<table>
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<th>Time</th>
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| Wednesday, March 30 | 6:30 P.M.  
COTH Administrative Board Meeting | Hamilton Room |
|            | 7:30 P.M.  
Cocktails                                                          | Independence Room |
|            | 8:30 P.M.  
Dinner                                                              | Hamilton Room  |
| Thursday, March 31 | 9:00 A.M.  
COTH Administrative Board Business Meeting  
(Coffee and Danish) | Independence Room |
|            | 1:00 P.M.  
Joint COTH/COD/CAS/OSR Administrative Board Luncheon              | Conservatory Room |
|            | 4:00 P.M.  
Adjournment                                                         |                |
Council of Teaching Hospitals
Administrative Board

March 31, 1977
Washington Hilton Hotel
Independence Room
9:00 a.m. - 1:00 p.m.

AGENDA

I. Call to Order

II. Consideration of Minutes

III. Membership Applications

The Children's Hospital
Birmingham, Alabama

Veterans Administration Hospital
Northport, New York

The Veterans Administration Hospital
Hampton, Virginia

ACTION ITEMS

IV. Guidelines for the Application of Hospital Accreditation Standards in Surveying University Hospitals

V. LCCME 1977 Budget

VI. Rules and Regulations of the Planning Coordinators' Group

VII. Kountz v. State University of New York

VIII. Reduced-Schedule Residencies

XIX. Recommendations for Coordination of the Application Cycles for GME Programs Recruiting Medical Students for GME-II Positions

(To Be Distributed By Mr. Colloton)

Executive Council Agenda Page 24
Executive Council Agenda Page 25
Executive Council Agenda Page 35
Executive Council Agenda Page 36
Executive Council Agenda Page 37
Agenda/Page Two

X. CCME Committee on Physician Distribution Report: The Specialty and Geographic Distribution of Physicians

XI. Admission of FMGs as Exchange Visitors

XII. Eligibility Requirements for Entry into Graduate Medical Education

XIII. Letter from the American College of Surgeons

XIV. Uniformed Services University of the Health Sciences

XV. Talmadge Committee Report

DISCUSSION ITEM

XVI. National Issues of Concern to the AAMC

INFORMATION ITEMS

XVII. New Activity with American Hospital Association HAS Program

XVIII. Letter to Jim Kaple Concerning Uniform Accounting Requirements in the Outpatient Department

XIX. AAMC Support of Renewal of Health Planning Act and Other PHS Programs

XX. LCME Response to the Federal Trade Commission Challenge

XXI. AAMC Task Force on Graduate Medical Education

XXII. New Business

XXIII. Adjournment
Association of American Medical Colleges
COTH Administrative Board Meeting
Washington Hilton Hotel
Washington, D.C.
January 13, 1977

MINUTES

PRESENT:

David D. Thompson, M.D., Chairman
David L. Everhart, Chairman-Elect
Charles B. Womer, Immediate Past Chairman
John Reinertsen, Secretary
John W. Colloton
Jerome R. Dolezal
James M. Ensign
Stuart Marylander
Stanley R. Nelson
Mitchell T. Rabkin, M.D.
Malcolm Randall
Robert E. Toomey
William T. Robinson, AHA Representative

ABSENT:

Robert M. Heyssel, M.D., Ex Officio Member
Baldwin G. Lamson, M.D.

STAFF:

James D. Bentley, Ph.D.
Armand Checker
Joseph C. Isaacs
H. Paul Jolly, Ph.D.
Richard M. Knapp, Ph.D.
Catherine A. Rivera
Scott Swirling
I. Call to Order:

Dr. Thompson called the meeting to order at 9:00 A.M. in the Adams Room of the Washington Hilton Hotel. He then introduced the new members of the COTH Administrative Board - Dr. Rabkin and Messrs. Dolezal, Ensign and Marylander and reviewed the composition of the 1977 COTH Nominating Committee - Charles B. Womer, Chairman, David D. Thompson, M.D. and William J. Pinkston, Jr.

Dr. Thompson noted that a second seminar of the Management Advancement Program (MAP) is scheduled to be held at La Coquille Club in West Palm Beach, Florida on June 7-12 at the cost of $53 per day and that invitations would be mailed shortly. A discussion of the background of MAP and last year's seminar (held in June, 1976) followed.

Dr. Thompson informed the Board of the formation of an Ad Hoc Committee to Review the Talmadge Bill which is chaired by Irvin G. Wilmot, Executive Vice President at University Hospital of N.Y.U. Medical Center and has other hospital representatives participating, including Daniel Barker, Administrator at Crawford W. Long Memorial Hospital in Atlanta and COTH Administrative Board member John Colloton. The committee's first meeting is scheduled for February 1st. In addition, Dr. Thompson indicated that a Task Force on Health Manpower Legislation and a Task Force on Graduate Medical Education would be formed shortly, and that "Graduate Medical Education" would be the theme for this year's AAMC Annual Meeting.

A handout was then reviewed containing correspondence from the Association of Professors of Medicine (APM), proposing closer liaison with the AAMC and the establishment of an APM desk at the AAMC. It was pointed out that APM is already represented at the AAMC as one of the 60 member organizations that constitute the Council of Academic Societies (CAS). Dr. Knapp provided a brief description of CAS and its make-up. After much discussion, both positive and negative, and a review of the AHA's experience with personal membership societies, it was suggested that the AAMC Committee on Governance and Structure examine the APM proposal and its potential impact on the AAMC and look at CAS's present ability (its governance, structure, communicating procedures, staff support, etc.) to represent its constituents and accommodate their individual needs.

II. Consideration of Minutes:

The minutes of the November 12, 1976 COTH Administrative Board meeting were approved after amendment to include Mr. Randall and Mr. Robinson as present at that meeting.

III. Membership Applications:

Dr. Bentley indicated that he was in the process of revising the current two-page membership application into an easier to understand one-page form. Since there has been confusion on the part of applicants regarding the membership status they desire or are eligible for, the new application form will not require the applicant to designate the kind of membership for which
they are applying and will leave the decision on membership status eligibility (regular institutional or corresponding) to COTH Administrative Board review. Dr. Bentley then reviewed the established criteria for eligibility in each of the membership classifications and, in response to a request from one of the members of the Board, stated that the staff would establish a means by which the progress of development of corresponding members could be monitored.

The Board reviewed three applications for membership and took the following action:

Greater Southeast Community Hospital
Washington, D.C.

Sidney Farber Cancer Institute

Kern Medical Center
Bakersfield, California

**ACTION ITEMS**

**IV. Guidelines for the Application of Hospital Accreditation Standards in Surveying University Hospitals**

The members of the Board agreed that the document needed substantial revision, both editorially and in content, and that on behalf of a vast number of COTH members who have expressed interest and concern with this issue, the Board must make a serious effort at revamping the guidelines. It was agreed that an informal committee, consisting of Messrs. Colloton, Nelson, Randall, Reinertsen and Toomey, be requested to re-write the document, and make the significant changes necessary.

**V. LCGME Bylaws**

**ACTION:** It was moved, seconded and carried that the LCGME bylaws be approved.

**VI. LCCME Bylaws**

**ACTION:** It was moved, seconded and carried that the LCCME bylaws be approved.

**VII. Rules and Regulations of Groups**

**ACTION:** It was moved, seconded and carried that the recommendation regarding the rules and regulations for the Group on Business Affairs, Group on Public Relations and Group on Student Affairs be approved as presented on page 44 of the Executive Council Agenda.
VIII. Guidelines for the Minority Affairs Section

ACTION: It was moved, seconded and carried that the recommendation presented in the Executive Council Agenda, which called for approval of the guidelines proposed by the GSA Steering Committee with certain specific exceptions as shown on pages 60-62 of the Agenda, be approved.

IX. Regents of the University of California v. Bakke

ACTION: It was moved, seconded and carried that the AAMC seek permission to file an amicus curiae brief if the Supreme Court agrees to review the Bakke case.

