REMARKS BY SENATOR HUBERT H. HUMPHREY

MINNESOTA HEALTH SECURITY ACTION COUNCIL

St. Paul, Minnesota

October 5, 1974

I am delighted to have the opportunity to speak with you tonight and to express my support, my respect, and my gratitude for the dedication you have shown in the fight for a sound comprehensive national health insurance program.

Organizations like yours are the backbone of the movement for national health insurance. Organizations like yours are essential if we are to have any hope of coming out of the current struggle for national health insurance with a sound and equitable program.

I have been greatly impressed not only by the efforts of local organizations such as yours in focusing public attention on the need for reform of our health system, but by your distinguished and most able national chairman, Leonard Woodcock.

Leonard addressed the House Ways and Means Committee during its hearings last spring and emphasized the need for a national health insurance program which would embrace universal coverage and availability. He also most ably stressed the need for comprehensive and high quality health care, public accountability, equitable financing, and strict cost controls for the national health insurance program.

I am sure all of us here agree with Mr. Woodcock's urgent plea that Congress adopt a program "which not only removes financial barriers to needed care, but one which also creates basic reforms in the health care system to increase its productivity without impairment of quality."

Mr. Woodcock's statement hits at the heart of the complex problem we are attempting to resolve through a national health insurance program.

This is a problem not merely of more dollars and cents to pay for health services.

This is a problem compounded by fragmentation in health programs and organizations, lack of coordination of services at state and local levels, duplication in facilities and services, uneconomical use of scarce health manpower, and rapidly escalating costs of health care.

Unless our national health insurance program addresses each and every one of these interrelated problems, we will fall far short of our ultimate goal -- to provide every American with equal access to comprehensive and quality health care at the lowest possible cost.

For more than 30 years, Congress has been debating the need for a comprehensive national health insurance program.

I have been part of this struggle since my first year in the Senate. In 1949, I introduced one of the first comprehensive national health insurance proposals to be considered in the Senate.

During the last six months, we have moved closer than ever before to the realization of a national health insurance program.

An enormous amount of testimony has been presented in public hearings before the Ways and Means Committee in the House and the Finance Committee in the Senate. The tone and content of this testimony are noticeably different from that presented in previous years. Much more attention has been devoted to the fine points of the legislation before these committees.

Scores of witnesses have detailed specific amendments which they would like to see incorporated in whatever national health insurance bill emerges from committee. And there are hints of an increased willingness to work out a compromise among opposing points of view as to what kind of program is best designed to meet the health needs of this country.

In mid-August, Chairman Wilbur Mills announced to the Ways and Means Committee members that experts from HEW were meeting with the Committee's staff to draft a new compromise proposal, containing elements from several of the national health insurance bills currently before the Committee. This move represented one of the first serious attempts to hammer out a compromise measure which would be designed to gain broad support among Committee members and pass both the House and Senate before adjournment of the 93rd Congress.

This initial attempt to find an acceptable middle ground ended in a stalemate. In mid-September, Ways and Means began consideration of a mammoth tax reform bill. The net result is that there probably will not be action on a national health insurance bill this year.

The climate in the Senate is difficult to assess right now. There have been persistent rumors that the Finance Committee might move ahead on its own by reporting a bill embodying the Catastrophic Health Insurance and Medical Assistance Reform Act, sponsored by Finance Chairman Russell Long and Senator Abraham Ribicoff. Whether or not there is any firm basis for these speculations, I cannot say at this point.

However, I would like to express my own feeling that, in the spirit of compromise, we may compromise too much and thus run the chance of losing ground on the ultimate path to a comprehensive program. Those of you who have worked so diligently in support of the Health Security program may agree with me that it might be wiser to wait until the next Congress and get a truly comprehensive measure enacted into law, rather than pass a limited approach which does little to correct deep-rooted problems in the delivery system.

I think it is much better to take one giant leap toward comprehensive national health insurance next Congress rather than a timid and reluctant step during this Congress.

Otherwise, we run the risk of halting our drive for the goal line and instead, being satisfied to have the goal post uprooted and permanently placed on our present yardline. That may be one way to claim a "victory," but I doubt very much that there will be any cheering.

