

November 24, 1976

Mr. Robert Detore
Crossroads Health Plan
185 Central Avenue
East Orange, New Jersey 07018

Dear Mr. Detore:

At the Council meeting of the Essex County Medical Society, November 16, 1976, the Council approved the Proposed Board Composition as recommended by the Board of Directors of Crossroads Health Plan. That is 11 physicians should be appointed by Essex County Medical Society of which 3 will be appointed by Essex County Medical Society from the CPA membership.

A discussion followed this action and the Council directed that the President write to Crossroads Health Plan that Essex County Medical Society shall be forced to withdraw sponsorship from Crossroads Health Plan unless the requests that we have continuously made are met by Crossroads:

- 1- That a realistic sum be provided for consultants for the IPA to be utilized in properly developing the IPA. Approximately \$25,000 has been needed in the initial development of IPA's elsewhere.
- 2- That physicians, through the IPA, control the entire medical pool of funds including control under hospital contracts.
- 3- That no fees be developed or set until we have IPA consultants directly advise us on a reasonable fee level that will not put physicians at unrealistic risk. — OK
- 4- That no percentage of the physician at risk factor be withheld from final payment to the physician if the contract is successful. — ECHO decision

Sincerely yours,

A.E. Bythewood, M.D.
President

AEB/as

discussed + motion
Capital equip hospital

Hon holds hospital contract but ECHO approves contract

An Individual Practice Association
Sponsored by The Essex County Medical Society

ESSEX COUNTY HEALTH ORGANIZATION

EXECUTIVE AND EDITORIAL OFFICES: 144 SO. HARRISON STREET, EAST ORANGE, N.J. 07018
PHONE: (201) 672-1816

EXECUTIVE COMMITTEE

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Enio J. Calluori, M.D.
Newark (482-1888)
- President Elect
Bernard Robins, M.D.
Springfield (467-9595)
- Vice-President
Frank F. Zaccardi, D.O.
Newark (375-3055)
- Secretary
Alton E. Bythewood, M.D.
Newark (622-5553)
- Treasurer
Arthur Bernstein, M.D.
Maplewood (763-3170)
- Donald P. Beirne, M.D.
East Orange (677-1150)

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South Orange
- George L. Benz, M.D.
Newark
- Bruce J. Brenner, M.D.
Millburn
- Daniel N. Burbank, M.D.
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- Celestino Clemente, M.D.
Glen Ridge
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Montclair
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- John Winslow, M.D.
South Orange

COMMITTEE CHAIRMEN

- Physician Reimbursement & Fees
Bernard Robins, M.D.
- Medical Practice
Norman R. Gevirtz, M.D.
- Legal/Contracts
Arthur Bernstein, M.D.
- Peer Review & Quality Assurance
John Winslow, M.D.
- Financial/Administrative
Frank Y. Watson, M.D.
- Appeals
Celestino Clemente, M.D.
- Membership
Charles I. Nadel, M.D.

May 2, 1978

TO: All Members of ECHO

FROM: Enio J. Calluori, M.D., President

Dear Doctor:

The Annual Meeting of ECHO will be held on Tuesday evening, June 6, 1978 at 8:30 P.M. at the Holiday Inn, 120 Evergreen Place, East Orange, New Jersey.

It is important that you attend and vote on those who will represent you in this Individual Practice Association and that you also ask any questions which you may have concerning your participation.

The following slate of 14 Trustees (½ of our Board) has been drafted and proposed by our Nominating Committee for election for a two year term. If you have alternate nominees please submit same in writing within the next 10 days and have two other members of ECHO also sign such nomination.

- 1-Gertrude O. Ash, M.D.
- 2-William C. Barnes, M.D.
- 3-Alton E. Bythewood, M.D.
- 4-Celestino Clemente, M.D.
- 5-Philip N. Eichler, M.D.
- 6-Humbert M. Gambacorta, M.D.
- 7-Herbert A. Goldfarb, M.D.

- 8-Robert J. Lorello, M.D.
- 9-Charles I. Nadel, M.D.
- 10-Cono A. Pecora, M.D.
- 11-Carl S. Ross, M.D.
- 12-Benjamin H. Safirstein, M.D.
- 13-John Winslow, M.D.
- 14-Frank F. Zaccardi, D.O.

ESSEX COUNTY HEALTH ORGANIZATION

NOMINATING COMMITTEE MEETING MARCH 30, 1978
8 P.M. to 9:30 P.M.

Present:

George L. Benz, M.D., Chairman
Daniel N. Burbank, M.D.
Norman R. Gevirtz, M.D.
Eugene R. Sims, M.D.

OFFICIAL BALLOT

ESSEX COUNTY HEALTH ORGANIZATION (ECHO)

Annual Meeting, Tuesday Evening, June 28, 1977 at 8:30 P.M., the Carriage Trade, East Orange, New Jersey.

Election of Fourteen Trustees for years 1977-1979

The following slate is presented by the Nominating Committee:

- | | |
|--------------------------|--|
| Donald P. Beirne, M.D. | Frederick Grossbart, D.O. |
| George L. Benz, M.D. | Arthur S. Kern, M.D. |
| Bruce J. Brener, M.D. | Bernard Robins, M.D. |
| Daniel N. Burbank, M.D. | Eugene R. Sims, M.D. |
| Enio J. Calluori, M.D. | John J. Thompson, M.D. |
| Joel S. Cherashore, M.D. | John R. Tobey, M.D. <i>resigned</i> |
| Alphonse DePaola, M.D. | Marvin H. Wallen, M.D. |

Your Nominating Committee was George L. Benz, M.D., Chairman: Drs. Daniel N. Burbank, Humbert Gambacorta, Arthur S. Kern and Eugene R. Sims.

Other nominations:

Norman R. Gevirtz, M.D.

Please note: The terms of the following Trustees, who were elected for a two year term last Fall, do not expire at this time:

- | | |
|-----------------------------|------------------------------|
| Gertrude O. Ash, M.D. | Marvin A. Kirschner, M.D. |
| Arthur Bernstein, M.D. | Charles I. Nadel, M.D. |
| Alton E. Bythewood, M.D. | Alfred R. Richlan, M.D. |
| Celestino Clemente, M.D. | Benjamin H. Safirstein, M.D. |
| Charles H. Edwards, M.D. | Jules A. Titelbaum, M.D. |
| Humbert M. Gambacorta, M.D. | John Winslow, M.D. |
| Herbert A. Goldfarb, M.D. | Frank F. Zaccardi, D.O. |

Please note: The current Officers of ECHO are:

- | | |
|-----------------|--------------------------|
| President | Enio J. Calluori, M.D. |
| President-Elect | Bernard Robins, M.D. |
| Vice-President | Frank F. Zaccardi, D.O. |
| Secretary | Alton E. Bythewood, M.D. |
| Treasurer | Arthur Bernstein, M.D. |

The current Committee Chairmen are:

- Physician Reimbursement & Fee Schedule - Bernard Robins, M.D.
- Medical Practice - Norman R. Gevirtz, M.D.
- Legal/contracts - Arthur Bernstein, M.D.
- Peer Review and Quality Assurance - John Winslow, M.D.
- Financial/Administrative - Frank Y. Watson, M.D.
- Appeals - Celestino Clemente, M.D.
- Membership - Charles I. Nadel, M.D.

OFFICIAL BALLOT

ESSEX COUNTY HEALTH ORGANIZATION (ECHO)

Annual Meeting, Tuesday Evening, June 6, 1978 at 8:30 P.M., the Holiday Inn, 120 Evergreen Place, East Orange, New Jersey.

Election of Fourteen Trustees for the years 1978-1980

The following slate is presented by the Nominating Committee

- | | |
|---------------------------|------------------------------|
| Gertrude O. Ash, M.D. | Charles I. Nadel, M.D. |
| William C. Barnes, M.D. | Mark T. Olesnicky, M.D. |
| Alton E. Bythewood, M.D. | Cono A. Pecora, M.D. |
| Celestino Clemente, M.D. | Carl S. Ross, M.D. |
| Philip N. Eichler, M.D. | Benjamin H. Safirstein, M.D. |
| Herbert A. Goldfarb, M.D. | John Winslow, M.D. |
| Robert J. Lorello, M.D. | Frank F. Zaccardi, D.O. |

Your Nominating Committee was George L. Benz, M.D., Chairman: Drs. Daniel N. Burbank, Norman R. Gevirtz, Robert J. Lorello, and Eugene R. Sims.

Other Nominations:

Please note: The terms of the following Trustees, who were elected for a two year term in June 1977, do not expire at this time.

- | | |
|--------------------------|---------------------------|
| Donald P. Beirne, M.D. | Norman R. Gevirtz, M.D. |
| George L. Benz, M.D. | Frederick Grossbart, D.O. |
| Bruce Brener, M.D. | Arthur S. Kern, M.D. |
| Daniel N. Burbank, M.D. | Bernard Robins, M.D. |
| Enio J. Calluori, M.D. | Eugene R. Sims, M.D. |
| Joel S. Cherashore, M.D. | John J. Thompson, M.D. |
| Alphonse DePaola, M.D. | Marvin H. Wallen, M.D. |

Please note: The current Officers of ECHO are:

- | | |
|-----------------|--------------------------|
| President | Enio J. Calluori, M.D. |
| President-Elect | Bernard Robins, M.D. |
| Vice-President | Frank F. Zaccardi, D.O. |
| Secretary | Alton E. Bythewood, M.D. |
| Treasurer | |

and elected to the Executive Committee by the Board is Donald P. Beirne, M.D.

- 1- Constitution & Bylaws permit M.D. & D.O. membership only
- 2- By whom & how would effective Peer Review be carried out because all physicians in program are subject to Peer Review
- 3- How is Risk Pool participation worked out
- 4- direct referral or indirect referral through physician specialist

ESSEX COUNTY HEALTH ORGANIZATION

Board of Trustees Meeting, Tuesday evening, December 19, 1978

Bernard Robins, M.D., President of ECHO, called the meeting to order at 8:30 P.M. at the ECMS conference room in East Orange.

PRESENT

Drs: Bernard Robins, Norman R. Gevirtz, Arthur S. Kern, Cono A. Pecora, Donald P. Beirne, William C. Barnes, George L. Benz, Daniel N. Burbank, Joel Cherashore, Philip N. Eichler, Frederick Grossbart, Robert J. Lorello, Eugene R. Sims, M. Wallen, and J. Winslow, Trustees. Sheldon S. Schoen, M.D. Chairman Physician Reimbursement & Fees Committee; Arthur Bernstein, M.D., Medical Director; and Mr. Arthur R. Ellenberger, were also present.

MINUTES APPROVED

The actions of the Trustees of October 24, 1978 were approved as distributed.

TREASURERS REPORT

Dr. Cono A. Pecora, Treasurer, reported the following unaudited statement for balance on hand:

Midlantic Statement Savings	\$6,404
Midlantic Checking	508
Total....	\$6,912

It was moved seconded and carried that the Report of the Treasurer be filed.

Two Annual Reports, (1977 & 1978) prepared by our Auditor Myron Hirsch, were distributed. These reports have been filed with the IRS as per federal corporate filing requirements. It was moved, seconded and carried that these reports be approved.

Committee Reports:

A mimeographed copy of the November 14, 1978 meeting of the Medical Practice Committee was distributed and Dr. Norman R. Gevirtz, Chairman, reviewed the report in detail with the Trustees:

NON-PHYSICIAN PROVIDERS

- A) Dentists & Oral Surgeons: Following discussion, it was moved, seconded and carried that contracts be established with Dentists and Oral Surgeons so that such matters as trauma with the jaw or teeth may be adequately covered.
- B) Podiatrists: Following discussion, it was moved, seconded and carried that we accept the recommendations of the Medical Practice Committee which included the Podiatry Protocol. The Trustees requested that they be supplied with a clarification concerning how this could be handled through the Hospital Risk Pool as opposed to the Physician Risk Pool at their next meeting.

- C) Dietitians: Since we anticipate that nutrition counseling will be available through many hospitals and individual dietitians, it was decided to accept the recommendations of our Medical Practice Committee that they be reimbursed through contracts with CHP, and that the Referral Protocol be developed as indicated.
- D) Physio-Therapists: Following discussion, it was moved, seconded and carried that the Physio-Therapists Protocol be approved as distributed.

The remainder of the Medical Practice Report was adopted. This concerned: developing a teaching plan for cost effective medical practice, establishing courses for office personnel, and approving laboratory contracts. The Committee recommendation that we notify ECHO doctors that we will not pay for required examinations such as those required by lawyers, insurance companies, pre-camp examinations and premaritals, etc. was approved.

A mimeographed copy of the November 29, 1978 report of the meeting of the Peer Review and Quality Assurance Committee was distributed and discussed by Dr. Mark T. Olesnicky, Chairman. The trustees deleted the following sentence from paragraph #9, "It was decided that for now we could not be changing ingrained training and habit patterns." The report was then adopted as amended.

MEDICAL DIRECTOR

Dr. Arthur Bernstein reported that ECHO now has 673 member physicians of which 200 are in the specialties of Family Practice and Internal Medicine. Ob/Gyn physicians number 130. This means that a high portion of our membership are in the primary care category. The other specialties are adequately covered. In the eight months of operation ending on November 30th 2,000 claims totaling \$76,855 were approved. There were 58 hospital admissions totaling 284 hospital days for an average L.O.S. of 4.9. An average for H.M.O. length of stay throughout the country is 4.7 and therefore we are doing very well. Our risk pool has \$16,620. We expect to have 9,000 subscribers by January 1st and then could be processing 3,500 claims per month. Fifteen hospitals will have signed contracts by January 1st.

REPORT OF THE AUDITOR

Myron Hirsch, CPA for ECHO, reported in writing that he has spent considerable time at CHP and that their methods of accounting are good and their books are in order. He pointed out that we could achieve higher interest for our risk pool monies than the current procedure of utilizing a bank savings account. The trustees felt that, since we were nearly ready to distribute these funds, they should be kept in our savings account for the time being.

ECHO CHECKS

Dr. Pecora reported that CHP was amenable to distributing ECHO monies to ECHO physicians on ECHO checks, but that it is a matter of working out a system which would accord proper responsibilities.

ECHO CONTRACT DATE

A December 12th letter from Mr. Robert Detore of CHP states, "Your interest in obtaining a full year utilization experience prior to contractual renegotiation, particularly this first year of operations, is understood. We could organize final annual utilization statistics for ECHO review prior to July 1, 1979. I would recommend that we extend the present contractual period from April 1 to July 1 for this year. In future years, we would finalize the ECHO-CHP contract prior to July 1 and make it retroactive to April 1. By doing this we allow for adequate time to organize and study utilization experience as well as adhere to the April 1 contract date."

Dr. Sheldon Schoen, Chairman of our Physician Reimbursement & Fee Committee, discussed fee guidelines and inflation with the trustees.

The president was authorized to utilize both legal and consultant advice on contracts and negotiations.

ECHO BUDGET

The CHP Board of Trustees, at their December meeting, reviewed our written request for a budget. They agreed that ECHO is entitled to a budget to maintain an independent structure. They further agreed to negotiate a proper budget through Mr. Robert Detore.

The Board reviewed Mr. Detore's proposal in his letter of December 12th and attachments and agreed that his recommendations were not satisfactory. It was moved, seconded and carried that an ECHO budget should come out of operating funds of CHP and that a committee be appointed to attempt to negotiate this matter. The president then appointed, with the approval of the Board the following committee:

Bernard Robins, M.D.
Donald P. Beirne, M.D.
George L. Benz, M.D.
Robert J. Lorello, M.D.
Cono A. Pecora, M.D.
Frank Y. Watson, M.D.
John Winslow, M.D.

AMBULATORY GUIDELINES

The Council decided that the ambulatory care guidelines developed by ECHO could be sent to Dr. Rogers with a proviso that he acknowledge that these guidelines were developed by ECHO.

The meeting adjourned at 10:45 P.M.

Respectfully submitted,

Arthur S. Kern, M.D.
Secretary

MINUTES OF THE MEDICAL PRACTICE COMMITTEE
OF ECHO
June 29, 1979

The meeting was called to order by the Chairman, Norman R. Gevirtz, M.D. at 8:15 p.m. with the following members in attendance: Kenneth Marius, M.D., Frank Gradone, M.D., and Arthur Bernstein, M.D.

The minutes of the previous meeting ~~was~~ approved as mailed.

There was a long and animated discussion about the use of non-ECHO physicians as consultants. Some suggested methods for curbing this practice when a letter and phone call failed to curb the practice were: (a) withhold the referring physician's fee; (b) withhold the referring physicians 15% reserve contribution. It was finally decided to continue the present educational, non-punitive approach with one additional proviso. If the consultants fees are above our URC then the referring physician is to speak to the specialist asking him to meet our fees. If this is not successful, the Medical Director is to try.

The value of pre-admission testing and pre-operative clearance were next on the agenda. In order to reduce length of stay, it was decided that as many patients as possible should have pre-admission testing done. Further, all other work-ups such as x-rays, ultrasound, etc., should also be done as outpatient studies before admission. Preoperative clearance and/or evaluation should also be done on an outpatient basis thereby reducing in-hospital time. If this is not possible the consultant is to be asked to see the patient on the day of admission to avoid delay.

In order to reduce the diagnostic admissions, there was agreement that it was time to alert the admitting physician by not paying his fee since education has failed to be an effective method. The same method is to be utilized if surgery is done that is not considered to have been indicated by the Peer Review Committee. This would, in effect, be similar to the actions of a Tissue Committee.

To further act upon the matter of reducing diagnostic admissions, both pre-admission notification and pre-admission certification of non-emergency admissions ~~was~~ raised at length by the Committee. It was finally decided to have the Admitting Office call ECHO as soon as they made the reservation for the patient. This would give us an opportunity to investigate whether this was a possible diagnostic admission or an admission that might be considered to be a case of non-indicated surgery. At that point the physician would be contacted and proper disposition of the case would be made.

The Chairman indicated that he'd had complaints from ECHO members concerning the little many of them knew about the patients that were on their lists as new Crossroads patients. They asked that as many of these patients as possible come in for an initial visit so that in case of an emergency, the physician would at least have some background information

with which to work. This was discussed but no decision was reached since cost-effectiveness must be weighed against the value of this "admission exam." This was to be presented to the Board for their discussion and action.

There being no further business, the meeting adjourned at 9:30 p.m.