X. AAMC Response to the DHEW Credentialing Report

Dr. Knapp introduced Mr. Scott Swirling, a Legislative Analyst at the AAMC, to provide background information on AAMC's response to the credentialing report. After discussion, the Board concluded that the section of the draft response on Reimbursement for delineated tasks, appearing on page 80 of the Executive Council agenda, needed revision. There was concern expressed that (1) the section was addressing reimbursement of individuals certified or licensed as opposed to institutional reimbursement for institutional services provided by certified or licensed individuals, (2) the "teaching hospital" example provided in the last paragraph of the section only tends to confuse the issue and should be deleted or replaced by a "clinical lab" example to show the non-viability of uniform nationwide credentialing criteria for reimbursement, and (3) that the response in the reimbursement section does not address the basic issue here - Should dollars be tied at all to credentialing? Further discussion found that the AHA's commentary on the report was similar to the AAMC's and took its strongest position against recommendation #3 which ties certification and licensure to reimbursement. The AHA called for its removal entirely.

ACTION: It was moved, seconded and carried that the Board recommend that the AAMC call for the deletion of recommendation #3 in the DHEW Credentialing Report and support emphasis on "quality of output" or "proficiency" as the determinant for reimbursement and, with this specific modification, approve the AAMC response as drafted.

XI. Guidelines for Functions and Structure of a Medical School

ACTION: It was moved, seconded and carried that the Board recommend that the Executive Council approve, as presented on page 84 of the Executive Council Agenda, the LCME Guidelines for Functions and Structure of a Medical School.
There was a division of attitudes on this issue among Board members. Those who felt favorably toward specialty recognition expressed that: (1) where emergency medicine physicians exist emergency medical care has been shown to be significantly improved ("emergentologists" in California were provided as one example); (2) training in emergency medicine consists of a body of knowledge taken from a number of medical specialties, but beyond this medical knowledge an emergency medicine physician must have knowledge of telemetry, transport and communication systems, as well as the management skills needed to plan, implement and maintain an EMS network or system; (3) emergency medicine merits specialty recognition in the treatment of acute illness as much as, if not more than, family medicine has received in the area of general treatment; (4) none of the existing specialties have taken enough interest in emergency medical care, getting to the patient and providing needed medical care before he or she gets to the hospital; and (5) that graduates of emergency medicine programs are heavily recruited, so it appears that many have perceived the need for such a specialty.

The arguments of those opposing specialty recognition for emergency medicine included: (1) the kind of critical care that is to be provided by the emergency medicine physician is now being performed by physicians of various established specialties in those medical areas that they are most knowledgeable - it's one thing to be trained in cardio-vascular surgery and quite another to have knowledge of how to set up a communication system between a hospital and a fire station or helicopter; (2) the hospital emergency services department is being utilized more and more by walk-ins who are not emergency patients but cannot afford a private physician and look upon the hospital ER as an outpatient department; and (3) it is questionable whether emergency medicine can be distinguished, as the recognized existing specialties (including family medicine) are, as a specific body of medical knowledge.

**ACTION:** It was moved, seconded and carried that the Board recommend that the AAMC Executive Council not take a negative position regarding the establishment of a Specialty Board in Emergency Medicine and state that the Association recognizes that there is a very real problem in providing and organizing care in the emergency medical care setting.

**XIII. Report of the AAMC Officers' Retreat**

The report was reviewed by the Board and no action was deemed necessary.
DISCUSSION ITEMS

XIV. Uniform Application Process for Graduate Medical Education

Concern was expressed that such a process would make it easier for medical students to use a shotgun approach for applying to teaching hospitals, which would create a deluge of applications at each institution. Dr. Knapp explained that there was substantial concern expressed by many deans at the increasing complexity of the application process with each institution requiring the completion of forms and letters of recommendation that vary significantly from those of other institutions and are solely applicable to their own individual programs.

The Board recommended that a group be formed to study the issue and that this group should be broadly representative of the AAMC constituency. Two suggested COTH representatives for this group were Vito F. Rallo of Cincinnati General Hospital and Fred Lineer, Assistant Director, University of Iowa Hospitals.

XV. Student Representatives on the LCME

The Board discussed the issue and their consensus opinion was negative toward such a proposal. Since this was a discussion item, no specific action was recommended.

INFORMATION ITEMS

XVI COTH Response to BHI Proposed Self-Insurance Reimbursement Policies

Dr. Bentley reviewed the COTH response and stated that this was a response to BHI's second effort at revising the Provider Reimbursement Manual. He had no idea when a third draft would be completed, for no action date has been established by BHI due to the large number of comments received on the second draft.

The Board felt that the COTH response represented a fine effort but was concerned that the paragraph on "inclusion of physicians" in the hospitals malpractice program was somewhat confusing and permitted misinterpretation. First, it did not clearly indicate the appropriateness of including in the hospital's malpractice program physicians providing supervision and instruction in approved medical education programs. Secondly, it did not clearly indicate that community-based physicians should be permitted to be included in the hospitals program if the extra expense of including them is "unbundled" and borne by said physicians. The Board requested that staff submit a letter of clarification to BHI on these two issues.

XVII. New Business

None

XVIII. Adjournment

The meeting was adjourned at 12:45 P.M.
ASSOCIATION OF AMERICAN MEDICAL COLLEGES  
COUNCIL OF TEACHING HOSPITALS  

Application for Membership

INSTRUCTIONS: Type all copies; retain the Pink copy for your files and return two copies to the Association of American Medical Colleges, Council of Teaching Hospitals, One Dupont Circle, N.W., Washington, D.C., 20036. PLEASE ENCLOSE A COPY OF THE HOSPITAL'S AFFILIATION AGREEMENT WITH THE APPLICATION.

MEMBERSHIP CRITERIA:

Eligibility for membership in the Council of Teaching Hospitals is determined by the following criteria:

(a) The hospital has a documented institutional affiliation agreement with a school of medicine for the purpose of significantly participating in medical education;

AND

(b) The hospital sponsors or significantly participates in approved, active residencies in at least four recognized specialties including two of the following: Medicine, Surgery, Obstetrics-Gynecology, Pediatrics and Psychiatry.

Membership in the Council is limited to not-for-profit (IRS-501C3) institutions, operated for educational, scientific or charitable purposes and publically-owned institutions.

I. MEMBERSHIP INFORMATION

THE CHILDREN'S HOSPITAL

1601 SIXTH AVENUE SOUTH

BIRMINGHAM, ALABAMA 35233 (205) 933-4342

Chief Executive Officer

J. E. Stibbards

Executive Director

NAME

TITLE

Date hospital was established: 1911

APPROVED FIRST POST-GRADUATE YEAR

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<tr>
<th>TYPE</th>
<th>Date of Initial Approval by CME of AMA**</th>
<th>Total F.T.E. Positions Offered</th>
<th>F.T.E. Total Positions Filled by U.S. And Canadian Grad</th>
<th>F.T.E. Total Positions Filled by PME's</th>
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<td>Flexible</td>
<td>At Children's Hospital since 1968.</td>
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** Council on Medical Education of the American Medical Association and/or with appropriate AMA Internship and Residency Review Commission.

1. Full-time equivalent positions at applicant institution only. If hospital participates in combined programs indicate only F.T.E. positions and individuals assigned to applicant institution.

2. Type as defined by the AMA Directory of Approved Internships and Residencies. (Flexible-graduate program acceptable to two or more hospital program directors; Categorical-graduate program predominately under supervision of single program director; Categorical*-graduate program under supervision of single program director but content is flexible.)
II. PROGRAM DESCRIPTION

To supplement the information above and to assist the COTH Administrative Board in evaluating whether or not the institution fulfills the membership criteria, it is requested that you briefly and succinctly describe the extent of the hospital's participation in or sponsorship of educational activities with specific reference to the following questions.

A. Extent of activity for undergraduate medical education students (e.g., number of clerkships offered; number of students participating; proportion of medical staff time committed to medical students).

B. Presence of full-time salaried chiefs of service and/or Director of Medical Education (e.g., departments which have salaried chiefs; hospital chiefs holding joint appointments at medical school).

