

ALIMDA Executive Council Meeting, Fall 1981

Minutes of the Meeting of the Executive Council

A meeting of the Executive Council of the Association of Life Insurance Medical Directors of America was called to order by the President, John O. Alden, M.D., on Saturday, October 17, 1981 at 9:10 a.m. in the Haym Saloman Room of the Hyatt Regency Hotel in Cambridge, MA.

MEMBERS PRESENT: John O. Alden, M.D.; Paul S. Entmacher, M.D.; Paul S. Metzger, M.D.; Frank T. Mansure, M.D.; X. L. Papaioanou, M.D.; Harold S. Kost, M.D.; John C. Robinson, M.D.; Charles P. Powell, M.D.; Albert L. Van Ness, M.D.; Richard A. Nelson, M.D.; Arthur E. Brown, M.D.; Donald M. Haskins, M.D.; John E. C. Cole, M.D.; William A. Herbert, M.D.; Frederick S. Geist, M.D.; J. Henry Hawkins, M.D.; Roger H. Butz, M.D.; Samuel R. Moore, Jr., M.D.

INVITED BUT UNABLE TO ATTEND: Ferris J. Siber, M.D., Chairman, Committee on Continuing Medical Education

ALSO PRESENT: D. Ernest Bulluck, M.D., Chairman, Committee on Medical Management and Procedures; Jack A. End, M.D., Co-Chairman, Liaison Committee with the Society of Actuaries; Lawrence D. Jones, M.D., Chairman, Committee on Professional and Public Relations; Robert S. Long, M.D., Representative, Council on Consumer and Professional Relations; John G. Rafter, M.D., Chairman, Committee on Mortality and Morbidity; Daniel J. Sullivan, M.D., American Council of Life Insurance; Theodore E. Plucinski, M.D., Editor of the *"Journal of Insurance Medicine"*; Neil M. Day, President & General Counsel, MIB, Inc.; Mr. Robert Froelke, President of the American Council of Life Insurance

The minutes of the Executive Council Meeting of April 29, 1981 were approved as submitted.

The Secretary, Frank T. Mansure, M.D., reported for the Credentials Committee that forty (40) new candidates have been approved for membership; twenty-two (22) were approved for emeritus status and four (4) candidates for reinstatement. The Council approved these candidates as submitted. In addition, there were twenty-five (25) resignations and seven (7) deaths submitted.

The written Treasurer's Report was discussed by Dr. X. L. Papaioanou. He noted that we have 565 members as of September 30. No increase in dues should need to be made in the coming year. In 1983, it is projected that the dues will have to be increased to

\$100. To preserve our tax-free status, it is very important that we keep our dues and other fees commensurate with our needs with no attempt to build a surplus. The Council approved the request by the Treasurer that no refund for meeting activities will be granted after noon on Monday, October 19.

The report of the Nominating Committee was submitted by Dr. Paul S. Entmacher. This report was approved. Dr. Entmacher also remarked that a candidate for the Distinguished Physician's Award had been selected.

Dr. John C. Robinson submitted a written report as Editor of the Transactions.

Dr. Theodore E. Plucinski submitted a written report as Editor of the *"Journal of Insurance Medicine"*. He mentioned that the Fall Journal No. 3 was not printed as there was not enough material to warrant an edition.

Dr. Ferris J. Siber's written report as Director, Continuing Medical Education, was reviewed as submitted. He is resigning and will be replaced by Dr. Joseph R. Jurkoic of the Travelers Insurance Company. Council voted unanimously to thank Ferris for his very fine job as Director. He was responsible for having ALIMDA accredited for continuing education.

Dr. Paul S. Metzger discussed his written report of the Committee on Advance Planning. A task force on the changing role of the Medical Director consists of Drs. Entmacher, Brown, Haskins, Alden and Nelson. This is chaired by Dr. Metzger. Dr. Metzger urged that all retiring members consider doing insurance medical examinations. Dr. Alden stated that he had written to the National High Blood Pressure Educational Committee asking to have an ALIMDA member on the Coordinating Committee. We should know their decision after this Committee meets on October 23. If we are accepted, our representative will be Dr. John G. Rafter.

Dr. John G. Rafter reported for the Committee on Mortality and Morbidity. Dr. Singer has submitted four written recommendations and Council has asked that the Committee discuss these recommendations and they were given the authority by Council to act upon them.

Dr. Lawrence D. Jones discussed his written report of the Professional and Public Relations Committee. An early draft of a brochure to describe the job of a Medical Director was distributed. This was reviewed and suggestions of Council will be taken back to the Committee. In addition, Council suggested that the fi-

nal draft await the report of the ad hoc committee on the changing role of the Medical Director chaired by Dr. Metzger.

Dr. Jack A. End submitted a written report of the Liaison Committee with the Society of Actuaries. He emphasized the fact that the Mortality Monograph Committee was having problems with individuals who are to collect and submit data. The Society of Actuaries has hired a consultant for this study. This Consultant is Mr. James Cowan.

A great deal of time was spent discussing the Committee on Public Education on Risk Appraisal. It was felt that this is largely a public relations project and that ALIMDA had no expertise in this field and that we should emphasize data collection and our studies. We also felt that we should open as many lines of communication to ACLI as possible. It was MOVED and SECONDED to disband this ad hoc committee.

The Non-Smoker Experience Committee is going to submit a questionnaire to all companies by year-end.

The work of the 1979 Build and Blood Pressure Study Committee is winding down. Sales of these volumes have not met expectations. The Professional and Public Relations Committee was asked to develop a list of approximately 50 names of physicians nationally known for their work and interest in hypertension. We will try to have complimentary volumes of the study sent to this group.

Mr. Neil Day, President and General Counsel of MIB, spoke. Mr. Day reported that next year will be the 80th anniversary of MIB. Four highly technical changes have been made as urged by the FTC. MIB procedures meet the new NAIC model bill requirements. Much effort has been spent on the tax-free status of the MIB.

The meeting was adjourned for lunch at noon.

After lunch we met with Mr. Robert Froelke, President of the ACLI, for an informal discussion. We discussed how the ACLI and ALIMDA can work together and the need for a separate professional medical organization in the industry. After this, Mr. Froelke discussed some of the leading problems for the industry. This includes Federal tax reform, the variable policy loan interest rate and liquidity.

The meeting reconvened at 2:30 p.m.

The anonymous letter from a person in Patterson, New Jersey, was discussed for less than one minute as it was felt by all that it was not worth any more time.

It was recognized that if we are going to work more closely with the ACLI and other non-medical organizations, ALIMDA must develop a core of qualified physicians to participate if we are to be of any value.

Dr. Ernest Bulluck reviewed his written report for the Medical Management and Procedures Committee.

This included a study on the chest x-ray's value and use in the insurance industry. A summary of this report will be sent to the Radiology Health Science Project as requested by them.

Dr. Robert S. Long presented his report as Representative to the Committee on Consumer and Public Relations. Cost shifting is seen as a major problem and this Committee will also ask the industry to support HSA's. Voluntary effort is needed as the government has withdrawn their support.

Dr. William A. Herbert reported for the Board of Life Insurance Medicine. There were no written examinations during 1981 but four oral examinations were given and all four candidates passed. The Triennial Insurance Medicine Seminar will be held in January 1982 at the Wigwam in Arizona. This is headed by Dr. John G. Walsh and Edward M. Hard, M.D. There are 55 registrants to date; more are welcome.

