

I am pleased to appear before this subcommittee of the House District Committee to present the views of the Department of Health, Education, and Welfare on H.R. 6526, which is identical to S. 1228, a companion bill that passed the Senate.

They have as their purpose the authorization of project grants that would assist the construction and modernization of hospitals and other medical facilities in the District of Columbia.

The Department's views were previously presented before the Senate Subcommittee on Public Health, Education, Welfare and Safety of the Committee on the District of Columbia. We are in accord with its objectives and principal provisions and as the Agency responsible for administering the proposed grant assistance we recommend its favorable consideration by the Congress.

FEDERAL ASSISTANCE

The responsibility of the Federal Government to provide financial assistance for the construction of hospitals and other medical facilities in the District of Columbia has been recognized by the Congress for a number of years. In 1946 Congress enacted the Hospital Center Act, which authorized the appropriation of Federal funds for the construction of the Washington Hospital Center as a replacement for three independent nonprofit hospitals and required the District government to repay 50 percent of the net cost to the Federal Government.

In 1951 the Hospital Center Act was amended to authorize grants of up to 50 percent of the cost of constructing or renovating hospital facilities in the District. The District of Columbia was required to repay 50 percent of the Federal contribution. This was lowered to 30 percent in 1958 with respect to grants made after that time. Under the 1951 and subsequent amendments, grants of \$17,420,453 have been made for projects having an estimated total cost of approximately \$44,400,000. This act expired in 1962.

In 1962 legislation (Public Law 87-460) was enacted authorizing grants of up to \$2.5 million for 50 percent of the cost of constructing an addition to George Washington University Hospital. Funds for this purpose were appropriated by the Congress in fiscal year 1964 and the project is now complete.

In addition to the Hospital Center Act and Public Law 87-460, both of which applied solely to the District, Federal financial assistance has been given for the construction of hospitals and other medical facilities in Washington through two generally applicable Federal programs—the wartime defense housing and public works program, commonly referred to as the Lanham Act, and the program authorized by the title VI of the Public Health Service Act, commonly called the Hill-Burton program. Under the Lanham Act, two hospitals in the District received a Federal contribution of \$5,655,000. Under the Hill-Burton program, a total of \$7,194,000 in grants was approved through fiscal year 1966 for 27 projects in the District.

As the special Federal aid previously given for construction of District medical facilities indicate, the Hill-Burton, mental retardation, and mental health center construction programs provide only a partial answer to the problem of financing the construction of such facilities in the District. First, sponsors of projects for such construction