COUNCIL OF TEACHING HOSPITALS
ASSOCIATION OF AMERICAN MEDICAL COLLEGES
1346 Connecticut Avenue, N.W.
Washington, D.C. 20036
202/223-5364

AGENDA

EXECUTIVE COMMITTEE MEETING (#69-2)
Saturday, February 8, 1969
Private Dining Room No. 5
Palmer House
Chicago, Illinois

I. Call to Order - 9:30 a.m.

II. Approval of Minutes, Executive Committee Meeting #69-1 — Tab 1

III. COTH Financial Report — Tab 2

IV. New Applications for Membership — Tab 3
   A. Self Nomination on Basis of Approved Educational Programs
      1. St. Luke's Hospital, Kansas City, Missouri
      2. North Shore Hospital, Manhasset, New York

V. Reconsideration of Detroit Osteopathic Hospital and Suggestion from William N. Hubbard, Jr., M.D., Dean, The University of Michigan Medical School. — Tab 4

VI. Report: Meeting of COTHRIC Advisory Committee — Tab 5

VII. Discussion of Draft, "The Teaching Hospital and Its Role in Health Planning at the Local and Area Levels" — Tab 6

VIII. Informational Items — Tab 7
   A. Hospital Modernization and Improvement Act of 1969
   B. Postion Statement, "Guidelines For Allocating Program Costs In Teaching Hospitals"

IX. Discussion of Agenda for AAMC Assembly — Tab 8

X. Other Business

XI. Adjournment - 11:00 a.m.

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MINUTES

EXECUTIVE COMMITTEE MEETING (#69-1)
Thursday & Friday, January 9 & 10, 1969
Washington Hilton Hotel
Washington, D.C. 20009
202/483-3000

Present:

T. Stewart Hamilton, M.D., Chairman-Elect **
Lad F. Grapski, Immediate Past Chairman *
David Odell, Member
Irvin G. Wilmot, Member
Ernest N. Boettcher, M.D., Member
Leonard W. Cronkhite, Jr., M.D., Member **
Charles R. Goulet, Member
Charles E. Burbridge, Ph.D., Member
Charles H. Frenzel, Member
Reid T. Holmes, Member
Joseph H. McNinch, M.D., AHA Representative
Joseph T. English, M.D., Administrator, HSMHA, DHEW *
John Betinis, M.D., Deputy Director VISTA Health Office *
Michael McGarvey, M.D., Medical Scientist, NIH *
Matthew F. McNulty, Jr., Director, COTH
Walter G. Rice, M.D., Director, AAMC Division of Operational Studies
Thomas J. Campbell, Assistant Director, AAMC Division of Operational Studies **
Fletcher H. Bingham, Ph.D., Assistant Director, COTH
Grace W. Beirne, Staff Associate, COTH
Armand Checker, Staff Associate, COTH
Richard M. Knapp, Ph.D., Project Director, COTHRIC
Elizabeth Burgoyne, Secretary to the Director, COTH

Absent:

Roy S. Rambeck, Chairman, COTH
L. H. Gunter, Member
Russell A. Nelson, M.D., Ex Officio Member

* Attended Thursday evening 1/9/69 only

** Attended Friday, 1/10/69 only

I. Presentation:

Acting Chairman, Lad F. Grapski, introduced Joseph T. English, M.D., just appointed Administrator, Health Services and Mental Health Administration, DHEW, and his guests, John Betinis, M.D., Deputy Director, VISTA Health Office, and Michael McGarvey, M.D., Medical Scientist, NIH.

Dr. English, former Assistant Director of the Office of Economic Opportunity for Health Affairs, discussed systems of approaching community health care, both urban and rural, and reviewed various programs of this nature currently being undertaken by OEO. Following vigorous discussion of the subject matter, including the question of how to provide care for the medically indigent without draining hospital resources, Mr. Grapski recessed the meeting at 10:30 p.m.

II. Reconvene -- Roll Call:

The meeting was reconvened by Acting Chairman Charles Frenzel at 9:00 a.m. on Friday, January 10, 1969. Roll call was taken as noted heretofore. The absence because of illness of Chairman Roy S. Rambeck; the unexpected illness of Immediate-Past-Chairman Lad F. Grapski; and a previous commitment (prior to his election in Houston in November, with no chance to rearrange) of Chairman-Elect T. Stewart Hamilton, M.D., were noted with understanding and regret.

III. Consideration of Minutes, Executive Committee Meeting #68-5, 10/31/68:

ACTION #1 On motion, seconded and carried, the Minutes of Executive Committee Meeting #68-5, October 31, 1968, were approved as presented.

IV. Introduction of New Executive Committee Members and COTH Staff:

Mr. McNulty introduced the new members present: Dr. Burbridge, Mr. Holmes, Mr. Odell and Mr. Wilmot. He noted the absence because of illness of new member L. H. Gunter, Director, Veterans Administration Hospital, Cincinnati, Ohio. Mr. McNulty also introduced those members of the COTH staff in attendance. Mr. McNulty noted regretfully that Dr. LeRoy E. Bates had resigned from the Executive Committee effective October 31, 1968, as a result of his termination of responsibility within a member institution.

Attention was called to the informational listings of AAMC Officers and Executive Council, AAMC Executive Committee of the Executive Council, COTH Officers and Executive Committee and COTH Representatives to the AAMC Assembly.

Mr. McNulty reported that with the concurrence of the Committees' respective Chairmen, it was agreed to develop staggered terms of office for members of the COTH Committee on Financial Principles for Teaching Hospitals (Charles R. Goulet, Chairman) and the COTH Committee and Modernization and Construction Funds for Teaching Hospitals (Richard T. Viguers, Chairman).

Action #2 — On motion, seconded and carried, the Executive Committee confirmed the proposed terms of office for members of the COTH Committee on Financial Principles for Teaching Hospitals and the COTH Committee on Modernization and Construction Funds for Teaching Hospitals as presented on Appendix A (attached), and affirmed the policy of staggered terms for standing committees and such other committee activities as appropriate.

V. Report on Action Items, Meeting #68-5, October 31, 1968:

A. Action #6 -- "The Executive Committee deferred the application of the United Hospitals of Newark, New Jersey, on the basis of written statement by Dean Robert A. Cadmus, M.D., that there is no existing affiliation agreement with the New Jersey College of Medicine and Dentistry."

Mr. McNulty reported that the Hospital Director has been apprised of the decision. The Director indicated to COTH that he is working with New Jersey College of Medicine and Dentistry officials for a firm affiliation agreement.

B. Action #9 -- "It was agreed that staff prepare a paper on the role of the teaching hospital in comprehensive health planning to be reviewed by the Executive Committee prior to reply to the inquiry from Roger Nelson, M.D., or referral to the Committee on Federal Health Programs, the paper to be ready for review at the January meeting of the COTH Executive Committee."

Upon inquiry, Mr. McNulty indicated that the Executive Committee meeting in October then defined the purpose of the paper as an attempt to express the position of teaching hospitals with regard to Comprehensive Planning.

After some discussion, during which it was suggested that the opening portion of the paper be more affirmative, action was taken as follows:

ACTION #3 On motion, seconded and carried, the Executive Committee authorized staff to refer the paper on Comprehensive Planning to Mr. Viguers, Chairman, Committee on Modernization and Construction Funds, for his review and to forward a copy to each member of the Executive Committee for

their comments; and further, to consider comments from the members and Mr. Viguers in the preparation of a revised paper to be acted upon at the May or sooner meeting of the Executive Committee.

Peripheral discussion again brought up the need for a definition of the unique role of teaching hospitals. There was concern expressed lest the paper define "teaching hospitals" in another way when COTH already has a definition in terms of its admissions criteria and the additional definition terms contained in the Modernization White Paper. However, no further action was taken.

C. Action #10 -- "On motion, seconded and carried, the Executive Committee concurred with the action of the AAMC Executive Council on September 12, 1968, to approve the AAMC co-sponsorship of the Fourth Annual Health Services Research Seminar at Johns Hopkins University and that COTH be the focus for AAMC participation."

The cooperative participation and action by COTH to date with Johns Hopkins University was reported. These efforts will continue.

VI. Financial Support for the Medically Indigent:

This item, originally acted upon by the Executive Committee at its meeting #68-4 on September 5 and 6, 1968, had been referred to the Committee on Financial Principles for intensive study. It was noted that in the original memorandum to the AAMC, Drs. Anlyan and Sessoms' suggestion seemed to infer a National Health System and asked the AAMC to look at it and to do something about it. Mr. McNulty reported that the item will be discussed at the joint COTH-COD Southern Regional Meeting. Since Dr. Anlyan is Chairman

of COD, he may desire the item on the agenda for the February meeting of the AAMC Committee on Federal Health Programs.

Mr. Goulet, Chairman, reported that the Committee on Financial Principles discussed the paper and the issues involved at great length with general agreement that many of the concerns expressed should be first a thorough and exhaustive program at the Community, State and Regional levels. The Committee was further of the opinion that the issue is not so much just the teaching hospital's as it is the care of the public and the indigent.

VII. COTH Financial Report:

Mr. McNulty reported that as a result of timing and communication problems arising from a split operation (Evanston-Washington), an up-to-date COTH financial report was not possible for this meeting. He reported, however, that COTH is financially in balance, invoices have been mailed for the dues increase and the number of unpaid members (for the initial $500 dues) is well below that of any previous year at this time -- now only 19 unpaid.

VIII. A Special Report and Recommendations by the Carnegie Commission on Higher Education:

Mr. McNulty called attention to page 34, item 3 ("The total number of residents and interns multiplied by $2250 provided that no individual student shall be counted for more than four years and provided further that the resident and intern program is conducted under the auspices of an accredited medical school either at its own or at an affiliated hospital" is one of the three components of payments to institutions) of the Commission Interim Report. He indicated that concern has arisen as to the source of the data, especially the precise $2250 figure.

Some members felt that the figure quoted had only to do with medical schools and was not directly related to the teaching hospital. Others expressed the opinion that the Commission was seeking to establish the principle fo entire subsidization of I and R training. Several questioned if the Commission realized the varied interpretations that could be made of the item cited.