One of the paramount issues which failed to be resolved during Congressional consideration of national health insurance this summer was the question of cost controls. HEW Secretary Caspar Weinberger admitted recently that rapidly increasing health care costs could well influence the eventual outcome of the Congressional debate over the various NHI bills.

Since health price controls were lifted in May of this year, health care costs have skyrocketed 50 per cent faster than the economy as a whole. The July Consumer Price Index showed doctor bills up 1.3 per cent and hospital charges up 1.4 per cent. Dentist bills went up 1.2 per cent in July.

Figured on a yearly basis, hospital costs are increasing 17.7 per cent, as compared with 12.5 per cent for the economy as a whole. And physicians' fees are rising at the unprecedented rate of 19.1 per cent a year.

The staggering increases in the cost of medical care, and the failure of public and private health programs to keep up with them, has caused great hardship for millions of Americans. Health insurance today covers only 37 cents of each consumer dollar spent on medical and hospital care in the country. The remainder must come out of his or her pocket.

For some people this means making choices they should not be forced to make.

Will a senior citizen pay the light bill or go to the dentist?

Will a young mother buy her child new shoes or a check-up with the pediatrician?

Will a middle-aged father use up the money set aside for his son's education to have surgery to prevent a worsening of his heart condition?

But for the very poor, these may be no choices at all.

Adequate health care cannot be allowed to continue to be available on a "cash and carry" basis, limited in availability to those who can pay the price.

I believe that good health care is a basic right of Every American citizen. Without it, he cannot possibly exercise his inalienable rights of life, liberty, and the pursuit of happiness.

Public outrage over the cost of health care would seem both inevitable and justifiable. Even Secretary Weinberger has publicly warned health-care leaders that if they don't control their costs, government may be forced to do it for them.

It's not hard to imagine the American consumer wondering where in the world does all that money go? The American principle of free enterprise breaks down where the health system is concerned. It has often been said that in the health system, marketplace competition simply doesn't exist, and the analogy with the economy as a whole is not applicable.

Let me cite just one example: Hospital bed space.

Greater numbers of beds do not lead to a lower per bed cost passed on to the consumer. Indeed, just the reverse is true. Whether used or idle, the hospital bed involves constant upkeep expense and maintenance, expense which must be met in some way, even in the absence of consumer use and payment.

One of the long-run factors contributing to rising health care costs is the tendency of a predominantly nonprofit hospital industry to increase its capacity without regard to the demand

for hospital services. Since 1963, the number of community hospitals has increased by about 3 percent, to 5,891 in 1973. The number of beds, however, has increased almost 30 percent. Although utlization of hospital services has steadily increased over time, the increase in the number of beds has more than kept pace.

The result was revealed in a recent study from the U.S. Comptroller General's Office. The study noted, for example, that in 1971, only about 40 per cent of the country's pediatric beds were occupied -- 36,021 out of a total of 89,420. When we consider that each of these units probably costs an average of $15,000 to build, we see hundreds of millions of dollars being spent on new facilities that went unused, and may never be used, if our declining population growth continues at its present rate.

Equally depressing are the utilization figures on cardiac care units and emergency rooms. In 1972, only about 3 per cent of the 416 hospitals equipped to perform open-heart surgery used their facilities more than four times a week. And of the 6,200 hospitals with emergency rooms, 3,744 or well over half, cared for less than 13 per cent of all emergency cases reported.

A large part of the increased costs of hospital care could obviously be cut if we ended overbuilding in the hospital community and avoided needless duplication of costly, under-utilized facilities. Pool purchasing of equipment and supplies could also save a great deal of money, as 24 hospitals in Boston have, to their credit, recognized. Just by pooling their laundry facilities, these 24 hospitals have cut their annual cleaning bills by over $1 million.

Another highly effective way to reduce hospital costs is to cut back on the number of persons who are admitted to hospitals even though they do not require in-patient acute care, and to reduce the length of hospitalization for persons who could be equally and more economically cared for on an out-patient basis, in their homes or in qualified nursing homes.

There are new concepts of care which are pointing the way towards significant reductions in hospital use with no loss in the quality of care. Two such examples are the ambulatory surgi-centers which perform a wide variety of surgical procedures on an out-patient basis; and day treatment centers which provide rehabilitative services and other sophisticated types of treatment without requiring the patient to spend the night in the facility. We need to promote these and other innovative methods of providing health care.

Unfortunately, many types of health insurance policies do not recognize these and other non-institutional types of care for purposes of reimbursement. Most objectionable, from my point of view, is that even federal programs such as Medicare and Medicaid discriminate against certain types of non-institutional health services such as home health care.

I call upon the private health insurance carriers and the Department of HEW to examine carefully the various kinds of health care that have proved themselves both more economical than hospital care and at least equally appropriate. Every effort should be made to remove obstacles in insurance contracts and federal regulations to fair reimbursement for quality health care alternatives to so-called "acute" care.

In closing, I would like once again to commend your organization for its dedication to the goal of high quality health care for every American. Hopefully, through your efforts and those of your fellow consumers, working together with public officials and health providers, we can develop a basis of understanding that can lay a solid foundation for the improvements so needed in our health system.

I am proud of you and your efforts to educate the American people about the need for comprehensive health care legislation.

Keep up the good work and keep the pressure on the House Ways and Means Committee and the Senate Finance Committee. With your help, we will enact a strong national health insurance bill in the next Congress.

The promise of a decisive advance toward a high quality comprehensive national health insurance system can and must be fulfilled. Together, we can and will make this promise a reality.

# # # # #

Bob McNattin

Milt Hakel

Dr Mayo
Dr Axelrod
Dr Kimmey
Betty Dooley

Thief River Falls

REMARKS BY SENATOR HUBERT H. HUMPHREY

Don Spigner

MINNESOTA HEALTH SECURITY ACTION COUNCIL

Rural
urban

ST. PAUL, MINNESOTA
OCTOBER 5, 1974

why people aren't around?

Leonard Woodcock
Mondale
Fraser

Other countries
Rural Minn
outside Metro area

Farmers Union
Labor

Questionnaire

I AM DELIGHTED TO HAVE THE OPPORTUNITY TO SPEAK WITH YOU TONIGHT AND TO EXPRESS MY SUPPORT, MY RESPECT, AND MY GRATITUDE FOR THE DEDICATION YOU HAVE SHOWN IN THE FIGHT FOR A SOUND COMPREHENSIVE NATIONAL HEALTH INSURANCE PROGRAM.

ORGANIZATIONS LIKE YOURS ARE THE BACKBONE OF THE MOVEMENT FOR NATIONAL HEALTH INSURANCE. ORGANIZATIONS LIKE YOURS ARE ESSENTIAL IF WE ARE TO HAVE ANY HOPE OF COMING OUT OF THE CURRENT STRUGGLE FOR NATIONAL HEALTH INSURANCE WITH A SOUND AND EQUITABLE PROGRAM.

I HAVE BEEN GREATLY IMPRESSED NOT ONLY BY THE EFFORTS OF LOCAL ORGANIZATIONS SUCH AS YOURS IN FOCUSING PUBLIC ATTENTION ON THE NEED FOR REFORM OF OUR HEALTH SYSTEM, BUT BY YOUR DISTINGUISHED AND MOST ABLE NATIONAL CHAIRMAN, LEONARD WOODCOCK.

Here Here's what is wanted:

S 3 - Nat. Health Security Act

HR 22-23 Staff Hus-Comm

woodcock

LEONARD ADDRESSED THE HOUSE WAYS AND MEANS COMMITTEE DURING ITS HEARINGS LAST SPRING AND EMPHASIZED THE NEED FOR A NATIONAL HEALTH INSURANCE PROGRAM WHICH WOULD EMBRACE UNIVERSAL COVERAGE AND AVAILABILITY. HE ALSO MOST ABLY STRESSED THE NEED FOR COMPREHENSIVE AND HIGH QUALITY HEALTH CARE, PUBLIC ACCOUNTABILITY, EQUITABLE FINANCING, AND STRICT COST CONTROLS FOR THE NATIONAL HEALTH INSURANCE PROGRAM.