ESSEX COUNTY HEALTH ORGANIZATION

Medical Practice Committee - January 9, 1979

Norman R. Gevirtz, M.D., Chairman

A meeting was held on Tuesday Evening, January 9, 1979 at the ECMS office in East Orange, N.J. Dr. Gevirtz called the Committee to order at 8:00 P.M.

Those present were Drs: Norman R. Gevirtz, Chairman, Domenic Angiuoli, Donald Beirne, Arthur Bernstein, Wesley Boodish, Joel Cherashore, David H. Dreizin, Humbert M. Gambacorta, Frank P. Gradone, Herbert Hein, Kenneth A. Marius, Arthur Maron, Carl Ross, and Harvey Shwed. Mr. Arthur Ellenberger and Mr. Jef Hoeberichts were also present.

LABORATORIES

Dr. Arthur Bernstein reported that testing has been previously limited to UpJohn Laboratories and the laboratories of Pathologist members. Many ECHO physicians have refused to go along with this and continue to utilize all types of laboratories, some of them expensive. These physicians were phoned and there were complaints of laboratory service. Currently three large laboratories in this area (Roche, Medpath and National) are working up fee schedules for us. Aside from price, we are also interested in service to physicians such as availability of bleeding stations, pickup and adequate supplies to physician members. Dr. Bernstein stated that more facts would be available by the time of our next meeting.

Dr. Bernstein reported that some physicians were evidently not aware of the Truth in Billing Law enacted by the State of New Jersey in December 1973 concerning the way outside laboratory services may be billed by a physician. Mr. Ellenberger reported he has published this information in the Bulletin of the Essex County Medical Society many times and will do so again.

CHANGE ENCOUNTER/CLAIM FORM

Mr. Jef Hoeberichts of CHP reported that they broke the 10,000 membership level in a short period and therefore bills and claims have doubled. A modification of the present form would speed in-house decoding and speed reimbursement to physician members. They propose forms which have a pre-printed description of diagnosis and use check off boxes and different forms would be developed for each specialty eliminating manual decoding procedures. This would also solve many problems of illegible handwriting which wasted time and phone calls to determine diagnosis and what was done. It should also be easier, with most common diagnosis and procedures, for physicians to check boxes and add their charge. It would eliminate in-house backlog and eliminate a complaint that too much writing was needed. It would also assist in quality assurance and utilization control.

The Committee felt that this was a normal stage of development of an IPA, since many IPA's had different forms printed for each specialty. It was moved, seconded and carried that we develop a new form and give it an adequate trial period.

The Committee questioned the necessity for a box on the form requesting the physician to list other insurance coverages that his patient had. Through the years physicians have complained about this box being on some health insurance forms. The Essex County Medical Society has, in the past, obtained legal advice that physicians did not have to complete this box because they were not claims agent employees of an insurance carrier. The Committee thought it best that this box be removed and asked Dr. Bernstein to bring their views to whoever was developing the form.

One member commented that one of the forms, the laboratory form, listed Premarital Serology with an amount box following it when this procedure was not a reimbursible item.

MEMBER PROBLEMS

Committee members discussed complaints they had heard from other physicians. When reviewed most turned out to be a lack of proper information, such as a specialist that thought he was limited to seeing the patient only once. The Chairman and Dr. Bernstein were requested to phone the physicians involved and handle these matters on an individual basis.

MENTAL HEALTH

A discussion was held in which a majority of Committee members felt that initial consultations regarding mental health should go to a Psychiatrist. It was moved, seconded and carried that ECHO approve direct, adult referral by a primary physician to a Psychiatrist, except in an area such as psychometric testing, and the psychiatrist may subsequently refer the patient to a psychologist if he so deems it necessary.

Dr. Harvey Shwed stated that would obtain more members for ECHO in the field of Psychiatry who would accept new referrals, particularly from Pediatricians.

EYE CARE

Dr. Bernstein stated that the member manual on page 8 under Benefits coverages listed Eye examinations through age 17. On page 11 under (I) exclusions the member manual listed eye refractions, eye glasses, contact lenses, hearing aids and the fitting thereof as being excluded.

It was moved, seconded and carried that where eye care is required, the ECHO primary physician must refer solely to Ophthalmologists and, at the discretion of the Ophthalmologist, the patient may subsequently be referred to Optometrists.

The meeting adjourned at 9:30 P.M.

ESSEX COUNTY HEALTH ORGANIZATION

Medical Practice Committee - November 14, 1978

Norman R. Gevirtz, M.D., Chairman

A meeting was held on Tuesday evening, November 14, 1978 at the ECMS office in East Orange. Dr. Gevirtz called the Committee to order at 8:00 P.M. Those present were Drs: Norman R. Gevirtz, Frank Gradone, Bernard Robins, Arthur Bernstein, and Mr. Arthur Ellenberger.

PREVIOUS MINUTES

It was noted that the July 20, 1978 minutes of the Medical Practice Committee were approved by the ECHO Board of Trustees at their September 12th meeting, with the exception of one item. That item was the two paragraphs entitled "Emergency Coverage." The Trustees decided that non-ECHO covering physicians be paid directly by ECHO, with the 15% deducted, which reversed a committee recommendation.

NON-PHYSICIAN PROVIDERS

The Medical Practice Committee recommended that Dentists, Oral Surgeons, Podiatrists and Dietitians be reimbursed through contracts with CHP. The fee scale and the 15% risk pool for payment of fees were not resolved. It was recommended that these groups partake in the risk pools. It was decided to bring this to the Board of Trustees at the next meeting. The Committee decided to defer action on Psychologists, Physio-therapists, and Optometrists until we invite ECHO members in specialties directly concerned with these disciplines to a subsequent meeting.

Dr. Arthur Bernstein informed the Committee that CHP has a contract with St. Barnabas to provide dietetic counseling. The Committee recommended contracts with other hospitals to provide such services in other areas of the county.

Dr. Bernstein reported that he was developing a Nutrition Referral Protocol which involved the primary physician completing a referral form and making the patient appointment with the approved hospital based nutrition counselor. The form is to state the objective or specialized diet. If further counseling is necessary, after one visit, the Medical Director and the Primary Physician should be contacted.

It was moved, seconded and carried that the ECHO Board consider the cost issue in providing dietetic counseling services at \$15.00 per half hour; subsequent visits at no additional fee. Many nutritional consultations could result in a depletion of the physician risk pool. It was suggested that contracts with hospitals in this regard should be properly in the hospital risk portion.

COST EFFECTIVENESS CME

The use of IVP's in recurrent urinary tract infection and Selection Criteria to reduce Unnecessary Skull x-rays was discussed. Because the October-November 1978 FDA Drug Bulletin carried an article on how

E.M. rooms can safely eliminate 40 to 60 percent of all skull x-rays with head trauma, the committee decided that this article could be promulgated.

The Committee decided that it was an ECHO responsibility to provide physician education in cost effective medicine. The Committee decided to develop a teaching plan for cost effective medical practice and present it to the Trustees at a subsequent meeting.

OFFICE PERSONNEL COURSE

ECHO ran some courses for medical assistants on such items as completion of forms, but most ECHO physicians' offices have not been reached. It was decided to hold another set of courses.

PHYSIO-THERAPY RULES

Dr. Bernstein reported that he is developing a Physio-Therapy Protocol which tentatively is as follows:

- 1) When physical therapy is ordered by the primary physician or the consultant, the therapy will be approved for a period not to exceed 2 weeks.
- 2) If therapy is to be continued beyond that time the treating physician must submit:
 - A) A progress report to the primary physician and the Medical Director.
 - B) A report on the goals and objectives of therapy to the Medical Director and primary physician.
 - 1) This should include modalities to be used and frequency, i.e. plan of therapy.
 - 2) Length of time of further therapy needed to achieve the goals should be estimated.
 - C) A report on rehabilitation potential.
 - 1) Adjunctive therapy if needed to achieve this potential.
 - D) Therapy is not to be continued unless approved by the primary physician and the Medical Director..

PODIATRY RULES

Dr. Bernstein reported that he is developing a Podiatry Protocol which tentatively is as follows:

- 1) If the primary physician feels that the patient is in need of a Podiatrist.
 - A) He is to fill out a referral form in the usual manner and obtain

an appointment with:

B) The referral form should state the diagnosis and objective of the referral.

1) The referral should be for one visit.

C) If further therapy is needed, the Podiatrist must send a report to the primary physician and the Medical Director (the referral form may be used) to outline his goals and objectives.

1) This should outline rehabilitative potential and procedures to be utilized as well as number of visits, etc.

2) Further therapy is not to be given unless approved by the primary physician and the Medical Director..

EMERGENCY COVERAGE

It was reported that some ECHO physicians are referring emergencies to a hospital emergency room which is expensive. The Committee decided that ECHO members be urged to please see the patient or arrange for such coverage by another ECHO physician in their office hours. A physician who is too busy to see a patient during office hours should be responsible for finding another ECHO physician for the patient and make the arrangements for this patient. The Committee suggested that the Board consider emergency panels of ECHO physicians who would handle emergency referrals during their office hours and that the President appoint a Committee to study and report on this matter.

REQUIRED EXAMINATIONS

The Committee recommends to the Board of Trustees that we notify ECHO doctors that we will not pay for required examinations such as those required by lawyers, insurance companies, pre-camp examinations and premaritals, etc.

LABORATORIES

We previously approved that we use Up-John or any member laboratories which would accept the current fee schedule excluding any discount. There have been some complaints that this laboratory has not been supplying sufficient needed materials. Members also desire laboratories which will draw the blood. Since laboratory contracts expire on January 1st, the Committee approved that we begin talking with other labs, using an informal approach, instead of merely asking each to send in a price list.

NEXT MEETING

The Committee decided that the next meeting of the ECHO Medical Practice Committee will be held on Tuesday evening, January 9, 1979 at 8 P.M.

The meeting adjourned at 9:30 P.M.

Respectfully submitted,

Norman R. Gevirtz, M.D.
Chairman
Medical Practice Committee

ESSEX COUNTY HEALTH ORGANIZATION

MEDICAL PRACTICE COMMITTEE

Norman R. Gevirtz, M.D., Chairman

A meeting of the ECHO Medical Practice Committee was held on Thursday evening, June 15, 1978 at the ECMS office in East Orange at 8:00 P.M. Those present were Drs: Norman R. Gevirtz, Arthur Bernstein, Joel Cherashore, Kenneth A. Marius and Bernard Robins. Also present were: Robert Detore and Jef Hoeberichts from CHP; and Mr. Arthur Ellenberger from ECHO.

Dr. Gevirtz informed those present that part of the duties of this Committee was to advise and make recommendations on how referrals should be handled. He stated that a complaint was received from a Pathologist member of ECHO about a decision to refer all laboratory procedures to two designated laboratories.

A letter to the Committee from Mr. Ellenberger was distributed voicing some of the complaints he received over the phone regarding laboratory services referrals. Part of his letter read, "Local Pathologists feel that they are entitled to the same consideration in regard to referrals as any other member of ECHO and should be subject to the same limitations: -Usual & Customary (90th percentile). We have promised that this is the way 'members' will be treated and we intend to disturb patterns of practice as little as possible. This is simply a matter of principle unless there is some other contributing factor such as the government having regulations whereby we must poll everyone in the area and take the cheapest."

Discussion covered the following other points:

- 1 - The HMO was formed on a premise of cost containment and lab fees vary greatly by laboratory and by volume.
- 2 - Unless we contain cost, members won't get back their 15% at risk.
- 3 - The HMO drafted a lab budget based on volume fees from UPJOHN and built this figure into their first year premium. We can get out of the UPJOHN contract on 30 day notice.
- 4 - We should open up bids to all labs of member physicians and handle this on a competitive basis.
- 5 - We should try to keep same feeder patterns wherever possible.
- 6 - We should try and balance cost savings to ECHO with usual patterns of referral.

- 7 - There seemed to be two components to laboratory work:
- A) Fees for technological, mechanical, chemistries
 - B) A professional judgment component, medical consultant, i.e. biopsy report.

8 - Perhaps a fee schedule could be worked out for "A" and "B" go under usual and customary? Blood sugar is "A" and biopsy is "B" but what about gray areas, Pap smear? We need to hold another meeting with proposals developed and have Pathologist members of ECHO present to assist us.

Following discussion Dr. Arthur Bernstein was requested to write to other IPA's to find out how they resolved this problem.

It was moved, seconded and carried that CHP come back with a recommendation for a laboratory fee schedule compatible with the cost containment facet of ECHO, based on the best possible price which can still maintain the same referral patterns among ECHO physicians.

It was moved, seconded and carried that we invite all Pathologist members of ECHO to the next meeting of this Committee to assist us as well as representatives of at least one large laboratory such as UPJOHN. It was moved, seconded and carried that we attempt to have the professional component of a Pathologists job (such as a biopsy) handled on a usual and customary basis at the 90th percentile.

ESSEX COUNTY HEALTH ORGANIZATION

MEDICAL PRACTICE COMMITTEE

Norman R. Gevirtz, M.D., Chairman

*Adopted as
Amended
delete section on
Emergency Coverage*

*See 9/12/78
minutes action*

A meeting of the ECHO Medical Practice Committee was held on Thursday evening, July 20, 1978 at the ECMS office in East Orange at 8:45 P.M.. Those present were Drs: Norman R. Gevirtz, Joel Cherashore, David H. Dreizen, Frank Gradone, Kenneth Marius, Bernard Robins, Carl S. Ross, Arthur Bernstein and Mr. Arthur Ellenberger.

Dr. Norman R. Gevirtz, Chairman called the meeting to order at 8:45 P.M.

PREVIOUS MINUTES

The minutes of the June 15, 1978 ECHO Medical Practice Committee were approved as distributed. Dr. Gevirtz reminded those present it was decided, at our last meeting, to invite all Pathologist members of ECHO to this meeting of the Committee since laboratory referrals would be an agenda topic. All 8 Pathologist members were invited to attend tonight's meeting.

LABORATORY CONTRACTS

Dr. Gevirtz asked Dr. Arthur Bernstein to report on his investigation on how other HMO/IPA's handle laboratory referrals. Dr. Bernstein reported that the Intergroup Pre-Paid Health Plan of Chicago stated that it was the feeling of Dr. Shalowitz, their Executive Director, that laboratories must be competitive, at risk, use cost plus contract, and all pre-admission testing should be accepted by hospital whether done by them at same cost as outside laboratories or done by outside laboratories. They have contracts with several labs utilizing those cost savings measures.

He further reported that the Capitol Health Care HMO of Salem, Oregon sent a letter that they have contracted with 2 labs in town. One is a group of pathologists who also provide pathology services to the one local hospital. All the pathologists in the group are participating providers and they pay them their usual fee - less 10% risk pool deduction. The other lab is an independent lab not associated with the hospital. A committee of the IPA is working on this issue.

Dr. Frank Gradone stated that local pathologists who joined ECHO should be entitled to receive laboratory referrals, and that these physicians should be treated as other ECHO physicians, subject to usual and customary at the 90th percentile less 15% risk. To select one or two large laboratories and direct that all referrals go to them is to treat local pathologists as second class members of ECHO. Dr. Gradone asked why bids did not go to all local pathologists, or at least those who signed up with ECHO. To his knowledge, not even all full service laboratories were asked to bid, and he could not see why out-of-state labs were given preferred treatment. Dr. Gradone felt that both radiologists and pathologists should be able to participate in our physician developed plan at reasonable fees.

Dr. Gevirtz stated that it would not profit us to dwell on the history of this, but to discuss how our contracts should be handled in the future is a more constructive approach. All current contracts are easily terminated

Discussion covered the following areas:

- 1-Hospital contracts differed and some arrangements had lab fees covered in the per diem with pathologists reimbursed by the hospital.
- 2-Pre Admission Testing: A hospital should accept outside laboratory and other reports if they meet the pre-op. requirements of that hospital and that CHP should put this in their hospital contracts. A one day hospital per diem saving is \$195.00 to \$235.00 locally.

It was moved, seconded and unanimously carried that Crossroads will contract with laboratories run by local pathologists who choose to accept the current Upjohn fee schedule excluding any discount. Crossroads will then add these pathologists to our participating laboratories listing so that physicians can refer laboratory work at their option. The present laboratory form can accommodate this new procedure since it already provides a data element captioned "ordered from" where the name of the pathologist can be inserted and the same form distribution sequence can be maintained. This arrangement is to include pap smears but not biopsies.

L.O.S.

The Committee discussed strategies for shortening hospital Length of Stay as follows:

- I. Preadmission testing
 - A) Lab work-do not repeat lab tests done PAT after admission and so waste days.
 - B) X-Rays-unless patient is an emergency or too sick to have studies done as outpatient.
 - II. Coordinate admission with OR schedule so that patient need not wait around for several days before surgery after admission.
 - A) D&C followed by hysterectomy should be scheduled together so there is no long waiting period between procedures.
 - B) Bilateral cataracts should be scheduled as two admissions in order to save 4-5 hospital days.
 - III. Coordinate consultations (when needed) so that they are done preop on outpatient basis or have the consultant see patient on the day of admission for clearance so as to avoid extra hospital days.
 - IV. Have EPRO observe admission and OR scheduling procedures to pinpoint causes for increased lengths of stay at offending hospitals. Have EPRO check delays caused by consultants, lab results and x-rays in order to pinpoint problems in each hospital.
- It was moved, seconded and carried that ECHO send a short memo to physician members on how to routinely reduce hospital stay based on the previous listed suggestions.

OXYGEN THERAPY

The Committee discussed Oxygen Therapy and Oxygen Utilization. The Union Carbide Company offers a program utilizing oxygen tanks and portable respirators at the home. It was moved, seconded and carried that competitive bidding be utilized in supplying this service.

EMERGENCY COVERAGE

It was called to the attention of the Committee that, during the Summer, ECHO physicians sometimes go on vacation and their covering physician is

not an ECHO member. This presented billing and payment problems, and various options in the handling of this matter should be pursued. Following much discussion the Committee decided that in this particular case, payment should be made to the ECHO member who is not available and that he should receive the fee less 15% risk. He will be asked to pay his covering physician and be reminded in writing that he should have an ECHO physician cover his practice and obviate this reimbursement difficulty. The Committee felt that a memo to this effect should be added to the suggestions sent to the membership on shortening LOS.

EMERGENCIES

It was pointed out that many ECHO member physicians who normally accept new patients are hesitant about accepting a new patient emergency case, and that we should consider the development of an emergency panel of physicians who will respond in such instances. Mr. Ellenberger was requested to compile a list of the names, addresses and specialties of new members of the Essex County Medical Society for Dr. Bernstein, so that they may be contacted for ECHO membership, their availability for new patients and their desire to treat emergency cases.