ACTION #4 — It was agreed that Staff attempt to meet with representatives of the Carnegie Commission to discuss the source of figures, the proper interpretation of the recommendations, etc. It was also agreed that, if possible, Commission representatives meet with the Committee on Financial Principles prior to the May Executive Committee meeting.

IX. COTH Alternative Possibilities for AAMC Committee on Federal Health Programs: Mr. McNulty noted that for the first time the American Council on Education has "designated" the AAMC as the official spokesman for the needs, etc., of medical education, a departure from the traditional ACE attitude that it spoke for all fields of education.

Mr. McNulty called for suggestions (immediately and anytime later) on subject matter to be presented to the AAMC Committee on Federal Health Programs, on which John M. Knowles, M.D., General Director, Massachusetts General Hospital, and Mr. Frenzel sit as the representatives for COTH. Mr. Frenzel noted that it is important to the interests of Teaching Hospitals that COTH have definite items to be considered because otherwise the total concern of the Committee on FHP's is the problems of medical schools.

Several items suggested were the Modernization White Paper and, upon evolvement by the Committee on Financial Principles of a definite position, the subject of Financing Intern and Resident Training through Federal subsidy. It was agreed that the Committee members apprise the Staff of other items pertinent for consideration by the Committee on Federal Health Programs as a guide for the COTH Representatives to the AAMC Committee.

X. Report of Committee on Financial Principles for Teaching Hospitals:

Mr. Goulet reported that the major item resulting from the November 21, 1968, Committee meeting was the recommended evolution of a questionnaire to investigate the various methods of payment in operation with regard to house staff and attending physicians payment under Medicare. A sampling of Financial Principles Committee members indicated that no two institutions represented used the same method.

The questionnaire would hopefully go to all institutions to classify the various systems in use, study them, and devise general principles based on the findings. The questionnaire would be concerned with the mechanism of payment rather than the dollar amount involved.

Members agreed that guidelines were necessary to prevent some institutions from getting in trouble through duplicate billing to the Federal government for the same time and effort. The information collection effort mentioned was also debated in terms of serving as an information mechanism to the members, though not without "double-edge" possibilities. The Executive Committee agreed that if a questionnaire were sent out, it should be constructed as an informational document to apprise them of the potential problems

connected with the great variety of payment/collection mechanisms now in use.

Several members were concerned about governmental involvement in the results of any questionnaire distributed. It was agreed that if the government wanted the information -- specifically, the Social Security Administration -- they would get it anyway, so it might as well be from COTH. Also, the consensus was that a document that was solely concerned with the methods and did not include the dollar amounts involved would be less useful to the SSA.

Members felt that the Council of Deans and the Council of Academic Societies should be consulted prior to distribution of the questionnaire, even on a limited sample basis. Mr. McNulty agreed that Staff would contact the two Councils and obtain their advice and comments. The questionnaire, which is being prepared by Staff, will be considered by Mr. Goulet and refined with his and the suggestions of others.

ACTION #5 — On motion, seconded and carried, the Executive Committee accepted the recommendation of the Committee on Financial Principles that Staff prepare a questionnaire to be sent first to a sampling of institutions and then to the total membership to assess the current situation with regard to house staff financing and financial patterns of part-time and full-time clinical faculty medical practice, to the end of evolving a set of guidelines, or guiding principles, for such payment.

XI. Report of Committee on Modernization and Construction Funds for Teaching Hospitals:

Mr. McNulty called attention to the report of the follow-up expansion survey, noting that it is hoped to have the report published in a non-hospital publication in order to create broader interest and support. He called for any editorial suggestions and help in facilitating the paper's process through the pre-publication stages.

Mr. McNulty reported on his luncheon meeting of Thursday, January 9, 1969, with Robert Q. Marston, M.D., Director, National Institutes of Health; Irving J. Lewis, Deputy Director, Health Services and Mental Health Administration; Leonard D. Fenninger, M.D., Director, Bureau of Health Manpower; and Edward J. Connors, Consultant, Health Services and Mental Health Administration, the purpose of which was generally to explore their reaction to possible special emphasis for teaching hospitals, either in present Hill-Harris legislation or as a separate package that might be tied to education. He also explored the possibility of including modernization funds for Teaching Hospitals in NIH appropriations since health manpower is now embraced in NIH's responsibilities. The reaction of Dr. Marston and his colleagues was generally favorable in that they agreed with the need and would like to help if financial restrictions were lifted. The total session was beneficial in terms of mutual "education" and the development of a foundation for cooperation.

Mr. McNulty also indicated that it his opinion the path had been cleared for a new Administration bill (probably through Javits and Celler) emphasizing specifically teaching hospital modernization.

XII. Anti-Trust Action against Drug Industry:

As a result of having been found in restraint of trade by the Federal government with regard to the contraversy created by the drug tetrocycline, the drug industry has been ordered to institute just compensation through repayment to hospitals. In discussing the ramifications of this action, it was generally concluded that individual hospitals will have to instigate a suit to receive any of the repayment funds.

ACTION #6 — It was agreed that COTH take no active role, but refer any inquiries concerning the repayment by the drug industry to the AHA, which has maintained an active surveillance of the issue. It was, however, cautioned that this matter should be closely watched by members and staff.

XIII. Letter to Membership Concerning Immediate Dues Increase, Long-Range Dues Policy and Membership Recruitment:

Mr. McNulty reported that the letter and invoice for the additional $200 ($66 for Canadian hospitals) have been mailed. It was reported that, with the concurrence of Dr. Cronkhite, Chairman, Committee on Program Development, no immediate action would be taken regarding the long-range dues policy program. The recruitment effort for presently qualified non-member hospitals for membership in COTH was also being held in abeyance. The Executive Committee was in agreement, suggesting that Staff select appropriate timing and indicating that the proposed long-range dues policy could still be discussed at its regional meetings. Also, a letter could be mailed (again upon a Staff "timing" decision) to the approximately 136 hospitals which apparently now qualify for membership in COTH.

XIV. Membership Applications:

A. Confirmation of Mail Ballots

ACTION #7 — On motion, seconded and carried, the Executive Committee formally authorized the mail ballot election to membership of David Grant USAF Hospital, Travis AFB, California and the American University Hospital, Beirut, Lebanon.

B. New Application -- Mercy Hospital, San Diego, California

Staff having observed that this hospital met the criteria for membership on the basis of self-nomination and Mr. Odell having commented that Mercy Hospital is one of the better hospitals in California, the Committee voted on the staff-recommended application.

ACTION #8 — On motion, seconded and carried, the Executive Committee approved the application for membership from Mercy Hospital, San Diego, California.

C. Statistical Summary of Membership

Mr. McNulty called attention to the statistical breakdown sheet provided.

XV. AHA Statement on Financial Requirements for Health Care Institutions:

Dr. McNinch reported that the informational item presented is the most recent draft, having been modified by a panel of attorneys to make certain wording more legally acceptable and to detail on appeal mechanisms. This draft has currently been approved by three of the seven Regional Advisory Boards. It will be presented to membership at the AHA House of Delegates meeting of February 12, 1969.

XVI. Membership Survey of Special Project Preferences:

Mr. McNulty called attention to the results of the survey, indicating their benefit as guidelines for COTH staff activity and for subject matter for the COTH Committee on Program Development and the Teaching Hospital Information Center Advisory Committee.

The results are almost an implied commitment for the development of specific program activity. Members felt the survey was a valuable endeavor and, when implemented by further exploration at regional meetings, could develop into firm and beneficial program plans. Dr. Knapp noted that the results will be considered by the COTHRIC Advisory Committee since several of the potential projects fall directly within the domain of that contract activity.

XVII. Regional Meetings:

Mr. McNulty reported that the AAMC Executive Council has favorably considered the concept of joint regional meetings for members in geographic areas from the three AAMC Councils, or, if that were not feasible, at least some method of inter-representation as a means of improving communication among the three Councils. He said that, at the request of the Southern deans and with the concurrence of a telephone sampling of Southern hospital chief executives, a joint Southern Regional Meeting was being planned for Atlanta, Georgia, on Tuesday and Wednesday, April 29 and 30, 1969.

Members felt that while a greater communication among the CAS, COTH and COD was desirable, there were several drawbacks to joint meetings, including the logistical and numbers problems and the probability that much COTH business may be pushed aside.

ACTION #9 The concept of inter-representation of the three Councils at joint regional meetings was generally

approved with the advice that if such joint regional meetings are held, time be set aside for specific COTH business and that such joint meetings not become a regular occurrence. It was also suggested that for other than the scheduled Southern meeting, the possibility be posed to COTH membership at the other regional meetings, to be held in the spring, for full consideration.

XVIII. 1969 Annual Meeting:

Staff reported that the broadened base of the AAMC has resulted in competition for program time and audience availability, which may lead to the possible alternative or a reduced number of COTH speakers and a series of panel discussions on various timely subjects. Such panel discussions would have a greater range of "name" participants and would be more emphasized as a major program activity than in the past. Also, since the Executive Council has suggested that the new Assembly now meet twice during the course of the Annual Meeting (Friday afternoon and Monday morning), scheduling will become a more difficult task. It was agreed that simultaneous business meetings of the three Councils may help to alleviate program competition.

Mr. Rambeck is a member of the 1969 AAMC Program Committee. The suggested theme for the Annual Meeting is "The Crisis in Urban America as it Relates to Health Care and Medical Education -- The Systems, Forces and Possible Solutions". It was agreed that members forward program content and participant suggestions to the COTH office.

XIX. Report Concerning Three Contracts:

A. Teaching Hospital Information Center

Dr. Knapp, Project Director, reported that the COTHRIC Advisory Committee will have its initial meeting on January 30 and 31, 1969. He will seek full exploration of the purposes of the study and the Center, the most productive use of the resources available, and questions such as how far the project should get into the data business. Currently, a centralized membership service and the systematic collection of data valuable to teaching hospitals are envisioned as the broad purposes.