I AM SURE ALL OF US HERE AGREE WITH MR. WOODCOCK'S URGENT PLEA THAT CONGRESS ADOPT A PROGRAM "WHICH NOT ONLY REMOVES FINANCIAL BARRIERS TO NEEDED CARE, BUT ONE WHICH ALSO CREATES BASIC REFORMS IN THE HEALTH CARE SYSTEM TO INCREASE ITS PRODUCTIVITY WITHOUT IMPAIRMENT OF QUALITY."

MR. WOODCOCK'S STATEMENT HITS AT THE HEART OF THE COMPLEX PROBLEM WE ARE ATTEMPTING TO RESOLVE THROUGH A NATIONAL HEALTH INSURANCE PROGRAM.

THIS IS A PROBLEM NOT MERELY OF MORE DOLLARS AND CENTS TO PAY FOR HEALTH SERVICES.

THIS IS A PROBLEM COMPOUNDED BY FRAGMENTATION IN HEALTH PROGRAMS AND ORGANIZATIONS, LACK OF COORDINATION OF SERVICES AT STATE AND LOCAL LEVELS, DUPLICATION IN FACILITIES AND SERVICES, UNECONOMICAL USE OF SCARCE HEALTH MANPOWER, AND RAPIDLY ESCALATING COSTS OF HEALTH CARE.

Americans spent $100 Billion on Health Services
Hosp rooms - $100 - $150 per Day
30 million Americans no private Health coverage
36 " " no Hosp Insurance
39 " " no Surgical Insurance
100 million - no coverage in Physicians Office & Home

Consumers + Professionals - & govt must work together to get a Prog.

UNLESS OUR NATIONAL HEALTH INSURANCE PROGRAM ADDRESSES EACH AND EVERY ONE OF THESE INTERRELATED PROBLEMS, WE WILL FALL FAR SHORT OF OUR ULTIMATE GOAL -- TO PROVIDE EVERY AMERICAN WITH EQUAL ACCESS TO COMPREHENSIVE AND QUALITY HEALTH CARE AT THE LOWEST POSSIBLE COST.

FOR MORE THAN 30 YEARS, CONGRESS HAS BEEN DEBATING THE NEED FOR A COMPREHENSIVE NATIONAL HEALTH INSURANCE PROGRAM.

I HAVE BEEN PART OF THIS STRUGGLE SINCE MY FIRST YEAR IN THE SENATE. IN 1949, I INTRODUCED ONE OF THE FIRST COMPREHENSIVE NATIONAL HEALTH INSURANCE PROPOSALS TO BE CONSIDERED IN THE SENATE — also medicare

S. 3 - Kennedy

- HR. 22-23 - Griffiths

- Kennedy Mills Compromise

- Administration "CHIP"

- Long Rehcroft Catastrophic

K-M. - Establish a contributory program of Nat. Health Insurance covering broad range of healthcare benefits on a Social Insurance Basis to Virtually all Americans - Unlimited

Admin't - 3 parts.

Employee Health Insurance

Assisted " " - To Replace medicaid

Improved Medicare.

Long-Rehcroft - Catastrophic Coverage

Comprehensive Health Care - its time has come: medicare, medicaid, HMO's, Private Ins etc

and DURING THE LAST SIX MONTHS, WE HAVE MOVED CLOSER THAN EVER BEFORE TO THE REALIZATION OF A NATIONAL HEALTH INSURANCE PROGRAM.

AN ENORMOUS AMOUNT OF TESTIMONY HAS BEEN PRESENTED IN PUBLIC HEARINGS BEFORE THE ~~WAYS AND MEANS COMMITTEE IN THE HOUSE~~ the Committee of the House AND THE ~~FINANCE COMMITTEE IN THE SENATE~~ and Senate also. THE TONE AND CONTENT OF THIS TESTIMONY ARE NOTICEABLY DIFFERENT FROM THAT PRESENTED IN PREVIOUS YEARS. MUCH MORE ATTENTION HAS BEEN DEVOTED TO THE FINE POINTS OF THE LEGISLATION, ~~BEFORE THESE COMMITTEES~~.

no longer Socialist, Communists.

SCORES OF WITNESSES HAVE DETAILED SPECIFIC AMENDMENTS WHICH THEY WOULD LIKE TO SEE INCORPORATED IN WHATEVER NATIONAL HEALTH INSURANCE BILL EMERGES FROM COMMITTEE. AND THERE ARE HINTS OF AN INCREASED WILLINGNESS TO WORK OUT A COMPROMISE AMONG OPPOSING POINTS OF VIEW AS TO WHAT KIND OF PROGRAM IS BEST DESIGNED TO MEET THE HEALTH NEEDS OF THIS COUNTRY.

