

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.

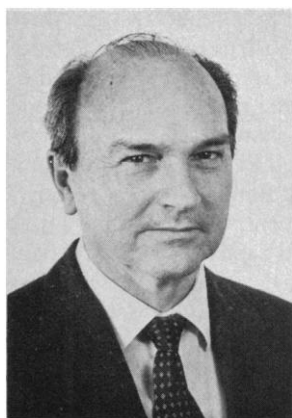
The ink was barely dry on the legislation before the funds began to shrink, however. Some \$10 million got wiped out in the automatic cuts required by the Gramm-Rudman-Hollings deficit reduction act. And the Administration has proposed reducing the total even further, to \$193 million, by rescinding 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

anybody should be grateful that [AIDS] took the least cut." Included in the proposed rescission is \$16 million for a new program to fund demonstration projects to provide health care to AIDS patients, a program that Weicker himself sponsored.

Most of the funds will thus eventually come through—although the Gramm-Rudman cut will probably stick—but senior NIH officials are concerned about the impact of the funding uncertainties. NIH was due to receive \$140 million for AIDS research, but the Gramm-Rudman cut removed \$6 million and the Administration's proposed rescission would slice off another \$14 million.

These cuts would be made in a \$70-million block of money that NIH director James B. Wyngaarden is to distribute



Walter Dowdle

Coordinating AIDS programs in the Department of Health and Human Services.

among NIH programs. In effect, Congress gave NIH considerable flexibility in determining its spending priorities. NIH was supposed to provide Congress with a plan for distributing the funds, but the plan has not yet been transmitted because of uncertainties over how much will eventually be available. Thus, NIH researchers and grantees still do not know how much they are likely to be able to spend in the fiscal year that is already almost halfway through.

Uncertainty over funding is only one problem that NIH has with the Administration's AIDS proposals. Next year, all AIDS funds will be channeled through an office in the Department of Health and Human Services. The idea is to provide central management and direction of the department's AIDS programs, and the assumption is that coordination will be more effective if the coordinator holds the purse strings. NIH officials are wary, however, that the scheme will add a layer of bureaucracy in AIDS research and exacerbate interagency rivalries over funding.

Asked by Weicker at appropriations hearings last week whether he approves of this arrangement, Wyngaarden gave a guarded response. Noting that there is already "excel-

lent coordination," he said "I do not see this as deterring the coordination."

In fact, coordination of the AIDS effort has improved recently with the appointment of a full-time coordinator in the office of the assistant secretary of health. The job is being filled temporarily by Walter Dowdle, the deputy director of the Centers for Disease Control. Dowdle, who assumed the position on 1 January, initially said he would stay for 90 days. ■ COLIN NORMAN

Fletcher Nominated as New NASA Chief

James C. Fletcher, an engineer who served as administrator of the National Aeronautics and Space Administration (NASA) under two presidents in the 1970's, has been asked to return to that post by President Reagan. The announcement of his nomination was released by the White House on 6 March.

If confirmed, Fletcher will succeed James Beggs, who went on temporary leave last December after an indictment on criminal charges stemming from his tenure as a senior executive of General Dynamics. The nomination is intended to end a bitter battle between employees allied with Beggs and with deputy administrator William Graham, who had sharply different management styles.

Fletcher, who was present at the space shuttle's creation and steered it through some turbulent years, was reportedly not enthusiastic about returning to Washington, but succumbed to considerable White House pressure. He is presently a professor at the University of Pittsburgh, and serves on the scientific advisory panel to the Pentagon's Strategic Defense Initiative Office.

Fletcher, 66, has spent most of his life in the aerospace business. During his first stint at NASA, he promoted the shuttle as an efficient and cost-effective means of gaining routine access to space, and scaled it back substantially so as to meet congressional budget pressures. A study of shuttle cost and performance completed during his tenure, widely known as the "Mathematica" study, attracted considerable scientific controversy. It projected total program costs of \$5 to \$8 billion (in 1972 dollars) and more than 700 flights in the first 12 years. Actual costs have been more than \$20 billion.

Fletcher received a doctoral degree in physics from Caltech in 1948 and joined the Hughes Aircraft Corporation. From 1964 to 1971 he served as president of the University of Utah. ■ R. JEFFREY SMITH

Formaldehyde Poses Little Risk, Study Says

For years, scientists have generally agreed that formaldehyde is a potential human carcinogen based on the results of animal studies. Now a major epidemiological study by the National Cancer Institute (NCI) says that there is "little evidence" that workers exposed to low levels of the chemical have a higher cancer risk than the general population. The findings are sure to play a role in current deliberations by the federal government to change worker exposure standards.

The NCI study is the largest survey of workers exposed to formaldehyde, a widely used industrial chemical. The research team, headed by Aaron Blair, NCI's chief of occupational studies, examined the mortality data of 26,561 people who worked in ten different industries between 1938 and 1965. The study included companies producing formaldehyde itself, resins, film, plywood, and plastics.

The scientists reported a "slightly" higher incidence of cancers of the lung and prostate and of Hodgkin's disease. The number of lung cancer cases was 30 percent higher than expected among workers based on a latency period of 20 years since they were first exposed. But the researchers said there is no correlation because the incidence did not correspond to the workers' exposure levels. Exposure data were generated from actual measurements from factories and calculations based on this information. Before the mid-1970's, sampling of formaldehyde levels were rarely recorded.

Two scientists outside NCI interpreted the results differently. Peter Infante, an epidemiologist at the Occupational Safety and Health Administration (OSHA) said that the increase in lung cancer is cause for concern because the difference is statistically significant. The lack of correlation between the higher incidence of cancers and the exposure data does not indicate there is little connection, but reflects the weakness of the exposure data, according to Infante and Frederica Perera, an assistant professor at Columbia University's School of Public Health and a consultant to the Natural Resources Defense Council. The problem is often inherent in studies tracing workers' histories over many years, they say.

Infante also noted that the majority of people studied were exposed to very low concentrations, "well below" even a proposal by OSHA that would tighten standards.

The study will be published in the next issue of the *Journal of the National Cancer Institute*. The research team included industry scientists, but the study was funded entirely by NCI. ■ MARJORIE SUN