Dr. Paul S. Metzger reported that the 1982 Annual Meeting will be held September 30-October 2 at the Hyatt Regency in Chicago. The program and meeting plans are well underway. The Spring Executive Council Meeting is to be held at the Hyatt Regency in Columbus on April 28, 1982.

Dr. Harold S. Kost reported that the 1983 meeting in San Antonio is being planned and Dr. Jerzy Gajewski is the Program Chairman.

Under new business, Dr. Paul S. Metzger stated that we had good support for our seat in the AMA House of Delegates, however, our request was grouped with five others seeking a seat. These were largely splinter groups of specialties already represented. They were all sent back for further study.

Dr. John O. Alden reported that through December 1980, 2,538 Volumes of Mortality Monograph had been sold. Dr. Jack Redmon, Chairman of the New Mexico Skin Cancer Project is most interested in industry actions on malignant melanoma. He urges that Duke Type I be treated as standard risk. His very strong views seem to be satisfied by Dr. Alden's correspondence.

Dr. Paul S. Entmacher reported that Dr. Logsdon of the Insure Project told him that they have just received a \$500,000 grant from the Robert Wood Johnson and McArthur Foundations. He would like to make a survey of what insurance companies do in their home office periodic health examinations. He would like ALIMDA's cooperation and endorsement. This endorsement was approved and Dr. Ernest Bulluck, as Chairman of the Medical Management and Procedures Committee, will work with him.

There being no further new business, the meeting adjourned at 3:55 p.m.

Frank T. Mansure, M.D.
Secretary

Candidates for Membership - 1981

Gerard A. Armorer, M.D., Director, Medical Services
Prudential Insurance Company of America, Jacksonville, FL
Nominated by J.A. Montgomery, M.D. and P.L. Fahey, M.D.

Armand Joseph Aroffo, M.D., Assistant Medical Director
New York Life Insurance Company, New York, N.Y.
Nominated by T.P. Jernigan, M.D. and C.H. Gonzalez, M.D.

Alan J. Barnett, M.D., Medical Director
Greater Beneficial Union of Pittsburgh, Pittsburgh, PA
Nominated by R.E. Fidelino, M.D. and W.E. Feist, M.D.

LeRoy E. Bates, M.D., Medical Director
Companion Life Insurance Company, Columbia, S.C.
Nominated by L.W. Conratt, M.D. and J.M. Young, M.D.

J.H. Blakeslee, M.D., Staff Physician
Travelers Insurance Company, Hartford, CT
Nominated by J.C. Robinson, M.D. and W.R. Gilliam, M.D.

Gerald M. Burns, M.D., Assistant Medical Director
Metropolitan Life Insurance Company, Ottawa, Ont., Canada
Nominated by R.D. Garson, M.D. and P.S. Entmacher, M.D.

Donald F. Butt, M.D., Medical Advisor
Constellation Assurance Company, Toronto, Ont., Canada
Nominated by K.W.G. Brown, M.D. and E.J.G. Noble, M.D.

James E. Cassidy, M.D., Medical Consultant
Occidental Life of California, Oakbrook, IL
Nominated by J.A. Ryan, M.D. and D.C. Holman, M.D.

David A. Chinoy, M.D., Medical Director
Gulf Life Insurance Company, Jacksonville, FL
Nominated by J.W. Barch, M.D. and V.L. Love, M.D.

Gordon R. Cumming, M.D., Associate Medical Director
The Great-West Life Assurance Company, Winnipeg, Man., Canada
Nominated by R.E. Beamish, M.D. and A.H. Harrop, M.D.

Phillip T. Eckstrom, M.D., Medical Director
Old Line Life Insurance Company of America, Milwaukee, WI
Nominated by R. Stock, M.D. and E.M. Pollak, M.D.

Dale Meredith Everson, M.D., Vice President-Medical Director
Lutheran Mutual Life Insurance Company, Waverly, IA
Nominated by G.E. Nielsen, M.D. and G.E. Bigsby, III., D.O.

Samuel Garcia, M.D. Medical Director
Munich Reinsurance Company of Mexico, Mexico
Nominated by J.R. Gomez, M.D. and M.R. Walker, M.D.

Swaran Goswami, M.D., Assistant Medical Director
New England Mutual Life Insurance Company, Boston, MA
Nominated by T.G.S. Young, M.D. and F.I. Pitkin, M.D.

Geoffrey Howitt, M.D.
Cooperative Insurance Society, Manchester, England
Nominated by R.D.C. Brackenridge, M.D. and F.T. Mansure, M.D.

Marja M. Hurley, M.D., Assistant Medical Director
Aetna Life & Casualty, Hartford, CT
Nominated by J.O. Alden, M.D. and D.T. Book, M.D.

Winston E. Ince, M.D., Chief Medical Officer
Colonial Life Insurance Company, Ltd., Port of Spain, Trinidad
Nominated by A.W. Capon, M.D. and F.T. Mansure, M.D.

Alfonso H. Janoski, M.D., Medical Consultant and Medical Director
Chesapeake Life Insurance Company, Baltimore, MD
Nominated by J.R. Karns, M.D., and C.R. Fravel, M.D.

Harold E. Knuuti, M.D., Medical Director
Equitable Life Assurance Society of the United States, Milford, CT
Nominated by R.W. Gustafson, M.D. and R.D. King, M.D.

Evan P. Kokales, M.D., Medical Director
IBA Mutual Insurance Company, Kalamazoo, MI
Nominated by M.E. Rougraff, M.D. and F.T. Mansure, M.D.

William F. Krause, M.D., Medical Director
Utica Mutual Insurance Company, Utica, N.Y.
Nominated by V.G. Hammond, M.D. and R.S. McKeeby, M.D.

Sidlee W. Leeper, M.D., Medical Director
Shelter Life Insurance Company, Columbia, MO
Nominated by R.E. Fedelino, M.D. and W.J. Hunzicker, M.D.

B.T. Maxam, M.D., Medical Director
Jefferson National Life Insurance Company, Indianapolis, IN
Nominated by W.J. Hunzicker, M.D. and E.M. Pollak, M.D.

James B. Miller, M.D., Assistant Medical Director
Metropolitan Life Insurance Company, Tampa, FL
Nominated by W.S. Clough, M.D. and P.S. Entmacher, M.D.

Isobel D. Moon, M.D., Assistant Medical Director
Excelsior Life Insurance Company, Toronto, Ont., Canada
Nominated by M.H. Henderson, M.D. and A.I.M. Armstrong, M.D.

John A. Nanson, M.D., Medical Director
Central Life Assurance Company, Des Moines, IA
Nominated by G.E. Nielsen, M.D. and C.H. Peters,
M.D.

Joseph Pei-Chiang Sun, M.D., Medical Director of
Underwriting
Cathay Life Insurance Company, Ltd., Taipei, Taiwan,
Republic of China
Nominated by D.J. Kane, M.D. and M.R. Walker, M.D.

Lourdes B. Pereda, M.D., Medical Consultant
American United Life Insurance Company,
Indianapolis, IN
Nominated by J.S. Pearson, M.D. and M.E. Rougraff,
M.D.

