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*Blatnick
Last Note*

A SOUND HEALTH PROGRAM FOR AMERICA

Excerpts of Remarks By
SENATOR HUBERT H. HUMPHREY

Group Health Association
Washington, D. C.
May 15, 1962

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Winkles
Chin
Wide
Awake
gully
in
the
Country*

—
All of you are well aware of President
Kennedy's profound personal commitment to
the health of the American people. In
his special message to the Congress, he
stressed that progress must be made to
strengthen all the indispensable elements
of a sound health program -- "people,
knowledge, services, facilities, and
the means to pay for them."

→

The Community Health Services and Facilities Act

We did make a good start in health legislation in 1961. At the request of the President, Congress enacted legislation to help develop new and improved community health services, to build more nursing homes, to provide better nursing care in the homes of patients, and to develop more efficient services within hospitals.

⑤ / The Community Health Services and Facilities Act is an important milestone toward our goal of bringing medical knowledge within reach of all. This legislation has particular significance

for the older people of America and those
striving to minister to their needs.

↳ The act liberalizes the provisions
for granting Hill-Burton aid for the
construction of [“]rehabilitation facilities.[”]

Formerly, rehabilitation funds were
available only for centers which could
offer medical, psychological, social, and
vocational services. Under the new law
any center that offers medical service --
plus one of the other services -- is
eligible to apply for construction funds.

↳ A feature of the new law which had
been sought by the Public Health Service

for several years is the authorization of more funds for hospital research and demonstration. The new legislation makes it possible to invest \$10 million annually in Federal funds for this purpose.

Rochester

Formerly, the ceiling was \$1.2 million.

The law also liberalizes the program to allow these funds to be used for the first time to purchase special equipment and to construct special facilities of an experimental nature.

One of the most significant aspects of the new law relates to development of out-of-hospital services, particularly for

the chronically ill and aged. Many

Hosp
Crowding

patients today are entering hospitals

when they could be better treated elsewhere,

and many are staying in hospitals longer

than they would otherwise need to,

simply because the hospital is the only

place where they can get some of the nursing,

restorative, and other services they need.

To cope with this problem, some hospitals,

health departments, and other health

agencies have developed organized home-care

programs -- programs which bring to the

chronically ill or convalescing patient,

in his own home, the services he needs and

Home Care

thus free hospital beds for the acutely

ill.

Under the Community Health Services and Facilities Act, the Public Health Service is now authorized to make project grants to hospitals and other nonprofit agencies that want to conduct studies, experiments, or demonstrations of these and other new methods of providing care outside of the hospital.

Experiments

This provision of the new law should fill an important gap in existing programs for the chronically ill and aged by encouraging communities to take constructive action to help the growing number of people

who are too feeble to get along without any
health and medical services but not sick
enough to require hospital care.

But these gains -- important as they
are -- represent a start only. I am
becoming increasingly confident that we
shall see fundamental and meaningful

changes in attitudes -- and in legislation --
in the near future. And we are due for some
important changes -- in the financing,
organization, and availability of medical
services. Otherwise, we will not realize
the powerful potential of American medical
services in terms of benefits for all our

only
a start

Health
Facilities
Act -
for group
practice
REA

people.

Mental Health

Among the national health needs to which the President gave special attention in his Health Message on February 27, the problems of mental illness and mental retardation are high on everyone's priority list for intensified attack. It

is no secret that our thinking about the mentally ill has only recently emerged from the dark ages, and that much of our practice still remains in the dark ages.

This past year the Joint Commission on Mental Illness and Health, after five

years of intensive study, issued a
revolutionary report. This report for
the first time projects a program scaled
to the dimensions of the problem. It
(2) calls for tripling expenditures for
mental health services by 1970. Last
fall the Governors of the States, in a
special meeting in Chicago, pledged
greatly increased support for mental health
activities.

