

preventing sickness is substantiated by lower rates of hospitalization and surgery than for conventional forms of insurance.

In view of the many advantages of group practice, we believe Congress should give future consideration to other measures which would encourage the growth of group practice prepayment plans.

Mr. BARRETT. Thank you, Mr. Doherty.

(The complete statement of Mr. Doherty follows:)

STATEMENT OF JAMES F. DOHERTY, LEGISLATIVE REPRESENTATIVE, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

Mr. Chairman, my name is James F. Doherty. I am a legislative representative for the AFL-CIO. I am accompanied by Richard Shoemaker, assistant director of the AFL-CIO social security department.

We appear before you to support H.R. 9256, a bill sponsored by Congressman Patman, the chairman of the House Committee on Banking and Currency. This bill, H.R. 9256, would amend the National Housing Act to provide mortgage insurance and to authorize direct loans by the Housing and Home Finance Administration to help finance the cost of constructing and equipping facilities for the group practice of medicine and dentistry.

We believe this legislation, to assure availability of credit for group practice plans, will significantly help to lower the cost and to raise the quality of medical care in this country.

The record of the AFL-CIO in support of legislation designed to remove the financial barriers that stand between many Americans and the medical care they need is well known. Quite correctly, we believe, the 20th century has witnessed a revolution in the expectations of the American people in regard to health services. High-quality medical care is no longer a luxury to be enjoyed by the well-to-do few. Rather, it is now considered a right and a necessity for all of the people. The health and well-being of the American people is our concern as it is, I am sure, of this committee.

The 89th Congress took one of the most important forward social steps in our history by passing the Social Security Amendments of 1965, which will assure to virtually all Americans over 65 (basic minimum) medical care. However, we are not so naive as to believe that providing our aged with money to pay for medical care will solve all problems. In fact, we know there will be tremendous pressure on supply of medical services as millions of our senior citizens will, for the first time, be able to afford the medical care they need. Doctors, nurses, medical technicians, and other paramedical personnel are in short supply now. This shortage will become even more acute unless corrective action is taken.

Fortunately, the problem is recognized. In his March 1 health message to the Congress this year, President Johnson declared:

"We must find new ways to lower the cost and raise the quality of health care, to organize health services more efficiently, to develop information systems. It will take the combined efforts of university, hospital, industry, group practice clinics, and many other organizations."

Increasing the supply of medical and paramedical manpower will not, in itself, be enough to lower the cost and raise the quality of medical care. It takes many years to train a doctor. To help meet the medical manpower shortage, we need to utilize our health manpower and facilities more efficiently. Therefore, our concern about efficiency in providing health services is fully justified.

The response of the medical profession to the vast increase in medical knowledge has been, as with other sciences, specialization. It is now just as impossible to know everything about the broad field of medicine as it is to know everything about engineering. Just as we have now mechanical, electrical, chemical, electronic, and many other kinds of engineers so we also have internists, pediatricians, gynecologists, ophthalmologists, dermatologists, and other kinds of doctors. There are now 35 specialties of medicine for which the American Medical Association has established specialty boards. In addition, there are subspecialties.

With this division of labor, it is necessary to organize various skills and disciplines in order to provide health services at maximum efficiency. While the 19th century coachmaker might be able to construct an entire horse carriage from the wheels to the upholstery, a single craftsman could not make a 1966 model automobile by himself except at prohibitive cost. Similarly, in medicine, the