

PD-ABK-652

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PROPOSAL

**FOR THE AMENDMENT AND EXTENSION OF
COOPERATIVE AGREEMENT NO. LAC-0000-A-00-4008-00**

**TO ASSIST GRENADA
IN ACHIEVING SELF-RELIANCE IN THE DEVELOPMENT
OF AN APPROPRIATE AND AFFORDABLE HEALTH SYSTEM**

**Submitted to
The United States Agency for International Development
Bridgetown, Barbados
West Indies**

**The People-to-People Health Foundation, Inc.
Project HOPE
Millwood, Virginia 22646**

December, 1987

TABLE of CONTENTS

1. EXECUTIVE SUMMARY.....1
 Background.....1
 Proposed Program.....1
 Staffing Pattern.....2
 Program Management.....2
 Financial Plan.....3
 Impact.....3

2. BACKGROUND.....4

3. PROPOSED PROGRAM.....11
 Goals and Objectives.....11
 Staffing Pattern.....24

4. PROGRAM MANAGEMENT.....27
 Program Management.....27
 Program Monitoring.....28

5. FINANCIAL PLAN.....31
 Budget.....32
 Explanatory Notes.....35
 Financial Management.....37

APPENDICES

Appendix A: Positions Phased Over.....39
Appendix B: Work Plan 1984.....41
Appendix C: Accomplishments To Date42
Appendix D: Rate Agreement.....47

1. EXECUTIVE SUMMARY

BACKGROUND

Project HOPE is submitting this application for additional funding of Cooperative Agreement No. LAC 0000-A-00-4008-00 to complete the rebuilding of the health care system in Grenada. The original program was designed to take over the provision of emergency medical and dental services from the US military forces after the October, 1983 US/Caribbean military intervention. The program was later expanded to additionally assist Grenada in achieving self-reliance in the health sector through the development of an appropriate and affordable health system. Initial development of appropriate health support services was begun while continuing to provide certain specific services. In January, 1986, a mental health component was added to assist Grenada to move from custodial to therapeutic care of the mentally disabled. By June, 1988, 21 positions will have been phased-over to Grenadians.

PROPOSED PROGRAM

The goal of the extended project is to work with Grenadians to complete the development of the general and mental health care systems assuring that they are regionally linked, affordable, staffed by West Indians and have appropriate in-country support systems. Emphasis will be placed on developing regional interdependency and dialogue to assist in the retention of professionals in Grenada and the region. A major tool in this endeavor will be catalyzing the use of the interactive telecommunication system linking Grenada with the rest of the Caribbean which was installed in Grenada by USAID/Project HOPE during 1987.

STAFFING PATTERN

Project HOPE staff in Grenada is composed of both US and Caribbean people (through a relationship with the University of the West Indies). Only one new position is to be added during this proposed extension. As in-country or off-island training of health support staff is completed, HOPE personnel will continue to be withdrawn. Assistance in remaining medical specialties will be phased-over. By July, 1988, twenty one (21) positions will have been assumed by Grenada with an additional nine (9) by July, 1989. The remaining 13 will be withdrawn in stages through June, 1990 (Appendix A). Three hundred seventy person months are required for the proposed extension.

PROGRAM MANAGEMENT

The Project HOPE Program Director in Grenada, Mr. Robert Burastero, is accountable for the direction of the program. Mr. Burastero is a hospital administrator with many years of international experience. He works with decision-making personnel at the Ministry of Health on a daily basis. A multi-disciplinary, experienced team of professionals at the HOPE Center and the full resources of the HOPE Center are made available to support this project.

The HOPE Program Director works very closely with the HOPE faculty and their local counterparts. The project supplements and complements the programs of the Ministry of Health and was designed with Ministry personnel to meet the local health needs and priorities.

Project HOPE has a well-developed system of internal ongoing program monitoring and evaluation. A critical review will be conducted every quarter and the program plans revised as necessary.

FINANCIAL PLAN

Project HOPE requests that Cooperative Agreement No. LAC-0000-A-00-4008-00 be amended to provide new funding of \$1,665,803, to authorize use of unexpended funds, and to extend the Agreement through June 30, 1990.

Unexpended funds, projected to be approximately \$210,000 under the current amendment, will remain available after operation of the general program through June 30, 1988, employment of the health economist and hospital administrator/program director through September 30, 1988 and operation of the mental health program through December 31, 1988. The unexpended funds will be available because replacement of the materials manager and activities therapist was delayed, the previously budgeted automatic X-ray processor was purchased by the Government of Grenada, a significant in-kind donation was made toward the purchase of the major X-ray unit, the previously approved topping-up of a returning psychiatrist and general surgeon did not occur, person months were reduced for the radiologic technician and Project HOPE received private funding for a significant part of the nursing component of the mental health program.

IMPACT

USAID/Project HOPE participation in Grenada has gone far beyond the provision of emergency medical and dental services. A general and mental health care system is developing which has infused enthusiasm through the introduction of new career paths: cytology, computerization, health economics/planning, health education, biomedical equipment maintenance, nursing media development, medical records administration, community mental health workers, psychiatric activities therapy and teleconferencing. There has been a resetting of the quality

of medical care, establishment of an essential role for the University of the West Indies in the smaller Caribbean islands, and a restored pride in island people helping one another through HOPE's fostering of inter-Caribbean cooperation (regional consultants, medical resident program and telecommunications). Replacement of HOPE personnel with qualified West Indians has been the primary objective in order to de-emphasize a dependency on technical assistance from abroad.

2. BACKGROUND

GENERAL PROGRAM

October, 1983 marked a US/Caribbean military intervention of Grenada and the abrupt cessation of assistance in health from Cuba and the Eastern bloc. After an invitation from Grenada's Interim Government and an initial assessment by USAID, Project HOPE was awarded a USAID grant to provide urgently needed medical services. A HOPE medical team was on-site January 14, 1984.

During the initial year it was soon realized that the Cuban era had allowed destruction of health support systems and that Grenada had seen the migration of its much needed health manpower. Project HOPE working with the Ministry of Health promptly began to address these deficiencies in a plan which requested USAID to fund Project HOPE's participation beyond the mere provision of emergency services (Appendix B). The goal of the proposal was to assist Grenada in achieving self-reliance in the development of an appropriate and affordable health care system while continuing to meet the need for certain urgent and specific health care services.

To address the above needs, attention was directed at

developing support systems and recruiting replacements for HOPE personnel.

To improve the health support systems, the following areas were mutually identified: biomedical equipment maintenance, health economics, medical records, hospital administration, information system, sanitation, public health, health education, cytology and nursing education. The original program was expanded with USAID concurrence to include these Project HOPE personnel. Working with Grenadian counterparts, each area was stabilized and the transfer of skills begun through on-site training. The intent was that with Project HOPE input the system would be able to function independently.

