ORIGINAL

COUNCIL OF TEACHING HOSPITALS

ASSOCIATION OF AMERICAN MEDICAL COLLEGES

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EXECUTIVE COMMITTEE

Washington, D. C.

January 12, 1967

WARD & PAUL
OFFICIAL REPORTERS
917 G STREET, N.W.
WASHINGTON, D. C. 20001

AREA CODE 202—628-4266

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DuPont Room,
Dupont Plaza Hotel,
1501 New Hampshire Ave., N.W.,
Washington, D. C.
Thursday, January 12, 1967

The Executive Committee met, pursuant to notice, at 8:45 o'clock a.m., Stanley A. Ferguson, Chairman, presiding.

PRESENT:

Lad. F. Grapski

Russell A. Nelson, M.D.

Matthew F. McNulty, Jr.

Joseph MacNinch, M.D.

Charles H. Frenzel

T. Stewart Hamilton, M.D.

Dan J. Macer

Lester E. Richwagen

Richard D. Wittrup

Charles R. Goulet

Ernest N. Boettcher, M.D.

LeRoy S. Rambeck

P R O C E E D I N G S

CHAIRMAN FERGUSON: Shall we get started.

We have a very formal item here, call to order, and then a roll call.

Well, we just called the roll. I believe everyone -- let's see. No, Dick Wittrup was not at our first meeting, and Chuck Gray and Stew Hamilton, that's right; and Ernie Boettcher.

Welcome. You don't feel very strange, do you? We don't consider you to be.

I think that is fine.

Now, there is one other item under that tab.

Just to give you an idea, because Matt explained it to me, the Roman numerals here do not refer to the tabs, but under those items it will say Tab 1 or Tab 4, or something like that. That is when you look at the tab; otherwise, there is nothing in your book.

So, under Tab 1, toward the end, there are two listings: one is the Council of Teaching Hospitals-AHA Liaison Committee. And, as you know, the development of the Council of Teaching Hospitals over the years has been in close liaison and full knowledge of the activities of the people in the AHA. And most all of the people, obviously, are part of that organization. And one of the first things we wanted to do was to be sure that there was a strong liaison, not only at the executive level of the organizations, but also at the membership

and program levels.

We had appointed our group: Lad Grapski, Russell Miller, Ernie Shortliffe, and Mark -- those three, right?

MR. MC NULTY: Right.

CHAIRMAN FERGUSON: And then the AHA has just finished, reported to us; is that correct, Matt, --

MR. MC NULTY: Yes.

CHAIRMAN FERGUSON: -- that Mark Berke is Chairman of their session, Dave Wilson and Howard Taylor at Aultman Hospital of Canton.

MR. MC NULTY: I think, Stan, we would want to note these were appointed earlier, but they had one member appointed to this Committee, who felt there was a conflict of interest.

Am I right, Stew? You felt that to serve on the Liaison Committee and still on the Executive Committee, that this might represent a conflict of interest?

MR. HAMILTON: I asked to be relieved. I couldn't see any moolah in it.

CHAIRMAN FERGUSON: Oh, I see. They were going to have you working both sides.

MR. MC NULTY: Both sides. So, this delayed their appointment.

CHAIRMAN FERGUSON: I don't know what Lad's got.

MR. GRAPSKI: Well, I thought now, Stan, since the Committee has been formed that I will call Berke, and we will

try to get together to let each other know what we are doing, trying to see what our various programs should be and see how we can mesh them and build whatever esprit de corps that we can and allay any fears that may exist on both sides.

CHAIRMAN FERGUSON: You will probably have a meeting with the Committee then?

MR. MC NULTY: Right.

CHAIRMAN FERGUSON: Good.

This next one, then, is our Council's Committee on Government Relations.

Matt or Charlie, any particular comments?

MR. FRENZEL: No, nothing has developed as yet. I have been meeting with Ted Howell on the regional complex thing, so at least two members have been meeting on some of these issues. I am not sure whether we shouldn't wait for some development of a program by the Executive Committee before we begin considering anything.