C. Dimension of hospital's financial support of medical education costs and nature of financial agreement with medical school (e.g., dollars devoted to house staff salaries and fringe benefits; the percentage of the hospital's budget these dollars represent; hospital's contribution to cost of supervising faculty; portion of service chiefs' costs paid by the hospital).

D. Degree of affiliated medical school's involvement in and reliance upon hospital's education program (e.g., medical school faculty participation in hospital activities such as in-service education, conferences or medical staff committees).

The above are not meant to be minimum standards or requirements, but reflect the belief that COTH membership indicates a significant commitment and consideration of the items above. The hospital's organized medical education program should be described clearly with specific reference given to unique characteristics and to the institution's medical education objectives.

III. LETTER OF RECOMMENDATION

A letter of recommendation from the dean of the affiliated medical school should be included outlining the importance of the teaching hospital in the school's educational program.

Name and Address of Affiliated School of Medicine: The University of Alabama in Birmingham, School of Medicine, University Station, Birmingham, Alabama 35294

Name of Dean: James A. Pittman, Jr., M.D.

Information Submitted by:

J. E. Stibbards

Executive Director

February 1, 1977
II. PROGRAM DESCRIPTION:

The Children's Hospital in Birmingham is a private non-profit institute with its own Board of Trustees located within the campus of the School of Medicine of the University of Alabama in Birmingham.

In 1969, a full affiliation agreement was established with the University whereby The Children's Hospital now provides the major pediatric experience for both the medical students in the undergraduate program and the various residency programs within the University. The Children's Hospital provides the clinical experience and houses the majority of the pediatric teaching faculty in its facilities. All of the medical students in the undergraduate program are provided with their major pediatric experience at Children's Hospital.

The Physician-in-Chief at Children's Hospital is also the Chairman of the Department of Pediatrics at the University School of Medicine and is housed full-time at Children's Hospital. All other sub-sections of the Department of Pediatrics are also located at Children's Hospital, with the exception of the neonatology group and the program for the mentally retarded which are housed primarily at the University. All surgical specialties and sub-specialties receive their pediatric training at Children's Hospital during their residency by way of a rotation and several of the surgical specialties are represented with full-time faculty housed within Children's Hospital.

All salaries of the full-time faculty are supported by the School of Medicine with the exception of five members of the faculty, which have partial support through Children's Hospital with the balance of their support through the University. Children's Hospital supports the entire housestaff salary of the Pediatric Housestaff except during their rotation to the New Born Special Care Unit at the University. Children's Hospital also provides salary support for the surgical specialty and sub-specialty housestaff during their time of rotation at Children's Hospital. The total budgeted faculty and housestaff support included within The Children's Hospital budget for 1977 is $684,000.

The University of Alabama in Birmingham has no other pediatric affiliation in its training program and thus looks to Children's Hospital for the major aspects of pediatric training. This necessarily requires a continual interaction in the form of teaching lectures, grand rounds, and clinical training. On call facilities for the residents and office space and facilities for the faculty are provided by Children's Hospital.
AGREEMENT BETWEEN THE CHILDREN'S HOSPITAL OF BIRMINGHAM, ALABAMA (A CORPORATION) AND THE UNIVERSITY OF ALABAMA IN BIRMINGHAM, ALABAMA

The Children's Hospital of Birmingham, Alabama (herein called the Hospital) and the University of Alabama in Birmingham, Alabama (herein called the University) desire to affiliate with each other for mutual benefit in Pediatric research, education and patient care.

The Hospital, located at 1601 Sixth Avenue, South, Birmingham, Alabama, is to retain its identity as a community hospital of excellence and shall be managed by the Board of Trustees of the Hospital as set forth in its Articles of Incorporation and By-Laws.

1. The Hospital will have the sole responsibility of the administration of the Hospital.

A Medical and Administrative Director of the Hospital (herein called the Director) will be appointed by the Hospital subject to approval by the University. The Director may also be the Chairman of the Department of Pediatrics of the Medical College of Alabama and shall be a member of its faculty.

The Director will be responsible to the Hospital for the administrative management of the Hospital. He shall have the responsibility and authority for correlating service, patient care, teaching and research activities of the University Medical College and the Hospital.

The Director in collaboration with the Chairmen of other departments of the University Medical College of Alabama shall have the responsibility for maintaining satisfactory clinical and laboratory services in the Hospital.
If he is also Chairman of the Department of Pediatrics at the Medical College of Alabama he shall be responsible to the Dean of the Medical College for all aspects of the Department and as Director of the Hospital he shall be responsible to the President of the Hospital.

2. The present members of the Medical and Dental Staff of the Hospital shall continue and all future staff members shall be elected as prescribed in the By-Laws, Rules and Regulations of the Hospital Medical and Dental Staff and the By-Laws of The Children's Hospital.

3. The President of the Hospital, the Executive Vice President of the University of Alabama in Birmingham, and the Director will meet annually, or as deemed necessary, for the purpose of discussing matters of mutual interest concerning the operation of the Hospital.

4. The Executive Vice President of the University of Alabama in Birmingham will serve as the responsible official of the University Medical Center in the administration of this agreement.

5. The Director shall be the Chief of Staff of the Hospital. He shall have the responsibility and authority for the total administration of the Hospital and will have the assistance of an Administrator, responsible to him, for the effective day to day operation of the Hospital with its attendant activities. The Executive Committee of the Hospital Medical and Dental Staff will assist the Director in an advisory capacity.

6. Clinical services may be established or abandoned as agreed on by the Hospital and the University.
7. The Executive Committee of the Hospital Medical and Dental Staff shall consist of the following members:

The Director
President of the Staff
President-Elect of the Staff
Secretary of the Staff
The Chiefs of Service (or Section Head) of the Pathology, Radiology, Surgery, Pediatrics, Anesthesiology and Dentistry Departments in the Hospital
Three (3) members elected from the active Medical and Dental Staff of the Hospital (election per method prescribed in By-Laws, Rules and Regulations of Hospital Medical and Dental Staff).

8. The Chief of Service (or Section Head) of Departments in the Hospital will be appointed by the Director as prescribed in the By-Laws, Rules and Regulations of the Hospital Medical and Dental Staff, subject to approval by the respective departmental Chairman of the Medical College and the Dean. The Chief of the Dental Service will be under the direction of the Dean of the University of Alabama School of Dentistry.

   The Director may serve as Chief of Service of the Pediatric Department of the Hospital.

   The presently established dental services will continue and will be agreed to on an annual basis between the Director and the Dean of the School of Dentistry.

9. The Director as Chairman of the Department of Pediatrics in the University Medical College jointly with Chairmen of other Departments in the Medical College will be responsible for the intern and residency programs in the Hospital which are to continue.
10. The educational program for University students, interns and resident physicians assigned to the Hospital will be under the direction of the faculty of the University.

The University will provide interns and resident physicians by types of service to be rotated through the Hospital in such number as may be annually agreed upon. Agreement will be made before May 1 for the year beginning July 1. Reimbursement shall be made to the University for services rendered to the Hospital by the interns and residents utilized at the stipend in effect for University Hospital house staff.

11. The admitting physician is responsible for his or her patient. Orders for private patients may be changed by the house staff only after consultation between the house staff and the admitting physician. The faculty of the Medical College of Alabama shall have the rights and opportunities consistent with patient welfare to have all patients of the hospital serve for clinical instruction of students, residents, interns and medical staff of the Hospital under the supervision and direction of the Director. The Director or his designee may examine and discuss private patients and charts of private patients without the consent of the admitting physician if such examination and discussion are within hospital policy. The consent of the admitting physician should be obtained before presenting a private patient at a formal conference.

12. The University agrees, within means and reason, to make available such clinical facilities at University Hospitals and Clinics
as are not available in The Children's Hospital, and likewise The Children's Hospital will make available such clinical facilities not available at University Hospitals. The charges for services shall be at current billing rates.

