs. Our mission in this regard is to find out whether the quality of care paid for from Federal funds meets the subscribers' health needs. This involves criteria, data, relationships between hospital and non-hospital practice, incentives for remedial action when quality is less than adequate, and question of whether quality should be measured in terms of outcome relating to individual patients or relating to the entire community. Naturally, attempts to measure and control quality have been undertaken in the past, and I particularly called attention to recent experience with utilization review in connection with Medicare and Medicaid.

I reported to the Council that we are working with Social Security, NIH, and other organizations on the quality issue, and that we will be setting up a series of meetings with RMPs and medical and health groups to get their help. In addition, I specifically called on members of the Council for their thinking and advice and for contributions of their special skills in helping us to develop useful quality standards and controls.

The quality discussion really became animated, however, when we discussed future plans relating to Section 907. I indicated that RMPS is required to produce for the Secretary the list of facilities stipulated by Section 907. While we have spent a number of years doing preliminary work under contracts to establish criteria, the final end product has not really been forthcoming, but we are now taking steps to produce the required list of institutions.

I indicated that listing of an institution under Section 907 will be based on criteria that can be established to identify institutions with special qualities so that they would tend to be the most outstanding. The refinement of criteria would be done under contract by the appropriate professional organizations. Actual listing under Section 907 would be based on voluntary response by hospitals to a questionnaire which would reflect whatever criteria were developed with hospitals being given an opportunity to respond.

We are all well aware of the difficulties which may arise in developing the list required by Section 907. Some Council members expressed great concern with the proposed creation of the list which they felt might be more harmful than helpful. Nonetheless, the Council clearly understood that the guidelines which we have produced so far have not been completely responsive to Section 907 and that we have to do further work in this regard.

I suggested specifically that we can produce a select list by setting appropriately high standards. It was agreed that only competent professionals can render a valid judgment of the quality of care, and a specific proposal was made to ask appropriate professional organizations to not only develop standards, but to compile actual lists of the best institutions in their particular fields. Another suggestion proposed that we assemble a group of experts to develop a resource list, which would show where various services were available as opposed to what is superior. It was suggested that such a list would be useful to designate those institutions where constructive, well-oriented work is being done. Other suggestions related to whether it would not be better to list more, rather than fewer, institutions, for example: those hospitals where good quality care can be given, not just those which are "outstanding" or "superior." As you can see, there are many unresolved issues and we will have to take all of these views into account in determining our next move with respect to Section 907.

Dr. Wilson was unable to attend the meeting and was represented by Mr. Benny Bob Hall, Deputy Administrator of HSMHA, who spent about an hour with the Council. Mr. Hall, who recently came to HSMHA from NASA, is an engineer by training. Prompted in part by some recent discussions with the President's Science Advisory Committee in which Mr. Hall and I both participated recently, he initiated a discussion of the application of technological development to the health field. The discussion which followed indicated that the Council and the health field generally had for a long time recognized the potentialities of computer technology and fall-out from the aerospace program in the provision of health care. However, the Council quite strongly indicated that money was the fuel needed to turn interest into practical results.

Probably the most interesting part of Mr. Hall's discussion from your point of view concerns reorganization of HSMHA. Mr. Hall stated that the so-called "Willard Report" is still confidential. He indicated, however, that a reorganization of HSMHA activities could be expected during the Fall. He pointed out that there are now 14 program directors reporting directly to Dr. Wilson and that a regrouping of HSMHA programs can be expected which will probably

take the form of a consolidation of like programs under a senior official reporting directly to Dr. Wilson.

With respect to reorganization of RMPS, Dr. Pahl reported to the Council that the long awaited restructuring of our own reorganization was announced to the Staff shortly before the Council meeting. There will be two principal Divisions in addition to those such as Planning and Evaluation, Systems Management, and other units attached directly to my office.

There will be an Operations Division which Dr. Pahl currently heads as Acting Division Director. Mr. Chambliss is currently acting as Deputy Director of the Division. The Operations Division will contain an office of Grants Review under Mrs. Kyttle and a Grants Management Office under the continued direction of Mr. Gardell. The major change will consist of Four Operational Branches or "Desks" organized on a geographic basis. The Eastern Desk will be under Mrs. Silsbee, the South Central Desk will be under Mr. Van Winkle, the Mid-Continent Desk will be under Mr. Posta, and the Western Desk will be headed by Mr. Russell. Staff assignments have been announced and it is our intention to have these operational by early September.