To catalyze the replacement of HOPE personnel in the medical specialties, Project HOPE drew upon its long relationship with the regional medical institution --- the University of the West Indies (UWI). Three month resident rotations to Grenada in the major specialties were begun not only to improve the quality of care in Grenada but also to initiate a pool of West Indian physicians with skills acquired by working in a non-campus territory for future employment in any of the smaller Caribbean islands. This long-term solution to the recruitment of West Indian medical manpower was simultaneously supplemented by Project HOPE helping the Ministry of Health recruit already fully-trained personnel.

With the collaboration of the Ministry, the project positions already phased-over and the accomplishments have been significant (Appendix A and C). By July, 1988, twenty one (21) positions will have been assumed by Grenada. These positions represent both medical/dental and support systems personnel.

New people have been hired as replacements while in other

instances existing Grenadian personnel have been re-trained and given new or upgraded skills. The following are highlights of the accomplishments achieved to date:

- o After the initial 18 months, Grenada hired two Grenadian dentists to replace the Project HOPE dentists. The fluoride mouthrinse program for all primary school children was institutionalized with the Ministry purchasing the supplies and administering the program.
- o Since August, 1985, UWI residents in the major specialties have been on three month rotations to Grenada re-establishing the link with the regional medical institution and exposing these physicians to the practice of medicine on a small island. To date there have been 40 residents in Grenada.
- o In January, 1986, the Ministry replaced the Project HOPE internist and in July, 1986 the HOPE obstetrician, both with fully-qualified West Indians.
- o Project HOPE established a biomedical equipment maintenance shop at the General Hospital. Grenadian personnel were trained and the department was phased-over to the Grenadian staff after 18 months. Yearly continuing education visits have occurred and linkages with USAID-funded NIH programs maintained.
- o Nursing theory and practice have been integrated and new teaching methodologies (including video production) introduced. Long-term HOPE teaching has been taken over by two new Grenadian faculty at the School of Nursing who completed formal tutor training programs in Jamaica and Guyana with use of private HOPE funding.

- o Diagnostic skills of district nurse practitioners have been upgraded thus phasing over the HOPE community pediatrician. In addition, training of community health workers in anemia interventions was completed.
- o Both orthopedic surgery and ENT (ear, nose and throat) have been assumed by Caribbean surgeons who rotate from Trinidad and Barbados respectively on a routine basis.
- o HOPE's participation in anesthesia has been phased-over to two Grenadian nurses who completed a two year nurse anesthetist training program in Jamaica through private HOPE funding outside of the grant and to a Grenadian anesthesiologist who has returned home. Equipment in both operating rooms (the second room opened in 1986) has been upgraded.
- o One general surgical position has been assumed by rotations of fully-qualified (boarded) UWI senior surgical residents.
- o A cytology service was established in the General Hospital laboratory and three Grenadian technicians trained as part of a HOPE-sponsored regional cytology training program (which included students from five other Caribbean islands). These technicians replaced the HOPE cytologist.
- o An anatomic pathology service was established relieving the necessity of sending surgical and autopsy specimens off-island for diagnosis.
- o A solid waste division has been established, scheduling of pick-up reorganized, dumps upgraded to landfill status and a Grenadian trained on-site to replace the HOPE solid waste manager.

- o While a Grenadian was being trained in the USA through a PAHO scholarship, the HOPE health educator re-established the health education department at the Ministry of Health and trained an educator/assistant.
- o Medical record rooms have been initiated at the two outlying hospitals as well as at the new mental health facilities and personnel trained for these facilities. Procedures such as coding, accurate census, disease indexing have been introduced at all hospitals including the main record room at the General Hospital. With HOPE assistance, a forms committee was established, new record sheets developed and printed for all activities and a binder system for records on the patient wards introduced.
- o The Project HOPE economist has been doing on-the-job training of a Grenadian counterpart. Cost/benefit studies have been introduced (one study resulted in projected savings of \$240,000 annually by closure of an outdated TB hospital with transfer of its personnel to other short-staffed Ministry facilities). Re-formatting and computerization of the health budget has been initiated as a model for other ministries and cost centers have been introduced for various Ministry of Health functions as a basis for planning and performance based budgeting.
- o Committee structure has been introduced at both the General Hospital and mental health facilities. The HOPE hospital administrator assists in the introduction and implementation of new concepts such as performance based budgeting through on-the-job training of administrators at both hospitals.

- o An interactive telecommunication link with other University of the West Indies facilities has been established in Grenada. Project HOPE has stimulated the participation in on-going programs and the production skills in Grenada in both medical and allied health fields. Regional assessment of continuing education needs, an inter-island AIDS conference with more than 180 professionals participating from telecommunication centers in their islands, and a 6 week continuing education series in environmental health have to date been completed.
- o The Project HOPE public health physician has worked with district nurses to introduce women's health and diabetic clinics throughout the island.
- o In addition to solid waste management, the HOPE sanitarian has developed sectors of port health and food sanitation and is assisting USAID/HOPE/PAHO-sponsored Grenadians to staff these vital areas.
- o A Ministry of Health computer center has been established and assistance continues on training Grenadians in the computerization of health statistics.
- o Centralization of the procurement of pharmaceuticals and medical supplies has been accomplished. Computerization of inventory has been introduced and Grenadians trained to manage the system.
- o Six Grenadian nursing assistants have been trained as operating room technicians through a 6 month on-site training program which was funded with private HOPE money outside of the grant.

- o A variety of books, drugs and medical supplies were donated to the program with an estimated value of \$2,431,707. Also, HOPE made a cash contribution of \$1,778,261, the total indirect costs for the general health services program through September 30, 1987.

MENTAL HEALTH PROGRAM

In January, 1986, with USAID-funded construction of new mental health facilities well underway, Project HOPE was requested to add technical assistance in mental health to their portfolio in order to move the care of the mentally disabled from custodial to therapeutic care, with emphasis on the community. Project HOPE personnel were immediately on-site in nursing joined by a full team in July, 1986. Accomplishments to date include:

- o Provision of the island's only fully-qualified psychiatrists
- o Planning and implementation of the move from the 200 year old Richmond Hill setting to the new acute and chronic care facilities.
- o Procurement for USAID of furnishings and equipment for both the acute and chronic care mental health facilities
- o Introduction of the team approach to patient care
- o Graduate nurse and nursing assistants' skills in the care of psychiatric patients were formally upgraded.
- o Psychiatric social work and activities therapy were introduced as an integral part of the mental health team approach.

- o Community clinic care structure was developed. This permitted the decrease of the inpatient population from 150 to 80 by the time the new facilities opened. The improved community care has helped to maintain the patients in the community and to keep the inpatient census at a lower, manageable level.

