

(a) Estimates of capital needs have been limited to rehabilitation facilities and diagnostic or treatment centers (frequently the organized outpatient departments of hospitals). No information is available on capital needs or outlays for other types of outpatient facilities, including private group clinics.

Hill-Burton State plans for fiscal year 1966 provided the basic data for developing current capital needs for rehabilitation facilities and diagnostic or treatment centers. From these plans, national totals were derived for (1) total existing facilities, (2) total facilities needed, (3) facilities to be modernized, and (4) facilities needed over and above the present supply. Dollar estimates were obtained by applying an average cost of \$700,000 to the national estimates for rehabilitation facilities and \$550,000 to the national estimates for diagnostic or treatment centers.

Projections of the costs of modernization and needed additional rehabilitation facilities and diagnostic or treatment centers were based on the following assumptions or factors: (1) Population growth, (2) a 3-percent obsolescence rate per year, or an assumption of a 33-year "life," (3) an annual increase in the number of facilities at the average rate which has obtained over the past 8 years, (4) maintenance of the current estimated need in terms of facilities per million population, and (5) maintenance of the estimated current volume of nonfederally aided construction.

(b) The estimated capital needs (in millions) for rehabilitation facilities and diagnostic or treatment centers, 1966-75, are as follows:

	Total	Modernization	Additional capacity
Backlog as of June 30, 1965.....	\$1,584.0	\$864.0	\$720.0
Annual increments:			
1966.....	139.3	75.6	63.7
1967.....	143.3	79.0	64.3
1968.....	148.0	82.5	65.5
1969.....	153.7	86.5	67.2
1970.....	160.7	90.5	70.2
1971.....	167.1	94.5	72.6
1972.....	174.5	99.0	75.5
1973.....	181.4	103.6	77.8
1974.....	188.3	108.1	80.2
1975.....	195.8	113.2	82.6
Total, backlog plus increments.....	3,236.1	1,796.5	1,439.6

(c) It is not feasible to estimate the proportions of these needs by size of community.

(d) The proportion of the estimated capital outlays to be expended by non-Federal entities is 100 percent. There is no feasible method for breaking this down among the non-Federal entities.