

community is 30 miles away. And no facilities exist where efficient medical service could be provided or where, in fact, well trained modern physicians are willing to practice. So the need is obvious. The local bank is quite willing to make a loan to finance the needed facility but it simply does not have adequate reserves and is not large enough to take the admitted risk of financing a building which it would obviously have considerable difficulty in selling in case foreclosure became necessary. Were H.R. 9256 on the statute books the local bank could and would make this loan, doctors could be attracted to this community and the health of the people protected. If the guarantee were available other instances would come forward without drawing any real assistance from the Government except that guarantee.

Many similar examples could be given, both from other rural areas, to which the legislation would give preference and also from cities where labor-sponsored and cooperative consumer-sponsored group health plans could care for much larger memberships if only they could receive the financing for the additional physical facilities they need.

Finally, we submit that with the advent of the medicare program, the pressure upon existing health facilities will be greatly intensified. indeed something approaching a crisis in this respect may result. What better way of forestalling such a crisis than by encouraging through a loan guarantee program the kind of constructive action on their own behalf which groups of our people are endeavoring to take through developing of group health plans like those about which I have been speaking?

In times like the present it indeed seems the part of both wisdom and statesmanship to encourage voluntary action by the people of this country in attacking and solving their own problems—that of health economics at their forefront.

For these reasons The Cooperative League of the United States hopes that this distinguished committee will report favorably upon H.R. 9256 and the other measures now before you and that they can be enacted into law at an early date.

(The following letter was submitted for the record:)

THE COOPERATIVE LEAGUE OF THE U.S.A.,
Washington, D.C., March 21, 1966.

Hon. WILLIAM A. BARRETT,
Chairman, Housing Subcommittee of the House Banking and Currency Committee, Washington, D.C.

DEAR CONGRESSMAN BARRETT: In recent testimony concerning H.R. 9256, the medical facilities loan guarantee bill, the Cooperative League referred to the comparative studies that have been made concerning actual utilization of in-hospital services by members of the three most popular types of medical protection plans, viz, Blue Cross-Blue Shield, indemnity plans, and Group Practice.

The results of the studies reveal with force and clarity that members of group practice plans make less use of hospitals than the other two types of protection, reflecting the result of early treatment, preventive medicine, and a program of using our medical resources to prevent or detect at an early stage the conditions which otherwise lead to hospitalization.

The following chart covering 3 recent years is based on number of hospital days per 1,000 persons covered by the 3 types of protection in the Federal employees health program: