



**association of american  
medical colleges**

**AGENDA**

**FOR**

**COUNCIL OF TEACHING HOSPITALS  
ADMINISTRATIVE BOARD MEETING**

**SEPTEMBER 9, 1982**

**9:00 A.M.**

**Washington, Hilton Hotel  
Independence Room**



# association of american medical colleges

MEETING SCHEDULE  
COUNCIL OF TEACHING HOSPITALS  
ADMINISTRATIVE BOARD

September 8-9, 1982  
Washington Hilton Hotel

WEDNESDAY, September 8, 1982

5:00pm	JOINT ADMINISTRATIVE BOARD MEETING	Map Room
7:00pm	JOINT ADMINISTRATIVE BOARD RECEPTION AND DINNER	Conservatory Room

THURSDAY, September 9, 1982

9:00am	COTH ADMINISTRATIVE BOARD MEETING	Independence Room
12:30pm	JOINT ADMINISTRATIVE BOARD LUNCHEON	Map Room
2:00pm	EXECUTIVE COUNCIL BUSINESS MEETING	Cabinet Room

A G E N D A

COUNCIL OF TEACHING HOSPITALS  
ADMINISTRATIVE BOARD MEETING

September 9, 1982  
Washington Hilton Hotel  
9:00-12:00pm

- I. Call to Order
- II. Consideration of Minutes Page 1
- III. Membership Application Page 8
- IV. AHA's Proposed Medical Prospective Payment System Executive Council Agenda - Page 32
- V. Statement on Status of Minority Students in Medical Education Executive Council Agenda - Page 53
- VI. AAMC Study of Teaching Hospital Characteristics Special Mailing (August 24, 1982)
- VII. Report of the Ad Hoc Committee on Major Equipment Purchasing Dr. Bartlett Page 14
- VIII. Election of Distinguished Service Members Executive Council Agenda - Page 24
- IX. Discussion Items
1. Relationships with the JCAH Page 23
2. Preparation for Leadership in the Teaching Hospital/Academic Medical Center Dr. Dalston
3. Graduate Medical Education Positions Executive Council Agenda - Page 2
4. AAMC Response to the Enactment of the Small Business Innovation Act Executive Council Agenda - Page 54
5. Status of the Legislation Executive Council Agenda - Page 61
- X. Other Business
- XI. Information Item: Hospitals Having Terminated COTH Membership, 1980-82 Page 26
- XII. Adjournment

Association of American Medical Colleges  
COTH Administrative Board Meeting  
June 24, 1982

PRESENT

Mitchell T. Rabkin, MD, Chairman  
Mark S. Levitan, Chairman-Elect  
Stuart J. Marylander, Immediate Past Chairman  
James W. Bartlett, MD, Secretary  
Fred J. Cowell  
Jeptha W. Dalston, PhD  
Spencer Foreman, MD  
Robert E. Frank  
Irwin Goldberg  
Sheldon S. King  
Haynes Rice  
William T. Robinson

ABSENT

Earl J. Frederick  
John A. Reinertsen  
John V. Sheehan

GUESTS

Julius R. Krevans, MD  
Eric B. Munson  
Charles M. O'Brien, Jr.  
Thomas K. Oliver, Jr., MD

STAFF

James D. Bentley, PhD  
Melinda Hatton  
Joseph C. Isaacs  
Richard M. Knapp, PhD  
Ann Scanley  
Nancy E. Seline  
Melissa H. Wubbold

## I. Call to Order

Dr. Rabkin called the meeting to order at 9:00am in the Jackson Room of the Washington Hilton Hotel. Before moving directly to the agenda, Dr. Rabkin noted that Dr. Knapp wished to report on several matters of interest.

Dr. Knapp introduced Nancy Seline who joined the Staff on May 24, 1982. He then reminded the Board that the Nominating Committee was beginning its work and that suggestions should be directed to Dr. Rabkin or Mr. Marylander, who is Chairman of this year's Nominating Committee. He then reported that the Hyatt Hotel at the Baltimore Harbor had been committed for the 1984 COTH Spring Meeting. The Board was reminded that the 1983 Spring Meeting will be held on May 11-13 at the Fairmont Hotel in New Orleans.

Dr. Knapp indicated no action had been taken to bring in a group of nephrologists to address the renal dialysis issue as requested at the April COTH Administrative Board Meeting. If it becomes apparent there is a need to bring such a group together to address the exceptions process or other matters, the group will be called together and appropriate relationships developed with the Health Care Financing Administration.

