

MINERS CLINICS, INC.

APOLLO

NEW KENSINGTON

PENN-PLUM

RUSSELLTON-HARMAR

BRIEF DESCRIPTION AND CHRONOLOGY OF EVENTS JUNE 20, 1977 THROUGH SEPTEMBER 20, 1977

Concept of Miners Clinics, Inc.

Miners Clinics, Inc. is a private, nonprofit corporation chartered under the laws of the Commonwealth of Pennsylvania and governed by a Board of Directors consisting of lay persons from the coal mining communities of the area. The Board consists of twenty-eight members, twenty-seven are coal miners and one is a deputy sheriff in Allegheny County. Its primary objective is to provide comprehensive health services of high quality to coal mining families and the general population of the Alle-Kiski Valley. Since its founding in 1952, this organization has been recognized as a pioneer provider of prepaid consumer sponsored comprehensive health programs. As such, it has established a unique and irreplaceable role in the health system of the Alle-Kiski Valley.

Facilities - Service Area - Population Served

Miners Clinics, Inc. maintains its central and largest clinic in New Kensington, Westmoreland County, and three outlying clinics in adjacent areas of Allegheny and Armstrong Counties. New Kensington is the commercial and geographic center of the Alle-Kiski Valley and has a predominantly industrial population. The Miners Clinics, Inc. provides primary comprehensive health services to 40,000 people and specialist and diagnostic services. There are approximately 120,000 patient visits each year. 45% of health services have been to coal miners and their families and 55% of services are to the general population. Miners Clinics, Inc. has always been open to all patients in the area, irrespective of financial resources, and services a substantial number of low income families including many who are supported by supplementary social security income and Department of Public Assistance. It is one of the few resources for ambulatory physician services available to medical assistance recipients in this area. In the months of July and August, 1977, 9% of our services were for medical assistance recipients, 10% for Medicare and 39% for miners. The remainder are patients with various types of health insurance.

Miners Clinics, Inc. provides for the total health needs of all of its patients. It is serviced by physicians, nurses, social workers, laboratory, x-ray, electrocardiograph and pulmonary technicians, as well as having complete programs in the areas of family planning, home-health and coal workers' respiratory disease.

The Termination of the Major Source of Funding for Miners Clinics, Inc.

For twenty-five years, the United Mine Workers of America Health and Retirement Funds paid an annual remuneration based upon a negotiated budget covering costs of services and programs for coal miners and their families known as the "retainer."

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On June 20, 1977, Miners Clinics, Inc. was informed by written communication from the United Mine Workers of America Health and Retirement Funds that commencing July 1, 1977, all payments for services to beneficiaries would be paid only on the basis of charges based upon fee-for-service with the introduction of a deductible and co-insurance payment by the beneficiary. The sudden cessation of "retainer" funding amounting to 58% of Miners Clinics, Inc.' budget with less than two weeks' notice, created a tremendous financial crisis for Miners Clinics, Inc. If programs and services planned and budgeted for fiscal 1978 were to continue unchanged, the termination of the "retainer" payment and the establishment of the new method of payment would result in a net deficit of over \$1,300,000 for fiscal year 1978. Even with our cost-saving measures, for the months of July and August, 1977, we lost \$187,000.

What Miners Clinics, Inc. Has Done to Secure Funds Through CETA

Miners Clinics, Inc. submitted a proposal to the Westmoreland County Office of Manpower on August 12, 1977, requesting funding for forty-five persons.

The Westmoreland County Office of Manpower and the County Commissioners approved the grant request and forwarded it to the Philadelphia Regional Office of the U. S. Department of Labor on August 30, 1977. Grant number is 42-7-016-60. The Westmoreland County Office informed us that certain waivers would have to be made by the U. S. Department of Labor in order to implement the grant.

On September 14, 1977, Mr. James Walsh of the Philadelphia Regional Office (DOL) informed us that he was forwarding the request to the Washington, D. C. office of the Department of Labor, addressed to their field liaison person, Mr. Kurt Cage. The field supervisor for Mr. Cage in the U. S. Department of Labor is Mr. Larry Rogers. It should reach Mr. Cage's desk on Tuesday, September 20, 1977.

The present financial situation of our clinics is very precarious. Current projections indicate that services to patients will cease and our clinics will be closed in early December if we do not receive additional funding prior to that date. CETA funding for a period of one year would provide the necessary time span to allow alternative methods of support which would assure long-term survival.

Following is a chronology of actions we have taken to secure funds, increase revenues and cut costs since June 20, 1977:

- 6/20/77 Informed by the United Mine Workers of America Health and Retirement Funds that our retainer would be terminated effective 7/1/77.
- 6/23/77 Started plans for Checkoff program to cover copayment from Funds beneficiaries. \$15 per month for working miners covers all copayment and \$5 per month for Funds' beneficiaries on Medicare.
- 7/ 1/77 Cut staff from 105 to 82 employees, full-time equivalence.
- 7/ 1/77 Contacted miner clinics in Appalachia to organize as a group.
through
7/ 6/77

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- 7/ 6/77 and 7/13/77 Held meetings in Charleston, West Virginia with other clinics to formulate plans to meet with the Funds' trustees.
- 7/11/77 Increased fees approximately 20%.
- 7/12/77 Increased physician work time by approximately four hours per physician per week. Simultaneously added evening hours.
- 7/12/77 Eliminated service contract with Citizens General Hospital radiologists. Cut psychiatrist time in half.
- 7/15/77 Eliminated giving patient free starter drugs.
- 7/16/77 Issued order that all supplies and stock should be used and only smaller quantities be ordered from now on.
- 7/20/77 Eliminated several data processing reports for a net savings of approximately \$1,100 per month.
- 7/20/77 Additional staff cuts of 4.5 employees.
- 7/22/77 Began contacting local industries about doing physicals and handling injuries.
- 7/22/77 and 7/24/77 Held meetings with Board members and United Mine Workers of America local union presidents and secretaries to discuss new Checkoff program and open enrollment.
- 7/26/77 Miner clinic representatives met with Funds' trustees in Washington, D. C.
- 7/27/77 Miner clinic representatives met with Dr. Joyce Lashoff of the Department of Health, Education and Welfare.
- 7/27/77 Instituted stern collection policy.
- 8/ 3/77 and 8/17/77 Meetings with Appalachian miner clinics to report on meeting with Funds' trustees.
- 8/ 5/77 Eliminated approximately one-third of our telephones and restricted lines on the remainder.
- 8/10/77 Submitted detailed information about clinics to William Beacham of the Department of Health, Education and Welfare.
- 8/12/77 Submitted grant proposal to the Westmoreland County Office of Manpower.
- 8/31/77 Meeting with staff members of Senators Richard Schweiker and John Heinz. Also, staff members of Representatives Douglas Walgren and Austin Murphy.

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- 9/ 1/77 Froze salaries of all administrative staff.
- 9/13/77 Asked union employees to forego an increase due them on 10/1/77 of 20¢ per hour and freeze salaries for six months (employees voted this down).
- 9/14/77 Our physicians began to do physical examinations for Harmarville Rehabilitation Center.
- 9/19/77 Meeting of Appalachian miner clinics.
- 9/19/77 As a representative for Appalachian miner clinics, met in Charleston, West Virginia with Co-Director Robert Scott of the Appalachian Regional Commission to see about obtaining emergency funds.