13. Space for research will be provided by the Hospital to the extent that it is available. Technicians, the major portion of supplies and equipment must necessarily be financed through research, training and teaching grants awarded through the University.

14. Publications of scientific nature will be designated, "From the Department of Pediatrics (or other Departments), University of Alabama Medical Center, and The Children's Hospital, Birmingham, Alabama".

15. The Hospital agrees to coordinate its facility planning with the University.

16. The Hospital, within its financial resources, agrees to maintain personnel and services for the proper functioning of the Hospital.

The Hospital shall have complete financial control and responsibility of its operations.

The Director is to be housed in the Hospital and the Hospital will pay up to $30,000 per year toward his salary and office expenses.

17. Except as changed by this agreement the By-Laws, Rules and Regulations of The Children's Hospital of Birmingham, Alabama Medical and Dental Staff remain in full force and effect.

18. This agreement can be terminated on July 1 of any year upon written notice of termination by either party to the other party of
this agreement at least twelve months prior to the desired termination date.

19. Any specific plans and details developed at the annual conference between the University and The Children's Hospital, when approved by both parties shall be attached to and become a part of this agreement.

20. The Hospital will furnish the University each year a copy of the Annual Financial Statement prepared by a Certified Public Accountant.

IN WITNESS WHEREOF, the undersigned have caused this agreement to be executed by their respective duly authorized officer on this, the 1st day of July, 1968.

ATTEST:

[Signature]
Its Hospital Administrator

By [Signature]
Alfred M. Shook, III, President

ATTEST:

[Signature]
Its Chief Fiscal Officer

By [Signature]
Joseph F. Volker, Executive Vice President, University of Alabama in Birmingham
Richard Knapp, Ph.D.
Executive Director
Council of Teaching Hospitals
One DuPont Circle, Northwest
Washington, D.C. 20036

Dear Dr. Knapp:

The Children's Hospital, 1601 6th Avenue South, Birmingham, Alabama is developing an application for institutional membership in the Council of Teaching Hospitals. The Children's Hospital located in the heart of this medical center is a community hospital of widely recognized excellent teaching programs in predoctoral (undergraduate) and postgraduate medical education. These programs are made possible through the hospital's excellent comprehensive pediatric health care. The application will reflect the unusual variety, depth and scope of teaching for a specialty hospital.

The Children's Hospital houses the Department of Pediatrics, the University of Alabama in Birmingham School of Medicine, and has been affiliated with the School of Medicine through a formal affiliation agreement for many years.

It is my carefully considered opinion that this hospital fully meets the criteria for membership in the Council of Teaching Hospitals and that approval of the application will add an active, dynamic and superbly administered teaching hospital to our membership.

Sincerely yours,

James A. Pittman, Jr., M.D.
Dean, School of Medicine
ASSOCIATION OF AMERICAN MEDICAL COLLEGES
COUNCIL OF TEACHING HOSPITALS

Application for Membership

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MEMBERSHIP CRITERIA:

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AND

(b) The hospital sponsors or significantly participates in approved, active residencies in at least four recognized specialties including two of the following: Medicine, Surgery, Obstetrics-Gynecology, Pediatrics and Psychiatry.

Membership in the Council is limited to not-for-profit (IRS-501C3) institutions, operated for educational, scientific or charitable purposes and publically-owned institutions.

1. MEMBERSHIP INFORMATION

Veterans Administration Hospital

Middleville Road Northport

New York 11768 516 261-4400

Chief Executive Officer W. L. Hodson

Hospital Director TITLE

Date hospital was established: 1928

APPROVED FIRST POST-GRADUATE YEAR

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<th>TYPE</th>
<th>Date of Initial Approval by CHE of AMA**</th>
<th>Total F.T.E. 1 Positions Offered</th>
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** Council on Medical Education of the American Medical Association and/or with appropriate AMA Internship and Residency Review Commission.

1. Full-time equivalent positions at applicant institution only. If hospital participates in combined programs indicate only F.T.E. positions and individuals assigned to applicant institution.

2. Type as defined by the AMA Directory of Approved Internships and Residencies. (Flexible-graduate program acceptable to two or more hospital program directors; Categorical-graduate program predominately under supervision of single program director; Categorical* -graduate program under supervision of single program director but content is flexible.)
### Approved Residencies

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<th>Type</th>
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<th>Total F.T.E. 1 Positions Offered</th>
<th>Total Positions Filled by U.S. And Canadian Grads</th>
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### Program Description

To supplement the information above and to assist the COTH Administrative Board in evaluating whether or not the institution fulfills the membership criteria, it is requested that you briefly and succinctly describe the extent of the hospital's participation in or sponsorship of educational activities with specific reference to the following questions.

A. Extent of activity for undergraduate medical education students (e.g., number of clerkships offered; number of students participating; proportion of medical staff time committed to medical students).

B. Presence of full-time salaried chiefs' of service and/or Director of Medical Education (e.g., departments which have salaried chiefs; hospital chiefs holding joint appointments at medical school).

C. Dimension of hospital's financial support of medical education costs and nature of financial agreement with medical school (e.g., dollars devoted to house staff salaries and fringe benefits; the percentage of the hospital's budget these dollars represent; hospital's contribution to cost of supervising faculty; portion of service chiefs' costs paid by the hospital).

D. Degree of affiliated medical school's involvement in and reliance upon hospital's education program (e.g., medical school faculty participation in hospital activities such as in-service education, conferences or medical staff committees).

The above are not meant to be minimum standards or requirements, but reflect the belief that COTH membership indicates a significant commitment and consideration of the items above. The hospital's organized medical education program should be described clearly with specific reference given to unique characteristics and to the institution's medical education objectives.

### Letter of Recommendation

A letter of recommendation from the dean of the affiliated medical school should be included outlining the importance of the teaching hospital in the school's educational program.

Name and Address of Affiliated School of Medicine: School of Medicine, Health Sciences Center, State University of New York, Stony Brook, NY 11794

Name of Dean: Marvin Kuschner, MD

Information Submitted by: JACQUES L. SHERMAN, Jr., MD

Associate Chief of Staff/Education

W. L. HODSON, Hospital Director

DATE: 1-31-77
PROGRAM DESCRIPTION

A. During the current academic year, 151 medical students will spend a portion of their program at this clinical campus. The specific categories are:

1. Clinical Clerkships:
   - Medicine: 15
   - Surgery: 16
   - Nuclear Medicine: 2
   TOTAL CLERKSHIPS: 33

2. 3rd Yr Medical Students (Systems Curricula):
   - Gastrointestinal System: 14
   - Blood System: 12
   TOTAL: 26

3. 2nd Yr Medical Students (Systems Curricula):
   - Respiratory System: 15
   - Urinary System: 10
   - Cardiovascular System: 17
   - Central Nervous System: 16
   - Psychobiology System in Psychiatry: 22
   TOTAL: 80

4. 1st Yr Medical Students: 12
   TOTAL STUDENTS: 151

It is estimated that approximately 10% of the medical staff time is devoted to direct teaching activity for these students.

B. The great majority of the staff are on a full-time basis. The following key staff members are all on a full-time basis with dual appointments at the VA Hospital and the Medical School:

   Associate Chief of Staff for Education (DME)
   Associate Chief of Staff for Research
   Chief, Medical Service
   Chief, Surgical Service
   Chief, Laboratory Service
   Chief, Nuclear Medicine Service
There are two Associate Chiefs of Radiology each on a half-time salaried basis, each holding a faculty appointment.

In addition, all key Division Chiefs are on a full-time basis either at the VA Hospital or the Medical School, or part-time at each institution.

C. The budget for the house staff for this fiscal year is $1,534,504 which represents 4% of the total hospital operating budget. As noted in Paragraph B, all supervisory faculty are on a full-time basis either at the VA Hospital or the School of Medicine and all hold faculty appointments. Thus no dollar amount can be given for the hospital's contribution to cost of faculty supervision.

