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FEDERAL HEALTH SERVICE
DEPARTMENT OF HEALTH, EDUCATION AND WELFARE
HEALTH RESOURCES ADMINISTRATION
BUREAU OF HEALTH SERVICES RESEARCH & EVALUATION

TO : Members of the National Advisory
Council on Regional Medical Programs

DATE:

FROM : Acting Director, RMP

SUBJECT: Background Information for November 26-27, 1973 Council Meeting

Since we will be having a rather full agenda at the Council meeting next week, I believe it will be helpful to send you the following information in order to bring you up to date on some particulars since the last meeting in July. At the present meeting the Council will be reviewing applications for the first time in a year, and we will need as much time as possible to conduct grant reviews. I will try to keep this report as brief as possible and refer as necessary to the attachments, some of which you have already seen.

I. Status of the National Advisory Council

Dr. Meyer and Dr. McPhedran have resigned from the Council. Dr. Meyer's resignation was due to the pressures of his private practice. Dr. McPhedran has moved to Maine and assumed a position with the Veterans Administration. Since Dr. McPhedran is now a Federal employee, he is precluded by law from continuing to serve on the Council.

The terms of four present Council members, Drs. Cannon, Roth, Watkins and Mr. Milliken, expire on November 30, 1973. Since Dr. Cannon and Dr. Roth have both served more than one term, neither is eligible for reappointment.

After the extension of the program in June, RMPs were requested to propose potential Council nominees, and many names were suggested. RMPS now has submitted a slate of nominees for consideration by the Secretary and, if approved, these will fill the 13 vacancies that will exist after November 30th. Among others, the RMPS nominations include former members of the RMPS Review Committee (which was abolished last June 30), and individuals recommended by the Regions. We have been assured that the processing of the nominations will be expedited.

II. Funds for Grants

The amount made available for RMP grants in Fiscal Year 1974 is \$41.236 million. Of this amount \$17.1 million was released in September and awarded on October 1. The October 1 awards were intended to maintain the viability of Regions through December 31, 1973. The remaining \$24.136 million has just been released to us by the Department and will be awarded by us to RMPs in December. Applications for the remaining funds will be considered at the November Council meeting.

III. Special Projects

Pediatric Pulmonary Centers - In addition to the amounts discussed above, \$2 million has been earmarked for continued support of Pediatric Pulmonary Centers through June 30, 1974. Eleven Centers have been funded by RMPS in the past. (see Enclosure 1.) To date awards have been made to eight centers in the amount of \$1,340,420. Two centers, California and New Mexico, remain to be funded and the Georgia application has been withdrawn. Administration of the Pediatric Pulmonary Center grants has been transferred to the Bureau of Community Health Services in the Health Services Administration. Any further funds for these projects after June 30, 1974 will come from that agency.

Construction - The Second Supplemental Appropriation Act for Fiscal Year 1973 included \$5.0 million under Title IX (the RMP authority) for two specifically designated hospitals, one in Seattle and the other in Newport, Vermont. At the July meeting of the Council it was recommended that funding of these facilities proceed expeditiously in accordance with the Congressional mandate. (see Enclosure 2.) The Seattle project is still in the early planning stage and no application has been received. The Vermont project has been awarded the \$0.5 million intended for it. The \$4.5 million balance for the Seattle construction project remains available until expended. RMP construction funds have been transferred to the Hill-Burton program for award and administration.

Emergency Medical Services - The Hawaii EMS project was transferred on November 1, 1973 from the Research Corporation of the University of Hawaii to the Hawaii Medical Association. This grant will be administered by the EMS Branch, Bureau of Health Services Research and Evaluation, under an agreement with RMPS. All other EMS projects are still under RMPS. (See Enclosure #3 for listing of active EMS projects.)

Health Service Education Activities - The Mahoning-Shenango Area Health Education Network, Inc. has been funded under a separate

award through October 31, 1974. This project was originally funded through the Northeast Ohio Regional Medical Program, which itself was terminated on July 31, 1973. (See Enclosure 3) for listing of active hs/ea activities.)

Contracts - A summary of RMP contract activities is presented in Enclosure 4.

IV. Coordinator Changes

Since July, new Coordinators have been appointed in two Regions, Wisconsin and Greater Delaware Valley. Coordinators in the following Regions have been changed from "acting" to permanent: Alabama, Nassau Suffolk, Northlands, Tennessee/Mid-South, and Texas. (See Enclosure 5 for a complete and current list of RMPs and Coordinators.)

V. Lawsuit

A Class-action Suit against the Government has been filed by the National Association of Regional Medical Programs, et. al. The action seeks release of additional RMP funds from both the FY 73 and FY 74 appropriations. The suit was filed on September 21, 1973 in the US District Court for the District of Columbia and assigned to Judge Pratt. It has subsequently be reassigned to Judge Flannery. Various affidavits have been submitted to the Court and a hearing before Judge Flannery is scheduled for December 7, 1973.