- o A post-basic nursing education program in mental health nursing has been jointly agreed upon, planned and curriculum written. This will institutionalize formal specialty training in mental health nursing, first in Grenada, and later the program will be opened to nurses from the entire Eastern Caribbean.

3. PROPOSED PROGRAM

GOAL and OBJECTIVES

The original goal of the general program was to provide emergency medical services to the people of Grenada. Following an evaluation in December, 1984, the revised goal was to assist Grenada in achieving self-reliance in the health sector through the development of an appropriate and affordable health care system while continuing to provide specific services as needed. USAID requested that Project HOPE add a mental health component in January, 1986 to assist in moving care of the mentally disabled from custodial to a therapeutic standard. As the development of support systems and recruitment of replacements for HOPE personnel are completed, the aspect which needs to be addressed is the retention of health professionals in Grenada.

The continued orderly phaseover to Grenadians who are being trained both on and off-island is essential to proper

institutionalization. Time is needed to undo the havoc of previous governments on the health system, restore a pride through newly learned skills, and solidify cost-effective teamwork in the health sector.

The GOAL of our final phase of participation in Grenada is to complete the development of the general and mental health care systems to assure that they are regionally linked, affordable, staffed by West Indians, and have appropriate in-country support systems.

OBJECTIVE 1

Complete phaseover of support systems to the Grenadian counterparts in both general services program and mental health.

Method: Through both on-site training and the filling of established positions while sponsoring key individuals for off-island training, support areas will be able to function without major outside technical assistance.

GENERAL PROGRAM

ENVIRONMENTAL HEALTH

PROBLEM: A severe manpower shortage of young officers exists which has been acutely exacerbated by retirements and retrenchment.

SOLUTION: Three Grenadians have been sponsored under this grant to the two year certificate program at the Barbados Community College. The Project HOPE sanitarian needs to continue to work with existing junior staff in Grenada providing on-the-job education and

helping to add and strengthen essential services in the division: port health, food inspection and solid waste. Increased dialogue has been initiated with environmental health officers in other islands through interactive telecommunications.

DURATION: 15 months (three months beyond the return of students to assure integration into the existing environmental health staff)

MEDICAL RECORDS

PROBLEM: The updating of hospital procedures including morbidity/mortality reporting, the centralization of hospital departmental data collection, complete implementation of new record system forms and format on nursing wards and the review of the mental health/clinical records in the community remain to be completed. There is an insufficient number of certified record room personnel.

SOLUTION: The lack of certified personnel is being addressed through the sponsorship under this grant of a medical record room person from General Hospital to a one year program at CAST in Jamaica. The HOPE medical records administrator needs to work to upgrade existing personnel and develop an on-going continuing education link with the regional institutions through telecommunications.

DURATION: 6 months (three months beyond the return of the Grenadian from Jamaica)

MATERIALS MANAGEMENT

PROBLEM: Paper flow, ordering process, on-site storage and management of medical supplies/pharmaceuticals at both hospitals and clinics is not structured in an organized, consistent manner.

SOLUTION: Short-term initial assessment should be done with special attention being given to the status of the previous HOPE/USAID-sponsored centralized procurement process and the regional pharmaceutical program. Organizational assistance has been requested for the time of the move to the new warehouse. The follow-up would be to implement the assessment plan with a young Grenadian newly assigned as the hospital/clinic liaison.

DURATION: 12 months

NURSING EDUCATION

PROBLEM: As the quality of medicine improves in Grenada, it is necessary to continue to strengthen nursing practice.

SOLUTION: Short-term assistance from HOPE or support to participate at regional institutions to upgrade skills in clinical areas which have been added or improved.

DURATION: 6 months

INFORMATION MANAGEMENT

PROBLEM: There is currently a lack of timely information

available to departments at the Ministry. Not having such information, managers are unaccustomed to utilizing such data in the decision making/planning process. In many sectors apprehension exists among Grenadian health workers with both computer technology and the relinquishing of manually collected health data for computerization.

SOLUTION: Assistance to familiarize each health sector to computerization, introduce applications of computerization and to assist professionals with the usage of timely, computerized information for planning and management decisions.

DURATION: 12 months

HOSPITAL ADMINISTRATION

PROBLEM: No formally trained hospital administrators are heading Grenadian health institutions. Stimulation of forward planning, performance-based-budgeting, continuing education and greater decentralization of the decision making process is needed.

SOLUTION: The HOPE hospital administrator who is experienced in management principles is essential to the informal and more structured educational process. This position is additionally vital in representing and processing proposed changes of other support and medical personnel at the decision-making level.

The HOPE hospital administrator also serves as chief of party.

DURATION: 21 months

MENTAL HEALTH

Following the events of October, 1983, a major effort was made by both USAID and Project HOPE to move the management of the mentally ill from custodial care in a fortress-type setting to therapeutic care in modern buildings designed specifically to meet the needs of patients and staff. After assisting USAID in the procurement of equipment and supplies, Project HOPE's emphasis has been the introduction of a team approach (psychiatrist, nurses, social worker, activities therapist) and the establishment of a strong community-based system to encourage hospital discharges and appropriate maintenance of the psychiatric patient in the family/community setting. Key elements are training programs to upgrade existing staff, creating new categories of mental health workers and institutionalizing formal educational programs to assure the continued preparation of professionals with mental health skills. These latter programs have potential for regionalization which would upgrade mental health in other areas of the Caribbean and maximize the investment of the new facilities which are second to none in the region. The mental health program from its inception has been done in consultation with USAID-funded (outside of this grant) Grenadian psychiatrists residing in Barbados and Trinidad as well as with a consultant from Yale University Department of Psychiatry (through the grant). The latter has recommended strongly that the team remain through June, 1990 to fully institutionalize the dramatic systems and behavioral changes which have been initiated.

PSYCHIATRIC SOCIAL WORK

PROBLEM: With emphasis being placed on the non-hospital care of psychiatric patients (maintenance in the community

setting), a role model for community interaction, the introduction of formal training programs (eventually to become regional programs), and the preparation of additional community mental health workers are needed.

SOLUTION: Support of the Grenadian social worker in the training and supervisory techniques of additional community mental health workers is needed. Regionalizing this type of health professional through telecommunications and institutionalizing of an on-site training program for both Grenadians and participants from other islands is planned. Collaboration with Grenadian psychiatrists resident in Trinidad, Barbados and Jamaica with outside consultation from Yale University will be continued.

DURATION: 18 months

MENTAL HEALTH NURSING

PROBLEM: Mental health nursing is now moving from custodial to therapeutic care. Renewed emphasis is being placed on community-based services. Insufficient professionally prepared nursing personnel are involved in mental health.

SOLUTION: Continued development of therapeutic programs and role modelling are required through the existing multidisciplinary approach. Additional programs to improve nursing attendants' skills, the implementation of a one year post-basic mental health nursing program at the School of Nursing as an alternative to the year of midwifery and telecommunication linkages to mental health nursing

programs in Jamaica will serve to increase the numbers of professionally trained nurses in mental health. Regionalization of certain components is intended for Caribbean-wide impact of the USAID/HOPE investment in Grenada.

