AGENDA
ASSOCIATION OF AMERICAN MEDICAL COLLEGES
COUNCIL OF DEANS MEETING

Friday, May 9, 1969, Georgetown West Room
9:00 AM - 4:00 PM

Washington Hilton Hotel
Washington, D. C.

I. Minutes of Meeting, February 8, 1969

II. Report of Administrative Committee Meeting
April 9-10, 1969

III. National Service for Medical Graduates

IV. Proposed Bylaws for the Council of Deans

V. Report by Student Organizations

VI. Report on Federal Programs:

Dr. Robert Q. Marston 10:00 a.m.

Dr. Joseph English

Dr. Carleton Chapman

VII. Report from Executive Council

VIII. Report on Commission on Medical Education
and Committee on Graduate Education

IX. Report by Regional Groups

X. Dates of Future Meetings

MINUTES

COUNCIL OF DEANS MEETING

February 8, 1969

Palmer House
Chicago, Illinois

1. Opening Remarks by Chairman Anlyan

Chairman Anlyan reported that the agenda would be modified. The report of the Ad Hoc Committee on Bylaws has not completed a draft of the document which will be mailed to the members of the Council for review and comment.

2. Roll Call

John Hogness, Chairman Elect of the Council, called the roll of representatives. Dean Hogness announced that a quorum of representatives was present.

3. Report of the Regional Chairmen

Northeastern Group. Dr. Robert Bucher reported on a meeting of the Northeastern Group on January 14, 1969. One of the major topics considered was the report of the Seven Center Cost Study. Dr. Walter Rice and Mr. Thomas Campbell of the Division of Operational Studies discussed the study in some length and one case study was examined in detail.

This group also considered its role and functions. To function more effectively, the group decided that subjects would be examined in depth at each meeting by having well prepared topics beforehand.

Southern Deans Group. Dr. Winston Shorey reported for the Southern Deans. He announced that Dean Emanuel Suter, the University of Florida School of Medicine, would serve as Chairman of the group for the coming year.

The group reviewed and approved plans for a meeting in Atlanta on April 29-30, 1969. This meeting will be held jointly with the hospital administrators of the Southern Regional Group. Dean Manson Meads reported on the activities of his committee that is conducting a study of faculty salaries and matters relating to Federal funding.

Midwestern Deans Group. Dr. Robert Howard reported for the Midwestern group of Deans and other representatives of the institutions who met on January 29, 1969, in Chicago.

Most of the time was spent in considering how the Midwestern Regional Group could function more effectively. Dr. Grulee and Dr. Mayer served as an Ad Hoc committee to recommend an improved organizational structure for the group. The plans that they presented were adopted in principle. The proposal called for the continuation of faculty involvement in the Midwestern group.

Reports were received on pending Federal legislation. The group considered the question of use of data being collected by the Association on faculty salaries and income. It was approved in principle that this data ought to be made available to agencies and individuals that have a valid reason to have this information. It was further agreed that the "Prudent Man" principle should be used as a yardstick in deciding when to release such information.

The Cost Study was introduced but not discussed. It was agreed that this was a proper subject for the next meeting.

The group elected Dr. Clifford Grulee as the new Chairman of the Midwest group and Dr. William Mayer as Vice-Chairman for the ensuing year.

Western Deans Group. The report of the Western Deans Group was made by Dr. Merlin K. DuVal. He discussed the January 27, 1969, meeting of the group in San Francisco. At this meeting three topics were considered: health manpower, the escalation of faculty salaries, and the role of the university in graduate education. With regard to health manpower, the primary discussion was about the Kerr report. The group voted unanimously to endorse the report in principle with the understanding that when legislation is introduced that there are specific aspects of the report which should be considered in more detail. The group recommended that a very thorough study be done on a national basis of the health care delivery system and that the Association would be a logical organization to provide leadership for such a study.

Concern was expressed about the escalation of faculty salaries which is considered to be one of the major problems facing medical schools today. Although the AAMC faculty salary surveys were considered to be useful, there is some question with regard to their complete validity. It was the opinion of the group that these reports should continue to be considered confidential and that the present method of distribution of information should continue. After a discussion of strict and partial full-time and geographic full-time systems, there was concurrence on the need to

develop a plan to reduce the rate of escalation of faculty salaries. Two suggestions emerged: the establishment of an agreement among medical schools on a fixed ceiling for a faculty category; that all schools be encouraged to move toward a strict full-time salary system or a geographic full-time system with previously agreed upon ceilings for each rank.

After a discussion on graduate medical education, the group overwhelmingly endorsed the reorganization of graduate medical education so that responsibility would be assigned to the University as a local corporate body.

Dean DuVal reported that the Western group had not elected a new Chairman.

4. Follow-up on the Workshop on Medical School Curriculum, held in Atlanta September 1968, and the Consideration of the Health Manpower Problem at the Annual Meeting in Houston in November 1968.

Dean Anlyan noted that the Association has been deeply concerned with Health Manpower for a number of years and that the Workshop and the topic of the Annual Meeting were evidences of this concern. He reported that the letter which he and Dean Hubbard sent to all medical schools on November 21, 1968, was a follow-up to determine the interest of medical schools in increasing their medical school classes and the extent to which planning for this had progressed.

Dean Hubbard reported on the analysis of the responses to the questionnaire letter. Replies were received from 82 out of a possible 89 established schools and from all developing schools. The replies, with rare exception, acknowledged the importance of expanding enrollments and to provide opportunity for an increase in the number of students from disadvantaged backgrounds.

The information supplied by the schools about proposed increases in enrollment agreed very closely with the results of the study published in the form of a DATAGRAM in 1967. It appeared that the schools were projecting about a one-third increase in size of their class by the middle seventies. This would bring the entering class to about 12,000 students.

Dr. Hubbard suggested that one mechanism for increasing medical school enrollment would be through a five-year special improvement grant or a contract which would provide about $20,000 for each new graduate. The grant would provide $4,000 a year for four years and the balance at graduation of the student. This might give some incentive to the schools for shortening the curriculum. He further recommended that any increase occuring after July 1 of 1969 satisfy future requirements for construction funds. He urged that it be made clear that the level of funding he recommended would not support the entire cost of the additional medical students, and that the

institution or other Federal programs would have to support the increase required in other costs associated with expansion such as research and service.

Dean Anlyan supported the general approach presented by Dean Hubbard and stated that it was the consensus of informed opinion in Washington that for the coming fiscal year, support for expansion of Health Manpower would have to come from existing legislation with an increase in appropriations requested to the full amount authorized.

In the discussion that ensued, Dr. Robert Bucher agreed in general with the support on a capitation basis. He did warn that the other activities of the medical school would have to be protected and that one could not disassociate these from the basic educational program.

Dr. Carleton Chapman, Chairman of the Federal Health Programs Committee,made a report on his Committee's activities. The Committee has endorsed the Kerr Commission Report in general. It is recognized that it may be difficult to get the legislation in the present session of Congress, but recommends the testimony and support of funds on a per capita basis for increments in enrollment be given. He pointed out that the part of the Kerr Commission Report relating to interns and residents needed further examination and study and should be dealt with separately from support for medical students. This arises from the effect that subsidy of house officers will have on reimbursement under Medicare and Medicaid.

5. Arrival of Student Representatives.

At this time a number of students entered the meeting and Dean Anlyan invited their six spokesmen, Ronald Berman, Mel Cole, Evonne Butterfield, Mike McDermott, Dick Clapp, and Mike Michlashak, to take seats. He said that the Council would be ready to listen to the students' presentation at the conclusion of the consideration of the agenda item under discussion.

The students indicated that they wished to speak immediately. In spite of a further request from Dean Anlyan that they be orderly and permit the completion of the discussion underway, they continued their insistence on being heard. Because the meeting could no longer proceed in an orderly fashion at this point, Dean Anlyan adjourned the meeting to another room.

6. Report on Student Conference on Medical Education.

Mr. Christian Ramsey, Vice-President elect of the Student American Medical Association, was invited to make an announcement. He reported that a student conference on medical education was in session at the Pick Congress Hotel.

He pointed out that although the students who disrupted the Council of Dean's meeting were to his knowledge not from the student

conference, there were not great differences in the basic goals of the two groups. Both wished to establish communications with the faculty and administration to explore ideas and ways to improve the production of physicians. He said that it was unfortunate that the strategy of the two groups differed and hoped that the Deans would not lump all of the students into a single category.

Continuation of Discussion of Health Manpower. Dr. Franklin Ebaugh supported the special improvement grant approach to the support of medical education. He pointed out that in some cases this could be used to permit expansion of classes but in other cases it was necessary for support to be given schools to maintain their present levels of physician output. Both kinds of support are essential if we are to produce the number of physicians needed by the country.

Dr. Bostick expressed concern over establishing any percentage increment in medical school classes as he feared that this might be increased during the enactment of legislation. He also pointed out that expansion would raise problems in faculty recruitment and result in inflation of faculty salaries. A slower increase in the number of students would reduce this problem since new faculty could be produced over a period of time to supply the need.

Dr. Robert Felix cautioned that the Federal agencies and Congress clearly understand that the per capita support suggested by Dean Hubbard would not cover the total cost of increasing enrollments.

Dean Charles Sprague noted that schools which had recently increased their enrollments would not benefit from the proposed capitation support and that such support might drive out state support already promised for increases in medical school class size. Dr. Hubbard pointed out that it was difficult to devise a scheme which would not have some inequities.

7. Further Consideration of the Students' Presentation.

There was discussion about the agreement to hear representatives of the students present their viewpoints. After much discussion about the wisdom of inviting the students to return and present their views, or for the Deans to move into the room being used by the students, a motion for adjournment was made and passed.

The meeting adjourned at 11:15 a.m.

DRAFT*

BYLAWS OF THE COUNCIL OF DEANS OF THE ASSOCIATION OF AMERICAN MEDICAL COLLEGES

The Council of Deans was established with the adoption of amended Articles of Incorporation and Bylaws of the Association of American Medical Colleges by the Institutional Membership on November 4, 1968.

Section 1. Name

The name of the organization shall be the Council of Deans of the Association of American Medical Colleges.

Section 2. Purpose

As stated in the Bylaws of the Association of American Medical Colleges (Section 11), the purpose of this Council shall be (a) to provide for special activities in important areas of medical education; (b) with the approval of the Executive Council to appoint standing committees and staff to develop, implement, and sustain program activity; (c) for the purposes of particular emphasis, need, or timeliness, to appoint ad hoc committees and study groups; (d) to develop facts and information; (e) to call national, regional, and local meetings for the presentation of papers and studies, discussion of issues, or decision as to a position to recommend related to a particular area of activity; (f) to recommend action to the Executive Council on matters of interest to the whole Association and concerning which the Association should consider developing a position; and (g) to report at least annually to the Assembly and to the Executive Council.

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*Discussed by Administrative Board on April 9-10, 1969.

Section 3. Membership

a) Members of the Council of Deans shall be the deans of those medical schools and colleges which are members of the Association of American Medical Colleges as defined in the AAMC Bylaws: Institutional Members and Provisional Institutional Members. For the purposes of these Bylaws the dean shall be that individual who is charged by the institution with the administration of the educational program leading to the M.D. degree.

b) Voting rights in the Council of Deans shall be as defined in the AAMC Bylaws: each dean of a medical school or college which is an Institutional Member or a Provisional Institutional Member which has admitted its first class shall be entitled to cast 1 vote in the Council of Deans.

c) If a dean who is entitled to vote in the Council of Deans is unable to be present at a meeting, that member of his staff whom he shall designate in writing to the Chairman shall exercise the privilege of voting for that dean at that specific meeting. A designation of a substitute shall require separate and written notification for each such meeting.

Section 4. Officers and Administrative Board

a) The officers of the Council of Deans shall be a Chairman and a Chairman-Elect. The Chairman shall be, ex-officio, a member of all committees of the Council of Deans.

b) The term of office of all officers shall be for one year. All officers shall serve until their successors are elected, provided, however, that the Chairman may not succeed himself until after at least one year has elapsed from the end of his term of office.

c) Officers will be elected annually at the time of the Annual Meeting of the Association of American Medical Colleges.

d) The Administrative Board shall be composed of the Chairman, the Chairman-Elect, and 1 other member elected from the Council of Deans at the time of the Annual Meeting. It shall also include those deans who are elected as members of the Executive Council of the Association of American Medical Colleges.

e) If the Chairman is absent or unable to serve, the Chairman-Elect of the Council of Deans shall serve in his place and assume his functions. If the Chairman-Elect succeeds the Chairman before the expiration of his term of office, such service shall not disqualify the Chairman-Elect from serving a full term as Chairman.

f) The Chairman of the Council of Deans shall appoint a Nominating Committee of not less than 5 voting members of the Council who shall be chosen with due regard for regional representation. This Committee will solicit nominations from the voting members for elective positions vacant on the Executive Council and Administrative Board. From these nominations a slate will be drawn, with due regard for regional representation, and will be presented to the voting members of the Council of Deans at least two weeks before the Annual Meeting at which the elections will be held.

g) The Administrative Board shall be the executive committee to manage the affairs of the Council of Deans, to perform duties prescribed in the Bylaws, to carry out the policies established by the Council of Deans at its meetings, and to take any necessary interim action on behalf of the Council that is required. The actions of the Administrative Board shall be subject to ratification by the Council at its next regular meeting.

Section 4. (cont.)

The Administrative Board shall also serve the Council of Deans as a Committee on Committees, with the Chairman-Elect serving as its Chairman when it so functions.

Section 5. Meetings, Quorums, and Parliamentary Procedure

a) Regular meetings of the Council of Deans shall be held in conjunction with the AAMC Annual Meeting and with the AMA Congress on Medical Education.

b) Special meetings may be called as set forth in the AAMC Bylaws.

c) Regional meetings will be held at least twice annually as set forth in the Bylaws of the AAMC.

d) A simple majority of the voting members shall constitute a quorum.

e) Formal actions may be taken only at meetings at which a quorum is present. At such meetings decisions will be made by a majority of those present and voting.

f) Where parliamentary procedure is at issue Robert's Rules of Order shall prevail.

Section 6. Operation and Relationships

a) The Council of Deans shall report to the Executive Council of the AAMC and shall be represented on the Executive Council of the AAMC by members nominated by voting members of the Council of Deans.

b) Creation of standing committees and any major actions shall be taken only after recommendation to and approval from the Executive Council of the AAMC.

Section 7. Amendments

These Bylaws may be altered, repealed, or amended, or new Bylaws adopted by a two-thirds vote of the voting members present and voting at any annual meeting of the membership of the Council of Deans for which thirty days' prior written notice of the Bylaws' change has been given, provided that the total number of the votes cast for the changes constitute a majority of the Council's membership.

ASSOCIATION OF AMERICAN MEDICAL COLLEGES

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COUNCIL OF DEANS MEETING

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Georgetown West Room,
Washington Hilton Hotel,
Washington, D. C.
Friday, May 9, 1969

The meeting was convened at 9:00 o'clock, a.m., Dean William G. Anlyan, Chairman, presiding.

PRESENT:

COUNCIL OF DEANS REPRESENTATIVES TO THE ASSEMBLY:

CLIFTON K. MEADOR,
Alabama

HAROLD G. WIGGERS,
Albany

HORACE MAWIN,
(Designee for Winston K. Shorey),
Arkansas

MANSON MEADS,
Bowman Gray

WARREN BOSTICK,
University of California, Irvine,
California College of Medicine

JOHN FIELDS,
(Designee for Sherman M. Mellinkoff),
University of California, Los Angeles

LE ROY P. LEVITT,
Chicago Medical School

GEORGE A. PERERA,
(Designee for H. Houston Merritt),
Columbia

JOHN E. DEITRICK,

PRESENT: (Continued)

COUNCIL OF DEANS REPRESENTATIVES TO THE ASSEMBLY: (Continued)

Cornell

JOSEPH M. HOLTHAUS,
(Designee for Richard L. Egan),
Creighton

WILLIAM G. ANLYAN,
Duke
(Chairman)

HARRY H. GORDON,
Einstein

ARTHUR P. RICHARDSON,
Emory

EMANUEL SUTER,
Florida

JOHN C. ROSE,
Georgetown

JOHN PARKS,
George Washington

HARRY B. O'REAR,
Georgia

JOSEPH R. DI PALMA,
Hahnemann

WILLIAM J. GROVE,
Illinois

GLENN W. IRWIN, JR.,
Indiana

ROBERT C. HARDIN,
Iowa

GEORGE A. WOLF, JR.,
Kansas

WILLIAM S. JORDAN, JR.,

PRESENT: (Continued)

COUNCIL OF DEANS REPRESENTATIVES TO THE ASSEMBLY: (Continued)

Kentucky

DAVID B. HINSHAW,
Loma Linda

DONN L. SMITH,
Louisville

GERALD A. KERRIGAN,
Marquette

RALPH J. CAZORT,
Meharry

FRANK MOYA,
W. DEAN WARREN,
Miami

JOHN GRONVALL,
(Designee for William N. Hubbard, Jr.)
Michigan

ROBERT B. HOWARD,
Minnesota

ROBERT E. CARTER,
Mississippi

WILLIAM D. MAYER,
Missouri

ROBERT B. KUGEL,
Nebraska

RULON W. RAWSON,
New Jersey

ROBERT S. STONE,
New Mexico

J. FREDERICK HAGLE,
New York Medical

ISAAC M. TAYLOR,

PRESENT: (Continued)

COUNCIL OF DEANS REPRESENTATIVES TO THE ASSEMBLY: (Continued)

North Carolina

THEODORE H. HARWOOD,
North Dakota

RICHARD H. YOUNG,
Northwestern

RICHARD L. MEILING,
Ohio State

JAMES L. DENNIS,
Oklahoma

GEORGE W. KNABE, JR.,
South Dakota

JOHN G. MASTERSON,
Stritch/Loyola

ROBERT M. BUCHER,
Temple

M. K. CALLISON,
Tennessee

JOSEPH M. WHITE, JR.,
Texas - Galveston

CHARLES C. SPRAGUE,
Texas - Southwestern

WILLIAM F. MALONEY,
Tufts

KENNETH B. CASTLETON,
Utah

RANDOLPH BATSON,
Vanderbilt

KINLOCH NELSON,
Health Sciences Division of
Virginia Commonwealth University

PRESENT: (Continued)

COUNCIL OF DEANS REPRESENTATIVES TO THE ASSEMBLY: (Continued)

KENNETH R. CRISPELL,
University of Virginia

JOHN R. HOGNESS,
University of Washington
(Seattle)

CLARK K. SLEETH,
West Virginia

PETER L. EICHMAN,
Wisconsin

GLEN R. LEYMASTER,
Woman's Medical

FREDERICK C. REDLICH,
Yale

PROVISIONAL MEMBERS:

MERLIN K. DU VAL, JR.,
University of Arizona

PIERRE M. GALLETTI,
Brown University

CHARLES J. TUPPER,
University of California - Davis

CLIFFORD GROBSTEIN,
University of California - San Diego

JOHN W. PATTERSON,
Connecticut

LAMAR SOUTTER,
Massachusetts

GEORGE JAMES,
Mount Sinai

GEORGE T. HARRELL,
Pennsylvania State - Hershey Medical Center

ALSO PRESENT:

MATTHEW F. MC NULTY, JR.,
Director,
Council of Teaching Hospitals

CHARLES GOULET

JOHN A. D. COOPER,
President,
A. A. M. C.

ROBERT Q. MARSTON

LEONARD FENNINGER

FRANK MC KEE

IRVING J. LEWIS

STANLEY OLSON

LAMBERT KING

MAHRICK WEISE

ROBERT GRAHAM

PETER ANDRUS

AND OTHERS.

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C O N T E N T S (Continued)

C O N T E N T S (Continued)

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PROCEEDINGS

THE CHAIRMAN: The meeting will come to order, and I welcome all of you to the second meeting of the Council of Deans.

And I certainly look froward to a full day of important business.

I had better call on Charlie Sprague to call the roll.

DEAN CHARLES C. SPRAGUE: Alabama?

DEAN CLIFTON K. MEADOR: Here.

DEAN SPRAGUE: Albany?

DEAN HAROLD C. WIGGERS: Here.

DEAN SPRAGUE: Arkansas?

MR. HORACE MAWIN: Here.

DEAN SPRAGUE: Baylor?

(No response.)

Beirut?

(No response.)

Boston?

(No response.)

Bowman Gray?

DEAN MANSON MEADS: Here.

DEAN SPRAGUE: University of California at Irvine?

DEAN WARREN BOSTICK: Here.

DEAN SPRAGUE: University of Los -- U. C. L. A.?

MR. JOHN FIELDS: Here.

DEAN SPRAGUE: University of California at San Francisco?

(No response.)

University of Southern California?

(No response)

Case-Western Reserve?

(No response.)

Chicago Medical School?

DEAN LE ROY P. LEVITT: Here.

DEAN SPRAGUE: University of Chicago, Pritzker School of Medicine?

(No response.)

University of Cincinnati?

(No response.)

Colorado?

(No response.)

Columbia?

DR. GEORGE A. PERERA: Here.

DEAN SPRAGUE: Cornell?

DEAN JOHN E. DEITRICK: Here.

DEAN SPRAGUE: Creighton?

DR. JOSEPH M. HOLTHAUS: Here.

DEAN SPRAGUE: Dartmouth?

(No response.)

DEAN SPRAGUE: Duke?

THE CHAIRMAN: Here.

DEAN SPRAGUE: Einstein?

DEAN HARRY H. GORDON: Here.

DEAN SPRAGUE: Emory?

DEAN ARTHUR P. RICHARDSON: Here.

DEAN SPRAGUE: Florida?

(No response.)

(NOTE: Although Dean Emanuel Suter was absent at roll call, he spoke later in the day; therefore he is included in those present on the title pages.)

DEAN SPRAGUE: Georgetown?

DEAN JOHN C. ROSE: Here.

DEAN SPRAGUE: George Washington?

DEAN JOHN PARKS: Here.

DEAN SPRAGUE: Georgia?

DEAN HARRY B. O'REAR: Here.

DEAN SPRAGUE: Hahnemann?

DEAN JOSEPH R. DI PALMA: Here.

DEAN SPRAGUE: Harvard?

(No response.)

Howard?

(No response.)

Illinois?

DEAN WILLIAM J. GROVE: Here.

DEAN SPRAGUE: Indiana?

DEAN GLENN W. IRWIN, JR.: Here.

DEAN SPRAGUE: Iowa?

DEAN ROBERT C. HARDIN: Here.

DEAN SPRAGUE: Jefferson?

(No response.)

Johns Hopkins?

(No response.)

Kansas?

DEAN GEORGE A. WOLF, JR.: Here.

DEAN SPRAGUE: Kentucky?

(No response.)

Loma Linda?

DEAN DAVID B. HINSHAW: Here.

PRESIDENT JOHN A. D. COOPER: Kentucky's here.

DEAN SPRAGUE: Kentucky?

DEAN WILLIAM S. JORDAN, JR.: Here.

DEAN SPRAGUE: Loma Linda?

DEAN DAVID B. HINSHAW: Here.

DEAN SPRAGUE: Louisiana State?

(No response.)

Louisville?

DEAN DONN L. SMITH: Here.

DEAN SPRAGUE: Marquette?

DEAN GERALD A. KERRIGAN: Here.

DEAN SPRAGUE: Maryland?

(No response.)

Meharry?

(No response.)

Miami?

REPRESENTATIVE FROM MIAMI: Here.

(NOTE: Two names appearing on the list as Miami's C. O. D. representatives, I presumed both to be present and therefore listed both Frank Moya and W. Dean Warren on the title page.)

DEAN SPRAGUE: Michigan?

DR. GRONVALL: Here.

DEAN SPRAGUE: Minnesota?

DEAN ROBERT B. HOWARD: Here.

DEAN SPRAGUE: Mississippi?

DEAN ROBERT E. CARTER: Here.

DEAN SPRAGUE: Missouri?

DEAN WILLIAM D. MAYER: Here.

DEAN SPRAGUE: Nebraska?

DEAN ROBERT B. KUGEL: Here.

DEAN SPRAGUE: New Jersey?

DEAN RULON W. RAWSON: Here.

DEAN SPRAGUE: New Mexico?

DEAN ROBERT S. STONE: Here.

DEAN SPRAGUE: New York Medical?

DEAN J. FREDERICK EAGLE: Here.

DEAN SPRAGUE: N. Y. U.?

(No response.)

North Carolina?

DEAN ISAAC M. TAYLOR: Here.

DEAN SPRAGUE: North Dakota?

DEAN THEODORE H. HARWOOD: Here.

DEAN SPRAGUE: Northwestern?

DEAN RICHARD H. YOUNG: Here.

DEAN SPRAGUE: Ohio State?

DEAN RICHARD L. MEILING: Here.

DEAN SPRAGUE: Oklahoma?

DEAN JAMES L. DENNIS: Here.

DEAN SPRAGUE: Oregon?

(No response.)

Pennsylvania?

(No response.)

Pittsburgh?

(No response.)

Puerto Rico?

(No response.)

Rochester?

(No response.)

Rutgers?

(No response.)

Saint Louis?

(No response.)

South Carolina?

(No response.)

South Dakota?

DEAN GEORGE W. KNABE, JR.: Here.

DEAN SPRAGUE: S. U. N. Y. - Brooklyn Downstate?

(No response.)

S. U. N. Y. - Buffalo?

(No response.)

S. U. N. Y. - Upstate?

(No response.)

Stanford?

(No response.)

Stritch?

DEAN JOHN G. MASTERSON: Here.

DEAN SPRAGUE: Temple?

DEAN ROBERT M. BUCHER: Here.

DEAN SPRAGUE: Tennessee?

DEAN M. K. CALLISON: Here.

DEAN SPRAGUE: Texas - Galveston?

DEAN JOSEPH M. WHITE, JR.: Here.

(NOTE: Although he did not call out his own name on the roll, Dean Sprague, of course, is listed on the title pages as representing Texas - Southwestern.)

DEAN SPRAGUE: Tufts?

DEAN WILLIAM F. MALONE: Here.

DEAN SPRAGUE: Tulane?

(No response.)

Utah?

DEAN KENNETH B. CASTLETON: Here.

DEAN SPRAGUE: Vanderbilt?

DEAN RANDOLPH BATSON: Here.

DEAN SPRAGUE: Vermont?

(No response.)

Health Sciences Division of Virginia Commonwealth University?

DEAN KINLOCH NELSON: Here.

DEAN SPRAGUE: University of Virginia?

DEAN KENNETH R. CRISPELL: Here.

DEAN SPRAGUE: University of Washington (Seattle)?

DEAN JOHN R. HOGNESS: Here.

DEAN SPRAGUE: Washington University?

(No response.)

Wayne State?

(No response.)

West Virginia?

DEAN CLARK K. SLEETH: Here.

DEAN SPRAGUE: Wisconsin?

(No response.)

Woman's Medical?

DEAN GLEN R. LEYMASTER: Here.

DEAN SPRAGUE: Yale?

DEAN FREDERICK C. REDLICH: Here.

DEAN SPRAGUE: Provisional Members:

Arizona?

DEAN MERLIN K. DU VAL, JR.: Here.

DEAN SPRAGUE: Brown?

DEAN PIERRE M. GALLETTI: Here.

DEAN SPRAGUE: University of California at Davis?

DEAN CHARLES J. TUPPER: Here.

DEAN SPRAGUE: University of California at San Diego?

DEAN CLIFFORD GROBSTEIN: Here.

DEAN SPRAGUE: Connecticut?

DEAN JOHN W. PATTERSON: Here.

DEAN SPRAGUE: Hawaii?

(No response.)

Massachusetts?

DEAN LAMAR SOUTTER: Here.

DEAN SPRAGUE: Michigan State?

(No response.)

Mount Sinai?

DEAN GEORGE JAMES: Here.

DEAN SPRAGUE: Penn State?

DEAN GEORGE T. HARRELL: Here.

DEAN SPRAGUE: Texas - San Antonio?

(No response.)

Affiliate Institutional Members:

Alberta?

(No response.)

British Columbia?

(No response.)

Dalhousie?

(No response.)

Laval?

(No response.)

Excuse me?

PRESIDENT COOPER: They will not be here.

DEAN SPRAGUE: All right.

In any case, I will read those whom I recorded as absent, and if any of you are present, please let me know:

Baylor?

(No response.)

Beirut?

(No response.)

Boston?

(No response.)

University of California at San Francisco?

(No response.)

Southern California?

(No response.)

Case-Western Reserve?

(No response.)

University of Chicago?

(No response.)

Cincinnati?

(No response.)

Colorado?

(No response.)

Dartmouth?

(No response.)

Florida?

(No response.)

Harvard?

(No response.)

Howard?

(No response.)

Jefferson?

(No response.)

Hopkins?

(No response.)

L. S. U.?

(No response.)

Maryland?

(No response.)

Meharry?

DEAN RALPH J. CAZORT: Here.

DEAN SPRAGUE: New York University?

(No response.)

Oregon?

(No response.)

Pennsylvania?

(No response.)

Pittsburgh?

(No response.)

Puerto Rico?

(No response.)

Rochester?

(No response.)

Rutgers?

(No response.)

Saint Louis?

(No response.)

South Carolina?

(No response.)

S. U. N. Y. - Brooklyn?

(No response.)

S. U. N. Y. - Buffalo?

(No response.)

S. U. N. Y. - Upstate?

(No response.)

Stanford?

(No response.)

Tulane?

(No response.)

Vanderbilt?

(No response.)

Washington University (St. Louis)?

(No response.)

Wayne State?

(No response.)

Wisconsin?

DEAN PETER L. EICHMAN: Here.

DEAN SPRAGUE: Hawaii?

(No response.)

Michigan State?

(No response.)

University of Texas - San Antonio?

(No response.)

THE CHAIRMAN: Thank you very much, Charlie.

The first item of business, President John Cooper would like to introduce one of his new senior staff members.

PRESIDENT COOPER: Thanks, Bill.

In the back of the room is Mr. Trevor Thomas, who

has just joined the Association. He will be Executive Officer of the head of the Division of Business Affairs. Trevor is in Washington now. He is head of the College Loan Program for H. U. D., and has had experience here earlier in a program during the Korean War of allocation of scarce materials, steel and aluminum and so on.

He was Vice President of the University of South Dakota School of Mines, and he has already come on board part-time with us. He has been in the Evanston Office for a week helping us get the budget organized for next year, and he will be on full-time, starting June 1st.

Trev is in the back.

I would also like to just say that Bob Glaser asked me to extend his -- to say that he was very sorry that he couldn't be here. We spent the afternoon together yesterday, and he got a phone call from Stanford, saying that there were problems again with the students, and President Pitzer asked him if he would come back, that it would be helpful, that they might have to call out the police.

So Bob very reluctantly had to go back late yesterday afternoon and he wanted me to express his regrets to you.

THE CHAIRMAN: Thank you, John.

