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Address by Representative Gerald R. Ford Jr  
Annual Convention of Michigan Hospital Association, Grand Rapids, Mich  
October 30, 1949 - Parkland Hotel, Grand Rapids, Mich  
Outline for Medical Services

In the Field of Medical Services

What is the federal government doing now in the medical services field?

It spends nearly \$2 billion a year for everything from hospital construction to direct treatment of patients by salaried doctors.

The Hoover Commission reports that no less than 46 different government agencies provide some sort of medical services. The Veterans Administration accounts for 61 per cent of the total, and the armed services make up more than half of the remainder. The balance is divided between the Federal Security Agency, Agriculture Department, Atomic Energy Commission, Interior Department, Justice Department, and 37 others.

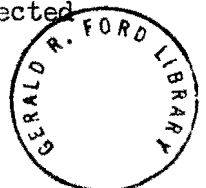
More than 85 per cent of all expenditures are for direct medical care. The remainder is divided between public health work, research, training and administration. Research accounts for less than 4 percent of the total .



The Hoover Commission estimates that the federal government is obligated to provide varying degrees of direct medical care to 24 million persons, including more than 18.5 million veterans. At one extreme are upwards of 3 million members of the armed forces and their dependents, merchant seamen, and lesser groups who receive almost complete medical care. At the other extreme are the two million federal employees who receive care only for industrial accidents and outpatient service of the industrial hygiene type.

The Veterans Administration has an average daily patient load in its own hospitals of almost 120,000, plus 20,000 in other hospitals, 4 million receiving outpatient treatment in its own facilities, and 1.5 million receiving such care on a fee basis through the VA's home-town medical-care program.

It treats all veterans with service-connected disabilities and in addition will treat veterans with non-service-connected



disabilities if it has a bed available and if the veteran swears he can't afford private treatment. Its domiciliary facilities care for veterans who are unable to work but who have a disability requiring a minimum of medical care. Most of these are the older veterans of World War I and prior wars.

The Public Health Service spends about \$165 million a year in grants to states, research, and direct treatment of patients. It operates 28 hospitals in addition to medical-relief stations, furnishes medical services to the Coast Guard and Maritime Commission, and provides miscellaneous services to other federal agencies. Principal beneficiaries are merchant seamen and members of the Coast Guard.

There are a wide variety of state-aid programs administered by the Public Health Service. Besides general grants to the states, there are grants specifically for venereal diseases, tuberculosis, other communicable diseases, mental illnesses, cancer, heart diseases, dental diseases, and hospital construction.



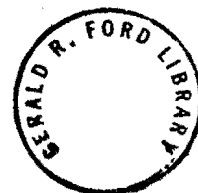
Some of the grants are matched by state money; some are not.

Some are in the form of assignment of federal personnel, demonstrations, consultative services, training programs, and direct operations by the Service with the approval and cooperation of state and local authorities.

States use the grants for a wide variety of purposes.

These include strengthening of the state health department or aid to local health departments, state industrial hygiene services, state public health laboratories, diagnostic services, and nursing services. Frequently the federal grants are intermingled with state or local funds to provide direct treatment for patients with venereal disease, tuberculosis, mental disease, or other ailments. Every federal aid program provides that any person, regardless of economic status, is entitled to diagnosis and immediate treatment.

The Public Health Service conducts extensive research through the National Institutes of Health, including Institutes for cancer, experimental biology and medicine, heart, dental



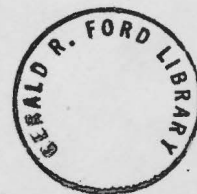
research, microbiology, and mental health.

Most federal medical research is done by the Public Health Service and the armed forces. But it is also carried on by the VA, the Tennessee Valley Authority, the Atomic Energy Commission, the Children's Bureau, the Agriculture Department, and other agencies. The Children's Bureau also operates a grant-in-aid program to the states for the treatment and care of crippled children.

In addition to the vast expenditures presently being made there is, as you know, considerable agitation for new programs of various sorts. They ran the gamut from medical research proposals to grants-in-aid to states to the Administration's proposal for prepaid compulsory health insurance, the latter more commonly known as "socialized medicine".

I think that a realistic appraisal of the medical services situation in Washington would lead one to believe that there

*NURSES  
Veterans Hospitals*



is a growing trend toward federal participation in this field.

Some proposals have undeniable merit but others, in my estimation, would be a serious stride away from the American concept of free enterprise and democracy.

It might be interesting to list the various medical research proposals that have had some Congressional attention during the past session. The Senate approved on March 18, 1949 a National Science Foundation. This bill includes medical and biological research and authorizes grants for scholarships and graduate fellowships. A number of bills, including one of my own, have been introduced for the establishment of a Multiple Sclerosis Institute in the Public Health Service. These proposals would authorize the necessary expenditures for the necessary research. Hearings have been held before a House subcommittee and some action may be forthcoming next session.