Dr. Knapp reported that Linda Burns of the American Hospital Association had initiated discussions with the Department staff concerning the possibility of jointly sponsored educational programs on ambulatory care and restructuring hospital-based outpatient departments. He indicated he wished to be sure there was no objection if joint educational programming in this area were pursued. There were no objections; the Board indicated its support of such an effort.

Finally, Dr. Knapp indicated that he had not made any speaker contacts for the COTH portion of the AAMC Annual Meeting because he wanted to be reassured that the Board wished to stay with its decision of using the health care coalition developments as a focus for the meeting. Bill Robinson did indicate that the set of events surrounding the development of coalitions was not moving as fast as originally anticipated. However, the AHA remains committed to their support. Following brief discussion, it was agreed that the topic should be pursued as the theme of the COTH portion of the AAMC Annual Meeting.

## II. Consideration of the Minutes

ACTION: It was moved, seconded and carried to approve the minutes of the April 13, 1982 Administrative Board Meeting without amendment.

### III. Membership Applications

Dr. Bentley reviewed the membership applications. Based on staff recommendation and Board discussion, the following actions were taken:

ACTION(S): It was moved, seconded and carried to approve:

- (1) Franklin Square Hospital, Baltimore, Maryland for FULL TEACHING HOSPITAL MEMBERSHIP;
- (2) East Suburban Health Center, Monroeville, Pennsylvania for CORRESPONDING MEMBERSHIP.

### IV. Management of Academic Information

Under contract with the National Library of Medicine (NLM), the AAMC recently completed a study entitled, Academic Information in the Academic Health Sciences Center: Roles for the Library and Information Management. Nina Matheson, who served as the principal investigator for the two year study, presented the results of the effort. Dr. Cooper reported that the Report had been very well received by the Board of Regents of the NLM and the Association of Research Libraries. Several Board members specifically mentioned the excellent quality of the report. There was a brief discussion regarding the cost implications of some of the recommendations in the report.

ACTION: It was moved, seconded and carried to recommend that the Executive Council endorse the recommendations in the report.

### V. ACCME Essentials and ACGME General Essentials

By consent of the Board, the ACCME Essentials and the ACGME General Essentials were approved without discussion.

### VI. COTH Sponsorship of Capital Purchasing Program

Chuck O'Brien, Administrator at Georgetown University Hospital and Eric Munson, Executive Director at North Carolina Memorial Hospital joined the Board for its discussion of this subject. A copy of Mr. O'Brien's memorandum is attached as Appendix A to these Minutes. Mr. O'Brien reported that at the Spring Meeting of the Appalachian Council of University Teaching Hospitals the members of the group discussed and expressed support for the concept of the exploration of capital purchasing by a larger group, either an independently organized consortium of teaching hospitals or one possibly initiated or sponsored by the Council of Teaching Hospitals. Before proceeding any further, the group recommended that a discussion be held with the Council

of Teaching Hospitals Administrative Board to determine if there was an interest in developing or sponsoring such a program at the Association of American Medical Colleges. Mr. Munson indicated that the group did not expect an answer immediately and at this point was attempting to learn if there was any interest at all in the idea. In the discussion, a number of points were raised including the following:

- o Is the AAMC's role and mission to organize or sponsor service programs for its constituents? While it can be pointed out that the centralized medical application service and the medical college admission test fall in such a category, these are without a doubt very distinctive activities;
- o The question of the extent to which such a service program might be the first of a series of such programs which could divert the energies of the staff away from the primary mission of the organization does need to be discussed;
- o A number of individuals questioned whether or not there were not existing groups that could be joined by interested hospitals;
- o There were questions concerning the real savings of such efforts on large big ticket items. The latter point was that in many cases major teaching hospitals have been able to get large discounts on their own.

Following this discussion, the following action was taken:

ACTION: It was moved, seconded and carried to recommend that the AAMC Executive Council authorize a committee to study and make recommendations concerning the possibility of initiating or sponsoring a capital purchasing program for COTH constituents.

#### VII. AAMC Study of Teaching Hospital Characteristics

At the April Board meeting, discussion of the proposed final draft for the report on the characteristics of teaching hospitals concluded with agreement to appoint a Board subcommittee to review the draft. Dr. Rabkin announced that he had appointed a subcommittee of Messrs. Goldberg, King and Reinertsen, and Drs. Foreman and Rabkin, with Mr. King as Chairman.

