

grants may be quite general or highly specific. The determination of allowable items of expense varies considerably from one agency to another, from one foundation to another and from one bequest to another.

Where the medical school or the university owns and operates its teaching hospitals, the sources of funds and the basis on which payment is made increase the diversity and complexity of funding, of accountability and of general management. Members of the faculty and students are intimately engaged in the care of patients as an inevitable part of clinical medical education. Determining the costs associated with patient care and those associated with education are difficult at best. The difficulty is greatly enhanced by the multiplicity of methods of payment (payment by the patient himself, by private insurance carriers which may provide reimbursement or indemnity plans, by local, State and Federal agencies under the many programs which pay for patient care, by voluntary health agencies or combinations of several or in some instances all of these).

Yet the very complexity and scope of the purposes of the medical schools, the many functions of their faculties, their many kinds of students, the great demands being placed on them to serve society, and the diversity of the sources of funds to meet their expenditures makes it essential to devise sound means of allocating costs incurred by the medical schools in carrying out their programs. For this reason, the Association of American Medical Colleges with its Council of Teaching Hospitals has undertaken with the support of the Department of Health, Education, and Welfare a study in depth of several medical schools which have different organizational patterns in different university or other settings and in which, in some cases, there are other schools of the health professions and nursing in the same university. The aims of the study include the development of clear and common definitions of elements of cost, of sources of income, and of the financial status of the institutions. Educational and fiscal officers of the university, the medical schools and their teaching hospitals are participating in this study as well as schools of other health and allied health professions and nursing where they exist within the same university. It is hoped that this study will provide a sound and reliable instrument for cost allocation and fiscal management of medical schools when it is completed, the results have been analyzed and the instrument has been tested in other settings.

Accurate information on medical school financing is critically needed in the operation of the individual educational facility and in the national effort to alleviate our health manpower shortages. The Bureau of Health Manpower considers this problem to be one of its major objectives and will be able to expand its activities in this direction under the "Health Manpower Act of 1968."

We can, however, speak to the amount of Federal participation in the construction of medical schools under the Health Professions Educational Assistance Act, and to the institutional support under the Health Professions Basic and Special Improvement Grant authority.

The following table summarizes the obligations to medical schools since the implementation of these respective authorities, together with the student aid provisions of the Health Professions Educational Assistance Act.

	Fiscal year—			
	1965	1966	1967	1968
Construction.....	\$54,376,700	\$42,705,626	\$90,773,845	\$79,702,811
Institutional support:				
Basic.....		6,566,249	18,780,518	20,242,500
Special.....			3,875,200	10,131,500
Scholarships.....		9,834,258	14,217,791	7,198,176
Student loans.....				26,659,476
Total.....	54,376,700	59,106,133	127,647,354	143,934,463

Mr. ROGERS. What moneys are contemplated for construction?

Dr. LEE. We will request for construction \$170 million in 1970.

Mr. ROGERS. \$170 million?

Dr. LEE. Yes, and \$225 million in 1971, in 1972, and 1973.

On that, Mr. Fenninger might say a word about the backlog of construction.

If you would, Len, I think that could help to put these figures in perspective.