

private capital does not square with the basic premises of the nation-wide Hill-Burton program and, as a result, the District was unable to use considerable sums allotted to it under that program. In 1961 the Department of Health, Education, and Welfare was directed by the President to look into the District's continuing need for special assistance of this kind. The proposed legislation is the outgrowth of the Department's findings. The District's special difficulties in finding the necessary capital financing for health facilities are amply documented in the Department's July 22, 1965 transmittal letter of the original draft legislation. The Council emphatically agrees with the Department's conclusion that there is great need for special assistance for construction and modernization of health facilities in the District and that such an assistance program should put on an orderly basis, subject to review under the same type of procedures that govern project approval under the basic construction programs.

The Planning Council was established in April, 1962 with the assistance of the Public Health Service and under the sponsorship of the Metropolitan Council of Governments. Its purpose is to encourage area-wide planning for health facilities within the Metropolitan Washington community in order to further effective expenditure of available construction dollars and to avoid unnecessary operating costs. The bill would strengthen such planning efforts by making review of applications for supplemental grants by a responsible metropolitan area planning body a required stage in the project approval procedures. The recommendations of such a body would have to be taken into account by the District's Hill-Burton agency and submitted to the Surgeon General; the planning group's views would not be controlling, however.

The Council again urges the Committee to give serious consideration to broadening the bill to permit supplemental grants for construction of additional beds. Unless the suburbs can build additional beds to keep pace with their population growth the pressures on District hospitals will increase. District hospitals last year provided 63% of patient days rendered in the entire metropolitan area. Furthermore, with emerging patterns of care that tend to concentrate the more costly and complex procedures in institutions which are at the heart of urban complexes, there may be special expansion needs in central city hospitals that cannot well be brought under the "modernization" category. We believe this suggested relaxation in the uses permitted for supplemental construction grants would make for a more flexible program without encouraging over-building in the District. Required review procedures and current planning efforts, under this and other programs, should continue the impetus toward health facility construction in nearby suburbs.

Passage of the "Demonstration Cities and Metropolitan Development Act of 1966" (P.L. 89-754) authorized a program of supplemental aid for metropolitan development projects. Under title II of that Act, it would be possible for a hospital or health facility project that was in accordance with and would further metropolitan area-wide comprehensive planning and programming to obtain a supplemental grant of up to 20% of the cost of construction, with an overall ceiling of 80% for total Federal contributions.

After July, the designated area-wide comprehensive planning agency would also review applications for projects within the metropolitan area for construction grants under the basic construction programs, including the Hill-Burton program. Thus that Act strengthens over-all metropolitan area planning and provides additional incentives, through supplemental grants, for an economic and balanced distribution throughout the area of needed facilities in the Federally assisted categories (including health facilities).

In conclusion, the Council reaffirms its strong support for H.R. 6526 and urges its prompt enactment. With the expected passage of legislation to enable the District to participate in the Federally-aided medical assistance program under title XIX of the Social Security Act (S. 3469, and H.R. 3972 on which hearings have been held in the House) it is essential to overcome the District's deficit of long-term beds. The program authorized by H.R. 6526 should provide substantial encouragement for sponsors of such projects. The bill itself recognizes the great need for such facilities by including them within the group for which there is a higher matching ceiling—66%.

Sincerely yours,

WILLIAM T. HANNAN,
Chairman.