John Grahame Richards, M.D., Assistant Chief
Medical Officer
Australian Mutual Provident Society, Sydney,
Australia
Nominated by E.J. Halliday, M.D. and P.S. Entmacher,
M.D.

Franklin A. Smith, M.D., Associate Medical Director
Aid Association for Lutherans, Appleton, WI
Nominated by H.O. Kretschmar, M.D. and F.A. Brei,
M.D.

Anne A.E. Wallace, M.D., Medical Underwriting
Consultant
Imperial Life Assurance Company of Canada,
Toronto, Ont., Canada
Nominated by T. Porter, M.D. and W.J.C. Stevenson,
M.D.

Aidan E. Walsh, M.D., Medical Director
United States Fidelity & Guaranty Company, Bal-
timore, MD
Nominated by R.K. Palmer, M.D. and K.E. Ward, M.D.

James D. Wismar, M.D., Medical Director
The Harvest Insurance Companies, Middleburg
Heights, OH
Nominated by J.W. Barch, M.D. and V.L. Love, M.D.

William H. Yurgilevich, M.D., Assistant Medical
Director
Cologne Life Reinsurance Company, Stamford, CT
06904
Nominated by R.A. Pollard, M.D. and E.G. Kara, M.D.

Peter C. Black, M.D., Director, Medical Services
The Prudential Insurance Company of America,
Merrillville, IN
Nominated by R.M. Donauer, M.D. and J.L. Novak,
M.D.

Michael M. Cebrik, M.D., Second V. P. & Associate
Medical Director
Union Mutual Life Insurance Company, Portland, ME
Nominated by S.B. Sylvester, M.D. and F.T. Mansure,
M.D.

Leslie Levy, M.D., Assistant Vice President
Aetna Life & Casualty, Hartford, CT
Nominated by J.O. Alden, M.D. and D.T. Book, M.D.

Joseph R. Polidoro, M.D., Assistant Medical Director
Aetna Life & Casualty, Hartford, CT
Nominated by J.O. Alden, M.D. and D.T. Book, M.D.

Ruth M. Qualben, M.D., Assistant Medical Director
The Equitable Life Assurance Society, New York, N.Y.
Nominated by R. Katz, M.D. and R.S. Granham, M.D.

Resignations to be Reported

Allan B. Ainley, M.D.
Travelers Insurance Company
Hartford, CT
1981

Maria Athans, M.D.
Equitable Life Assurance
New York, N.Y.
1981

Albert B. Ayers, M.D.
Equitable Life Assurance
Milford, CT
1981

James W. Belshaw, M.D.
Lincoln National Life
Fort Wayne, IN
1981

Glenn E. Bigsby, III, D.O.
The Bankers Life
Des Moines, IA
1981

Paris Bransford, M.D.
Prudential Insurance Company
Houston, TX
July 1981

Thomas R. Collins, M.D.
American Pioneer Life Insurance
Orlando, FL
1981

Angelo De Mezza, M.D.
Fortune National Life
Pittsburgh, PA
1981

Jack T. Ehrhart, M.D.
The Travelers Insurance Company
Hartford, CT
1981

Jack L. Eidson, M.D.
American Banker's Insurance
Waco, TX
1981

C. William Freeby, M.D.
Aid Association of Lutherans
Appleton, WI
1981

Bruce F. Grotts, M.D.
Provident Life & Accident Insurance
Chattanooga, TN
1981

Edward J. Hertko, M.D.
American Republic Insurance
Des Moines, IA
1981

Glover O.L. Johnson, Jr., M.D.
Prudential Insurance Company
Houston, TX
1981

John A. Kilgour, M.D.
Metropolitan Life Insurance
Ottawa, Ont., Canada
May 1, 1981

John T. Logue, M.D.
MFA Life Insurance
Columbia, MO
1981

Dan L. McCaslin, M.D.
Lincoln National Life
Fort Wayne, IN
1981

Harold S. McGladdery, M.D.
Metropolitan Life Insurance
Ottawa, Ont., Canada
1981

Robert D. O'Connor, M.D.
Old Line Life Insurance
Milwaukee, WI
1981

Lee Stover, M.D.
Bankers Life Insurance
Lincoln, NE
1981

Barry Strauss, M.D.
Madison Life Insurance
New York, N.Y.
1980

Wellington Shelton Tichenor, M.D.
American International Group
New York, N.Y.
1980

Melvin Ray Toews, M.D.
Continental Assurance Company
Chicago, IL
1981

James H. Walsh, M.D.
Commercial Union Life
Boston, MA
1981

George G. Young, M.D.
Central Life Assurance
Des Moines, IA
1981

Reinstatements

John F. Moran, Jr., M.D.
Tara Life Insurance Company
Upper Darby, PA
December 1980

Abraham Gootnick, M.D.
Manhattan Life Insurance Company
New York, N.Y.
January 1981

Carlton L. Sexton, M.D.
The Baltimore Life Insurance Company
Baltimore, MD
October 1980

Richard C. Shaw, M.D.
Blue Cross And Blue Shield of Maine
Portland, ME
September 1981

Candidates For Emeritus Membership - 1981

Richard H. Barr, M.D.
106 Baltimore Avenue
Larkspur, CA 94939
Formerly with Fireman's Fund
Retired June 19, 1981

Robert E. Beamish, M.D.
176 Oxford Street
Winnipeg, Man., Canada R3M 3J6
Formerly with Great-West Life
Retired October 1, 1981

John A. Burke, M.D.
105 River Point Road
Signal Mountain, TN 37377
Formerly with Volunteer State Life
Retired December 31, 1980

David Dove, M.D.
259 Walton Road
Seabrook, N.H. 03874
Formerly with New England Mutual Life
Retired 1981

James G. Forgerson, M.D.
2164 Hyde Street
San Francisco, CA 94109
Formerly with Metropolitan Life
Retired April 1, 1981

Richard D. Hahn, M.D.
10533 Stevenson Road
Stevenson, MD 21153
Formerly with The Baltimore Life
Retired October 1980

James Z. Hendrix, M.D.
274 Flagg Place
Staten Island, N.Y. 10304
Formerly with New York Life
Retired 1981

John J. Hutchinson, M.D.
267 Cliff Avenue
Pelham, N.Y. 10803
Formerly with New York Life
Retired May 19, 1981

Glenn J. Kimball
Rte. 5, Box 147A
Waverly, IA 50677
Formerly with Lutheran Mutual Life
Retired September 1, 1980

Clark H. Lentz, M.D.
2600 West 69th Street
Shawnee Mission, KS 66208
Formerly with Business Men's Assurance
Retired 1981

Edward R. Mosley, M.D.
3075 W. Kearney Boulevard
Fresno, CA 93706
Formerly with Equitable Life
Retired 1981

Mather H. Neill, M.D.
87 Boulder Road
Manchester, CT 06040
Formerly with Aetna Life & Casualty
Retired 1980

Albert A. Pollack, M.D.
310 East 75th Street
New York, N.Y. 10021
Formerly with Mutual of New York
Retired 1981

John G. Ross, M.D.
189 John Street West
Waterloo, Ont., Canada N2L 1C6
Formerly with The Mutual Life Assurance
Retired February 1, 1981

W.B. Thornton, M.D.
R.R. 1
Campbellcroft, Ont., Canada
Formerly with Norwich Union Life
Retired 1981