It is my hope that the new RMPS Organizational set-up will provide: (1) better liaison between RMPS and the various Regional Medical Programs; (2) better communication within RMPS; (3) a fuller unfragmented picture of what is going on in the Regions; and (4) a smoother working relationship with HEW Regional Offices.

Under the reorganization, the Professional and Technical Division will also take on a new complexion. Instead of being geared to ad hoc problems, this Division will now concentrate on producing finished products relating to specific professional issues which are of critical importance to the RMPs, ranging from technical problems to health delivery methods. The Professional and Technical Division will also be responsible for developing stronger relations with the National Center for Health Services Research and Development, the Health Maintenance Organization operation and other related programs and agencies. It will also have a more systematic input into the review of grant applications through appointments of individual staff to work in a joint capacity with specific area desks in the Operations Division. I also announced to the Council that the Professional and Technical Development Division can be expected in the very near future to have greater staff strength than it has had in the past.

Next the discussion turned to the rating system which was tested with the current applications by the Review Committee. You will undoubtedly recall that the new RMPS Mission Statement approved by the Council at its previous meeting included 17 criteria for the assessment of Regional Medical Programs. Since that time a staff committee has put extraordinary effort into developing clarifying examples relating to each of the criteria, a weighting system and a simple rating procedure for each criterion patterned after the NIH 1-5 model. The evaluation of the rating system based on the initial trial was extensively described to the Council by Dr. Pahl and Mr. Peterson. In general, it was pointed out that the actual ratings tended to confirm the validity of the overall professional judgments traditionally made by Council, Committee and other reviewers.

Since the rating system is still in its trial stages and in order to preserve objectivity, actual priority ratings and scores derived from the Review Committee exercise were not provided to the Council. They were, however, provided with the general results in the form of a chart showing the regions in alphabetical order within high, medium, and low groupings.

I indicated to the Council, that in my estimation the rating system will be an effective tool for use by the Office of the Administrator of HSMHA and by my office in making and explaining administrative decisions.

I think you will be pleased to know that at this meeting of the Council we finally clarified some questions about the new triennial review process. For quite some time, there has been a need for a statement on exactly what the Council's recommendations mean and which kinds of requests require Council approval and which do not. I know there have been questions on these points among our own staff and I am sure that you, too, have felt the need for more specific information. We have discussed these matters with Council at previous meetings and at their request have developed a statement outlining the Council's responsibilities in the triennial review process. A copy of the statement which was formally adopted by the Council is attached for your information. It is self-explanatory.

Also in line with clarifying RMPS policies, I asked Mr. Baum of our staff to develop a short presentation on where we stand in our efforts to revise RMP policies and regulations. He indicated that because of changes brought about by the last amendment of the Statute and changes in operational procedures as reflected in the Mission Statement, Criteria, Standards for Local RMP Review Process, Developmental Components, etc., we have been advised by the HEW General Counsel's Office to completely rewrite the Programs

Regulations. The General Counsel's Office is of the opinion that the regulations should reflect both the statute and the actualities of the way the Program operates. Under the circumstances they felt that an attempt to revise the original regulations written five years ago would be undesirable. Therefore, the General Counsel's Office, in cooperation with our staff, is developing an initial draft of new Regulations for the Program.

Mr. Baum also indicated that considerable progress has been made in developing policy materials that can be included in a loose-leaf manual that we plan to issue. The manual will be designed for convenient use by our own staff as well as grantees and affiliates. He indicated that a small number of individuals on our staff have done a monumental job in pulling together applicable Departmental, HSMHA, and RMP policies as well as developing new material as necessary. However, considerable editorial work still needs to be done. It is estimated that an initial draft will probably be ready for review and comment by the RMPS professional staff in about four weeks.

Another staff report was presented to the Council by Dr. Farrell and Dr. Gimbel on the subject of "A Computer Assisted EKG Analysis." An extensive report on this subject was prepared at the Council's request.

In summarizing the report, Dr. Gimbel noted that five Regional Medical Programs which have undertaken "Computer Assisted EKG Analysis" have each developed different approaches. He stated that, technologically, fully operational EKG Analysis requiring no further reading by a physician has not been achieved. He stated that development of a fully automated system of that level of sophistication is problematical.

