

FEDERAL NEWS WEEKLY SUMMARY CONTINUED



Kellogg Foundation initiative, "Families for Kids" which is designed to reform the non-financial aspects of the foster care system, such as policy formulation, legal process, communications infrastructure, and advocacy.

North Carolina's project consists of two parts. In part one, the state will change foster care financing to create incentives for participating county agencies to improve performance, making North Carolina the first state to use performance bonuses as part of a child welfare waiver. When a participating county achieves savings through better management or better service delivery, including reducing the number of children in foster care; how long they stay there; and increasing the number of children diverted from foster care through kinship placement with relatives, they will retain the value of the savings and reinvest them in child welfare services and prevention. For example, this bonus can be used for intensive family preservation and reunification services, respite care, family mediation, court-approved assisted guardianship, and post-placement support.

In the second part, participating counties will use federal IV-E maintenance funds to develop effective strategies for preventing out-of-home placement of children without jeopardizing their safety. County departments of social services will be encouraged to shift expenditures away from foster care maintenance to prevention, returning children to their families, and adoption. Emphasis will be placed on kinship ties when making decisions on long-term placement of children.

The demonstration will operate for five years and include a rigorous evaluation.

—U.S. DEPT. OF HEALTH & HUMAN SERVICES
11/18/96

MEDICARE PHYSICIAN FEES SET FOR 1997

■(WASHINGTON) The average fee Medicare pays to physicians for primary care services in 1997 will be 5 percent higher than the average 1996 fee, the Department of Health and Human Services announced last Friday.

The average fee Medicare pays to physicians for surgical services will decrease 1.6 percent while the average fee for all other services will decrease by 1.8 percent. Over-

all, the changes announced by HHS will result in an average fee decrease of 0.3 percent.

These fee changes, contained in regulations to be published in the Federal Register on Nov. 22, are primarily the result of a comprehensive five-year review of the Medicare fee schedule required by law. Recommendations received from physicians and the public were considered as part of this review.

The conversion factor used in setting fees for surgical services will increase by 1.9 percent, the conversion factor for primary care services will increase by 2.5 percent and the conversion factor for all other physician services will decrease by 0.8 percent.

The starting point of the statutory formula for updating conversion factors is the inflation rate for the costs of operating a medical practice, which for 1997 is projected to be 2 percent. This rate is then adjusted based on how Medicare spending for physician services compares with targets set for that spending. These targets are referred to as the Medicare volume performance standards.

The regulations also set the 1997 spending targets for physician services. These targets allow for a 4.5 percent increase in spending for primary care services, a 3.7 percent decrease in spending for surgical services, and a 0.5 decrease in spending for all other physician services.

—U.S. DEPT. OF HEALTH & HUMAN SERVICES
11/18/96

PUBLIC SAFETY

NHTSA WILL CRASH TEST 43 MODEL YEAR 1997 VEHICLES

■(WASHINGTON) The National Highway Traffic Safety Administration (NHTSA) last week announced that it will frontally crash test 43 model year 1997 vehicles to provide consumers with information that they can use to help guide their new vehicle purchase decisions.

The federal safety agency said it will

crash test 21 passenger cars, 10 sport utility vehicles, four vans, and eight pickups in the frontal crash test portion of its New Car Assessment Program (NCAP). Each will be crashed head on into a fixed barrier at 35 mph. NHTSA also will provide consumers with the results from previous tests of models that have not been redesigned for 1997. Together, the tests will account for about 86 percent of the vehicles to be sold in 1997.

The 35 mph crash test speed is 5 mph faster than the speed prescribed for compliance with several existing federal motor vehicle safety standards, including Federal Motor Vehicle Safety Standard No. 208, "Occupant Crash Protection." The crash tests are conducted at the higher speed to demonstrate differences that are more apparent at 35 mph than at 30 mph. They indicate relative levels of occupant protection and safety performance among vehicles of the same type and similar weight.

Consumers can request test results and additional information on the NCAP program and other safety topics by calling the agency's toll-free Auto Safety Hotline at (800) 424- 9393.

—NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION
11/18/96

NHTSA CONCERNED ABOUT CHRYSLER HATCH LATCH REPLACEMENT RATES

■(WASHINGTON) While reporting good progress overall on the repair campaign under which 1984-1995 Chrysler minivans can receive a stronger, safer rear liftgate latch, the National Highway Traffic Safety Administration (NHTSA) said that the response rate by owners of the oldest models continues to be very low.

NHTSA Administrator Ricardo Martinez, M.D., said that the repair campaign began in September 1995 on a phased-in basis. The completion rate for the later-model year vehicles is high — 62 percent of the 1993-95 models with the remote latch release feature and 60 percent of the 1993-95 models with a manual latch release have had new latches installed. However, NHTSA is concerned that only about 26 percent of the 1984-89 minivans without the remote release feature and 14 percent of the 1984-89 minivans with the remote release feature have had new latches installed.

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"No written law has ever been more binding than unwritten custom supported by popular opinion."

Carrie Chapman Catt
testimony at U.S. Senate hearing
Feb. 13, 1900