DURATION: 30 person months beyond current funding to 12/31/88. This includes 12 person months from January through June, 1989 and 18 person months from July, 1989 through June 30, 1990. The 18 months from July, 1989 to June 30, 1990 will be financed with private HOPE funds.

THERAPEUTIC ACTIVITIES THERAPY

PROBLEM: The Grenadian therapist who has been trained on-the-job is not adequately prepared to carry on the range of activity recently introduced or the vocational/rehabilitative component which must be added to prepare patients for retention in the outpatient setting after discharge.

SOLUTION: Project HOPE participation will reinforce the therapeutic aspects of structured in-hospital activities. With the Grenadian counterparts the vocation/rehabilitative component will be developed by identifying job opportunities in the community and orienting in-hospital therapy for life outside the hospital.

DURATION: 12 months

OBJECTIVE 2

Assure affordability of the health care system

HEALTH ECONOMICS

PROBLEM: Computerization of the budget process is not completed. Grenadians have not yet completed a new budget cycle and concepts of cost-centers/performance-based-budgeting are just now being introduced.

SOLUTION: Building on initial assessments and counterpart participation at the Ministries of Health and Finance, computerization and adjustments of the budget process, continued development of cost centers, and performance-based-budgeting with the introduction of alternative methods of financing health care will be implemented.

DURATION: 21 months

OBJECTIVE 3

Retention of professionals in Grenada through the promotion of inter-Caribbean cooperation and Grenada's return as a full participant to the regional health care community.

The provision of medical and psychiatric services by Project HOPE personnel has given Grenadian staff an alternative role model for patient care. The development of appropriate support systems through training of Grenadians has resulted in better in-country services and often stimulated job satisfaction. Significant among HOPE/USAID contributions in Grenada has been the recognition and inclusion of regional Caribbean expertise and institutions in the rebuilding process following the joint US-Caribbean intervention in October, 1983:

- a) Building on Project HOPE's strengthening of residency programs at the University of the West Indies in the early 1970's, an effort was made to introduce these residents (on rotation) to the practice of medicine in a small non-campus territory. This care given by West Indians is in contrast to expatriates previously providing care.

- b) Seeking the short-term consultant participation of West Indian professionals from other islands (most notably in the solid waste program and in the mental health component) has recognized Caribbean expertise and restored a pride in their own abilities to help themselves. A sense of altruism has been initiated in the Caribbean medical community.

- c) Utilizing regional institutions/programs for off-island training as opposed to programs in the USA.

- d) Initiating informal linkages with the Barbados Community College to stimulate professional interchange in the fields of allied health.

- e) Introducing an interactive telecommunication capability to allow dynamic interchange and the introduction of Grenada to regional professional dialogue.

The retention of health care workers in a small island setting is a broad issue that includes the general development of Grenada (socio-economic, political, educational, cultural, basic sanitation and quality of life). Access and exchange of information between islands is essential in keeping health

personnel updated. Previously such an activity would require off-island travel. If updating was not done there was migration or an even worse alternative --- poor out-of-date care.

Since the inclusion of Grenada in the telecommunication system of the University of the West Indies (UWIDITE), a new mechanism is available to assist USAID/HOPE in developing this regional dialogue in an effort to reduce professional isolation. Retention both in Grenada and the rest of the Caribbean basin is possible. Grenada is now able to participate in regional patient consultation, conferencing, continuing education. The USAID-funded expertise currently in Grenada can be shared with neighboring islands.

PROBLEM: Through the previous two governments, Grenada has become increasingly isolated from its Caribbean neighbors in the medical/paramedical community. New career paths were not opened while professional expertise migrated. Regional Caribbean input and intercommunication in health were minimal.

SOLUTION: During the final component of USAID/HOPE collaboration in Grenada, an effort will be made to institutionalize inter-Caribbean linkages: resident program, short-term Caribbean consultancies, regional training, and links with the community colleges. An important tool to accomplish this will be use of the USAID/HOPE-sponsored interactive telecommunication link of Grenada to the rest of the Caribbean. Through this mechanism Grenada can do training and participate in regional continuing education, patient consultation, and conferencing. Emphasis will be directed at developing linkages in allied health between Grenada and the community

colleges similar to the medical link with UWI. Stimulating an interdependency in medicine and allied health can only serve to strengthen the region and the pride of its people in being able to help one another.

It is felt that the previously approved topping up continues to be vital to attracting a quality surgeon and psychiatrist to replace Project HOPE staff.

DURATION: 24 months

OBJECTIVE 4

Replacement of Project HOPE personnel in the medical specialties.

Phaseover has been paramount in the Grenada program as it is philosophically in all Project HOPE programs from the day of inception. Phaseover has already occurred in dentistry, internal medicine, family practice, obstetrics, anesthesia and community pediatrics as well as in many allied health areas.

PROBLEM: The process of phasing over HOPE physicians in Grenada has been particularly difficult. A legacy of the two previous governments has been the migration of health care workers. Extra time was first needed to rebuild structural support systems and attitudes along with the general development of the country before the return of professionals could begin.

SOLUTION: The current economic growth, though slow, is restoring stability, confidence and essential

services. Such activity along with an improved health support system will, with time, reverse the migration of trained personnel and help to attract back professionals with fresh ideas and skills as replacements for Project HOPE personnel. These professionals in turn will stimulate better living conditions, and cultural and educational opportunities in Grenada.

Project HOPE will:

- a) work with the Government of Grenada and the University of the West Indies to institutionalize support for the resident program in specialty areas mutually identified. This program will assure a pool of physicians not only for Grenada but for other small islands
- b) identify qualified professionals and assist the Ministry of Health in their recruitment
- c) continue to provide staff in selected medical specialties: general surgery (6 months), pathology, radiology and psychiatry (2 years each), to allow adequate time for the training and recruitment of West Indian replacements.

DURATION: 24 months

STAFFING PATTERN

Under the current amendment, the mental health program positions (3 nurses, an activities therapist and social worker) are funded through December 31, 1988; the health economist and hospital administrator/program director through September 30, 1988, and the remaining personnel through June 30, 1988. This is indicated below by dates in parentheses.