Mr. King then reviewed the consensus reached at the subcommittee's May 12 meeting: the original draft data suffered from the limitations of a small sample and old data, no rewriting of the original draft would make it suitable for the multiple audiences it should serve, and two separate reports should be prepared. Of the two reports, the first would be an internal document reporting study data to the membership, and the second would be a public document describing teaching hospital characteristics and needs. Dr. Bentley reviewed staff-prepared outlines for the new reports. The Board agreed with the Subcommittee's consensus and supported preparing drafts of the membership and public advocacy reports for the September Board meeting. At Mr. Levitan's suggestion, the Board also agreed to dissolve, with thanks, the original Ad Hoc Committee on the Distinctive Characteristics and Related Costs of Teaching Hospitals.

Dr. Bentley concluded the discussion of the study by outlining a research proposal prepared by Systemetrics to conduct a teaching/non-teaching hospital case mix comparison. After active discussion, the Board concluded the design's weaknesses (1978 data, old coding conventions, and old DRG's) outweighed the potential usefulness of the proposed study.

VIII. American Hospital Association's Proposed Medicare Prospective Payment System

The general outline and conceptual framework of the AHA proposal was discussed at the April Administrative Board Meeting and general support and encouragement at that time was given to the AHA. The purpose of a second discussion was to review the finally developed proposal and make a recommendation to the AAMC Executive Council concerning this matter. Following a brief discussion, the following action was taken.

ACTION: It was moved, seconded and carried to recommend that the AAMC Executive Council endorse the American Hospital Association's prospective payment system in principle.

IX. Graduate Medical Education Positions

Dr. Cooper reviewed this discussion item for the Board. He noted that data from the 1982 National Resident Matching Program (NRMP) indicate a narrowing of the ratio between the number of graduate medical education (GME) positions available and the number of graduates from U.S. medical schools. Should this trend continue, he warned, there will not be enough GME positions for U.S. medical school graduates in 1984. This year the NRMP reported that for the first time several hospitals withdrew unfilled residency positions after the match. Dr. Cooper also noted that 1,500 U.S. foreign

medical graduates (USFMG's) were placed this year and 2,500 are expected next year.

Dr. Cooper called upon the Administrative Board to discuss the problem of maintaining sufficient GME opportunities for U.S. medical school graduates and explore steps that can be taken by the Association to address this issue. Mr. Rice expressed concern about the description of the issue strictly from a U.S. medical school graduate orientation and the failure to be "forthright in addressing the replacement of foreign medical graduates (FMG's) in inner city hospitals if the AAMC wants those positions to be filled by U.S. graduates." Dr. Rabkin suggested that this is an issue that would be best addressed by a discussion group composed of representatives from all three administrative boards. Following further discussion, it was agreed that a combined meeting of all three Boards in September to discuss this matter would be a worthwhile venture.

X. Maintenance of High Ethical Standards and the Conduct of Research

The report chaired by Dr. Julius Krevans had been distributed the night before. Dr. Bartlett was a member of the Committee. Dr. Krevans outlined the major sections of the report. Questions and discussion centered around the matter of the relationship of such guidelines to institutional review boards, the timeliness of reporting patterns, the role of the department chairmen and protection of "whistleblowers". The following three suggestions were made:

- (1) Change the word "university" in the second bullet on page 2 to "institutional";
- (2) Add the words "or chief executive officer of the institution" after the word "dean" in the third bullet at the bottom of page 3;
- (3) In the next sentence, the word "dean" should be replaced by the words "that individual".

ACTION: It was moved, seconded and carried to recommend that the AAMC Executive Council approve the report of the Committee with the three amendments suggested above.

XI. Relationships with the Joint Commission on Accreditation of Hospitals

Dr. Rabkin indicated that he had received a phone call from JCAH President, John Affeldt, MD, asking if there was an interest on the part of the Council of Teaching Hospitals in being helpful to the Joint Commission. Dr. Affeldt was not more specific and therefore Dr. Rabkin was unable to provide further details. It was agreed that Dr. Rabkin should indicate that the Board is interested in being helpful to the Joint

Commission and would like to know what it can do to be supportive.

XII. National Commission on Nursing: Initial Report and Preliminary Recommendations

Dr. Rabkin set forth a number of items in the report with which he had significant disagreement. He indicated that the question before the group was whether or not COTH wishes to recommend to the AAMC Executive Council any particular action on this report. After very spirited discussion, it was agreed that no action would be recommended to the AAMC Executive Council.