↳ The President has directed the
Secretary of Health, Education, and
Welfare, the Secretary of Labor and the
Administrator of Veterans' Affairs,

assisted by the Council of Economic
Advisors and the Bureau of the Budget,
to review the Joint Commission's
recommendations and chart a logical
course ^{for} ~~for~~ increased Federal effort in
this field. Specifically this group has
been asked to consider:

↳ What is the desirable alignment of
responsibility among Federal, State, local
and private agencies?

↳ Through which channels should
Federal aid be directed?

↳ How swiftly can we expand mental health
services within the existing limitations of

trained manpower?

What balance should be struck and maintained between institutional and non-institutional programs?

The answers which emerge from this study will serve as the foundation upon which a stronger Federal program, designed to strengthen State and local programs where they need it most, can be built.

Meanwhile, of course, we shall continue our vigorous support of research and training in mental health, and the many programs of care and benefits for veterans and others which add up to a \$1-billion-per-

year Federal investment in mental health.

come along way!

The President's Panel on Mental

Retardation, appointed last year, is
hard at work developing recommendations for
future activities in training of personnel,
conduct and support of research, and
extended efforts in treatment, education and
rehabilitation of the mentally retarded, who
number some 5 million in the United States --
with 126,000 added each year.

X Another directive in the President's

Health Message is of immediate interest to
those of you who work in hospitals.

L It relates to a reexamination of the

Hill-Burton program, which has been
strikingly successful in bringing general
medical care facilities to the areas of
greatest need. Rural America had
tragically few hospitals when the Hill-
Burton program was initiated 15 years ago.

*Still needs
the small
clinics*

Today the priority of urgency may well
have shifted. Many existing hospitals,
especially in our cities, are so obsolete
that their usefulness is seriously
impaired. The shifting patterns of
metropolitan living have left some
hospitals, once serving a thriving
neighborhood, in the middle of concrete

deserts. We have urgent needs for long-term care facilities for the elderly, and ~~for short term care facilities~~ for the mentally ill. The medical facilities construction program of the future may ~~have to be shaped for different objectives.~~

Our resources for health, though generous, will always be limited. Perhaps the most important job, in which all the partners can contribute, is to achieve a balanced use of these resources.

The history of health services in this country, impressive and productive as it undoubtedly has been, is a history of response to urgent and immediate needs.

Health problems have been attacked piecemeal,
as they emerged from the changing pattern
of our society and cried out for solution.
Especially in these recent years of dazzling
change and growth, it has been difficult for
anyone to see the whole in perspective.

Health Insurance for the Aged

↳ The most significant -- and necessary --
program proposed by the President is Health
Insurance for the Elderly under the Social
Security System. Here are the facts which
underline the need for this program:

- 1 -- Persons over 65 have medical costs
twice as high as those of younger

my
first
bill

people, but their annual incomes, on the average, are only half as large.

2 -- In the course of a year, one member of every fifth aged couple goes to the hospital. In many instances both members are hospitalized in the course of one year.

3 -- Only about one-half of our older people have any kind of hospital insurance, and it is limited and expensive.

4 -- Aged persons spend 2 to 3 times

as many days in a hospital as
younger persons, and they see
physicians half again as many
times.

These facts are not news -- least of
all to people like you who are dedicated to the
task of caring for the aged and providing
medical care for them.

I believe that every aged person should
be able to receive the medical care he needs,
regardless of his financial status and
without being required to take a pauper's
oath.

The social insurance method proposed

by President Kennedy would provide the means of spreading over the working years the cost of health services in old age. Under it, services to the aged would be provided in a way that preserves the dignity of the individual. Aged persons -- including those with average and even above-average incomes -- constantly face the threat that costly medical care will wipe out their savings and force them, after a lifetime of independence, to put heavy financial burdens on their children or to resort to public or private charity.

As the President said in his health

message, the program of health insurance
for the ^{elderly} ~~aged~~ will meet the needs of the
millions of the aged who do not want
charity but whose entire financial basis
for security -- and often that of their
children -- may be shattered by an extended
hospital stay.