One other correction, or addition, in the agenda:

At 9:45 I have asked Chuck Goulet, as Chairman of

the Joint Committee of C. O. T. H., the C. A. F., and the Council of Deans, working on the financial implications of the hospital costs and hospital operations, to come and brief us on the background and what to do in the future about the new Part B, Medicare-Medicaid regulations. This is a very hot topic that has just emerged, and we certainly want everybody to participate in a discussion of an important subject such as that.

Now the first formal item is the report of the actions or discussions of your "Executive Committee":

The meeting took place on April 10th here in Washington, and I will be very brief, because most of the items are on the agenda:

We felt that the by-laws were not in shape to present to you for action, instead that they ought to be circulated to you, that we ought to discuss them this morning in terms of not the fine print, but the gross guidelines and principles, and get your suggestions, then have it go back to the Regional groups for another set of discussions, and hopefully come up for action at our October-November meeting, in association with the A. A. M. C. meeting, and we will come back to that in a moment.

We were very concerned about the appropriation for student loans, and the whole problem in that area, and it was agreed that Carleton Chapman and the Federal Liaison

Committee should take this up as a high-priority item, and we look forward to hearing from Carl a little later in the day.

The main part of the morning was taken up with the formulation of what should be on the program today and, obviously, it is before you.

So I will move right on.

The first, the next item on the agenda is the consideration of a National Service Plan for the graduates of our medical schools. And I felt, with the Executive Committee of the Council of Deans, that we ought to bring this before you to see how much support we have, because unless there is very broad support, this is going to be a very complex thing to bring about and negotiate with the various components of the Federal Establishment -- and unless there was broad support, that it was not worth the energy that would go into it.

Just to recap briefly, it is our suggestion that with the problems we now have of our students facing the Berry Plan, the Fisk Plan, the Ford Program, the various Reserve Programs, and so on, all coming with different guidelines at different times, that perhaps what we need, rather than the Military Service approach is a National Service approach that would include service in the urban ghettos, the rural health vacuums, and possibly the Peace Corps type of

programs, and that this could be effective in a manner in the computer programs such as the National Intern Matching Program, whereby one single agency in the Federal Establishment would be developed that could be called the Health Manpower for National Service Agency, and that in the senior year the student would list his choices not only of the type of service, but also at what time in his future career he would like to have this type of service.

The computer program could be weighted in favor of the military needs, but in essence the young man or -- young man; I was about to say "young woman" too, indicating another subject as to whether female students should be involved as well.

But let us stick to the male sex at the moment and say that at that point the student would know exactly when and where his National Service would be.

Now what I would like to do is give you the opportunity to discuss this concept and see if there is any support -- broad support -- for us as your Executive Committee, to look into setting up the machinery with the Federal Establishment to explore it further. So the floor is open for discussion.

FROM THE FLOOR: Bill, do we know who will head that Committee?

Will Jim Kane still? That is, has the Committee

been reappointed under the new administration?

THE CHAIRMAN: As far as I know, Jim Kane will.

John Parks, your head went up. Do you have any additional information on any reshuffling of the President's Committee?

DEAN JOHN PARKS: No, I don't, Bill, but I just wanted to know what sort of response you had from them, if any, to this suggestion?

THE CHAIRMAN: Well, I had not explored this with Jim Kane, because before we stepped outside of this group, I wanted to see if this was an acceptable proposal, or what modifications thereof -- or we could drop it completely and try to continue to live with the existing situation.

Bob Howard.

DEAN HOWARD: Do we have any indications from anybody within the Federal Establishment that there is interest in this?

Are there straws in the wind that get back?

THE CHAIRMAN: Well, the one straw hasn't settled down yet.

In January, I explored this with Johnny -- and Johnny is 100 per cent for this.

(Laughter.)

And at that time it appeared as though there would be a clear road. I don't know if I can say any more! But

if --

DEAN HOWARD: You don't need to!

THE CHAIRMAN: But if his appointment is confirmed, we will have a very strong ally.

We have several questions: Bill Jordan and then George James.

DEAN JORDAN: I would like to endorse the general idea of this.

The notion that if you take a mountaineer out of the hills of Kentucky, and give him an M. D. and have him go back, or a black out of the ghetto and have him go back, it seems to me is erroneous, and the only way to -- one of the best ways to get service to these areas is to have such a program.

The question that I would like to ask is, you limited this to health, as I understand it. I have heard in the past that this might be a much broader kind of universal youth service, including many other areas besides just health. Perhaps we would have a stronger case, if we could find other groups to combine with.

THE CHAIRMAN: George James.

DEAN JAMES: I would just like to raise two questions in connection with it:

First of all, if the war continues, then its value is obvious as an alternate and an opportunity of putting in

service in addition to the Army.

On the other hand, if the war is over -- and perhaps we could hope that it would be soon -- then I wonder if there would be enough push behind such a move to get it actually done, because here we would be mandating sort of a required service on the part of young physicians, whereas other groups were not being asked to participate in this kind of a mandated service.

So I don't know whether I would feel right about forcing physicians into this type of a program, if no other groups were exposed to it.

The second aspect of it is, how would it work? Are the people who are going to control it going to be individuals that we would have a good rapport with?

If it is operated by people who have as the basis of their things that motivate them the improvement of medical practice, the improvement of medical training, if they will give assignments to research, to internship and residencies and specialization, and so on, if they could include that in their allocations, then we would feel more secure.

But if it falls into the hands of certain political groups, that would like to take the people and spread them around the country and drastically interfere with training programs and priorities, then it could be poor.

So a whole lot would depend on who runs it, how

much influence we as an organization would have on who these people are, and how it operates.

THE CHAIRMAN: I think these are two excellent points, and I might just comment on one of them:

I don't know how much difference, whether the shooting in Vietnam goes on or doesn't, is going to make to the picture in terms of our commitment for defense around the globe.

Secondly, the problems of the urban ghettos and the rural health vacuums are not going to clear up, and I don't see anything drastically changing in the next ten or fifteen or twenty years.

But the second question you raised, George, I think would have to be looked at very carefully if the machinery should develop to continue to explore this.

I think we have several other comments to make. Warren Bostick, I think your hand was up first.

DEAN BOSTICK: I have some remarks, George, to add. I have some reservations.

I think there is some real merit on this, but it still could so easily turn out to put another layer of responsibility on the part of our graduates, rather than to relieve them of one.

I admit that there are many demands for service in various categories, as you said there, and others layered

upon our students. But I think that the real world seldom ends up by clearing everything up into one nice, neat package. It ends up by adding another layer.

And I have always felt that a young physician, who comes into the world of early medicine with many obligations -- and I wonder if what we won't end up by doing is just adding another one.

I would like to say -- I would also like to say that this would have an entirely different complexion in my mind if something, in general, happened to the draft. As you know, it is being seriously challenged now in terms of Constitutionality, particularly in a peculiar situation when we are not really at war, at least, legally. And I would hate to see us get into that thicket, and end up by having our young men -- who have spent so many, many years in their training -- and a lot of their training as interns, and more and more now as clerks, getting out into the community, are a form of service in addition, as a byproduct, a very desirable one.

And I have some real reservations as to whether this is really the right time to push this.

THE CHAIRMAN: Thank you.

Before calling on the next discussant, I would like to mention that we have four student representatives with us, and we certainly want to welcome them to join in the

discussion.

I know that this particular agenda item affects their future too.

I would like to identify them:

Would Bert King of the Student Health Organization please stand?

(Mr. Bert King rose.)

That is Bert King.

Maurice Weise of the Student National Medical Association.

FROM THE FLOOR: Not here yet, I don't believe.

THE CHAIRMAN: He is not here yet.

From the S. A. M. A., we have Bob Graham. Bob.

(Mr. Robert Graham rose.)

And Peter Andrus.

(Mr. Peter Andrus rose.)

So that we would welcome you, in the discussions that take place.

Yes, please?

FROM THE FLOOR: I have two comments, or a question and a comment:

I think that so far as women go, perhaps one of the minor items is that we should certainly not consider them in the same category. I think that we have made it difficult enough, in many ways, for women to enter the field of medi-

cine, and I think adding this sort of service will not permit family obligations and family formation, and I think it should not be non-discriminatory here -- that we should be discriminatory.

The second point is, I wonder if the American Medical Association has discussed this, taken any position on it, have any answer to it, either at the Committee level or some other?

THE CHAIRMAN: Which group?

FROM THE FLOOR: A. M. A.

THE CHAIRMAN: As far as I know, no.

Harry?

DEAN GORDON: I would like to --

THE CHAIRMAN: I think the recorder had asked me to have everybody say their name loud and clear so that she can have it on the record.

DEAN GORDON: Dr. Gordon.

THE CHAIRMAN: Dr. Gordon.

DEAN GORDON: Dr. Gordon, Einstein College of Medicine.

I would like to know whether this is going to be voluntary or compulsory?

If it is volumary, I would be for it. If it is compulsory, I would be against it, simply because I haven't seen any evidence -- I mean, generally, as represented, at

least, by the Congress -- or the state legislatures -- have seen fit to take their responsibilities for health services in the ghettos.

And I can't quite see singling out the medical students for this. If some of them -- and there aren't many of them -- want to volunteer for this -- I think they should be encouraged in every possible way so that they perhaps could take this kind of service instead of military service. But, after all, that is a voluntary issue, for the students. I can't see it as a compulsory one in the present state of our lack of real commitment to taking care of health services, however.

THE CHAIRMAN: Thank you.

George Harrell.

DEAN HARRELL: Harrell, Penn State.

I had occasion, a couple of months ago, to throw out the idea as a trial balloon of a period of national service, not national medical service, but calling up Will Jordan's idea -- I expected the roof to cave in, but it did not. So I think that the climate may be such that it would be worth it to go on a much broader basis than simply medical graduates.

THE CHAIRMAN: Sort of the Mormon Church approach.

John Deitrick.

DEAN DEITRICK: Well, I would hope that before

the establishment would make such a commitment as we are talking about here, that the students might be given an opportunity to vote on it. In other words, we would be already establishing what we think is good for them to do.

And as far as I am concerned, the problem that you raise goes far beyond the M. D.'s. It takes in social workers and nurses and --

FROM THE FLOOR: Teachers.

DEAN DEITRICK: And the problem, I think, is much broader than just the medical school, and goes far beyond just the medical school M. D. graduates. I think you are only scratching the surface, and you ought to be exploring, but I would be opposed to taking on and assigning medical students or any student to do work of this kind, unless the whole society takes on much more responsibility.

THE CHAIRMAN: May we perhaps -- John Parks -- and I would like to call on the students then.

DEAN PARKS: George Parks, from George Washington.

You have presented this in such a broad fashion, Bill, that I wonder if one of the features of it may not get lost in the discussion, namely, the fact that there is a period of two years required military service? And I could see your proposal as a distinct advantagement in the management of this portion that is already with us of the federal program, a matching plan in which the young man would have an oppor-

tunity to express his desires.

And I should think that we should not lose this advantage in discussing the whole community and the ghetto and what not.

THE CHAIRMAN: So it could be tied to the fact that we are already under special legislation?

DEAN PARKS: That's right.

THE CHAIRMAN: And it is just a matter of broadening it.

Would the student representatives like to comment on this?

Bert?

MR. LAMBERT KING: While I do feel that a program of this sort might go far in alleviating some of the health problems of poverty areas with the use of physicians in such programs, I would think that the approach should also include an examination of the military utilization of physician manpower, which, I feel, is very wasteful.

And the question should go much deeper than just proposing a certain number to the military and a certain number to the civilian service.

THE CHAIRMAN: Thank you, Bert. Peter or Robert? Bob? Any comments you would like to bring up?

A STUDENT: I am not sure that I would have a great deal to add, over and above the principles that have

already been discussed here.

I would emphasize, I think, the two comments that have been made about the timeliness of this consideration. I think that if one were to interpret the feeling or the spirit that is abroad in the land among the students, or among the younger generation, I think it might be said that if this program were handled correctly that you might find rather wide-based support.

And as to -- I would take exception with the one gentleman who was reluctant to include the female students. I think perhaps we are moving now to just dropping this artificial separation of the sexes.

FROM THE FLOOR: That is pretty good!

(Laughter.)

A STUDENT: At least, consideration!

As Bert has raised the question already, we are dealing in an area where there is already sensitivity and strong feelings about the military, about indentured service to the government.

There are those who wish to serve, but they are very sensitive about the context in which they serve, and the moral deterrent, which they feel, to do something conscionable to themselves.

THE CHAIRMAN: Thank you.

Any other comments? Yes?

FROM THE FLOOR: Yes. Grass, from Iowa.

I would like to say that the last comment here, in the sense that it concerned me a bit regarding the origin of this particular suggestion -- and it hangs on whether it is voluntary or involuntary.

If this body is responding to a request by the federal government, this is one thing. We are giving them feedback.

If it is originating in this body, then I would like to feel that you are talking about a voluntary type of commitment, unless the commitment originated from the students themselves.

So if it is voluntary and it originates from this body, that is one question. If it is involuntary, then perhaps the federal establishment should be making a request of this body for further discussion. I think there is an important difference here that should be clarified.

THE CHAIRMAN: I think one of my worries, frankly, is that we have been reacting involuntarily too much of the time.

And the effort here was to act voluntarily, to lead the federal establishment into something that had a broad base of support. And I really want to clarify that we are not talking about adopting anything this morning, just that if there is enough support to set up the machinery with all

people affected, including the student organizations, to look into it further, or, on the other hand, to drop it, and say there is no consensus in this group, if the students want to originate it, then they certainly can, from their end of the line.

Now perhaps — is there any further discussion on this?

DEAN TAYLOR: I would like to make one comment.

THE CHAIRMAN: I think you were first, Ike Taylor and then Warren Bostick.

FROM THE FLOOR: I would like to support it, in terms of the objectives, in general. But I would have this reservation:

I was thinking that a program that involved just compulsory service might not be in the best interests even of the people served. If it is voluntary, then I am in support of it.

If it is not, I think it might result in the fact that many of the people being served might sense that this individual is doing this because he has to do it, and he doesn't have a basic interest in the problems that they have. And it might not work out to be a very good service that was rendered.

For that reason, I would have reservations on it as a compulsory thing.

THE CHAIRMAN: Ike Taylor.

FROM THE FLOOR: Taylor, North Carolina.

I don't have anything really new to add to the discussions so far, and all of the cautions and concerns certainly are very real.

On the other hand, if you want expressions of opinion from the group, I want to be on record as generally in favor of this kind of approach to meeting the needs of society for health services.

In my state and yours, Bill, I don't see how we can possibly meet the need for physician's services and other health personnel services, given adequate total amounts of manpower, without some kind of structured system, which can lead to the proper utilization in terms of distribution of this manpower.

I think, as an example, in North Carolina, of the absolutely abominable medical conditions which exist in our prison system, and for which, in the present free enterprise market, there appears to be absolutely no solution. And these, problems of this sort, as well as the problems of the ghetto and of the rural area, are so compelling as to make me state -- I hope, with some emphasis -- that I think that conversations about this kind of thing should go forward, keeping in mind the dangers which have been cited.

THE CHAIRMAN: Thank you.

I think Warren Bostick is next and then Fritz Redlich.

DEAN BOSTICK: I just want to make the comment that I think the discussion to me implies that it won't remain voluntary very long; neither did the Army.

THE CHAIRMAN: Fritz.

DEAN REDLICH: Fritz Redlich, Yale.

I would favor -- with very involuntary military service, with involuntary service in the general health area for physicians of both sexes, and then expanding as the second step to all of the health professions, which, of course, would require a very vast reorganization of health services, which ought to benefit those people who don't receive any adequate health services today.

THE CHAIRMAN: Thank you, Fritz.

I think our reporter would like us to either speak louder -- she just sent me a distress signal -- or to use the microphone.

But I think most of us got the message from Fritz. Mannon.

DEAN MEADS: I wonder if we couldn't approach this by speaking to it in short-range and long-range objectives. It seems to me that it was brought out that we have a law and there are inequities, and could we approach it from that standpoint and leaving open the long range?

It seems to me that anything which will move the control over our interns and residents from the Podunk Center Draft Board and put them in a national pool for distribution would be a distinct advantage at this point in time.

THE CHAIRMAN: Thank you, Manson.

I think, at this point, I would like a straw vote -- and I want to emphasize that there is nothing legal about this -- in terms of whether you want to have your Executive Committee, or whatever we call it when we adopt the by-laws, to pursue this matter further and report back to you, step by step or whether you want us to drop it.

So that a "yea" for the straw vote would mean"Yes, please continue to explore this, and come back each time and give us a report on the next step and so on, and continue to explore it."

A "nay" vote would be, "Drop it cold; it isn't worth your time."

May I have a show of hands for the "yea's"?

(A showing of hands.)

The "nays"?

(A showing of hands.)

I guess the "aye's" have it overwhelmingly. John Deitrick.

DEAN DEITRICK: I am a little confused. We are voting on something that is rather vague, and I want to be

a little more sure what we are talking about.

It seems to me that there is a major issue raised here:

One, the adequacy or inadequacy or the bad parts in the present draft law for the health profession, is that the primary doctrine? Will that be included? Are we going to talk about what is wrong with the present situation that is inequitable?

I think that without clearing this up, I would have to vote "nay", unless we are certain that we have enough strength to clean up inequities which now exist, I would not propose to go on with some broad program which simply compounds the inequities that I think now exist. As related to "med", the local draft board -- the system is not a good system; the present system is not a good system; I would not vote to expand it under the present system.

But if we go ahead with this, I think we ought to have one, two, three points:

Where do you start?

And what do you get a hold of?

THE CHAIRMAN: Yes?

MR. FIELDS: John Fields from U. C. L. A.

I would like to say that when I voted "yea", which I did, that I was voting very specifically merely to explore this further.

THE CHAIRMAN: Yes.

MR. FIELDS: And with the understanding that the Committee would report back at every step.

THE CHAIRMAN: Right.

MR. FIELDS: No further license was my understanding was implicit in this.

THE CHAIRMAN: This is all we asked for, is whether we were spinning our wheels or not, whether you wanted us to explore it further.

Chuck Goulet was supposed to be here in about one minute for that Part B of Medicare. Until he arrives, perhaps we can start out on the next item on the agenda, regarding the proposed by-laws.

And we would welcome -- Bob Felix could not be here. Warren Bostick and Bob drew up the first round of suggested by-laws.

These were worked on by John Cooper and his staff. They were examined by your Executive Committee, and they are before you as for information and discussion for gross inequities, changes in the guidelines approach in the by-laws, but not the "nitty gritty" specifics.

Now we would like to have that discussed at the Regional meetings, and then come back in final form in November.

Warren, as a member of the Committee, would you

like to speak to this?

DEAN BOSTICK: I didn't know Bob was not going to be here. I don't know that there is much to be said about them.

They are quite short, as you have noticed. You have noticed that we have tried not to call some of the Committees -- like it would be wise to call our central committee not the Executive but the Administrative Committee, just because the Association of American Medical Colleges itself has an Executive Committee, and frankly we should adopt a name that should be distinctive of the Council type of authority structure, as distinguished from the Association there.

We have tried to word this in such a way that this body will develop a sense of involvement, and not be passive. Bob felt that that has been some of the weakness of our previous organization, and we would like to see it cleared up a little bit more, very much as it was this morning in the discussion about the National Service concept.

You will note that the Council does report annually, and it is supposed to report annually not only to our Administrative Board, but also annually to the Assembly, giving it a certain sense of direction in that regard.

You will note that it does not spell out in detail how we are going to continue our regionalization, but it says

in a very few words that it exists, and that at one time these by-laws had rather extensive descriptions of how the regions were going to be organized, and who would be the chairmen, and so forth, but a little bit more mature consideration reminded us that that really didn't have to be put in the by-laws, that that could be handled at a more direct organizational level, rather than folded into verbiage of the by-laws.

The membership is very much the way we have been accustomed to. You will note that we indicate that you are not a member of this by virtue of your title of "Dean", and because there are various uses of that term, or there are various names assigned to the guy that has the immediate responsibility of running the show in his area. So we have tried to designate in a descriptive term the man who is in immediate charge of the administration of the educational program leading to the M. D. degree, so he might have the status of Vice President, I guess, or something like that, but, in any case, I hope that might clarify it.

We also note that each dean is supposed to be here. If he is not, then for that particular meeting he may have an alternative, but he is not just to get in the habit of having a stand-in representative, and thereby relieving himself emotionally, at least, of the obligation of being here. Other than that, I think that the rest of it is a sequence

of nomination.

We do invite and have an arrangement for a Nominating Committee, and how these are, how it is put together, it invites nominations from the regions, and with appropriate balance within regions as they come through, and then it indicates the responsibility of the Administrative Board.

I don't know that I need to go into much further detail. It is a first step and I think all of us would be very appreciative of any changes or suggestions.

THE CHAIRMAN: Thank you.

Ike?

DEAN TAYLOR: Do you want to continue this discussion now or go back to the original agenda?

THE CHAIRMAN: Ike, if I may, I would like to come back to this agenda item, because we are running two rings, with the Council of Teaching Hospitals meeting next door. And may I call on you when we resume this discussion?

DEAN TAYLOR: I was going to see if my status couldn't be clarified as yielding at this point?

(Laughter.)

THE CHAIRMAN: I appreciate the gentleman from North Carolina yielding to the gentleman from Illinois!

It is because they are running their meeting so tenuously that they are interrupting it to join us for this agenda item, that I have asked Chuck Goulet, the Chairman of

that Committee -- the Joint Committee of the Council of Deans, the Council of Teaching Hospitals, and the C. A. S., to comment on this item that has come up, Part B of Medicare, as it pertains to the teaching hospital.

And Matt McNulty will also contribute to the discussion.

Chuck.

MR. CHARLES GOULET: I would prefer to have --

THE CHAIRMAN: Do you want to have Matt?

MR. GOULET: Lead off, to have Matt lead off, if you would, please.

MR. MATTHEW F. MC NULTY, JR.: Thank you, Mr. Chairman, and I thank the delegation from North Carolina. Ladies and gentlemen, good morning.

Mr. Craner does have some handouts that, I think, are pertinent to this issue that we are going to try to present very briefly, and with apologies to all of you, because we have our group in session, and have to return to them. What?

FROM THE FLOOR: A little louder.

MR. MC NULTY: Oh, he says "A little louder". I didn't know whether he meant him or me.

But what we are about to do, if I may take a digression because I sort of think it fits our consideration of what we are going to try to present, relates to the Car-

dinal in the Northeast part of this country, who would hold classroom exercises in his elementary school every year, and the good nuns always tried to prepare the students for his appearance, and give various exercises -- arithmetic exercises, composition exercises, spelling exercises.

And this one nun wanted to give a spelling exercise, and she was having the children rehearse it, and stand up and give their name and mention the word and spell it -- stand up and spell "dog" -- "d-o-g" -- and sit down. And she had one Puerto Rican youngster in her class, who was named "Jesus Cordova", and he said, "I am Jesus Cordova, and I am going to spell 'cat' -- 'c-a-t'".

And the Sister said, "Now the Cardinal is hard of hearing, Jesus, and he may misunderstand this. So why don't you just stand up and say, 'I am J. Cordova', and say your word, and spell it, and sit down?

That was fine. And the big day came, and the Sister sits on the left, quite proud of her class, and the Cardinal comes in and sits on the right, and down the line everything goes very well.

Then up stands J. Cordova, and J. Cordova says, "I am J. Cordova and I am going to spell 'Schnectady'."

(Laughter.)

The Sister blanches and looks and jumps up and says, "Jesus, you can't spell 'Schnectady'!"

And the Cardinal looks over at her, puzzled, and he jumps up and says, "Well, Sister, for Christ's sake, let him try!"

(Laughter.)

Well, that identifies our effort this morning!

There are several Committees; the genesis of what we are to bring to your attention relates, in terms of origin and genesis to, largely, the Long Committee on Finance of the Senate -- several Committees of the House and Senate that are all engaged in trying to fill the vacuum that has resulted from the departure and really new era -- and I mention that in terms of appropriation and everything else, because we are in a new era of trying to do business at the national level.

And it is an entirely different era. We have no one to turn to now, and we need to somehow influence all Congressmen and all Senators, in the hopes of eventually finding the ones that are going to eventually have the power posture as a result of respect, tenure, and all of the other things.

So that the Committees looking on this issue as one of -- this issue being health and the payment of health -- is one of national concern, because a good bit of their mail every day is, "I can't get health care, and when I can get it, I can't pay for it" -- are sort of using the "witch hunting"

approach, which is a typical political approach at the state level and the local level and the national level. And some of the "witch hunting" has paid off. It is profitable. Everything we do is now on tapes:

It is on tapes in S. S. A.

It is on tapes in the N. I. H.

It is on tapes in the H. E. W.

And one Committee in particular has found it possible to compare the runs of billings either under Part B or the supervision under Part A for given days of attendance, and at the same time document that the individual was on a trip for which there was reimbursement and an honorarium was paid, and things of this type, which could arise from confusion, which has been our strong point, that really we are talking about confusion, not about duplicity.

But, in any event, these Committees have really, I would say, interrogated and hounded the S. S. A. to produce more meaningful descriptive material interpreting the law. What you have in hand is an attempt by the Social Security Administration to do just that.

This came to our attention, I think, fortuitously, with some little lead time, resulting from Dr. Berson and myself being somewhat in constant attendance on Tom Tierney and Mr. Hess and Mr. Ball.

It is shown to you as a draft. It has now been

issued. We were hoping and urging for an issuance in the "Federal Register". Rules and regulations are issued in the "Federal Register"; guidelines need not be issued in the "Federal Register".

It has been distributed as an Intermediary Letter No. 372. It bears a date of April -- no day; the Intermediary Letters are not given days, they are just given months. And it is probably now in the process of final distribution, depending on what part of the country it had to go to.

Now we have had the opportunity of presenting this to Deans in the Southern Region, in a Joint Meeting with the Council of Teaching Hospitals, and to Deans in the Great Plains and Midwest Region, at the excellent meeting called there by Dr. Grulee.

We have gotten all ranges of opinion from one that the document states merely what the law says and what we should be doing, to the other extreme that this is restrictive, it is prohibitive, it is a violation of personal integrity and, well, we could use all of the other nouns and verbs and adjectives and adverbs.

Now the issue is complicated.

Many of us in a flight of real eagerness would like to see all Part A transposed as the law changed, and placed on Part B.

Then if you do a little exercise in your own in-

stitution, and you say, "Well, all right, we are going to finance the house staff through Part B, and they are going to get a fee for service for the intern service, for the junior resident service, for the senior resident service, for the attending service, it is pretty -- those places that have done it have come up with the conclusion that really the S. S. A. or no governmental agency is going to pay that range of fees, and without that range of fees it is going to be difficult to support the house staff.

And then there are the considerations of what is education and what is not education in this relationship, and here you are the authorities; I am not.

So the issues are difficult, and that is just one example. I could go on, but time is limited.

What we have attempted to do to get at the issue is to expand the Committee on Financial Principles to include four Deans, and as soon as we can accomplish it through Dr. Rhodes, the Chairman of the Council of Academic Societies, we would hope to add three members from that group, and have these various individuals, plus directors of teaching hospitals, see what they can put together, in terms of their best analysis, and their best interpretation, and their best wisdom, and their best recommendations for an action position, if an action position should be taken, and methodology for implementation of action.

Mr. Chairman, I think that may be the summary I would present.

THE CHAIRMAN: Thank you, Matt.

Chuck, are there any additional comments that you would like to make?

MR. GOULET: Just two, Bill:

I would like to emphasize what Matt said about the complication of the Part A, Part B division, and point out that our work has been infinitely more difficult because, as you know, the Part B, Medicare, is not a governmentally supported program.

It is supported partially out of contributions made by the patient, which changes his status both with respect to the fund, and with respect to the services which he can demand as, in a sense, a part-paying patient.

It is further complicated by the fact that the previous administration and this administration have both elected not to increase the contribution from the patient. Therefore, the funds available for the payment of professional fees is limited, and it is our understanding will have to result in restriction of payments to some fee schedule there for physicians' services.

I point this out because it is a -- if we were to transfer all of these payments over to the Part B Section, we would be confronted with a fund that has a finite limit under

the present arrangement, and that arrangement depends upon an increase in the payment from the Medicare recipient, which, in turn, would necessitate an increase in Social Security benefits, because of its implication for other parts of the program.

The second is that we have not wished, as a Committee of Financial Principles of the C. O. T. H. to approach this as the C. O. T. H., but have worked closely with Dr. Anlyan and Dr. Rhodes in an effort to enlarge the Committee, and Dr. Mayer was very kind, with us at our last meeting, in an effort to arrive at a position that is acceptable or, at least, tolerable -- can we say that in North Carolina?

(Laughter.)

To all of the various interests that have a stake in this problem.

THE CHAIRMAN: Thank you, Chuck.

Are there any questions that you would like to direct?

We have another problem here in that Bob and his colleagues -- Len Fenninger, Bob Marston, and Frank McKee -- are here, and they have only one hour with us, and Chuck is leaving at noon, but Matt is available this afternoon, so that if there are any direct questions to Chuck that you would like to raise now, let's do it, and then we will go on with Bob Marston's presentation.

Art.

DEAN RICHARDSON: Richardson from Emory.

I don't see anything in this quick look dealing with the problem of the anesthesiology and radiology; what is the status on that?

MR. GOULET: The regulations --

DEAN RICHARDSON: The so-called "hospital based" physician?

MR. GOULET: This we have not had a problem with so far because the issue has largely concerned the payment of services for the supervising physician, and the attending physician.

DEAN RICHARDSON: You mean who hasn't had a problem?

(Laughter.)

MR. GOULET: Well, the S. S. A.'s concern with the Part B of the program has not.

DEAN RICHARDSON: This has been a real difficult part for us.

MR. GOULET: Yes, oh, certainly, certainly. But it has not been an issue in this go around, you see.

DEAN RICHARDSON: Well, I don't think you can -- we ought not to separate those two. It seems to me that these are part of the same package, and I believe that they ought to be tied together, and ought to be looked at, at the

same time.

THE CHAIRMAN: Kinloch Nelson and Ken Crispell.

DEAN NELSON: Nelson, Virginia Commonwealth University.

I would ask you to comment on the local carriers' liberties or interpretations or how can he -- does he have any, his representatives?

We have been working in that general atmosphere of dealing with a local carrier in trying to interpret some of the fine print. And if this is wrong, we would like to know it. And if this is right, we would particularly be happy to know it.

MR. MC NULTY: Dr. Nelson -- Kinloch, this is a very difficult area.

We are trying to get the Social Security Administration to hold regional meetings of their carriers, at which we would try to have representation from the A. A. M. C. present -- I would think of a representative from the Council of Teaching Hospitals, the Council of Deans, and the Council of Academic Societies -- to review with them how medical education is accomplished in relation to patient care; they just do not know.

And all I can say is that some of you in the audience have brought to our attention your problems with the carriers.

I think, in the three instances that you have, we have gotten them resolved in our favor and in your favor -- our favor in the sense that we try to represent you.