GENERAL PROGRAM	Person Months	
	Beyond Current Funding ()	
	7/1/88 to 6/30/89	7/1/89 to 6/30/90
TECHNICAL SUPPORT		
Sanitarian (6/88)	12	3
Medical Records Administrator (6/88)	6	
Materials Manager (6/88)	12	
Information Specialist (6/88)	12	
Hospital Administrator/ Program Director (9/88)	9	12
Health Economist (9/88)	9	12
Radiologic Technologist (6/88)	1	

TOTAL	61	27
NURSING		
Nursing Educator (6/88)	6	

TOTAL	6	

MEDICAL

General Surgeon (6/88)	6	
Pathologist (6/88)	12	12
Radiologist (6/88)	12	12
Psychiatrist (6/88)	12	12

Total	42	36

INTER-CARIBBEAN COLLABORATION

Coordinator (UWI/Barbados)	12	12
Coordinator (Grenada)	12	12
Telecommunication Coordination	12	12
Pathology Registrar	12	12
General Surgery Registrar	12	12
Family Medicine Registrar	12	0
Pediatric Registrar	12	6

TOTAL	84	66

MENTAL HEALTH *

	1/1/89-6/30/89	7/1/89-6/30/90
Mental Health Nurse (12/88)	6	12
Mental Health Nurse (12/88)	6	6
Social Worker (12/88)	6	12
Activities Therapist (12/88)	6	6
Short-Term specialists	3	3

TOTAL	27	39

PERSON MONTH SUMMARY

Technical Support	88
Nursing	6
Medical	78
Inter-Caribbean Collaboration.....	150
Mental Health.....	66
	<hr/>
Total	386 person months

* Psychiatrist is funded in general program (medical)

Resident (UWI) may at times substitute for another category under Inter-Caribbean Collaboration

Eighteen person months of mental health nurses will be provided through private HOPE funding during the period from July 1, 1989 to June 30, 1990.

4. PROGRAM MANAGEMENT

Project HOPE has an agreement in force with the Government of Grenada which allows us to work legally in the country and which permits the duty-free importation of project equipment and supplies. The HOPE Program Director in Grenada, Mr. Robert Burastero, is accountable for the direction of the program. He is a hospital administrator with many years of international experience. He supervises the professional components of the program through delegation of authority and responsibilities to coordinators identified in the various disciplines and through the established HOPE program planning process. Regular staff conferences are held to review progress, resolve problems and provide information and recommendations for the improvement of the project. The productive and efficient use of short-term faculty members is assured by the assignment of specific responsibilities for orientation and direction to long-term faculty members. The HOPE Program Director is an involved, hands-on executive who also carries out his technical program responsibilities.

Management of administrative activities and the supervision and direction of the administrative support services are conducted by the administrative assistant, a local-hire Grenadian. Responsibilities include orientation of all HOPE faculty and staff to Grenada, personnel management, staff travel and logistical support, handling of materials, on-site bookkeeping and supervision of general secretarial and administrative support staff. Support staff are also hired locally.

The Program Director in Grenada reports directly to the Regional Director for the Americas at HOPE Center, Dr. John Wilhelm. Dr. Wilhelm served as program director in Grenada during the first three and a half years of the program, the formative years, and participated with Mr. Burastero and the

Ministry of Health personnel in developing this extension based upon the needs and priorities of Grenada as defined by the Ministry. On a daily basis, the HOPE Program Director strives to assure phase-over of all activities to national staff as quickly as they are able to perform them. It is vital that the program be within the economic means of Grenada to continue and that host dependence on out-of-country human resources be minimized.

In addition to Dr. Wilhelm, the program in Grenada is supported by a multi-disciplinary, experienced team of professionals in the health disciplines including health economics. This is supplemented by the Center's library, computer capability, information retrieval system, finance division, and personnel and procurement departments.

The Program Director in Grenada as well as the responsible persons at HOPE Center will work to keep USAID/Grenada informed of progress and problems. Reports will be submitted to USAID in compliance with the reporting procedures established in the Cooperative Agreement.

PROGRAM MONITORING

Project HOPE has a well developed system of internal ongoing program monitoring and evaluation in place for each of its field projects. The program process is a key tool in our management and evaluation process. The principal elements of this process are: problem definition, goal establishment, program design within a specific timeframe with objectives, methodologies and indicators, financial and material resource allocation, human resource allocation including role definition, and finally, reporting and evaluation.

Included in the program plan are specific steps leading to HOPE

withdrawal and phasing-over to the host of complete responsibility for the programs by a projected date. This prevents HOPE's assistance from becoming a factor that could increase host dependency on out-of-country resources.

This process is executed with the participation of the host country. A program plan is established containing the above elements after the collection and analysis of preliminary data is completed. Once the program is implemented, a critical review of the observed indicators is conducted every quarter. This review provides a mechanism for monitoring and evaluating program outputs. The program plan is revised appropriately when necessary to reflect the current situation and the type and amount of inputs are then adjusted accordingly. This process is dynamic and flexible so as to facilitate appropriate adjustments in program design and resource allocation as the program proceeds.

Project HOPE's Center for Health Affairs, whose primary function is the analysis and interpretation of health policy, constitutes a rich resource of analytical talent, including six PhD health economists and sociologists who can be called upon as resources in the evaluation and analysis of data from our projects.

HOPE also has a computer capability housed in its International Headquarters which has a system offering many of the useful languages (ALGOL, BASIC, COBOL, FORTRAN, PASCAL, etc). It includes an extensive software library including SPSS and other data base management, statistical and simulation systems. At HOPE Center all staff-generated documents are filed and computer indexed in an on-line retrieval system.

Field Evaluation: Responsible management and the need to learn from experience require that evaluation of both the process

and the product of a project's activities be conducted. An end of project evaluation is anticipated with additional interval evaluations as mutually planned and agreed upon by USAID, Project HOPE, and the Ministry of Health of Grenada, and with teams to include representatives of the Ministry, Project HOPE, USAID and other independent consultants as required.

5. FINANCIAL PLAN

Project HOPE requests that Cooperative Agreement No. LAC-0000-A-00-4008-00 be amended to provide new funding of \$1,665,803, to authorize use of unexpended funds from the current grant, and to extend the Agreement through June 30, 1990.

Unexpended funds, projected to be approximately \$210,000 under the current amendment, will remain available after operation of the general program through June 30, 1988, the employment of the health economist and hospital administrator/program director through September 30, 1988, and the mental health program through December 31, 1988. The unexpended funds will be available because replacements of the materials manager and activities therapist were delayed, the previously budgeted automatic X-ray processor was purchased by the Government of Grenada, a significant in-kind donation was made toward the purchase of the major X-ray unit, the previously approved topping-up of a returning psychiatrist and general surgeon did not occur, person months were reduced for the radiologic technician, and Project HOPE received private funding for a significant part of the nursing component of the mental health program.