XIII. Adjournment

The meeting was adjourned at 12:30pm

## Office Memorandum • GEORGETOWN UNIVERSITY HOSPITAL

To: Dick Knapp

Date: April 29, 1982

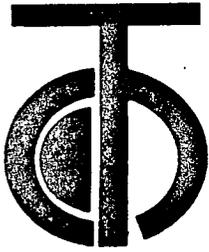
From: Charles M. O'Brien, Jr.  
Hospital AdministratorSubject: COTH Sponsorship of Capital Purchasing Program

At the spring meeting of the Appalachian Council of University Teaching Hospitals, the Appalachian group discussed and expressed its support for the concept of the exploration of capital purchasing section by a larger group, either an independently organized consortium of teaching hospitals possibly under the COTH. One of the major discussion points has been the impact of both proprietary and not for profit groups and their ability to capitalize on their bulk purchasing power for equipment. As centers which over the next several years will be purchasing substantial amounts of high cost technological equipment it appeared to the Appalachian Council that there is an opportunity which should be fully explored. For example, it was pointed out that recently the Sun Alliance had issued an order for 15 CAT scanners. The best price for the top of the line General Electric scanner is approximately \$1.2 million and they purportedly received bids from General Electric for \$800,000 per unit. Multiplying the number of institutions in the COTH who will be purchasing CAT scanners, nuclearmagnetic equipment, cath labs, etc., it would seem that within the group of the Council of Teaching Hospitals a very substantial opportunity exists to capitalize on that part of the market sharing which the Council of Teaching Hospitals institutions singularly represent.

Such a program could be easily implemented without substantial staff costs and could serve as a method or mechanism, at least at the subregional area, to develop more joint programs that could assist the teaching hospitals in their increasingly competitive environment.

The group had asked me to convey their sentiments to the Council of Teaching Hospitals to see if there is an interest, and if there is to start discussions on how such programs could be implemented. I would be pleased to discuss it further.

cc: Members of the Appalachian Council



COUNCIL OF TEACHING HOSPITALS • ASSOCIATION OF AMERICAN MEDICAL COLLEGES

APPLICATION FOR MEMBERSHIP

Membership in the Council of Teaching Hospitals is limited to not-for-profit -- IRS 501(C)(3) -- and publicly owned hospitals having a documented affiliation agreement with a medical school accredited by the Liaison Committee on Medical Education.

INSTRUCTIONS: Complete all Sections (I-V) of this application.

Return the completed application, supplementary information (Section IV), and the supporting documents (Section V) to the:

Association of American Medical Colleges  
Council of Teaching Hospitals  
Suite 200  
One Dupont Circle, N.W.  
Washington, D.C. 20036

I. HOSPITAL IDENTIFICATION

Hospital Name: MEMORIAL HOSPITAL  
Hospital Address: (Street) 2500 Citico Avenue  
(City) Chattanooga (State) Tennessee (Zip) 37404  
(Area Code)/Telephone Number: ( 615 ) 629-8100  
Name of Hospital's Chief Executive Officer: Sister Thomas de Sales Bailey  
Title of Hospital's Chief Executive Officer: Administrator

II. HOSPITAL OPERATING DATA (for the most recently completed fiscal year)

A. Patient Service Data

Licensed Bed Capacity (Adult & Pediatric excluding newborn):	<u>349</u>	Admissions:	<u>15,662</u>
Average Daily Census:	<u>297</u>	Visits: Emergency Room:	<u>14,154</u>
Total Live Births:	<u>542</u>	Visits: Outpatient or Clinic:	<u>7,800</u>

B. Financial Data (1981 Fiscal Year Figures)

Total Operating Expenses: \$ 28,991,828 (Includes Payroll Expenses)

Total Payroll Expenses: \$ 14,280,945 (Payroll - Does not include social security & fringe benefits.)

Hospital Expenses for:

House Staff Stipends & Fringe Benefits: \$ 42,781.00  
 Supervising Faculty: \$ 0

C. Staffing Data

Number of Personnel: Full-Time: 1,037  
 Part-Time: 137

Number of Physicians:

Appointed to the Hospital's Active Medical Staff: 277  
 With Medical School Faculty Appointments: 151

Clinical Services with Full-Time Salaried Chiefs of Service (list services):

\_\_\_\_\_  
 \_\_\_\_\_

Does the hospital have a full-time salaried Director of Medical Education?: No

III. MEDICAL EDUCATION DATA

A. Undergraduate Medical Education

Please complete the following information on your hospital's participation in undergraduate medical education during the most recently completed academic year:

<u>Clinical Services Providing Clerkships</u>	<u>Number of Clerkships Offered</u>	<u>Number of Students Taking Clerkships</u>	<u>Are Clerkships Elective or Required</u>
Medicine	<u>0</u>	_____	_____
Surgery	<u>0</u>	_____	_____
Ob-Gyn	<u>0</u>	_____	_____
Pediatrics	<u>0</u>	_____	_____
Family Practice	<u>0</u>	_____	_____
Psychiatry	<u>0</u>	_____	_____
Other: _____	<u>0</u>	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

B. Graduate Medical Education

Please complete the following information on your hospital's participation in graduate medical education reporting only full-time equivalent positions offered and filled. If the hospital participates in combined programs, indicate only FTE positions and individuals assigned to applicant hospital.

<u>Type of Residency</u> <sup>1</sup>	<u>Positions Offered</u>	<u>Positions Filled by U.S. &amp; Canadian Grads</u>	<u>Positions Filled by Foreign Medical Graduates</u>	<u>Date of Initial Accreditation of the Program</u> <sup>2</sup>
First Year Flexible	_____	_____	_____	_____
Medicine	_____	_____	_____	_____
Surgery	_____	1*      *Two	<u>full time equivalent residencies</u>	
Ob-Gyn	_____	1*	<u>(1 Surgery, 1 OB-GYN) are filled on a</u>	
Pediatrics	_____	_____	<u>three month rotating basis from residents</u>	
Family Practice	_____	_____	<u>at Erlanger Medical Center and the University of Tennessee College of Medicine at Chatt.</u>	
Psychiatry	_____	_____	_____	_____
Other:	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

<sup>1</sup>As defined by the LCGME Directory of Approved Residencies. First Year Flexible = graduate program acceptable to two or more hospital program directors. First year residents in Categorical\* and Categorical programs should be reported under the clinical service of the supervising program director.

<sup>2</sup>As accredited by the Council on Medical Education of the American Medical Association and/or the Liaison Committee on Graduate Medical Education.

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IV. SUPPLEMENTARY INFORMATION

To assist the COTH Administrative Board in its evaluation of whether the hospital fulfills present membership criteria, you are invited to submit a brief statement which supplements the data provided in Section I-III of this application. When combined, the supplementary statement and required data should provide a comprehensive summary of the hospital's organized medical education and research programs. Specific reference should be given to unique hospital characteristics and educational program features.

V. SUPPORTING DOCUMENTS

- A. When returning the completed application, please enclose a copy of the hospital's current medical school affiliation agreement. (Agreement between Memorial Hospital and University of Tennessee dated February 5, 1979.)
- B. A letter of recommendation from the dean of the affiliated medical school must accompany the completed membership application. The letter should clearly outline the role and importance of the applicant hospital in the school's educational programs.

Name of Affiliated Medical School: Dr. Robert L. Summitt, Dean of the College of Medicine

Dean of Affiliated Medical School: University of Tennessee at Memphis

- C. Copy of Affiliation Agreement between Baroness Erlanger Hospital and University of Tennessee in cooperation with the Southeast Tennessee Area Health Education Center, dated January 16, 1973.

Information Submitted by: (Name) Sister Thomas de Sales Bailey

(Title) Administrator

Signature of Hospital's Chief Executive Officer:

Sister Thomas de Sales Bailey (Date) 6/29/82  
Sister Thomas de Sales Bailey  
Administrator

#### IV - SUPPLEMENTARY INFORMATION

Since 1973, when the Clinical Education Center of the University of Tennessee was established in Chattanooga, Memorial Hospital has played an increasingly important role in the area of post-graduate medical education. Physicians enrolled in the residency programs of the University of Tennessee College of Medicine at Chattanooga are assigned to the general surgical and OB/GYN Departments of Memorial Hospital on a regular basis.

Memorial Hospital is one of two facilities in the Chattanooga area participating in the residency programs of the Tennessee College of Medicine at Chattanooga. The Baroness Erlanger Hospital and Medical Center and Memorial Hospital are the only wholly non-profit, in-patient, facilities in the greater Chattanooga area eligible for membership in the Council of Teaching Hospitals. The medical staff of the two facilities meet together monthly to coordinate mutual programs. For the most part, the medical staff of the two are interchangeable, and the 349 beds and numerous clinical services of Memorial Hospital are being increasingly considered for their teaching potential.

Corresponding membership in the Council of Teaching Hospitals is being sought in an effort to establish Memorial Hospital, together with the Clinical Education Center of the College of Medicine at Chattanooga, as a truly significant, post-graduate medical education center in Southeast Tennessee.