It is a real area of confusion, lack of understanding, and really total ignorance, since many carriers have not dealt in this area before.

DEAN RICHARDSON: In specific cases, can we consult you? Is that where we might go?

MR. MC NULTY: We would encourage it.

Yes?

THE CHAIRMAN: Ken.

DEAN CRISPELL: Then I am confused.

Is this the "Federal Register" document, or is this your document?

MR. GOULET: No, that is Federal.

MR. MC NULTY: This (indicating), what you have in hand, is a document from the Social Security Administration.

DEAN CRISPELL: Which is already in the "Federal Register"?

MR. MC NULTY: Which is already in existence as an Intermediary Letter, which is a guideline document and does not have to be released through the "Federal Register", so it will not appear in the "Federal Register".

DEAN CRISPELL: And we still have a recourse to

Social Security?

MR. MC NULTY: Very definitely.

DEAN CRISPELL: We still have dialogue?

MR. MC NULTY: Very definitely.

THE CHAIRMAN: I think you are next, and then Charlie Sprague.

DEAN EICHMAN: Eichman of Wisconsin.

An important part of this Intermediary Letter to me is on page 2 and I would like clarification on this; it refers to community standards:

"If the supervising physician was present at surgery and the surgery was performed by a resident" and so on, and it states that "unless it were customary in the community for such services to be performed in a similar fashion to private patients".

Now the thing that I think that, at least in the setting in which I am working, there is no question that private patients are handled in exactly this manner on some occasions:

Cataract operations might be a good example. And I am concerned, with our carriers, how much do we have to document?

Is it a matter of frequency? If one can demonstrate that in a given number of situations this occurs, or certain kinds of procedures, and the statement of that is

sufficient? Or does it have to be that every private patient is handled this way?

Is it all? Or none? Or partially?

MR. MC NULTY: Well, I think that here we probably can only give you an opinion.

DEAN EICHMAN: Yes.

MR. MC NULTY: The word that we have been using, in making this four-region tour, has been to make the service auditable, in other words, have a documentation.

The documentation of the type and the instance you are citing, I think, would be just to be able to indicate that there are a number of instances in which this is performed in this way, and not that every instance has to be. But I would think that it would have to be more than one, Dr. Eichman.

DEAN EICHMAN: Yes, yes, but your point is to be sure that you could document that statement?

MR. MC NULTY: Yes.

DEAN EICHMAN: That is the point you are making?

MR. MC NULTY: Yes, sir.

DEAN EICHMAN: And indicate that, and so on?

MR. MC NULTY: Yes, sir.

THE CHAIRMAN: I think Charlie Sprague, and then, because this is such an important issue, Matt has promised to come back at 3:00 o'clock, and continue this discussion

with us.

DEAN SPRAGUE: Well, perhaps we could wait then until he comes back.

THE CHAIRMAN: Would you like to do that? I don't want to be deferring too many, and just start back all over again this afternoon!

At this time it is a pleasure to welcome Bob Marston.

Thank you very much, Matt and Chuck, and I appreciate your interrupting your program, and we will look forward to having you back this afternoon.

(At this point, Mr. Goulet and Mr. McNulty left the room.

THE CHAIRMAN: Bob Marston needs no introduction, nor does Len Fenninger or Frank McKee. They are friends and former colleagues who are now trying to do a tremendous job in the federal establishment.

And Bob, the floor is yours, and I understand that there will be plenty of time for an exchange in the discussion of Bob's comment.

Bob.

DR. ROBERT Q. MARSTON: Thank you.

I continue to have to work under constraints. I am getting used to this, but Bill reminds me of the problem, and John Cooper says "Don't talk long."

(Laughter.)

But I will be passing out -- and later, I have got about fifty copies, and there are more than fifty people here so I have got some more coming down -- is an outline of some of the organizational and budgetary things that are present, at least, as of this time this spring.

I have prepared this for a meeting with the Professors of Medicine last week in Atlantic City. But it does give a summary of some of the areas of concern, I think, to this group, and I thought that you might like to have it passed out.

The budget is one of concern to us, and concern to you. I won't try to go over it in detail.

Let me say that when one compares the 1969 budget and the April revision of the 1970 budget for the totality of N. I. H., the difference in dollars -- not constant dollars, but the difference in dollars, is minus $985,000. So, essentially, we are talking against a base of 1.5 billion, of essentially the same budget for 1969 and the same budget for 1970, as proposed at present.

The research grants will be increased by a 9.6 million figure. This includes increases of 3.2 million for family planning.

You will get all of this in -- at least half of you will get it -- on the basis of what I have at present!

(Laughter.)

The other half will get it when the material gets down, which I am sure it will.

Well, the increases, in essence, of family planning, are 1.5 million for the new Eye Institute, and 4.9 million for non-competing grants, and built-in requirements, such as the Heart Drug Study and the grant-supported Dental Institutes.

The training area is the area of the greatest concern to us, and certainly it was of the greatest concern to the Chairman of the Department of Medicine, and has been of greatest concern to most groups that I have talked to, along with the problem of student loans.

The situation with the training grants is not easy to summarize, but let me start by saying that there has been no increase in the number of training grants from the N. I. H. since about 1963-1964. There has been an increase in the dollar level up until more recent years, but the number has stayed essentially constant, and this was after a very rapid growth in the training grant programs.

We started this year with a reduction of something over seven million dollars for training grants and fellowships, and then there was -- under the concerns of the additional budgetary constraints with the Nixon budget, at one time, a consideration -- I don't know how serious -- of

an additional 94 million dollar cut. This finally came out as an 11 million dollar additional cut.

I must say that our attention was focused for some period of time on the larger figure, and there was a certain degree of relief that the cuts were not greater than they were.

Now I want to make it clear though that I don't think the training grants could have escaped the type of exercise that we have had to go through in recent weeks and months without serious cuts. I think one has sort of two universes to think about:

One, the 1970 budget when, by any criteria that I know of, there would have been significant cuts.

And then the problem of the fact that there has not been growth in this area, that there will be questions in the future about the training grants, because they do serve a variety of purposes. Indeed, about half of the dollars -- about 97 million out of the 1969 base of 197 million -- goes for the support of things that might be called the environmental, the environment for training, and about half for stipends.

In other words, half of it goes for the payment of salaries, and the purchase of equipment, and this type of thing, and only half of the training grants for the actual support of the stipends for the people who are in training

programs.

Well, you know as much about training grants as I do. You know the place, the role they play in your institution. We hear, over and over again, that they have been the most valuable type of support that many areas have gotten over the years.

Well, let me not go further, other than to say that we are concerned about this approximately ten per cent proposed reduction this year, but more than that, I think, about the whole question of whether the training grants -- the need for some method of justifying the purposes of the training grants in a way that has been more effective than has been possible over the last four or five years, or indeed to find some other mechanism that may more accurately describe the purposes of these grants.

Now the clinical research centers -- and I am just going to tick these off in almost telegraphic style -- the clinical research centers have for some time now been bordering on the verge of how do you adjust to increasing hospital costs, when the dollars allocated to the clinical research centers have not been able to keep up?

And we are examining a number of possibilities, including the possibility of allowing a third party payment of some of the costs of the clinical research centers, realizing the problems that this raises, and realizing the ne-

cessity to maintain very strictly the principle of acceptance of the clinical research centers being independent of the ability of the patient to pay.

In the health professions education and manpower training area, five million dollars was added. This was one of the few areas across the Department's budget where additions were added to help medical schools increase enrollment in the 1970 academic year. And I would like to come back at this point and speak in some greater detail, and tell you where we are as of this morning, at least in our thinking.

I think we have got a different situation -- and I will say this now and then I will repeat it in a moment -- I think we have got a different situation than, probably, we have ever had before:

That is, that we have an opportunity, at least, today, to talk about something that is going to be proposed and publicly debated before the Senate Appropriations Committee in open hearings sometime in June.

So there is no way for me to be pinned down and tell you precisely what the ground rules are. But it is possible for me to tell you something about the background, and where we stand at present, and then this organization and the individuals have ample opportunity to make themselves heard in June.

It is, I have gathered, something of a contrast

from the previous subject that you have had under discussion, however.

The dental health activities are showing an increase of seven hundred thousand -- $700,000 primarily to support training of dental auxiliaries.

The student assistance, which includes trainees, scholarships and loans in the 1970 budget, provides an increase over 1969 of 4.8 million. But this is almost all for expanded enrollments, and I know that you will want to go into this in a little more detail.

Construction grants are below those of the 1969 year. It is always hard, in the construction area, to have, from year to year -- there is an increase of 10.8 million, however, for construction grants to medical, dental, and related schools.

There is, also, as you know, a zero figure for research construction, but now there is the authority under the new manpower legislation for the payment of those portions of research construction needs which are required by the educational needs.

The Library of Medicine shows a slightly higher budget than the 1969 level. The grants, however, are 1.2 million below the 1969 level, and the direct operations primarily in "Medlars" are 1.4 million above that figure.

The principal area of decision was the implemen-

tation of the Lister Hill National Center for Biomedical Communications, and this, the increases here have been deferred in the 1970 budget.

The buildings and facilities direct construction on the N. I. H. grounds have been eliminated in toto with the exception of repairs.

By any criteria, this is a tight budget. I think that it is a disappointing budget for the Secretary and his staff. I think that it is a disappointing budget for all of us.

The prime problems are the background of the Vietnam war and the inflationary pressures, and these have not shown signs of easing yet.

Let me turn, if somebody knows how to work this (indicating slide projector); let's show the other one first, I think.

We have decided that I would continue talking, because of the time limit, rather than shifting and having different people here.

This is a memo that I haven't quite signed yet, so I tore off the top and the bottom on it.

(The first slide was shown.)

We are in the process there of trying to work out the details and, indeed, the proposed guidelines -- well, first, our immediate problem is to work out testimony for

the Senate Appropriations Committee. And what I would like to do, over the next few minutes, is just lay as many of the cards on the table with you as possible.

We propose to get as many of the cards on top of the table as possible before the Senate Appropriations hearings, and also, if you want to see them in the last line here, to be sure that both the substantive and the Appropriation Congressional Committees are thoroughly informed concerning the proposal to have a -- I guess, "special, special program" were the words that you used back in February, Bill.

Let me say that no one looks on this as being an uncomplicated exercise. I will try to point out the biggest red flags, as I see them, and Len and Frank, as far as their opinions are concerned.

There was a proposal in response to a request to come up with all of the ideas of what one might be able to do in 1970, or probably soon, as the critical manpower problems.

There was a proposal forwarded by my office in February, 1969, commenting on the social demands for greater medical services, and the perception that the medical schools and other professional schools in the country were under considerable pressure, from a variety of sources, to do something about the manpower problems, and that under these cir-

cumstances that the federal government should re-examine its role, not just from the standpoint of enticing or coercing or stimulated increased numbers, but in recognition that these pressures did exist in the field and at least in many parts of the country.

We proposed a program to assist schools to expand beyond their presently anticipated enrollments, and that in round figures the cost would be about twenty million dollars for an increase of a thousand students, and that in view of the uncertainties of funding in future and past years, that we would propose that full forward financing occur.

And that is that you have twenty millions that is tagged to the students as they go through the first, second, third, and fourth years, roughly five million a year, but realizing that the first year might well cost more.

The concept of having additional federal funds available was one that was, I think, enthusiastically endorsed.

The dollars began slipping, and in actual fact, ended up with a five million dollar increased amount, and with the suggestion that five million dollars be found elsewhere in the special improvement grants.

In all candor, this raised very serious problems in my staff, in terms of whether one could indeed be of major assistance, if one didn't have a major increase in the dollar

level of support.

Well, this is where we are at present.

So the goal to be explored is the creation of a thousand additional first-year places, commencing in 1970, and in four years total enrollment would be up to four thousand.

No one is fixed on these as absolute figures, let me say. There is no contract all along the line, and these have been ball park figures, and an attempt, and this is quite different than a procurement contract.

To achieve this, they earmarked ten million dollars in special project grants for this program, five million dollars new, and add on dollars under very tight negotiating circumstances -- five million from, it says, prior authorization, but that is really from the dollars that would have been present in the special improvement grants, would have been proposed to be present in the special improvement grants, independent of this program.

And that raises problems of competition between professions, of competition between -- for dollars that, perhaps, would have been available for stabilization of schools that were in serious financial plight and such. And I think it is one of the places that I would put a red flag.

Let me say that the difference between the proposed authorization level -- I mean, the proposed appropriation

level, and the actual authorization level, is fifteen million dollars.

So the constraints that one has at present are the President's budget, which, with the present tone of Congress, it may be very difficult to get any change in this. I am saying that there is nothing -- that there is no absolute top on here in terms of having a bind, as far as the authorization ceilings under the special improvement thing -- the special project thing.

Now we had felt, after talking with a number of people, that a portion of the funding for the program ought to be, should be viewed as product cost given this year, and I think from the chart this will make clear what I mean here actually.

But, in addition, there should be an operating cost, averaging about five thousand dollars the first year pledged -- that the future funding of approximately fifteen million, twenty million, twenty-five million, for the next three years, but dropping to twenty million in the fifth and subsequent years would be required -- that the instrument for administration would be project grants, reviewed on an individual school basis in open competition, but that the eventual need of the schools for construction is recognized, and the need -- the type of thing that was talked about in Texas -- the need to protect the school, if there are urgent

and unusual actions taken in increased numbers here, that penalty in terms of future construction would be avoided.

Student aid for additional students will be needed outside of anything that is done here -- and again, that the substantive and legislative appropriation Congressional Committees be talking -- this is the kind of thing that we are recommending in greater detail.

And there is no way that I can get final commitments out of the Department or the Bureau of the Budget other than to say that in discussing these with them that these particular items have not been viewed as being unreasonable. Again, I say that these, that there will be an opportunity to discuss this in full before the Senate Appropriations Committee.

(Another slide was shown.)

See the next one, which again I would caution you, I would caution that you look on as a schematic type of thing, not as a guideline.

But the goal is an increase of roughly ten per cent in the enrollment of the students for the first year. And this means that when this class gets in the second year, and another class of a thousand comes in, that you have got a total enrollment increase of two thousand, and eventually four thousand.

In other words, looking on this as being a per-

manent increase in the first year enrollment class from whatever it is -- ten thousand now to eleven, I guess it is -- I may be off a little bit on that, but that the federal contribution to this, recognizing that this is not going to amount to a full funding, would be ten million dollars the first year, in which one could visualize about half of that being needed for renovation and repair and whatever else one needs to do in terms of start-up.

The second year you would have twice as many students enrolled, and it would be ten million, plus five million start-up type of activity.

The third year a total of twenty million.

And then twenty-five million, and then dropping down to a level of twenty million after that.

Now the problem at this point is to start arguing about whether these figures down here should be an average of ten thousand per student, or 8.5, rather than 7.5, or whether these figures actually are meant to reflect the cost per capita education -- which they aren't -- so again I would say that I am prepared to vacillate a little bit in coming down here, whether I would show this schematic one, or whether I would show one that didn't have those things that are called "start-up" each year in it.

So the details again are things that, I think, appropriately, will have to be debated and worked out before

Congress.

But what I wanted to take advantage of was this opportunity to sketch out, at least, where we are at present in our thinking and our proposals.

Why don't I stop at this point?

THE CHAIRMAN: Thank you, Bob.

I know that you can feel the questions. And I am sure that there are going to be a lot of them, without my help in introducing your former colleagues to you. So the floor is open for questions and comments, to be directed to Bob.

Yes, that will be fine.

DR. MARSTON: Hi!

FROM THE FLOOR: Dr. Marston.

DR. MARSTON: Yes?

FROM THE FLOOR: In the field of student aid, are there any special provisions for special aid to the deprived students?

DR. MARSTON: To what? Special aid to who?

FROM THE FLOOR: To the students that are economically deprived, and educationally deprived, that we are being asked to take in increasing numbers.

DR. MARSTON: Len.

MR. LEONARD FENNINGER: Well, the provisions for scholarship aid are on the basis of a formula of ten per cent

of the total enrollment this year, it will be the total enrollment times two thousand dollars is the total amount that a school can receive for scholarships.

The increase of 4.8 million dollars in student aid is actually to take care of the fourth year class, which is now included. You remember that the scholarship grants have gone up one year at a time, and we will now be funding all four years, and frankly all of the student aid increase is for the fourth year class, or the new entering class, so that the fourth year class can get their money, based on the formula of ten per cent of the total enrollment times two thousand dollars.

And this is the legal limit. It is up to the schools to use the funds as they will to aid those students who are from particular -- in particular financial need, however.

DR. MARSTON: I think we sort of get caught in three areas with broader considerations:

The library problem, or the -- well, I think we have suffered by the problem of libraries, in general as part of the deal.

In the student loan and scholarship area, there is no question but that the concern about dollars, and to move then towards guaranteed loan programs, as opposed to scholarships and the types of things that we have had, was

a reason for our constraints.

And then the construction problem has been a part of the bill, also.

Does that answer your question on it, Harry?

FROM THE FLOOR: Yes.

MR. FENNINGER: Well, I might just add that as far as loans are concerned, it is anticipated that the students will be turned to the Guaranteed Loan Program in the Department of Education -- Office of Education.

DR. MARSTON: John Cooper.

PRESIDENT COOPER: I have had some contact with these programs.

I have had the pleasure of --

FROM THE FLOOR: A little louder, please.

PRESIDENT COOPER: I have had the pleasure of working with Bob on some of these health manpower problems. I think that it is clear, Bob, in the presentations that you have here, that what we are talking about is funds here for increased enrollments, and that the later parts of this plan will be involved with a new Health Manpower Act, which will extend or replace the one that is now in force.

So, as one looks down the road, well, really, some of these things will have to come under a new Health Manpower Act.

Secondly, this doesn't, in any way, compromise

programs or attempts to provide -- if we can get it -- support for the present student enrollment, to maintain the viability of medical schools, to carry on the kind of programs that they are now -- or the number of students that they are now training and educating.

The two questions:

One is, this is just a program for increase in student body, and does not, in any way, compromise attempts to get some kind of support for the present level of enrollment.

Whether this can be done or not is another matter.

And secondly --

DR. MARSTON: Well, I think the only problem on this -- if I can answer this first -- is that it is a ten million dollar program with five million dollars new money. So it does mean that the other things -- including other professional schools -- will be competing for new money of the order of 6.1 million, rather than new money of the order of 11.1 million.

And this predictably will raise discussions and problems among schools of pharmacy, veterinary medicine, and all of the other schools.

MR. FENNINGER: Dentistry, particularly.

DR. MARSTON: Dentistry, yes, especially on this.

So the question is, conceptually does it compro-

mise? And the answer is no.

Actually, it will be viewed as --

PRESIDENT COOPER: I was actually looking down the road a little farther, in attempting to get programs over the years ahead -- not in this particular special improvement grant program, but looking over the years ahead at some kind of a program for support of the on-going programs of the medical schools, especially if we are going to be faced with the kinds of cutbacks in other areas of support, which have been very deeply -- are very deeply involved in the fabric, in the operating costs of a medical school.

DR. MARSTON: Well, let me -- let me answer this in another way, because I think that it is a very important question:

I don't -- we propose that this not be viewed as an add-on to the support mechanism that we have at present-- basic improvement grants, other aspects of special improvement grants, construction, and student assistance -- to take the basic things that we have to do.

On the other hand, I think that it should be looked on as something of an experimental program involving in the totality relatively small numbers of dollars and a proportion of the student enrollment increased needs that we are talking about.

If you look at this very carefully, and if it comes

out the way I have put it on the board, this would be the first sort of sustaining part of dollars not requiring constant increase in numbers that we would have, because, you know, it is a one-shot increase, and what we have proposed is that the dollars go on from that point on.

Now your question, I mean, you can question what will happen when the manpower legislation, which will be introduced for extension about this time next spring, comes up.

It seems to me that what this would do would indeed -- it wouldn't be underway next spring , but it would give -- by that time we would have additional information, in terms of the ability of institutions to increase under conditions, almost emergency conditions, their enrollment. And they would have a lot more information, although no experience along this line.

The second question may have been part of this, was it not?

PRESIDENT COOPER: I think that covers it.

DR. MARSTON: O. K.

Harold?

DEAN WIGGERS: Do I understand that your hopes, your high hopes, are that in this special project funding might be available in the 1970 budget or in the 1971 -- your hopes?

DR. MARSTON: Well, it would have to be in the 1970 budget, although the enrollment of schools, you know, the enrollment would occur in fiscal 1971. The grants would have to be awarded next spring.

Otherwise, you would be in no position -- you couldn't do it. The goal would be to actually make awards next spring.

Bill.

DEAN MAYER: Could you be a little more explicit, Bob, in relation to, you know, the five million dollar "existing authorization" -- you know, what would, maybe the question should be phrased, what would those dollars have gone to in the past if they had not been, you know, projected into this new program?

DR. MARSTON: I can give you some guesses on this. Almost all of the dollars, Ben and Frank, in the special improvement -- well, all of the dollars in the special improvement grants went last year for the problems of institutions and medical schools in serious financial problems. Is that right, Frank?

MR. FRANK MC KEE: (Nods head.)

DR. MARSTON: This year we are in the process of not being able to move much beyond that -- is this again right? But somewhat beyond that.

So in the 1970 budget, hopefully with an 11.1 million

increase, one would have been able to put some dollars anyhow into the increase of students -- how much of this, we don't know.

But, in addition, a whole new group of institutions will become eligible for these grants as of the first of July:

And this is all of the schools of pharmacy, and all of the schools of veterinary medicine. And I think, predictably, since they would, for the first time, be competing for these funds, that they would feel that a diversion of five million dollars would be taking money out of their hands actually.

Now schools of dentistry would see this as protected dollars that would be protected from their open competition, but this is so important that, Len, do you want to comment further on this, or Frank?

MR. FENNINGER: Well, I will just point out that the new legislation under the special project grants included as one of the emphases the increases in enrollment, in addition to the previously existing law, which emphasizes the "save the school" kind of use for special project money. As Bob has already said, there are ninety-two institutions which will be eligible under the law for special project grants, starting the first of July:

Eighteen schools of veterinary medicine.

And the eighty-odd schools, or seventy-five schools of pharmacy.

So the five million dollars would have been distributed on a competitive basis on the same -- for the same purposes as the other special improvement grant moneys under the new legislation, to additional, with additional numbers of institutions eligible.

Now in the past experience, the moneys have gone largely to schools of medicine and dentistry anyway, and one would anticipate that, in terms of the quality of application, that this would continue.

But that is where the dollars -- the dollars are being shifted for an increase of a thousand students by entering in September, 1970, over and above the predicted or planned for numbers which the schools have between the 1968 -- September, 1968, enrollment of first-year students, and the September, 1970 enrollment.

The schools themselves, over the two-year period, had already committed themselves to nearly six hundred students. This is a thousand in addition to that.

THE CHAIRMAN: Let me just interrupt for one minute, that the stenographer would like everyone to mention their names as they ask a question.

Also, Maurice Weiss, who is the student representative of the Student National Medical Association, has joined

us after I introduced the students, and I note that he has had his hand up too. So I wanted all of you to know who he was.

MR. MAURICE WEISE: May I have my question answered?

I am going to bring a question back up again, because I am a little bit confused in this. It seems like that there is a need for generalizing increased enrollment in the medical school, and it seems like to me that the most crucial area of this is in minorities, with minority students and, you know, if the problem isn't addressed in this proposal, you know, where is it addressed?

And if it is not anywhere else, why not here?

DR. MARSTON: Well, in the second point, in response to your question, that our proposal was for increased dollars in student loans -- it was simply to say that I agree with your question.

I think the problem that we will be facing, and I have been discussing, particularly, in the last twenty-four hours -- if you have a special program for the increase in student enrollment in medical schools, because there are major and overwhelming social problems, of which increased numbers is only one of the components, how do you assure or get any indication that by increasing numbers you actually are going to have any impact on the health problems of people,

or the distribution of physicians, and all of the rest?

And this was the last thing we were discussing rather vigorously that almost made me late getting down here, actually.

And our problem is in terms of federal dollars handled, that I know of no mechanism that one can say five years from now or ten years from now, that the person who comes in under this program will, in fact, be practicing under these conditions.

I think, personally -- and we haven't had a chance to talk this out -- that this question should be asked and spoken to as a part of the application which comes in and should be made available to the peer review mechanism that speaks to this.

But going beyond this and actually getting -- you know, the last thing I ever planned to do was to be permanently in the federal government, permanently.

Does this answer your question? Does this bear on your question? It doesn't answer it.

Ike.

DEAN TAYLOR: Bob, you may have covered this, but I can't help asking if your projection for us today that increased class enrollments for the class entering in the fall of 1971 might not be inhibitory upon increasing the class size for those schools who can do it in the fall of 1970, or 1969 as far as that is concerned?

grants, and special improvement grants, and in construction grants, in order to get the money, to qualify for moneys, have had to guarantee certain increases already.

Those, the thousand students by the fall of 1970, is in addition to a roughly six hundred figure between 1968 and 1970 that was already planned for. But we are talking about the two-year increase of students enrolled in the first year to come out to approximately sixteen hundred -- six hundred already committed in present plans of schools, and an additional thousand to come through this program.

DEAN TAYLOR: I think that answers my question there.

DR. MARSTON: Mr. Andrus.

MR. PETER ANDRUS: Peter Andrus is my name, from the University of Pennsylvania School of Medicine.

I think that you answered a very pertinent question, posed by Mr. Weise's question, but I am not sure that it is the question that he asked.

I think that what he was putting forth was the idea that if, in setting up a program such as this, which we all agree is an excellent idea, and increasing the number of medical students -- unfortunately, you are already constrained by the budgetary restraints upon you, but is there any purpose really in doing this if you then cannot provide the funding mechanisms for these medical students through scholar-

ships and through loans, to actually get them into medical school, and take them on their way through a four-year course?

And I would like to address one specific question to you:

And that is that with regard to the argument that has been given on the budgetary revisions, that the decreases in the actual grants or scholarships and loans will be compensated for and more than compensated for by the guaranteed loan program operated under the Office of Education. Now what experience do we have in the past that this is indeed an effective funding mechanism for medical and other health profession students in getting loans?

And can you candidly really argue that this will be an effective way to fund these students in the coming years?

DR. MARSTON: As I recall, I was not able, candidly, to argue in my office -- so let me present Dr. Fenninger for this as he sees it.

MR. FENNINGER: I think the schools themselves have had the experience with the availability of the guaranteed student loan program from the Office of Education to medical students in their own schools. And I don't -- we have no experience with this, and therefore I can't answer that question.

Perhaps there are those here who have had experience and know what the availability of such money is. You see, we don't have any way of determining.

MR. AMDRUS: I would think that this information would be available to O. E.

But, in any case, I would be inclined to think that guaranteed loans would not really be an adequate means of accomplishing this.

Does the experience of the deans in the various schools bear out my contention?

DR. MARSTON: Let's have an answer.

DEAN BATSON: Batson from Vanderbilt.

I don't know that there is a general study on this, but spot checks across the nation tend to infer that the banks are far from anxious to use the guaranteed mechanism for medical students.

PRESIDENT COOPER: Bob, may I just say that we have a bulletin coming out, in which a lot of the data which Bob has presented, and which he very kindly provided to us on the budget changes will be included --

FROM THE FLOOR: Can't hear you.

FROM THE FLOOR: Can't hear; louder.

PRESIDENT COOPER: Will be included.

There will also be an analysis which has been done in our -- in the Association of American Medical Colleges on

this student loan problem -- and it is a terribly serious problem.

In 1967, fiscal year, 11,303 students received loans, and the loans averaged a little over a thousand dollars.

In the projected Johnson budget, 9,885 students -- or twenty-seven per cent of all of the students enrolled in the schools participating in this program -- might have received loans of about $1,150.

In the reductions in the Nixon budget, if the average loan remains the same, $1,150, only 7,545 students will be able to receive loans. And this is only twenty per cent of all of the students enrolled in these schools. And the estimates which have been made by Dr. Johnson and our -- and Dr. Striker in the Office, the Division of Student Affairs, indicates that there are about probably fourteen thousand potential borrowers, eligible borrowers in these schools. So this represents money to only support half of the potential borrowers at the rate that they were supported last year, or to reduce, of course, the loan to each student to about $620, and this is a very serious problem.

I wonder if somebody from Tennessee could report on their use of the N. D. E. A. or other loan funds? There is one school that has not participated or --

FROM THE FLOOR: Well --

DR. MARSTON: Tennessee or Duke?

FROM THE FLOOR: I wasn't going to comment on it.

DR. MARSTON: You are not from Tennessee.

FROM THE FLOOR. No, hardly!

(Laughter.)

DEAN CALLISON: Well, we think it works very well; the money is coming back in, and the fund keeps building up, and it is, of course, self-amortizing, and we see no reason to leave this for the other.

DR. MARSTON: Dr. Richmond.

(NOTE: Is this Dr. Richmond the Dean Julius B. Richmond who was not present during roll call? If so, he should be added to those present on the title sheets.)

DR. RICHMOND: Well, Bob, I just wonder if actually in the support of students from disadvantaged backgrounds whether it might not be appropriate to think of a slightly different mechanism, and that is as a source of federal agencies, the Office of Economic Opportunity, in its legislation, does have the potentiality for supporting educational and training programs for students with disadvantaged backgrounds.

Now there hasn't been much money that has been put through that conduit yet, but I think that while it might be difficult from Congress to get appropriations for this purpose specifically earmarked through your legislation, it might be quite feasible and appropriate through the other

channel.

And I just wondered if this might not be another way of going about it?

MR. FENNINGER: I can only say that the problem for the federal government -- like the medical schools -- is money.

DR. RICHMOND: Well, sometimes it is earmarked.

MR. FENNINGER: This is the real -- I beg your pardon?

DR. RICHMOND: Sometimes it is also earmarked.

MR. FENNINGER: Well, but that --

DR. RICHMOND: Sometimes it is earmarked, whereas the other agency, the Office of Economic Opportunity, is set up specifically for this purpose, to provide programs.

MR. FENNINGER: Well, this is certainly a possibility.

DR. RICHMOND: Yes.

MR. FENNINGER: But there is an effective reduction in the amount of money available for students in the health professions in the 1970 budget.

And that is the basic problem.

DR. MARSTON: I think we should look into this. I think that this does raise the other side of the problem though that immediately would be asked, and that is, is investment of relatively large amounts of dollars for relatively

small numbers of medical students a better investment than other less costly for people from disadvantaged backgrounds who want to get into the health field.

But I think that we should explore this as a possibility.

DEAN WIGGERS: I am just curious — Dr. Wiggers from Albany — whether you had a feedback. In this, I notice that everything had to be cut, but was there any feedback that perhaps these were not being handled properly and that this was a reason for cutting back? Or was it strictly a formula type of reduction?

DR. MARSTON: Well, let me comment on this one, first.

You know, I guess we are sort of — I guess we are overly on the record, aren't we?

(Laughter.)

Well, even being all the way on the record, I think I will have to be candid on this. The Bureau took a very strong stand against these cuts at every stage in terms of student loans.