D. Since the University Hospital is not operational, the total clinical exposure for all medical students is obtained at the clinical campuses, of which the VA Hospital provides more than 1/3 of the clinical training; conducts Medical, Surgical, and Psychiatric Grand Rounds; is the principal site for Visiting Professor Programs; and is the residence site for the Chairmen of Medicine and Surgery of the Medical School plus large numbers of their faculty, most of whom hold VA Hospital appointments.

Thus, this hospital and the Medical School in essence operate a single clinical service with a common faculty and a strong medical education program.
MEMORANDUM OF AGREEMENT (AFFILIATION)

BETWEEN

The Veterans Administration Hospital, Northport, and the School of Medicine, State University of New York at Stony Brook

This agreement, when approved by the United States Veterans Administration and the School of Medicine, State University of New York at Stony Brook, shall authorize the Veterans Administration Hospital, to affiliate with the School of Medicine, State University of New York at Stony Brook for the purposes of education and training. The School of Medicine accepts advisory responsibility for the education and training programs conducted with the Veterans Administration Hospital. The Veterans Administration retains full responsibility for the care of patients, including all administrative and professional functions pertaining thereto.

Responsibilities shall be divided as follows:

1. The State University of New York at Stony Brook, School of Medicine
   a. Will organize a Deans Committee, composed of senior members of the faculty of the School, and other appropriate educational representatives, and recommend its nomination to the Chief Medical Director of the Veterans Administration.
   b. Will nominate to the Veterans Administration Hospital Director on an annual basis a staff of consulting and attending specialists in the number and with the qualifications agreed upon by the Deans Committee and the Veterans Administration.
   c. Will supervise, through the Veterans Administration Hospital Director and the staff consulting and attending specialists, the education and training programs of the Veterans Administration Hospital and such programs as are operated jointly by the Veterans Administration and the School.
   d. Will nominate all physicians for residency or other graduate education and training programs in the numbers and with the qualifications agreed upon by the Deans Committee and the Veterans Administration.

2. The Veterans Administration
   a. Will operate and administer the Veterans Administration Hospital.
   b. Will appoint qualified physicians to full-time and regular part-time staff of the Hospital. Nominations to the Hospital Director by the Deans Committee for full-time and regular part-time positions shall be welcomed; and, unless there be impelling reasons to the contrary, shall be approved wherever vacancies exist. The regularly appointed staff, including chiefs of service, shall be fully responsible to their immediate superiors in the Veterans Administration.
c. Will consider for appointment the attending and consulting staff and the physician trainees nominated by the Deans Committee and approved by the Veterans Administration.

d. Will cooperate fully with the State University of New York at Stony Brook, School of Medicine in the conduct of appropriate programs of education, training, and research.

3. The Director, Veterans Administration Hospital, Northport

a. Will be fully responsible for the operation of the Veterans Administration Hospital.

b. Will cooperate with the Deans Committee in the conduct of education and training programs and in evaluation of all participating individuals and groups.

4. Chiefs of Service

a. Will be responsible to their superiors in the Veterans Administration for the conduct of their services.

b. Will, in cooperation with consulting and attending staff, supervise the education and training programs within their respective services.

5. The Attending Staff

a. Will be responsible to the respective chiefs of service.

b. Will accept responsibility for the proper care and treatment of patients in their charge upon delegation by the Hospital Director or his designee.

c. Will provide adequate training to house staff assigned to their service.

d. Will hold faculty appointment in the State University of New York at Stony Brook, School of Medicine, or will be outstanding members of the profession with equivalent professional qualifications acceptable to the Medical School and the Veterans Administration.

6. Consultants

a. Will be members of the faculty, of professional rank, in the State University of New York at Stony Brook School of Medicine, subject to VA regulations concerning consultants.

b. Will, as representatives of the State University of New York at Stony Brook School of Medicine, participate in and take responsibility for the education and training programs of the Veterans Administration Hospitals, subject to VA policy and regulations.
c. Will afford to the Hospital Director, Chief of Staff, and the appropriate Chief of Service the benefit of their professional advice and counsel.

TERMS OF AGREEMENT

1. The State University of New York at Stony Brook will not discriminate against any employee or applicant for employment or registration in its course of study because of race, color, sex, creed, or national origin.

2. Nothing in this agreement is intended to be contrary to State or Federal Laws; and in the event of conflict, the State and Federal laws will supersede this agreement.

3. Civil actions arising from alleged negligence or wrongful conduct of house staff while engaged in patient care or related activities at VAH Northport will be considered and acted upon in accordance with the provisions of 38 U.S.C. 4116.

4. This agreement may be terminated at any time upon the mutual consent of both parties or upon six (6) months notice given by either party. An annual review of policies and procedures will be made.

Marvin Kuschner, M.D.
Dean, School of Medicine
SUNY at Stony Brook

Hospital Director
Veterans Administration Hospital

Chief Medical Director
Department of Medicine and Surgery
Veterans Administration
Dear Dr. Bentley:

I should like to endorse the application of the Veterans Administration Hospital at Northport, NY for full membership in the COTH.

The VAH-Northport is a major teaching campus of this School and Center and provides a significant portion of the clinical education of all of our students. In addition, the internship and residency programs at the VAH are fully integrated into the School's post-graduate program.

There is no question, in my mind, about the fact that the VAH-Northport is fully qualified for membership in the COTH.

Sincerely,

MARVIN KUSCHNER, M.D.
Dean
School of Medicine
ASSOCIATION OF AMERICAN MEDICAL COLLEGES
COUNCIL OF TEACHING HOSPITALS

Application for Membership

INSTRUCTIONS:  Type all copies, retain the Pink copy for your files and return two copies to the Association of American Medical Colleges, Council of Teaching Hospitals, One Dupont Circle, N.W., Washington, D.C., 20036. PLEASE ENCLOSE A COPY OF THE HOSPITAL'S AFFILIATION AGREEMENT WITH THE APPLICATION.

MEMBERSHIP CRITERIA:

Eligibility for membership in the Council of Teaching Hospitals is determined by the following criteria:

(a) The hospital has a documented institutional affiliation agreement with a school of medicine for the purpose of significantly participating in medical education;

AND

(b) The hospital sponsors or significantly participates in approved, active residencies in at least four recognized specialties including two of the following: Medicine, Surgery, Obstetrics-Gynecology, Pediatrics and Psychiatry.

Membership in the Council is limited to not-for-profit (IRS-501C3) institutions, operated for educational, scientific or charitable purposes and publically-owned institutions.

I. MEMBERSHIP INFORMATION

Veterans Administration Hospital Center

HOSPITAL NAME

Hampton

STREET

Virginia

23667

(804) 722-9961

STATE ZIP CODE TELEPHONE NUMBER

Chief Executive Officer  John R. Scotti, M.D.

Director

NAME TITLE

Date hospital was established:  1933

APPROVED FIRST POST-GRADUATE YEAR

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** Council on Medical Education of the American Medical Association and/or with appropriate AMA Internship and Residency Review Commission.

1. Full-time equivalent positions at applicant institution only. If hospital participates in combined programs indicate only F.T.E. positions and individuals assigned to applicant institution.

2. Type as defined by the AMA Directory of Approved Internships and Residencies. (Flexible-graduate program acceptable to two or more hospital program directors; Categorical-graduate program predominately under supervision of single program director; Categorical*-graduate program under supervision of single program director but content is flexible.)
II. PROGRAM DESCRIPTION
(See Attachment)

To supplement the information above and to assist the COTH Administrative Board in evaluating whether or not the institution fulfills the membership criteria, it is requested that you briefly and succinctly describe the extent of the hospital's participation in or sponsorship of educational activities with specific reference to the following questions.

A. Extent of activity for undergraduate medical education students (e.g., number of clerkships offered; number of students participating; proportion of medical staff time committed to medical students).

B. Presence of full-time salaried chiefs' of service and/or Director of Medical Education (e.g., departments which have salaried chiefs; hospital chiefs holding joint appointments at medical school).