IN MID-AUGUST, ~~CHAIRMAN~~ Congressman WILBUR MILLS ANNOUNCED TO THE WAYS AND MEANS COMMITTEE MEMBERS THAT EXPERTS FROM HEW WERE MEETING WITH THE COMMITTEE'S STAFF TO DRAFT A NEW COMPROMISE PROPOSAL, CONTAINING ELEMENTS FROM SEVERAL OF THE NATIONAL HEALTH INSURANCE BILLS CURRENTLY BEFORE THE COMMITTEE. THIS MOVE REPRESENTED ONE OF THE FIRST SERIOUS ATTEMPTS TO HAMMER OUT A C~~OMPREHENSIVE~~ Health measure MEASURE WHICH WOULD BE DESIGNED TO GAIN BROAD SUPPORT AMONG COMMITTEE MEMBERS AND PASS BOTH THE HOUSE AND SENATE BEFORE ADJOURNMENT OF THE 93RD CONGRESS.

But THIS INITIAL ATTEMPT TO FIND AN ACCEPTABLE MIDDLE GROUND ENDED IN A STALEMATE. IN MID-SEPTEMBER, WAYS AND MEANS BEGAN CONSIDERATION OF A MAMMOTH TAX REFORM BILL.

THE NET RESULT IS THAT THERE PROBABLY WILL NOT BE ACTION ON A NATIONAL HEALTH INSURANCE BILL THIS YEAR.

THE CLIMATE IN THE SENATE IS DIFFICULT TO ASSESS RIGHT NOW. THERE HAVE BEEN PERSISTENT RUMORS THAT THE FINANCE COMMITTEE MIGHT MOVE AHEAD ON ITS OWN BY REPORTING A BILL EMBODYING THE CATASTROPHIC HEALTH INSURANCE AND MEDICAL ASSISTANCE REFORM ACT, SPONSORED BY FINANCE CHAIRMAN RUSSELL LONG AND SENATOR ABRAHAM RIBICOFF. WHETHER OR NOT THERE IS ANY FIRM BASIS FOR THESE SPECULATIONS, I CANNOT SAY AT THIS POINT. I doubt it,

HOWEVER, I WOULD LIKE TO EXPRESS MY OWN FEELING, ~~THAT IN~~ we must be careful that in THE SPIRIT OF COMPROMISE, WE ~~MAY~~ do not COMPROMISE TOO MUCH AND ~~THUS~~ RUN THE CHANCE OF LOSING GROUND ON THE ULTIMATE PATH TO A COMPREHENSIVE PROGRAM. THOSE OF YOU WHO HAVE WORKED SO DILIGENTLY

Election issue

IN SUPPORT OF THE HEALTH SECURITY PROGRAM MAY AGREE WITH ME THAT IT MIGHT BE WISER TO WAIT UNTIL THE NEXT CONGRESS AND GET A TRULY COMPREHENSIVE MEASURE ENACTED INTO LAW, RATHER THAN PASS A LIMITED APPROACH WHICH DOES LITTLE TO CORRECT DEEP-ROOTED PROBLEMS IN THE DELIVERY SYSTEM.

I THINK IT IS MUCH BETTER TO TAKE ONE GIANT LEAP TOWARD COMPREHENSIVE NATIONAL HEALTH INSURANCE NEXT CONGRESS RATHER THAN A TIMID AND RELUCTANT STEP DURING THIS CONGRESS.

OTHERWISE, WE RUN THE RISK OF HALTING OUR DRIVE FOR THE GOAL LINE AND INSTEAD, BEING SATISFIED TO HAVE THE GOAL POST UPROOTED AND PERMANENTLY PLACED ON OUR PRESENT YARDLINE. THAT MAY BE ONE WAY TO CLAIM A "VICTORY," BUT I DOUBT VERY MUCH THAT THERE WILL BE ANY CHEERING.