There was no trade-off, you know, that I could identify that I really believed between one hunk of money and another hunk of money.

I think that the thing that made the student loan problem difficult was the problem of student loans across the

board in the federal government, and the hope, at least, that a movement toward a guaranteed loan system -- not for medical students, but across the board, would somehow stretch the federal dollar farther than by the things that we have, and I think this was the problem.

People are always looking -- and I mean, I always look too -- to see where this five million went, and what the trade-offs were between different -- but I think then, as I perceived what was happening, that if it had not been for a sort of a general feeling that guaranteed loans would allow more people to get money than any other mechanism, that maybe this would have fared better.

Do you want to crystal gaze on it?

MR. FENNINGER: Well, I think what really happened was that the Department was required to find money, and that in looking for money within the Departmental budget, as compared with potential sources outside of the Department, and outside the federal government, the loan program is very vulnerable, because in a theoretical sense there are other moneys available -- from foundations, from guaranteed loans, from banks, from private sources, as well as from the federal government.

So the whole loan question was a very vulnerable one for all of higher education, and the health professions loans were part of that general vulnerability. And this was

a search for moneys to reduce a federal Departmental budget essentially, and part of the cut was taken from the health professions loans, with full recognition -- at least, the information had certainly been supplied -- that this was indeed going to present major problems for every student who had to borrow money who was going to every health profession school, and that it was going to create major problems for the administration of student aid programs within the schools as well.

DEAN BOSTICK: Bostick.

I just want to express a thought that I know is, obviously, high in your own mind, and in all of ours. A little mathematics does show that we consider that there are a hundred schools, and on the average, for this formula, there is roughly a hundred thousand dollars available per school.

And that school the first year will be adding students, and that in a steady state there will be forty more students in a school, and that school will be getting two hundred thousand dollars a year.

Now I think that the main thing that you certainly must be aware of, as we all are, is that this can only be looked upon as taking up the slack. And I hope that every effort will be made as we approach Congress to realize that you can't buy medical students at this price the next time

around. It just plain costs more that, to run the show. But I certainly think, as a starter, in an effort to get the program you said then we will get up to a level and then continue, and this certainly seems to have some merit.

But it would be a little hard, I think, unless I missed the point, to run the record around again the next time at the same price, because there is the matter of construction and things like that.

DR. MARSTON: Yes, well, I --

DEAN BOSTICK: Do I miss the point, or do I not?

DR. MARSTON: No, I certainly agree with you, and I hope that this -- I hope that we have been able to make the point that is in addition to the construction and the student loans and the basic improvement grants.

But let me just comment a little bit on your math now:

As I recall, the per capita dollars per student under the basic improvement grant is something like $340 dollars per student, Frank?

MR. FENNINGER: Well, we don't know exactly what it will be under the new formula --

DR. MARSTON: I don't know -- something like that.

MR. FENNINGER: Because the formula is split into three parts --

DR. MARSTON: Yes.

MR. FENNINGER: Based upon how much money is appropriated.

DR. MARSTON: Which already is pretty far from whatever the average is.

FROM THE FLOOR: Yes.

DR. MARSTON: But the second thing, it seems to me, is very important, and it bears on, it goes back to a question of saying we have got a real problem and that these pressures exist on the schools independent of any special program.

I think just to add on ten students to every school in the country and $100,000 would be a very unfortunate way to use these dollars. We really should be able to learn something from them, and the hunks of increases -- and I am avoiding words like "substantial increase" and all of those -- but I mean these should represent some change in terms of the probability of meeting some of the problems beyond just the increased numbers.

I think this is a tough one. And I agree with you on you are not supposed to implement this on a formula basis of dividing up the pie equally either in terms of saying that the same number of dollars per capita should go into every institution. There may be -- and I don't minimize the problems -- there may be some institutions that can come in with a proposal that sailed through the peer review once at

quite a different level of expenditure per student than other institutions, but I don't know, you know, I would not be in favor of having a program that added ten students to every medical school in the country and put a hundred thousand dollar formula in.

I know you don't mean this, Warren.

DEAN BOSTICK: No, but I --

DR. MARSTON: But I --

DEAN BOSTICK: Just thinking ahead.

DR. MARSTON: That's right.

Dr. Meads.

DR. MEADS: Len, are you saying that it is highly unlikely that Congress will restore the cuts in the student loan program, and therefore everybody, all of us in this room better start looking to other sources for our class next September?

Is that what you are saying?

MR. FENNINGER: I didn't know that I was saying that. I am not the Congress or a member of it.

What I am saying is that the President's budget proposes a diff erent way of getting moneys for medical students for 1970, fiscal 1970, from the mix of fiscal year 1969. And I know that we have never, from the Bureau, supplied a hundred per cent of the requests for loans from any single school anyway.

And I assume that the schools have been working vigorously right along to get other sources of funds for loans and grants in aid to students.

I would say, personally, that these efforts should not, in any way, be diminished. In fact, I think they should be stepped up.

What the Congress will do, I can't say.

DR. MARSTON: Yes?

DEAN DU VAL: DuVal, Arizona.

Bob, can I check out one other thing on your stepped up draft mechanically? Do I understand that in a competitive situation, you are really making a commitment for the new one thousand students in the first year of operation, so that, in a sense of the competition, would I be correct in assuming that the peer review thing in effect would last, as it were, one year, and that then after that, those that are already in the system are in it; would it then be on a first come, first serve, basis?

DR. MARSTON: This would not be the way that I would visualize it.

I would visualize that there would be a project period, and that there would be a review at the end of that project period, and a re-examination of the justification, both of the dollar level and, I guess, in some instances, of actually continuing it, would be reviewed.

But it seems to me that it is possible, particularly if other methods of support continue, that it might be possible that Institution A could increase substantially its number of students over a period of five years, but then with the construction of new facilities might not be able to justify the same level of need for the next five years, if you would.

DR. MARSTON: I think that is not -- may I repeat?

DEAN DU VAL: Yes.

DR. MARSTON: Supposing that we started on your stepped-up thing, and for the moment, to simplify it, let's take out your start-up cost.

DEAN DU VAL: Yes.

DR. MARSTON: In your second year then you would have ten million.

If in your first year of operation thirty schools -- let's make it twenty schools -- came in with fifty students apiece, you would have saturated the program.

DEAN DU VAL: Right.

DR. MARSTON: That answers the question, and the second year wouldn't be open to anybody.

DEAN DU VAL: Right.

DR. MARSTON: I don't know what the commitment in the second year would be, but let me say in answering "yes" to your question, this is focused on increased numbers of

students entering in the fall of 1970, yes.

And so beyond that and the probability -- I mean, this is the program, and that is the focus, and I think the experience will play a role next spring in whether this approach -- whether one should think about doing the same thing at some time in the future.

John.

DEAN HOGNESS: Hogness, University of Washington.

I can't -- I want to make an editorial comment, because throughout this discussion I have a feeling of unreality, and I am making this because I for one don't feel that I want to get too complacent.

Obviously, I think most of us would support this kind of program. But even if it is implemented, and we are able to implement it, it really is a drop in the bucket to solving the problems that are confronting us. And what I think we must be prepared for, and must deal with increasingly in this coming year, as an Association, is the probability that we are going to be asked to double our enrollment with no increase in money, no increase in overall funds.

And I think we should look at this fairly soberly and begin exploring ways in which this could be brought about actually.

THE CHAIRMAN: I think this might be the appropriate time for me to -- Bob will have to leave in a few

minutes, but Len and Frank can stay on, I understand -- that this program isn't merely thought up by Bob and Len and Frank and their staff. There was very broad consultation with the Executive Council and of the entire Association on the Sunday of our Chicago meeting.

And it was obvious that we could not expect any new health legislation, that we had to work within the framework of existing legislation.

So the recommendations of your Executive Council to Bob and his staff on that Sunday morning were that if the only way we could shoot for the twenty million dollars that was enacted but not appropriated, was for the increase in enrollment, which is, as John has pointed out, a tremendous need of society, that we ought to gear -- whatever program and package we came out for -- a substantial increase in enrollment.

But, on the other hand, we didn't want to lose the "brownie points" for future project grants or requests to stabilize the situation.

And we also felt that it should not be done just on a pure capitation basis, but that it should be done on a project grant basis with peer review.

The final comment that I would like to make in this regard is that I think that Bob and Len and Frank have done a remarkable job in an extremely tight situation basically

to come up with what they have been able to come up with, and I would not want them to leave our session without an expression of a strong vote of confidence from this group that they have done a remarkable job, and that we in turn are ready to try to respond to the program that they have presented to us.

I think John Hogness' comments are very appropos, and we will be asked to make these increases, and we are lucky indeed that Bob and his staff have come up with a pocket of money for this purpose, at least for a starter.

I think, Bob, would you be willing to answer one or two more questions? And then we must let you go to your other commitments.

John Patterson.

DEAN PATTERSON: Patterson, Connecticut.

What would be the basis of peer review for something like this?

DR. MARSTON: Frank, do you want to comment on this?

MR. MC KEE: I might say, since I haven't said anything yet, that we are sort of in the position of the college president when the coeducational dormitory came into existence, and he said that the letters that he got from parents would lead him to believe that they had never thought about any of these problems.

I think that we have thought a great deal about the problems that are confronting you and us and everyone else in this whole business of health manpower shortage, and I will come to the review mechanism in a moment.

But I think that one should recognize that, as of the last couple of weeks, we are now funding sixty medical schools and four osteopathic schools with these special improvement grants. So that between the basic and special improvement grant there has been a great deal of money -- new money -- that has been poured into the educational system.

And I think that one should look forward to the continuation of that program as a bolster for what we are talking about today.

The peer review system is, I think, a very remarkable system in a country that prides itself on its democracy and on the participation of all of those concerned. I think we have been very diligent in our nomination of people to involve themselves in this process, and that we have people who really will understand what the problems are.

I remember one time renting an apartment over a garage from a very wealthy woman, and was told that if I had any financial problems about my rent, I should go see her husband, because he had been through bankruptcy once!

(Laughter.)

And I think, in the nomination of people to look at these various problems, it is nice to have a few folks who understand what poverty and impecuniarity mean.

The question that Dr. Patterson asks, I think, is a very germane one, and I see among the audience many people who have very actively and exhaustively participated in this process. The review last year, as you know, involved the analysis of 106 applications, and took about four and a half days. And as Chairman of the Committee, I sometimes felt that I had over-stretched the capability and endurance of my co-workers.

But I think that I would say without equivocation that the review was a remarkably thorough one, and that no project -- or anyone who was interested in a project -- need feel that he was given some kind of a short shrift by the Committee.

I think that the other way around, that with the difficult, unclear, rather incompletely constructed project, the Committee put a great deal of time in trying to analyze just what the applicant was after, so that they could respond to his need.

I don't think one need worry here that this same process will not continue. The mechanism that we have for reviewing the procedure that Dr. Marston has commented about

earlier, and that we are talking about now, is fairly well clarified under the law, and as far as the Council mechanism goes, is under the law.

The Review Committee, all eighteen strong, may find themselves unable to do this, in addition to the other opportunities they have for review of project grants and so on, and we may have to bolster that with some additional consultants.

But I would assume that these grants would get as thorough a review as anything that has been done in the construction area, or any other of the federal government that I have seen since I have been down here.

DR. MARSTON: Frank, I believe the proposal that you have made is to have a Special Review Committee, realizing the time pressures and somewhat different functions of the current Review Committee — a Special Review Committee to make recommendations to the Council, which then must make the final.

FROM THE FLOOR: My question wasn't really directed to the answer.

What I really wanted to find out was, if this program is to increase enrollment, what activities other than an increase in so many students would be pumped into the decision as to who would be supported?

MR. MC KEE: May I speak?

DR. MARSTON: Yes.

MR. MC KEE: I think there are a number of things, and this comes down really to one word -- capability. I think that there is quite a difference between wanting to do something and being able to do it.

And I think this comes into the review mechanism, when one looks at what is the situation in the school, and what are the numbers of the faculty, and their capability, and, I must say, in addition, their enthusiasm. One has to look at the facilities. One has to look at student support. One has to look at the equipment.

Now all of these things are factors, and I think that what Dr. Marston has indicated is that this problem of capability is one of the things that would prevent the overall parceling out of money on some kind of a formula grant that Dr. Bostick very nicely worked out mathematically.

(Laughter.)

I don't think that mathematics are necessarily the thing that we look at the most when it comes down to the actual analysis of who is going to do this.

THE CHAIRMAN: Is there one more question specifically directed to Bob, because we must let him go.

MR. FENNINGER: Frank has to leave too.

FROM THE FLOOR: If there are not currently enough dollars in the projected project for the key loan problems,

if in addition there is a feeling of need for the deprived students' loans, and these are not available, and likewise the other health professions are going to begin campaigning for these dollars, come July, or a certain amount of these dollars, and thirdly with the emasculation of many universities by state legislatures and other fiscal representatives, on both private and state institutions, which could result in more "save the school" problems next year, which would mean dollars necessary in special improvement areas -- what chance do you think that you stand to sell this to Congress?

(Laughter.)

DR. MARSTON: Gee, I thought the question was going to be different!

(Laughter.)

I thought the question was going to be, "What the heck are you about, trying to sell this to the Congress?" -- which maybe would be the first question to answer!

FROM THE FLOOR: Because it is even --

DR. MARSTON: If, in fact, the results are decreasing all over the place, why should one try to do more with less?

And the only answer that I would give on this is that the pressures that are pushing for increases, and the difficulty -- the difficulty of, you know, this sort of game that tends to get played if the ante is high enough, but we

won't do it unless it is -- I think that one can make the case that, under these circumstances, that one can cut back on the number of students.

And I think that if one is only looking at the federal role, that this is the logical conclusion.

As I understand it, what is happening though, out in the communities, this is not a very viable alternative in terms of any of the other goals. And I just want to emphasize this point, that five million dollars additional money isn't the reason for trying to get a thousand more students into the medical schools next year. Twenty million dollars -- if we had gotten it -- is not the basic reason for doing it. And I think that this is one reason why Congress, at least, should look at this.

Certainly this was the point that came up most frequently of all in our Appropriations Committee, of the pressure of health manpower.

Am I making any sense in this discussion? I think they have choices of saying that there are better programs. Maybe more money should be available. Maybe, as John has suggested, you know, there is a lot of fat in the system, and you don't need any more money -- double the students. I think there are a lot of alternatives.

But I think that a thing that Congress is unlikely to do is to turn its back on the problem with a number of pro-

visions.

Is this the problem.

FROM THE FLOOR: I don't know how you are going to do it.

DR. MARSTON: Oh, I don't think I am going to. Quite frankly, on this I don't think this is the type of program -- it has got too much mass appeal over the country, and too many people who will be speaking for it; it is not the type of a program that is designed within the bureaucracy and is sort of handed to the Congress as this being a good idea, but we have got to get all of the expert knowledge and the development of a gadget that I don't know what it would be, in which the expert testimony is the thing that carries the day.

I think that this is one that is tied into the whole interest in the problems of society, and I think that the saving of it will be through the responses of people in the field, and the impact in Congress more than it will be in anything we say.

I think, Leonard, it would be fair to say that we were asked by the Appropriations Committee what more can be done to do something about the physician shortage, more than the other way around.

MR. FEHRINGER: Well, there is no question that the expectation of major commitment of public funds which

has been made in medical schools for a long period of time, is now that there will be somebody to answer the telephone when I call him, when I need him.

And in terms of selling the idea of increases in size to the Congress, there is not going to be any trouble selling it to the Congress -- I think the next issue is whether the medical schools are prepared, at this point, to make an all-out effort.

THE CHAIRMAN: I want to interrupt at this point because Len is going to stay on, and I want to thank Bob very much and Frank McKee, who have to leave, and we give them a strong vote of thanks for coming up with something just short of a miracle, in a very tight budget year, to help us try to do our job and meet the needs of society with something instead of nothing -- which was the other alternative. Bob, thank you very much for coming.

(Applause.)

(Dr. Maraton and Mr. McKee left the room at this point.

We will now take a ten-minute coffee break that is thirty minutes overdue, and we will reconvene in ten minutes.

(Whereupon, a short recess was taken, after which the meeting was resumed.)

THE CHAIRMAN: If anybody can whistle out there,

let's see if we can stir them up. Gentlemen, if we can reconvene?

Len Fenninger says that he has a few minutes more that he can spend with us, and I know that many of you will be calling on him and writing to him and his staff, to finish up.

So I wonder if there are any questions that you would like to direct to Len?

Arthur Richardson.

DEAN RICHARDSON: Would you care to comment on the allied health professions program, what the future holds for that?

MR. FENNINGER: No, I don't know what the future holds for that, and I am not, at the moment, sure what the Department will do about its recommendations.

The report has, of course, been sent to the Congress, which was required by law, when the Act was extended for one year, and the report itself recommended another year's extension to make the law co-terminus with all of the other health legislation and training within the Department. So that in the coming session, or starting this spring -- next spring, within the year, one could hope for an interrelated Health Professions-Health Occupations Act, rather than to have a lot of disparate hunks.

This is where it stands at the moment.

There are, of course, a great number of problems associated with the Allied Health -- if one thinks that the Health Professions Educational Assistance Act has its problems, the Allied Health Act has considerably more, since these people are trained in hospitals, on the job, trained in junior colleges, trained in colleges; medical colleges are involved to an increased degree, and the universities are.

And as each new group gets recognized, it wants recognition under the law. And one could go the route of twenty-five categorical definitions listed as of today, and a few years from now one would have another 125, and one would end up with another totally fragmented piece of legislation.

But the report has gone forward to Congress, and the recommendation is to make this co-terminal.

THE CHAIRMAN: Ken Crispell, you had a question.

DEAN CRISPELL: Yes.

FROM THE FLOOR: This is not a loaded question.

MR. FENNINGER: All questions are loaded these days!

(Laughter.)

DEAN CRISPELL: Crispell, Virginia.

Is there any evidence that Congress is worrying or thinking about telling us what these young men will have to

do after they finish their medical school training, i. e., I understand there is a rumor, George James, that there is a bill in the legislature to see what will be done about family practice in the State of New York.

Is that a rumor?

FROM THE FLOOR: No, no, it has passed.

MR. FENNINGER: It is fact.

FROM THE FLOOR: It is a fact, but it was very simply worded.

It says that every one of the four state medically operated schools must have a program to train students in general practice.

DEAN CRISPELL: Is that all it says? Is there anything of this at the national level, Len?

MR. FENNINGER: Well, of course, there is the problem of the personnel to answer the phone and steer the person through the maze -- this is true among members of Congress, this is true in the Department, this is true among medical schools, and there are a variety of sources raising questions about the development of family practice, and also about the whole residency, the distribution of people in residency, how many cardiac surgeons do you need, how many urologists do you need?

And in point of fact, I don't think anybody knows, and in one community you may need one mix and in another

community you might need a different mix. There have always been people who wish to tell other people what they ought to do, and I think this is increasing in the United States as well, and this is part of a general phenomenon.

I have been asked, I don't know how many times, about the distribution of people in various areas where they are needed.

Well, it just so happens that Congress has not passed a law making me the person to do this, and if they did, one might raise the question, "Why not teachers?" "Why not lawyers?" "Why not manufacturers?" "Why not change the whole fabric of society?"

And it seems to me that schools have to be very vigilant -- as does every citizen -- about this question of whether we will have a society which tells its members where they will go, or special segments of it, and how they will lead their lives.

This is inherent in your question.

DEAN CRISPELL: That's right.

MR. FENNINGER: But the forces are moving to make people do things in certain specific ways.

THE CHAIRMAN: Bill Mayer.

DEAN MAYER: I had the feeling of a thousand existing, beyond already existing commitments -- let me be more specific:

Now you are talking about a 1968 base with an increase of students in 1970. Let's assume a medical school increased its student body in 1969. Presumably, under what you are planning, they would not be eligible unless there was an additional increase in 1970, under the program that was proposed.

Is that correct?

MR. FENNINGER: Their increase in 1969 was an increase required under the basic improvement grant, and under a commitment for construction, and under a commitment of a specific improvement grant, where some schools have applied for increases in students, that would not count. There would have to be an increase over and above that.

If, on the other hand, a school spontaneously had done this, without any previous plan, and suddenly did this, then this would be involved in the enrollment, the total enrollment, for between September 1968 and September 1970.

DEAN MAYER: Thank you, sir.

MR. FENNINGER: But, as I said earlier, the schools have told us that they plan, between 1968 and 1970, in construction programs and basic improvement grants, increases that are nearly six hundred. This thousand is over that increase.

THE CHAIRMAN: I think, if I may -- excuse me,

Len Fenninger, because I promised him that we would try to get through, and I also want to finish up the unfinished business that we have interrupted, and give the students time before lunch.

And so, Len, many thanks for joining us. We appreciate it.

(Applause.)

(At this point Mr. Fenninger left the room.)

THE CHAIRMAN: I now turn to my fellow Senator from the State of North Carolina who yielded the floor!

Ike Taylor.

DEAN TAYLOR: I want to go back to the proposed bylaws, and having given this matter scrutiny in the plane ride between Raleigh and Washington, I have got some questions to ask and some suggestions to make:

In the first place, Warren already referred on page 2 to the question of definition of what a Dean is, and I think that that ought to be given some more consideration.

FROM THE FLOOR: Hear, hear!

DEAN TAYLOR: I don't like the wording here; it doesn't appeal to me particularly.

And I would suggest that consideration be given to terms such as "principal academic administrative officer" or something like that, or perhaps to couch it in terms of letting the constituent school designate who the institutional

representative would be.

Now perhaps more substantive, on page 4, Section 6, I would suggest in "a)" that the wording be changed.

FROM THE FLOOR: There is no such —

DEAN TAYLOR: Excuse me.

Section 6:

"The Council of Deans shall report to the Executive Council of the AAMC and shall be represented on the Executive Council of the AAMC by members of the Council of Deans elected by voting members of the Council of Deans."

Isn't that what we do? Don't we elect our own members?

Or do we just nominate them and —

THE CHAIRMAN: Dr. Cheves Smythe.

DR. CHEVES SMYTHE: First of all, let me say that Bob Felix talked on the phone about these bylaws.

This particular section, at this stage of the game, was very deliberately left loose because the exact way the Assembly works does not — the raw fact of the matter is that the Council is elected by the Assembly.

DEAN TAYLOR: Oh, I see.

DR. CHEVES SMYTHE: Nomination is from this group — and that the nominations are really de facto elections.

DEAN TAYLOR: O. K.

DR. CHEVES SMYTHE: But if you use the word "elections", it would politically mean that this group was overtly nominating the Assembly!

DEAN TAYLOR: That satisfies me.

(Laughter.)

Under Section 6, paragraph "b)", I think that would better read:

"Actions of the Council of Deans shall be subject to review, approval and/or disapproval by the Executive Council of the AAMC."

It seems to me that the "Creation of standing Committees" and the adjective "major" is kind of excessively limiting in the sense of that paragraph.

THE CHAIRMAN: Fine.

As I said earlier, all of this is going to be subject to re-digestion by the alimentary tract of the regional meetings, so that we will have plenty of opportunity for discussion.

If there is no other question about any gross inequities in these bylaw proposals --

DEAN MAYER: Mr. Chairman.

THE CHAIRMAN: Yes, Bill?

DEAN MAYER: Mayer of Missouri.

Warren Bostick commented that, following mature determination, that the specifics of the interrelationships

of the regional groups to the administrative board, or whatever it is called of the Council of Deans and the Executive Council, had not been defined.

I am really convinced that the strength of this organization is, ultimately, going to come out of the regional groups, and would hope, by the consideration between regional groups and by the Council of Deans at large, that some further thought be given to what those interrelationships appropriately ought to be between the regional groups, their administrative elected officials, the Administrative Board of the Council of Deans, and the Executive Council of the A. A. M. C., because I think unless that is considered, unless consideration is given to this issue, that we won't be much further ahead than we now are.

THE CHAIRMAN: Thank you. Very pertinent.

Cheves.

DEAN CHEVES SMYTHE: From the point of view of the complexity of the whole organization, its complexity has increased by a number of orders of magnitude in the last year.

We now have three sets of bylaws of our Constitution, with which we are now working. Getting these in alignment is one of the goals with which we have to work. The regionalization part was deliberately left out of these bylaws in the hope that it would promote flexibility, because

the fact of the matter is that the different regions and the different Councils of the Association are attacking the problem in such diverse ways that it didn't seem advantageous to write this section in at the time.

I would like to suggest that whenever this is handled that the instructions might be that a section on regional programs be added.

THE CHAIRMAN: All right.

I would like to then move on to our student guests who are with us, and invite them to come up to the podium and be seated here:

Peter Andrus, Maurice Weise, Bert King, and Bob Graham.

(The four student guests named moved to the speakers' table.)

And I hope that we will break for lunch at one, and continue the discussion at two. At two o'clock Irving Lewis will be joining us. If we are not through with the students, we will continue that discussion later on.

The first to speak -- and the students have lined up here now -- will be Peter Andrus of the S. A. M. A.

MR. PETER ANDRUS: Thank you very much, sir.

I welcome this opportunity to speak to you and hope that our time together will be well spent. In fact, I would like to discuss a topic that bears quite heavily on

what Dr. Marston said earlier.

Unfortunately, in the original plan I was to have come last in the student presentations, and I think this would have led directly to the information that he presented. I would like to spend these few minutes by reviewing the facts in a situation that is of mutual concern to all of us, in the student groups — S. A. M. A., S. M. O., S. M. M. A., and A. A. M. C. — by indicating how you can aid S. A. M. A. in dealing with this situation, and I would like to state a modest proposal which I believe will be of interest to you.

First, then:

It has come to the attention of the S. A. M. A. recently that a drastic cut in funds available to students of medicine, dentistry, osteopathy, optometry, pharmacy, podiatry, and veterinary medicine for loans is being contemplated. Though I am aware that this situation is known to you, may I quickly review the history of this program, and the pertinent numbers involved.

Title VII of the Public Health Service Act, as amended, provides for, among other means of supporting health professions schools, a program of funding for student loans. Appropriations for such loans are derived from three sources:

(1) Federal capital contributions.

(2) Institutional capital contributions, and

(3) Federal capital loans.

All funds are placed with a separate Health Professions Student Loan Fund and administered by the school. Schools retain federal capital contributions in the fund, but are required to pay the principal and interest of federal capital loans back to the federal government.

In recent years the funds made available from federal sources for this program have been as follows:

The capital contributions in fiscal year 1968 -- 15 million, and in fiscal 1969, another 15 million.

For capital loans in fiscal 1968 -- 11.6 million, and in fiscal 1969 -- 11.4 million.

This leads to a total federal contribution of 26.6 million in fiscal 1968 and a total federal contribution of 26.4 million in fiscal 1969.

Of this, medical schools received 14.7 million in fiscal year 1968 and 14.2 million in fiscal year 1969. This relates to requests by medical schools in the following magnitudes:

In 1968, medical schools requested 33 million and got 14.2.

In 1969, they requested 36 million and got 14.2 and -- excuse me; this is requests by all types of schools. Thirty-three in 1968 compares to 26.6, and 36 in 1969 compares to 26.4 for all loans.

Now, speaking just of medical schools, the per-

centage of requests that have been filled in the last five years runs as follows:

In 1965 -- 57.4 per cent.

In 1966 -- 83.9 per cent.

In 1967 -- 98.3 per cent.

That is the top of it, gentlemen. After that, in 1968, it dropped down to 87.2.

In 1969, down to 74.8.

And according to the earlier Johnson budget of this year, it would have dropped to 51 per cent. With the Nixon revisions, it drops now -- it is a low of 39 per cent, lower than the percentage that was covered by medical schools in the first year of the program in 1965.

Now the funds that are available this year from federal capital loans (that is, revolving loan funds), have been depleted, and Congress has not made additional appropriations, nor has the Treasury Department been authorized to make transactions to replenish this fund.

Therefore, instead of the previous level of around 11 million being available from the revolving, 1.1 million dollars is the maximum that can be expected this year, and that may go too. There may be nothing at all from that source.

The earlier Johnson budget called for appropriations of 20 millions of dollars as federal capital contributions to partially offset the depletion in the revolving loan

funds, and to retain a level of 21 millions of dollars, compared with 26 for fiscal year 1969.

The Nixon budget revises this downward, and leaves the federal capital contributions at the current 15 million dollar level. This means that a total of approximately 16 million dollars would be available in fiscal year 1970, as compared to 26 million dollars, which were available for loans in fiscal 1969. And this represents somewhere in the vicinity of a 40 per cent cut in funds for health profession student loans.

Now I have tried to make the point earlier with Dr. Marston, in which I think he concurred with me, and in which I think you gentlemen concur as well, although it has been argued that a guaranteed loan program operated through the Office of Education will take up the slack in this drastic cut-back.

This is really extremely unlikely, given the present tight money situation, the fact that the loans which are guaranteed are uncompetitive in terms of interest rates, and that students will not be able to successfully compete for loans in the commercial arena.

Now that, in a nutshell, is the factual situation. I would like to advise you what the Student American Medical Association has done about it so far:

Over 30,000 medical students and 10,000 medical

administrators and faculty members have been advised by letter of the planned cuts and requested to inform their Congressmen and Senators of the severe and detrimental effects that this will have in the coming year.

Ten days ago, in a period of two days, S. A. M. A. national officers and local members were able to see forty-three Congressmen and Senators, met with the Assistant Surgeon General of the Public Health Service, Dr. Cross, the Director of N. I. H., Dr. Marston, who was here with us today, and Dr. Fenninger.

To date over a thousand letters have been received in the National Office of S. A. M. A., urging a vigorous fight against this cut in funding.

In view of the increased enrollment in first-year classes this fall, of increasing numbers of minority group and disadvantaged students who are now being admitted to medical schools, as a result of concentrated effort during the past year, and who will require additional funding in order to pursue a medical degree, and in view of the detrimental effect that the extra burden of part-time jobs and other financial strictures will place on the education that our medical students are receiving, due to this loan cutback, we feel that an energetic effort is necessary.

The Student American Medical Association is currently keeping the medical student community aware of de-

velopments in regard to the loan program. We are working with students in each school to prepare detailed financial analyses of alternative mechanisms for funding students, and the effects that a cut-back will have on individual students on a nationwide basis.

We are planning a campaign to appraise members of Congress of the sentiment and concern in this area, and are actively recruiting other concerned groups to cooperate in these efforts with us.

I think it is essential to point out here that we must, at all costs, avoid getting ourselves into the situation of "robbing Peter to pay Paul". That is, a net increase in student loans funding this year will be of little advantage if it is coupled with a concomitant decrease in equivalent funds in another area, if an equivalent amount of funds is subtracted from another essential program.

With limited funds available, and in the face of more rigid fiscal constrictions, it is time now for us to set some priorities.

Recognizing that research, education, and service are inextricably bound together in the medical enterprise, we must still focus on those areas in which the most critical need is felt for support.

