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**OFF-ISLAND REFERRAL COST  
REDUCTION PROGRAM UNDERWAY**

A program to reduce and contain the costs of care of patients referred, is presently underway. The program, the first of its kind in American Samoa, is the result of the off-island care study recently completed by the American Samoa Health Planning & Development Agency with the assistance of the Siegel & Associates consulting firm of San Francisco.

As its overall goal the program is to provide the American Samoa Government an effective and efficient system that will serve the following purposes: (a) assuring optimum care for patients with specific health problems referred off-island, (b) reducing unnecessary dislocation, delay and costs, and (c) enhancing the continuity of care following the patients return to American Samoa.,

In a joint effort with the Department of Health, the ASHPDA has contracted with Siegel & Associates to assist in the implementation of the program. In setting up the program the ASHPDA has outlined the important tasks which the ASG can perform with Siegel's assistance. As the first task, the Referral Committee will set policies and develop procedures to guide decision making in order to achieve the program goals and objectives. Other important tasks will include the recruitment of a Honolulu based physician to follow up on the patients while being treated in Hawaii or the mainland, and a social services worker to handle housing, feeding, and transportation of patients who require follow-up treatment.

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## MANAGING HEALTH BLOCK GRANTS

A major swing in federal health policy is taking place. Federal assistance to the Territory will come in the form of block grants replacing the old categorical grants. Beginning fiscal year 1982 the new federal policy, under the Omnibus Budget Reconciliation Act of 1981, becomes effective.

According to the new policy, federal assistance to states and territories may be used for a wide range of activities in a broad functional area instead of single categorical problems or specific populations as directed under the old policy. With the new policy, the Territory will have greater flexibility in program design and resource allocation. This means the Territory will have to set its own guidelines and requirements as to how the funds are spent. The Territory will need to focus resources towards specific health problems and needs it determines to be of high priority.

Federal administrative controls are much reduced under block grants. Unnecessary federal regulatory, legal, and reporting requirements are eliminated. Applications may be prepared in whatever format the Governor feels appropriate to submit the information required by law to receive funds under the blocks. The only federal requirements in the Act for all health blocks except MCH block are: (1) an annual application containing a variety of assurances, including public hearing by the state legislature in the second year of operation, (2) a public pre-expenditure report on intended uses of the block funds; (3) a post-expenditure report; and (4) an annual independent audit.

To get funds under block grants American Samoa must submit to the DHHS an application by October 1981. A public hearing for this first application is not required, but will be beginning with the second year.

As in the past, the Department of Health will continue its role as the initiator of the application which is reviewed and approved by the Governor before submission to the Secretary of HHS.

To ensure the wise use of funds under the block programs in the Territory, a change in the local review mechanism is in effect. The old A-95 Review Board is being replaced with the newly established review network to review block grants. The new network is charged with the responsibility for coordinating the planning process and allocating funds according to the established guidelines and requirements by the American Samoa Government. The network consists of the Block Grant

Review Council (BGRC) appointed by the Governor, the Governor, and the Joint Legislative Committee (JLC) appointed by the Senate President.

When the application is submitted for review, the BGR Council reviews it first and then submits it with comments, if any, to the Governor for his review and approval. If the Governor finds the application acceptable, he will then send it to the Joint Legislative Committee for its review. If the JLC has no change to make, they will send the application back to the Governor who then sends it back to BGRC for dissemination. If the Governor finds the application unacceptable, he will send it back to the ASG agency responsible, with instructions. If there is any change the JLC wishes to make, the Governor and the JLC will reconcile. The BGRC will notify the responsible agency of the approval or disapproval of any application.

Under the Reconciliation Act, various health categorical programs are consolidated into 4 blocks. Those four are: maternal & child health, health prevention, alcohol/drug abuse & mental health, and primary care. All the 314(d) programs including hypertension which constituted a significant portion of the DOH's budget for the Public Health Division, are being consolidated under the Prevention block. Of the four blocks, the one by which American Samoa will likely get the most funds, is the MCH block. American Samoa's estimated allocation for FY's 1982 and 1983 under MCH block is \$278,000; \$12,000 for FY 1982 under alcohol/drug abuse & mental health; \$120,000 FY 1982 under prevention; and none under primary care for 1983-84.

