

were leaving for vacation. Many heard the news on the radio. The idea that McLean could be sold, or that Harvard's name could be bought, generated outrage. Said one McLean official at the time, "People started asking, 'Who in hell do the trustees think they are?'" A committee was formed to study the proposed sale and its implications for the academic independence of the hospital. Even though the agreement allocated control of teaching and research to the hospital, there was still concern about ownership by a corporation that was, after all, in business to make money. In the end, the HCA offer was rejected not on its merits but because opposition was simply too strong.

Burr said "The reaction against this was highly emotional," but acknowledged that the trustees had committed a major blunder by keeping the negotiations secret. Convinced that "maintenance of the status quo is not acceptable," he vowed not to retreat but to do it right next time. The talks with AMI were out in the open, draft agreements were made available to McLean faculty, and if there is any real opposition to the new joint venture, it has not been vocal. Both Burr and hospital director de Marneffe attribute this to the fact that McLean will remain essentially unchanged. It is still a nonprofit institution, still owned and governed by MGH, and participation by McLean faculty in the new McLean Medical Services is voluntary.

All of the for-profit health care corporations that increasingly dominate the medical scene are growth companies, interested in expanding their share of the market. American Medical International operates 105 general hospitals in the United States and four psychiatric hospitals. It sees its connection with McLean as an important part of its strategy for developing new businesses related to psychiatry—a profitable area of medicine because overhead costs tend to be low and patients who receive care in private hospitals or centers are almost all covered by insurance.

In addition to an interest in creating psychiatric units in its general hospitals and developing a business in community residences, other items on AMI's psychiatric expansion list include the development of employee assistance programs for persons with emotional problems, drug-screening and substance abuse programs, and programs for "impaired professionals." How consulting faculty will be compensated for their time if they do choose to work for MMS has not yet been worked out, according to de Marneffe. Staff for new programs developed under the auspices of MMS will be recruited from outside, though it is possible that as MMS takes shape, some McLean

psychiatrists might opt to work directly for the new venture and do their consulting for McLean in reverse of the arrangement as it will be at first.

The need for financial stability, not to mention the opportunity for growth, lies behind many of the agreements that academic institutions have made with industry during the past several years. Fears that university-industry deals would become a growth industry in themselves have not materialized. The growth has been modest but steady instead. The agreement between McLean and American Medical International is a novel twist on the theme, one whose workability and financial value have yet to be tested. ■ **BARBARA J. CULLITON**

Briefing:

NIH Gets a Friendly Hearing on Capitol Hill

Sounding like a lawyer reluctantly representing a doomed and unpopular client, James B. Wyngaarden, director of the National Institutes of Health, made his annual trip to Capitol Hill last week to defend the Administration's budget request for NIH. To nobody's surprise, Senator Lowell P. Weicker (R-CT), the chairman of the Senate appropriations subcommittee that handles NIH's budget, promptly served notice that the cuts proposed by the Administration do not stand much chance of being approved by Congress.

Weicker began by asking Wyngaarden how much NIH originally requested for fiscal year 1987. Answer: \$6.415 billion. How much did the Administration request? Answer: \$4.936 billion. Along the way, the Public Health Service sliced off more than \$300 million, the Department of Health and Human Services trimmed almost another \$200 million, and the Office of Management and Budget hacked off nearly \$1 billion. Well, said Weicker, noting that military programs are slated to get big increases, "I don't see the need to reduce your budget" when others are not sharing the pain.

The Administration's proposal is somewhat complex. For FY 1986, Congress appropriated \$5.4 billion for NIH, but \$236 million was automatically cut on 1 March under the terms of the Gramm-Rudman-Hollings deficit reduction act, and the Administration has proposed a further rescission amounting to \$77 million. It then wants to trim another \$131 million in FY 1987.

Congress is not expected to restore the Gramm-Rudman cuts, but the additional \$77-million rescission is unlikely even to be considered. As for FY 1987, the Administration says the reductions are aimed at "stabilizing" the total number of NIH grants at 18,000. Since NIH is currently funding well in excess of 18,000 grants, it would have to fund fewer new awards next year to achieve "stability." According to Wyngaarden, only 5,140 new grants would be permitted.

Weicker, who was instrumental in getting Congress to approve a level of 6,100 new grants for FY 1986, was not impressed with the Administration's notion of stability. How much additional money would be required to fund 6,100 new grants in FY 1987? he asked. Wyngaarden was prepared for the question: \$152 million for 1 year, or about \$600 million over the lifetime of the awards. Weicker nodded.

Thus went the annual ritual in which the Administration proposes a parsimonious budget for NIH and Congress ups the request. This year, however, the environment has changed. With the political obsession over the federal deficit showing little sign of abating, and the threat of further automatic cuts under Gramm-Rudman in FY 1987 if the deficit is not reduced—and if the law is either unchanged or survives legal challenge—large increases for NIH may not be so easy to secure. ■ **COLIN NORMAN**

Congress Likely to Halt Shrinkage in AIDS Funds

Last December, Congress approved an appropriations bill for the Department of Health and Human Services that contained \$234 million for research and education on AIDS in fiscal year 1986, more than double the amount spent last year.

The ink was barely dry on the legislation before the funds began to shrink, however. Some \$10 million got wiped out in the automatic cuts required by the Gramm-Rudman-Hollings deficit reduction act. And the Administration has proposed reducing the total even further, to \$193 million, by rescinding some of the appropriated funds. For FY 1987, the Administration has requested a modest "increase," to \$213 million.

The appropriations committees must approve the rescissions before they take effect, however, and that is highly unlikely. Last week, Senator Lowell P. Weicker (R-CT), who chairs the key Senate appropriations subcommittee, said "I don't understand why