Audit Committee. However, the term "Utilization" should be included in the committee's designation to signify this function.

The Utilization Committee will be representative of the various specialties and sub-specialties present in specific hospitals, including radiology and pathology. The number of members will depend upon the size of the hospital; it should be no fewer than 3 nor more than 15 members. It will meet regularly, at least once a month. The Medical Officer in Charge or members of the medical administrative staff may attend the meetings as Ex-Officio members of the committee. Paramedical and administrative staff members shall serve as consultants, as needed.

3. Utilization Reviews

Two kinds of utilization reviews will be undertaken by the Utilization Committee. The first, studies elements of utilization retrospectively, from samples of medical records and is concerned with the medical necessity of admissions, services provided, and length of stay. The second, studies every case remaining in the hospital for an extended duration.

(a) Retrospective Review

Headquarters will select diagnostic categories to be reviewed by the Utilization Committee and will provide the sample data necessary for securing the medical records. From data stored in the computer, Headquarters will forward to the Chairman of the Utilization Committee, worksheets containing summary information on the sample of cases to be reviewed, for distribution to committee members. Other data of value in utilization review will also be provided by Headquarters in advance of committee meetings, including utilization experience of other Federal and non-Federal hospitals.

Each hospital will receive the initial set of worksheets within two weeks following issuance of this Circular Memorandum. Thereafter, stations will receive worksheets three months in advance of the review period.

Medical records, as indicated by unit record numbers on the sample worksheets, will be provided by the Medical Record Service upon request of Utilization Committee members during the month before the date of the next monthly meeting.

At each Committee meeting, a physician will discuss the disease entity to be reviewed the following month. His discussion should include guidelines covering (1) indications for admission, (2) acceptable diagnostic and therapeutic practices, (3) usual length of stay, (4) complications affecting the length of stay, (5) discharge criteria, and (6) need for follow-up. This physician may or may not be a member of the Committee, but should be knowledgeable about the disease.

The full Committee will consider all cases in which individual members feel that there has been ineffectual utilization of the hospital's resources. When necessary, the responsible physician may be requested to provide the Committee with additional data to assist in evaluating the case. If the Committee concludes that there has been poor utilization, possible solutions will be considered and recommendations made in the minutes of the Committee meeting.

Data on the worksheets will be tabulated and the following summary information submitted to the Medical Officer in Charge:

(1) Number of cases reviewed;
(2) Number of cases judged to present problems;
(3) Nature of the problems, in terms of patterns of ineffectual practices;
(4) Recommendations, representing consensus of the Committee, for improvement;
(5) Suggested disease categories for future review.

Individual worksheets need not be retained. In no case will a physician evaluate one of his own cases.

Studies will be initiated by the Committee based upon problem areas appearing in individual charts. Professional and supervisory staff will be made available to assist the Committee in carrying out further statistical studies and analyses to find possible solutions to problems of ineffectual hospital utilization.

Upon request to Headquarters staff, assistance will be given in the statistical design of Division-wide studies encompassing problem areas common to all hospitals. Through its central computer program, Headquarters will submit routinely to each station, data on length of stay for specific diagnoses, and lists of those cases not falling within commonly accepted ranges of stay as established by Headquarters for screening purposes.