The Center is currently operational to some degree in terms of the constant flow of inquiries to which it responds and the publication of the COTH Directory. With regard to the Directory, it is hoped that the information therein can be expanded. Cooperation with both the AMA and the AHA was the source of the information already provided. A possible separate annual questionnaire and other possible sources of information were discussed, with the general admonition that it would be unwise to duplicate the efforts of the AHA. A general reaction was that to the extent possible COTH work with the AHA (which has now agreed to provide COTH with copies of their completed annual questionnaires for those AHA members who are also COTH members as they arrive). Appending a brief COTH questionnaire to the annual AHA questionnaire and an independent COTH questionnaire were both discussed and endorsed as possibilities.

B. Study of Effects of Recent Social Legislation on Teaching Hospitals

A contract for this effort has now been signed and funded effective January 2, 1969, and recruitment of a Project Director is in process. The general purpose of the project is to study the effects of Medicare

and related socio-economic developments on the patient population of teaching hospitals. The effort will begin with a 30 percent sampling of membership, the results of which will be evaluated for the preparation of a more complete survey of the total membership. The survey will be augmented by visitations to certain of the participating institutions.

C. Pending -- Social Security Administration, Bureau of Health Insurance

Thomas M. Tierney, Director, Bureau of Health Insurance, Social Security Administration, has contacted COTH for assistance in the review of utilization committees, indicating that a contract may be sought with COTH for that purpose. Discussions are currently in progress with Mr. Tierney and members of his staff.

XX. Seven Center Program Cost Allocation Study and Extension:

Mr. Thomas J. Campbell, Project Director, indicated that the Report of the Study has been printed and is to be mailed out shortly. It consists of a series of eighteen recommendations which will be explained at all regional meetings and hopefully at a series of regional workshops, which would delve more deeply into the application of the procedure. With the authorization of the Executive Council, negotiations are under way to continue a program cost study with income taken under consideration. The Report of the Study is to be presented to the Executive Council for its approval at its February 7, 1969, meeting.

Mr. Campbell noted paranthetically that the Gus Carroll Yale-New Haven Study has been completed and is in the press printing stage. It should be ready for distribution by late January.

XXI. AAMC Facilities Research Proposal:

Walter G. Rice, M.D., Director, AAMC Division of Operational Studies, reported that the AAMC is investigating the possibility of obtaining funds to study the question of development of facilities that meet educational and service needs. A meeting has been scheduled for January 30 and 31, 1969, with representatives from the Federal government, the American Institute of Architects, the Educational Facilities section of the Ford Foundation, systems analyzing firms, architectural firms, COTH and the AAMC to study the problem, the need for solution, and various forms of solution. The main questions to be posed at the meeting are: 1) is there a need at this time? 2) if there is a need, how long and what is the scope? and 3) assuming the need, what means and whose approaches are most appropriate?

The current proposal is for the AAMC to sponsor a study with private foundation backing and government support. The assumptions on which the effort would be based are: 1) interest is evident, 2) the great cost of medical school building projects, 3) costs need evaluation because of the complex nature of the medical center, 4) there exist experiments in design and construction which need to be described along with the new concepts in construction, and 5) the pattern of the delivery of health services changes needs to be reviewed. Dr. Rice emphasized his belief that a study is needed, not to discuss the specific square footage solutions, but to study the methods involved.

XXII. Council of Academic Societies Proposed Contract with the NLM:

The National Library of Medicine has approached the AAMC for a reaction to the possibility of a cooperative effort regarding a bio-medical communications network. The Executive Council has directed CAS to be the component within

the Association to work with the NLM. The negotiations are now in the stage of a feasibility study contract. It is envisioned that such an effort would be a complement to the Educom activity and not a competitor.

XXIII. Meeting Schedules:

Dr. Bingham called attention to the listings of meeting dates for the COTH Executive Committee, the AAMC Executive Council, the COTH Regional Meetings and the AAMC Assembly, such listings being attached and made a permanent part of these Minutes as Appendix B.

XXIV. Sprague Report -- Implications of the Establishment of a Division of Academic Affairs within the AAMC:

This report is the result of the appointment of a committee to study the educational opportunities within the present AAMC Divisional structure. David L. Everhart was the COTH representative on this Committee. The recommendations have been approved by the Executive Council. A new AAMC Division will be established to include the present Group on Student Affairs, the present Educational Measuring and Testing Section and a section on Curriculum Instruction.

XXV. Request for Definition of an Affiliated Hospital:

Dr. Bingham noted that this subject arose from the inquiry of a dean who sits on the National Council. He was concerned about those hospitals that are tenuously affiliated with medical schools and which apply for and receive grants under the aegis of that medical school. He questioned the possibility of establishing a more formal definition of an affiliated hospital without having to make the judgment that some COTH members are

more affiliated than others. Dr. Hamilton noted that this was as much a problem for the Council of Deans and could probably be discussed at the series of spring meetings. It would also be a possible subject matter item for the COTH Committee on Membership. It was agreed that approaching such a definition was to approach something broader than the Council of Teaching Hospitals and that the deans should become involved.

XXVI. COTH-GSA Informal Liaison Committee:

At the request of Dr. Johnson of the Group on Student Affairs of the AAMC, informal liaison was initially established in Houston and will be continued at the February meetings in Chicago. No actions have resulted so far, but there has been agreement that there are mutual areas of interest to be explored.

XXVII. Negotiations with Northwestern University re AAMC Evanston Building:

Dr. Bingham noted briefly that as a result of some ambiguous sections of the China Fund grant which created the Evanston office, some problems have arisen in considering disposition of the building with relation to the impending merger of all AAMC activities in Washington. The AAMC does own the building and the University owns the property. Another question is does the building revert at a fair price to the University or may the AAMC sell it to a third party. The original grant is not definite. Several bids for the building have been received informally, but the AAMC is still seeking a realistic estimate.

XXVIII. COTH General Membership Memorandum No. 69-9G:

Dr. Bingham re-emphasized the need for COTH members to maintain contact with their Senators and Representatives in order to make their needs known at a "grass-roots" level.

XXIX. National Advisory Commission on Health Facilities, Report to the President:

Chairman Hamilton called attention to page 64 of the report which contains AAMC suggested material. Dr. Bingham noted that a campaign to contact each of the Commissioners and apprise them of the needs of teaching hospitals was undertaken by the COTH Committee on Modernization and Construction Funds and had proven most successful. Mr. McNulty had previously indicated that the Report was essential for it can now and will be used as a basis for new legislation.

XXX. Initiation and Programs for AAMC Business Officers Section:

Mr. Campbell noted that the Group had been reorganized and had decided on a tentative program activity to hold regional workshops to discuss mutual programs and to better education business officers to the specialistic problems of medical schools, and the possibility of a fellowship program whereby business officers would come to work at the AAMC offices on special projects for varying periods up to a year in order to give them a broader background in medical school financing and operational mechanisms. Mr. Campbell urged members to suggest any individuals who might benefit from such a fellowship program.

XXXI. Joint Commission on Accreditation of Hospitals:

As an item of new business, Dr. McNinch indicated the efforts of the JCAH to upgrade their accreditation standards. Currently, the standards are minimal and often fall below the state standards for licensure. Such problems have raised the question of what purpose the JCAH serves. That question has led to self-evaluation by the JCAH. A meeting has been arranged for February 11th with representatives from state medical societies and the hospital field to explore the current draft of proposed

new standards. The AHA has sent copies of the draft to each state hospital association and is getting information back to present to their seven Commissioners as the basis for an AHA position at the meeting. All members agreed that the state visits outnumbered those of the JCAH and that under Medicare, visits are made once a year while the JCAH visits only once every three years. It was agreed that new standards are necessary if the JCAH is to maintain its function as a viable and valuable accreditation tool.

XXXII. Adjournment:

With the announcement of the next regular meeting for Thursday evening and Friday, May 8 and 9, 1969, in Washington, D.C., Chairman Hamilton adjourned the meeting at 3:20 p.m. on Friday, January 10, 1969.

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COMMITTEE ON MODERNIZATION AND CONSTRUCTION FUNDS FOR TEACHING HOSPITALS

1968-1969 Terms of Office

Three-Year Terms (1968-1971)	Richard D. Vanderwarker Executive Vice President Memorial Hospital for Cancer and Allied Diseases New York, New York
	Richard T. Viguers, Committee Chairman Administrator New England Medical Center Hospitals Boston, Massachusetts
	John H. Westerman Director University of Minnesota Hospitals Minneapolis, Minnesota
Two-Year Terms (1968-1970)	Robert C. Hardy Executive Director Oklahoma Health Sciences Foundation Oklahoma City, Oklahoma
	Lewis H. Rohrbaugh, Ph.D., Committee Vice-Chairman Director Boston University Medical Center Boston, Massachusetts
One-Year Terms (1968-1969)	John H. Knowles, M.D. General Director Massachusetts General Hospital Boston, Massachusetts
	David Littauer, M.D. Executive Director Cedars-Sinai Medical Center Los Angeles, California

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COMMITTEE ON FINANCIAL PRINCIPLES FOR TEACHING HOSPITALS

1968-1969 Terms of Office

Three-Year Terms (1968-1971)

Bernard J. Lachner
Administrator
Ohio State University Hospitals
Columbus, Ohio

Lawrence E. Martin
Associate Director and Comptroller
Massachusetts General Hospital
Boston, Massachusetts

Francis J. Sweeney, Jr., M.D.
Hospital Director
Jefferson Medical College Hospital
Philadelphia, Pennsylvania

Irvin G. Wilmot
Associate Director for Hospitals
and Health Services
New York University Medical Center
New York, New York

Two-Year Terms (1968-1970)

Charles R. Goulet, Committee Chairman
Director
University of Chicago Hospitals
and Clinics
Chicago, Illinois

Gerhard Hartman, Ph.D.
Superintendent
University of Iowa Hospitals
Iowa City, Iowa

Reid T. Holmes
Administrator
North Carolina Baptist Hospitals, Inc.
Winston-Salem, North Carolina

Roger B. Nelson, M.D.
Senior Associate Director
University Hospital, University of Michigan
Ann Arbor, Michigan

Committee on Financial Principles for Teaching Hospitals
1968-1969 Terms of Office
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One-Year Terms
(1968-1969)

Vernon L. Harris
Administrator
University of Utah Hospital
Salt Lake City, Utah

Arthur J. Klippen, M.D.
Hospital Director
Veterans Administration Hospital
Minneapolis, Minnesota

Richard D. Wittrup, Committee Vice-Chairman
Assistant Executive Vice President
Affiliated Hospitals Center
Boston, Massachusetts

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CALENDAR OF MEETINGS
COTH EXECUTIVE COMMITTEE
1968 - 1969

No. 69-1	Thursday and Friday January 9 and 10, 1969 Washington, D.C.
No. 69-2	Thursday and Friday May 8 and 9, 1969 Washington, D.C.
No. 69-3	Thursday and Friday September 11 and 12, 1969 Washington, D.C.
No. 69-4	Thursday October 30, 1969 Cincinnati, Ohio (COTH-AAMC Annual Meeting, Cincinnati, Ohio, October 30 - November 3, 1969)

All two-day meetings convene with a reception and dinner at 6:00 p.m. on Thursday evening. They recess at 10:00 p.m. that evening after a guest presentation, and reconvene at 9:00 a.m. on the Friday morning, with adjournment no later than 4:00 p.m. on Friday afternoon.