C. Dimension of hospital's financial support of medical education costs and nature of financial agreement with medical school (e.g., dollars devoted to house staff salaries and fringe benefits; the percentage of the hospital's budget these dollars represent; hospital's contribution to cost of supervising faculty; portion of service chiefs' costs paid by the hospital).

D. Degree of affiliated medical school's involvement in and reliance upon hospital's education program (e.g., medical school faculty participation in hospital activities such as in-service education, conferences or medical staff committees).

The above are not meant to be minimum standards or requirements, but reflect the belief that COTH membership indicates a significant commitment and consideration of the items above. The hospital's organized medical education program should be described clearly with specific reference given to unique characteristics and to the institution's medical education objectives.

III. LETTER OF RECOMMENDATION

A letter of recommendation from the dean of the affiliated medical school should be included outlining the importance of the teaching hospital in the school's educational program.

Name and Address of Affiliated School of Medicine: Eastern Virginia Medical School
358 Mowbray Arch, Norfolk, Virginia 23507

Name of Dean: Gerald H. Holman, M.D.

Information Submitted by:
Arthur S. Cain, M.D., Associate Chief of Staff for Education
APPLICATION FOR MEMBERSHIP

Part II - Program Description

A. The Hampton Veterans Administration Center house staff programs are totally integrated with those of the other primary teaching hospitals of Eastern Virginia Medical School (EVMS). The program accepts 31 house staff this year from the total EVMS graduate education program and 48 next year (1978). In 1978, an increased number of medical sub-specialty programs in family practice, radiology and nuclear medicine will begin. The following year a total of 60 house staff will be accepted at the Veterans Administration Center and primary internal medicine will be increased. All EVMS clinical clerks rotate to the Veterans Administration Center for specific segments of their curriculum.

The first EVMS class was graduated in September, 1976. The current first year class had 24 students, and the number of students admitted increases annually to a total of 96 in 1980. Clinical clerks are assigned in medicine, medical sub-specialties, general surgery, plastic surgery, orthopedic surgery, psychiatry and neurology, and will be assigned in primary internal medicine next year with electives assigned in nuclear medicine and radiology. 60% of the Veterans Administration Center physicians, as well as all Ph.D.'s in research are given medical school appointments.

B.- All educational activities are under the direction of an Associate Chief of Staff for Education who is full time and salaried and is Associate Dean of EVMS. The Chief of the Professional staff is Assistant Dean of the medical school, is full time and salaried, and the Associate Chief of Staff for Research and Development is an Assistant Dean of the medical school, full time and salaried. All of these individuals are physicians and certified by the American Boards of Surgery, Psychiatry and Surgery respectively. The Chiefs of each Service are certified by their respective Boards, hold professorial appointments at EVMS, are full time and salaried. Other professional staff involved in clinical and basic science teaching are certified by their respective Boards, hold faculty appointments, or hold Ph.D. degrees in their respective fields.

C. The Veterans Administration Center is totally supported by the Federal Government Veterans Administration. The Veterans Administration and the hospital contribute substantially to the financial support of research and education in the medical school complex. There is no private practice in the Veterans Administration Center and all physicians and Ph.D.'s are
salaried. The costs of education including salaries of house staff
and all other educational expenses are supported by separate alloca-
tions from the Veterans Administration and are not on a proportionate
hospital-budget basis, nor are they dependent on any other source of
funds.

D. The professional and research staff of the Veterans Administration
Center hold academic appointments and responsibilities as previously
indicated. Approximately 50 non-salaried consulting physicians attend
the hospital regularly to supplement the hospital staff, and they are
paid a consulting fee by the federal government. Students and house
staff rotating at the Veterans Administration Center are assigned for
a specific curriculum which is a required part of their undergraduate
or graduate program.

The hospital also supports a broad spectrum of basic and clinical
science research as a part of the Veterans Administration-Medical
School affiliation policy which provide both required and elective
courses for undergraduates and graduates.
MEMORANDUM OF AGREEMENT
(AFFILIATION)

Between

VETERANS ADMINISTRATION CENTER, HAMPTON, VIRGINIA

and

EASTERN VIRGINIA MEDICAL SCHOOL, NORFOLK, VIRGINIA

This agreement, when acknowledged by the United States Veterans Administration and the Eastern Virginia Medical School at Norfolk, Virginia, shall authorize the Veterans Administration Center, Hampton, Virginia, to affiliate with the Eastern Virginia Medical School at Norfolk for the purposes of education and training. The School of medicine accepts advisory responsibility for all education and training programs conducted with the Veterans Administration Center. The Veterans Administration retains full responsibility for the care of patients, including all administrative and professional functions pertaining thereto.

Responsibilities shall be divided as follows:

1. The Eastern Virginia Medical School at Norfolk:
   
a. Shall organize a Deans Committee, composed of senior members of the School's faculty and recommend its nomination by the Chief Medical Director of the Veterans Administration.

b. Shall nominate to the Veterans Administration Center Director on an annual basis a staff of consulting and attending specialists in the number and with the qualifications agreed upon by the Deans Committee and the Veterans Administration.
c. Shall supervise, through the Veterans Administration Center Director and the staff of consulting and attending specialists, the education and training programs of the Veterans Administration Center and such programs as are operated jointly by the Veterans Administration and the Medical School.

d. Shall nominate all physicians for residency and other graduate education and training programs in the numbers and with the qualifications agreed upon by the Deans Committee and the Veterans Administration.

2. The Veterans Administration:

   a. Shall operate and administer the Veterans Administration Center.

   b. Shall appoint qualified physicians to full-time and regular part-time staff of the Hospital. Nominations to the Center Director by the Deans Committee for full-time and regular part-time positions shall be welcomed; and, unless there be impelling reasons to the contrary, shall be approved wherever vacancies exist. The regularly appointed staff, including chiefs of service, shall be fully responsible to their immediate superiors in the Veterans Administration.

   c. Shall appoint the attending and consulting staff and the physician trainees nominated by the Deans Committee and approved by the Veterans Administration.

   d. Shall cooperate fully with the Eastern Virginia Medical School in the conduct of appropriate programs of education, training and research.
3. The Director, Veterans Administration Center:
   a. Shall be fully responsible for the operations of the Veterans Administration Center.
   b. Shall cooperate with the Deans Committee in the conduct of education and training programs and in evaluation of all participating individuals and groups.

4. Chiefs of Service:
   a. Shall be responsible to their superiors in the Veterans Administration for the conduct of their services.
   b. Shall, in cooperation with consulting and attending staff, supervise through the Center Director the education and training programs within their respective services.

5. The Attending Staff:
   a. Shall be responsible to the respective chiefs of service.
   b. Shall accept full responsibility for the proper care and treatment of patients in their charge upon delegation by the Center Director or person acting for him.
   c. Shall give adequate training to residents assigned to their service.
   d. Shall hold faculty appointment in the Eastern Virginia Medical School, or shall be outstanding members of the profession acceptable to both the Medical School and the Veterans Administration.
6. Consultants:

a. Shall be members of the faculty, of professional rank, in the Eastern Virginia Medical School or qualified specialists whose services are considered to be essential by the Medical School and the Veterans Administration to patient care or education and training programs.

b. Shall participate in and take responsibility for the education and training programs of the Veterans Administration Center.

c. Shall afford to the Center Director, Chief of Staff, and the proper Chief of Service the benefit of their professional advice and counsel.

TERMS OF AGREEMENT

Under the terms of this agreement all applicants will receive consideration without regard to race, creed, color, sex or national origin.

This agreement may be terminated at any time upon the mutual consent of both parties or upon six (6) months notice given by either party. An annual review of policies and procedures will be made.

JOHN R. SCOTTI, M.D.
Center Director
December 7, 1976

GERALD H. HOLMAN, M.D.
Dean
December 7, 1976
February 14, 1977

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

Gentlemen:

I am forwarding with this letter the application of Veterans Administration Hospital Center, Hampton, Virginia for membership in the Council of Teaching Hospitals. I recommend that the Hospital Center be accepted for membership as soon as possible.