John E. Todd, M.D.
196 Owen Boulevard
Willowdale, Ont., Canada M2P 1G7
Formerly with North American Life
Retired March 31, 1981

Douglas R. Warren, M.D.
P.O. Box 670
Fenelon Falls, Ont., Canada K0M 1N0
Formerly with Occidental Life
Retired July 31, 1981

William B. Waterman, M.D.
10 Neal Drive
Simsbury, CT 06070
Formerly with Aetna Life & Casualty
Retired 1980

Robert J. Whipple, M.D. 17 Cabernet Court
Lafayette, CA 94549
Formerly with Metropolitan Life
Retired 1981

Murray A. Woodside, M.D.
57 Bunty Lane
Willowdale, Ont., Canada M2K 1W7
Formerly with North American Life
Retired January 31, 1981

Isaac M. Zigler, M.D.
Route 1, Box 533
Front Royal, VA 22630
Formerly with Acacia Mutual Life
Retired 1981

Henry A. Zimmerman, M.D.
33851 Old Kinsman Road
Chagrin Falls, OH 44022
Formerly with The Harvest Life
Retired 1980

Deaths to be Reported

Harry A. Cochran, Jr., M.D. (emeritus)
Lincoln National Life
Fort Wayne, IN
Died May 1981

Louise Turmel-Dorion, M.D.
Industrial Life
Quebec, Canada
Died June 12, 1981

James R. Forsythe, M.D. (emeritus)
Minnesota Mutual
St. Paul, MN
Died September 13, 1981

Garth E. Fort, M.D. (emeritus)
National Life & Accident
Brentwood, TN
Died October 21, 1980

Carl T. Kirchmaier, M.D.
H.B.A. Life
Phoenix, AZ
Died July 31, 1981

Lawrence L. McLellan, M.D. (emeritus)
Provident Mutual Life
Santa Barbara, CA
Died May 31, 1981

William O. Purdy, M.D. (emeritus)
Equitable Life
Des Moines, IA
Died June 1981

Annual Report of the Treasurer October 1, 1980 - September 30, 1981

X.L. Papaioanou, M.D.

Our membership has remained stable. There were 565 paid members in 1981. Membership dues were increased last year from \$50.00 to \$75.00 and this is reflected in an overage of \$11,000. There is no recommendation to increase dues for the coming year. For those of you who are planning future budgets, dues will probably be increased to \$100 in 1983.

Our bank balances fluctuate unpredictably each year because of erratic cash flow. Last year was a good balance year and this, coupled with higher interest rates, enabled us to earn some \$4,700 more than in the previous year.

Convention costs were up \$21,000 from the previous year and this was entirely due to the expense of the Waldorf-Astoria Hotel. The net cost of the convention to ALIMDA last year was about \$1,300 more than the previous year, since the previous year's expenses had been offset by a subsidy from the host company of \$3,000. We have decided that a subsidy will not be requested or encouraged in the future and that ALIMDA will bear the convention costs.

Total costs were \$37,000 over the previous year. The bottom line was that our disbursements exceeded our receipts by some \$5,700. This contrasts to an excess of receipts over disbursements the previous year of \$31,000. Let me point out that these are figures not worthy of comparison since they depend on cash flow and balances which, as mentioned, vary from time period to time period. The yield from our money market investments is presently at 16.85 percent and certificate of deposit with the Bank of Nova Scotia is presently earning 15.75 percent.

In summary, we are financially solvent and since we are a registered tax-exempt, non-profit organization we will continue to recommend assessments and fees commensurate with our needs, not with the intention of building a large capital surplus.

Report of the Nominating Committee

Paul S. Entmacher, M.D.
Committee Chairman

OFFICERS:

President-Elect Harold S. Kost, M.D.; *Vice-President* John C. Robinson, M.D.; *Secretary* Frank T. Mansure, M.D.; *Treasurer* X.L. Papaioanou, M.D.; *Editor of the Transactions* J. Denis McCarthy, M.D.

EXECUTIVE COUNCIL: Joseph A. Tesoriero, M.D.; Reginald D. Atkinson, M.D.; Nancy J. Wing, M.D.

BOARD OF LIFE INSURANCE MEDICINE: Reginald D. Atkinson, M.D. (2nd Term); Frederick S. Geist, M.D. (2nd Term); Carl H. Peters, M.D.

COUNCIL ON CONSUMER AND PROFESSIONAL RELATIONS: *Representative* Robert Katz, M.D.; *Alternate* William Guillette, M.D.

Report of the Editor of the Transactions

John C. Robinson, M.D.

On February 27, 1981 a meeting was held with the president of the Bond Press and a tentative schedule for printing and binding worked out. A new bindery was selected in view of our past difficulties with the old one. At the close of this meeting, the entire 1980 manuscript was turned over to the printers, although certain of the authors required subsequent revision.

The corrected galleys for the whole book were returned to the printers on April 21, the corrected page proofs on June 25 and the final blue-line proofs on July 13.

The bound volumes were back from the bindery on August 4, all but seven having been shipped to Frank Mansure. The bill for the 1980 Transactions was mailed to Bob Papaioanou on August 18. While there was a price increase of close to \$750 over last year's, it was still approximately \$2,300 less than in 1976, the last year that we used the press of the R & S Corporation.

Report of the Director of Continuing Medical Education and Chairman of the Committee on Continuing Medical Education

Ferris J. Siber, M.D.

This report is a review of activities of the Committee on Continuing Medical Education of ALIMDA for the period May 1 through September 1, 1981.

I. Courses Sponsored or Co-sponsored by ALIMDA

The 90th Annual Meeting of ALIMDA represents the 101st Course that I, as Director of Continuing Medical Education and Chairman of the Committee on Continuing Medical Education, have had the opportunity to sponsor or co-sponsor.

To date, the total number of credit hours in Category 1 are as follows:

1976: 15; 1977: 70; 1978: 73; 1979: 145; 1980: 101; 1981: To date: 55; - 1982: The Fifth Triennial Course in Life and Health Medicine, presented by the Board of Life Insurance Medicine and sponsored by ALIMDA, scheduled for January 18-23, 1982, has already been designated by me as meeting the criteria for 35 credit hours in Category 2.

II. Term of Office of the Director of Continuing Medical Education

Per my letter of August 25, 1980, I shall complete my term of office on October 21, 1981 with a sense of great pride and achievement. As a result of my term of office as Director of Continuing Medical Education and Chairman, Committee on Continuing Medical Education for ALIMDA, I have had the pleasure and privilege of getting to know the membership of ALIMDA and to participate in the efforts of establishing the recognition of ALIMDA for its scientific and educational activities.

I look forward to working closely with my successor and anticipate continued success in the field of Continuing Medical Education.

1981 Credit Hours in Category 1

- *90 Twin Cities Medical Directors Association
"Paramedicals/EMS in the Twin Cities"
January 21. . .1
- *91 Regional Insurance Medical Directors of Greater New York
"The Use of Technetium Pyrophosphate; Thallium 201 Imaging; Radionuclide Ventriculography; and Equilibrium-Gated Blood Pool Imaging" January 29. . .2
- *92 Twin Cities Medical Directors Association
"Skin Cancer"
February 18. . .1
- *93 Twin Cities Medical Directors Association
"Chronic Active Hepatitis"
March 3. . .1
- 94 Committee on Mortality and Morbidity of ALIMDA
Seminar No. 8 on Mortality Methodology and Analysis
March 24-25. . .11

- *95 Society of Insurance Medical Directors of Massachusetts
"Computed Tomography and Selected Imaging Modalities for the Retroperitoneal and Pelvic Organs"
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 - *96 Twin Cities Medical Directors Association
"Chronic Pain Rehabilitation"
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 - *97 Middle Atlantic Life Insurance Medical Directors Club
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 - *98 36th Annual Meeting of Canadian Life Insurance Medical Officers Association
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 - *99 Insurance Medical Group of New England
"Cardiac Pacing: Indications, Complications and New Technology".
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 - *100Midwestern Medical Directors Association
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 - 10190th Annual Meeting of ALIMDA
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 - *102Regional Insurance Medical Directors Association of Greater New York
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Report of Committee on Advance Planning

Paul S. Metzger, M.D.
Chairman

This Committee met at the Logan Airport Hilton in Boston on August 6, 1981. Those attending were Drs. Alden, Brown, Entmacher, Haskins, Mansure, Moore, Nelson, Papaioanou, Robinson, Ross, Sullivan, and Metzger.

The objectives of the Advance Planning charge were reviewed in some detail and the Committee expressed a general sense that the insurance industry and the role of medical directors is in the throes of great change. To adjust to these changes, ALIMDA is the appropriate organization and has the physician competence to guide medical directors through these turbulent years.

It would appear that the life insurance industry as such is becoming another arm of the financial industry and, as a result, the singular importance of medical underwriting is diminished. This is not to mean that it is less important as it applies to the large life risks or to the complex medical problems encountered in assessing risks but that the numbers of these cases will diminish - thereby decreasing the need for pure medical underwriters.

The Committee was in agreement that it would be appropriate to have ALIMDA make an in-depth study of the contributions that medical directors can and should make to this changing industry extending beyond the traditional medical underwriting role. After development of this expanded role, it is recommended that a training program be developed to incorporate either in the Board of Life Insurance Medicine Seminars or to be given as a separate developmental program. To implement this study and develop the recommendations, the Chairman of the Advanced Planning group has developed a subcommittee to carry out these chores and to have a report available for the 1982 Spring Executive Council meeting.

The Committee considered a second item of the future of physician examinations for insurance and techniques to improve quality. The Committee concluded that there is a wealth of experienced, retired medical directors who may be interested in additional work and who could be encouraged to do examinations.

It is recommended that the secretary incorporate a notation with each retired medical directors's name in the ALIMDA roster who is available and willing to perform examinations. It is incumbent upon the senior medical director or the succeeding medical director in each company to supply this information to the secretary.

The third item considered by the Committee was the role the medical director should play in health promotion both for his company's employees and for those companies with large group health policies. The HIAA Health Promotion packet was reviewed and it is the recommendation that medical directors should involve themselves in their companies' implementation of the HIAA program or similar program.

Paul Entmacher reviewed his discussions with Dr. Levy of the National Heart Institute concerning the role of medical directors in publicizing the Blood Pressure Control Program. It was the Committee's recommendation that ALIMDA identify and appoint a representative to the Advisory Board on Hypertension of the Heart Institute.

The fourth discussion item pertained to ALIMDA's relationship with the AMA. The current status of specialty seating in the House of Delegates of the AMA was reviewed and the Committee recommended that ALIMDA continue to pursue this seat when appropriate.

The fifth item reviewed the role of ALIMDA with the INSURE project and with the Cognitive Services Project of the American Society of Internal Medicine. The Committee received the information from Dr. Entmacher that he was functioning on the INSURE Advisory Board as Mr. Shinn's representative and he would continue to monitor the INSURE project. The Committee also expressed the opinion that the Cognitive Services Project should be monitored but not directly endorsed.

The sixth item was the request that ACLI have staff representation at ALIMDA Council meetings and at selected committee meetings. It was pointed out that ALIMDA has officially placed the Chairman of the Medical Section on the Executive Council. It was the recommendation of the Committee that a representative of ACLI be invited to make a presentation at Council meetings similar to the MIB Executive Director's presentation of current problems.

The final item considered the advisability of ALIMDA incorporating the expenses of publishing the annual ALIMDA program and the Council dinner into the expenses of the organization. It was the consensus that the companies represented by the President should be sufficiently rewarded for the distinction of having their medical director in such a prestigious position that they should be encouraged to reimburse for this expense.

It is recommended that Council affirm these recommendations for implementation where appropriate.

Annual Report of the Professional and Public Relations Committee

Lawrence D. Jones, M.D.
Chairman

This has been a busy, and we believe, a productive year for the Committee on Professional and Public Relations.

We have completed a draft copy of the printed material proposed for our brochure, "The Life Company Medical Director". I am pleased to report that every member of the committee actively participated and contributed to the final product. We will appreciate any suggestions or corrections. We will meet October 18, 1981, at 9:00 a.m. for that purpose.

In order that physicians on the committee may be informed and have a chance to offer input, Joel Miller of H.I.A.A. has agreed to update us on the Association's current plans and activities regarding Medical Cost Containment at our meeting on October 18th. All ALIMDA members are invited to attend.

During the summer an anonymous letter was circulated and called to my attention by several committee members relative to potential labor union functions of ALIMDA. All agreed that as a professional trade association such a function was inappropriate.

There has been a resignation from the committee. Glenn Bigsby of the Bankers Life is returning to full time private practice. Warren Kleinsasser has agreed to join the committee as a working member in his place.

A legislative report will be presented by Bill Bradley at our October 18th meeting.

Routine housekeeping and correspondence has been completed.

Report of the Committee on Mortality and Morbidity

John G. Rafter, M.D.
Chairman

It has not been found feasible to hold a meeting of the Mortality and Morbidity Committee since the last report to the Executive Committee on April 29th of this year.

A meeting is scheduled for Sunday, October 18th at which time the following tentative agenda has been established:

1. Consideration of making on site evaluation of the Milwaukee Cardiovascular Data Registry to determine what value their statistics may have for the Insurance Industry. The Registry has been in existence since 1968, and they have on their computers approximately 17,000 diagnostic heart catheterizations done before and after surgery and 11,000 revascularization surgical procedures. They have achieved a follow-up of 98.5 percent for this entire group.
2. Examine the advisability of approaching Dr. Eugene Stead, emeritus professor of medicine at Duke University to determine whether the "Computer Textbook of Medicine", which has been developed at Duke over a period of years, may have useful application to insurance medicine.
3. To consider the future status of Dr. Richard B. Singer, Consultant in Medical Risk Appraisal and the continuation of the Seminars on Mortality Methodology.

Dr. Richard B. Singer has submitted his annual report on Mortality Seminars as well as his budget for the fiscal period October 1, 1981 - November 15, 1982.

Although I do not have a recommendation from the Mortality and Morbidity Committee with respect to Dr. Singer's requested for reappointment as Consultant and Program Director, I personally would strongly support Dr. Singer's reappointment for an additional year as a Consultant and Program Director for one year starting April 1, 1982 and I have no reason to believe that any of the other members of the Mortality and Morbidity Committee would not support it also. The Council may wish to consider this matter at the present meeting. Written recommendations on Dr. Singer's proposals will be forwarded to the Council immediately after our meeting tomorrow afternoon.

Annual Report of the Program Director to the Mortality and Morbidity Committee and Executive Council of ALIMDA (9/7/81)

Seminar No. 6 was held at Toronto just prior to 10/1/80, and there have been two seminars since then: No. 7 at Philadelphia, November 5-6, 1980, and No. 8 at Richmond, March 24-25, 1981. Special thanks are due to the Arrangements Chairman, Dave Breithaupt, Ernie Bulluck and Wayne Key, to the host companies (Manufacturers, Penn Mutual and Life Insurance Co. of Va.), and to Bob Wood for helping with the instruction at Seminar No. 8.

With four seminars completed (and another scheduled but canceled) since my appointment as Consultant and Program Director in April, 1979, it is now possible to evaluate the success of this Category I program of Continuing Medical Education. In my opinion the seminars have been successful, they fill an important educational need, and I believe that ALIMDA should continue to sponsor and operate them after my prospective retirement as Program Director at the end of 1982. Ninety registrants have completed one of the eight seminars held, starting with the first one in Boston in May, 1977. Of the 68 ALIMDA members many are now helping with Volume 2 of Medical Risks or serving on various mortality committees. My judgment is that participant reaction has been generally characterized by interest and enthusiasm, based on the evaluation form comments, the quality of the advance work presented, and my observation of the workshops. Although instructional material has been considerably revised, the format and general plan have not been changed.

Seminar No. 9 was held October 22-23, immediately after the 1981 ALIMDA meeting, at the John Hancock in Boston, with Cesar I. Gonzales, M.D., as Arrangements Chairman, and J. Rae Jamieson, F.S.A. as co-instructor. Seminar No. 10 will be held November 9-10, 1982 at the Mutual of New York, N.Y.C., with Theodore E. Plucinski, M.D. as Arrangements Chairman, and Robert G. Wood, M.D. again serving as co-instructor. Again, I wish to thank these individuals and the host companies for their invaluable help in the conducting of these seminars.

Although quite a bit of work has been involved, it has been a pleasure for me to carry on these seminars, and I appreciate the opportunity provided by Executive Council action to continue this educational project after my retirement in April, 1979. It is my hope that the Council will see fit to appoint a new Program Director and maintain sponsorship of seminars after 1982.

Richard B. Singer, M.D.

Addendum to the Report of the Mortality and Morbidity Committee to Executive Council, ALIMDA, October 17, 1981 by Dr. John G. Rafter

A meeting of the Mortality and Morbidity Committee, ALIMDA, was held on October 18, 1981, at which time the following motions were approved.

1. That Mortality Seminars should be sponsored on a long-term basis by ALIMDA because of the importance of the subject matter to the members.
2. That Dr. Richard B. Singer be reappointed as Consultant to the Mortality and Morbidity Committee and Program Director of Mortality Seminars for one year beginning April 1, 1982.
3. That Dr. Robert G. Wood be nominated for appointment as Program Director to succeed Dr. Richard B. Singer at the conclusion of his term.
4. That Dr. Richard B. Singer be reappointed as Consultant to the Mortality and Morbidity Committee but not as Program Director as of April 1, 1983. His duties will include providing assistance where possible on mortality questions asked or referred by the Committee, the Executive Council, any Association member, the Center for Medico-Actuarial Studies, or any outside agency if referred to him. Such consultation will be on a volunteer, unpaid basis for correspondence, phone calls, the abstracts he is currently doing, and for the major assistance he has already committed to the preparation of the next volume of Medical Risks.

Summary of Annual Report of the Liaison Committee

**Jack A. End, M.D.
Co-Chairman**

Report of Ad Hoc Committees

A. Medical Impairment Study Committee

Contributions have been received from 16 companies, with 2 still planning to submit data. Five of the original companies have dropped out. Data received so far includes 56,712 deaths - about five times the total in the 1971 Impairment Study. The goal for publishing the results remains 1982.

B. Mortality Monograph Committee

This committee is having difficulty in maintaining its timetable for 1984 publication since the preparation of provisional abstracts is not progressing as rapidly as scheduled. About one-third of the abstracts have required follow-ups to the authors for additional information or details.

C. Committee on Public Education on Risk Appraisal participated in the panel presentation at the meeting of the Medical Section of ACLI in June. It is currently working on continuing efforts to publicize the essential nature of risk appraisal by talks, papers, releases, etc. to target groups.

D. Non-Smoker Experience Committee

This Committee has been occupied with the preparation and revision of the questionnaire to be sent to representative companies requesting information regarding their practice in handling the smoking question, as well as the cover letters to the Medical Director and Chief Actuary - all to go out in November.

E. 1979 Build and Blood Pressure Study Committee

With distribution of the Blood Pressure volume completed in May, the work of this committee is winding down. Work on the five supplementary studies:

1. Data for a more intensive analysis of optimal weights by age and duration
2. Prevalence of overweight in relation to prevalence of hypertension and other impairments
3. Experience on treated blood pressures according to pretreatment blood pressures, drugs used and length of treatment
4. Experience on unusual combinations of systolic and diastolic pressures
5. Experience by socio-economic status

is virtually complete, and the papers will be submitted to appropriate journals.

This committee will be disbanded by year end.

Report of the Board of Life Insurance Medicine

William A. Herbert, M.D. Chairman

The Board of Life Insurance Medicine has not officially met as a body since October 12, 1980. It will convene again on October 18, 1981.

During 1981 oral examinations were given to four candidates (two at the C.L.I.M.O.A. meeting and two at the A.C.L.I. meeting) -- all four passed. At the time of this writing there is one scheduled oral examination for the October 1981 A.L.I.M.D.A. meeting. No written examinations were taken during 1981.

The Triennial Insurance Medicine Seminar is scheduled to be held at the Wigwam in Arizona in January, 1982. As of 9/8/81 there were 55 Registrants -- we anticipate perhaps 75-90 will ultimately register. Drs. Ed Hard and John Walsh are co-chairmen and all indications are that this will be another fine course. An outstanding faculty is lined up and several new topics included in the curriculum.

Report of the Representative to the Council on Consumer & Professional Relations

Washington Update

Robert S. Long, M.D.

The Washington Update was presented by Ed Lenz of Staff. Most of the report had to do with the Pro-Competition Bills now pending before the House, with hearings to be held during the next 2 or 3 weeks.

The HIAA opposes very strongly all of the Pro-Competition Bills presently before the Congress for the reasons stated in the formal report of the HIAA dated March 1981 and as summarized very effectively by Paul Hawkins whose paper was distributed during his visit at Mutual recently and which has been distributed rather widely to other companies.

The material presented by Paul Hawkins and the HIAA will not be repeated here, but it is evident that the problems posed by any of the bills now being considered would be almost insurmountable for employers, unions, insurers, and other health providers. Mr. Hawkins pointed out in his conclusion that we should not mistake or equate "Pro-Competition" for "Free Market." It is not. "Pro-Competition" legislation is designed to promote competition and then to control that competition in a highly regulated way, with that regulation centralized in the Federal government.

The administration is said to be preparing legislation of this type to be presented sometime between now and the end of the year.

