

STATEMENT OF JERRY VOORHIS

I shall confine this statement to brief comments on three subjects: health, education, and interest rates.

First, a sentence appears on page 160 of the report which reads in part: "There appear to be significant efficiency gains from group practice." I wish that the committee report had added the word "prepayment" after "group practice." A number of studies as well as conferences conducted by the Health, Education, and Welfare Department, have recently demonstrated what some of us in the group health movement have known for a long time, namely, that subscribers to group practice-prepayment health plans have significantly lower rates of hospital utilization than do other insured groups in the population. Hospital costs are the most rapidly rising and by far the most expensive item in the health cost of the American people. If health can be maintained among large groups in the population with a lesser use of hospitalization, clear gains will have been made. I believe I am correct that it has now become Government policy to encourage group practice and prepayment for health care. Not only will this result in lower costs in connection with medicare and other Government programs as well as less drain on seriously overtaxed hospital facilities, but it will also provide a better quality of care for the people who have the benefits of group practice-prepayment health plans.

Serious consideration should be given toward applying on a much wider scale a plan in effect in New York City. In that city some 15,000 to 20,000 welfare recipients are now given comprehensive high-quality health care through Health Insurance Plan in Greater New York. The welfare department of that city has had the wisdom to pool the funds formerly paid on a hit-and-miss emergency basis for spasmodic medical care for its clients and to make direct per capita payments to Health Insurance Plan. In return HIP contracts to provide all necessary health care to this group of welfare clients. The net total cost is not appreciably more than was formerly spent. The difference is these people's health is now regularly maintained by carefully chosen groups of doctors. The money is spent for health, not for sickness.

I can imagine no one measure which would contribute more toward improving the chances of our poor people to work their way out of poverty than for a plan of this kind to be more widely used.

Another measure that would make possible expansion of services by group practice-prepayment health plans would be passage of legislation already introduced, to provide Government guarantee of private loans for the construction of needed hospital facilities by nonprofit, cooperative, community, labor and other types of group practice-prepayment plans.

My second comment has to do with education. While the present program of federal aid to education, coupled with the Headstart pro-