



E000276

April 1969

LENGTH OF EXTENSION AND LEVELS OF AUTHORIZATION

The length of the legislative extension and particularly the new authorization levels will be major factors in the determining the future of Regional Medical Programs. In writing the legislative proposal, the Division has the option of requesting a specific time extension (e.g., three years, five years) or may leave the time period open-ended. Similarly, the authorization levels requested may be set at specific incremental amounts or may be stated indefinitely as "such amounts as Congress may wish to authorize."

RMP is now at a critical stage. Fifty-five Regions have been organized and over thirty have become operational, albeit most of these quite recently. Competent, professional staff have been employed by the Regional Programs and they are working with the medical schools and providers of health care to develop meaningful operational projects. Unless these persons and groups can expect extension of the program for a reasonable length of time (3 or more years) and funding at levels that will permit orderly and adequate growth, they may find it difficult to continue their commitment. Potential project sponsors and participants need to know whether RMP will be a continuing viable force in their community and whether projects now under discussion stand reasonable chances of being funded. Without reassurance of programs stability and growth, they may turn to other endeavors or sources of support.

Funding requirements rising to \$500 million by 1973 had been projected

some 18 months ago. These estimates of "aggregate effective demand" for operational grants were based on initial experience with operational grant requests, extended to all Regions and projected to 1973. DRMP staff is now involved in updating and refining these projections and a more firm projection will be available this summer. Preliminary data indicates that the original estimate of \$500 million within 3-5 years is not excessive or unrealistic. For example, operating experience to date has shown that those Regions that encompass the major metropolitan areas of the country have moved ahead much more slowly than have the other Regions. It is anticipated that when the large, complex metropolitan Regions begin to reach a program level reflective of the needs of their major population centers the demand for funds will be sharply increased.

While staff is working on the technical aspects these budget projections and the authorization levels necessary to support them, it will be necessary to work out an overall strategy for their presentation to Congress. A number of issues will have to be met, including the fact that RMP has received appropriations less than the amount authorized and until this year has obligated less than the amounts appropriated. It must be explained why program development, particularly in complex metropolitan areas, was sometimes slow and why this is not likely to continue. RMP has a high ratio of expenditure for core activity to project activity. It will be necessary to justify how this core activity differs from routine program administration and how it contributes in its own right to the improvement of health care.