I suggest to you that a renewed effort by this organization and the student medical associations, in cooper-

ation with each other and with other components of the health endeavor in both public and private sectors is essential.

I would suggest that S. A. M. A. and the A. A. M. C. should begin now to investigate concrete means of involving students, faculty and administration together in planning and setting priorities at the local and national levels -- I mean, not only for this issue, but for every issue that involves us.

Can an association of medical colleges be complete after all, without representing the views and intelligence of the students that are taught in those schools? Remember, that in initiating such an effort, we will all be building not only for today's efforts, but for the efforts of tomorrow.

In closing, I would like to turn to the immediate problem at hand -- the student loan issue. What can the A. A. M. C. and this group do to show its commitment to this program's maintenance and expansion and support the Student American Medical Association in its efforts to prevent a major cut in the funding of the program?

I would propose the following three-point plan:

Affirmation of the high priority that student support and assistance holds in the view of this organization and wide dispersal of this stand in the legislative and

appropriate executive branches of government.

Continued, renewed and increased support in advising members of Congress of the importance of the program and the detrimental effects upon medical students and medical schools that would result from such a cut-back.

Finally, the third point would be strong efforts on the part of this organization, in cooperation with ours, to bring other organizations within the medical community into a coordinated program of joint efforts to prevent these cut-backs, and to urge an increasing emphasis on the whole area of health within the federal budget.

I again acknowledge the opportunity to speak before you, and I urge that this group give its thorough consideration today, now, to the facts and the plan of action that I have outlined for you.

Thank you very much.

(Applause.)

THE CHAIRMAN: Thank you, Peter.

I will have the students present their remarks, and then have the floor open for discussion. I forgot to mention that Peter is a Junior student at the University of Pennsylvania School of Medicine. He is a Regional Vice President of S. A. M. A., and a member of the National Executive Council also.

The next speaker is going to be Maurice Weise, who

is a third-year student at Howard University School of Medicine, and he is President of the Student National Medical Association.

Maurice.

MR. MAURICE WEISE: Thank you.

Well, this is the first time that a student organization of black students has been invited to speak before you. And it is a pleasure to be here, other than it is always a dubious honor to be the first Negro on the program.

We think we have many things that we can talk about to you.

FROM THE FLOOR: Can't hear you.

MR. WEISE: One thing I would like to say at the outset is that in the past, black students have existed largely as a two-school phenomena. And so has the Student National Medical Association.

But the Student National Medical Association is the Student Branch of the National Medical Association, which represents the bulk of black physicians in the country, and we also represent the bulk of black students -- medical students -- in the country.

And one of the things that I would like to say now is that we have some difficulty -- I don't think all your students, all your black students, are aware of our organization. I think, partly, it is your responsibility to let

them know that there is such a thing, and that there is a place for black medical students to get together.

I had intended last night to sit down and write an organized speech about things. But as most of you know, at this time, I guess there were disturbances up on the Hill. I come from Los Angeles, and in 1965, with the Watts riots, I had decided that this was an opportunity I couldn't pass up. I had to at least go out and watch it.

And from that time on, I decided that I would go watch these things.

I hadn't realized it would become such a frequent activity as it has become at the present time. I still find it very rewarding each time.

And yet the problems we are having up on the Hill are in part related to one of the main things that I want to say:

As you look around the audience, you will see that there are three black people in this audience — two of them represent black medical schools — and me, I represent a black medical student organization.

Now things have a way of going to their logical conclusion. And while it is easy for white society to say that black people should be integrated into the society as a whole, I think that you will find that a lot of the trends that are evident in black thinking today are largely a result

of the kind of things that you see, and the fact that black people have existed as separate groups, have meant that these are the areas that things have gone into, and these are the areas that we are moving toward.

One other problem:

We exist as a society that functions not on justice, but more politically -- we function not so much on justice, but on the ability of certain groups to bring pressure on the government.

Now the fact is that black people -- black people's means of bringing pressure on the government is limited in certain ways.

Financially, black people do not have the resources that white groups have. And what it means is that black people's means of exerting force or pressure on the government has largely been linked to violence, and as in separatism, if that is the way things work, it seems to me, at least, that these are the ways that things will develop, and there is just no way around it.

And I think that it is partly inherent in your responsibilities to make sure that your institutions can deal with the important issues as they come up, not so much based on how much pressure the black community will put upon you, because what it means is that the black community will come to understand that if something is to be accomplished, more and more violence must be used to get the -- to accomplish their

means.

And if there is going to be any way to stop the present trend -- and that simply is the trend at the time -- you people will have to come to face some of the issues that face us today.

One of the things that, like I said, like I don't want you people to think that in my ten minutes up here that we really have time to deal with the problems that face black students. That is a delusion.

And it is one of the reasons why I don't mind so much getting up and making a coherent speech, because there is no way in the world that I can cover the kind of problems that we face today.

One thing that I would suggest, if you are sincerely interested in hearing black students, is that you would go to some of your black students at your schools that you don't talk to already. I mean, there is no sense in talking to those that you know well -- if you do have black students, I mean.

One of the problems is that we don't realize how short a distance we have come.

And I went to -- I had an opportunity to go to one of the larger medical schools on the East Coast, and I talked to one of the people in the administration there, and it was amazing to me how many of the same old kinds of op-

position that we have been facing in the past came up in the same ways,but they were phrased in different terms.

People no longer say, "Well, some of my best friends are Negroes", but they describe some of their best friends who happen to be Negroes.

And especially with the large increase of black students, which many of you will have coming into your school, that this is innovation, that we are making great change, but I think, if you will sit down and consider the issue, you will find that the change is not as great as we might imagine.

One of the problems that we face now is an increasing breakdown in communication between blacks and whites. And one of the offshoots of that problem is that words that used to mean things no longer mean things.

When you hear a black radical talking, you assume that it is merely a political diatribe,that he is merely saying things to excite people. But I suggest that you would consider some of the things that they are saying:

One of the things -- concepts that these people frequently deal with -- is neo-colonialism. And I think that you should take it upon yourselves to understand what they are talking about, so that you can decide on which side of the fence you would like to belong on this issue. And as it stands now, I don't think that many people know.

And it seems to me that one of the greatest areas of concern is for black people to come to be able to deal with their own problems.

I thought that it was interesting that the man from N. I. H. phrased the way that we were talking about black admissions when he was saying that -- he said "so we could handle minority students who wanted to get into medical schools".

To me that doesn't seem so much the issue. The fact is that the black community, the black masses, as a whole, due to many factors, are largely unable to deal with their own medical problem. I mean, look around you -- it is obvious.

O. K., now these are the kinds of things that we have to come to deal with, rather than talking about just black recruitment. I think it has to go on at all levels, and from the little contact that I have had with this organization, that the kind of people who are doing the work with you in terms of black recruitment and dealing with minority communities are, in a way, almost looked upon with suspicion.

And I think that the time is approaching where you have to consider these problems with a great deal more seriousness than you have in the past. I guess if there is anything -- because you people are all -- you people are all in-

telligent men, and you are trained in your own areas. And I think, in addition to that, you have made yourself concerned with the issues that face our society today.

But there is one thing that I think that I can bring you, as a young black man, that perhaps you are not quite aware of -- that the time is coming where the kind of issues that face us today -- black recruitment, black doctors, in fact, all of this stuff -- may mean the difference between life and death, and it is as simple as that.

The fact is that it may come a time when our own lives may be threatened by these very issues.

The main concern that is like, you know, if anyone, I see myself somewhat as being caught in the middle because I am not committed to any kind of violent contact, and if anyone stands to lose, if anyone stands to get hurt, if anyone stands to get killed, it is me and people like me.

And I don't want to see myself put in this kind of position by the failure of you people to make the right kind of decisions, and the right kind of commitment on this important issue.

Now, as I said, I spent the better part of last night on the Howard University campus, watching an uprising, and these things are becoming more and more frightening. Now the fact is that the vast majority of black people don't

hate white people. That is just not a part of our culture. And the vast majority of black people don't want to go out and shoot and kill, but we are moving more and more in this direction.

And the point is not when the revolution comes, or when it will come because I think it has already come in a lot of ways, and I think that unless you take these problems seriously, or the means of getting the black students off your back, or the white liberal students off your back -- until you make these issues important problems, and I think that it behooves you, for yourselves and for your country and for your society, to begin to take these things seriously.

(Applause.)

THE CHAIRMAN: Thank you very much, Maurice.

Our next speaker will be Bert King. Bert represents the Student Health Organizations. He is a fifth year student in the combined M. D. - Ph.D. program at the University of Chicago, Pritzker School of Medicine, and is a Past President of the Chicago Chapter, Student Health Organizations.

Bert.

MR. LAMBERT KING: I would like to ask Dr. Cooper if the Board of Directors of the A. A. M. C. is the same as United Airlines. When I came in this morning, my bag went on to Norfolk, and it was filled with S. H. O. literature; I understand it is coming back!

(Laughter.)

I am not here today to speak as a representative for the many individual and autonomous local chapters of the S. H. O.'s, but rather I can most confidently speak as an individual who has been active in S. H. O. and who has talked at length about their views and perspectives with many members of the vigorous Chicago Chapter.

Many of us were somewhat in doubt about accepting the opportunity to report to you here today. We were dubious -- not because we thought it would be a grand and satisfying gesture to reject the invitation, but rather because we sincerely question whether the goals of our two organizations are reconcilable.

We also had to ask the question whether some increased communications really would result in some convergence of views and goals.

Certainly the process of change requires interaction between us at many levels. At the present time, I believe that the interaction must involve challenge and intense political activity. It must move beyond the simple exchange of information if health science education and health care are to change more rapidly than our present gradualist pace.

Our present rate of progress and lack of responsiveness to the new forces that we are facing represents a

large part of the problem, and only a minute part of the solution to the health problems in this country.

I can't, because of time limitations, and because of my own lack of knowledge, describe to you all of the activities of the S. H. O. chapters around the country. In other cities, I believe that the plans of the Boston S. H. O. for their 1969-1970 health action and research project are particularly noteworthy.

The magnificent effort of the Committee for Black Admissions in Philadelphia continues. They are continuing to do very important work. I think, in view of the urgency of the problems that we face, that our one-third demand didn't turn out to be so silly after all.

The Independent Community Admissions Review Committee in Philadelphia is an important first step toward participation of community people in medical admissions procedures.

We believe that community people should indeed have a significant voice in admissions policies. The physician is not simply a white computer card stamped with M. C. A. T. scores and college grades, and I believe that non-professional health care consumers are more qualified to assess some of the human attributes of physicians than are we.

In order to illustrate some of the present activites and directions of S. H. O., I would like to describe the

Chicago S. H. O. scene to you:

S. H. O. members have been working for almost two years with community health committees in the Robert Taylor Homes and Englewood areas of Chicago in the staffing of evening medical clinics, and have joined with these and a number of other community organizations in efforts (so far very unsuccessful) to restructure and restaff the Chicago Board of Health.

In the past week, Representative Robert Mann introduced an important bill regarding Title XIX into the Illinois legislature. The research and the actual drafting of this bill were carried out by law, nursing, and medical students from the Chicago S. H. O. over the past two years. The bill would provide for an expansion of eligibility for Medicaid and would provide forpre-registration for all persons eligible for Medicaid as well as categorical welfare. Presently in Illinois, if a person wants to get on Medicaid, he has to have a proven medical need, and he has to go to the hospital or to the physician and get the physician to sort of treat him on the hope that in thirty days the Department of Public Aid will certify the person as being eligible, and this doesn't work so well.

The proposed bill would also cover all eligible persons under a comprehensive policy from a private insurance carrier, such as Blue Cross. It would include many preventive

and psychological services not presently covered.

There would be no way that a hospital or a physician could easily identify a welfare recipient or a medically indigent person from other private insurance holders.

At a time of unbelievable slashing of the state budget for services to people in Illinois, there is only a small chance for the passage of this bill. But we will work intensively over the next six weeks, in order to organize public support around the real health needs of hundreds of thousands of people in the health care wasteland of the inner city.

The nursing students in the Chicago S. H. O. have served as a national focus for a nationwide campaign of opposition to the recent resolution of the American Nurses Association which called for the drafting of nurses in the event of a military conflict or civil disorders. This was passed largely by a group of twenty-five nurses, who were waving the patriotic banner.

Medical students at Northwestern University, at the University of Chicago, have organized their own independent service courses in social and community medicine. This summer they will co-sponsor and continue to work for biomedical careers in Chicago in a combined program.

This is just a partial list of the present approaches of the Chicago S. H. O.

We are, of course, extremely involved right now in the establishment of the S. H. O. National Service Center in Chicago this summer. And I hope that when my bag returns from Norfolk, there will be some handouts on it, so that you will know a little more about it.

There will be full-time staff members, and I think they will bring much talent and energy to this key research and communications center. We hope that the Center will truly operate at the "cutting edge of change." That is a phrase that came recently from a U. S. A. magazine article out of New York, "Radicals in the Health Professions at the Cutting Edge of Change".

It is interesting that the A. M. A. is now circulating this as one of their public relations documents in the Student Health Organization, and the medical community for human rights.

It is apparent from the foregoing description of activities that many S. H. O. members are still involved in community "service" projects. This is as it should be. These efforts to provide some important direct help where it is needed.

But more profoundly than anything else, it is our continuing involvement with the frustrations and inadequacies of service projects by health professionals that have stimulated the growth of S. H. O. as a continuing creative political

movement.

Our continuing experience with community health needs, and our relationship with community organizations and groups of hospital workers, have led us to difficult but undeniable conclusions.

We know now from experience, and we daily continue to learn, that the roots of the problems that we face are buried deeply in the often racist structures and policies of major government and health care institutions. This most decidedly includes American medical schools. By "institutional racism", I do not mean individual bigotry, of course; "institutional racism" means that an institute survives and even prospers in a social environment that continues to exploit and oppress people. For a medical school this means that you can pay low wages to many hospital workers without providing educational programs that promote real vertical mobility.

"Institutional racism" means also that you can select indigent patients who provide good teaching material, while sending other indigent patients to public hospital facilities.

In almost all medical schools and teaching hospitals, the poverty area patients who provide you with so much of your teaching materials, have no real control over your institutional policies and directions.

How many poverty area residents are on your board of trustees?

Our relationship with community organizations has proved to us that their members could contribute considerably less money than most present hospital board members. With this conclusion I don't think you would disagree. But they could bring far more to health institutions in the way of insight into the real health problems of human beings.

Probably the most important information that I can bring you today is the news of the first enduring signs of the death of careerism and privatism among the present generation of medical students. From Salud Clinic in Woodville, California, to the Health Policy Advisory Center in New York, students and young physicians are creating new life styles in medicine -- life styles that provide freedom to practice excellent and humane health care, and to be a member of a community movement of people dedicated to a completely different set of priorities for this materialistic and often brutal society.

Increasingly, you will find that your most creative and energetic activist students will reject careers in traditional private practice and in academic institutions that, because of their economic and vested power interests, do not permit full participation in the basic reform of this society.

The very best of the activist medical students are already rejecting participation in the hollow careerism and repressiveness of most of our academic settings.

Satisfying examples of new life styles in medicine are still difficult to find, but the new physician activist knows that he must live as he thinks, or sooner or later he will join the vast majority of careerist professionals who think as they live.

Our medical teaching institutions are in critical need of a courageous and imaginative reform. The leadership and faculties of our schools must clearly demonstrate a commitment to democratic consumer participation in health planning, and to the assignment of the highest priority to human health care for all of our citizens.

Certainly we need more and better teachers. This is a crucial priority.

But we also need to seek and find more faculty members of the moral stature and integrity of Doctors Levy and Spock. And how many of them are around in our schools today?

Most important of all, the leadership of our medical schools must recognize that the interest of medical research, teaching, good health care delivery, and the general welfare of all people, must not be set against one another. The solutions to the health problems that we face are not,

of course, simplistic solutions.

But a primary and simple fact has been learned by many members of the S. H. O. That fact is that the only real solutions are those which give primacy to the basic health and educational and spiritual needs of all of our people. Instead, we have accepted in the society a social and governmental structure which sets us against one another to compete for the pittances that remain, while the riches of this earth are squandered on doomsday weaponry and irrational consumerism.

Some say that it is unfeasible to work toward a drastic reallocation of the expenditures of this society, and that the present system represents the facts of life. George Wald said it best when he said that those are not the facts of life, they are the facts of death.

All of us must be involved actively in the transition from an economy of death to one of life and growth. What specific and immediate actions would members of the S. H. O. ask that you take as you attempt to form a new A. A. M. C.?

There are innumerable suggestions that could be made, but I will limit myself to two suggestions. In a way, I think this is a measure of the generation gap, and trying to find where we differ tactically.

First, with regard to the dignity and well being

of hospital workers, I would ask you to recognize that good medical education for the future cannot be implemented unless physicians are trained in an environment which provides hospital workers in all job categories with greatly increased educational and economic opportunities with policy-making responsibilities.

I would ask that the A. A. M. C. obtain consultants from such groups as the Drug and Hospital Workers Union 1199, in order to set some guidelines for medical labor policies for medical teaching hospitals, and make enlightened labor policies an important part of the accreditation process. As an immediate action, I would ask that you today take a strong stand that the demands for union recognition and pay increases of the Charleston hospital workers be met immediately. Continued silence by the leadership of medical education represents an unwillingness to support the struggle for dignity of the poor people within your own institutions.

Finally, with regard to comprehensive health planning:

Recently the National Urban League found that each of the State Comprehensive Health Planning Boards contain only one -- and sometimes no -- consumers from poverty groups, and these boards, by and large, average forty to seventy-five members; it was broken down from a survey of thirty-eight states.

I would suggest that medical schools refuse to participate in these planning efforts until poor consumers and minority groups are given a legitimate degree of participation.

I would close by extending a sincere invitation to those of you who are able to individually visit our Service Center after it opens on July 1, to have time to discuss more thoroughly our efforts and directions.

(Applause.)

THE CHAIRMAN: The final presentation will be by Bob Graham. He is a Junior student at the University of Kansas School of Medicine, and Chairman of the S. A. M. A. Commission on Medical Education.

Bob.

MR. ROBERT GRAHAM: Thank you, Dr. Anlyan.

I must admit that it is with some concern that, as a student activist and a critic of the Establishment, that I find myself here today recognizing fully twenty-five per cent of you. I think that this is a commentary on where I have been spending my time!

(Laughter.)

It has been said in the past that the first Christian gets the hungriest lion. I find myself in the position now that I think that the preceding speakers have, at best, managed to give this organizational lion several good whacks

across the nose. I now find myself in the position of being the dessert in an hour which is reserved for lunch!

(Laughter.)

This is neither the time nor the place to discuss S. A. M. A.'s programs with you. As Deans, you will be receiving a letter, a presentation letter from our National President, Ed Martin, within the next several weeks, which will detail for you what S. A. M. A. is doing, now -- both nationally and for the next year.

What I would rather do today is tell you the philosophies and interactions and possible potentials of our two organizations, S. A. M. A. and the A. A. M. C., and perhaps the other two organizations represented here.

As far as S. A. M. A. goes, I can say that we seek a confrontation with you, and this is a very dangerous term in this day and age, and I would specify that we seek not a rhetorical confrontation, which is a cheap solution, or a physical confrontation, which is very easy to arrange, but rather we are seeking an intellectual confrontation with you on the problems and approaches to solution in medical education, care and financing.

Now we realize that we have not "discovered" these problems, and that you all have long-standing concerns in these areas. But we are eager to measure our ideas against yours, with the realization that some of our impressions

may prove erroneous, but we suspect that some of your approaches may meet a similar fate.

We want, most of all, to work with you.

Now on my confrontation, there are two levels that you can approach:

I think the first level is that of principle.

And the second level is that of the specific issue, which is more symptomatic and thereby is more dangerous.

There are two principles of paramount importance to us today that we feel that we should confront each other with:

The first is the principle articulated best by John Gardner -- that of organizational renewal. The A. A. M. C., I think, without a question, is undergoing a process of organizational renewal at this point.

The question is, if the A. A. M. C. in your Council of Deans is to become truly as effective as it can be, it must become a forum where all individuals concerned with health care education can participate. How will you involve the students and the faculty members of the various schools? Will there be a separate Council of Students? Do you intend that the Council of Academic Societies will represent the faculties?

And to anticipate a rapidly approaching issue, how will the community, as consumers, be involved in this

organization and in its policy decisions?

The second principle is that of the need of this organization, and of our organizations, for aggressive initiative to be taken in meeting the developing needs and issues in health care and education.

Dr. Hogness and Pete Andrus have already spoken this morning, and have alluded to some of these issues. Our question to you is whether or not the "renewed" A. A. M. C. can perhaps by virtue of the structural additions alluded to above, begin offering more in the way of solutions to the problems, rather than critiques to the proposed programs of other initiatives.

Now, specifically, there are many issues that we can deal with:

The first issue is that of manpower. Can we not find a way -- again as suggested by Dr. Hogness -- to increase the number of medical students in our enrollment perhaps by 100 per cent, perhaps to the point of assuring everyone who is interested in a career in medicine of a place in some medical school.

The problems of minority group recruitment are in context with the general practices of severely limited, culture bound admission standards, which many of us are working to correct at this moment.

The second issue is the process and content of

our medical education. Can you effectively change a curriculum without first renewing the environment wherein that education takes place?

The third issue is the involvement of medical centers and educators in the on-going process of the delivery of health care.

The fourth issue is the responsibilities of institutions of medical education to the post-graduate education of physicians.

This is not the place for a long conversation. There are far too few of us and too many of you here. If the idea of intellectual confrontation is to really be successful, and if it is to head off the possibility of confrontations of the other type -- of which we have spoken -- these confrontations must take place on a local level at your school, between you and your students.

Now these are the confrontations that we, as students, in search of solutions, will hope to be initiating, if you don't beat us to them. And, in a way, I hope that you do.

Thank you.

(Applause.)

THE CHAIRMAN: These presentations are now open for discussion and an exchange with the students. I know that they can feel questions and comments as well as any of

us.

John, you wished to be recognized earlier, I believe.

DEAN HOGNESS: Yes.

THE CHAIRMAN: John Hogness.

DEAN HOGNESS: I would like, first, to compliment all of the students on their presentations, which I think were excellent. I often wish that I could speak as eloquently as many of them.

The point that I am going to raise deals with the issue raised first on the program, and is not in any sense meant to indicate that it is more important in my mind than some of the other issues raised by the other students. But I would like to raise the issue of student loans and to make a motion, hopefully, for your approval.

The reason I make this is:

First, that I am concerned about the proposed reduction in student loan -- federal student loan -- moneys.

I am also concerned that I have learned just recently that there is a rumor -- or I hope that it is a rumor -- about that we as Deans and we as schools do not consider the student loan moneys as very important, and that they do not, that these student loan plans do not have a very high priority in our minds.

So with those two points in mind, I would like to

move the following:

That the Council of Deans go on record here and now:

1. To indicate that we do indeed give a very high priority to the need for Federal student assistance programs (both loans and scholarships).

2. To urge individual members of the Council and their faculties to support this need by writing to members of Congress, stating clearly the problem presented by -- or which would be presented by a cut-back in these programs.

3. To support the efforts of student organizations to obtain information and to develop position papers on this issue.

4. To attempt to enlist the support of other interested organizations and groups in a campaign to avoid a reduction in student aid funds, and

5. To make our position on this matter a matter of public record.

And I would like to make that motion as a motion.

THE CHAIRMAN: Any second?

SEVERAL VOICES: Second.

THE CHAIRMAN: It has been seconded. Is there any discussion?

I might ask Ike Taylor or Manson Meads to comment on their own meetings with the Congressional delegation.

Do you wish to comment at all?

DEAN MEADS: Only to say that I think that if you do meet with the Congressional delegation that you will probably find the same reaction that we did, which was:

Number one, not aware of the situation.

And number two, very enthusiastically endorsing the problem, or the action to get money back into this area. Our delegation, if you will, instructed one member to develop a position letter which all would sign and direct to the Appropriations Committee on this matter.

I think it is a matter of bringing this to their attention, of bringing this issue to their attention, how critical it is.

THE CHAIRMAN: Dr. Eichman.

DEAN EICHMAN: I wish I could report the same on some contacts that I have had that were highly informal. I have found a reaction that was closer to this:

That, well, the physicians, in general, are in a privileged economic position in society, and there wasn't much enthusiasm in the contacts that I had that they be given any special privileges, that, in fact, there was a feeling that there have already been substantial subsidies and help directed toward medical education, and that until physicians found a way to deal with what these people regard as the rising cost of medical care and so on, that they wouldn't give

it a great deal of support.

And this is a very limited contact, but it is nevertheless indicative.

THE CHAIRMAN: Merlin DuVal.

DEAN DU VAL: I would suggest that there is truth in both, and in part it may depend on the approach that you take.

I have personally made a contact with three Congressmen and both Senators from Arizona, and I can tell you that if you address yourself to this question conceptually, you will get exactly the response that you have just heard. If you address yourself to the specifics in the state here involved, they become immediately very interested.

(Laughter.)

THE CHAIRMAN: Let me mention also, I realize that the Chair should not comment freely, but the difference in the reception that Ike Taylor, Manson Meads, and I had with the North Carolina delegation. This year's, and the last three years, it was amazing, and it was amazing because we had with us not just the three deans, but the President of the State Medical Society, the head of the State Board of Health, one of the large insurance carriers in the state, and two other representatives.

FROM THE FLOOR: R. M. P.

THE CHAIRMAN: I beg your pardon?

FROM THE FLOOR: The R. M. P.

THE CHAIRMAN: The R. M. P., and with this kind of an audience, the Congressional delegation was not just merely being polite, they were very definitely interested in the welfare of the people in their state across the board, and this was the student loan program was the number one item on our agenda.

FROM THE FLOOR: Yes.

THE CHAIRMAN: And they are working very actively to help us with this.

MR. ANDRUS: I think that Dr. Anlyan has raised a very important point, and let us all be very clear about this.

It is very well to discuss what the implications are conceptually, but when it comes right down to it, gentlemen, this is practical politics. This is lobbying. I don't assume that any of you are naive and unaware of this, but it is essential that the political "clout" -- the word that goes the rounds here in Washington -- be felt by the Congressmen and Senators that you are speaking with because, you know, money talks and "Docs" have got money -- and votes talk.

And you know, as long as we know that our cause is right, those are really the two major mechanisms that we have to use to influence our Congressmen. And that is very

unfortunate that that is so, but it is true.

I think that the contention is often made, as was pointed out by the gentleman in the back, that since physicians are an economically privileged group, that they don't rate any special assistance.

Now let us call to mind a few facts:

First of all, the beginning of federal aid for medical students, and other health service professional students, is a fairly recent thing viewed in the context of large grants that have been available for a considerable amount of time for engineering students, and students in a number of other areas.

The second point is that granted that physicians in the past have largely come from middle class families. They have come in large numbers from doctors and lawyers, et cetera — that sort of families. The point is that times are changing, and one of the major changes, as was alluded to by other gentlemen and myself earlier today is that the real area that we have to place our emphasis on the need for these funds and the need for increased funds is the fact that we are finally being able to break through this barrier in medical schools and get minority group students and disadvantaged students admitted to medical school.

And once we have got them there, we have got to pay for their education.

Now I think this is an essential point to be brought home.

Another point that I think is essential, and that holds great merit, is that I think that we should all consider the detrimental effect on the quality of education, of medical education, that decreases in this loan program are going to have.

You know, one out of every three nights on, plus the fact that the other night you are working on your spare time job. That makes it kind of hard to "book" very much, and the old body gets worn down, and lots of other kind of "gut level" things like that may very definitely create detrimental effects in the quality of medical education.

And I think that is really a qualitative statement. But I guess that we could do a control study and prove that point.

So I think that these are some of the things that have to be stressed.

But I think that the point that you have made, sir, to the effect of let's get the groups with the political "clout", the State Societies, the A. M. A., everybody, involved in this thing, this is the way that we are going to be able politically to deal with the political beast that is going to -- that being the U. S. Congress, that is going to determine how much money is available, not only in this program, but

in programs across the whole board in health, and in other domestic areas that need a lot of help.

THE CHAIRMAN: Thank you, Bob.

Charlie? Charlie Sprague.

DEAN SPRAGUE: Charlie Sprague, Texas - Southwestern University.

First, let me say that I heartily endorse the motion.

But secondly, I was a bit disturbed by the tenor of some of the presentations by the students, and I had the feeling that some of them were feeling, had the feeling themselves that they were telling us something that we were hearing for the first time, and questioned how seriously concerned perhaps we were about some of these matters.

Now take this, the loan program, as a "for instance":

I think, if you were to ask this group how many had voluntarily, because of their deep concern, tried to do something, and were working with their Congressmenand so forth, I think that you would find that the vast majority were already.

And so I don't think we need to be sold the idea. I think that all of us are vitally concerned, and I would like the students to recognize this.

THE CHAIRMAN: Thank you, Charlie.

John Deitrick of Cornell.

DEAN DEITRICK: I have two questions that perhaps we could get some response to:

Some of us have thought a great deal about student loans and I suspect that the reason that a few of us have not been too enthusiastic about student loan funds is the fact that when a student leaves medical school, he has been underpaid as a house staff member, and we send him out into the profession with debts.

My experience has been that this is the best possible way to make a young doctor money hungry. He must not only maintain a family, but he has to repay a debt. Therefore, he must pay a great deal of attention to the earning of dollars.

Some of us have tried fairly hard to raise our scholarship money to the maximum, so that this incentive would not be a major problem for the student in a capitalistic society when he went out into practice -- wherever he practiced.

The second point that I would like to raise, and it seems to me that it might be worth considering, and that is, would it be profitable or beneficial if the A. A. M. C. went all out and tried to abolish tuition? How helpful would that be, if we could have every medical school open without charging tuition?

I speak personally because in a private school our only resources of increased income are tuition, endowment, alumni giving, and then if we can persuade the state, city, or federal government to help support our enterprise -- then we raise tuition, and I have fought this for years. And, in fact, the Medical School at Cornell is the lowest of any of the schools.

I have tried to demonstrate to the trustees that every time you raise tuition -- say, to get another fifty thousand dollars, you turn another twenty-five thousand back into scholarship and loan money -- it is peanuts. I think that we have reached the stage of diminishing returns. And personally, I would like to see no tuition charged.

And I wondered what the students feel about these two phases:

One, the impact on the individual of being in debt.

And the other, how important is tuition? Is it a major handicap in going to a medical school?

THE CHAIRMAN: Would the students like to respond?

MR. KING: Can we consider this before the motion is acted on?

THE CHAIRMAN: I think -- well, are you ready for the question?

CHORUS OF VOICES: Question.

THE CHAIRMAN: Let's get the motion cleared. All

those in favor, say "aye".

(A chorus of "ayes".)

Opposed?

(No response.)

Unanimously passed.

We now can proceed with the questions raised by Dr. Deitrick.

Bob?

MR. ANDRUS: This is Pete!