MR. MC NULTY: Stan, there is one item, and it is on the agenda also, and that is the paper that the AAMC is attempting to develop in terms of a position they would like to express on governmental matters. It is broader than legislation. It involves administrative agencies. And this we have started participating in. Each of you had just received a copy of that paper, and I hope this could be something, Charlie, the Committee might mull over.

MR. FRENZEL: Yes.

CHAIRMAN FERGUSON: All right, let's move on then. Approval of the minutes of the Executive Committee meeting --

DR. NELSON: Stanley, could I ask whether you are going to come back to Government activities later?

MR. MC NULTY: There are one or two items, but if the Chairman is in agreement, this may be a good thought.

DR. NELSON: Well, if I could, I would like to go off the record.

(Whereupon, there was a short discussion off the record.)

DR. NELSON: My suggestion is to get very close to your Social Security friends -- and I am sure they will talk about it -- and find out the progress of the amendings that are going to be put forward, and probably very soon convene a group that would carry real weight with the Congressional and the Department people to propose the third edition to this.

I elected at the last opportunity in HIBAC to remain silent on this point, because the nerves in HIBAC and Social Security on this issue are a bit raw, and I think it better for this to come up from the field, as it were, from the academic field. And if it comes up carefully thought out and with real good academic sponsorship, I think it has a good chance of getting included in their recommendations.

The key to this, of course, is the House Ways and

Means Committee. This is where all this will originate, Congressional-wise. And there was some question about how that would be, how Social Security would be placed in the priority work on that Committee. And you may have noticed any comments after the President's speech, that the first item of business before Wilbur Cohen's Committee -- Wilbur Mills' Committee -- that's Freudian. It probably is right -- is the legislation to raise the debt limit.

I think that this might be almost a perfunctory act this time. And the second is Social Security amendments, which means that it is very likely that they will be into this in 10 days. And you know, well, why didn't we start last week or last month?

The answer to that is it wasn't until Sunday noon that we knew that there might be some Social Security amendments put forward by the Administration. And this is the kind of world you live in on this subject.

So, in summary, I would suggest that you get right at it, staff-wise and get to know what is going on. And, second, get the group that maybe Gardner Child represents. You know, in a way, he is a little bit battered -- if you could get a new professor or something from a well-recognized medical center and not many -- you don't need many to make this case. You don't need all disciplines on this committee. You start with a surgeon anda physician and an OBGYN, maybe -- well, maybe

that would not be so smart. But I would say a small committee, to get together with your drafters -- Bill Reidy would be excellent -- and have your paragraph ready, and have it introduced by just some of the biggest guns you can get out of academic medicine and surgery, and do it by the first of February.

I wish I could play a role. There is nothing I would love better than to make this fight, but I think you can see I can't. I am really kind of in a spot. I don't usually deliberately get into it, but I am boxed in so I have to do it this way.

CHAIRMAN FERGUSON: Russ, you used the term "neautralize." You mean, it can go in either direction? That is what you mean. You want the law to have flexibility because A and B really became so compartmentalized, it was one or the other? Is this what you mean?

DR. NELSON: Well, yes; the convenient categorical way to speak of this neutralization at the moment -- everybody is talking about, let's take all of these steps out of A and out of B and leave it in Part C, and throw all the confusion and neutralization into Part C and let that be an "either-or". I know what to write, I think, for the radiologists and pathologists, and I think others do, too, and that is to have it an A benefit from the standpoint of funds and the beneficiaries, and have the law clearly state that this may be paid as a part

of cost, or a part of original charge -- or a reasonable charge, depending on the arrangements in a hospital. And it may be administered through the A carrier rather than an intermediary, or through the B carrier, depending on the local carrier, hospital, radiologist, decision.

And the settling of financial accounts is between the carrier and the intermediary, you see. And it all goes against A, and all of the beneficiaries would total radiology in-patient, just as they would had there been a Douglas amendment. And only the $40 deductible will apply there.