The President proposes to use the
nationwide share-the-risk, spread-the-cost
mechanism of the social security system to
help older people meet the major costs of
serious or prolonged illness.

The plan would be self-financing.

Working men and women would contribute a

\$12 a yr

small percentage of their earnings, and
their employers would add a like amount.

These sums would go into the social
security trust fund, and the fund in turn
would pay for a number of specific services.

Under this plan, a person over 65 who
was eligible for social security or railroad
retirement benefits could receive extended
hospital care and also could receive
extended nursing-home and special health
services in his own home.

An ill person could remain in a hospital
for as long as 90 days and have all his
regular hospital expenses paid by the fund

over and above a cost to him of \$10 a day for the first 9 days. The minimum charge to the patient for a short stay would be \$20.

↙ If his condition improved so that he no longer needed intensive hospital care but still required expert care during his illness, he could transfer to a nursing home for a stay of up to 180 days, and the fund would pay all the ~~nursing-home costs.~~

out ↙ During any period of illness, an eligible person could be hospitalized for as many as ~~180~~ 180 days and still receive as many as 180 days of skilled nursing-home care. If he

needed to stay as many as 90 days in the hospital, he would still be eligible for 120 days of skilled nursing-home care.

If the ill person did not need hospitalization but could be cared for as well or better in his own home, the fund would pay for up to 240 home health-care visits by trained nurses, physical therapists, occupational therapists, or part-time homemakers in any calendar year.

Also, a sick person whose illness had not been diagnosed could get help in paying for expensive diagnostic services as an outpatient of a hospital. The fund would pay all costs

above \$20 for these services.

Thus, the financial help that would be provided under the President's proposal is tailored to the major needs of older people. It is a flexible program designed to help people over 65 obtain the kind of care and services best suited to their needs.

Because of the vast number of contributors, the health insurance program can be financed by increasing the taxable earning base from \$4,800 to \$5,200 (which will also result in larger regular cash benefits for many people) and by increasing the social security

contribution on employers and employees by only one-fourth of one per cent and the contribution on the self-employed by three-eighths of one per cent.

∟ The reason the health insurance program can be financed by these small contribution increases, of course, is that, while everyone covered by social security would contribute and thus be insured after age 65, not everyone eligible for benefits would become sick, In this respect, it would be like fire insurance -- while many contribute, not everyone's house burns.

As a matter of fact, except in two

major respects, the program would be much
like private ^{or group} health insurance, where all
subscribers [^]pay in but not everyone [^]needs
to collect. The big differences, of course,
are these: The contributors would be
comprised of virtually the whole working
force of the Nation, building up future
protection, while the benefits would be
available to a single major high-risk
group -- men and women 65 and over.

This can only be done under a uniform,
nationwide social insurance system. It
cannot be done through voluntary health
insurance plans.

cut

There is a further advantage to the social security approach, and that is that millions of people who have already reached their 65th birthday when the program goes into effect can be protected immediately, even though they have not contributed specifically to the health insurance account. Whenever social security benefits have been increased in the past, those on the rolls at the time have shared in the improvements.

Still another advantage of having a health insurance program through social security is that State welfare programs will be able to do a better job when most older

people are protected against the costs of
prolonged hospitalization or other health
services. When the States ^{or local Governments} no longer have
to carry such a large burden in meeting
these needs through public assistance, they
will be able to work toward a more effective
medical assistance program for the relatively
few aged men and women who would still need
help in meeting their health-care needs.

During the first full year of operations,
it is expected that the health insurance fund
would pay out about \$1 billion for hospital,
nursing-home, and home-care services. During
that year about \$1.2 billion would be paid into

the health insurance account, and another major program to improve the well-being of the American people would be on its way.

(V) L On the basis of the latest Census Bureau count, the number of people 65 years old and over in this country will approach 18 million by 1963. Of these, about 14 million would be eligible for health insurance protection under the proposed program.