COUNCIL OF TEACHING HOSPITALS
ASSOCIATION OF AMERICAN MEDICAL COLLEGES

SCHEDULE OF
1969 REGIONAL MEETINGS

Northeast Regional Meeting:

Wednesday, April 16, 1969
10:00 a.m. - 4:00 p.m.
New York, New York

Western Regional Meeting:

Friday, April 18, 1969 *
10:00 a.m. - 4:00 p.m.
San Francisco, California

Southern Regional Meeting:

Wednesday, April 30, 1969 **
10:00 a.m. - 4:00 p.m.
Atlanta, Georgia

Midwest/Great Plains Regional Meeting:

Thursday, May 1, 1969
10:00 a.m. - 4:00 p.m.
Chicago, Illinois

* Changed from original date of April 4, 1969, because of conflict with Good Friday.

** Tentatively scheduled to be held jointly with the Southern Regional Deans Meeting.

GENERAL ASSEMBLY
ASSOCIATION OF AMERICAN MEDICAL COLLEGES

1969
MEETING SCHEDULE

Saturday afternoon
February 8, 1969
Chicago, Illinois

Friday afternoon
October 31, 1969
Cincinnati, Ohio

Monday morning
November 3, 1969
Cincinnati, Ohio

The October 31, 1969, meeting of the Assembly is tentatively scheduled as a "discussion and report" session. The November 3, 1969, meeting is tentatively scheduled as an "action" session.

EXECUTIVE COUNCIL
ASSOCIATION OF AMERICAN MEDICAL COLLEGES

1969
MEETING SCHEDULE

Friday evening and Saturday
February 7 and 8, 1969
Chicago, Illinois

Tuesday evening and Wednesday
April 8 and 9, 1969
Washington, D.C.

Tuesday evening and Wednesday
June 24 and 25, 1969
Washington, D.C.

Tuesday evening and Wednesday
September 16 and 17, 1969
Washington, D.C.

Unless otherwise indicated, the evening sessions of the Executive Council will convene at 7:30 p.m. With the exception of the February 8th meeting which will adjourn at noon, the day-long meetings are scheduled for adjournment at approximately 4:00 p.m.

The Executive Council meetings will be preceded by Executive Committee meetings.

COUNCIL OF TEACHING HOSPITALS
ASSOCIATION OF AMERICAN MEDICAL COLLEGES
1346 Connecticut Avenue, N.W.
Washington, D.C. 20036
202/223-5364

FINANCIAL REPORT
FY 1968 - 1969
As of 12/31/68
(Not Including Contracts)

INCOME

Dues ($500 and $166.66) Paid	$ 161,000.00
Dues Receivable (19 hospitals at $500 each)	9,500.00
Dues Increase Receivable ($200 and $66.66)	66,000.00
TOTAL INCOME	$ 236,500.00

EXPENSE

Salaries:		$ 118,000.00
Actual through 12/31/68	$ 51,000.00	
Extended to 6/30/69	67,000.00	
All Other:		68,000.00
Actual through 12/1/68	28,000.00	
Extended to 6/31/69	40,000.00	
Office Space, Accounting, Overhead, Etc.		30,000.00
Dues Payment Contingency		15,000.00
Reserve		5,000.00
TOTAL EXPENSE		$ 236,000.00

PLEASE READ INSTRUCTIONS ON REVERSE SIDE

ASSOCIATION OF AMERICAN MEDICAL COLLEGES

Application for Membership
in the
Council of Teaching Hospitals

(Please type)

Hospital: St. Luke's Hospital of Kansas City
Name

Wornall Road at 44th Street
Street

Kansas City, Missouri 64111
City State Zip Code

Principal Administrative Officer: Charles C. Lindstrom
Name

Executive Director
Title

Hospital Statistics:

Date Hospital was Established: 1882

Average Daily Census: 419.5

Annual Outpatient Clinical Visits: 31,706

Approved Internships:

Type	Date Of Initial Approval by CME of AMA*	Total Internships Offered	Total Internships Filled
Rotating	prior to 1950	20	12
Mixed	1964		
Straight	application pending		

Approved Residencies:

Specialties	Date Of Initial Approval by CME of AMA*	Total Residencies Offered	Total Residencies Filled
Medicine	prior to 1950	7	7
Surgery*	prior to 1950	13	11
OB-Gyn	prior to 1950	6	4
Pathology xxxxxxxx Pediatrics	prior to 1950	6	4
Psychiatry			

Information submitted by:

Charles C. Lindstrom
Name

Executive Director
Title

January 16, 1969
Date

Charles C. Lindstrom
Signature

*Council on Medical Education of the American Medical Association and/or with appropriate A.M.A. Internship and Residency Review Committees.

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*Includes 9 approved for general surgery, 1 for urology, and 3 for orthopedic surgery; includes 7 filled residencies in general surgery, 1 in urology and 3 in orthopedic surgery

PLEASE READ INSTRUCTIONS ON REVERSE SIDE

From the Office of
MATTHEW C. [illegible], JR., DIRECTOR
COUNCIL OF TEACHING HOSPITALS
ASSOCIATION OF AMERICAN MEDICAL COLLEGES
1346 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036
202/223-5364

ASSOCIATION OF AMERICAN MEDICAL COLLEGES

Application for Membership in the Council of Teaching Hospitals

(Please type)

Hospital: NORTH SHORE HOSPITAL
Name

Valley Road
Street

Manhasset, New York 11030
City State Zip Code

Principal Administrative Officer: Dennis F. Buckley
Name

Director
Title

Hospital Statistics:

Date Hospital was Established: 7/27/1953

Average Daily Census: 90.2%

Annual Outpatient Clinical Visits: 23,261

Approved Internships:

Type	Date Of Initial Approval by CME of AMA*	Total Internships Offered	Total Internships Filled
Rotating			
Mixed			
Straight	7/1/1967 (Pediatrics-7/1/1968)	26	15

Approved Residencies:

Specialties	Date Of Initial Approval by CME of AMA*	Total Residencies Offered	Total Residencies Filled
Medicine	7/1/1955	11	11
Surgery	7/1/1967	14	11
OB-Gyn	7/1/1955	8	8
Pathology	7/3/1956	4	0
Pediatrics	7/1/1957	6	6
Psychiatry			

Information submitted by:

Dennis F. Buckley
Name

Director
Title

January 27, 1969
Date

Dennis F. Buckley
Signature

*Council on Medical Education of the American Medical Association and/or with appropriate A.M.A. Internship and Residency Review Committees.

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#68-3
5/9&10/68

II. Presentation:

Robert Q. Marston, M.D., Administrator, Health Services and Mental Health Administration and Director, Division of Regional Medical Programs, NIH, presented comments on the reorganization of HEW and the possible contributions of teaching hospitals to HEW's activities. His presentation was followed by a question and discussion session.

III. Recess:

Following Doctor Marston's presentation, Mr. Grapski thanked him on the Committee's behalf. After having moved the Friday morning meeting to 9:00 a.m., the meeting was adjourned at 9:45 p.m.

IV. Reconvene -- Roll Call of the Committee:

The meeting reconvened at 9:15 a.m., and roll call was taken as previously noted.

V. Approval of Minutes -- Executive Committee Meeting #68-2, January 11-12, 1968:

ACTION #1 ON MOTION, SECONDED AND CARRIED, THE EXECUTIVE COMMITTEE APPROVED THE MINUTES OF THE JANUARY 11 & 12, 1968, MEETING AS PRESENTED

VI. Report on Action Items from Executive Committee Meeting of January 11-12, 1968:

A. Action #3:

Mr. McNulty reported that he had discussed the question of admitting osteopathic hospitals with Robert C. Berson, M.D., Executive Director, AAMC, and that Dr. Berson has arranged to meet with Mr. Lawrence Mills of the American Osteopathic Association to discuss the matter. Mr. McNulty indicated that the question is still pending since the AAMC has not yet taken a definite stand and any positive action would necessitate revision of the Rules and Regulations.

B. Action #4:

Mr. McNulty reported that concern over the Federal "fund freeze" has been expressed at the Federal level, most effectively through the AAMC testimony

Meeting # 68-2
1/11+12/68

Item 4: Status Report on Membership, FY 1967-68:

Mr. McNulty reported that the 1967-68 paid membership to date is 316; unpaid, 18; old members unpaid, 17, and new members unpaid, 1.

Item 5: New Applications for Membership:

Mr. McNulty brought the Committee's attention to the application for COTH membership submitted by Monmouth Medical Center, Long Branch, New Jersey. He recommended approval as the applicant met the internship and residency requirements.