Need Medical Personnel, Technicians, Nurses - Para-medics - Out Patient Clinics - and

ONE OF THE PARAMOUNT ISSUES WHICH FAILED TO BE RESOLVED DURING CONGRESSIONAL CONSIDERATION OF NATIONAL HEALTH INSURANCE THIS SUMMER WAS THE QUESTION OF COST CONTROLS. HEW SECRETARY CASPAR WEINBERGER ADMITTED RECENTLY THAT RAPIDLY INCREASING HEALTH CARE COSTS COULD WELL INFLUENCE THE EVENTUAL OUTCOME OF THE CONGRESSIONAL DEBATE OVER THE VARIOUS NHI BILLS.

COSTS

SINCE HEALTH PRICE CONTROLS WERE LIFTED IN MAY OF THIS YEAR, HEALTH CARE COSTS HAVE SKYROCKETED 50 PER CENT FASTER THAN THE ECONOMY AS A WHOLE. ~~THE JULY CONSUMER PRICE INDEX SHOWED DOCTOR BILLS UP 1.3 PER CENT AND HOSPITAL CHARGES UP 1.4 PER CENT. DENTIST BILLS WENT UP 1.2 PER CENT IN JULY.~~

FIGURES ON A

FIGURED ON A YEARLY BASIS, HOSPITAL COSTS ARE INCREASING 17.7 PER CENT, AS COMPARED WITH 12.5 PER CENT FOR THE ECONOMY AS A WHOLE. AND PHYSICIANS' FEES ARE RISING AT THE UNPRECEDENTED RATE OF 19.1 PER CENT A YEAR.

THE STAGGERING INCREASES IN THE COST OF MEDICAL CARE, AND THE FAILURE OF PUBLIC AND PRIVATE HEALTH PROGRAMS TO KEEP UP WITH THEM, HAS CAUSED GREAT HARDSHIP FOR MILLIONS OF AMERICANS.

HEALTH INSURANCE TODAY COVERS ONLY 37 CENTS OF EACH CONSUMER DOLLAR SPENT ON MEDICAL AND HOSPITAL CARE IN THE COUNTRY. THE REMAINDER MUST COME OUT OF HIS OR HER POCKET.

FOR SOME PEOPLE THIS MEANS MAKING CHOICES THEY SHOULD NOT BE FORCED TO MAKE.

Here are the basic issues in Health care for all too many -

WILL A SENIOR CITIZEN PAY THE LIGHT BILL OR GO TO THE DENTIST?

WILL A YOUNG MOTHER BUY HER CHILD NEW SHOES OR A CHECK-UP WITH THE PEDIATRICIAN?

WILL A MIDDLE-AGED FATHER USE UP THE MONEY SET ASIDE FOR HIS SON'S EDUCATION TO HAVE SURGERY TO PREVENT A WORSENING OF HIS HEART CONDITION?

BUT FOR THE VERY POOR, THESE MAY BE NO CHOICES AT ALL.

ADEQUATE HEALTH CARE CANNOT BE ALLOWED TO CONTINUE TO BE AVAILABLE ON A "CASH AND CARRY" BASIS, LIMITED IN AVAILABILITY TO THOSE WHO CAN PAY THE PRICE.

I BELIEVE THAT GOOD HEALTH CARE IS A BASIC RIGHT OF EVERY AMERICAN CITIZEN. WITHOUT IT, YOU CANNOT POSSIBLY EXERCISE YOUR INALIENABLE RIGHTS OF LIFE, LIBERTY, AND THE PURSUIT OF HAPPINESS.

PUBLIC OUTRAGE OVER THE COST OF HEALTH CARE WOULD SEEM BOTH INEVITABLE AND JUSTIFIABLE. EVEN SECRETARY WEINBERGER HAS PUBLICLY WARNED HEALTH-CARE LEADERS THAT IF THEY DON'T CONTROL THEIR COSTS, GOVERNMENT MAY BE FORCED TO DO IT FOR THEM.

IT'S NOT HARD TO IMAGINE THE AMERICAN CONSUMER WONDERING WHERE IN THE WORLD DOES ALL THAT MONEY GO? THE AMERICAN PRINCIPLE OF FREE ENTERPRISE BREAKS DOWN WHERE THE HEALTH SYSTEM IS CONCERNED.