The suit seeks:

- a. release of \$90-100 million of FY 73 funds.
- b. release of all FY 74 appropriated funds as they become releasable. (\$80,453 million for grants and contracts under the Continuing Resolution.)
- c. removal of all mission restrictions.
- d. removal of all restraints on the time within which funds may be allocated.

In an initial move in the suit, a request by the plaintiffs for a Temporary Restraining Order concerning availability of FY 73 funds was denied by Judge Pratt who ruled that FY 73 funds had lapsed. This was subsequently reversed by the Court of Appeals and the issue of release of FY 73 funds has been restored as part of the suit.

VI. Coordinators' Meeting

The National Steering Committee of RMP Coordinators and later the

full group of 53 RMP Coordinators met in Chicago on October 18th. The following major issues facing RMPS were outlined to both groups.

1. Current restrictions on expenditures of funds by RMPS
2. Commitment to FY 1972 earmarked EMS and HSEA activities which go beyond June 30, 1974 termination date. (See Enclosure 3 .)
3. The effective functioning of the Council in view of the fact that there is no Review Committee to assist it and that the Council will be reduced seriously in membership if appointments are not made quickly.
4. Approval of the proposed RMPS Spending Plan which is still subject to change until final approval is secured.
5. Size, composition and morale of the RMPS staff.
6. Possible need to distribute substantial additional funds as the result of the litigation.

Dr. Pahl, Mr. Chambliss, Mrs. Silsbee and Mr. Gardell answered questions from the Coordinators. (See Enclosure 6 .)

VII. Status of RMPS

The Division of Professional and Technical Development has been dismantled. The Kidney program staff has been detailed to the Health Services Administration and the remaining DPTD staff has been transferred to the Division of Operations and Development and other office units in RMPS.

Public information about RMPS is the responsibility of the Bureau.

The Planning and Evaluation function has been substantially reduced. P&E now essentially answers inquiries but performs no evaluation functions.

There has been little change in the Office of the Director and, with some personnel changes, the Division of Operations and Development largely remains intact.

Several RMPS staff members will be working part-time over the next few months on task forces concerned with the HRA legislative program.

VIII. Structure of Review

A new, simplified review and award system has been instituted for FY 1974. Instructions containing the new requirements were sent to the Regions on September 7, 1973. (See Enclosure 7, especially item IC re areas of concentration for review and item II on "Priorities and Options.") The review criteria and rating system used prior to phaseout are no longer germane.

Fiscal Year 74 funds (i.e., the October 1 and forthcoming January 1 awards) are being allocated on the basis of a formula ceiling. Each Region's ceiling is calculated on the basis of its percentage share of the FY 73 annualized funding level for all RMPs. Funds awarded in FY 73 for special projects such as EMS and HS/ca's have not been included in the annualized funding levels used in this calculation. Graphically the formula looks like this:

$$\text{Region's ceiling} = \text{FY 74 funds available} \times \frac{\text{Region's Annualized 73 Funding Level}}{\text{Annualized Funding for all Regions for 73}}$$

Each Region meeting the requirements of the September 7th instructions is entitled to the amount it requests up to the calculated ceiling.

At the Council meeting RMPS staff will explain budgets and provide additional, up-to-date information (from site visits, phone contacts, etc.) on individual Regions, and present on occasion specific issues for Council consideration. Written staff summaries for all 53 active Regions are being mailed to Council members under separate cover.

IX. Miscellaneous

Dr. Margulies is now full-time as Acting Deputy Administrator, HRA. (All key positions in HRA, except Dr. Endicott, the Administrator, are "acting.")

Mr. Daniel Zwick, who was with RMPS a number of years ago, has been appointed Acting Director of the HRA Office of Planning, Evaluation and Legislation. Two former RMPS staff, Mr. Lyman Van Nostrand and Mr. Bob Walkington, have moved into key spots in Mr. Zwick's office.

In August, the Nassau-Suffolk RMP separated from and dissolved the joint program relationship with the Nassau-Suffolk CHP. Neither the RMP's corporate structure nor staff structure have been adversely affected.

The Metro. New York RMP has changed grantee to the New York Academy of Medicine.

The New Jersey RMP changed grantee to the New Jersey Regional Medical Program, Inc.


The Tennessee/Mid-South RMP has reorganized and is now in full compliance with the RMPS policy governing RAG-Grantee-Coordinator relationships.

X. Subjects to be Covered at the Council Meeting

This report does not cover the following items of interest that will be discussed at the Council meeting: (a) new kidney regulations; (b) current status of RMPs; and (c) publications resulting from Section 907 activities. We also expect that Agency and Bureau representatives will cover future plans and legislative developments.

I hope that the above information will help to bring you up to date on major program developments since the last meeting in July. We recognize that each member has an unusually large number of applications assigned due to the depleted status of the Council. I trust that your reading of the applications will give to you, as it has to our staff, a strong impression of the overall vitality and continued viability of the Regions.

I expect that we will have a very busy and productive meeting, and I would like to thank the entire Council for their time and effort. Further and more detailed staff analyses of the November applications will be available at the meeting.


Herbert B. Pahl, Ph.D.

Enclosures