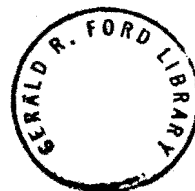
Congress in the past and at the present is concerned



with cancer research. This Congress in the last session had bills before it requesting the President to mobilize "the world's outstanding experts in a supreme endeavor" to find a cure for cancer. Such legislation would authorize an appropriation of \$100 million.

There are also bills seeking to set up a National Cerebral Palsy Institute, a National Epilepsy Institute, a National Arthritis and Rheumatism Institute, all under the jurisdiction of the Public Health service. In addition there is a proposal for further research and grants to the states for the treatment of leprosy.

Other health proposals are chiefly concerned with aid to individual states for health services. They include authorizations for appropriations to provide "basic public health services" by local public health units. A bill has been introduced calling for aid to states for the building of adequate





domiciliary care.

All of you are quite familiar I am sure with the Hospital Survey and Construction amendments of 1949, which have now become law. This legislation increases the annual authorized appropriation from 75 million to 150 million and in addition increases the federal percentage contribution from a flat  $33\frac{1}{3}$  to a possible maximum of  $66\frac{2}{3}$ , depending on per capita income of the state.

It was extremely interesting during the debate on this proposal to see representatives who favored the basic hospital legislation of several years ago shy away from this recent proposal. Their objections are based on a fear that if the federal government helps to build too many hospitals in geographical areas that cannot financially support the necessary day-to-day operating expenses, then the federal government must eventually step in and run the hospitals. Once this last



step is taken then there is the danger that the United States will have socialized medicine through the back door.

Congress can only accomplish part of the job in providing essential hospital facilities. We in Congress can make grants to each of the 48 states but if the respective states improperly administer the funds made available, little benefit will result.

Politics has no place in the administration of the Hospital

Survey and Construction program. It has been, <sup>therefore</sup> ~~however~~, disap-

pointing to note that in our own State of Michigan the program

has been subjected to political influences. It is well known

that Michigan in early days of the program was making excellent

progress with the aid of the Hospital Advisory Council. It is

also a fact that a change was made in the administrative per-

sonnel set-up early in 1949 which for a time at least impeded

further progress for the state's hospital program. I regret to

note that "politics" became an influential factor in a field



where education and past experience should be the sole criteria.

There are, in addition to the aforementioned, proposals for federal assistance in medical and dental education. The bills aim at setting up a Medical Education Assistance Trust Fund with an initial appropriation of 5 million to pay tuition and other fees of medical students, with a subsistence allowance of \$75 per month. Payments would be made on a loan basis, to be repaid by the students, with 2% interest, beginning ten years after graduation. Only college students in the top fourth of their class would be eligible.

Medical and dental schools might also be the direct beneficiaries of federal assistance if some plans get Congressional approval. This kind of aid would be for the purpose of enlarging and expanding present school facilities and equipment.

All of you are interested in knowing what may or may not



happen to President Truman's proposal for compulsory health insurance. This Administration measure, as I see it at the present, will not be enacted by the 81st Congress. It did not receive a great deal of serious consideration during the first session. However, it will undoubtedly be put on the legislative agenda for the coming session in 1950. Despite the President's wholehearted support of this type of health program, the 81st Congress is not <sup>now</sup> ready for such far-reaching legislation. This conflict inevitably means that the "socialized medicine" issue will be a major battleground in the 1950 Congressional elections. It is not impossible to visualize President Truman taking another campaign tour to stump for this plan just as he did for other legislative "pets" in 1948.

Although I have stated that the present Congress is not now receptive to Mr. Truman's "socialized medical plan" I do not contend that other medical proposals of one sort or another



will also be defeated; in fact, many of the previously-mentioned programs will receive favorable attention. There is considerable sentiment for adequate federal aid for research, local health facilities and education. I know a number of able representatives who are willing to go sled length for this type of solution to the nation's health problem if such action will defeat the compulsory method which presently is working not too well in Great Britain.

Most of you are undoubtedly familiar with a bill introduced initially in the 80th Congress by Senator Taft, whereby the federal government would make federal grants to states on a 50-50 matching basis to enable the states to provide medical services and medicines to the less fortunate. If the issue of the President's proposal does reach the floor of the House, in all probability a plan similar to Senator Taft's will be submitted as a substitute. If it is necessary to undertake a vast federal program in the medical services field either the



Taft plan or the comprehensive 12-point A.M.A. proposal may be the answer.

The threat of rigid regimentation and excessive cost under the President's plan has had at least one salutary effect. The general public is now convinced that better tools must be made available. Fortunately, those that have the tools, namely, our doctors and dentists, our voluntary health program officials, and our elected government officials, are striving and struggling to find an adequate solution. By a united effort toward the common end we can achieve success.

