

APPENDIX A

Health Systems Agency

A Health Systems Agency (HSA) is a private, nonprofit corporation designated under Federal and State law for health planning and resources development. There are more than 200 HSAs in the United States, each serving several countries within a state. For example, the HSA of Southeastern Pennsylvania serves five countries consisting of 3.8 million people.

HSAs are funded by federal, state and local government monies. Under provisions of the National Health Planning and Resources Development Act of 1974 (Public Law 93-641), each HSA's responsibilities include:

1. Evaluation of proposals for new services for expanded health facilities, equipment, and services requiring a capital expenditure of \$100,000 or more.
2. Review of the appropriateness of all institutional health services in the area.
3. Annual recommendations to the state of projects and priorities for the modernization, construction and conversion of medical facilities.

The HSAs have been a source of controversy because they have opposed hospital development and acquisition projects which the hospitals have strongly desired (e.g., CAT scanners). The Reagan Administration is expected to eliminate Federal funding for all HSAs, and many are expected to close by the end of 1981.