Funding Request Summary

General Health Services Program	2,056,844
Mental Health Program	459,681
Project HOPE Contribution	(640,722)
Use of unexpended funds	<u>(210,000)</u>
New funding requested	<u>1,665,803</u>

PROPOSED BUDGET	GENERAL PROGRAM		
	7/1/88- 6/30/89	7/1/89- 6/30/90	TOTAL
I. SALARIES, WAGES, BENEFITS			
A. SALARIES, WAGES, PROFESSIONAL FEES			
1. SYSTEMS SUPPORT			
HEALTH ADMINISTRATION*	46,305	64,680	110,985
HEALTH ECONOMICS**	32,819	45,843	78,662
MATERIALS MANAGEMENT	39,600	0	39,600
INFORMATION MANAGEMENT	40,517	0	40,517
MEDICAL RECORDS ADMINISTRATION(6mo)	19,983	0	19,983
RADIOLOGY TECHNOLOGY(1mo)	2,500	0	2,500
2. COMMUNITY HEALTH			
SANITATION***	44,524	11,688	56,212
3. MEDICINE			
PSYCHIATRIST	52,500	55,125	107,625
SURGEON(6mo)	21,000	0	21,000
4. INTER-CARIBBEAN COOPERATION			
JMI(BARBADOS)	6,000	6,000	12,000
JMI(GRENADA)	12,000	12,000	24,000
TELECOMMUNICATIONS COORDINATION	10,000	10,000	20,000
WEST INDIAN PHYSICIANS	18,000	18,000	36,000
RESIDENTS @ 29,000 EA	116,000	72,500	188,500
5. NURSING			
NURSE EDUCATORS (6 mo.)	18,000	0	18,000
6. ADMINISTRATION(LOCAL HIRES)			
ADMINISTRATIVE ASSISTANT	12,186	12,795	24,981
SENIOR SECRETARY	8,635	9,067	17,702
SECRETARY/TYPIST	6,600	0	6,600
DRIVER/TRANSPORTATION ASSISTANT	8,125	8,531	16,656
DRIVER	3,555	3,733	7,288
DRIVER(6 mo)	1,778	0	1,778
SUBTOTAL SALARIES, WAGES, PROFESSIONAL FEES	520,627	329,962	850,589
B. BENEFITS			
1. EMPLOYEE BENEFITS, USA HIRES	30,235	20,140	50,375
2. EMPLOYEE BENEFITS, GRENADA HIRES	2,862	2,389	5,251
3. PAYROLL TAXES, USA HIRES	23,980	14,187	38,167
SUBTOTAL, BENEFITS	57,077	36,716	93,793
TOTAL, SALARIES AND BENEFITS	577,704	366,678	944,382

* FY89 9mo, FY90 12mo

**FY89-9mo, FY90-12mo

***FY89-12mo, FY90-3mo

	7/1/88- 6/30/89	7/1/89- 12/31/89	TOTAL
II. EQUIPMENT, SUPPLIES, OFFICE SPACE, VEHICLES			
A. VEHICLES	9,000	0	9,000
B. MEDICAL SUPPLIES	10,000	10,000	20,000
C. OFFICE SUPPLIES	12,000	6,000	18,000
D. TEACHING MATERIALS	7,000	2,000	9,000
E. UTILITIES	5,000	5,000	12,000
F. OFFICE RENT	8,400	9,240	17,640
G. LEASES	4,000	4,000	8,000
H. INSURANCE	74,600	74,600	149,200
TOTAL	130,000	111,840	241,840
III. TRAVEL, TRANSPORTATION, PER DIEM			
A. PER DIEMS	40,000	28,800	68,800
B. HOUSING	66,000	47,550	113,550
C. TRAVEL ON SITE	24,000	16,000	40,000
D. CONSULTANT TRAVEL	19,000	14,250	33,250
E. HOPE CENTER TRAVEL	12,000	12,000	24,000
TOTAL	161,000	118,600	279,600
IV. FREIGHT			
	24,000	24,000	48,000
V. OTHER DIRECT COSTS			
A. TELEPHONE	5,000	5,000	12,000
C. POSTAGE	3,500	3,600	7,200
TOTAL	9,500	9,600	19,200
TOTAL DIRECT	902,304	630,719	1,533,022
VI. INDIRECT COSTS			
A. PROGRAM MANAGEMENT/ GENERAL & ADMINISTRATIVE	295,377	226,011	522,388
B. MATERIALS HANDLING	924	650	1,574
TOTAL INDIRECT	297,141	226,661	523,822
VII. TOTAL DIRECT AND INDIRECT	1,199,445	857,379	2,056,844

PROPOSED BUDGET

MENTAL HEALTH PROGRAM

	1/1/89- 6/30/89	7/1/89- 6/30/90	TOTAL
I. SALARIES, WAGES, BENEFITS			
A. SALARIES, WAGES, PROFESSIONAL FEES			
PSYCHIATRIC NURSE	21,884	45,957	67,841
PSYCHIATRIC NURSE	20,365	21,383	41,748
PSYCHIATRIC SOCIAL WORKER	20,507	43,055	63,572
ACTIVITIES THERAPIST	20,000	20,000	40,000
SHORT TERM SPECIALISTS	6,000	6,000	12,000
LOCAL HIRE SECRETARY	4,125	8,985	13,110
LOCAL HIRE DRIVER	1,670	3,565	5,235
SUB TOTAL SALARIES, WAGES	94,551	148,955	243,506
B. BENEFITS			
1. EMPLOYEE BENEFITS, USA HIRES	10,216	14,824	25,040
2. EMPLOYEE BENEFITS, GRENADA HIRES	405	879	1,285
3. PAYROLL TAXES, USA HIRES	5,620	19,432	17,052
SUBTOTAL, BENEFITS	17,242	26,135	43,377
SUBTOTAL, SALARIES AND BENEFITS	111,793	175,090	286,883
II. EQUIPMENT, SUPPLIES, OFFICE SPACE, VEHICLES			
A. OFFICE SUPPLIES	300	400	700
B. TEACHING MATERIALS	1,000	500	1,500
C. UTILITIES	1,500	3,000	4,500
D. OFFICE RENT	2,000	4,000	6,000
E. INSURANCE	720	1,440	2,160
SUBTOTAL	5,520	9,340	14,860
III. TRAVEL, TRANSPORTATION, PER DIEM			
A. PER DIEMS	4,320	4,320	8,640
B. HOUSING	4,320	4,320	8,640
C. TRAVEL ON SITE	1,000	500	1,500
D. CONSULTANT TRAVEL	4,400	4,400	8,800
SUBTOTAL	14,040	13,640	27,680
IV. FREIGHT	500	500	1,000
V. OTHER DIRECT COSTS			
A. TELEPHONE	480	950	1,440
C. POSTAGE	600	1,200	1,800
SUBTOTAL	1,080	2,160	3,240
TOTAL DIRECT	132,933	200,730	333,663
VI. INDIRECT COSTS			
A. PROGRAM MANAGEMENT/ GENERAL & ADMINISTRATIVE	48,172	77,768	125,940
B. MATERIALS HANDLING	52	26	79
TOTAL INDIRECT	48,224	77,794	126,018
TOTAL DIRECT & INDIRECT COSTS	181,157	278,524	459,681

EXPLANATORY NOTES:

1. Salaries, Wages, Taxes and Benefits

A. Salaries, Wages

Calculated for long-term US faculty and local hires as listed on the staffing chart. One new position has been requested for a Grenadian to accept major coordinating and production responsibility from the HOPE personnel for continued promotion of Grenada in the interactive telecommunication network. Residents from the University of the West Indies are paid a stipend of \$29,000/year. A housing benefit of \$500 per month is calculated for each long-term HOPE faculty and staff member.