Both Dr. David H. Dreizin and Dr. Frank P. Gradone asked to become members of this Committee and Dr. Bernard Robins, President, agreed to these appointments.

The meeting adjourned at 10:45 P.M.

ESSEX COUNTY HEALTH ORGANIZATION

MEDICAL PRACTICE COMMITTEE

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Adopted as

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*see 9/12/78
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ECHO NEGOTIATIONS COMMITTEE

A meeting of the Negotiations Committee was held on Tuesday evening, January 22, 1980 with the following present: Sheldon S. Schoen, M.D., Bernard Robins, M.D., Joel S. Cherashore, M.D. and Mr. Arthur Ellenberger.

It was noted that the January 10, 1980 addendum to last years contract was approved by both our Attorney and Mr. Putman and signed.

Dr. Robins discussed that ECHO hospital stay jumped from 552 days per 1000 last year to an untenable 634 days per 1000. He is sending a letter to all members by first class mail indicating that this will compromise the physicians' risk fund and let them know that inappropriate stay is wasting their money.

Dr. Schoen informed the group that he has drafted a survey for URC fees which CHP has already sent out.

Dr. Robins discussed hospital utilization and the change in criteria which EPRO will use for federally funded patients. This will be based on a day by day review of severity of illness instead of using diagnostic criteria.

When our Board of Trustees meets on Monday evening, February 11th we should review how to improve the hospital picture and what mechanisms can be used. Dr. Cherashore felt that pre-certification should not be used.

Mr. Ellenberger was directed to send Mr. Detore a letter right away stating that we have not received the information we were supposed to prior to the rate filing.

Dr. Robins called for any items to be listed as issues or contract elements for inclusion in coming contract negotiations:

- 1-Proper allocation of interest if there is more than six weeks between date of claim and date of physician reimbursement.

2-Fee schedule and capitation. We should have results of questionnaire and a new data base to compare with experience. It was noted that physician fees increased 5½% Nationally. If monies were left in physician funds, we could discuss higher percentile on the cap.

3-Rate setting and marketing. If Blues or other competitors use predatory group pricing, has CHP enough group experience to experience rate individual groups.

4-Peer review.

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ECHO TO PAY USUAL AND CUSTOMARY

The Essex County Health Organization, at its Annual Meeting on June 28, 1977, adopted a report by Dr. Bernard Robins, Chairman of their Physicians' Reimbursement and Fee Committee, which calls for payment by physicians for their usual and customary fees under this IPA.

The new officers elected for the coming year are: Enio J. Calluori, M.D., President; Bernard Robins, M.D., President Elect; Frank F. Zaccardi, D.O., Vice-President; Alton E. Bythewood, Secretary; and Arthur Bernstein, M.D., Treasurer.

Elected Trustees are: Drs. Gertrude O. Ash, George L. Benz, Bruce J. Brener, Daniel N. Burbank, Joel Cherashore, Celestino Clemente, Alphonse De Paola, Charles H. Edwards, Humbert M. Gambacorta, Norman R. Gevirtz, Herbert A. Goldfarb, Frederick Grossbart, Marvin A. Kirschner, Charles I. Nadel, Alfred R. Richlan, Benjamin H. Safirstein, Eugene R. Sims, John J. Thompson, Jules A. Titelbaum, Marven H. Wallen, Arthur S. Kern, and John Winslow.

Working sheet

~~include individual medical records, nor items relating solely to individual claims for services, benefits or payments, or appeals thereof.~~

PART II

DOCUMENTS REQUIRED

1.
 - (a) The most recent organization chart(s) and personnel directory of the Society;
 - (b) The original articles of incorporation, charter, constitution, articles of association, or similar documents(s) of the Society, and the original bylaws of the Society, and all amendments thereto or restatements thereof in effect during the period;
 - (c) The Society's most recent annual report, budget, income statement and operating plan;
 - (d) All documents currently provided on a routine basis to new members or potential members of the Society;
 - (e) All documents, whenever prepared, used by the Society to solicit physicians or other health care providers to become participating providers in the Plan or any program of the Plan, or to solicit physicians or other health care providers to become members or participating providers in any physician organization;
 - (f) Each contract or agreement (and all amendments thereto) currently in effect between the Society and the Plan, and between the Society and any physician organization.
2. Documents* sufficient to:
 - (a) Show the Society's tax status under federal, state and local law;
 - (b) State the number of members in each category of membership in the Society during each year of the period;
 - (c) Name and describe the responsibilities, powers and functions of each committee, subcommittee, board, council and other organizational sub-unit

of the Society (including any entity of a joint, ad hoc, or special nature).

3. All documents which refer or relate to the selection, nomination, election, approval or removal of:
 - (a) The Plan's membership (or any part thereof), or members of, or candidates for membership on, the Plan's governing body;
 - (b) The membership of any physician organization (or any part thereof), or members of, or candidates for membership on the governing body of any physician organization.
4. All documents, whenever prepared, which describe, discuss or refer to:
 - (a) The planning, establishment, or incorporation; the original purposes, funding, or organization; or the control, participation in control, sponsorship or approval of the Plan; or the involvement of the Society or any physician organization therein;
 - (b) The desirability, effects or consequences (actual or potential) of any degree of involvement in, or any degree of control, participation in control, approval, or sponsorship of the Plan or any Plan program by the Society or any physician organization.
5. All documents which describe, discuss or refer to:
 - (a) The desirability, effects or consequences (actual or potential) of the existence, establishment or operation of any particular third-party payer, any type of third-party payer, or any program or activity thereof in the Society's geographic area;
 - (b) The impact (actual or potential) of any policy, program or activity, or proposed policy, program or activity, of the Plan or of any physician organization on:
 - (i) competition among physicians or third-party payers, or between physicians and other health care providers;

- (ii) prices to be paid to physicians for services provided, fee schedules, fee limits, fee levels, prices or costs of medical care, physician incomes, or utilization rates or patterns;
- (c) Any policy, program or activity, or proposed policy, program or activity, of the Plan or of any physician organization, with respect to:
 - (i) non-physician providers of health care services;
 - (ii) the desirability, effects or consequences of offering Plan subscribers "free choice of physician," or of including or excluding all or some physicians as participating physicians in the Plan or in any Plan program;
 - (iii) methods of paying physicians for services provided, including fee-for-service, capitation payments, or salary;
 - (iv) prices to be paid to physicians for services provided, fee schedules, fee limits, fee levels, prices or costs of medical care, physician incomes, or utilization rates or patterns;
- (d) The involvement of the Society in the consideration, adoption, establishment, modification or approval of any actual or proposed policy, program or activity of the Plan or of any physician organization.