THE CHAIRMAN: Would you like to use the microphone? I think this one is live. (Indicating.)

I think all four of you --

MR. ANDRUS: Can I be heard?

With regard to tuition, your point, in terms of gross numbers of dollars, you know, is exactly right. Tuition really isn't a very profitable way of increasing the amount of money available to a school.

I think we have to think, too, in terms of the flow of dollars, and what this means economically. The federal government or my dad, you know, gives me "X" amount of dollars, either by scholarship or loan, and then I hand it to the school, and then they use that to pay faculty salaries, to keep the buildings lighted, and buy equipment.

Now, realistically, we can say, well, let's abolish tuition, and stop all scholarship and loan programs, and just

increase the amount of money that goes into a program, such as that which Dr. Marston described earlier, and that is very, you know -- it makes good sense. But the problem is that, politically speaking, it is just not very realistic actually.

Another point that I think could be brought up with regard to tuition is that those who can pay probably are not so disinclined to do so, in consideration for the benefits of a medical education -- if there are any -- that can be derived in that fashion.

And finally, I think that you will very quickly run into the argument on the other side of the fence that, well, if you do away with tuition and look foryour funding to federal and state levels to compensate for that amount of money which was lost, then you have taken another step toward evil socialized medicine -- and that is a pretty tough argument to fight.

FROM THE FLOOR: Are you against it?

MR. ANDRUS: Not necessarily, no.

I think what we need would be a lot more discussion, you know, and getting down to really what are the pertinent issues. And in three minutes, obviously, the pertinent issues can't all be raised, and value judgements made on them. What was your other question, sir?

FROM THE FLOOR: With regard to students --

MR. ANDRUS: Oh, with regard to student loans?

FROM THE FLOOR: Being in debt.

MR. ANDRUS: Well, let's put it this way:

If you have got to be in debt to have a medical degree, and if you wanted a medical degree, that although that is not the ideal world of all possible worlds, it is better than not having gotten your degree. And I think that that is what we have to live with.

Ideally, we wouldn't have any loans. We would have all scholarships by the federal government, and that way there wouldn't be any payback, but once again, practical politics-wise, that is not the situation. So we have to live with the fact that there are loan programs.

Now I would just recall to your attention -- and once again, I am sorry if any of us gave the impression that we felt that you weren't aware, because I felt firmly convinced that a large majority of deans had already voluntarily written to Congress, et cetera, and we were aware that you were aware.

Let me remind you though that the specifications of the law under Title 7 of the Public Health Service Act do provide for an amortization of percentages of the loans for those physicians that, say, work in rural poverty areas, et cetera, various categories of areas. And for each year of service you can have between ten and fifteen per cent of your

loan cut off, in terms of what you have to pay back. So I think that this is another consideration to be borne in mind also.

THE CHAIRMAN: Would any of the others -- thank you, Peter -- would any of the other students like to respond?

MR. GRAHAM: I have one response. Is the mike on?

FROM THE FLOOR: Yes.

MR. GRAHAM: The first part of the question, I think if faced with the choice between a scholarship and a loan, I would unequivocally take the scholarship!

FROM THE FLOOR: Wouldn't we all?

(Laughter.)

MR. GRAHAM: To go to the second part, which to me is -- I am very "turned on" about this idea, and I think that I probably have some differences with what Peter has just said, particularly along the philosophy.

Now there is a danger in working with the government, though, and we will come to that.

What I hear this gentleman saying is, "I am a Dean. I recognize the problem. What I will do is, I will cut off all tuition. This is my part. No more tuition. I will go out and I will try to get money from endowment association and from alumni. This is another thing that I can

do of my own initiative."

I think this is tremendous.

But then you must go to the government and, I think, fight very hard for the maintenance of scholarship and loan funds at the present level, because tuition is not the major cost of medical school, but from what a medical school itself can do within the intramural juggling of budgets and finances, I think this is a tremendous idea.

And I think that the tone that you would set by saying that you were going to do these three or four things might very well be on a high enough plane that you could convince the government that you were doing your part, and that they would look very bad were they to then undercut you by striking all scholarships and loans.

Of course, I don't think you ever get assurances of that type from the government.

THE CHAIRMAN: Bert.

MR. KING: Well, at some schools the tuition is a very significant factor. At the University of Chicago it is well over twenty -- I mean, two thousand dollars. And yet they tell us that the total cost of educating us each year is more than thirteen thousand dollars per student, so on a fraction-wise basis it is a relatively small per cent that comes from tuition.

And I would like to see some efforts made to eli-

minate such large tuition fees. I think that they are significant factors especially with the situation that you have now with the decrease in the loan funds.

I think that the theory that the elimination of loan funds would tend to decrease the drive on the part of physicians to go into practices that are oriented solely toward the accumulation of money is an attractive theory, but that it is only a very small part of the reason why we have physicians going after money the way that they do. I think that the factors run a lot deeper than that.

THE CHAIRMAN: Maurice.

MR. WEISE: Yes, I agree that it is important not to over-simplify why people become acquisitive after they get into medical school.

And I think that I -- in some degree you will find that people who -- the kind of people whose lives become mainly concerned with money after they get out of medical school, some of them will avoid loans for the mere fact that that will get in their way.

And the other thing is that I think that it is important in terms of -- I think that there is no question but that you have to re-evaluate tuition.

One of the reasons -- one of the reasons why so many black students can make it at Howard is because the tuition is fairly low, because they get some money from the

government. And I think it is a major obstacle to black people going to a lot of schools.

But I don't think that eliminating tuition is the answer to all of your problems, because the fact is that there are some people that can afford it, and there are some people that can't.

THE CHAIRMAN: I would like to say that since it is past one o'clock, and I don't want to interrupt this dialogue, and we have another fixed point in Irv Lewis joining us at two o'clock, we can continue this discussion after his presentation and the discussion.

There seems to be one fervent gentleman in the back who will not be able to eat unless he comments!

(Laughter.)

MR. NICK MAJORITY: I have to go anyway!

I am Nick Majority, and I guess I still qualify as a student, since I am laboring under a $3,500 loan, and it is a little hard to pay back right now.

But I am a little alarmed, kind of appalled really, by the tremendously conservative reactions you got from the students on the Panel!

(Laughter.)

I think it speaks for how the knife cuts both ways. You know, it seems to me that -- I was very active in trying to mount the black admissions campaign in Philadelphia just last

fall, and certainly one of the things that we found exceedingly difficult, one of the difficulties that we had in recruiting young men from disadvantaged backgrounds into medical school was the whole problem of money. And now whether it was real, or whether it was imagined, it is a very, very real barrier.

And speaking personally, I would also opt at any time for a scholarship rather than a loan, because I think that from my own point of view that it is a very, very important consideration -- something that I would really like to see pursued, and that it is important.

THE CHAIRMAN: Thank you. We will reconvene here at two o'clock.

(Whereupon, at 1:05 o'clock, p.m., the meeting was recessed until 2:00 o'clock, p.m., the same day.)

AFTERNOON SESSION

(2:11 p.m.)

THE CHAIRMAN: Gentlemen, come on in. Come on in and we will get started.

In the interests of time, since some of you have early departure times, I think we ought to get moving, and it is again a privilege to have with us this afternoon Irv Lewis and Stan Olson.

Joe English was to have joined them here, but he got shipped out of town on short notice last night, and Irv and Stan are going to cover what is going on at the present time in the Health Services and Mental Health Administration. Now many of you know Stan very well because, after all, he was a member of this guild for a great many years and a very distinguished Dean at Baylor, and I am not going to spend any time introducing Stan.

I do not know Irv as well since we had only met on one previous occasion, and I was very interested in looking at his biographical sketch. I can only say that he has got a blue ribbon education, all the way from the Boston Latin School to that finishing college school called Harvard, and then in political science at the University of Chicago, and subsequently at the Bookings Institution.

As I also look at his biographical sketch, I don't know of any nook and cranny of the Federal Establishment --

the Executive Branch -- that he has not at one time or another been a member of, going from the Bureau of the Budget, to the O. P. A., to the State Department, to the Information Agency, to the C. I. A.!

(Laughter.)

This past May he was appointed Deputy Administrator of the Health Services and Mental Health Administration. I think it is referred to as "Hismaha", is that what I have heard?

MR. IRVING J. LEWIS: That is one of the many ways!

(Laughter.)

THE CHAIRMAN: It sounds like a suppressed sneeze but, in any event --

MR. LEWIS: Joe English thought it was "Humpah"!

(Laughter.)

THE CHAIRMAN: In any event, this latest award, of which we are all proud, is the fact that he was one of the ten recipients in 1969 of the National Civil Service League Award.

And Irv, it is great to have you here to tell us what is going on at the interface of your area and the medical schools.

Irv, would you like to come up here?

MR. LEWIS: All right. Thanks very much, Bill.

I really do appear on short notice, and I hope

that in appearing on short notice that I am not going to deprive you of useful information. Joe was called out of town last night and then he came back, but then he was called out of town this morning. He had to go with John Vanneman somewhere to a classified relocation site. Apparently, we are still in that kind of a — as long as we are not too well taped — that nonsense business!

(Laughter.)

Is there a — can you hear me back there? I am sorry, can you hear me back there?

FROM THE FLOOR: Barely.

MR. LEWIS: Terrible?

FROM THE FLOOR: Barely.

MR. LEWIS: Barely? I am sorry. Could you hear Bill all right?

I guess that I was merely making my appropriate apologies for Joe English, who was not only called out of town last night, but after he returned was called out to go with the Under Secretary to our classified relocation site, and I was saying that we are still engaged in that kind of nonsense business, and that is one of the nooks and crannies of the Federal Establishment, in which I have had the privilege, for many years, to look in on.

So I hope that my appearing here on short notice is not going to deprive you of the information which you are

seeking.

As far as H. S. M. H. A. is concerned, I think the biggest problem is, what is it?

I had the pleasure of speaking not too long ago up at Beth Israel in Boston. I spoke to the house staff, and I found out that the dearth of information as to what this organization was, was the first obstacle to be overcome in trying to understand what Bill called the "interface". So I do have to take a couple of minutes to talk about that. I know that you didn't have to do that with respect to Bob's, because N. I. H. is known only too well to you, and it is the other organizations that you probably have to know a little more about.

But, essentially, the reorganization which John Gardner set in motion, which Wilbur Cohen then accelerated, and maybe now has got a little bit of a flat wheel -- the organization which he set in motion took the area of health which we broadly call the environment and set it over here under C. C. Johnson, and together with that arena of P. H. S. activities, the Food and Drug Administration, and said, "Let's call that the Consumer Protection Environmental Health Administration."

And then it took the empire that was Shannon's and added to it the Bureau of Health Manpower, and subtracted from it the budding program, called "Regional Medical Pro-

grams", and said, "Well, now that is N. I. H. We will put that over there now."

H. S. M. H. A. is everything else!

(Laughter.)

So it is necessary, therefore, to reacquaint you with a little bit of what the "everything else" in the Public Health Service was:

The Communicable Disease Center -- I am thinking in terms of some of the older and well-established activities -- the Communicable Disease Center down in Atlanta.

The Hill-Burton hospital program with a whole range of activities.

And the National Institute of Mental Health.

The Regional Medical Programs for Heart, Cancer, and Stroke, which had been a division with Institute status in the N. I. H.

The arena, so called, the"Partnership for Health", which is one of the fuzziest and most difficult to comprehend in the Washington political and administrative scene.

The Indian Health Program, unchanged.

The Public Health Service, the hospital system.

The professional assistance, such as it is, given to the Medicare program, and the Medicaid program, which had been in the old Public Health Service.

And then the newly developed, crisis-ridden National

Center for Health Services Research and Development.

Not having looked at notes as I was doing this recitation, Stanley, did I leave out a major activity? I have a sense I did.

DR. STANLEY OLSON: Yes, the Health Statistics.

MR. LEWIS: Yes, I am sorry, the National Center for Health Statistics.

These are the major services or centers in the Health Services Mental Health Administration.

Now there was, as many of you know, a long and bitter argument within H. E. W. as to whether the Health Manpower functions should be with N. I. H., or whether they should be with some other part of the organization. And I don't have a personal view which I wish to express at this point, but I am sure that the subject will continue to be something that will plague some other people at any rate. The decision -- there were a variety of people who felt that it ought to be with our conglomerate, which is today's fashionable word, and there were a variety of people who felt that it ought to be with the National Institutes of Health. My general approach to organization is that jurisdiction is essentially unimportant, that the question is, what are you going to do with jurisdiction if you get it?

And if the jurisdiction with respect to production of physicians is over with the National Institutes of Health,

the important thing is the result of it having the jurisdiction, not in some theory that maybe it belongs somewhere else.

But that is behind us.

Now I think that the underlining -- the underlying theme behind this, creating this conglomerate, is that without taking on the entire medical profession, without taking on all of the medical schools, and without taking on all of the states and everybody else, who have to be taken on in order to improve the health care system of the nation, we ought to, at the federal level, get on with the job of beginning to try to bring some focus and some rationality into the health care system.

And so, without my going through the litany, because I really didn't bring it along, and I don't know how relevant it all is -- without my really going through the litany of what one says are all the objectives, and what the mission is, you know, in nine paragraphs and sub "a" and so on, I just want to say a few of what I think are the key questions that affect our programs.

I should have added one other statistical fact. It is not all available to you. I am sorry. I still have my Budget Bureau instincts. But we do have a billion point three hundred million dollars; that is, the nine or so major centers, services, and programs which I enumerated, cost the

American taxpayer about 1.3 billion dollars, which, I guess, is a little less than the National Institutes of Health, somewhere in the same ball park, depending on how Congress reacts to budget cuts under the Nixon budget.

The principal themes, I think, with respect to our organization, revolve around whatever we mean -- and people mean different things by it -- whatever we mean by "health care planning" and the "organization and delivery of health care".

And I would say that underlying all of the actions which H. E. W. is trying to take through us -- and it is kind of difficult to know, when you don't have a political boss, and the political boss in health is kind of high up right now -- he is up at the Under Secretary's level, which is a little bit too high up, as far as most of us are concerned -- but the principal characteristic of this theme is that the re-fashioning of the system cannot take place by some nationally prescribed plan, but it has to take place at the local level.

And "local" can vary, as far as people are concerned, but essentially it has to take place below the federal level.

"Below the federal level" sometimes means at a state. Sometimes it means at a city. Sometimes it means at a medical market level.

When you talk "medical market", you quite often talk medical schools. And when you talk "medical schools", you quite often talk regional medical programs.

So sort of central to the activity of through action short of a prescribed mandatory action, through the voluntary actions, the Regional Medical Programs is probably the principal program which interrelates with the medical schools in a fairly obvious way.

However, the rationalization of the medical care system includes the concept -- and I am sort of slipping a little bit off just rationalization; I am also thinking in terms of pressure for money -- the pressure for money is very heavily in the area of delivery of services, and the delivery of services has, increasingly, acquired that word which a lot of people don't like, that word "comprehensive".

And this means that the program of extending out to the community, especially into the inner city, and into the deprived rural areas, that the programs, wherever they may be in the federal government, are assuming higher and higher funding priority.

But in order that they assume some kind of rational approach, we look to some local organizations for helping to rationalize.

So that we find that under the Partnership for Health grants, under the Community Health Service, through

the Child Health Programs, which are being actively debated, as to the jurisdictional location, through the O. E. O. Neighborhood Health Center Program, which may very well move over to H. E. W. -- and if it moves, most likely would move into our arena -- through these arenas, through these projects, one finds again the interface, I think, between the H. S. M. H. A. and the medical schools.

One of the largest problems, and probably a reason why -- again underlying our, although it is not fully documented, one of the problems in the business is that, as Joe English and I have discussed often, the government and, I think, the professions have come to accept that simply giving people a ticket, a money ticket to go and buy medical care, is not going to bring about the delivery of medical care to the individual, that there is an imbalance between financing and capacity.

Now there are many people who will say that the Medicare program did not produce price rises, and I don't know that I want to debate it again. My own instincts tell me that it has and that I would tell -- and that it would be Joe's view as well -- and Medicaid as well.

And therefore, there is a tendency in Washington to say, "Let's not put so much into the financing unless we are sure that the capacity is there."

This again has led to the development, I think,

of the activity, or at least the development of the center, not necessarily all of the activity that is here, but the development of the Center for Health Services Research and Development, which -- and since Health Services Research is probably only about five or six years old as it is currently seen, the Center is really one of the government's fledgling activities, which is attempting to bridge, really, both the scientific world, which attempts quite often to divorce itself -- and I am not condemning it -- to divorce itself from what is happening on the social front, and not necessarily is always related to the quote, what we call the "real world". It is an activity which bridges that kind of research function which we all know are very clearly of the N. I. H. order, and the fact that the services to be researched and developed can be witnessed only on site.

There is no sense witnessing them just in a theoretical world.

And therefore, the struggle that I think we are having in our organization, to put substantial meat on that, on the bones of that concept, is that it is necessary that that be sited in real world activity.

Now with respect to the medical schools, the Center is funding a number of health services research and research centers, and I think that we will find increasingly an effort on our part, not fully rationalized yet, to bring

together a center, a community health service, and grants in support of health planning out in the field, with regional medical programs in some real time studies on site.

Now it is, I think, foolish for me to repeat remarks which you already have heard in many places about the necessity for the universities and the medical schools to be aware of the community problems.

You don't have up here in front of you an official who thinks that the medical schools are going to solve the problems of the communities. I don't happen to believe that universities exist to solve the social problems in the communities.

I believe that they have to be involved in them. And we are seeing, as the young men come into either our organization or else into the P. H. S., their great desire to be involved.

I am also witnessing a strong interest on the part of staff in medical schools and in house staffs to be involved in delivery. And I was, just a few days ago, called by a chief of medicine at a principal hospital, telling me that he was ready to get into the delivery scene; what did he have to do?

Well, I had previously discussed with him a couple of the implications of the activity on the federal level, which tends to put money on services, which is our business.

And I said that I felt that in the long run that the demand, both of the student and of the society, would mean that the teaching programs of the medical schools would, undoubtedly, move way out into these new methods of delivery, including the neighborhood health centers, and in the mental health area, would include the community mental health centers, as well.

I didn't see how, if the society was committed in the mental health area to produce two thousand community mental health centers by somewhere in 1975 or 1980, that psychiatrists could be well trained to meet the needs of society without, at some time or other, being involved in those centers, and I didn't see how they could be involved without the medical schools.

A second point that I would like to make is that -- one that Stanley and I were talking about, as we were coming down in the car -- without my being a hundred per cent knowledgeable about it, since I haven't really been in the professions -- I have had some concern in the several years that I have been engaged in health and welfare, about the relationship between public health, preventive medicine, and community or social medicine.

And I don't want to engage in a semantics problem, but probably there will be a need, if it is true that organization and delivery of medical care is now very high on the

agenda, for government and for medical schools, it probably will be necessary for medical schools to be concentrating on the relationships among these semantical indications or semantical expressions of what today is probably the same phenomenon.

In short, the medical students who come in -- we have a number, you know, who come in for two years, and while they don't want to -- you know, like the political scientists, all make policy with President Nixon or Johnson or President Kennedy, they do very definitely want to be involved in how we work these various instruments that I have briefly been referring to.

Well, in order for them to be involved as they move out into society as practicing physicians, they probably are going to have to have something in their educational curriculum , which has stimulated them more than they say they presently get stimulated, and maybe giving them a little more organization.

Well, those are a few of the principle points that I would want to make.

Bill, as I reflect back on what I have been saying, I think I have been sort of darting to the left and to the right, and I haven't actually said how much money is available for medical schools in particular areas.

But I suppose that kind of a problem can emerge as the questions arise. So why don't I just stop here, and

let the deans and others here ask questions, and when I really run into trouble, Stanley is going to help me out.

THE CHAIRMAN: Well, the floor is open for questions.

And Irv said that he and Stan would "Huntley-Brinkley", depending on the type of questions. So you are welcome to ask them now.

Yes, Dr. Eichman?

DEAN EICHMAN: I would like to ask about the Health Services Research Centers.

Is there a prospect that new ones will continue to be founded? Or is this a period of consolidation?

MR. LEWIS: No, I think that we have funded, I think, seven -- at least, if I use the word properly, at least, we have said definitely we have got the money this year for seven.

We have been able to escape, in the Nixon budget revision, with the Health Services R. and D. budget staying absolutely intact; it hasn't changed at all, and there is enough money to continue all of the centers; there will be no problem on that.

I don't know because I don't know whether I am familiar in that detail, whether we have more in the budget. I think we did have some. But I don't know of problems -- money problems -- on that.

THE CHAIRMAN: Charlie Sprague.

MR. LEWIS: Yes, sir?

DEAN SPRAGUE: One of the problems that many of us, I think, are confronted with, is that to get involved in this, it requires the recruitment of additional faculty of disciplines that are not traditionally a part of a medical school.

And oftentimes it is very difficult, particularly with our local state money situation being as tight as the federal situation, to convince a legislature that they should support this kind of endeavor.

Now we have talked to Dr. Sanazaro, for example, about trying to get a planning grant to help organize such a group within another department, or however you wished to establish this, an organization dealing within your school or effort, and the money, apparently, is not there for that. It is only for the individual faculty member to explore his notions or ideas regarding this.

Is there some way in which funds might be made available to form a nucleus, possibly, for such a group within a medical school?

MR. LEWIS: Well, now, basically, my approach is -- I would think that if there isn't, I don't know of legal or statutory inhibitions.

I could only say that the inhibitions against it

would probably be the processes of the past, and maybe whatever jurisdictional lines are presently drawn.

Among the components, if you are talking about this last point that I have made about the planning to bring in, to really fashion and bring in the other disciplines, it seems to me that one of the biggest problems that we have got generally in the government is this packaging.

Now I don't know anything about the laws on N. I. M. H., on the Health Services Center, on the Bureau of Health Manpower, on my Community Health Services Programs -- and I had one other in mind which suddenly missed me; I don't -- I know nothing in any of the laws which prevents us from putting funds together to create this kind of a situation, and if I were --oh, the Bureau of Health Manpower, I am sorry, I would certainly think that its Special Improvement Projects has funds for this kind of purpose, but there, you know, Bob would have to speak.

But I think that if we have got a need which is identified in this way, which is a general need, which cuts across groups and, of course, what is needed often is a sightseeing guide through the process!

(Laughter.)

I would be personally willing to listen to what problems you say you have, to put a package together, because one of the prime jobs that I try to take on is to break

down what is, essentially, inhibitions that are not statutory, but essentially created by the way that the processes exist.

Now I know that that is not a hundred per cent answer, except that it is a statement --

DEAN SPRAGUE: Yes.

MR. LEWIS: That if this is the direction that we ought to be going, that we shouldn't have -- and there was a lot of the action taken to break down, the obvious sightseeing guide.

PRESIDENT COOPER: May I just ask Dr. Gordon, there is an emergency call for him to call his office. It is right here, Dr. Gordon.

DEAN GORDON: I will get it outside.

THE CHAIRMAN: Are there any other questions that you would like to direct to Irv or any to Stan? This is a unique opportunity.

MR. LEWIS: You mean everybody is happy with the funding that you are getting under the Regional Medical Programs? Nobody is hurting?

THE CHAIRMAN: I think they are deeply depressed!

(Laughter.)

FROM THE FLOOR: Is there any more money for new neighborhood health centers, either in your organization, or in O. E. O., or anywhere?

MR. LEWIS: I don't think O. E. O.; this is -- I don't think O. E. O. has new money.

If our budget goes through, we have about twelve to fifteen million dollars in the Community Health Service budget that would cover neighborhood health centers. I am not saying that it covers each center fully. Sometimes they would have only funds for part, for part of a center.

But there would be somewhere in the order of twelve to fifteen million dollars, and it would be heavily oriented towards the urban areas, and probably under still some of the mechanics that exist, would tend to be oriented into the model neighborhood.

But that was what one of the hospital staff was calling me about a few weeks ago. And it happens in his city we would fund -- he has a model neighborhood close by, and what he is interested in doing is really integrating the fragmented child and parent and retarded, et cetera, services. And we can come into that situation, by providing the funds that he needs, including on the faculties.

FROM THE FLOOR: Are there any guidelines available on this?

And whose office should one go to?

MR. LEWIS: John Cashman. John Cashman, Director of the Community Health Service. And it would be project grants, project grants under the Partnership for Health Pro-

gram.

THE CHAIRMAN: I think George James is first, and then there are a couple more.

MR. LEWIS: Yes?

DEAN JAMES: Irv, you are a long-time, diligent student of the political and political science scene.

What do you think is the end result of this pluralistic system we have? We have comprehensive health planning, R. M. P., N. I. H., and then Congress gives money to the medical schools for one thing, and takes it away on the other side.

Do you think there will ever be some bringing together in common goals?

MR. LEWIS: Sure. You don't take the long-range look, George.

There isn't a conservative Republican in this room who in 1935 would have thought that Social Security was a program down before us which everybody would buy. There just wasn't that, you know, kind of a political setting, and the Social Security System is on a completely different kind of a financial basis.

We are not, in the society -- in our society -- given to adopting firm plans, doing what the Dutch do. We are an infinitely higher population and density can be accommodated with more comfort and so on. We are not doing

what the Scandinavians will do.

But we will probably, through the route of disaster, and, you know, the price escalation which is going on in the health care area, eventually bring ourselves to the point where we will face where we want the public and private sector to come together.

I think that it is -- particularly with nobody in the role of the Assistant Secretary for Health, which, I think, encapsulates the problem of the society, it would be foolish for me to say how it is going to come out. But the role of state and the role of the city area, and the role of the private hospital and the medical school and the federal government will get to the point, you know, you asked me -- I am like Saul Alinsky in his speech last night; we are a lot better off than we were thirty-five years ago! That is as far as I can go, George!

(Laughter.)

THE CHAIRMAN: Ralph.

FROM THE FLOOR: Recently we were in the Regional Medical Program in the mid-Tennessee South, we were interested in determining whether we should move in the direction of research projects, or move in the direction of health delivery projects.

And I think we went through some discussion, and most of us felt that we should stay away from research pro-

jects, and instead, if we could possibly take these through Health Services Research Centers.

And what I am tring to find out, what I would like to know is, is there some influence from Washington to steer the Regional Medical Program more toward health services research -- I mean, more toward the delivery of health care, and at the same time, open up the possibilities for more Health Services Research Centers?

MR. LEWIS: Stanley, I want you to start that, and if it is necessary for me to then coordinate you with somebody else, why, I will then do it that way!

(Laughter.)

DR. OLSON: I think that the primary objective that we have in mind in making awards to Regional Medical Programs is to stimulate the maximum degree of coordination and cooperation among the various elements in the health care system.

Now we have, by legislative authority, funded education -- including continuing education, demonstration projects, as well as research. I would judge that the proportion of research is the smaller or the smallest of these three categories.

But we have not tried to tell the individual region what was most needed in their own region to accomplish what they felt had to be accomplished to bring about the

degree of coordination and cooperation. And we have not, at the present time, tried to segregate funds, to say that a certain proportion ought to go into heart disease, and a certain proportion into cancer, and a certain proportion into stroke.

We know what the proportions are:

It turns out that roughly fifty per cent of the funds are going into projects, and of those thirty-three per cent are going into cardiovascular activities, eleven per cent into stroke, and eleven per cent into cancer.

Now I would say that at the meetings that we have had of the Council -- and John will perhaps be able to expand on this -- we have, essentially, tried to assess the programs as developed by the individual regions, approve those that are approvable, decided the amounts of money that were to be made available, and then delegated back to the region the decision as to which of the approvable projects would be implemented.

Now whether as the program begins to mature the Council will feel that it wants to set priorities of a kind that you just posed, or other priorities with respect to what kinds of things ought now not to be funded from Regional Medical Programs, but funded from other sources, I don't know that I would like to predict.

But it strikes me, for example, that the amount of mileage to be gained from establishing more intensive

coronary care units is probably not very great. And it may be that the Council -- either on a policy basis, or on the basis of an individual review of projects -- will make determinations of that kind.

Up to the present time it has not.

John, do you have anything to add to that?

FROM THE FLOOR: I would second what Stan said, and say that it concerns me a bit that the Council has not yet established a sufficient number of priorities of this nature, and I am hoping that they will, that the Council will do so in the course of the next few meetings.

MR. LEWIS: I would have to say, John, that -- and it is in line with George's question -- I don't think that in the climate that is bound to be with us for still a couple of years, with respect to the amount of money that the federal government is willing to put in the various social programs -- in that climate, which is fairly restrictive as to the amount of money, and in that climate which has not yet rationalized the different programs, that the approach which we have taken to many social programs of a non-directive approach and a non-priority approach, that that approach can really, in the long run, even in several years, be viable. I don't think that we can, even though this program -- R. M. P. certainly had quite a bit of -- was sold very heavily on the non-directive approach and just on the non-directive, I

don't think that we can refrain from a direction that rationalizes it in relation both to within itself in terms of what it does, and in relation to some of the other programs that are on the books.

And whether it is going to be our administration, or whether it is going to be a new Assistant Secretary, I don't know, but you won't start getting it until you get a new Assistant Secretary, I will tell you that.

THE CHAIRMAN: Irv, there were two more questions: One over here and one Bill Jordan.

FROM THE FLOOR: I would like to return to the Community Health Centers. These are still being handled through Regional Offices rather than directly through the Washington Office, is that correct?

MR. LEWIS: Well, the O. E. O. Centers —

FROM THE FLOOR: No.

MR. LEWIS: You mean project grants for our organization?

FROM THE FLOOR: Yes.

MR. LEWIS: That's right, well, the projects, the applications are filed through the Regional Offices, that's right.

The funding and the final approval is in Washington, that is correct.

THE CHAIRMAN: Bill Jordan.

DEAN JORDAN: Well, it is my understanding of Dr. James' question, it is my understanding that cooperation and coordination is what comprehensive health planning is all about.

And I would like to ask two questions about comprehensive health planning:

I understand that these fellows have now formed their own club, and also that there is considerable push for top representation at higher level for them to sort of -- these comprehensive people.

Secondly, the recent memorandum indicated that there will be a limited amount of money available for funding new Health Planning Councils.

MR. LEWIS: New agencies.

DEAN JORDAN: Would you comment on that?

MR. LEWIS: Yes, that these fellows have formed their club, you know, "formed their club" means that two groups of these fellows have formed their club:

One of them is at the state level.

And the other one is at the local level, or the area level.

And comprehensive health planning -- I am not talking about the comprehensive service, or the neighborhood health center; I am talking about the general planning function, and the comprehensive health planning, under the law

which was passed in the last administration, calls for coverage of the scene in health -- not just medical care, which is what certainly this group would tend to concentrate on, and what our administration, also, tends to concentrate on. They have formed their club, and there is push for representation at higher level.

And when that issue is confronted, and it is not being confronted now -- in the days of Philip Lee, it was confronted by saying it will be done with our administration; when it is confronted, I think the prime question will be whether or not it is to embrace the whole environmental health area, and related to that, will the federal government -- will the federal government essentially be hooking its health planning to a particular law, which starts out conceptually, you see, with a function for government?