Another quarter of a million have health insurance protection as former Federal employees. And more than half of the remaining older people will be entitled to some form of publicly financed health

The
Balance
of uncovered

protection through veterans programs, old-
age assistance, or the new Federal-State
health benefits program. Some, of course,
will be receiving full medical care in
publicly or privately supported institutions.

Kerr mills

So most
all
covered

Responsibility for administering the
program would rest with the Secretary of
Health, Education, and Welfare for social
security beneficiaries and with the Railroad
Retirement Board for railroad retirement
annuitants. There would be an advisory
council to advise the Secretary on policy
matters in connection with program
administration.

cut

over to
P 32

For a hospital, skilled nursing home,
or home health agency to enter into a
contract to participate in the program,
it would be required to meet certain
specified conditions set forth in the bill.
Essentially, these conditions are those
generally accepted as necessary for quality
care.

In formulating conditions for
participation, the Secretary would consult
with the States, with the advisory council,
and with such accrediting bodies as the
Joint Commission on Accreditation of
Hospitals. In addition, a State could

recommend to the Secretary of Health, Education, and Welfare that higher conditions be established for providers of service in that State.

A participating hospital would need to be licensed by the State, maintain adequate medical records, and have 24-hour nursing service, bylaws for staff physicians, and a committee of physicians to review necessity for admissions, lengths of stay, and services provided. Similarly, participating nursing homes would need to be licensed, have medical policies established by physicians, maintain adequate medical records, provide 24-hour

nursing service, and have a nursing
facility utilization plan.

With the passage of this urgently needed
legislation, we will have made a major
forward step in bringing to the older men
and women in our society the blessings of
modern medical care. And I predict this
legislation will be enacted -- this year.

Victor Hugo once said: "No army can
withstand the strength of an idea whose
time has come." And the time has come for
this idea ^{of doctors} to be translated into reality:
That working men and women should have the
right during their productive years to earn

prepaid health insurance for their old age.

Assistance for Medical Schools and Medical Students

All of the programs of protection and all of the physical facilities envisioned cannot become operative if we do not have the trained personnel to run them. We do not have an adequate supply of trained personnel today. Within the next 10 years, we must have a substantial increase in enrollment in our existing medical and dental schools and we must have at least 20 new medical schools and 20 new dental schools.

Modern medical and dental schools, and
teaching hospitals to an even greater degree,
are expensive to establish, to expand, and
to operate. Medical school and dental
school tuition is high -- only one out of
eight medical school students receives a
scholarship from any source and these
average only \$500 a year, compared to an
average cost of over \$2,500. In dentistry,
even less scholarship aid is available. We
need to encourage more talented students --
including needy ones -- to enter the health
professions and we need to improve the
quality of their training.

To this end, the Administration has
recommended:

First, an immediate program of grants
to help in the planning of new medical
and dental schools and to find ways of
improving the whole educational process;

Second, a 10-year program of matching
grants to help in the construction,
expansion, and restoration of medical and
dental schools to increase their capacity:

\$25 million would be made available in the
first year, and \$75 million annually
thereafter:

Third, a program of Federal scholarships

Congress
must
Act!

for talented medical and dental students,
and tied in with this, cost-of-education
grants to the participating institutions.

President Kennedy's proposals to the
Congress would help our Nation overcome
these shortages and meet the urgent health
requirements of our times.

"The measures I have recommended,"
President Kennedy said in his message to
the Congress, "recognize and strengthen
the indispensable elements in a sound
health program -- people, knowledge,
services, facilities, and the means to
pay for them. Taken together, they

X
Intern
medical
Cooper

constitute a necessary foundation upon
which to build."

And the people of this country will,
I am convinced, build this necessary
foundation so that the benefits of medical
knowledge will be within the reach of
everyone who is ill or injured. Upon this
necessary foundation we can build a newer
and stronger America.

(END)



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