IT HAS OFTEN BEEN SAID THAT IN THE HEALTH SYSTEM, MARKETPLACE COMPETITION SIMPLY DOESN'T EXIST, AND THE ANALOGY WITH THE ECONOMY AS A WHOLE IS NOT APPLICABLE.

LET ME CITE JUST ONE EXAMPLE: HOSPITAL BED SPACE.

GREATER NUMBERS OF BEDS DO NOT LEAD TO A LOWER PER BED COST PASSED ON TO THE CONSUMER. INDEED, JUST THE REVERSE IS TRUE. WHETHER USED OR IDLE, THE HOSPITAL BED INVOLVES CONSTANT UPKEEP EXPENSE AND MAINTENANCE EXPENSE WHICH MUST BE MET IN SOME WAY, EVEN IN THE ABSENCE OF CONSUMER USE AND PAYMENT.

ONE OF THE LONG-RUN FACTORS CONTRIBUTING TO RISING HEALTH CARE COSTS IS THE TENDENCY OF A PREDOMINANTLY NONPROFIT HOSPITAL INDUSTRY TO INCREASE ITS CAPACITY WITHOUT REGARD TO THE DEMAND FOR HOSPITAL SERVICES.

SINCE 1963, THE NUMBER OF COMMUNITY HOSPITALS HAS INCREASED BY ABOUT 3 PERCENT, TO 5,891 IN 1973. THE NUMBER OF BEDS, HOWEVER, HAS INCREASED ALMOST 30 PERCENT. ALTHOUGH UTLIZATION OF HOSPITAL SERVICES HAS STEADILY INCREASED OVER TIME, THE INCREASE IN THE NUMBER OF BEDS HAS MORE THAN KEPT PACE.

THE RESULT WAS REVEALED IN A RECENT STUDY FROM THE U.S. COMPTROLLER GENERAL'S OFFICE. THE STUDY NOTED, FOR EXAMPLE, THAT IN 1971, ONLY ABOUT 40 PER CENT OF THE COUNTRY'S PEDIATRIC BEDS WERE OCCUPIED -- 36,021 OUT OF A TOTAL OF 89,420. WHEN WE CONSIDER THAT EACH OF THESE UNITS PROBABLY COSTS AN AVERAGE OF $15,000 TO BUILD, WE SEE HUNDREDS OF MILLIONS OF DOLLARS

BEING SPENT ON NEW FACILITIES THAT WENT UNUSED, AND MAY NEVER BE USED, IF OUR DECLINING POPULATION GROWTH CONTINUES AT ITS PRESENT RATE.

EQUALLY DEPRESSING ARE THE UTILIZATION FIGURES ON CARDIAC CARE UNITS AND EMERGENCY ROOMS. IN 1972, ONLY ABOUT 3 PER CENT OF THE 416 HOSPITALS EQUIPPED TO PERFORM OPEN-HEART SURGERY USED THEIR FACILITIES MORE THAN FOUR TIMES A WEEK. AND OF THE 6,200 HOSPITALS WITH EMERGENCY ROOMS, 3,744 OR WELL OVER HALF, CARED FOR LESS THAN 13 PER CENT OF ALL EMERGENCY CASES REPORTED.

A LARGE PART OF THE INCREASED COSTS OF HOSPITAL CARE COULD OBVIOUSLY BE CUT IF WE ENDED OVERBUILDING IN THE HOSPITAL COMMUNITY AND AVOIDED NEEDLESS DUPLICATION OF COSTLY, UNDER-UTILIZED FACILITIES.

+ then there are other savings —

POOL PURCHASING OF EQUIPMENT AND SUPPLIES COULD ALSO SAVE A GREAT DEAL OF MONEY, AS 24 HOSPITALS IN BOSTON HAVE, TO THEIR CREDIT, RECOGNIZED, JUST BY POOLING THEIR LAUNDRY FACILITIES, THESE 24 HOSPITALS HAVE CUT THEIR ANNUAL CLEANING BILLS BY OVER $1 MILLION.