And now my own personal judgement -- and it is pure personal judgement -- is that at some point in time -- and George's question, back to his question, that the two, comprehensive health planning will have to be broken up, in the sense that there will have to be a concentrated effort on personal health services, on the health care system which doesn't embrace the way in which you clean up the Potomac River, and the way in which you clean up the air up along the Potomac, where the Potomac Electric Power Company is pouring sulphur into the air.

And I think that these two problems, governmentally, will break up, and will break apart, because I personally believe that it is an intolerable burden of cooperation to expect the functions to be brought together at a state and at a local level.

That has nothing to do with whether the federal government provides to a governor the option of bringing together financial support, of bringing together for himself in his state -- assuming his willingness to do it -- the various health activities.

Nor does it have anything to do really with the health planning function which Secretary Finch has to undertake -- whether we had a comprehensive health law or not, he still ought, he still ought to be undertaker, as far as I am concerned, and I would so tell John Knowles. And maybe you already have told him.

(Laughter.)

With respect to -- I don't believe that they will end up, and assuming he is there, of course -- if he doesn't get there, it doesn't matter!

(Laughter.)

I don't anticipate, in my own personal view, therefore, that the Office of Comprehensive Health Planning would be moved up to the Secretary's Office, because I believe that it would totally combine the federal responsibility to do

health planning.

And I went longer on that answer, and so you will have to hit me again with the second question.

DEAN JORDAN: Funding for 314(b).

MR. LEWIS: Yes, now you referred me to a memorandum, and I will be honest -- there are so many that I am not even sure that I know the number that you were referring to.

You said there was a recent memo on what? It would indicate our funding was insufficient to fund more "b" agencies, is that right?

DEAN JORDAN: Well, this is -- I don't guess this will necessarily interest the whole group.

MR. LEWIS: Well, the funding --

DEAN JORDAN: I am not --

MR. LEWIS: Well, there is not enough funding in the 1970 budget to fund all of the local area agencies that might possibly come on the scene in fiscal year 1970, if that was your question.

THE CHAIRMAN: Irv, for a moment, we thought you were making a tangential announcement!

(Laughter.)

But I think --

MR. LEWIS: No, I am no more privy to it than anybody in this room!

(Laughter.)

THE CHAIRMAN: But I think that we have taxed you and Stan, in terms of today's schedule. I know that even though Joe was called out on short notice, you were called out here on even shorter notice.

You and Stan have helped us immensely, and I hope that this will be the first of many visits with the Council of Deans.

MR. LEWIS: Fine, fine.

THE CHAIRMAN: Thank you very much.

MR. LEWIS: Thanks very much.

(Applause.)

(At this point, Mr. Lewis and Dr. Olson left the room.)

THE CHAIRMAN: Just before our lunch break, we said that if there were any other questions or comments in the dialogue with our student representatives, that we would welcome them, and perhaps they would like to come up again and see if there are any other questions that you would like to direct or any other comments that they would like to make? Yes, Emanuel?

DEAN EMANUEL SUTER: Suter, University of Florida. I would like to ask the Chairman the question whether the Executive Council has given any consideration to the possibility of establishing a Council of Students, although, of

course, one recognizes some of the shortcomings of student participation, namely, the short duration of their status as students -- relatively short duration.

DEAN JAMES: Almost as short as Deans!

(Laughter.)

DEAN SUTER: Almost as short as Deans, I agree!

Especially if you include the house staff, and second, the question of true representation of the student body.

Still I feel that I would like to see the Association come to grips with the question, and maybe you are going to report on this, or its virtue?

THE CHAIRMAN: I think Bob Howard is going to report on the Executive Council. Would you prefer to answer it now, Bob, or later?

DEAN HOWARD: I am not sure that I --

PRESIDENT COOPER: Bill, I might answer. There was no -- there has been some discussion, but no official position taken.

At luncheon we were talking with -- we had the pleasure of eating with the students that were here today -- and the real question is how can we really make the most effective, provide the most effective dialogue?

We can keep getting one organization larger and larger and larger, and then we may break -- that organization

may, itself, break down.

The question is, can we establish a method of dialogue between organizations? Or should we try and get everything under one roof? And I think that this is something that we will have to study in some detail with the student groups to see the most effective manner.

THE CHAIRMAN: I think, to back that up, the students have organizations to talk to themselves. What they want is the opportunity for a better interface with us. Am I right, Bert?

MR. KING: We will find you!

(Laughter.)

THE CHAIRMAN: Any other questions or comments? Would the students like to make any final remarks about anything?

PRESIDENT COOPER: Pete might.

THE CHAIRMAN: Pete.

PRESIDENT COOPER: Do you want to answer that question? Did I answer it correctly?

MR. ANDRUS: I guess I am always good for two cents!

One thing would be that, you know, at each school we get students, we get faculty and administration, and I think that, at least at that level, you know, that you guys, if you guys care enough about this, then you have got the

ability to begin really effective communication between all of these groups.

Talking about at the national level, then one of the points that I made at lunch was to the effect that you can put all of the deans in one room, and put all of the students in another, and put all of the academic societies in another, but that is not really as relevant as saying let us develop a mechanism for putting some of these people from each group together, and getting them working at, you know, the real problems, instead of just indulging in rhetoric back and forth.

And that is my one and two cents!

(Laughter.)

THE CHAIRMAN: Bert.

MR. KING: I would just like to ask the question as to whether or not people agree with the assessment I made of the comprehensive health planning boards on a state-wide level?

My view of it is that the definition of the consumer has been applied in a manner which isn't very democratic, and which doesn't include many representatives from communities that have the greatest health problems. And I would like to know if people agree with this, and if so, whether or not you feel that medical schools have any responsibility to try to really push to open up these boards?

THE CHAIRMAN: Would anyone like to answer?

I can only say that in our State, in North Carolina, the biggest cry that I have heard is that there aren't enough practicing physicians.

Out of a group of about fifty, there are only two, and myself and Art Miller, representing two medical centers. Last Monday afternoon I spent the entire afternoon with a task force on diagnosis and treatment and improvement, and I believe there were only two physicians out of a group of eight, and the rest were consumers, of which that left -- let me see, six, and three of the six were black community leaders.

So in our own particular situation, we have not heard any complaints about the lack of representation from the consumer. We have heard many complaints from the medical society.

Yes?

DR. ANDREW HUNT: (Note: Michigan State did not respond to the roll call; if this is Dr. Andrew D. Hunt, Jr. of Michigan State, he should be added to the list of those present on the title pages.)

I would like to answer your question, since I have been awarded the task of being Chairman of Comprehensive Health Planning Commission and Advisory Council for Michigan. I agree that the Advisory Council, which, on a state-wide

basis, is appointed by the governor, largely brings out the powerful consumers in the state -- the bank presidents and people who have influence politically, and so on and so forth -- and, by and large, have a distressing dearth of the poor consumer where the real needs are.

I agree completely with your statement.

And what we are going to do is to develop task forces which do involve the poor consumer, so that he can begin to express his needs in a way which is effective. But I think that you have brought up a very significant point, and this is that those in power in our government are still not aware of the major social issues which affect this country.

And I think that some of our activist students are aware of it, and this is the reason that they are so frustrated. And I think that one of our big jobs is to recognize this, and to do something about it, which is effective.

And I commend you on your observation.

THE CHAIRMAN: Thank you, Andy. Are there any other comments?

Maurice.

MR. WEISE: Just one point, which is more or less in line with that:

Not only are we aware of the major social issues, but I think that many of you are. And it has gone past the

point that we can sit back and wait for the students to do the kind of things that need to be done on these social issues.

Some of these are just that you, yourselves, must make the kind of commitment and start doing the kind of thing on these very issues, particularly on the black students -- and I don't think that you can do all of this by yourselves. I think that you will need advice and aid from the black physicians and the black medical students that are already around, hopefully.

THE CHAIRMAN: Thank you, Maurice.

Are there any other questions or comments? If not, I would move to ask John Cooper, in Carl Chapman's absence, to give a brief report on the deliberations of the Federal Health Programs Committee.

PRESIDENT COOPER: Dr. Chapman was sorry that he couldn't be here, and I will make this very brief; since time is running out, and the agenda is quite long.

Dr. Chapman's Committee has been active in preparing itself to testify before the Appropriations Committee. The Committee made the decision that it would turn its attention largely to trying to get the -- to take advantage of the opportunities available under existing legislation, that the climate of this Congress is not such that it would be very fruitful to try to get new legislation.

And so one of the major points is going to be to try to get full appropriations for authorizations now available in the current legislation.

And this will go across the scope of activities related to the medical centers, including the student loan programs, health manpower support, and some attempts to, at least, retain the cost of living increases in research, research training, which are an integral part of the present programs of medical schools, and something that, if great changes occur suddenly, may have disastrous effects on the schools before they can re-orient themselves to take advantage of other areas of interest that are certainly growing, as you have heard today, in the medical schools.

Testimony will be given on May the 26th. There will be -- Dr. Chapman has made up some Subcommittees that are preparing testimony in particular areas.

John Knowles is heading a group with Bill Hubbard and Bill Jordan in the manpower area. Dan Prouse and Jonathan Rhodes are working in the area of research and research facilities. They had a briefing yesterday at N. I. H. at our request. They are coordinating their testimony with the Federation's, and their testimony.

Educational facilities will be doubly hooked by Dr. DuVal. There has been a breakdown in communication. The funds there will be needed if we are going to expand our

institutions over the long term to respond to the social needs.

Another thing I will say:

We have had interaction with the Department on the activities of the health task force, and its various program teams, which have been considering questions related to the development of the 19 F. Y. '71 budget, and the budgets through F. Y. '75.

It is a very long — I could give a very long dissertation on the problems in this area:

We feel that there has been a loss of communication between the Department, and those institutions which are going to be responsible for carrying out many of the programs which these teams are considering.

And in the health manpower area, in particular, considerations are being given to programs without — they now have input, but at first without the input in any formal way from educational institutions, and this includes not only medicine but dentistry, allied health, and so on.

We did send a long telegram to the Secretary, pointing out that this situation didn't augur well for the kind of partnership that we thought was going to be necessary, if we were going to face the very formidable problems in increasing health manpower broadly.

I don't know whether that was the entire — that

was the only factor with, in effect, a change in approach, but there is a team which has now been -- of consultants which is now meeting with this Program Committee to consider these matters.

We did not have any input in the selection of this team.

In talking with the people in the Department, we were assured that the Secretary's answer to that telegram, which is now being prepared in letter form, will reassure us that we will indeed have an opportunity to have input as an Association before any final kind of decisions are made with regard to the budget.

We are also trying to arrange a meeting with Secretary Finch.

We have been very active in trying to get an Assistant Secretary appointed. And we think that the Department is suffering very much from the lack of this kind of leadership. And, of course, the first choice is to get an Assistant Secretary -- we continue to back very strongly Johnny Knowles, and have stepped up our activities in association with other organizations, trying to get this appointment done.

We do want to have a chance to talk to the Secretary about other things. He is not available, apparently, until the middle of May or later.

I know that A. H. A. tried to get in to see him, and had an appointment arranged through a Congressman. It was arranged originally for two o'clock in the afternoon, and it was delayed until two-thirty by a phone call, and they went and patiently waited and the Secretary never showed up. So they think maybe he is just a myth!

(Laughter.)

I think, if there are any questions, maybe Bob wants to add to this, but I think that is the main activities of the Federal Health Programs Committee, which is working right now in the area of testimony for the Appropriations Bill.

THE CHAIRMAN: Ken and Ike. Ken.

DEAN CRISPELL: Well, John, this doesn't -- Ken Crispell -- this doesn't have to do with the present legislation; this has to do with rumors, which are very rampant. But could you fill us in, if you could, if possible, on the rumor that we have got problems with keeping the peer system going on grants and contracts, i. e., the appointments are going over the Secretary's desk and then to the White House?

You may not want to speak to this, and if you don't, it is perfectly all right.

PRESIDENT COOPER: Well, I have talked to Dr. Marston about that.

The change is that the recommendations -- the same

procedure which has been used in the past for the appointment of Council members, which has always gone up to the Secretary, is now being extended into the Study and Review Sections. The Department is still -- the National Institutes of Health, for instance, is still making the nominations, sending the names up, and they have had no change that they can see in what is happening with the system.

In other words, Dr. Marston says that they have seen no change in the operation of the system.

But now the feeling is that maybe it would be wise for us to keep a careful eye on this, and to reassure ourselves that the peer system, as we have known it over the years, will continue to be important in making decisions about the allocation of the funds available.

At this time he says he does not see, in his point of view, any particular changes occurring, as a result of this. And so he said it would be well for the Association to keep itself informed, and that I am sure we can do. And if anything comes up where this system is being threatened, why, then we can make ourselves known.

THE CHAIRMAN: Ike.

DEAN TAYLOR: Taylor.

Mr. President, I suppose the tenor of my questions and remarks is indicative of the fact that the North Carolina General Assembly is in session just now!

(Laughter.)

But I can't help asking you what the effect of the Association's support of John Knowles for the post in question is going to be upon the Association's influence, in the event John Knowles is not appointed to that post? Have you given thought to that?

FROM THE FLOOR: He is a winner!

PRESIDENT COOPER: I think that at the present time, the only candidate — at least, the Secretary still maintains that Johnny Knowles is his nominee, and that Dr. Knowles has accepted, and that the hangup is not with the Secretary.

Now it becomes a point of changing in this your direction or your support at a particular time, because it is still the Secretary's appointment, as he says, and until we get some different word, I think that the Federal Health Committee, which discussed this, felt that it was better to continue support of Knowles until — and especially in view of one of the other candidates, at least, that seemed to have any chance beyond Knowles.

And so the Committee did discuss this, and it was the view that support should continue for him. Now there are going to be a lot of people in this country who have backed the wrong horse, if he doesn't make it. I think we are in fairly good company.

(Laughter.)

And, therefore, I think I don't see how it would react very bad, given the fact that we have only endorsed the Secretary's appointment.

DEAN TAYLOR: I think that is fine.

THE CHAIRMAN: I think there also comes a time when you have to stand up and be counted, and this was one of those occasions.

And I might say that it was done with the broadest possible consultation in the time period that was available for action.

Are there any other questions that you would like to direct to the President with regard to the Federal Health Programs?

Yes, John? John Deitrick.

DEAN DEITRICK: I wonder if there has been any consideration of priorities?

We have a whole variety of bills, and various aspects of support of the schools. If there is going to be any further reduction, could we have an idea of what the one, two, three areas we would give our maximum support to?

PRESIDENT COOPER: This was also discussed, and certainly the viewpoint is that we should make the initial attempts, of course, to get the funding in all of the areas that are appropriate to our activities.

The area of student loans came out as a very high priority in this, John, as I think the top priority of this group.

The other things that are institutional support come in the second area.

THE CHAIRMAN: If there are no other questions or comments, I would like to move on to the next item, and call on Bob Howard, the Chairman Elect of the Association, to give a report of the deliberations of the Executive Council.

DEAN HOWARD: Thank you, Bill.

On April 8th there was a meeting of the Executive Committee of the Executive Council, and on that occasion there were discussions of the duties and responsibilities of the Office of the President, and the still reasonably recently newly elected President then made a presentation and discussed the financial status of the Association and brought forward a plan for severance pay for A. A. M. C. staff who will be choosing not to move with the Association to Washington.

There were some discussions about certain aspects of the move.

There was a discussion of future annual meetings beyond those already scheduled.

There was a discussion of the National Internship Regional Matching Program, and in particular with respect

to its status in the light of the move of the Association to Washington. And the action that was taken on that was that it was agreed that the Association would push for having the N. I. H. M. P. move to Washington with their staff.

There was a discussion of liaison with the American Hospital Association, and the Executive Committee approved the establishment of a Liaison Committee with the American Hospital Association, including representatives of both groups, and looming large, of course, would be representatives of C. O. T. H.

There were then discussed some implications of the seven-school study of cost allocation.

We were brought up to date on the appropriation -- or on the state of the negotiations with Northwestern University, relative to the sale of the Ridge Avenue property in Evanston, and plans for the building at One Dupont Circle as well.

That was the Executive Committee.

The following day, April 9th, the Executive Council met, and first of all, reviewed the actions that I have just described as the actions of the Executive Committee. It heard a report on the progress of the development of the 1969 Annual Meeting by John Hogness.

There was a discussion of a proposed Commission on Foreign Medical Graduates, and there was fairly extensive

discussion of this proposal for the development of such a Commission to deal with -- on a broad basis, with some of the problems that relate to foreign medical graduates in this country, serving on internships, externships, and so on. It was proposed that the Commission on Foreign Medical Graduates be supported jointly by the American Hospital Association, the American Medical Association, the Educational Council for Foreign Medical Graduates, and the Association of American Medical Colleges would be asked to make a modest contribution to the support of such a Commission.

And the action taken by the Executive Council was to approve the A. A. M. C.'s support and participation in such a Commission, if it is established.

There was then a discussion of the A. A. M. C. participation in, or more correctly, for its proposed development of a larger program in continuation medical education, and the Executive Committee approved, authorized and supported the President in moving forward in developing a formal program -- in the field of continuation education, and to explore the possibility of outside funds -- funding for such a program.

There followed the reports of the Liaison Committee on Medical Education relating to specific institutions that you are familiar with.

There is -- and we had a report of the Federal

Health Program, and you have been brought up to date more currently now.

There was a discussion of the procedures which the Committee -- the Federal Health Programs Committee -- should follow, when it was necessary to state a position on behalf of the Association in instances where there was no standing policy that had previously been established, and it was agreed that the President was authorized to determine when a legislative issue involves a policy which should not be established by the Committee on Federal Health Programs, and to move then in the presentation of such a proposed policy for the approval of the Executive Committee of the Executive Council.

In other words, reliance -- great reliance -- is placed on the President to determine those issues which he feels require discussion of varying degrees of breadth.

There was a discussion of the Medicare-Medicaid matter that you heard about this morning, and some of the same kinds of things that you have heard this morning were presented at this meeting.

Dr. Anlyan then presented a report on behalf of the Council of Deans, but this -- one of the items that loomed large in this was his report of the concern of some of the Deans, especially in the Southern Region, over the level of faculty salaries, which are being paid in whole or

in part from federal funds. And the fear was expressed that there were problems looming ahead in this regard, and Dr. Anlyan presented a memorandum that indicated some kinds of approaches that might be used to help meet this problem. And after a rather protracted discussion of this matter, the Executive Council referred this issue, and the memorandum setting forth the recommendations concerning this, to the Council of Academic Societies and to the Council of Deans, with the recommendation that these be considered at Regional meetings.

Reports were heard from the Division of Operational Studies of the Council on Academic Societies.

There was a discussion of the proposed Commission on Graduate Medical Education -- something that we have heard about now for -- within the past year. And this again was a fairly protracted discussion, as I recall it.

There was agreement that if such a Commission on Graduate Medical Education is established, it should also be concerned with education for the allied health professions, and the action that was taken was approval of A. A. M. C. participation in the development of a Commission on Medical Education, urging that it include the allied health professions as well.

An internal organizational matter was then discussed about the development of a -- there had been a pro-

posal made that we have a Committee on Committees. This stemmed from some feelings of some of the other Councils that the standing committees of the Association weren't as representative as they might have been of the membership from the other Councils, academic societies, and teaching hospitals, and some lingering concern that we don't always give as full attention as we might to geographic aspects when we are talking about the Executive Council and so on.

In the long run it was decided, however, that we did not really need a Committee on Committees, but that the Executive Council really ought to perform such a function, and it was recognized that the officers, the staff, and specifically the President, need to be in tune with the need for geographic and disciplinary representation on various committees, that his recommendation should reflect this, and that the Council itself then ought to be similarly in tune, and when recommendations are brought to it, ought to have these things in mind.

The other reports were those of the Council on Teaching Hospitals, the Division of Student Affairs, International Medicine, and the Division of Educational Measurement and Research.

I believe, Mr. Chairman, those cover the main items that were covered. If there are questions about some of them, maybe you and I together can take them on. I am

sorry Bob wasn't here.

THE CHAIRMAN: Thank you, Bob.

Are there any questions or comments that you would like to direct to Bob about the actions of the Executive Council?

I might enlarge a little bit on the business of academic inflation. This was to have been presented to you at our Chicago meeting in February, but we ran out of time. And therefore, this is the report of Manson Meads' Committee, on which Charlie Sprague served, on Academic Inflation, and their recommendation.

The Council asked that it be taken up, as Bob indicated, by the Council of Academic Societies, and by the non-Southern regional groups, so that it will be coming to the other regional groups for their consideration. Any questions or comments about this?

If not, I would like to move on to ask Cheves Smythe to give a report on the meetings with the A. M. A. and other groups on the establishment of a Commission on Graduate Medical Education.

Cheves.

DR. CHEVES SMYTHE: I believe it was in 1962, or subsequent to the failure of the House of Delegates of the A. M. A. to give its blessing to a proposition through which third party payments like they use for paid house officers,

that the Commission on Graduate Medical Education was appointed.

You are familiar with the report they brought in that such a Commission be formed, and in October a workshop was held in which -- around this general subject of the role of the university graduate in medical education, and from that workshop emerged a recommendation that this Association participate with other associations in a Commission on Graduate Medical Education.

In the meantime, the A. M. A. had invited representatives from this Association, the American Hospital Association, the Specialty Boards, and the Council of Specialty Societies, to meet to attempt to bring together a proposition that was concrete enough on a Commission, and what it might do.

They met and went through the usual day of airing their generalities in positions, and finally, in classic administrative fashion, appointed a Subcommittee.

The Subcommittee was asked to draft a proposal, and as it struggled with this puzzle, it ran into some things that, I think, are worth a minute, if I may be allowed, Mr. Chairman:

And that was, should a Commission on Graduate Medical Education be an honest to God Commission with a budget and some power and some strength? Or was this largely

another talk session, a window dressing situation?

And unable to resolve this, a drafting committee brought back before the group originally invited to be assembled by the A. M. A., four alternate propositions. That group considered those four propositions, and elected to refer to its multiple memberships the following propositions:

And that is that, rather than a Commission on Graduate Medical Education, there should be a Commission on Medical Education -- not Graduate Medical Education, but a Commission on Medical Education -- and that this Commission would be based and organized, essentially, as an expansion of today's Liaison Committee on Medical Education.

The Liaison Committee, as you know, is involved in the accreditation of undergraduate schools of medicine. In this proposal this Committee would be considerably expanded, and it would address itself to problems of graduate medical education heretofore handled entirely by the A. M. A. and Boards and by the Joint Commission on Hospitals, to problems in continuing education, and to problems in allied health education -- again in which the A. M. A. has been much more active than this Association.

The Liaison Committee now consists of six representatives from this Association, and six representatives from the A. M. A.

Under this proposal, it would be expanded to an eighteen-man Commission, with four representatives from this organization, four representatives from the A. M. A., and ten representatives from a number of other bodies.

Answering to this Commission, or reporting to this Commission, would be four standing Subcommittees, one each for undergraduate and graduate, continuing, and allied health education.

This proposal has now been put in draft form, which is definite enough to be votable on. It has not gone through its processing in such fashion that it can be presented to this group at this time, but a proposal like this is being processed and it will come before you, at least, by the fall. I am prepared to answer any questions.

THE CHAIRMAN: Bob, did you want to comment on this?

DEAN HOWARD: No, I wanted to ask a question. I believe that it will not only come to this body, but any actions by this Association must be by the Assembly as the final action?

DR. SMYTHE: Yes.

DEAN HOWARD: Is that correct?

DR. SMYTHE: Yes, I should have said "to this body and to all of the other bodies concerned."

DEAN HOWARD: All right.

DR. SMYTHE: Because A. M. A., A. M. A., and health specialty societies, and so on, et cetera, all --

THE CHAIRMAN: John Deitrick.

DEAN DEITRICK: Will this be available for the regional groups to discuss?

DR. SMYTHE: Yes.

DEAN DEITRICK: Another question is, will there be any residents or fellows on these Committees?

DR. SMYTHE: Yes.

THE CHAIRMAN: These are the clearest answers we have gotten all day!

(Laughter.)

John Patterson.

DEAN PATTERSON: Patterson, Connecticut.

I wonder if you could tell us a little bit more about what the functions of this Committee will be that relate to graduate education?

Will it give all the accreditations for what has been done by the Boards? Or just what will its overall functions be?

DR. SMYTHE: Accreditation, basically.

I think the development, however, is away from a programmatic program-by-program basis for the conduct of graduate education toward an institutionalized -- whether the institution be hospital or medical center or medical school

or what have you -- base for graduate medical education.

Now this is a development which is really occurring essentially independent of such a Commission -- of the appearance of such a Commission, and I would view the appearance of a group like this as, well, not independent, but as a development which is in parallel to the rapidly changing patterns in how graduate education will be organized.

THE CHAIRMAN: I think they have come a tremendous way really in their deliberations.

Here up to now we have had the Medical Schools concerned primarily with undergraduate medical education, the A. M. A. with an interest in graduate medical education, the Board of Specialists hardly talking to each other, except once a year in a group that really has no power.

And the catalytic effect of the Council of Academic Societies, and the leadership shown by the A. A. M. C. and the A. M. A. in bringing these groups together, has really been tremendous.

I think that the conference that the A. A. M. C. had with the C. A. S. last October was another strong moving force in this direction, and I understand, Cheves, that you and Tom Kinney are preparing a report for publication on this.

DR. SMYTHE: It goes to the "Journal" on the 15th, and is to appear, I think, in September.

THE CHAIRMAN: Are there any other questions or

comments about the proposed Commission?

You may recall that under the Millis Commission report, it was supposed to have been a part of the A. M. A. structure -- and this position has been abandoned, as I get it.

DR. SMYTHE: There are a number of political trade-offs in the proposal that has been written.

(Laughter.)

THE CHAIRMAN: If there are no other questions or comments, we will move to the final item on the agenda, the regional reports.

And Manny Suter, since you are closest to the mike, would you report on the meeting of the Southern Deans last week?

DEAN SUTER: It is a pleasure. I will try to be short.

The Southern Deans met on April 29 and 30 for a one-day meeting. The first afternoon, or the afternoon of the first day, was a joint meeting with the Council of Teaching Hospitals, the corresponding regional group.

The topic of the meeting was the financing of teaching hospitals, and we had three presentations:

One by a Mr. Wittrop, who is Executive Director -- Deputy Executive Director of the affiliated hopsitals.

The second presentation was by Bill Anlyan.

And the third by Dave Stuart, who is with the Rochester group in New York.

I think the value of the meeting was not so much the amount of information produced, since all of the people, I think, realized the problem. But I think it was worth while to bring these two groups together, which are quite different people, and to bring them together in this kind of context.

I think we recognized that teaching hospitals are in a particular predicament:

One, of rising costs, of course.

And the other, of ill-defined contribution to the cost of the educational programs.

And it might be necessary to find a better way to define these areas of cost.

The second day, or the morning of the second day, was our regular meeting. Obviously, this group was in a happy mood, and decided that from now on, we will have, once a year, a more relaxed meeting for two or three days, in better grounds that in the airport of Atlanta.

And we chose for our first meeting, or accepted invitations from the Dean at Puerto Rico to go to Puerto Rico!

(Laughter.)

And since Puerto Rico has been very much concerned with the relationships between the medical schools and the

community, we chose for our first topic this area for discussion and we hope -- since this is a very germane issue, obviously.

The second item which was discussed, or which was brought to us, was a report by Art Richardson on the planning of the Regional Medical Library in the Southern Region. For about two years, three medical schools, or three libraries, considered trying to plan for a regional program -- one, the Library in Alabama, I believe, the Library at Duke, and Emory, and Vanderbilt -- at different stages of development. Finaly, I think, Emory made it.

The Calhoun Library will, I think, be authorized to present a program to the National Library of Medicine for funding as a Regional Medical Library. And I am very pleased that this is so, and I think that all of the Deans were relatively pleased. And I hope that they will all support this, at least, those who will be involved.

Now some of the items have been discussed here, and so I will not go into them.

We were expressed concern over one issue, and a resolution was unanimously passed, and should be brought before this group, and the issue is, in a way, the discrepancy between pressures on medical schools to increase enrollment, and the disappearance of funds to support medical schools. And the resolution reads about as follows:

"In view of the problem of health manpower in the nation and the great demands placed on medical schools, and in view of the marked reduction of research and training grants, support in faculty recruitment and training, and in view of the shortage of teachers for new and expanding medical schools, some ultimate mechanism should be developed promptly to support the training of medical educators in medical schools."

And I would like to present this as a motion for this Council to present to our Executive Council for, hopefully, some action and consideration.

THE CHAIRMAN: Manny, would you repeat that?

DEAN SUTER: All right.

THE CHAIRMAN: Because some people may have missed the resolution.

DEAN SUTER: I will repeat it:

"In view of the problem of health manpower in the nation and the greater demands placed on medical schools, and in view of the marked reduction of research and training grants, support in faculty recruitment and training, and in view of the present shortage of teachers for new and expanding medical schools, some ultimate mechanism should be developed promptly to support the training of medical educators in medical schools."

THE CHAIRMAN: I think the intent of the word

"medical educator" was a teacher development program, like the R. C. D. A. is for the research development, is that right?

DEAN SUTER: Yes.

THE CHAIRMAN: I am just merely trying to clarify that.

DEAN SUTER: Yes, it is the teacher development.

THE CHAIRMAN: Is there a second to the motion being made by Manny Suter?

FROM THE FLOOR: Second.

THE CHAIRMAN: It is now open for discussion. John. John Patterson.

DEAN PATTERSON: I believe there is a program supporting at the present time. I know one of our faculty is on the Study Section for it.

They support programs such as the one at Illinois that George Miller is related to, and they have been on site visits for some others, such as the one at Southern California.

I am not sure exactly where in the federal government this is. I think it is under resources of some kind. But there is some kind of a program such as that, at the present time.DR. SUTER: There is one, I think, that supports individuals to be trained, that is, in psychiatry. The N. I. M. H. supports teacher training and psychiatry training grants

for this particular purpose, I think.

DEAN PATTERSON: I believe this is broader.

DEAN SUTER: Yes.

DEAN PATTERSON: And someone else may know more about it.

THE CHAIRMAN: Does anybody have any further information?

Do any of the other Southern Deans wish to comment on this on the intent of the resolution? Charlie, do you wish to comment?

DEAN SPRAGUE: Well, I think that you are talking about two different things, perhaps, Dr. Patterson.

I think that what we had in mind was that with the curtailment of the training grants to pick up Ph. D. programs in the basic medical sciences -- both research programs and training grants -- that we were unable to attract and fund the number of individuals that could come into these programs that had been possible in the past, and that research training, in a sense, was training for a career in academic medicine, and that without these funds, some mechanism needed to be developed to try to support individuals who would fill these positions, particularly in the basic medical sciences.

FROM THE FLOOR: Sure.

THE CHAIRMAN: Bill, do you wish to comment? Bill

Jordan?