The Hampton Veterans Administration Hospital Center is an essential and integrated facility of Eastern Virginia Medical School. Undergraduate medical students, as well as Interns and Residents, are rotated through its major services. Undergraduate and graduate assignments in additional fields are scheduled to begin within the next few months as additional faculty members become established at the Center and completion of research and education facilities to support our increasing undergraduate and graduate enrollment are accomplished.

The Center is in every respect an essential key teaching institution for this Medical School.

Sincerely,

GERALD H. HOLMAN, M.D.
Dean

Enclosures
GHH:ae
March 8, 1977

Mr. Dennis R. Barry  
General Director  
North Carolina Memorial Hospital  
Manning Drive  
Chapel Hill, North Carolina 27514

Dear Dennis:

Enclosed is a list of members (Attachment C) of five informal teaching hospital groups which exist throughout the country: Appalachian Council of University Teaching Hospitals, Council of University Teaching Hospitals, Council of Teaching Hospitals, Western University Hospitals Council, and University Hospitals Executive Council. While attending meetings of these groups, I have frequently heard discussion of the need for comparable financial information which relates solely to teaching hospitals.

One of the problems cited in coordinating such a project has been the difficulty of properly defining "teaching hospital" for purposes of comparison. In order to overcome this problem to some degree I have determined that, including your hospital, 23 of the 56 hospitals in these five groups participate in the American Hospital Association's Hospital Administrative Services (HAS) program. Bill Michela, Manager of the HAS program has agreed to produce a special "side-by-side" report (similar to Attachment B) which would generate specific data in each reported category for each of the 23 hospitals. Each hospital will be assigned an identification number which would be available to all participants. Thus, you would be able to compare your institution with the other teaching hospitals participating in the program.

The purpose of this letter is to request your participation in this program. If you wish to participate please complete the enclosed form (Attachment A) which is required to release your data to the other participating hospitals.

I look forward to hearing from you in the near future.

Sincerely,

Richard M. Knapp, Ph.D.  
Director  
Department of Teaching Hospitals

cc: Bill Michela

Your Hospital Administrative Services (HAS) data (input and monthly report) are confidential; the content is not released to any other institution or organization without your signed release. A successful HAS Side-by-Side Program, in which you are being asked to take part, requires sharing HAS data among the participants; it is for this reason you are being asked to sign the following release.

**AUTHORIZATION FOR THE RELEASE OF HAS DATA**

I, the undersigned, agree to share my institution's HAS data with:

- Loma Linda, California
- Albuqueque, New Mexico
- Portland, Oregon
- Seattle, Washington
- Madison, Wisconsin
- Iowa City, Iowa
- Chicago, Illinois
- New Haven, Connecticut
- Omaha, Nebraska
- Kansas City, Kansas
- Columbia, Missouri
- Birmingham, Alabama
- Gainesville, Florida
- Atlanta, Georgia
- Augusta, Georgia
- Maywood, Illinois
- Lexington, Kentucky
- Jackson, Mississippi
- Chapel Hill, North Carolina
- Nashville, Tennessee
- Charlottesville, Virginia
- Richmond, Virginia
- Norfolk, Virginia

It is understood that: 1. the program may be discontinued if there are less than ten (10) participants; 2. the participants who do not submit data will not receive the side-by-side report for the period in question, and could be terminated from the program; 3. any HAS participating hospital which is a member of the following organizations may be added to the group without requiring specific approval of present participants in the group: Appalachian Council of University Teaching Hospitals, Council of University Teaching Hospitals, Council of Teaching Hospitals, Western University Hospitals Council, and University Hospitals Executive Council.

I further agree that the coordinator or other participants in the program may use means or medians generated by the side-by-side program in public forums as long as the composition of the group remains completely anonymous, and is referred to as "a selected group of university teaching hospitals."

**SIGNATURE** __________________________  **DATE** __________________________

**NAME (Print)** __________________________  **POSITION** __________________________

**HOSPITAL** __________________________

**ADDRESS** __________________________  **STATE** __________  **ZIP** __________

**CITY** __________________________

The Coordinator for this SBS Group is: Richard M. Knapp, Ph.D.

Director, Department of Teaching Hospitals

Association of American Medical Colleges

One Dupont Circle, N.W., #200

Washington, D.C. 20036

Please return this Authorization to Dr. Knapp at the above address.
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| 4.04 | 3.93 | 4.04 | 4.24 | 4.77 | 6.66 |
| 4.64 | 2.57 | 2.57 | 2.57 | 2.57 | 2.57 |
| 6.77 | 2.67 | 2.67 | 2.67 | 2.67 | 2.67 |
| 2.80 | 2.80 | 2.80 | 2.80 | 2.80 | 2.80 |
| 2.05 | 2.05 | 2.05 | 2.05 | 2.05 | 2.05 |

| CHART + LINEN EXPENSE PERCENT | LABORATORY EXPENSE PER 1000 POUNDS | ADMINISTRATION PAMPER | LABORATORY PAMPER | LABORATORY PAMPER | LABORATORY PAMPER |
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| 1.06 | 1.06 | --- | --- | --- | --- |
| 1.06 | 1.06 | --- | --- | --- | --- |
| 1.06 | 1.06 | --- | --- | --- | --- |
| 1.06 | 1.06 | --- | --- | --- | --- |
| 1.06 | 1.06 | --- | --- | --- | --- |

| other | --- | --- | --- | --- | --- |
| HOSPITAL TOTAL PERCENT PAMPER | HOSPITAL TOTAL EXPENSE PER 1000 | HOSPITAL TOTAL EXPENSE PER 100 | HOSPITAL TOTAL EXPENSE PER 50 | HOSPITAL TOTAL EXPENSE PER 50 |
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| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

| TOTAL REPORTER EXPENSE | 21,765,000 | 5,017,000 | 15,581,000 | 17,784,000 | 10,950,000 | 7,261,000 |
March 1, 1977

Mr. James M. Kaple
Chief, Program Experimentation Branch
Division of Health Insurance Studies
Office of Research and Statistics
Social Security Administration
Room 3-E6 Meadows East Building
Baltimore, Maryland 21235

Dear Jim:

My thanks to you and your staff for the meeting you convened on January 24th with representatives of the Council of Teaching Hospitals (COTH) to discuss, in a preliminary way, the draft uniform accounting manual sections concerned with outpatient services and education and research services. I found the dialogue informative and useful and hope you share that view. At your request, I am providing a for-the-record statement of our position.

The Association of American Medical Colleges -- which represents all of the nation's medical schools, sixty academic societies, and over 400 major teaching hospitals -- is vitally concerned with SSA efforts to develop and implement a uniform hospital accounting manual. The Association commends the Program Experimentation Branch for its efforts in developing the current, or third, public version of the manual. In general, it is a substantial improvement over the prior drafts and provides evidence of diligent efforts by your staff. In commenting on the draft, the Association would like it clearly understood that the following observations are submitted without prejudicing the opportunity of individual Association members to comment on the draft and that critical observations are submitted solely with the intention of developing a more practical and viable revision.

General Comment

While you have repeatedly stated that the Branch is attempting to develop a chart of accounts that will support any reimbursement system, the Association remains concerned with a philosophy and approach that regards the chart of accounts as an initial step in uniform reporting. Accounting systems are designed to support information requirements, such as those that might be imposed by a system of uniform hospital reporting. Given a reporting system, it is generally possible to develop a clear and concise system of accounts to collect and organize the necessary raw data. Without a reporting system, the accounts have so many degrees of freedom and so few constraints that the chart of accounts frequently becomes an end in itself trying to capture and hold all information with no information lost to aggregation. The present draft accounting system, in the Association's judgment, has fallen prey to this serious defect. The AAMC strongly urges the Office of Research and Statistics...
to re-examine and re-order its priorities concerning the development of uniform reporting and accounting systems. The experiences of states with hospital cost control agencies demonstrates the wisdom of having uniform reporting design precede development of a uniform chart of accounts.