ACTION #2 THERE WAS A MOTION THAT MONMOUTH MEDICAL CENTER BE APPROVED FOR MEMBERSHIP. THE MOTION WAS SECONDED AND PASSED UNANIMOUSLY.

Item 6: Inquiries as to Possibilities for Membership:

Mr. McNulty presented the recent correspondence with Detroit Osteopathic Association, a corporate body of three osteopathic hospitals which is interested in joining COTH. He said that the COTH staff had no firm stand and would accede to the wishes of the Committee Members. Following, there was a full discussion of the ramifications and possibilities of accepting an osteopathic institution.

ACTION #3 IT WAS AGREED THAT MR. McNULTY SHOULD DISCUSS THE QUESTION OF ADMITTING OSTEOPATHIC HOSPITALS WITH ROBERT C. BERSON, M.D., EXECUTIVE DIRECTOR, AAMC, TO DETERMINE THE AMMC STAND WITH REGARD TO OSTEOPATHIC INSTITUTIONS. FURTHER ACTION WOULD BE TAKEN BY COTH PENDING RESULTS OF SUCH DISCUSSION.

Item 7: Report of Committees:

A. Committee on Modernization and Construction Funds for Teaching Hospitals:

Mr. Frenzel reported on the activities of this Committee, bringing special

March 5, 1968

Ralph F. Lindberg, D.O., Executive Director
Detroit Osteopathic Hospital Corporation
12523 Third Avenue
Detroit, Michigan 48203

Dear Doctor Lindberg:

I have not forgotten your letter of November 28, 1967, to Robert C. Berson, M.D., inquiring as to membership possibility in the Council of Teaching Hospitals for the Detroit Osteopathic Hospital. As you will remember, I replied by letter or December 7, 1967, indicating that at that point, the "Rules and Regulations" of the Council of Teaching Hospitals (COTH) were specific as to membership, indicating that there was a requirement for a relationship with a school of medicine, or a major commitment to post-graduate medical education.

Since my letter of December 7, there has been considerable discussion by the Association of American Medical Colleges (AAMC) concerning an enlargement of its base of membership and a corresponding broadened program responsibility. I had hoped that these discussions would have become definitive by this time so that I might write to you and indicate what view the total AAMC might have toward encompassing additional disciplines active in the health field. Having waited now for several months, I did feel a responsibility to reply and inform you that the position at this time is still the same as it was in December--that the criteria for membership in the Council of Teaching Hospitals is necessarily related to medical education activity.

If current and continuing discussions do materialize into an organizational structure that could be responsive to the interest mentioned in your letter of November 28, I shall certainly bring such information to your attention. In the meantime, I do encourage you and your colleagues to maintain your individual membership in the AAMC. In addition, I would call attention to the Annual Meeting of the Council of Teaching Hospitals which is concurrent with the Annual Meeting of the Association of American Medical Colleges, being held this year in Houston, Texas, from Friday, November 1, through Monday morning, November 4, 1968. I hope it is possible for you to attend that Annual Meeting. If so, I would look forward to the pleasure of our meeting.

Cordially,

MATTHEW F. McNULTY, JR.
Director, COTH

(B)-1

December 7, 1967

Ralph F. Lindberg, D.O.
Executive Director
Detroit Osteopathic Hospital Corporation
12523 Third Avenue
Detroit, Michigan 48203

Dear Dr. Lindberg:

Your letter of November 28, addressed to Dr. Robert C. Berson, the Executive Director of the AAMC, has been referred to the Council for reply.

The questions posed in your letter, regarding your institution's eligibility for membership, have never arisen before. Correspondingly, no firm policy decision has been made by the COTH Executive Committee, which also serves as an interim membership approval committee, with regard to these issues.

The "Rules and Regulations" of the Council, however, are quite explicit and specific in their definitions of the criteria for membership. As you will note in the attached copy of the "Rules and Regulations", the dual minimum standards for membership are those hospitals either nominated by a medical school member of the AAMC or which have approved internship programs and full residencies in three of the five following departments-Medicine, Surgery, OB-GYN, Pediatrics and Psychiatry.

Because of the uniqueness of the question which you posed, I will pursue it through that organizational element of the Council responsible for such decisions and will be in touch with you once a firm solution has been reached.

Thank you for your interest in the Council.

Very sincerely yours,

MATTHEW F. McNULTY, JR.
Director, COTH
Associate Director, AAMC

FHB: vg

cc: Robert C. Berson, M.D. (without attachment)

B-

DETROIT OSTEOPATHIC HOSPITAL CORPORATION

12523 THIRD AVENUE • DETROIT, MICHIGAN, 48203

November 28, 1967

Mr. Robert C. Berson, Executive Director
Association of American Medical Colleges
2530 Ridge Avenue
Evanston, Illinois

Dear Mr. Berson:

I have been an individual member of the Association of American Medical Colleges for many years and have attended some of the annual meetings. I am the Executive Director of the Detroit Osteopathic Hospital Corporation responsible for the operation of the three hospitals owned and controlled by our nonprofit corporation.

These three hospitals are, Detroit Osteopathic Hospital in Highland Park, Michigan, Riverside Osteopathic Hospital in Trenton, Michigan and Bi-County Community Hospital in Warren, Michigan. All three hospitals are approved by the American Osteopathic Association for the training of interns and residents. Detroit Osteopathic Hospital is an off-campus teaching hospital of the Chicago College of Osteopathy. This is an official affiliation meeting the requirements of the United States Public Health Service in their approval of the grant-in-aid to the Chicago College for a construction program.

My reason for writing this letter is to inquire if the membership requirements of the Council of Teaching Hospitals would permit Detroit Osteopathic Hospital to be a member of this Council in some category or to have some status whereby I, or some members of our teaching staff (who are individual members of the A.A.M.C.) could attend the educational sessions of this Council of Teaching Hospitals.

I shall be happy to supply any additional information should you so desire.

Sincerely yours,

Ralph F. Lindberg, D.O.
Executive Director

RFL:mh

COUNCIL OF TEACHING HOSPITALS
ASSOCIATION OF AMERICAN MEDICAL COLLEGES
1346 Connecticut Avenue, N.W.
Washington, D.C. 20036
202/223-5364

AGENDA

TEACHING HOSPITAL INFORMATION CENTER
ADVISORY COMMITTEE MEETING

Mayflower Hotel - Pennsylvania Suite
Washington, D.C. 20036
Friday, January 31, 1969
9:00 a.m.

I. Introduction:
   - A. History of COTH-AAMC
   - B. Genesis of Feasibility Study to Establish a Teaching Hospital Information Center
   - C. Statement of Purposes for the Proposed Information Center — Tab 1
     1. Purposes of the Feasibility Study
   - D. Continued Development of Presently Offered Services — Tab 2
     1. Contemporary Requests for Information
     2. General Membership Memorandum No. 69-10G
     3. Membership Special Project Priority Preferences

II. Presently Operating Literature and Information Sources:
   - A. Cooperative Information Center for Hospital Management Studies
   - B. National Library of Medicine, NIH

III. Presently Operating Data Sources:
   - A. Commission on Professional and Hospital Activities — Tab 3
   - B. American Medical Association — Tab 4
   - C. American Hospital Association - Hospital Administrative Services — Tab 5
   - D. Association of American Medical Colleges, Division of Operational Studies

IV. Proposed Study Efforts and Research Capability:
   - A. Two Major Demonstration Projects
     1. Medical Faculty Group Practice Plans — Tab 6
     2. Exploratory Study of the Concept, "Community Service and the Teaching Hospital"
   - B. Projects Needing Early and Continuing Attention
     1. Intern and Resident Economic Survey
     2. Administrative and Other Manpower Surveys
     3. Modernization and Expansion Surveys — Tab 7
     4. Continued Development of a Comprehensive Profile of Teaching Hospitals - Publication of COTH Directory

V. Educational Opportunities Derived from Research Project Findings

VI. Other Subject Matter of Interest

VII. Adjournment - 4:00 p.m.

COUNCIL OF TEACHING HOSPITALS
ASSOCIATION OF AMERICAN MEDICAL COLLEGES
1346 Connecticut Avenue, N.W.
Washington, D.C. 20036

TEACHING HOSPITAL INFORMATION CENTER
ADVISORY COMMITTEE MEMBERS

Chairman

Cecil G. Sheps, M.D.
Director
Center for Health Services Research
University of North Carolina
Chapel Hill, North Carolina

Members

Don L. Arnwine
Director of Hospitals
University of Colorado Medical Center
Denver, Colorado

Mrs. Agnes W. Brewster
Research Associate
Leonard Davis Institute of Health Economics
University of Pennsylvania
Chevy Chase, Maryland

Ray E. Brown
Executive Vice President
Affiliated Hospitals Center (Harvard)
Boston, Massachusetts

Edward J. Connors
Superintendent, University of Wisconsin Hospitals,
On Leave of Absence as
Consultant
Health Services and Mental Health Administration
Department of Health, Education, and Welfare
Bethesda, Maryland

James P. Cooney, Ph.D.
Director of Research and Development
American Hospital Association
Chicago, Illinois

Robert M. Cunningham, Jr.
Editor
Modern Hospital
Chicago, Illinois

Sam A. Edwards, Ph.D.
Director
Graduate Program in Hospital Administration
Trinity University
San Antonio, Texas

Paul J. Feldstein, Ph.D.
Associate Professor
School of Public Health
The University of Michigan
Ann Arbor, Michigan

John R. Griffith
Editor
The Cooperative Information Center for
Hospital Management Studies
Bureau of Hospital Administration
The University of Michigan
Ann Arbor, Michigan

Donald C. Riedel, Ph.D.
Associate Professor of Public Health
Department of Epidemiology and Public Health
School of Medicine
Yale University
New Haven, Connecticut

E. Todd Wheeler, F.A.I.A.
E. Todd Wheeler and the Perkins and
Will Partnership
Chicago, Illinois

Liston A. Witherill
Chief Deputy Director
Department of Hospitals
County of Los Angeles
Los Angeles, California

Charles R. Wright, Ph.D.
Program Director
Sociology and Social Psychology
Division of Social Sciences
National Science Foundation
Washington, D.C.