The Washington reporter also discussed briefly the activities of the Appropriations Committee in adjusting the budget with all programs being cut. This was emphasized at the ASIM annual meeting in the address given by Samuel Lin, M.D., substituting for and a Deputy to Edward N. Brandt, Jr., M.D., the new Assistant Secretary for Health in the Department of HHS. Dr. Lin stated quite frankly that all appropriations were being cut and that many programs would be eliminated completely, and at an earlier date than previously anticipated because of the new round of budget cuts. He anticipates that there will be no funds available for PSRO, HMO, Health Planning, and some other programs. He indicated that everyone was working very hard on changes in Medicare and Medicaid to be proposed within the next 2 years. He expected that rather far-reaching changes would be made in those programs.

Status of Goals & Objectives of CCPR for 1981

Lou Orsini discussed this matter at some length. The following statements are taken from his comments. The situation is worsening regarding the cost shift due to the Reagan economy acts. Medicaid has become more limited in the 36 states in which it has been reasonably effective. This means that the rate of increase of health care costs for private patients will go up in those states with the cost shifting. We must try to get hospitals to cut costs rather than to increase revenues. This is the number one priority right now for the CCPR of HIAA. There is some indication that Washington state may go in this direction and also New York state and Massachusetts. We are trying to get waivers wherever we can. We can show that hospitals are not hurt by a uniform reimbursement program. In Maryland and New Jersey, the cost to the government of the Medicare and Medicaid Programs has not increased beyond what it would have been without the waiver. In other words, they actually save money by paying their fair share of the cost.

The Health Care Coalitions are coming into being very slowly, with the new ones being composed almost entirely of employers. Many of them do not seem to want HIAA in an active position. We are looking at their benefit plan designs, but it appears that they are just shifting costs and not lowering them. Mostly, we have been told by the Coalitions, "We don't need you. Don't call us; we will call you."

Health promotion and attempting to change life style along with other aspects of health education appear to be the only hope for the long range. For the short range, we can only hope that VE will start to really address the issues and that we can get more waivers in more states so that Medicare and Medicaid will pay their fair share. We can hope that we may be able to get some equality of treatment with the Blues. We did not really expect to take over the Coalitions in the first place; we just hoped to keep our oar in. They really seem to belong to the employers. Although the MIT study states that employers are not really interested, it must be remembered that this was 2 years ago in

1979. At that time, actual increases in costs were only 15 percent, where now they are up to 40 percent, so more people are getting interested. There is also some question about how many of the employers were really contacted in that study. In the Washington business group of over 200, for example, none were contacted by the MIT investigators. The Chairman of the Council, Jim Purdy of Travelers, pointed out that the rates are up 40 percent, but costs are not up that much. At least half of this is catch-up and half of this does not really represent an increase in cost.

We were working with dentists and others trying to create a favorable climate in the provider area although we still appear to be in an adversary position with hospitals. Maybe this would improve if we got equality with the Blues. Obtaining more Medicaid and Medicare waivers would also be helpful. Mr. Purdy again pointed out that some of the increases in costs last year were because of increased utilization, which in turn was due to the fear of many employees being laid off, so they went in for their elective surgery. They were also afraid of being unemployed and losing their insurance. Mortality and morbidity were up during the first half of the year. During the last half of the year, these figures are always lower and will be again this year.

One of the most urgent activities for HIAA to get started working on is to obtain input into the current HCFA activities in developing a new reimbursement system for Medicare.

Health Care Management Committee Report

The Committee recommended unanimously to the Council that the HIAA actively influence the writing of regulations under existing Federal legislative authority to establish a uniform Financial and Utilization Management Information System. No specific action was taken on this as it will need to go to the National Health Care Programs Committee, which will take a fresh look at it along with the Health Care Management Committee. The next move will be up to the Health Data Policy Committee according to a resolution passed by the CCPR which urges their prompt review.

The Committee recommended that the HIAA financially support the Minnesota Coalition on Health Care Costs to the extent of \$5,000 for calendar year 1982, with any subsequent funding to be evaluated based on performance criteria. This was passed by the CCPR. This is the only one of 50 Coalitions in the U.S. for which dollars are specifically given by HIAA. We are actually excluded from giving direct contributions to the others.

The Committee recommended that the HIAA Board of Directors agree that the cost-shift issue is a major industry problem that should receive high priority and should authorize the commitment of necessary funds to support a strong effort in this area. It was recommended that the government and private sector cost-shift problems be pursued simultaneously. There should be agreement on a policy to pursue the development and introduction of a model state bill

which would make it an unfair trade practice for hospitals to negotiate exclusively with Blue Cross or to discriminate in defining costs for certain classes of peers. There should also be an HIAA policy position with respect to future introduction of Federal legislation to require expanded use of waivers for programs meeting acceptance criteria.

Health planning and the support of HSA units was discussed at length. The Health Planning Program was originally reauthorized by Congress for fiscal year 1982 with a \$65 million budget for HSAs and \$35 million for state agencies. This was subsequently cut to \$50 million, and, of course, may be cut further. There was a lot of discussion in the Council on health planning. Staff pointed out that there will probably be about 120 agencies left in metropolitan areas which could be expected to be reasonably effective if they had some funds. The industry is a source of some funds, but not the primary source. The industry is being flooded with requests from HPAs and HSAs at this time. The question was posed as to whether we should reactivate the HICHAP Program. Mr. Orsini pointed out that while the HSAs might not be worth it, still the industry needed to respond to the voluntary spector to keep something in place pending the new year and pending the ability of local agencies to do their own health planning.

General support in the CCPR was evident for HSAs and health planning. After our discussion, it was moved and passed that the industry raise \$1 million for HSAs next year and try to screen in the good ones and for Staff to try to inform the various individual companies which ones were good and which ones were not. It was our understanding that this money would be raised from individual companies in amounts varying from \$100 up to \$30,000, but that the insurance contribution in any specific HSA area or HPA area should not exceed 5 percent of their budget. This is the way it will go to the Board of Directors. One theory voiced was that, "We voted the Feds out when we supported Reagan, so now we must support the voluntary effort in health planning. The million we donate will be only 5-10 percent of their needs, so we certainly are not dominating them."

The American Health Planning Association is sponsoring a conference on November 9 and 10, 1981 to review the entire Health Planning Program and its future.

Further discussion regarding state activities in hospital cost containment waivers and disclosure indicated that there is considerable activity in Connecticut, Florida, Illinois, Massachusetts, Michigan, New York, and Washington state.

There has been some activity with respect to the Blue Cross differential. Activity was suspended temporarily in Illinois because of the suspension of the Illinois Health Finance Authorities rule, but this will be coming up again very shortly in the legislature and their author-

ity to act on this differential will be supported by many large employers in the state, the same ones who also supported the waiver for Medicare-Medicaid. The industry has considerable influence in the Department of Insurance in Illinois, and this will probably work out very well. The New Jersey Rate Setting Commission recently approved an increase in the Blue Cross differential to 6.13 percent, to be effective for 6 months. In Ohio, a bill is pending which will provide that there will be no differential, and it is hoped that this will pass. It should be noted parenthetically that the governor of Ohio has already opted out of any Federal HSA money. He is going to use state agency money for health planning in the state.

The Michigan Bed Capacity Reduction Program has not been active due to a lack of an approved bed reduction plan. HIAA previously voted \$50,000 to support this effort but in the absence of a definite plan, this amount will not be required for well over a year.