B. Taxes and Benefits

General benefits are calculated at 14% of salaries and wages of long-term faculty and staff (as indicated on the staffing plan), including health and life insurance, long-term disability, travel/accident insurance, workmen's compensation, state unemployment insurance, pension plan, and social security. Relocation to Grenada is included, along with a home leave benefit. Local hire staff benefits are calculated at 4% of salaries and wages.

2. Equipment, Supplies and Occupancy

A. Equipment, Supplies

This category includes medical equipment, books and teaching materials plus office supplies. There are no major pieces of medical equipment proposed. A paging system (beeper) to increase physician responsiveness during off hours and EKG machines are the most significant items proposed.

B. Vehicles

Two of the original vehicles are planned to be turned over to the Ministry of Health. One new vehicle is required as a replacement for these older vehicles.

C. Occupancy

This includes insurance for liability protection and property, printing, postage and lease of office equipment. Medical malpractice insurance is included in this category and is calculated at \$69,800 each year.

3. Travel, Transportation and Per Diem (Personnel)

A. Travel and Transportation

This includes travel for short-term physicians as well as for residents participating in the University of the West Indies exchange program, operation of four program vehicles, transportation costs for travel in Grenada, inter-Caribbean travel and site visits from HOPE Center for supervisory and evaluation purposes.

B. Per Diems

A per diem for food and incidental expenses is calculated at \$40/day for short-term physicians. Housing for short-term physicians, including residents from UWI, is based upon a cost of \$40 per day for apartments.

4. Freight

This line item is to provide for the shipment of goods and materials to Grenada both by air and by sea, based upon the Foundation's past experience.

5. Other Direct Costs

This line item covers telephone and other costs which do not fall in the specific categories listed above. Telex has been removed with the introduction of the computerized electronic communication system.

6. Indirect Cost Rate

The Negotiated Indirect Cost Rates currently in effect are 5.2% of materials issued for materials handling and 54.4% of salaries and wages for other indirect costs of medical programs. A copy of the latest Negotiated Indirect Cost Rate Agreement issued to Project HOPE is included as Appendix D. A proposal to finalize rates for the year ended June 30, 1987 and for provisional rates has been submitted to the United States Government. The proposed rates for medical programs and materials handling do not include major changes from the provisional rates currently in effect.

FINANCIAL MANAGEMENT

The Foundation maintains its accounting system on the accrual basis. Revenue is accounted for by source i.e. public, private, service agencies, in-kind and monies become fundable upon deposit. Expenditures are accounted for in budget controlled cost centers and account titles are functionally descriptive. Financial reports are prepared monthly for the Board of Directors and Foundation management comparing actual with budgeted performance. The Foundation's financial statements are audited annually by Deloitte Haskins and Sells, an internationally respected firm of independent certified public accountants. Functional responsibilities of employees are structured to assure sound internal control of Foundation resources.

Accountability for the receipt and expenditure of HOPE funds at program sites is through an imprest system. Each country office is provided a cash fund of \$2000 to \$75,000 from which local operational expenses and foreign national salaries are paid and into which host country contributions are deposited. Each program site submits a monthly report of imprest account receipts and expenditures to HOPE Center. All expenditures are supported with vendors' vouchers. HOPE Center issues reimbursement checks on a monthly basis to restore on-site bank accounts to the imprest amount. Monthly employee attendance records are submitted by program offices. From the imprest fund the headquarters accounting department compiles a summary of transactions, including budget comparisons, journal entries, accounts payable and cash receipts.

Accounting records at the program sites consist of duplicate imprest fund reports and local bank records.

Project HOPE has established procurement procedures accepted and approved by USAID.

APPENDIX A

POSITIONS PHASED OVER

Already assumed by Grenada:

general nursing educators (long-term)
solid waste manager
biomedical equipment maintenance engineer
medical technologists (2)
internal medicine specialist
obstetrician/gynecologist
family practice physician (2)
pediatrician (1)
general surgeon (1)
orthopedic surgeon
ENT surgeon
anesthesiologist
dentists (2)

By June 30, 1988

pediatrician
public health physician
health educator

By July 30, 1988

radiology technician

By December 31, 1988

mental health nurse (1)
medical records administrator
general surgeon

By June 30, 1989

UWI residents (1)
information specialist
general nursing educators (short-term)
materials manager

By September 30, 1989

Sanitarian

By December 31, 1989

UWI residents (1)
psychiatric activities therapist
mental health nurse

By June 30, 1990

mental health nurse
health economist
hospital administrator/ program director
pathologist
radiologist
psychiatrist
UWI resident
psychiatric social worker
psychiatric short-term consultants

APPENDIX B

Ministry of Health/Project HOPE

WORK PLAN

1984

1. Establish a recognized standard of medical practice.
2. Develop a regional link with the University of the West Indies (UWI).
3. Develop UWI resident rotations to Grenada to improve the quality of patient care but also to familiarize these young West Indians to practice in non-campus territories in an effort to encourage their settling in Grenada or the other small islands of the region.
4. Help the Ministry of Health identify and recruit qualified West Indian professionals to replace Project HOPE personnel.
5. Establish distance teaching capability (UWIDITE) to prevent professional isolation, increase regional participation and improve health through regional consultation and continuing education.
6. Develop health systems support which would be cost-effective and assist in retaining professionals in Grenada.
7. Strengthen primary health care programs to address major community problems: chronic disease, women's health and anemia.