John P. Young, Ph.D.
Associate Provost
The Johns Hopkins University
Baltimore, Maryland

DISCUSSION DRAFT

THE TEACHING HOSPITAL AND ITS ROLE IN HEALTH PLANNING AT THE LOCAL AND AREA LEVELS

Prepared by
Staff, Council of Teaching Hospitals
January 29, 1969

INTRODUCTION

Through the relatively recent passage of several pieces of social legislation, the Federal government has implicitly attempted to immerse the teaching hospital into the health care planning process. While the history and contemporary developments of these laws indicate in one case a categorical thrust and in the other a non-categorial approach, both of these tend to be viewed as complimentary rather than competitive activities. Section 900 of P.L. 89-239 has perhaps the most direct statement on this new role of medical schools and teaching hosptials when it indicates that a major purpose of the Act is "... to encourage and assist in the establishment of regional cooperative arrangements among medical schools, research institutions and hospitals..." The AAMC in testimony in 1967 presented a position on the concept of areawide planning and that testimony is included as Appendix A of this paper.

Coordinated planning for health and medical care facilities and services is a subject which has been much in evidence in recent literature. During this same time, a number of planning groups have been created to describe and evaluate existing facilities and to plan programs for the provision of needed facilities and services on areawide or regional bases. The development of these groups has arisen primarily through the exhibited health care needs of the community, supported by attempts at systematic analyses of existing resource and future community requirements.

The prime objective of coordinated planning, on a community or on a regional basis, is considered to be: the optimum utilization of a community's or a region's, hospital and health related facilities, services and manpower from the standpoint of institutional use, professional use, and use by the consumers of these resources - the patients. If these publics do not benefit, then the planning process will be opportunity for emotional rather than analytical expressions to be presented by those who are not in accord with the results of the effort.

THE NATURE OF THE TEACHING HOSPTIAL AS AN INSTITUTION

The teaching hospital traditionally has had as a primary responsibility the education of young physicians. The physicians include medical students in the clinical aspects of the curriculum, house officers at all levels, and postdoctoral fellows - currently the most rapidly growing group. Since the education and training programs for all students revolve around the patient, the hospital must first of all be a place of care for sick people.

The teaching hospital has special social responsibilities in terms of its multipurpose goals that critically alters its production function. As has been emphasized throughout this paper, the multiple goals of education and training, patient care, health research and community service require careful assessment in order to insure an equitable distribution of productivity among the four activities. As William L. Kissick has noted,[1] "In general, health manpower has not received the attention accorded to the other services." In addition, this attitude can be extended to the specific

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[1] William L. Kissick "Health Manpower In Transition" in The Milbank Memorial Fund Quarterly, (Vol. XLVI, No. 1) January, 1968, Part 2, Pg. 53

activities of manpower production, which in very few instances is taken into consideration by the various health planning agencies.

In noting the unique contributions of teaching hospitals in terms of its patient care, educational, research and community service functions, as these contributions relate to health planning, it is necessary to have some workable, operational definition of the planning process.

Sigmond in discussing this concept has suggested the following:[2]

> "The emphasis in health planning is on goal setting, development of programs to overcome obstacles to achieving goals, and continuous re-evaluation of goals and programs. Most simply stated, planning is thinking in advance as a basis for doing."

Although teaching hospitals do not take issue with the overriding development of health planning, when described in theoretical terms as stated above, when implementation plans are developed, particularly in terms of bed ratios or other quantitative indexes, the nature of the institution is such that standardized or other easily applied criteria are not operationally feasible. If the implied trend toward structuring hospital services in accordance with regional systems of medical care organization should experience substantial momentum, it will be increasingly apparent that teaching hospitals will be expected in the future to serve as regional referral centers; that is, hospitals, to which patients in need of specialized diagnostic and therapeutic facilities that are not generally available in the community may be referred. Additionally, teaching hosptials will undertake a significant new role in caring for the ambulatory patient. While these are

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[2] Robert M. Sigmond, "Health Planning", Medical Care, May-June, 1967, pg.117

elements which remain to date largely undetermined and undefined, the application of certain standard quantified indices relating to community service needs have been introduced which produce a most inequitable program for teaching hospitals and its multiple functions.

Among the reasons for this are the following:

(1) Most "bed needs" models or other program indicies are based on finite geographic areas which circumscribe the service areas for most hospitals. However, most teaching hospitals have a much larger service area than that utilized in the geographically specialized planning report.

(2) The "total bed needs" as identified by planning bodies assumes that all hospitals are equal in their delivery. Bed needs should be based on the capability of the individual hospital taking into account the total service, education and research nature of the institution.

(3) Many planning models used to obtain "total bed needs" fail to take into consideration established referral patterns of physicians. The teaching hospital, with its broad array of sophisticated personnel and equipment must often be prepared to accept large numbers of referral patients, although planning models do not usually account for this feature of activity.

(4) Many beds and other program elements which have been established for research and education purposes should not be included in planning estimates as there beds are not generally accessible, due to highly selective admission requirements established by diverse clinical departments.

(5) There is no means currently available for many of the planning criteria a factor that would allow for the multiple products of the teaching hospital, particularly in the area of health manpower.

With these noted deficiencies in the quantitative criteria that are most usually employed by planning agencies, there is a need for a positive action statement by the Council of Teaching Hospitals dealing with the responsibilities of teaching hospitals in dealing with planning agencies.

THE TEACHING HOSPITAL AND PLANNING

Teaching Hospitals recognize their responsibilities to support planning in the following ways:

1. To encourage each teaching hospital institution to identify within its organizational structure a focal point designated to interact with a constituent planning agency.
2. To encourage each teaching hospital institution to provide a leadership role in the development, formation and continuing operation of areawide, regional and other planning efforts.
3. To encourage, as an integral factor of planning, the continued development of needed educational facilities and the necessary concommitant program activities supportive of such educational undertakings at the professional and paramedical levels.
4. To assist in undertaking research opportunities designed to strengthen the results of health planning at the local and regional level, particularly with regard to the multiple purposes of teaching hospitals in the provision of health manpower, health services and health research.

5. To assist in the identification of the particular features of the teaching hospital's programs and services that require specific attention within the overall activities of planning

Appendix H

STATEMENT FOR
THE ASSOCIATION OF AMERICAN MEDICAL COLLEGES
CONCERNING H.R. 6418
PARTNERSHIP FOR HEALTH AMENDMENTS OF 1967
MAY 4, 1967

Mr. Chairman and members of the Subcommittee, I am Dr. Thomas B. Turner, dean of the School of Medicine of The Johns Hopkins University, and past president of the Association of American Medical Colleges. Our Association represents all of the accredited medical schools and a majority of the major teaching hospitals in the United States. I have been asked to express our appreciation for this opportunity to tell you our thoughts with respect to both the bill H.R. 6418 and the "Partnership for Health Act" of 1966, which it extends and expands.

We have two things to say, gentlemen. We want to express our thoroughgoing and complete approval of the objectives and of almost all the content of the act and the bill.

Having done that, we will point out one serious flaw in the original act and in the present bill before us which could do serious damage to our schools of medicine and to our teaching hospitals, to their relations with the government and to their ability to provide the doctors we need, a flaw which we believe reflects a confusion of terminology with potential results never intended by this committee or the Congress.

First, we are delighted to support legislation that aims at creating a much more effective partnership between the federal and state and local units of government in the field of public health.

We agree that with few exceptions, State Departments of Public Health have been woefully understaffed and underfinanced. The provisions

of this legislation designed to enhance competence in those departments seem well planned to meet a long standing need.

We agree, too, that comprehensive planning to meet public health needs on a state-wide and local area basis is badly needed and that the fragmentation and imbalances created by a host of categorical grants-in-aid to State Departments of Public Health can best be corrected through lump-sum grants with each state permitted to set its own priorities as regards its own public health problems.

We support state planned training of home-health aides and the establishment of home-health services.

We believe the provisions making possible an interchange of public health personnel between the states and the federal government to be imaginative and of great potential value.

All of those provisions were in the legislation enacted last year which this bill would extend and expand.

In addition to extending the life of Public Law 89-749, this bill contains three new provisions which our Association also regards as very well worthwhile.

Certainly the quality of the services rendered by clinical laboratories is of vital importance to all our people. Currently, in many instances, it is far below -- dangerously below -- what it should be. We support the provisions of H.R. 6418 designed to improve the performance of clinical laboratories.

Last year we strongly endorsed legislation passed by the Congress which made possible cooperation between Veterans Hospitals and community facilities and cooperative use of expensive equipment and talented manpower. This bill would make it possible for Public Health Service hospitals to similarly cooperate with other institutions, and that provision, too, has our strong support.

The section providing for Research and Demonstrations Relating to Health Facilities and Services seems to us highly constructive and important and has our strong support. There is urgent need for improvements in the effectiveness with which health services are delivered to people who need them and the efficiency with which facilities are designed and used. But these are complicated matters and research, demonstration and evaluation of methods must be conducted with thoroughness and care. Universities, medical schools and teaching hospitals, as well as other institutions and organizations can make important contributions if the resources are made available. We assume that it is intended that these programs would be supported on their merits and potential national contribution, and would not be subject to the control of state planning agencies and we would urge that Congress make its intentions quite clear on this point.

With all of these proposals, we are in hearty agreement and, in addition, we thoroughly approve of the provision authorizing grants to Schools of Public Health. Like our own schools, these Schools of Public Health -- few in number -- are undertaking to meet a vast national need. Graduates of each such school fan out to meet the needs not of any

one state but of all the states and of the nation itself. As we interpret Section 4 of the Act, the Surgeon General will make these grants directly to such Schools of Public Health as are undertaking to meet this national need. There will be no agency of any one state intervening to say "No." To say, "We have a more immediate and pressing need in our locality that takes precedence over the needs of our neighboring states or of the nation." Such intervention would frustrate the will of the Congress, and we assume that it is not contemplated by your committee.