The Washington state waiver expired July 1, 1980 due to a lack of state funds to continue participation of the Medicaid Program. There is some activity going on to try to get the waiver reinstated.

National Center for Health Care Technology

Information on the status of this Center was presented to the CCPR by this writer. Since the meeting, the industry has taken some actions to try to help support the continuance of the NCHCT as it does appear to be useful and has been used very extensively by many, many companies in order to determine and identify various kinds of medical treatment, procedures, and diagnostic methods as to their effectiveness, whether they are out of date or not, whether they are still new and experimental, and whether or not they should be eligible for benefits in insurance programs. The NCHCT information is developed specifically for HCFA for its use in Medicare and Medicaid Programs, but the information is freely available to others and the industry has been using the information extensively. The Center is not funded at this writing, but there is some information to the effect that Representative Waxman may introduce an Amendment to the Appropriations Bill to provide funds to continue the Center for at least another year. It was he who presented the original legislation to create this National Center.

A report was also given on the paper developed by the Stanford University, Division of Health Services Research, on the same subject. This paper and the project it describes were funded by the Congressional Office of Health Care Technology. The report originally included a recommendation regarding the Enthoven Proposal concerning competition in the health care system, but was left out in the final draft. The people at Stanford are interested in forming a Coalition of all appropriate people to try to get something going to continue the work being done by the NCHCT and the CMSS. The CCPR indicated considerable interest and a strong desire to have such information available, but, of course, has no funds available to support such an effort.

Report of Pharmaceutical Relations Subcommittee

At the request of Mr. Shinn, the Committee considered its original statement with respect to generic drugs. The new statement makes some changes indicating that the HIAA opposes any practice with respect to the manufacturing and dispensing of drugs which could lead to confusion or deception of consumers. The use of generic substitution must have complete bio-equivalence as determined by the FDA. The HIAA does not support any legislation that would restrict the prescriber's right to designate a brand name or a generic drug. No reference was made in the policy statement with respect to patent legislation. The changes had been seen and approved by the Medical Relations Committee.

Report of the Quality Health Care Programs Subcommittee

This report generated a very considerable amount of discussions, to everyone's surprise. A part of the report was intended simply to refresh the memory of the CCPR as to what had previously been approved. The original position of the HIAA as officially taken after Board of Directors approval of the CCPR recommendation was that, "The Professional Standards Review Organization Act should be amended to require review of institutional care for all patients, not just those under government programs, subject to any requirement for utilization, review and quality assurance established by a state Prospective Rate Review Commission." The word "require" generated a lot of heated discussion and in the final vote, a reaffirmation of the original policy was confirmed by a vote of 7 to 5. The 5 opposing votes were very strong votes against this action. The problem is, of course, that when legislation is considered whether or not to continue the PSROs, HIAA will be testifying as indicated by the preceding statements. They will further testify that insurance carriers should be authorized to deny payment for charges or treatment beyond levels determined to be necessary and appropriate by the PSROs or peer review agencies.

Many of the members of the Council thought that there were a lot of reasons why review of all patients under institutional care should not be an absolute requirement but should be optional, according to desire and need. It was Staff's opinion that we should support this requirement because there would be no other way to check up on what the hospitals are already supposed to be doing and say they are doing with respect to utilization review. We need an oversight review body to see if the individual hospitals' quality health care programs are doing the job they should do. We need leverage in the way of legislation to get them to do their studies in the proper way, etc.

We are not supporting PSROs per se, but we are supporting some kind of a review organization. This is a policy enumerated and approved in the big overall plan entitled "Health Care for the 1980s," which came out last spring.

At a very recent meeting of the House of Delegates of the American Association of PSROs, Dr. Kenneth Platt, the Speaker of that House, stated in part:

"The PSRO idea is 10 years old and considering the quality of its opposition, including the AMA, you are a remarkable body. But the Reagan administration intends to do away with PSROs and it appears that a direct flow of Federal funds will cease by December 1983. Therefore, you should retain your political activity but look elsewhere for support. There will be a shift to medical corporate entities in the coming decade. By the 1990s most of medicine will be practiced by vertical corporations, with hospitals as part of the chain. If you do not take aggressive action, you will not be viable. In the new environment, the focus of review must shift from 'Is the patient being over-served?' to 'Is the patient being underserved?'".

State Council Advisory Committee

This report simply described the 1981 State Council Seminar held last spring in New Orleans. A new manual for the State Council representatives is being prepared. The Seminar was well received and probably will be repeated annually. It appears that the activities of the State Council representatives are a little more informed, a little more coordinated and a little more effective than they have been in the past, but there is still room for improvement.

Report of the Medical Relations Committee

This has been reported in other memoranda. In summary, the report to the CCPR described the AMA Cost Effectiveness Conference of last May, the actions of the AMA House of Delegates at their annual meeting in June, a discussion by the Committee with the AMA Council on Medical Services regarding the use of the phrase, "usual, customary and reasonable," AMA Coalition activity, the Psychiatric Coding System, and the CMSS Procedure Appropriateness Program.

All of these items have been reported on in detail at other times in other memoranda and will not be repeated here.

Dental Relations Committee Report

There has been a problem of processing billings by dentists in many companies. The so-called super bills are computerized bills which some dentists are using to bill patients and to use as an insurance claim document. Most do not conform to the ADA-HIAA standard claim form. There was a discussion, but no conclusions, regarding TMJ services, which the ADA believes should be covered under medical contracts. There have been some additions to dental codes and some changes in codes and nomenclature. The task of reviewing over 200 changes is near completion and member companies will be informed of these changes and additions in the near future.

Report of the Claim Procedures and Forms Committee

This important Committee has been meeting regularly to try to develop final recommendations for a national uniform bill in a revision of UB 16-78. Some problems exist in that the varying needs of the different third-party payers as well as the willingness of the diverse hospital industry to meet those needs has caused some strains to develop. It is by no means certain that final agreement on the uniform hospital bill acceptable to all providers and payers will be reached. It is hoped that the final resolution of the issue will be reached by the end of this year.

In May of 1980, the AMA and HCFA jointly agreed to slight modifications to the existing Health Insurance Claim Form which is now known as HCFA 1500. Although all the data elements in the old AMA Health Insurance Claim Form are on the new HCFA 1500, the Claim Procedures and Forms Committee has chosen not to formally endorse it. The reason is because HCFA has allowed various state Medicaid agencies to modify the form for their use while still retaining the same HCFA 1500 designation. As a result, there are nearly two dozen forms labeled AMA Health Insurance Claim Form -- HCFA 1500, which at times vary somewhat significantly from one another.

The Claim Procedures and Forms Committee has just approved for release a publication which will summarize in one place for the first time ever all the standard forms adopted, approved, or endorsed by the HIAA. This release should be available within the next 6 to 8 weeks.

Allied Health Services Committee

This report reviewed the request for support by the National Commission for Health Certifying Agencies, reviewed the proposed HIAA document on ambulatory surgical facilities, reviewed the background paper on home health services, and reviewed the request for research funding from the California State Psychological Association. The Committee recommended continued membership of HIAA in the National Commission for Health Certifying Agencies. The papers on ambulatory surgical facilities and home health services will be distributed to member companies of HIAA. It was recommended not to support the request for research funding for the California State Psychological Association.