COLLEGE OF MEDICINE  
OFFICE OF THE DEAN  
800 Madison Avenue  
Memphis, Tennessee 38163  
(901) 528-5526

June 22, 1982

Association of American Medical Colleges  
Council of Teaching Hospitals  
Suite 200  
One Dupont Circle, N.W.  
Washington, D.C., 20036

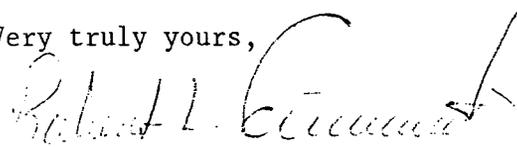
To Whom It May Concern:

This letter is written in support of the application of Memorial Hospital, Chattanooga, Tennessee, for corresponding membership in the Council of Teaching Hospitals.

The University of Tennessee College of Medicine - Chattanooga program offers clerkships for medical students in medicine, surgery, obstetrics-gynecology, pediatrics and family medicine. Thirty-five electives are also offered to students. The graduate medical education programs include Medicine, Surgery, Ob-Gyn, Pediatrics, Ophthalmology, Orthopaedic Surgery, Plastic Surgery, and Family Medicine. The University of Tennessee College of Medicine also offers and cosponsors numerous continuing education programs. Approximately 60 different medical students and 100 housestaff are trained annually in Chattanooga mainly at the Erlanger Medical Center.

The rotations of surgical and ob-gyn residents to Memorial Hospital for three-months rotations have added significant depth to the programs since the case load of common general and gynecological surgical procedures at Memorial Hospital complements the training available at Erlanger Medical Center. These rotations are supervised and directed by appointed volunteer faculty members of the departments of Surgery and Ob/Gyn of the College.

Very truly yours,

  
Robert L. Summitt, M.D.  
Dean, College of Medicine

RLS:mld



association of american  
medical colleges

August 26, 1982

MEMORANDUM TO: AD HOC COMMITTEE ON JOINT MAJOR EQUIPMENT PURCHASING

James W. Bartlett, MD, Chairman  
Robert E. Frank  
Richard Janeway, MD  
Glenn R. Mitchell  
Eric B. Munson  
Charles M. O'Brien, Jr.

FROM: Dick Knapp

SUBJECT: September 8 Meeting

The meeting will be held as scheduled beginning at 10:00am on Wednesday, September 8 here at One Dupont Circle. We will meet in a conference room on the eighth floor of the building, and will most likely adjourn before 3:00pm but certainly no later.

A copy of the Agenda is enclosed for your review. I look forward to seeing you on the morning of September 8.

RMK/mhw  
encl

c: William Bell, Jr.



# association of american medical colleges

## A G E N D A

AAMC

AD HOC COMMITTEE ON JOINT MAJOR  
EQUIPMENT PURCHASING

- |      |   |   |
|------|---|---|
| I.   | Call to Order   | Dr. Bartlett  |
| II.  | Introduction of Committee Members   | Attachment A  |
| III. | Review of the Background Developments<br>and the Charge to the Committee                          | Attachment B  |
| IV.  | Discussion  |   |
|      | A. The Need for Group Purchasing of Major<br>Capital Equipment that Is Not Currently<br>Being Met | Mr. O'Brien<br>Mr. Munson<br>Other Committee<br>Members |
|      | B. What are the Options Available?  |   |
|      | 1. Activities of the Voluntary<br>Hospitals of America  | Mr. Mitchell  |
|      | 2. Metro Associations Purchasing<br>Service (MAPS) - Attachment C                                 | Mr. William Bell, Jr.<br>Director, MAPS                 |
|      | 3. Other Possibilities?   |   |
|      | C. AAMC Initiatives ?   |   |
| V.   | Recommendations to the AAMC Executive Council   |   |
| VI.  | Adjournment   |   |

AAMC  
AD HOC COMMITTEE ON JOINT MAJOR  
EQUIPMENT PURCHASING

James W. Bartlett, MD, Chairman  
Medical Director  
Strong Memorial Hospital  
Rochester, New York

Robert E. Frank  
President  
Barnes Hospital  
St. Louis, Missouri

Richard Janeway, MD  
Dean  
The Bowman Gray School of Medicine  
of Wake Forest University  
Winston-Salem, North Carolina

Glenn R. Mitchell  
Executive Director  
Medical Center Hospitals  
Norfolk, Virginia

