

Rising medical costs

In 1950, the average cost per patient per day in a hospital was \$14.40. In 1965, this cost more than tripled to over \$45. Other health costs have also risen sharply in recent years.

Last August, I asked the Secretary of Health, Education, and Welfare to initiate a study of medical costs. This study, now completed, indicates that medical costs will almost certainly continue to rise. It emphasizes the absolute necessity of using medical resources more efficiently if we are to moderate this increase in the cost of health care.

This is a job for everyone who plays a part in providing or financing medical care—the medical profession, the hospital industry, insurance carriers, state and local governments and many other private and public groups. Federal programs must also play a role in promoting cost consciousness in medical care.

The new National Center for Health Services Research and Development will develop ways to make our medical systems more efficient. The Center's first assignment will be to develop new ways to improve the use of professional and auxiliary health workers—a key factor in reducing hospital costs.

We can take other steps.

I am directing Secretary John Gardner to convene at the Department of Health, Education, and Welfare a National Conference on Medical Costs.

This conference will bring together leaders of the medical community and members of the public to discuss how we can lower the costs of medical services without impairing the quality.

In the weeks and months ahead, the Secretary of Health, Education, and Welfare will consult with representatives of the medical profession, universities, business and labor to:

- find practical incentives for the effective operation of hospitals and other health facilities,
- reduce the costs of construction and speed the modernization of hospitals, nursing homes and extended care facilities,
- support those innovations in medical education which will lead to better training programs and promote the efficient practice of medicine.

OUR PARTNERSHIP FOR HEALTH

The Partnership for Health legislation, enacted by the 89th Congress, is designed to strengthen state and local programs and to encourage broad gauge planning in health. It gives the states new flexibility to use Federal funds by freeing them from tightly compartmentalized grant programs. It also allows the states to attack special health problems which have special regional or local impact.

I recommend that Congress extend the Partnership for Health legislation for four years; provide supplemental appropriations for planning in fiscal 1967 and total appropriations of \$161 million—an increase of \$41 million—in fiscal year 1968.

Our Regional Medical Programs for heart disease, cancer, and stroke depend on a second partnership, involving doctors, medical schools, hospitals, and State and local health departments. These programs will bring to every citizen the fruits of our Nation's research into the killer diseases. They will also promote the continuing education of the Nation's doctors, nurses and other health workers.

To sustain these nationwide programs, I recommend an appropriation of \$64 million for fiscal 1968—an increase of \$19 million over 1967.

Occupational Health and Safety

Occupational health and safety is another area in which we need to strengthen our partnership with labor, industry, medicine and government.

In 1965, more than 14,000 job-connected deaths and 2 million disabling work injuries caused untold misery and privation to workers, 230 million lost mandays of production, and billions of dollars in lost income.

We must learn more about the nature of job-connected injuries, so we can set effective safety standards and develop better protective measures.

I am recommending in the 1968 budget an appropriation for the Department of Health, Education, and Welfare of \$8.1 million—a 25% increase over this year—to expand research and training programs in occupational health, and to strengthen state and local public health programs in this field.