It was further pointed out, however, that computers have accurately and reliably been used for screening normal and abnormal EKG's with less than one percent error. In response to questioning, Dr. Gimbel indicated that the cost of automated EKG screening is estimated at two to four dollars per cardiogram exclusive of the cost of rereading by a cardiologist and assuming a certain minimum annual volume of input. In none of the programs in question, however, has this cost or the required volume of business been approached.

In effect the conclusions reached were: (1) that computer assisted EKG analysis is an effective and reliable screening technique; (2) that definitive diagnosis must be done by a cardiologist; and (3) that while the computer can speed up the work of the cardiologist, at least in the present state of the art, it can not replace him.

While we did not ask the Council to take a stand on this issue, I think the findings discussed above should raise some red flags with respect to funding new and additional computer assisted EKG activities by Regional Medical Programs, at least until the existing activities have been evaluated further with respect to the usefulness of the technique, whether it's worth the cost, how it can contribute to regionalization, and improve access to services

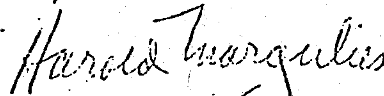
Certainly one of the high spots of the meeting, especially from the point of view of those who were there, was the slide presentation by a guest speaker, Dr. Al Haynes, concerning progress on the Watts-Willowbrook Project in Los Angeles. Dr. Haynes brought with him a very informative slide show outlining the development of the project.

Essentially the Watts-Willowbrook undertaking involves the new 700-bed Martin Luther King, Jr., Memorial Hospital, the new Charles R. Drew Postgraduate Medical School, and other community agencies which have combined in a concerted effort to establish a health services center for the area and provide quality care to the residents.

The important point to remember here is that service to the community in the project is regarded as being equally and perhaps more important than education and research. Indeed, some of us think of the Watts-Willowbrook endeavor as being one prototype of the area health education center, although the project was begun before the AHEC concept had been enunciated.

I hope you will find the above summary of the Council meeting to be both interesting and helpful.

Sincerely yours,



Harold Margulies, M.D.
Director

Attachments

STATUS OF RMP FUNDS AND APPROPRIATIONS FOR FISCAL YEAR 1972, AS OF AUGUST 3, 1971

(In Millions)

	REQUEST	HOUSE	SENATE
Original Reserve for Fiscal Year 1972	$ 34.5		
Additional Fund Requested for Fiscal Year 1972	40.5		
Total Reserve and Request	75.0	75.0	75.0
Additional Funds in Pending Bills		30.0	70.0
Department Request and Additional Amounts in Pending Bills		105.0	145.0
Supplementary Appropriation	10.0	10.0	10.0
TOTALS	$ 85.0	$115.0	$155.0

REVIEW RESPONSIBILITIES
UNDER THE TRIENNIAL REVIEW SYSTEM

Under the triennial review system, each Regional Medical Program normally will be reviewed by the National Advisory Council only once each three years. The triennial review serves to recognize the Region as an "accredited" organization and to set a general level of annual support for the three year period. Thus, the Council's favorable recommendation constitutes a time-limited approval for an RMP as an organization having recognized capabilities, rather than being approval for a specific set of activities. In addition to recommending the general level of support, Council actions on individual applications may include advice to the applicant Regional Medical Program, or specific conditions for the grant. Prior to review by the Council, each triennial application will be reviewed by assigned RMPS staff, a site visit team and the RMPS Review Committee.

Except as specified below, the Director, RMPS, will make continuation awards, including support for new activities, for second and third (02 and 03) year support without further Council action insofar as the proposed activities are consistent with relevant policies. The Council will be provided with a summary of such awards. Specifically, the Council's advice will be sought when:

1. Supplementary funds are requested in addition to the general support recommended for the year in question.

2. A new or increased Developmental Component is requested.

3. The Council, the Director, RMPS, or the Region requests Council review.

4. The applicant has failed in a material respect to meet the requirements of the Program or applicable laws, regulations or formally promulgated policies of the Department, HSMHA or RMPS.

The summary to be provided to the Council will include the following information concerning each Region reviewed by staff for continuation support:

1. The amount previously recommended by the Council for funding, and the amount awarded.

2. A list of activities supported during the most recent grant year, identifying those which have been completed and those which have been supported through a developmental component.

3. A summary of the Region's response to any advice specified by the Council or limitations upon or conditions of the award.

4. A summary of any outstanding accomplishments.

5. A summary of any outstanding problems.

6. Annual reports from the Regional Advisory Group and from RMPS staff. (These will be made available on request by the Council.)