Eric B. Munson  
Executive Director  
The North Carolina Memorial Hospital  
Chapel Hill, North Carolina

Charles M. O'Brien, Jr.  
Administrator  
Georgetown University Hospital  
Washington, DC

## BACKGROUND DEVELOPMENTS

In early May, Dick Knapp received the attached memorandum from Chuck O'Brien concerning exploration of the establishment of a capital purchasing group. Following discussion it was agreed that the issue would be placed on the Agenda of the June 24 COTH Administrative Board Meeting. Chuck O'Brien and Eric Munson joined the Board for its discussion of the issue. In that discussion the following points were raised:

- o Is the AAMC's role and mission to organize or sponsor service programs for its constituents? While it can be pointed out that the centralized medical application service and the medical college admission test fall in such a category, these are without a doubt very distinctive activities;
- o The question of the extent to which such a service program might be the first of a series of such programs which could divert the energies of the staff away from the primary mission of the organization does need to be discussed;
- o A number of individuals questioned whether or not there were not existing groups that could be joined by interested hospitals;
- o There were questions concerning the real savings of such efforts on large big ticket items. The latter point was that in many cases major teaching hospitals have been able to get large discounts on their own.

The COTH Administrative Board recommended to the AAMC Executive Council that a small ad hoc committee be appointed to explore the issue with particular reference to the points made in the discussion. The Executive Council approved the appointment of an ad hoc committee.

Charge to the Ad Hoc Committee

The Ad Hoc Committee should review, discuss and make recommendations on the following questions?

- o Is there a need for group purchasing of major capital equipment which is currently not being met?
- o If yes, what are the options available?
- o Is there any initiative the Association of American Medical Colleges should take?

The Chairman will report the discussion and action of the Ad Hoc Committee to the COTH Administrative Board and AAMC Executive Council on September 9.

## Office Memorandum • GEORGETOWN UNIVERSITY HOSPITAL

To: Dick Knapp

Date: April 29, 1982

From: Charles M. O'Brien, Jr.  
Hospital AdministratorSubject: COTH Sponsorship of Capital Purchasing Program

At the spring meeting of the Appalachian Council of University Teaching Hospitals, the Appalachian group discussed and expressed its support for the concept of the exploration of capital purchasing section by a larger group, either an independently organized consortium of teaching hospitals possibly under the COTH. One of the major discussion points has been the impact of both proprietary and not for profit groups and their ability to capitalize on their bulk purchasing power for equipment. As centers which over the next several years will be purchasing substantial amounts of high cost technological equipment it appeared to the Appalachian Council that there is an opportunity which should be fully explored. For example, it was pointed out that recently the Sun Alliance had issued an order for 15 CAT scanners. The best price for the top of the line General Electric scanner is approximately \$1.2 million and they purportedly received bids from General Electric for \$800,000 per unit. Multiplying the number of institutions in the COTH who will be purchasing CAT scanners, nuclearmagnetic equipment, cath labs, etc., it would seem that within the group of the Council of Teaching Hospitals a very substantial opportunity exists to capitalize on that part of the market sharing which the Council of Teaching Hospitals institutions singularly represent.

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The group had asked me to convey their sentiments to the Council of Teaching Hospitals to see if there is an interest, and if there is to start discussions on how such programs could be implemented. I would be pleased to discuss it further.

cc: Members of the Appalachian Council

QUOTED FROM AHA HOSPITAL WEEK, August 6, 1982

LARGEST NATIONAL GROUP PURCHASING PROGRAM LAUNCHED... Metropolitan Associations Purchasing Service (MAPS) - the largest national group purchasing program in the hospital industry - officially began operations August 4 at its Chicago headquarters. The new coalition brings together thirteen metropolitan hospital associations with large group purchasing programs that will collectively purchase supplies and materials for 847 hospitals. To date, purchases for these hospitals have exceeded \$500 million annually, according to Howard Cook, Chairman, MAPS Policy Committee, and President, Chicago Hospital Council. Although Cook declined to say how much of a savings would result through MAPS, he said discounts on purchases are expected to range from 15 to 55 percent. MAPS already has signed purchasing agreements with 20 different vendors for items including x-ray equipment, surgical instruments and sophisticated monitoring equipment. MAPS currently is negotiating a CT scanner contract that could save hospitals more than \$200,000 per unit, Cook said.