November 10, 1977 Meeting

ESSEX COUNTY HEALTH ORGANIZATION
PHYSICIAN REIMBURSEMENT AND FEE COMMITTEE

Bernard Robins, M.D., Chairman

Early in 1977, Dr. Enio J. Calluori, President, sent a letter to all members of the Essex County Medical Society stating that there would be no physician reimbursement schedule developed for ECHO by just a few physicians, but that a Committee would review the various means of reimbursing ECHO member physicians and present a report to the entire membership for its ratification.

I was appointed Chairman of the Committee and the Essex County Medical Society hired consultants for our use, namely American Health Systems. We held a series of meetings with American Health Systems and on Tuesday evening, April 26, 1977, our Committee decided not to use Blue Shield 500 Series or the Blue Shield 750 Series, or for that matter any other existing schedule of fees.

Dr. Cono Pecora moved that usual and customary fees be adopted for our IPA to be determined by mailing a questionnaire to all members of the IPA. This motion was unanimously adopted by the 16 physicians who could attend this meeting. Prior to this, all ECHO members were asked if they wanted to be on this ECHO Committee and all those who responded were invited to this meeting so that we excluded no one. American Health Systems quickly developed a questionnaire form which was sent out to 230 members of ECHO and we had an excellent response with all specialities represented.

A total of 133 physicians responded, including 49 primary physicians 17 of which were GP's. This distribution corresponds with the present ECHO and ECMS Membership. The survey also indicated the existence of different charge levels for the same office visits between GP's and specialists. The results of this survey were tabulated by ECHO's financial consultant, Mr. David Putman of American Health Systems,

A report was then made by our ECHO consultants, AHS, to the Committee at its meeting on June 16, 1977 and the Committee decided that Caps be established at the 90th percentile.

The Committee further decided claims over the cap will be paid at the cap and reviewed by Peer Review Committee. Another recommendation of our Committee to the membership is that there will be on-going scrutiny of fees to keep abreast and react to new patterns. Following discussion, it was moved, seconded and carried that the report of the Physician Reimbursement and Fee Committee be accepted and their recommendations adopted.

This means that the ECHO Physician Reimbursement Committee, based upon a countywide fee survey conducted by an independent consulting firm hired by ECHO (American Health Systems, Inc.) to estimate the current Essex County UCR charge level, has approved a reimbursement plan which is described as follows:

(A) Physicians are to be paid 85% of their usual, customary, and reasonable charges minus any copayment applicable to the procedure performed as listed in the table which follows. The 15% balance will be credited to the physicians' Risk/Incentive Pool.

(B) In an effort to control expenses, the Committee has agreed that the UCR charges submitted will be subject to a maximum allowable amount set at the 90% fee level of charges derived from the countywide survey. This means that if a physician submits a charge to CHP which

for three primary reasons: first, physicians are instructed to bill CHP for services rendered at their UCR charge level. Secondly, charges listed on the attached schedule of representative maximum fees are based upon relative distributions between GP's and specialists for office procedures and upon a weighted average surgical conversion factor for surgical procedures. Adjustments may be necessitated to the maximum allowables for anomalous procedures should actual experience dictate, and movement to the maximums by physicians prior to adjustment, if required, will only serve to slightly erode the balance in the physicians' Risk/Incentive Pool. Finally, Model Treatment Guidelines being developed by EPRO may result in reclassifications of types of office visits against which applicable maximum charges must be **ReComputed**

In addition, Article IV, Paragraph 1 of the IPA-IMO Service Agreement, as amended, provides that "All Member Physicians shall charge their usual, customary and reasonable fees, but in no event can such charges exceed the charge contained in the schedule of maximum charges mutually approved by ECHO and CHP."

Dr. Calluori has already briefly discussed the 15% at risk which all ECHO physicians agree to for the protection of the corporation or reimbursement mechanism. The rationale behind this 15% risk goes further than that which create an incentive risk pool which is returnable to ECHO physicians based upon the work they have done if the contracts do well. Now the contracts should do well if there is a rational use of hospital beds and not over utilization or excessive length-of-stay by the patients of ECHO physicians.

Once physicians fully comprehend this concept of a risk pool, they are quick to see that a few corollaries follow:

- (1) It is to an ECHO member's own interest to have detailed, prompt and strict peer review so that we may keep close tabs on how our medical care dollar is being spent because the 15% or a portion of it only accrues to the individual physicians if the health care

dollar is ^{to be} spent wisely.

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Another corollary is that habitual offenders, those who show a disregard for cost savings, have inappropriate hospital admissions, have outrageous length-of-stay must be spoken to. If these individuals fail to comply they must be regulated strictly or dropped from future participation in the IPA Health Plan. The alternative is that you do not receive any risk monies back. There has been a history of IPA's adopting more stringent restrictions on the few habitual violators who refused to see the physician incentive part of this program which allows it to compete favorably with private health insurance mechanisms.

The Physicians Reimbursement Committee believes this to be an equitable reimbursement plan, and one which will enable CHP to market a competitive product. Emphasis is made that as claims are processed and a sufficient data base is developed to enable ECHO and CHP to establish more accurately than is possible from the survey taken what the actual fee pattern will be, the maximums will be adjusted as required but will always adhere to the basic principles established by the Fee Committee.

The only last point I wish to make is that all of our decisions were made by physicians with the help of consultants which we employed and that these decisions were all ratified by the general membership at the Annual Meeting of ECHO, June 28, 1977. We further complied with the memberships wishes, as expressed at that meeting, by retaining an Attorney for ECHO, Mr. William P. Braun, Jr., who has reviewed all of the contracts prior to their being signed.

I will be happy during the question and answer period, to answer any questions you might have concerning my part in the development of this program.

I would now like to turn over the microphone to Mr. Robert Detore, Executive Director of Crossroads Health Plan. He and the people from Crossroads may answer some of your questions on how some of the aspects of what both Dr. Calluori and I have discussed will be carried out administratively.