The Association is also concerned with the consequences of developing uniform accounting systems prior to developing reporting requirements. The section of the manual concerning outpatient services accounting was sent to all members of the COTH Administrative Board. The major concern of these chief executive officers and their financial officers of the nation's most complex hospitals was clearly the lack of management flexibility of the proposed system of outpatient accounts. They repeatedly expressed concern that the necessary consequence of the present draft would be a reduction in management's ability to plan and control efficient and effective hospital operations at the institutional level. This concern needs to be seriously addressed, for it represents a serious incremental cost that will accompany system implementation.

Lastly, given the diversity of organization and operation that is the strength of the American hospital system, any accounting system must provide sufficient expandability so that a hospital can establish supporting accounts characteristic of that institution. Several hospitals have observed that the present proposal is quite weak in this area. It would be unfortunate if a uniform accounting system encouraged hospitals to de-emphasize special programs meeting particular local needs. It would also be unfortunate if insufficient expandability meant that changes in the system required system redesign rather than modification via expansion. As development continues, SSA is encouraged to provide a highly expandable chart of accounts.

Specific Concerns

Direct costs in outpatient clinics are only a small percentage of total, cost finding, costs. Frequently, only 20 to 25% of the outpatient costs are direct costs for hospitals belonging to COTH. The implementation and operation of a detailed clinic-by-clinic accounting system for these direct costs is a dramatic illustration of information overload. In fact, two COTH member hospitals (in New York City and Los Angeles), that have attempted to implement similar systems during the past two years, have found the approach to be unworkable and have abandoned it.

An outpatient clinic in a teaching hospital is seldom a defined physical space with dedicated supplies and staffing. A clinic is a program of health care service that shares space, staff and supplies with other clinics, often simultaneously. If the proposed accounting system stimulates dedicated supplies, staff and space, it will contribute substantially to increased hospital costs. On the other hand, if shared resources for clinics continue, the precision of the clinic-by-clinic accounting will rely upon allocation and estimation procedures which can be developed and implemented within the present reporting system and without a uniform accounting system such as that proposed by SSA.
Hospitals with large outpatient services seldom have the same clinic organization. Teaching hospitals have not followed a single pattern. They have evolved to fill local, regional, and national patient care and medical education requirements. They are adaptive social institutions adjusting organization to dictates of mission and resources. Unless highly aggregated, no single list of clinics can be created which will fit all hospitals. As an example of the possible, California uses only five zero-order clinics in its reports.

The Association is concerned that the natural classification of expenses assumes that codes .20 to .80 are charged directly to clinics as transactions occur. For example, employee benefits, fuel, insurance and many other items are costs allocated to revenue producing departments during cost finding since these costs, by their nature, are not identifiable for each clinic by any precise measurements. This consideration applies as well to much of the salaries and wages expense. Clearly it is impractical and unnecessary to monthly allocate all service departments and general costs to revenue producing cost centers, (thus losing their functional identity) in order to show direct and allocated costs by revenue producing cost centers for use in periodic (usually annual) cost reports.

Finally, the Association would question establishing separate revenue and expense accounts for CAT scanners, 4170 and 7170 respectively. Does this indicate that SSA intends to establish separate cost centers for all new expensive technologies? Such a procedure would be ill-advised. Many hospital services include high cost technologies, such as CAT scanners, in existing clinical services. To establish separate and distinct cost centers will likely contribute to fractionated organization, reduced operational flexibility, and increased service costs.

Suggestions

In sum, the Association believes the proposed system of outpatient service accounts is overly-ambitious in intent, and will become burdensome to the institution and the government in its application, and will not provide the government with "pure" and absolutely comparable information. Therefore, the AAMC recommends SSA establish a chart of accounts for outpatient services with substantially fewer zero-order reporting centers. Separate centers for emergency services and each of the major clinical departments (medicine, surgery, ob-gyn, pediatrics, family medicine and psychiatry) would appear to represent the limit of that which is both meaningful and attainable.

Secondly, rather than attempting to charge all direct costs on a monthly basis, the Association finds that an expanded cost reporting system for year-end allocations of cost would be a step forward in providing meaningful data.

The Association is pleased by the dialogue that has been established in reviewing this proposal. Several financial directors in member hospitals who are interested
in continuing to discuss this matter have been identified. They are also interested in extending the dialogue to the development and evaluation of statistical measures for use in summarizing, describing, and comparing outpatient services. The Association and its members are willing to assist in the continuing development and evaluation of this draft and of alternative concepts.

Sincerely,

[Signature]

RICHARD M. KNAPP  
Director  
Department of Teaching Hospitals

RMK/mk
January 31, 1977

Honorable Edward M. Kennedy
Chairman
Subcommittee on Health
Committee on Labor and
Public Welfare
United States Senate
Washington, D.C. 20510

Dear Senator Kennedy:

The authorizing legislation for several major federal health programs is due to expire during 1977. Among these statutes, and of most concern to the Association of American Medical Colleges and its constituency, are the National Cancer Act of 1971 (P.L. 92-218) as revised and extended by the National Cancer Act Amendments of 1974 (P.L. 93-352); the National Research Service Award Act of 1974 (P.L. 93-346) and the authority of the National Heart, Lung and Blood Institute component of the National Institutes of Health, as revised and extended by the Health Research and Health Services Amendments of 1976 (P.L. 94-278); and the National Health Planning and Resources Development Act of 1974 (P.L. 93-641).

In anticipation of the expiration of this legislation, extensive discussion has taken place in the biomedical research and academic communities concerning the course of action these communities hope the Congress will take in 1977 in renewing and revising these programs. The Association believes that a one year renewal of the above mentioned authorities, with appropriate technical and fiscal authorization changes, would be most desirable. Our reasoning in support of this position is as follows.

Both you and Representative Paul Rogers, Chairman of the House Interstate and Foreign Commerce Subcommittee on Health and the Environment, have indicated that general oversight hearings will be held during 1977 on federal support of biomedical and behavioral research on the mission and accomplishments of the National Institutes of Health. These hearings would give the Congress and opportunity to consider at length issues surrounding the NIH and biomedical and behavioral research. A one year renewal accompanied by appropriate adjustments in the authorized appropriations levels of the cancer, heart, lung and blood, and the research training programs would permit these programs to continue to operate at their high level of excellence until a more thorough evaluation of their place in the overall federal biomedical and behavioral research
effort could be concluded. Such an overall study coupled with a one year renewal would be in full accord with the recommendations of the President's Panel on Biomedical and Behavioral Research.

In addition, it is reasonable to expect that the New Administration of President Carter will wish to study as fully as the Congress the status of federal biomedical and behavioral research programs. A renewal for one year of the expiring programs would provide the Administration time needed to conduct a thorough evaluation and establish its priorities.

In Attachment I are tabulated reasonable interim authorizations which would permit acceptable levels of operations pending completion of the contemplated comprehensive review of these programs.

The Association also supports a one year renewal with technical changes of the Health Planning Act while the Congress conducts a thorough evaluation of this statute. We hope, however, that during this next year the Congress will carefully consider amending the law to include a provision requiring representation from academic medical centers on the executive committee (if any) of all local health systems agencies. Such a requirement would provide academic medical centers the opportunity to fully participate in and contribute to the establishment of policies which could have direct and important impact upon their operations. These centers constitute major resources for health care in all HSAs in which they are located and the communities should have assured access to the insight, knowledge and wisdom which they encompass. Further, the AAMC would urge that the law be amended to exempt from Health Systems Agencies review and approval the usage of federal funds for research administered under NIH grants and contracts. Obviously, consideration of these changes in the law, and other major substantive changes that are likely to be proposed, should not be undertaken hastily. A one year renewal of the Health Planning Act will provide the time necessary for a competent review of the entire statute unfettered by time pressures and constraints.

The Association of American Medical Colleges would appreciate your favorable consideration of our recommendation in support of a one year renewal of these programs, and I and my staff stand ready to assist you in any way in which we can be helpful.

Sincerely,
Original signed by

J. A. D. Cooper, M.D.

John A. D. Cooper, M.D.

Attachment
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[Signature]

John A. D. Cooper, M.D.

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