

Palo Alto Medical Clinic. I am certain that the only way in which medical services can be delivered efficiently to those who need them, in these days of marked shortages of medical and paramedical personnel, is by the utilization of the device of group practice, and I believe it is important to help it in every way.

There are two things which I think would aid this. The first is to have funds available on some sort of FHA basis to be loaned at regular interest but for long periods so that clinics could build their own establishments. These loans should be made without demanding any equity from the group because when a group of young doctors wants to start a clinic, they ordinarily have no savings to draw upon. All this money would be returned in time and there would be a minimum of risk of losing any of the mortgages. The second is to qualify groups in the same way as corporations so they, too, could withhold retirement and disability funds. If the group could be sure it could have a tax-exempt retirement plan, this would encourage group practice greatly. The limitations imposed by the Keogh amendments are so close that it does not permit a group of doctors to set up a really adequate retirement plan. Legislation should permit the group to put as much money as it thinks desirable into the retirement plan they set up. It is only fair to give the professional man the same opportunity as the businessman and would, in itself, be a considerable boost to group practice.

In the long run, the encouragement of group practice will solve many of the problems of the supply and demand of medical practice.

Sincerely,

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Consultant.

MONTEFIORE HOSPITAL & MEDICAL CENTER,
Bronx, N.Y., March 25, 1966.

HON. WRIGHT PATMAN,
*Banking and Currency Committee,
House of Representatives,
Washington, D.C.*

DEAR REPRESENTATIVE PATMAN: I understand that your committee has under consideration at this time the matter of the development of group practices in the United States and the need for further encouraging such activities by the provision of Federal funds.

Experience elsewhere in the United States as well as our own experience at Montefiore Hospital over the past 15 to 20 years with medical practices both on the solo fee-for-service basis as well as group practice leads us to the conclusion that in the interest of the public's health and in the interest of the economy of our health system, it is urgent that every conceivable method of encouraging the development of group practice should be undertaken. I shall address myself to the professional and health aspects of group practice as well as to the economic considerations.

In the past 35 years, the growth of new knowledge in the health field has inevitably produced specialization, and this trend, if anything, is being accelerated as a torrent of new knowledge and new techniques become available to the medical profession. Eighty-five percent of the graduates of American medical schools are now going into specialty practice. This, of course, is a most wholesome and welcomed development, for it is this extraordinary infusion of science into medicine which extends such hope to the American people for longer and healthier life.

Despite its promise of far superior medical care, specialty practice has the serious disadvantage that it tends to fragment the patient so that instead of receiving all of his care at the hands of one physician, today his proper care may involve two, three, or even more specialists. To overcome this fragmentation and make easily available to the patient all of the specialty services and to bring all the specialists in contact with one another, the best organizational device has been group practice, where in one place the patient can receive all the varieties of medical care which he requires, where the specialists, working with one another and sharing a single record, can provide for the patient all the benefits of specialty care without its disadvantage.

While we don't usually think in these terms, all the great hospitals are in fact group practice activities, and certainly famous clinics such as the Mayo and Lahey clinics are demonstrations of the effectiveness of bringing various special-