DEAN JORDAN: No, he has said it very well!

(Laughter.)

THE CHAIRMAN: So the intent of the resolution is for this, if passed, for this to be brought to the attention of the Executive Council for further action and consideration.

Are you ready for the question?

John Deitrick.

DEAN DEITRICK: Well, speaking to the whole fellowship and traineeship program, we met in New York, and I believe I can speak for most of the schools -- our faculties are much disturbed by the fact that we are faced now with interns receiving approximately fifteen hundred or two thousand more than a fellow.

And I think perhaps we really should speak to this and it should be brought up, perhaps, before the Federal Health Programs, or before the membership really. We may be in a unique position at the present time where interns and residents are being paid two or three thousand more than trainees or fellows, but I suspect that most of you will be involved in the same problems within another year or two, unfortunately.

And what to do about it, we don't know yet. The only suggestion that we had was to recommend that if there

is a reduction in funds, that they cut back the number and raise the stipends of the trainees and fellows, or the other suggestion that I was considering, if the N. I. H., in its programs, would allow us to set -- to match it, say, they pay seventy-five per cent, and we pay twenty-five per cent. That has some psychological angles to it. We might be very much more selective in our picking of young men, if we had to put in some of our own money.

And right now we have to anyway. We can't use federal funds to supplement these traineeships and fellowships. We have to get money from some other source.

But it seems to us that the future of developing young men is an item that we couldn't ignore in the Association, and that it ought to be discussed, and I think that it is pertinent to this question now.

THE CHAIRMAN: It certainly could be brought up as a separate issue to the Executive Council.

If you are ready for the question, all those in favor, say "aye".

(A chorus of "ayes".)

Opposed?

(No response.)

Thank you, Manny. Is there anything else in your report?

DEAN SUTER: Yes. There is one more.

At the time we met, also, it became public that the New York State Legislature had passed a bill, which would, I think, enforce a particular program in state operated or supported medical schools.

This is a very real issue. And the same -- a similar bill -- has come up in the Florida Legislature, which fortunately, did not get out of Committee.

However, I think this represents an infringement on institutional academic freedom. And I think that this Association -- and especially, I think, this Council -- together with the Council on Academic Societies, should make every effort to support local groups, if necessary, in trying to prevent such legislation.

And I was wondering whether in this respect, also, a resolution would be in order, which maybe would empower our Executive Council, urge our Executive Council, to do whatever it can.

THE CHAIRMAN: I think, Manny, if I read the group at the meeting in Atlanta, one of the concerns about any formal resolution was that we didn't have all of the facts, and perhaps at the appropriate time the Deans in New York State might relay to the Executive Council what their impressions of the impact of this legislation is.

And perhaps we can bring it back to this group subsequently, if that is acceptable to you?

DEAN SUTER: Oh, yes. Definitely. I think I have made my point, and that is the important thing.

The final item, I think, is an item which Bill referred to a little earlier, on the Joint Conference Committee on Health Care, which was established in North Carolina. Bill Anlyan and Ike Taylor reported on this, which apparently was the most effective method to approach and bring certain problems to the Congressional delegations. And it was highly recommended as, possibly, a mechanism for other States to act, especially in view of the lack of Congressional, of Senate leadership, in terms of health legislation.

I think this covers most of the items, unless somebody wants to add something.

THE CHAIRMAN: Thank you, Manny.

I think that Bill Jordan still has his hand up. Would you like to?

DEAN JORDAN: There was one item that came up in our Joint Meeting, which I would like to have the reaction of this group to:

Obviously, the cost of house stipends, house staff stipends, was a major part of the discussion of Medicare, and the legislation, and we were urged, at that time, as Deans, to write in support of this new bill, which had been introduced, recommending that house staff costs be borne as

educational costs through separate funding mechanisms. This was agreed and submitted --

THE CHAIRMAN: This is the point --

DEAN JORDAN: The object of this recommendation was, we drafted something or other -- we haven't sent it, waiting for this meeting, because I will be addressing the same gentlemen, in many other ways, asking that the student loan funds and other perhaps more immediate needs, not be curtailed.

And I wonder if it would serve our best interests by supporting this piece of new legislation -- possible legislation -- or not.

THE CHAIRMAN: John, would you summarize the discussion of the Federal Health Program thing?

PRESIDENT COOPER: I will talk a minute, and maybe Bob Berson will add to it.

In considering the Reid-Brademus bill, the Federal Health Council, Programs Committee, made the recommendation that maybe that part of the bill not be supported, because it was all tied up with a very complex kind of support for residents, and it didn't amount to a great deal of money, and the real fear was that if this bill -- if this part of the bill went in, that indeed it might remove a lot more kind of support for residents than it would provide.

And so it was the recommendation of that Committee

that this particular part of the bill not be supported, and, Bob, the letter was sent on that behalf, wasn't it?

THE CHAIRMAN: Thank you.

PRESIDENT COOPER: So that was the viewpoint of the group on the Committee.

FROM THE FLOOR: You pass this word to others. Somebody might be sending the kind of letter we would want to send.

THE CHAIRMAN: The Northeastern group did not meet.

But I know that the New York City group met, and we might come back to them and see if they have anything, after the regional groups have reported.

Bud Grulee, would you report for the Midwestern group?

DEAN GRULEE: Well, Mr. Chairman, the Great Plains and Midwestern Group has spent a lot of their effort in the last few months in the reorganizational plan, which we hope will be characterized by:

(1) Simplicity, and

(2) By a certain parallelism with the national relationships within the Association of American Medical Colleges.

It will have one feature which is a little unusual in that the Great Plains - Midwestern Group has had a Council

of Faculties, as opposed to a Council of Academic Societies. The Council of Faculties is a fairly well structured group. It is extremely involved in the Regional group. And we -- there are those of us who think that this is an appropriate and a potentially very constructive representation from the medical schools.

It is our overall plan in our organization that C. O. T. H., the Council of Academic Faculties, the fiscal officers, and even hopefully, the continuing group for student affairs, who have disavowed our official title and are now calling themselves the "Central Region", for reasons that I am not quite sure of, may agree to, at least, meeting in plenary session for part of a combined meeting, and then split into their individual meetings in some single location.

As has just been said, we also are a little bit tired of meeting in airports and running for planes, so that we, our last meeting was arranged, as was the Southern meeting, for one-half the afternoon, that evening, and then the next morning, with the terminal portion of the program breaking up into the component units of our Region.

In brief, we discussed the seventh school cost study, and Dr. Bucher and Dr. -- Mr. Bernard Lightener, from Ohio State, were kind enough to come and discuss with us.

We will have a resolution, which the Vice Chairman

of our Region, Dr. Mayer, will later offer to the organization here.

We discussed Medicare, the same type of problems that have been referred to here. Mr. McNulty was kind enough to lead this group.

At our evening discussion, the President of the Association, Dr. Cooper, spoke to us on health manpower, and the current situation in Washington as he saw it. We found it extremely informative.

And the next morning, among other things, we had the Assistant Dean from Missouri, who had a very rich background in the functioning and internal structure of the Bureau of the Budget, and the implications of this structure and this functioning to the various programs that our schools were interested in. And that was, I think, very well received and very informative also.

And now if I might ask Bill Mayer to present the resolution that resulted from our meeting, I think that is all I need to say.

THE CHAIRMAN: Thank you, Bud.

Bill Mayer.

DEAN MAYER: Yes, as Dr. Grulee has indicated, we did spend some time discussing program cost analysis study, and discussed at great length the critical importance now, because of funds coming from multiple sources, and our having

to answer to multiple groups, further, more clearly and specifically defining where our dollars are coming from, and what kind of labels that they have.

And we felt that the A. A. M. C. had taken a great step forward in initiating the study, and as a consequence of this, passed a resolution to recommend on to this group, for their recommendation hopefully on upward, simply to encourage the A. A. M. C. to continue their efforts in the program cost analysis study.

THE CHAIRMAN: Thank you, Bill. That is a resolution.

Is there a second to that?

DEAN JAMES: Yes.

THE CHAIRMAN: Is there any discussion?

Chaves.

DR. SMYTHE: Well, possibly Dr. Rice ought to let people know what is already being done. I think that might be good.

THE CHAIRMAN: Walter Rice, would you comment?

DR. WALTER RICE: This study is going forward into its second phase.

The seven schools that were initially involved are continuing their study and refining and improving the definitions. For those of you who are unaware of the nature of this study, the definitions become very, very important

in coming up with relevant information.

We have a tentative list, or we are in negotiation, the final stages of negotiation, of a contract to continue this, and to extend it to involve maybe twelve other schools, and we are getting more volunteers than we can probably handle.

One of the two developments -- or the two new developments, which I think are rather exciting:

One school is proposing to turn their medical economists on this problem in a special project which, I think, will uncover -- or by using a different technique of an input analysis or an input-output analysis, will define the results of money and the inter -- and here I think a very important part is the interplay or the relationship of the one element, let us say, undergraduate medical education to research or to patient care or to other elements of the system, because, as you know, this is a very complex system, and each one is interrelated, and we have now broken it down into component parts, and now we have to put it back together again and show which -- what the factors are in, say, a research program that is essential to the educational program, and what would happen if we cut out the research program or reduce it, what would happen to the educational program.

And this project, I hope, will be supported, and

I hope, within a year, we will have something to report on it.

The second project that is part of this cost allocation is being done by another school, is being proposed by another school, for which we are seeking support, is to turn their social scientists onto this program, and to do what you might expect to analyze the validity of some of the responses in their school, using control groups and the various types of -- using instructor groups and peer evaluations and so on.

Now this is needed because the major criticism of this kind of a program is that it is subjective, and that the information is not valid.

I suspect that the social scientists are going to tell us that it is reasonably valid. So these are the developments.

THE CHAIRMAN: Thank you, Walter. It seems to me that the resolution is supportive of one Dean Goddard.

DEAN MAYER: We understand that.

THE CHAIRMAN: If there is no further discussion, all those in favor, say "aye".

(A chorus of "ayes".)

Opposed?

(No response.)

Is there any other comment from the Midwestern

group?

Yes, Bill?

FROM THE FLOOR: I just want to report that Illinois is not spared. The Legislature on Wednesday passed out of Committee the same kind of bill that has been passed in New York and introduced in Florida.

We have two more opportunities, perhaps, to deal with it:

One in the Senate.

And the other on the Governor's desk.

But although I am the only State school in Illinois -- I represent the only State school -- the other four schools will be getting State money probably from this legislation, and they will be tied in with this, almost for certain.

So it is spreading West!

(Laughter.)

THE CHAIRMAN: Just keep it going West!

(Laughter.)

FROM THE FLOOR: Sure!

FROM THE FLOOR: To Hawaii?

THE CHAIRMAN: Speaking of the West, Merlin DuVal, will you report regarding the meeting of the Western Deans now?

DEAN DU VAL: Bill, I think you should know, be-

cause we have had an extensive meeting before, and secondly because approximately fifty per cent of all the membership of our group meet monthly in California anyway, we did not meet this time.

I might add one comment, however:

We too are a little tired of coming in and out of airports, especially in San Francisco on the same day when we never get to see that lovely city, so we have all drawn on the map a point that is equidistant from all of us, and it does approximately turn out to be Hawaii.

(Laughter.)

THE CHAIRMAN: There is a distortion somewhere!

(Laughter.)

FROM THE FLOOR: Turn it around the other way!

THE CHAIRMAN: Is there any other business to come before us, other than future meetings?

PRESIDENT COOPER: May I make one?

THE CHAIRMAN: Yes.

PRESIDENT COOPER: I thought maybe Matt would be back, but I don't know whether you need to discuss that any more.

I would like, for those of you who don't know it, to say that Mr. McNulty will become the Vice President for Medical Affairs at Georgetown University on or about July the 15th. He will be a great loss to the Association. He wanted

to get back into the operational aspects of his -- of medical care and medical education, and we are meeting with the Council of Teaching Hospitals, and will be seeking a staff member of the Association to replace him.

He has been a very active and important member of the staff of the organization, and we certainly hate to see him go. I thought that I would be able to say this in his presence, but lacking that, I will tell you this so that those of you who haven't heard it will know it.

THE CHAIRMAN: Thank you.

Charlie Sprague.

DEAN SPRAGUE: I think that I personally feel that we do need some additional discussion of this Medicare, Part B payment, because, you know, there is an instruction in that memorandum indicating that the intermediary shall make no payment after this month, unless all of these conditions are met.

And I know our faculty is not certain what this really means. And I have three specific questions that I would like to pose, and maybe someone here can answer them.

THE CHAIRMAN: Could we do this?

Cheves, could we possibly -- Matt was supposed to join us, and his meeting is in the next room -- if we could send a smoke signal and see if he could join us?

DR. SMYTHE: For further discussion?

THE CHAIRMAN: Yes.

For those who would like to stay on this specific issue -- and I agree with Charlie, this is one of the issues that is going to affect graduate medical education profoundly, if we don't do something about it.

What it means for the medical staff is that you can't have two rounding people on the ward, on the teaching ward, and collect any fees on the patients. It has got to be the same person as the physician in charge.

For the surgeon it means that unless he takes complete charge and does the operation -- it isn't just a matter of scrubbing in; if he scrubs in, he has got to prove that another resident wasn't available as an assistant, and if that is true, then he gets paid as assistant's fee.

For the obstetricians it means that they can't round every third day in a three-man team, that they have to take care of the individual patient.

I am sorry; how did we get -- yes, that is for Medicaid.

DEAN SPRAGUE: Right!

(Laughter.)

THE CHAIRMAN: I was getting a little confused with Medicare!

(Laughter.)

DEAN SPRAGUE: Very good.

THE CHAIRMAN: But this is a very crucial issue, and those of you who are concerned about it, I think, should stay on for a further discussion.

While we are waiting for Matt to join us, it has been my understanding that it is your wish to have three meetings a year of the Council of Deans -- barring some crisis -- that that these would be in February, in association with the meetings in Chicago, in May as we have now when there is so much legislation bubbling, and at the time of the meeting of the Association in late October or November. Is there anyone who has a different view of what the Council of Deans should be doing?

I think that somebody had a hand up in the back, and I would like to recognize him. Yes?

FROM THE FLOOR: I was just going to ask, Dr. Marston mentioned some budget figures. Did that material arrive?

THE CHAIRMAN: Yes, it just did, and we will distribute it, or make it available, on the way out.

FROM THE FLOOR: Mr. Chairman, I think that our Region, at least, would be greatly helped in timing our Regional meetings, if there could be a publication of specific dates for our Council of Deans meetings.

We would like to space our meetings a few weeks before, so that we could effectively relate to the national

meetings.

THE CHAIRMAN: May we do that, John?

And, of course, the dates in October-November for the Association meeting, and the February dates, are pretty fixed, so it is a matter of trying to fix maybe two years ahead the May meeting.

That is a good point.

Is there any other business that you would like to bring up?

Charlie, would you start out by voicing some of your concerns of the faculty, and yours as you expressed them to me on the phone, about Medicare, Part B?

DEAN SPRAGUE: Well, I don't know how many of you received the material that you saw today that was passed out on this Part B, Medicare. And I have several concerns regarding this:

One was what this ultimately might do to graduate education, particularly in surgery. And I think that there is some difficulty on our part in knowing exactly what this memorandum means. If it is interpreted literally, it can be quite devastating, not just from an economic standpoint -- or either that or restructing completely our method of graduate teaching, not just in surgery but other areas as well. And those of us who function in a hospital -- Matt is here; perhaps we ought to wait.

THE CHAIRMAN: All right.

DEAN SPRAGUE: Because I would like him to answer some of this, if I may.

THE CHAIRMAN: Matt, would you join us for a continuation of the discussion of the new set of guidelines for Part B of Medicare? Regarding teaching -- Charlie, would you like to come up here?

DEAN SPRAGUE: Well, all right, I will be glad to.

THE CHAIRMAN: You might as well express your concerns.

DEAN SPRAGUE: Now we were just reviewing again what we initiated this morning, and I know that our faculty is quite concerned about this memorandum, not knowing how to interpret it.

Should it be interpreted literally? Or just what does it mean?

And in as much as there are instructions here to the intermediary to withhold payments beyond this month, unless these conditions are met, we felt that there may not be time for the Committee to review this at great length and then to report back to the Council of Deans, or to the Executive Council.

But we will need some interim interpretation on some of this, specifically with respect to the surgeon, for him to be to be an attending, or considered an attending, is

this really a significant departure from the previous understanding that they have had with the Social Security Administration? And if so, just exactly what does it mean? A literal interpretation, of course, would mean that he would, in effect, have to do the surgery, to be considering as attending, almost, unless you can consider that portion of it which states that unless in the community this is the usual role of the surgeon performing that particular operation.

Secondly, there is a statement that billing for professional services shall be for no more than professional billing for other patients rendered similar service in that hospital.

In other words, if you have varying professional fees -- Blue Cross, Welfare, and so forth -- that they choose the lowest.

Well, in our particular instance, where the hospital is solely or almost exclusively for the indigent, there is no billing for professional services rendered these other patients. Does this mean that we cannot bill at all for the Medicare patients that are rendered professional services?

MR. MC NULTY: Well --

DEAN SPRAGUE: And there is one other thing I might ask:

There is a statement, one paragraph stating that

the function of a physician in conducting grand rounds, that this is basically a teaching function and not patient care, and that this service cannot be interpreted as rendering patient care.

Now I don't know what they mean by "grand rounds", and some institutions conduct rounds in one way in various departments, and an individual within a department, and teaching and patient care are often almost one and the same. And we don't know how to interpret that paragraph either.

So if you can tell us how to interpret it, it will be most appreciated.

MR. MC NULTY: Well, Charlie, I am not sure that I can fulfill all of your expectations in the sense that I am the last word or that I have a positive interpretation. What I can do is give you a consensus of discussions, and the conclusions those discussions produced, as we discussed this at the meeting that Dr. Grulee had in Chicago, the one in Atlanta, the one in San Francisco, and the one in New York.

Now from that sort of a base, it has appeared to us that the framework runs this way:

That correctly or otherwise, a Committee of the Senate has interpreted the Medicare program as being devised to provide an individual physician for each beneficiary who was receiving health care under a financial support of the

Medicare program.

And that this physician should be identifiable, that there should be a distinctive arrangement of sometimes some type empathy, identification, laying on of the hands, advice, counsel, some sort of a relationship established between a patient and a physician similar to that that would be established for a private patient, and thus the emphasis in the law on semi-private accommodation.

Now if one takes that as a basis, then the auditable, or audit trail that you should establish would be a relationship to what is done in each area. And this is the confusion, Charlie, because every area in the country, and every institution within a given area, differs as their traditions have differed.

For instance, on the East Coast, it seems to us that there is a fair amount of utilization of the "grand round" technique as a charge to the supervision of medical education, and the fee for service being levied only when the physician who was conducting the grand rounds makes a specific stop and undertakes a specific responsibility for that patient.

So thus the physician can have services reimbursed under Part A for his supervision element, and under Part B for the specific patients that he picks out that he gives identifiable and specific attention to.

On the West Coast there is a very strong element that says "We have no supervision. Every patient we see is a patient that gets individual attention from the 'grand round' technique, from the attending physician, and a fee can be and is submitted for each patient so seen.

Then there is -- I have not examined the methodology other than to look at some clinical records, but there is a contention that each one of these patients is then recorded in terms of the attending or the grand rounder, in terms of a note, and a recommendation, and evaluation, a diagnostic observation, a therapeutic suggestion. So that there exists those extremes.

Most of those who have carefully looked at these regulations -- and here I would ask, perhaps, Bill -- Dr. Mayer, to join us, since he sat as we all went round with this on a Committee -- have said, in answer to your first question, Charlie, that really there is nothing different about them, other than that they have become more stringent, that they -- excuse me, I have been talking all day -- that they are amplification to ridiculous, particularly when you talk on page one as "superfluous", and page two as "not medically necessary in a university setting" -- "superfluous" for a man who is putting in eighty hours is an insulting word, and "not medically necessary" is a sort of presumptuous and gratuitous phrase, since if he wasn't there -- I mean, if it wasn't

necessary, medically necessary, the faculty member wouldn't be there.

But aside from those extremes of ridiculousness, it has generally been the belief that what this does is establish in more detail the ground rules that have already existed.

And how far does one have to go -- in another of your questions -- in documenting this? I think, as Dr. Eichman mentioned this morning, I don't think there has to be proven that every case in the community is similar to this. I think there has to be -- I would urge that there be enough documentation so that if an audit is taken, you can indicate that five or ten or twenty -- whatever you think is a fair and defendable -- in the sense that each of us will have to defend it -- a defendable position that that represents a common custom and, therefore, that is the way we do it.

"Well, what is your frame of reference on a common custom, Doctor?"

"Well, here are five or ten or fifteen cases -- we can get fifty, if you want, but we have taken that number, and that is our position of a usual method of professional practice in this community, or in this particular area" -- whatever it may be.

Maybe I had better stop there, and see if I have answered it.

THE CHAIRMAN: Bob.

FROM THE FLOOR: One question, Matt:

This, of course, applies to the Medicare patients. What is your best guess as to how soon the same guidelines will be interpreted to apply to Title 19, or indeed by those carriers who are for their own subscribers?

MR. MC NULTY: Well, I think that as soon as Title 19 officials become conscious of this, which may be right today, or it may have been a month ago, I think we will find the same sort of application.

Title 19 is in more financial trouble in many states than is the Title 18 program. And in those states where they are having the greatest financial difficulty -- take New Mexico -- I presume that if they were trying to resurrect Medicaid, which now seems temporarily to be interned, if they were trying to raise it, I think that they would immediately want to implement something like this.

FROM THE FLOOR: But this would not make it immediately effective, nor would they be able to interpret this as being applicable?

MR. MC NULTY: Other than that many states have used the wording, in implementing Medicaid, that they would follow the same reimbursement principles as Medicare.

FROM THE FLOOR: Yes.

MR. MC NULTY: And if that is the wording in each

of your particular states, then this would become almost automatically applicable.

FROM THE FLOOR: Yes.

DEAN MAYER: It is a state option basis, Bob. They may be more rigorous or less rigorous or do the same.

THE CHAIRMAN: John Deitrick had a question.

DEAN DEITRICK: No, I want to make a speech.

(Laughter.)

But it is late. I think that we are going to haggle like this endlessly.

In the seven school study, as I recall, what he did, between seventy and ninety per cent of his time was in service. If you also -- you will find, I think, that in terms of education -- that is, the salary -- that if a man is paid nine or ten thousand, his supervision or his education is costing the school another five to eight thousand. We have done this and it checks almost exactly with some other studies of other schools.

So we are already paying for education.

These men are physicians and yet the law -- and Blue Shield says that even though they are seven years out of medical school they cannot be paid for their professional services.

Yet if they quit after a year's internship and go into practice, they would be paid immediately. This is the

organized medicine -- but we could save the public a tremendous amount of money if we would have teaching hospitals approved for patient care, and charged so much per day for professional care of patients.

We have reached way past, gone way past the stage where the individual doctor of a teaching hospital provides patient care. We do a heart transplant; it takes sixteen to twenty doctors. Who collects the fees?

I think that we are just talking a bunch of nonsense!

We are wasting federal funds and our own money, and turning a lot of somersaults here with a lot of details. And I was hoping that this Association -- it might take us one or two or five or ten years, but if these young men aren't able physicians, who takes care of you at night in an accident -- or your wife?

No expert doctor! These fellows are going to have you either alive or dead before any doctor is ever going to reach your side -- I mean, any doctor who is accepted by Blue Shield or by Medicare!

I think it is just a bunch of nonsense, and we would save an unbelievable amount of money -- and we have done this and made a test ourselves in one ward, what we would save if we billed for each patient per day for all of the professional care, and then it is our business how we distribute those funds

among the men who delivered the care.

THE CHAIRMAN: John --

DEAN DEITRICK: I think, in this Association, we should really take some leadership. We may not win our point but the way I see this, we have awfully good grounds for standing.

THE CHAIRMAN: Are you suggesting doing this as Part A or as a Part B package?

DEAN DEITRICK: I am taking Blue Shield, too. I am trying to take it across the board.

When you are a teaching hospital, you have to meet certain standards, and we have a new organization now, certain standards, and admit those standards for approval; couldn't bills be accepted for professional care of patients in that teaching hospital, a simplified approach?

THE CHAIRMAN: Well, you know, we have tried this and, in fact, the people came down to check us out. All of the billing was under the name of the head of the department collectively.

But the Medicare people came down and said that the Pilot Life Insurance Company, the intermediary, had given us a bad suggestion, to do it that way, and that this would no longer be acceptable.

I think there is another comment.

DEAN DEITRICK: You have to go to legislation to

get it done.

THE CHAIRMAN: Yes.

DEAN DEITRICK: I appreciate that.

THE CHAIRMAN: And that was one of the confusions, because some of them had been on site visits somewhere else, but all of the billing was done in their name, so we have got a clear bill on that.

Yes?

DEAN MAYER: John, this was the issue that we raised when we started getting hit by this by our fiscal intermediary, who even interpreted this far further -- and the question is, and to follow that suggestion that I commented to Bill Anlyan and to others, that the time has come for this Association to take some positive, constructive leadership.

And what came out of the meeting in Washington on that didn't go on further and comment on it -- I hope what came out of it, at least, I hope what came out of it was the decision on that reinforced Committee, which has members of the Council of Teaching Hospitals, the Council of Academic Societies, and the Council of Deans, on it, to address itself primarily to tuition -- the first issue is what kind of a stance can we appropriately take in relationship to existing law? In other words, that which you can change in the regulation. And to take a look at the even longer range issues, which

is what kind of changes might be appropriate to accomplish in terms of the change in the law?

But those are the two things which I -- my understanding was that that Committee is now going to move on to address itself to, and I hope that they do it in a hurry.

FROM THE FLOOR: We might get a lot of support from the house staff too.

FROM THE FLOOR: Yes.

THE CHAIRMAN: Yes?

DEAN WHITE: White, Texas - Galveston.

I want to go back to the comment that was made a moment ago about the audit procedure and what is common to a community in terms of procedures in medical care. I still don't understand the explanation of this, because what is common in the community may not be common to the teaching hospital.

That is the way a Medicare patient is handled in a totally private hospital has no relationship whatever to the way a Medicare patient is handled in a teaching hospital. There is what Dr. Deitrick said, that in a private hospital a fellow with one year of internship may be taking full responsibility for a Medicare patient, and be eligible to be paid, and a seven-year resident may be taking the responsibility of the supervision for a teaching hospital, and there is no eligibility.

I don't understand, the community practice aspect there.

MR. MC NULTY: My community practice comment related to the example that Dr. Eichman used this morning of where the opthalmological procedures in that community were done in that way -- is that an acceptable way of doing them? And my response was yes, if there is a clear history.

DEAN WHITE: Yes, in a community such as his.

MR. MC NULTY: Yes, sir. Yes, sir.

DEAN WHITE: In a community such as Dallas, there is only one teaching hospital of any --

MR. MC NULTY: Then you may have to establish your own practice in the way it was done, and just indicate that it has been continued as has been the tradition in that location.

DEAN WHITE: Well, the tradition --

MR. MC NULTY: Well, I could answer it better maybe if I had the specifics. Sir?

DEAN WHITE: Well, the tradition in a teaching hospital, this would be sufficient to establish precedent in the community?

MR. MC NULTY: No, sufficient to establish some precedent for what you are doing.

THE CHAIRMAN: Bob, did you have a comment?

FROM THE FLOOR: The only comment that I would

make is that, having gone through some of the problems relating to the interin, to the care financing, to the medical center, and thus in the educational process, it impresses me in many ways that how Title 18 and 19 are interpreted by the intermediary may be as important to, at least, some institutions as whether or not research funds are cut.

FROM THE FLOOR: Yes.

FROM THE FLOOR: And at the moment there is still a great deal of room for interpretation within what appears to be a rather rigid statement.

DEAN WHITE: That's right.

FROM THE FLOOR: And so I would hope that in some way, rather than our individually tackling this problem, we might make appearance to the Social Security Administration to encourage them before rigidifying policies, and before making them too specific, to look to the effects, at least, in regions, of the interpretation used by the carriers in these regions.

THE CHAIRMAN: Well, let's ask Matt what the Goulet Committee that has representation from all three Councils is going to do when?

MR. MC NULTY: Well, our order of --

THE CHAIRMAN: Specifically related to this?

MR. MC NULTY: Yes, our order of attention is, first, this fire fighting activity, in which we are now en-

gaged, which is, as Bill indicated, an attempt to insure that the entire A. A. M. C. field — deans, faculties, and hospitals — know of this new document, know why it originated, in terms of a Congressional interest, and as best we can, explain it as we understand it, and emphasize in that explanation the audit aspect as being, perhaps, the most pertinent in terms of being able on some occasion, if necessary, explaining whatever is the local situation, but with a record available that it is just not a via voice explanation when somebody shows up, but that it is a clear record of "This is the way we do it, and this is why we do it."

And then, secondly, see if we can evolve some principles that relate to the rules and regulations in the law, as it now exists.

And that principles document is being drafted, and is already in second draft. As soon as we can put it in what we would call clean language, we would tend to recall the Committee on Financial Principles and review that.

At that same meeting, we would hope to move into the next area, which is, can we reach any agreement on the changes that we would like to recommend that take place in the law as it exists?

That is worded very vaguely, that statement, that last statement is worded very vaguely, because I don't know how much discussion you have had, but any time you get ten

or fifteen people together on this, there is no unanimity of opinion.

FROM THE FLOOR: That's right.

MR. MC NULTY: Now the position that John took -- Dr. Deitrick -- he is gone -- would really raise some very interesting discussion among his immediate colleagues in the immediate New York City area. So I don't know whether we can find any common ground.

And while talking, Mr. Chairman, I thought that Dr. Sprague made a very excellent point:

On page 6 this document talks about nothing -- if you will excuse the vernacular -- no money after May, 1969. I would urge and suggest that each billing group, whether it is the hospital, or the medical school, or whoever is doing this billing, get in touch with the carrier, so that there is not an automatic stoppage, and indicate to the carrier that, "We are here and available to explain; don't stop our money."

Because this is another section that is open to interpretation.

Many of the carriers, we have discovered, don't even read these very thoroughly, so you may be calling something to their attention that they don't know anything about actually!

(Laughter.)

FROM THE FLOOR: I hope so!

MR. MC NULTY: So you run that risk! You may want to play it very low key, you know!

(Laughter.)

There are others that take these and literally apply them with all sorts of emlargements. And so it is for those instances that you may want to find out what is going to be done, and be sure that it is not an automatic stop on payments.

THE CHAIRMAN: Charlie, will you tell us how you make out?

(Laughter.)

FROM THE FLOOR: Yes.

THE CHAIRMAN: Is there any other discussion of this important issue?

I certainly thank this smaller group for staying on to discuss it. If there is no other business, the meeting is adjourned.

(Whereupon, at 4:30 o'clock, p.m., the meeting was concluded.)