ANOTHER HIGHLY EFFECTIVE WAY TO REDUCE HOSPITAL COSTS IS TO CUT BACK ON THE NUMBER OF PERSONS WHO ARE ADMITTED TO HOSPITALS ~~EVEN THOUGH~~ when THEY DO NOT REQUIRE IN-PATIENT ACUTE CARE, AND TO REDUCE THE LENGTH OF HOSPITALIZATION FOR PERSONS WHO COULD BE EQUALLY AND MORE ECONOMICALLY CARED FOR ON AN OUT-PATIENT BASIS, IN THEIR HOMES OR IN QUALIFIED NURSING HOMES.

THERE ARE NEW CONCEPTS OF CARE WHICH ARE POINTING THE WAY TOWARDS SIGNIFICANT REDUCTIONS IN HOSPITAL USE WITH NO LOSS IN THE QUALITY OF CARE. TWO SUCH EXAMPLES ARE THE AMBULATORY SURGI-CENTERS WHICH PERFORM A WIDE VARIETY OF SURGICAL PROCEDURES ON AN OUT-PATIENT BASIS; AND DAY TREATMENT CENTERS WHICH PROVIDE REHABILITATIVE SERVICES AND OTHER SOPHISTICATED TYPES OF TREATMENT WITHOUT REQUIRING THE PATIENT TO SPEND THE NIGHT IN THE FACILITY. WE NEED TO PROMOTE THESE AND OTHER INNOVATIVE METHODS OF PROVIDING HEALTH CARE.

UNFORTUNATELY, MANY TYPES OF HEALTH INSURANCE POLICIES DO NOT RECOGNIZE THESE AND OTHER NON-INSTITUTIONAL TYPES OF CARE FOR PURPOSES OF REIMBURSEMENT.

MOST OBJECTIONABLE, FROM MY POINT OF VIEW, IS THAT EVEN FEDERAL PROGRAMS SUCH AS MEDICARE AND MEDICAID DISCRIMINATE AGAINST CERTAIN TYPES OF NON-INSTITUTIONAL HEALTH SERVICES SUCH AS HOME HEALTH CARE.

I CALL UPON THE PRIVATE HEALTH INSURANCE CARRIERS AND THE DEPARTMENT OF HEW TO EXAMINE CAREFULLY THE VARIOUS KINDS OF HEALTH CARE THAT HAVE PROVED THEMSELVES BOTH MORE ECONOMICAL THAN HOSPITAL CARE AND AT LEAST EQUALLY APPROPRIATE. EVERY EFFORT SHOULD BE MADE TO REMOVE OBSTACLES IN INSURANCE CONTRACTS AND FEDERAL REGULATIONS TO FAIR REIMBURSEMENT FOR QUALITY HEALTH CARE ALTERNATIVES TO SO-CALLED "ACUTE" CARE.

IN CLOSING, I WOULD LIKE ONCE AGAIN TO COMMEND YOUR ORGANIZATION FOR ITS DEDICATION TO THE GOAL OF HIGH QUALITY HEALTH CARE FOR EVERY AMERICAN. HOPEFULLY, THROUGH YOUR EFFORTS AND THOSE OF YOUR FELLOW CONSUMERS, WORKING TOGETHER WITH PUBLIC OFFICIALS AND HEALTH PROVIDERS, WE CAN DEVELOP A BASIS OF UNDERSTANDING THAT CAN LAY A SOLID FOUNDATION FOR THE IMPROVEMENTS SO NEEDED IN OUR HEALTH SYSTEM.

I AM PROUD OF YOU AND YOUR EFFORTS TO EDUCATE THE AMERICAN PEOPLE ABOUT THE NEED FOR COMPREHENSIVE HEALTH CARE LEGISLATION.

KEEP UP THE GOOD WORK AND KEEP THE PRESSURE ON THE HOUSE WAYS AND MEANS COMMITTEE AND THE SENATE FINANCE COMMITTEE. WITH YOUR HELP, WE WILL ENACT A STRONG NATIONAL HEALTH INSURANCE BILL IN THE NEXT CONGRESS.

THE PROMISE OF A DECISIVE ADVANCE TOWARD A HIGH QUALITY COMPREHENSIVE NATIONAL HEALTH INSURANCE SYSTEM CAN AND MUST BE FULFILLED. TOGETHER, WE CAN AND WILL MAKE THIS PROMISE A REALITY.

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