MAPS is an extension of a metropolitan group purchasing program that began in 1980 and included metropolitan hospital associations in Chicago, Cleveland, Milwaukee and Pittsburgh. Other metropolitan hospital associations now included in the purchasing program are located in Birmingham, Cincinnati, Columbus, Dallas, Houston, Miami, New Orleans, Philadelphia and St. Louis. MAPS Director is William P. Bell, Jr., who most recently served as coordinator of group purchasing for Ancilla Domini Health Service, Inc., Elk Grove Village, Illinois.

RELATIONSHIPS WITH THE JCAH

As recommended at the June Board Meeting, Dr. Affeldt will be attending the January, 1983 COTH Administrative Board Meeting. Board members are requested to identify issues which Dr. Affeldt can be requested to discuss at the January meeting.



**association of american  
medical colleges**

July 24, 1982

John E. Affeldt, MD  
President  
Joint Commission on Accreditation  
of Hospitals  
875 North Michigan Avenue  
Chicago, Illinois 60611

Dear Doctor Affeldt:

The purpose of this letter is to confirm our conversation inviting you to meet with the Council of Teaching Hospitals Administrative Board on the evening of Wednesday, January 19, 1983. The meeting will begin at 6:30pm at the Washington Hilton Hotel and be followed by dinner.

As you suggested, the Board will discuss issues related to the JCAH at its September meeting to identify what matters might be most usefully discussed with you in January. I will report to you the nature and content of that discussion.

As the time draws near, I will be in touch with you concerning our room assignment for the meeting, who will be attending with you, and your hotel reservation needs. Have an enjoyable summer!

Sincerely,

Richard M. Knapp, PhD  
Director  
Department of Teaching Hospitals

RMK/mhw  
c: Mitchell T. Rabkin, MD

# JCAH

**Joint Commission on Accreditation of Hospitals**

875 North Michigan Avenue  
Chicago, Illinois 60611  
312/642-6061

John E. Affeldt, MD  
President

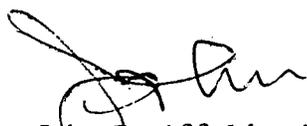
July 27, 1982

Richard M. Knapp, Ph.D.  
Director  
Department of Teaching Hospitals  
Association of American Medical  
Colleges  
Suite 200  
One Dupont Circle, N.W.  
Washington, DC 20036

Dear Dick:

Thank you for your letter of July 23, 1982 confirming your invitation for me to meet with the Council of Teaching Hospitals Administrative Board on January 19, 1983. I am very pleased to accept this invitation and look forward to hearing from you in the future.

Sincerely,



John E. Affeldt, M.D.  
President

JEA:cav

INSTITUTIONS HAVING DROPPED MEMBERSHIP IN THE COUNCIL OF  
TEACHING HOSPITALS, 1980-1982

1. SCHWAB REHABILITATION CENTER  
Chicago, Illinois - 1982
2. MAYAGUEZ MEDICAL CENTER  
Mayaguez, Puerto Rico - 1982
3. MARTIN LUTHER KING JR. GENERAL HOSPITAL  
Los Angeles, California - 1982
4. BALL MEMORIAL HOSPITAL  
Muncie Indiana - 1982
5. METHODIST HOSPITAL OF ILLINOIS (Corresponding)  
Peoria, Illinois - 1982
6. ABBOTT-NORTHWESTERN HOSPITAL (Corresponding)  
Minneapolis, Minnesota - 1982
7. PRINCE GEORGE'S GENERAL HOSPITAL  
Cheverly, Maryland - 1982
8. VETERANS ADMINISTRATION MEDICAL CENTER  
Salt Lake City, Utah - 1982
9. THE QUEEN'S MEDICAL CENTER  
Honolulu, Hawaii - 1982
10. LUTHERAN MEDICAL CENTER  
Brooklyn, New York - 1981
11. ST. THOMAS HOSPITAL  
Nashville, Tennessee - 1981
12. BECKLEY APPALACHIAN REGIONAL HOSPITAL (Corresponding)  
Beckley, West Virginia - 1981
13. HEALTH SCIENCES CENTER HOSPITAL  
Lubbock, Texas - 1980
14. GREATER SOUTHEAST COMMUNITY HOSPITAL (Corresponding)  
Washington, DC - 1980
15. CHILDREN'S HOSPITAL OF PHILADELPHIA  
Philadelphia, Pennsylvania - 1980
16. GORGAS HOSPITAL  
Ancon, Canal Zone - 1980
17. MCLEAN HOSPITAL  
Belmont, Massachusetts - 1980
18. RANCHO LOS AMIGOS HOSPITAL  
Downey, California - 1980