
E001205

B. DECENTRALIZATION AND FUNDING

ISSUE II

Given H's recommendations as to RMP mission, what should be the extent of decentralization of authority to the local RMPs?

OPTION 1 - Complete

PRO

1. Most nearly consistent with HEW philosophy of decentralization, State responsibility and local initiative.
2. Most acceptable to the RMPs and providers.
3. Most compatible with relating to local needs, objectives, and resources, and resultant local variations in approach and priorities as determined by CHP.

CON

1. May not address priorities in effect set by identified RMP mission.
2. In face of funding constraints and possible cut-backs, unreasonable to expect rapid re-direction in line with new mission in absence of Federal pressure.

OPTION 2 - Partial, with local RMPs having latitude to fund specific proposals within the broad priority areas as established by their redefined mission and local CHP plans.

PRO

1. Still somewhat more consistent with HEW philosophy of decentralization, State responsibility and local initiative.
2. Compatible with relating to local needs, variations, and CHP planning.

3. Helps assure that RMP activities will address broad HEW priority areas.

CON

1. Would not be as acceptable to RMPs and providers as Option 1.
2. Would not necessarily insure that all local RMPs would adequately address each of the several broad priority areas, especially monitoring of quality of care.

OPTION 3 - None.

PRO

1. Would most nearly insure that local RMPs address broad HEW priorities.

CON

1. Totally inconsistent with HEW decentralization philosophy of local initiative to meet local problems.
2. Most unlikely that providers would be willing to actively participate.
3. RMPs counter to actual long-term trend of increasing decentralization to local RMPs.

ISSUE III

How should funds be apportioned/distributed to the local RMPs?

OPTION 1 - Competitive project basis.

PRO

1. Improves review of individual proposals against HEW priorities.
2. Allows better coordination of related activities; and would minimize unnecessary duplication of effort.

CON

1. Administratively cumbersome.
2. Unlikely to correlate funding with local needs and problems since there would be a tendency for those RMPs and sponsoring institutions (e.g., medical schools) most proficient in grantsmanship and with the greater resoruces to obtain a larger share of the funds.
3. Would not utilize the considerable local technical review and decision-making capacity and structure that has been created by the RMPs over the past 6 years.

OPTION 2 - Competitive program basis.

1. Would provide incentives for RMPs to address HEW priorities.
2. Encourages high level of competition and, thus, qualitatively better activities.
3. Eliminates the criticisms (CON) of Option 1.

CON

1. Reduces flexibility once programs approved; RMPs would tend not to be as fully and rapidly responsive to possible changes in HEW priorities.
2. Financially rewards stronger RMPs and not weaker ones.

OPTION 3 - Competitive basis with selected earmarks.

PRO

1. Earmarks would provide incentives needed to spur local RMPs to engage in activities addressing priority areas (e.g., quality of care monitoring) that many of them otherwise might be

extremely reluctant to undertake.

2. Closely coincides with present mode.

3. Similar to Option 2.

CON

1. Earmarking, once resorted to, sets a precedent for further earmarkings on the one hand while at the same time it is difficult to get rid of previous earmarks even though they have outlined their usefulness.

2. Similar to Option 2.

OPTION 4 - On a formula basis.

PRO

1. Consistent with HEW position on local initiative.

2. Provides local RMPs with significant flexibility.

3. More nearly results in an equitable distribution of funds to all RMPs.

CON

1. Little or no incentive to use funds to address HEW national priorities.

2. Difficult to develop a formula adequately taking into account potential resources and needs in various specific priority areas that is applicable to all States.

OPTION 5 - On a formula basis with selected earmarks.

PRO

1. Would allocate specified sums for given HEW priorities.

2. Would force RMPs to come up with proposals within each earmarked area, even if that resulted in funding some weaker projects in one given priority area at the expense of additional stronger projects in another.

CON

1. Earmarking, once resorted to, sets a precedent for further earmarks on the one hand while at the same time it is difficult to get rid of earlier earmarks that have outlined their usefulness.

OPTION 6 - On a combination formula-competitive basis.

PRO

1. Provides a financial base for long-term commitment to professional staff.
2. Provides for competition.

CON

1. May have programs sending stronger projects for competition and funding weaker non-priority projects out of formula.