Since the allotments to the Territory under these health grants are considerably reduced and may be further reduced in the coming years, the grant portion of the DOH's budget will also be reduced. This means the DOH will seek funds from the local government to fill the gap in order to continue the existing programs, otherwise these federally funded programs will be reduced or cease.

In the absence of federal guidelines to assure the wise use of the diminished health grant funds, the DOH must be accountable for the use of these funds. These funds must be used for programs aimed at specific health problems and needs determined to be of high priority by the DOH. The Department will need to develop its own requirements and procedures and put them into practice to assure the program accomplishes what is intended, with funds expended.

Over the past years the process of program planning/evaluation has been quite well developed and could easily be set in place for any specific target areas the Director of Health wishes to monitor and evaluate. Progress made in each program toward controlling or reducing targeted problems with funds expended, must be assessed. The Director should hold program directors or persons designated responsible for program outcome, accountable to the Director's Office. Some of the personnel in the Public Health Division who may be appointed to these positions of responsibility do not have a thorough working knowledge of the health planning/evaluation process. This problem can be overcome by the judicious use of outside technical assistance. The American Samoa Health Planning & Development Agency is prepared and willing to provide this assistance to the Department.

Since the transfer of funds between blocks is possible, competition between departments for that portion of each block deemed allowable for potential transfer is likely to occur. To compete effectively and successfully, the Department of Health must develop a sound accountability mechanism based on sound planning/evaluation principles. Departments which can demonstrate the wise use of available funds based on those principles will have a much greater chance of success in drawing additional funds from other block grant recipients who cannot assure the wise use of the money.

#### TERRITORIAL HEALTH PLAN REVISION UNDERWAY

The 1982 Revision of the Territorial Health Plan is underway and almost completed. This revision would be plain, short and straight to the point. It would also be directed toward Samoan audience not federal, the ASHPDA Director Charles McCuddin reported before the Plan Development Committee at its meeting on October 9, 1981.

McCuddin continued that the plan revision will also be reduced in the number of pages, from some 400 now to not more than 150 pages. The number of goals and objectives will also be limited to a realistic number. The Plan will contain an executive summary in English and Samoan. As much as possible the Plan will be implementation oriented.

At the meeting, the Committee was also made aware of the new federal requirements under P.L. 96-79 regarding plan development. The ASHPDA is required to obtain from the Department of Health what it feels are the Territorial health needs. Goals and objectives must also be

developed for certain "core" service areas and National Health goals and resources standards must be considered.

A new component required for the THP is health policy analysis. The ASHPDA is attempting to contract locally with a former legal advisor to the Fono, to assist with the development of this plan component.

According to the plan development work program proposed by the ASHPDA, the plan is scheduled to be completed by January 1, 1982. The Plan Development Committee must first approve the plan, and then submit it to the ASHCC for recommendation to the Governor for his approval.

An outline of plan format was presented during the meeting. Also presented was a plan development work program. The proposed plan format outline and plan work program, both acceptable to the committee, are presented below.

#### WORK PROGRAM FOR PLAN REVISION

- 00 Develop State Policy Analysis
- 00 Determine Territorial Health Needs by November 1, 1981
  - a) determine process to be followed
  - b) get statement of health needs from DOH
  - c) review THP, Siegel and Mytinger reports for policy implications  
medicare reports
  - d) final determination by ASHPDA
- 00 Determine Plan Format
- 00 Update Plan Data
- 00 Select Goal Areas
- 00 Draft goals and objectives
- 00 Draft Plan

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Realizing the importance of the program, the Governor has approved and agreed to the immediate implementation of the recommendations of the off-island care study. The American Samoa Health Coordinating Council and the Director of Health have supported the study's recommendations.

When the program objectives are accomplished, the American Samoa Government will have an effective and efficient system to assure optimum care for off-island referred patients and to significantly reduce and contain costs to the Government of providing such care.

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HAPPY HOLIDAYS!  
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