APPENDIX C

ACCOMPLISHMENTS TO DATE

Holding-on, providing services to the people of Grenada in dentistry, internal medicine, general surgery, orthopedics, anesthesia, radiology, pathology, family practice, community pediatrics, obstetrics and general pediatrics

Conduct of a dental screening program in primary schools

Initiation and institutionalization of a fluoride mouthrinse program in all primary schools

Equipping four health centers with dental operatories

Didactic and clinical training of laboratory technicians in area of hematology

Development of an anatomic pathology service at General Hospital with acceptance of specimens from other islands

Initiation of a cytology screening service at the General Hospital laboratory

Planning and implementation of a 6 month regional cytology technician training program at General Hospital in Grenada with the participation of students from five other islands in addition to two Grenadian students

Establishment of a computer center at the Ministry of Health for computerization of health statistics

Establishment of a solid waste division at the

Environmental Health Department for improved collection of garbage and the upgrading of dumps to landfill status with the training of a Grenadian manager

Establishment of port health sector at the Environmental Health Department

Initiation of food inspection and monitoring programs by the Environmental Health Department

Introduction of modern principles at General Hospital record room and initiation of record rooms at three other institutions (mental health facilities, Princess Alice Hospital and the hospital in Carriacou)

Training of record room staff for the above departments

Initiation of a decentralized administrative structure and committee structure for the General and Mental hospitals

Preparation of Hospital Cost Study, initiation of cost centers at the General Hospital as a basis for the introduction of performance based budgeting

Development of a computerized budget and initiation of a mid-year budget performance review

Cost-benefit study which was the basis for closure of the underutilized TB hospital and transfer of personnel to other short-staffed health facilities

Assistance with the implementation of the new Caribbean nursing curriculum to include structured clinical supervision of students

Training of a Grenadian in video production skills and the introduction of this technique in the development of culturally appropriate teaching aids

Computerization of the drug inventory with establishment of centralized procurement of drugs and medical supplies

Upgraded pediatric skills of nurse practitioners in the community with the joint development of procedure manuals

Collaboration with the Caribbean Food and Nutrition Institute to identify the magnitude of anemia as a problem in Grenada and training of health workers in implementation strategies for target groups

Establishment of a second functioning operating room at the General Hospital

Sponsorship of two Grenadian nurses to become nurse anesthetists and supervision of the final three months of their internships

Initiation, planning and assistance in the implementation of a six month operating room technician program at the General Hospital which upgraded nursing assistants

Re-establishment of the health education department at the Ministry of Health while a Grenadian is away on a PAHO fellowship studying health education

Initiation of a biomedical equipment maintenance shop at the General Hospital and training of three technicians

Planning and implementation of the move of the mental health facilities to the new sites

Structuring of mental health services along currently acceptable standards with training to upgrade existing personnel

Development of community mental health services including the introduction and training of a new category of worker --- the community mental health worker

Introduction and training of activities therapy in the mental health setting

Introduction of a radiologist and special procedures as a critical element of the General Hospital (upgrading patient care, improving physician training, decreasing patient transfer off-island)

Introduction of the University of the West Indies in Grenada through three month rotations of residents in the major specialties

Assistance to the Ministry in replacing HOPE personnel in internal medicine, obstetrics, dentistry, anesthesia, orthopedics and ENT

Linkage of Grenada to the University of the West Indies Distance Teaching Experiment (UWIDITE) allowing for inter-island consultation and continuing education

Catalyzing Grenada's production and participation in an AIDS teleconference and an environmental health series of continuing education topics

Initiation of chronic disease and women's clinics in outlying districts

Assistance with the establishment of a national AIDS committee

Introduction of routine pap smear screening in health centers and the use of colposcopy at the General Hospital

Introduction of ultrasound in the X-ray department at General Hospital and the training of Grenadian technicians in its use

Procurement for USAID of all furnishings and equipment for both the acute and chronic care mental health facilities

Joint planning and curriculum development of a post-basic mental health nursing course to institutionalize formal specialty training in psychiatric nursing

**RATE AGREEMENT
NONPROFIT ORGANIZATIONS**

E 1 of 2
APPENDIX "D"

ORGANIZATION:

DATE: JAN 16 1987

The People-to-People Health Foundation, Inc.
and Committee for Project HOPE
Millwood, VA 22646

FILING REF.: The preceding
Agreement was dated
October 11, 1985.

The rates approved in this Agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section II.

SECTION I: RATES

<u>Type</u>	<u>Effective Period</u>		<u>Rate</u>	<u>Locations</u>	<u>Applicable To</u>
	<u>From</u>	<u>To</u>			
<u>INDIRECT COST RATES*</u>					
Final	7/1/84	6/30/85	73.9%(1)	All	Ctr for Health Affa
Final	7/1/84	6/30/85	71.1%(1)(a)	All	Medical Programs
Final	7/1/84	6/30/85	3.3%(2)	All	Material Handling
Final	7/1/85	6/30/86	73.1%(1)	All	Ctr for Health Affa
Final	7/1/85	6/30/86	54.4%(1)(a)	All	Medical Programs
Final	7/1/85	6/30/86	5.2%(2)	All	Material Handling
Prov	7/1/86	Until Amended	78.1%(1)	All	Ctr for Health Affa
Prov	7/1/86	Until Amended	54.4%(1)(a)	All	Medical Programs
Prov	7/1/86	Until Amended	5.2%(2)	All	Material Handling

(a) See Special Remarks

*Base: (1) Salaries and wages excluding all fringe benefits
(2) Total direct costs

Treatment of Fringe Benefits: Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are charged to grants and contracts as part of the normal charge for salaries and wages. Separate charges for the cost of these absences are not made. The following fringe benefits are specifically identified to each employee and are charged individually as direct costs: FICA, workmen's compensation, unemployment compensation, health insurance, life insurance, disability insurance, pension costs, TIAA/CREF and tuition remissi

SECTION II: Special Remarks

The Medical Programs rate includes the following percentages of salaries and wages for General and Administrative expenses: FYE 6/30/85 - 41.1%; FYE 6/30/86 - 31.4%; and Provisional amount of 31.4% for 7/1/86 and forward until amended. The Center for Health Affairs rate includes the following percenta of salaries and wages for General & Administrative expenses: FYE 6/30/85 - 13.9%; FYE 6/30/86 - 13.1%; and Provisional amount of 13.1% for 7/1/86 and forward until amended.

SECTION II: GENERAL

- A. **LIMITATIONS:** The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its indirect cost pool as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as indirect costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate.
- B. **ACCOUNTING CHANGES:** If a fixed or predetermined rate is in this Agreement, it is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowances.
- C. **FIXED RATES:** If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.
- D. **USE BY OTHER FEDERAL AGENCIES:** The rates in this Agreement were approved in accordance with the authority in Office of Management and Budget Circular A-122, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in A above. The organization may provide copies of this Agreement to other Federal Agencies to give them early notification of this Agreement.
- E. **SPECIAL REMARKS:** See Page 1.

BY THE ORGANIZATION:

(ORGANIZATION)

(Signature)

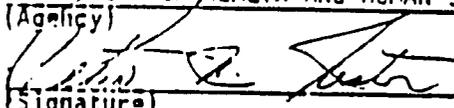
(Name)

(Title)

(Date)

BY THE COGNIZANT AGENCY
ON BEHALF OF THE FEDERAL GOVERNMENT

DEPARTMENT OF HEALTH AND HUMAN SERVICES
(Agency)


(Signature)

Peter W. Nestor
(Name) Director
Div. of Cost Allocation

(Title)

JAN 16 1987
(Date)