

undertaken if funds become available. These estimates forecast hospital construction amounting to \$700 million a year and an additional \$300 million a year for long-term care, including chronic care hospitals, nursing homes, rehabilitation facilities and outpatient diagnostic or treatment centers.⁵⁴ These estimates indicate unmet needs, and public support appears to be strong for further Federal assistance in this program. In 1959 Congress, in the same appropriation bill which increased funds for medical research, also increased funds for Federal grants for hospital construction to \$186 million, \$85 million more than requested by the administration.

TABLE 11.—*Hospital construction, value put in place and value by source of funds*
[Millions of current dollars]

	Value of new hospital construction put in place ¹			Value of hospital construction by source of funds			
	Total	Public ²	Private	Federal	Non-Federal		
					Without Federal aid	Federally aided	Federal share as percent of federally aided ³
1940.....	87	54	33	5	82	-----	-----
1949.....	679	477	202	169	386	124	31.8
1950.....	840	496	344	146	466	228	39.7
1951.....	947	528	419	132	569	246	35.4
1952.....	867	473	394	113	532	222	33.0
1953.....	682	365	317	66	434	182	27.1
1954.....	697	360	337	35	529	133	28.2
1955.....	673	322	351	22	553	98	25.8
1956.....	626	298	328	37	467	122	25.0
1957.....	858	333	525	45	560	253	29.7

¹ Includes construction of health-related institutions, such as nursing homes.

² Includes construction of federally owned hospitals.

³ For projects approved and construction begun under the Hill-Burton hospital and medical facilities construction program.

Source: Health, Education, and Welfare Indicators, August 1958.

CHAPTER 3. THE PRICE INDEX OF MEDICAL CARE

TRENDS

The medical care component of the Bureau of Labor Statistics-Consumer Price Index, currently weighted at 5.3 percent of the total CPI (see table 12), gives an indication of price reactions to demand and supply relations. During the period 1947-58, only two items in the medical care "market basket" increased more than the "all services" index: hospital room rates and group hospitalization insurance premiums. All other services in the "market basket" of medical services increased less than the average for all services. (See chart 6 and table 13.)

Medical care services generally rose about 58 percent from 1947 to 1958, but hospital room rates rose more than 125 percent and group hospitalization premiums rose almost 80 percent from 1951 to 1959. When hospital rates and hospitalization insurance prepayments are removed from the medical care price index (see table 13), the rise in

⁵⁴ Ibid., p. 32.