Yet the possibility of such intervention remains. And that, gentlemen, brings me to the one point where we must take serious issue with this legislation. Where we must beseech you to amend both the act and the bill. Where we must ask for a very clearcut statement of congressional intent in your committee's report.

The Senate acted first on what became Public Law 89-749. In reporting the bill, the Senate Committee said, and I quote, "The bill would extend to public health programs the concept of comprehensive planning that has been effectively used in the Hill-Burton program, strengthen and improve the existing programs of grants-in-aid for public health services, and provide Federal assistance to the mentally retarded and other handicapped children," unquote.

Having stipulated that these were the purposes of the bill and having stressed "public health services," the report went on to list some 13 activities carried out by state and local public health authorities which would be materially strengthened by the passage of the legislation.

The stress throughout the report was on public health activities. Traditionally public health activities primarily involved such things as control of contagious diseases; the sanitation of milk and water supplies; sewage disposal; the cleanliness of restaurants and food handlers; control of disease carriers; statistical reporting in births and deaths. All such matters involve the invocation of the police powers of the states and local governmental units. They come quite properly within the jurisdiction of state governments and certainly an agency of state government could make and enforce plans for the efficient discharge of such functions.

The same is true of controls over air and water pollution which similarly involve the police powers of both state and federal governments. Planning for these and for such newly developed public health functions as the operation of clinics, the administration of categorical health programs, and the distribution and non-duplication of quasi-public health facilities can quite properly be carried out by a single state agency.

But whereas the Senate report stressed public health needs and your House committee report referred to -- I quote -- "comprehensive health planning that would identify public health needs," unquote, the language in the act and in this proposed legislation goes far beyond what has been considered the realm of public health activities.

Specifically, the act authorizes one state agency to draw up comprehensive plans covering all health facilities and including all health manpower. And it contemplates having that one state agency set priorities which would determine which health promoting activities would be undertaken

at a given time and which of a host of differing types of health facilities could be funded at a given time. Many states have designated the Department of Public Health as that agency.

We repeat, gentlemen, that we consider this quite proper and obviously desirable as regards a state's public health activities and its public or quasi-public health facilities. It would not be at all proper, it would be self-defeating, and would represent a great leap backward if state planning agencies were given the power to force their plans on institutions educating health personnel.

This is the point we would urge on you with all the power at our command.

We believe what we have to say applies to the education of all health personnel at the university level. However, our particular sphere of competence has to do with the education of physicians and the operation of teaching hospitals and we will restrict our testimony to that area.

It is most important that this committee understand the roles and the functioning of our schools of medicine and teaching hospitals.

Most medical schools and many teaching hospitals are integral parts of universities. Those which are not have long histories of distinguished contributions to education in the health professions. We do not believe the state health planning councils could be expanded enough to include representatives of these institutions without becoming so large as to be ineffective.

Most importantly, each medical school and major teaching hospital,

whether state supported or not, exists, at least in part, to serve our entire nation. Each is located within a state but no one exists to serve only the needs of that state. Medical schools accept students and teaching hospitals accept interns, residents and patients from throughout the nation. After completing their training, young physicians serve in the Armed Forces, the Public Health Service and settle in various parts of the nation to serve the civilian population. And many members of the allied health professions are similarly mobile.

The idea that such institutions should be completely subject to control by a planning agency in the state in which they happen to be located simply would not work -- that is, save to the great detriment of the United States.

Ohio, for instance, is the home of some three medical schools with another being developed. Their graduates serve in countless states. Surely it is not the intent of the Congress to make it possible for a state planning agency to say that if perhaps two of those institutions would turn out enough physicians for Ohio, no federal funds would go to expand the others until all of California's needs for venereal disease clinics, drug addiction centers, sewage plants, and other public health facilities of high priority for that one state had been met.

Surely that is not what this committee meant. Yet that is what this legislation seems to make possible.

Similarly, what of schools like those at the University of Colorado or the University of Minnesota, whose graduates provide many of

the doctors for Idaho, Montana, North and South Dakota and other states without medical schools? What state agency in which of these many states shall determine the fate of these schools?

What of George Washington University here in Washington? Or Georgetown? Or Howard? Their graduates serve as doctors in dozens of states. Shall their futures be determined by the Department of Health of the District of Columbia? Surely you do not wish it so.

We could talk of many such cases -- of Harvard and Tufts in Massachusetts which serve all New England. Of my own Johns Hopkins, proud of its years of service to the entire nation. Does anyone want or think our future should be subject to a temporarily appointed director of public health for the single State of Maryland, no matter how competent the incumbent might be at any particular time?

This, gentlemen, is the situation in which we now find ourselves.

It is a situation which we found somewhat alarming last year but concerning which we were unable to take proper counsel or make proper representations to you because of the unexpectedness with which, as you will recall, hearings were held, and their brevity. The Congress acted before we could react.

We were not too alarmed, because it had been our understanding that the proposed comprehensive plans to be drawn by the state agencies were to be of an advisory nature only.

Now we are alarmed. Now, we find that these state health planning agencies may have power to enforce their plans on all health serving institutions and to control the construction of all health facilities including apparently those essential to the functioning of medical schools and teaching hospitals.

Testifying before the House Ways and Means Committee on March 1 of this year, Secretary Gardner said, and I quote: "We are recommending that where institutions participating in the Medicare program make capital expenditures that are not in accordance with statewide health plans, we would have authority to reduce reimbursements to the institutions or to terminate the participation agreement with them. This requirement can do much to strengthen state health planning." Unquote.

I would only add that it would certainly strengthen it; it could make acceptance of the state plan compulsory!

Even more alarming to us are certain recommendations made in the recent report on Medical Care Prices which we are advised are now Administration policy.

One recommendation says, quote, "The Federal Government shall require that grants to state and local governments for health purposes shall be spent in accordance with these plans and should deny funds for construction or expansion of health institutions which refuse to comply with the directions of the state or area-wide planning agency." Unquote.

To us that language means that the funds this committee authorized

under the Health Professions Educational Act and similar legislation to be granted to medical schools if those schools agreed to increase the number of their students could now be withheld even if the school were carrying out its contract with the Congress and the Federal Government. They would be withheld if the school's plans to expand its educational facilities, its research facilities, its teaching hospital, or its animal care facilities did not happen to coincide in detail with a master plan made with only one state in mind and with the immediate public health needs of that state obviously taking priority over the long-range educational needs of other states and of the nation.

Mr. Chairman and gentlemen, I am sure in my own mind that neither Secretary Gardner nor those who wrote the recommendations in the report had our university schools of medicine or their essential hospitals in mind when they made those statements. I am certain that when this committee and the Congress passed the Health Professions Educational Assistance Act and urged us to plan to increase the supply of doctors by 50,000 just as quickly as possible, they did not intend that our plans for expansion would be subjected to control or interdiction by any single state agency or local community planning body.

Yet, unless you, gentlemen, amend both the act and this bill, unless you clearly spell out your intent that state health planning agencies not have the power to enforce their plans on or withhold federal funds from institutions engaged in the education of health personnel and the facilities essential to such educational pursuits, that is the position in which we will find ourselves.

We are not experts in legislative draftsmanship. It would appear to us that Section 314 (a) (2) of the act which sets forth the items to be included in a comprehensive state plan could have a provision added stating that "the education and training of college or graduate level health personnel and the provision or utilization of facilities used in connection with the training of such personnel shall not be considered as coming within the purview of the state planning agency."

A somewhat similar provision would seem needed in Section 2 (a) (2) of H.R. 6418.

Other amendments may well be needed. Certainly we would hope for a strong statement in the Committee's report making it crystal clear that our medical schools and teaching hospitals are not to be affected by the operation of this legislation.

In conclusion, gentlemen, let me repeat that we strongly favor the enactment of all parts of this legislation, so long as the powers of enforcement of the state health planning agency are limited to grants for comprehensive public health services and project grants for health services development (Section 314 (d) and (e)), for which a state agency may properly plan.

We believe in planning to meet health needs. We believe in the planning of health facilities. And we believe in planning for the education of the medical manpower this nation needs -- a subject now under consideration by the President's Commission on Health Manpower.

Should this committee believe that the planning of such education should at this time be made the subject of legislation, we ask that it take the form of a separate title or a separate bill; that the planning agency designated be national or regional; that the schools and hospitals we represent be consulted in its drafting.

Thank you.

91ST CONGRESS
1ST SESSION

S. 269

IN THE SENATE OF THE UNITED STATES

JANUARY 16 (legislative day, JANUARY 10), 1969

Mr. JAVITS (for himself, Mr. DOMINICK, and Mr. MURPHY) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

To amend the Public Health Service Act to provide for the making of guaranteed loans for the modernization of hospitals and other health facilities and otherwise to facilitate the modernization and improvement of hospitals and other health facilities.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Hospital Modernization and Improvement Act of 1969".

SEC. 2. Title VI of the Public Health Service Act is amended by redesignating part B as part C and by redesignating sections 621 through 625, and references thereto, as

sections 631 through 635, respectively, and by inserting after section 610 the following new part:

"PART B—LOAN GUARANTEES FOR MODERNIZATION OF HOSPITALS AND OTHER HEALTH FACILITIES

"AUTHORIZATION OF LOAN GUARANTEES

"SEC. 621. (a) In order to assist public and other nonprofit agencies to carry out needed projects for the modernization of facilities referred to in paragraphs (a) and (b) of section 601, the Secretary is authorized (subject to the limitations contained in this part) to guarantee, to non-Federal lenders making loans to such agencies for such purpose, payment when due of principal and interest on loans approved under this part.

"(b) No loan guarantee under this part with respect to any modernization project may apply to so much of the principal amount thereof as, when added to the amount of any grant or loan under part A with respect to such project, exceeds 90 per centum of the cost of such project.

