

or treatment center, or a rehabilitation facility. The urgency of the need for such facilities and the relatively greater difficulty in securing financing for the non-Federal share of the cost of their construction, justifies a higher matching ratio than in the case of short-term care facilities.

Grants under this legislative proposal would not be available to provide additional short-term, acute general hospital beds since the Health Facilities Planning Council for Metropolitan Washington has found that additional general beds in the District of Columbia will not be needed until after 1975. If, however, Mr. Chairman, this contra-indication should change, however, we may, of course, request authority to construct additional general hospital beds, commensurate with the need existing at that time.

PROPOSED AMENDMENTS

While we support the principal provisions of the bill, we would like to suggest two minor amendments. First, since the first fiscal year for which appropriations would be authorized has already ended, an appropriate modification should be made in section 2 of the bill. Second, to conform to the provisions of Reorganization Plan No. 3 of 1966, the reference to "the Surgeon General" in section 3(d), should be changed to "the Secretary." Subject to these minor amendments, we would recommend enactment of the bill.

INCREASED COST OF HOSPITAL CARE

Mr. SISK. Thank you, Dr. Graning.

Dr. GRANING. I shall be pleased to answer questions.

Mr. SISK. I believe you were here and heard my discussion with Dr. Grant with reference to increased hospital costs. He gave us a figure of \$73.91 per bed per day in the District.

In your capacity with the Department of Health, Education, and Welfare, does it fall within your area of interest to make studies on where we are going with regard to these costs of hospital care? Do you have any projections?

Dr. GRANING. Mr. Chairman, we have indeed, and we have been concerned and yet understanding of what has been going on in this field.

Modern technological advances are constantly calling for more advanced ways in which to manage patients. It is true that we have in a sense become hung up on the term "per diem costs."

It is a very unfortunate way of designating costs, and a hospital administrator in one of our large university hospitals has expressly forbidden anyone to use the term "per diem costs", because it is much more reasonable to talk in terms of service charges.

If one thinks in terms of service charges one can readily see that the cost for service will vary tremendously with whatever the particular hospital is proposing to provide.

It should be noted that it was just two years ago or two and a half years ago that the Congress enacted the Minimum Wage Law. The Minimum Wage Law really provided a mechanism for correcting a long-standing social injustice. There were countless hospitals in the