It will greatly simplify the administration of it and give freedom to the hospital and the radiologist to make a logical choice.

CHAIRMAN FERGUSON: Well, in some radiology, professional fee, for example, could come out of B.

DR. NELSON: No.

CHAIRMAN FERGUSON: No?

DR. NELSON: It could be administered by B.

MR. FRENZEL: It could be paid out of B.

DR. NELSON: Paid out of A.

MR. FRENZEL: I mean, eventually, paid out of B by transferring it --

DR. NELSON: No. They take this from the standpoint of the fund, the Government fund, and the beneficiary, and his dollars and benefits, it would be A, just as if the Douglas

amendment had been passed.

MR. WITTRUP: So that if he elects not to take B, he doesn't have to pay for some hospital services and not others.

DR. NELSON: No. He would have all of it under A.

MR. WITTRUP: Yes.

DR. NELSON: But the point is -- the only thing that we presume that the radiologist is concerned about -- let me put this another way.

It doesn't make any sense to have the radiologist concerned about whether he gets his money from the A trust fund in Washington or the B trust fund in Washington, provided he has the opportunity to set fees, send bills, have leases, and deal with his carrier like a surgeon does.

This doesn't have to be a dollar that says "B" to him, or says "A" to him. This has to be a dollar that is the kind that he wants in the way that he wants it.

MR. GOULET: You do that by putting it in C.

DR. NELSON: Right.

MR. GOULET: That is the way you neutralize it. So it wouldn't be identified, Stan, A or B. It is C.

DR. NELSON: Just forget the funds. Just forget the funds. It would give the benefit to the individual in the pattern of hospital services. It would allow the radiologist and the hospital to decide whether they wanted to go on just as they are, if they are on a combined billing on cost and on

salary or anything else and recover this entirely through the hospital services carrier -- intermediaries. That is where we would deal. If you want to do it the other way, the law would permit reimbursement under those circumstances on the basis of professional fees for the professional component or the whole thing, provided they were reasonable, adjudged reasonable, by the carrier for physicians' benefits.

As far as the radiologist is concerned, if he wants to, and can get an agreement of the kind that this group would think is the worst in the world, he would deal with the physician services carrier, and the carrier would set his fees, and his fees would accrue just exactly the same way as the present law under B says it would.

It gives the option.

MR. WITTRUP: Would it eliminate this problem of dividing his functions between the professional and the administrative departments?

DR. NELSON: It could. It depends on how the law is set up.

MR. WITTRUP: You can see in Part C that radiology would be given either as a hospital service or as a physician service, in part or in whole.

MR. RICHWAGEN: Russ, the Association of Clinical Pathologists has been very busy on this, and as you probably know, it has been promoting the idea of leasing and having all

the payments under Part B. And it has been very aggressive about it, and we have had this fight on our hands for quite a long time. And this fight gets into the college of medicine and into the Executive Committee, the Dean's Executive Committee, and they try to get it into the Board at the hospital, saying that the only way to settle this whole thing and to give us an opportunity to staff the laboratories as we should is to let us have control, although they use some other words, control of the personnel, the hiring and payment and the amount of dollars they get, and so on.

Now, this we don't want.

Now, when we propose this, are we adding fuel to this fire that has been built up by the Association of Clinical Pathologists?

DR. NELSON: Well, once again, I would like this off the record.

(Whereupon, there was a short discussion off the record.)

DR. NELSON: At the present moment, interns and residents can only be considered as hospital or non-physician services. My suggestion would be to explore a segment, another C or F, that would say -- and I am thinking from the top of my head now -- that the services of interns and residents for inpatient care will be considered part of hospital services, but can be reimbursed as physician services -- hospital services,

as regards the beneficiaries, but can be reimbursed on a reasonable charge basis, as is with the case with physician services, and in perhaps the out-patient department they can be reimbursed as physician services, you see, with the payments made either to groups or the schools or the hospitals.

MR. WITTRUP: I think that is going to have to happen because at least in some -- I think we are in a vulnerable situation because at least in some places the Federal Government is really paying for these services twice. It is paying the full cost, a full physician's fee, to the attending --

DR. NELSON: Any time you have a private patient, you do that.

MR. WITTRUP: Well, in some of our situations you don't even have to have a private patient.

DR. NELSON: I think that will get caught up.

MR. WITTRUP: There is no provision under the Act now to catch it up, where you pay a full C to the attendant and then you pay the hospital or the house staff that did the work, so that you really -- I am nervous in our own situation, because that is what is happening. And, really, when you get down to it, there is not much of a way under the law to avoid it unless you want to voluntarily forego some income. And we are patriotic but not that patriotic.

DR. NELSON: I think you are quite right. It is inaccurate. It is incorrect.

MR. RAMBECK: You are assuming that intern services are professional services rather than hospital services.

Russ, I would like to ask about the out-patient chaos you mentioned before.

Who is doing something about this? Who is advising the Department on the out-patient problem?

DR. NELSON: They have had a number of work groups that have come to the Department. I feel quite confident, myself, that there isn't a problem that youhave in your mind that that Social Security staff doesn't know about.

They have had a very abundant experience and a very abundant amount of consultation and information about it. They know all about your troubles.

The difficulty is the law is most specific, and I am sure that there is a feeling that -- I know there is a feeling that there is no correction other than legislation. But I would guess that there are some physicians groups that are beginning to be really concerned about this and would take a position emotionally right now to amend the law to do away with hospital out-patient benefits entirely, saying that there is no need for this.

It is competitive and should be done out in doctors' offices where it would be simpler, administratively -- and it would be.

MR. RAMBECK: Instead of private clinics.

DR. NELSON: Just in doctors' offices. Just strike the words, "hospital out-patient services" from the law, a very simple legislative proposal.

CHAIRMAN FERGUSON: The language now does not cover the words "out-patient service" in the sense we are talking about because hospital out-patient departments are not really covered under the Act. It is by regulation that it is described, this service that we provide.

DR. NELSON: It is out-patient services in the Act.

CHAIRMAN FERGUSON: Yes, but I mean the kind of physician services in our clinics. This is within the general language of the regulations.

MR. RAMBECK: Of course, the situation between diagnostic and therapeutic is sort of ridiculous.

CHAIRMAN FERGUSON: That is the point.

DR. NELSON: Everybody knows this.

CHAIRMAN FERGUSON: Well, Russ, I gather what you are saying to this group is, that as far as teaching hospital groups are concerned, and there may be other groups concerned with this, since we have a particular interest in this because of the fact we have the residency training programs, we have the physician services in the sense of out-patient departments, that we have a very -- we probably, within our hospitals represented here, the kind of representation we have --major part of the problem.

DR. NELSON: Yes. I think you are going to have an abundant opportunity, if you keep on the ball, to react to anything that the Social Security Administration puts forward as a proposed amendment. That's easy. You wait until somebody writes something and puts it in the bill.

What I am really suggesting is --

MR. MC NULTY: That we have our own position.

CHAIRMAN FERGUSON: That is right.

DR. NELSON: -- that you write something yourself, go to them, go to any place that seems appropriate and say, "Put ours in, too." And that is on the intern and resident, because I don't think anyone else is going to do it.

CHAIRMAN FERGUSON: Has the AAMC, our parent, had any involvement in this in any way so far?

MR. MC NULTY: Not to my knowledge.

CHAIRMAN FERGUSON: In other words, from the physician's side or the faculty side, this has been through the American College of Surgeons, et cetera, et cetera, -- right?

DR. NELSON: If I may say so, I don't think time permits any protocol clearing.

CHAIRMAN FERGUSON: Yes; that is right.

DR. NELSON: And I would feel quite confident -- Matt could check this easily and quickly with Dr. Berson, which he would anyway -- that the whole of the AAMC would support the action of freeing up the intern-resident system along with the