"ALLOCATION AMONG THE STATES

"SEC. 622. (a) The Secretary, after consultation with the Federal Hospital Advisory Council, shall allot among the States the amounts available for each fiscal year to cover loans which may be guaranteed under this part. Such amounts, for any fiscal year, shall be allotted among the States in a manner which is fair and equitable to each State

after taking into consideration the population, financial need, and need for modernization of facilities referred to in paragraphs (a) and (b) of section 601, of each State, as compared to the population, financial need, and need for the modernization of such facilities, of all States.

"(b) Any amount allotted to a State prior to the fiscal year ending June 30, 1973, for a fiscal year and remaining unobligated at the end of such year shall remain available to such State, for the purposes for which made, for the next fiscal year (and for such year only), and any such amount shall be in addition to the amounts allotted to such State for such purpose for such next fiscal year. Any amount so allotted to a State for a fiscal year shall not (even though remaining unobligated at the close thereof) be considered as available for allotment for the next fiscal year.

"APPLICATIONS AND CONDITIONS

"SEC. 623. (a) For each project for which a loan guarantee is sought under this part, there shall be submitted to the Secretary, through the State agency designated in accordance with section 604, an application by the State or a political subdivision thereof or by a public or other nonprofit agency. If two or more such agencies join in the project, the application may be filed by one or more such agencies. Such application shall set forth all of the descriptions, plans, specifications, assurances, and information

which would be required under clauses (1) through (5) of section 605(a) with respect to applications for projects under that section, such other information as the Secretary may require to carry out the purposes of this part, and a certification by the State agency of the total cost of the project for which the application is approved and recommended by such agency, and the amount of the project cost with respect to which a loan guarantee is sought under this part.

"(b) The Secretary may approve such application only if (1) there remains sufficient balance in the allotment determined for such State pursuant to section 622 to cover the cost of the project, (2) he makes each of the findings which would be required under clauses (1) through (4) of section 605(b) for the approval of applications for projects thereunder (but with appropriate modifications, for this purpose, in the regulations concerning priority of projects), (3) he obtains assurances that the applicant will keep such records, and afford such access thereto, and make such reports, in such form and containing such information, as the Secretary may reasonably require, and (4) he also determines that the terms, conditions, maturity, security (if any), and schedule and amounts of repayments with respect to the loan are reasonable and in accord with regulations, and that the rate of interest of such loan does not exceed such per

centum per annum on the principal obligation outstanding as he deems to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States.

"(c) No application shall be disapproved until the Secretary has afforded the State agency an opportunity for a hearing.

"(d) Amendment of an approved application shall be subject to approval in the same manner as an original application.

"(e) (1) The United States shall be entitled to recover from the applicant the amount of any payments made pursuant to any guarantee under this part, unless the Secretary for good cause waives its right of recovery, and, upon making any such payments, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

"(2) Guarantees under this part shall be subject to such further terms and conditions as the Secretary determines to be necessary to assure that the purposes of this part will be achieved, and, to the extent permitted by subsection (f), any of such terms and conditions may be modified by the Secretary if he determines such modification is necessary to protect the financial interest of the United States.

"(f) Any guarantee made by the Secretary pursuant to this part shall be incontestable in the hands of an applicant on whose behalf such guarantee is made, and as to any person who makes or contracts to make a loan to such applicant in reliance thereon, except for fraud or misrepresentation on the part of such applicant or such other person.

"PAYMENT OF INTEREST ON LOANS

"SEC. 624. (a) The Secretary shall pay to each holder of a loan guaranteed under this part, for and on behalf of the hospital to which such loan was made, (1) one-half of the interest which becomes due and payable on such loan, or (2) if lower, the interest which would become so due and payable at an interest rate of 3 per centum. Each holder of a loan guaranteed under this part shall have a contractual right to receive from the United States interest payments required by the preceding sentence.

"(b) There are hereby authorized to be appropriated for each fiscal year such amounts as may be necessary to carry out the provisions of subsection (a).

"(c) Contracts to make the payments provided for in this section shall not carry an aggregate amount greater than such amount as may be provided in appropriation Acts.

"LIMITATION ON AMOUNT OF LOANS GUARANTEED

"SEC. 625. The cumulative total of the principal of the loans outstanding at any time with respect to which guar-

antees have been issued under this part may not exceed the lesser of—

"(1) such limitations as may be specified in appropriation Acts,

"(2) in the case of loans covered by allotments for the fiscal year ending June 30, 1970, $400,000,000; for the fiscal year ending June 30, 1971, $800,000,000; and for the fiscal year ending June 30, 1972, $1,200,000,000.

"LOAN GUARANTEE FUND

"SEC. 626. (a) There is hereby established in the Treasury a loan guarantee fund (hereinafter in this section referred to as the 'fund') which shall be available to the Secretary without fiscal year limitation to enable him to discharge his responsibilities under any guarantee issued by him under this part. There are authorized to be appropriated to the fund from time to time such amounts as may be necessary to provide capital for the fund.

"(b) If at any time the moneys in the fund are insufficient to enable the Secretary to discharge his responsibilities under any guarantees issued by him under this part, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary with the

approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from such fund."

SEC. 3. Subsection (k) of section 625 (redesignated as section 635 by section 2 of this Act) of the Public Health Service Act is amended by inserting immediately before the

period the following: "; and, for purposes of part B of this title only, such term includes the expansion of a hospital or other health facility so as to increase the number of beds therein by not more than 10 per centum, if such expansion is in conformity with the applicable State plan".

SEC. 4. (a) Section 604(a) of the Public Health Service Act is amended (1) by striking out "and" at the end of paragraph (11) thereof, (2) by striking out the period at the end of paragraph (12) thereof and inserting in lieu of such period "; and", and (3) by adding at the end thereof the following new paragraph:

"(13) provide that, whenever the need is the same for two or more hospital modernization projects, priority shall be accorded under part B of this title to modernization projects by hospitals which are teaching hospitals. For the purposes of the preceding sentence, a 'teaching hospital' is a hospital that allocates a substantial part of its resources to conduct, in its own name, or in formal association with a college or university, one or more formal educational programs or courses of instruction in the health disciplines that lead to the granting of recognized certificates, diplomas, or degrees, or that are required for professional certification or licensure."

(b) The amendment made by subsection (a) shall

take effect on the first day of the second month following the month in which this Act is enacted.

SEC. 5. Section 621 (redesignated as section 631 by section 2 of this Act) of the Public Health Service Act is amended by adding at the end thereof the following new subsection:

"(f) The Council shall conduct an evaluation of the effectiveness (including innovation of new methods) of modernization projects under this title, and shall submit annually to the Secretary and the Congress a report of findings and recommendations with respect to such evaluation."

SEC. 6. Section 302 (c) (2) (B) of the Federal National Mortgage Association Charter Act is amended to read as follows:

"(B) The Department of Health, Education, and Welfare, but only with respect to loans (i) made by the Commissioner of Education for construction of academic facilities, and loans to help finance student loan programs, and (ii) made under part B of title VI of the Public Health Service Act for modernization of hospitals and other health facilities."

91ST CONGRESS
1ST SESSION

S. 269

A BILL

To amend the Public Health Service Act to provide for the making of guaranteed loans for the modernization of hospitals and other health facilities and otherwise to facilitate the modernization and improvement of hospitals and other health facilities.

By Mr. JAVITS, Mr. DOMINICK, and Mr. MURPHY

JANUARY 16 (legislative day, JANUARY 10), 1969
Read twice and referred to the Committee on Labor and Public Welfare

AGENDA

ASSEMBLY OF THE ASSOCIATION OF AMERICAN MEDICAL COLLEGES

MEETING FEBRUARY 8, 1969, 2 p.m.

PALMER HOUSE HOTEL

CHICAGO, ILLINOIS

1) Roll Call

2) Report of the Executive Council

3) Development of the Association to Date and Plans for the Future

4) Report from the Council of Deans

5) Report from the Council of Teaching Hospitals

6) Report from the Council of Academic Societies

7) Prospects for National Support of Medical Schools and Teaching Hospitals

8) Other Business

ASSOCIATION OF AMERICAN MEDICAL COLLEGES

MEMORANDUM

TO: Voting Members of the Assembly, Association of American Medical Colleges

FROM: Robert C. Berson, M.D.

SUBJECT: Notice of an Agenda for Meeting February 8, 1969, 2 p.m., Chicago, Illinois

As announced in Houston on November 4, the next meeting of the Assembly will begin at 2 p.m., Saturday, February 8, 1969, in the Palmer House Hotel, Chicago, Illinois. An outline of the agenda for the meeting is attached.

At its last meeting, the Executive Council discussed in some detail plans for future meetings of the Assembly which will insure the members being fully informed and having ample opportunity to consider important matters on which action needs to be taken. There was general agreement that there should be two meetings of the Assembly during the course of the Annual Meeting--the first for presentation and discussion of issues and the second meeting for action. There was also general agreement that agenda material should be sent to Assembly members early enough to allow for review, with last minute items only taken up if they are urgent and important, and that each of the three councils should endeavor to meet between the two Assembly sessions at the Annual Meeting to allow for further discussion of the issues.

The Executive Council is convinced that a meeting of the Assembly on February 8 is highly important, although it is not feasible to present as well prepared agenda material as will be done in the future, because the Executive Council, the Council of Deans, and a number of important committees will be meeting in Chicago just prior to the meeting of the Assembly.

For about ten years, the Institutional members of the Association have met on the Saturday just preceding the Congress on Medical Education, because most of the members have found it desirable to attend the Congress at the expense of their institution. Most of the meetings in February have been highly productive of information and discussion but formal action on major policy issues has seldom been taken. The Executive Council is convinced that this meeting of the Assembly is highly important at this time when all of the institutions and organizations which make up the Association face such formidable problems and changes.

The Council of Academic Societies is made up of two representatives of each society. Each of those societies is entitled to one vote in the Assembly but my office does not have an accurate list of which representative of each society will vote for it in the next meeting of the Assembly, so this memorandum is being sent to members of the Council of Academic Societies and the name of the societies, rather than the individuals, will be included in the Roll Call.

Mr. John L. Craner, business manager for the AAMC, will be glad to assist any of you with hotel reservations if you get in touch with him directly in the Evanston office.

Attachment