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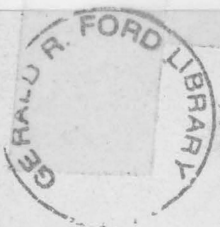
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National Medical Association 1-15-70

Back Ground Information

NMA Meeting



By 1968 the Federal Government had under various laws (P.L. 79-468; D.C. Hospital Center Act of 1946, as amended and the Lanham Act) contributed \$62.4 million toward the cost of construction of various District of Columbia Hospitals, including:

Georgetown Hosp.	\$23.7 million
George Washington - Univ. Hosp.	\$ 5.93 million
Washington Hosp. Center	23.5 million
Sibley Hospital	\$ 4.0 million

Howard received none of the aid under these laws.

Under the District of Columbia Medical Facilities Act of 1968 (P.L. 90-457) an additional \$80.6 million was authorized in cheap interest loans and outright grants to hospitals which had presented projects to the Health Facilities Planning Council. Howard shares in none of the proposed \$80.7 million.

Under the D.C. Medical Facilities Act of 1968 the following projects are authorized:

Childrens Hospital (250 new beds)	- \$22.2 million
Washington Hospital Center Extended Care Facility (Add 200 beds to casualty for extended care and renovation of existing plant)	- \$ 7.3 million
Georgetown diagnostic treatment center, rehabilitation center, new dental clinic, modernization of existing clinical science building, new clinical science building.	- \$17.1 million
Georgetown diagnostic treatment center, rehabilitation center, new dental clinic, modernization of existing clinical science building, new clinical science building.	- \$17.2 million
George Washington remodeling of emergency room, new pulmonary treatment and heart station, new outpatient facility (remodeled building)	\$9.04 million

Fifteen million dollars was appropriated under the Second Supplemental Appropriation Act of 1969 to carry out the \$82 million construction program including:

Georgetown - \$9.05 million

George Washington - \$4.7 million

to carry out their facilities improvement program.

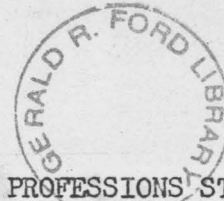
\$8.24 (eight point two four) million is in the present HEW Appropriation bill to complete the Georgetown and George Washington Projects

Georgetown - \$3.84 million
George Washington \$4.4 million

Meanwhile at Howard, no new features have been considered since 1967, at which time the Budget Bureau clamped a ceiling of 587,625 gross square feet of area, on the 500 facility authorized in 1961 (P.L. 87-262)

Money in the amount of \$22.2 million is included in the HEW Budget for construction for 500 bed hospital. NMA in its testimony stated that added space and equipment should be included to bring the hospital up to the 683,466 gross square feet that Hopkins Consultant Nelson stated hospital should embrace.

HEW (Deputy Assistant Secretary Cardwell) submitted to Magnuson Committee a revised cost estimate of \$32.9 million but increase only for changes in construction^{cost}. No design change considered in \$32.9 million new cost figure.



CONGRESSIONAL ACTION WITH RESPECT TO NIXON'S HEALTH PROFESSIONS STUDENT LOAN

FY 69 total program in \$ amount & total medical students assisted	Nixon FY 1970 total program & number of medical students assisted	Change from FY 1969	<u>House</u> Action Amount	<u>Senate</u> Action Amount	<u>Conference</u> Action Amount
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Amt. \$26.43	No. 12,375	Amt. \$16,113	Amt. -\$10.35	Added \$4.78 million which Admini- stration sought for health profes- sions scholar- ships to loans	20.89	Added \$8 million to amount House allowed	28.89	Allowed four million of the increase over the House	24.89
		No. 7,545	Students -4,830						

Distribution of loan funds Howard and Meharry under Nixon Revised Budget						
School	F.Y. 69	Actual	F.Y. 1970	Budgeted	Difference	
Howard		\$196,568		\$90,050	-\$106	158
Meharry		\$131,837		\$65,372	-\$66	465



CONGRESSIONAL ACTION WITH RESPECT TO NIXON'S HEALTH PROFESSIONS
STUDENT SCHOLARSHIP PROGRAM

F.Y. 69 Total program in \$ amount & total Medical students assisted	Nixon F.Y. 70 Total program & number of medical students assisted	Change from F.Y. 1969 Dollars medical students	House		Senate		Conference	
			Action	\$Amount	Action	\$Amount	Action	\$Amount
\$11.2 6,073	\$16 7,924 mill.	+\$4.78 +1851	Held program to FY 69 level of \$11.2 denied Nixon request	\$11.2	Allowed full amount of Nixon's request of 16 million	\$16 mill.	Added five million to 1969 program but speci- fied that \$5 million to be shared with nursing	

Distribution of Scholarship Funds to Howard and Meharry Under Nixon Revised

School	F.Y. 69	Budget		F.Y. 70 Budgeted	Difference		
		Actual					
Howard	\$42	000		\$72 640	-/-	\$30	640
Meharry	\$21	600		\$30 000	-/-	8	400

Senate Hearings

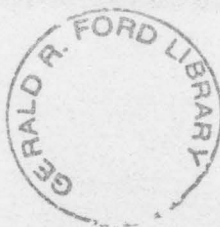
Before the Committee on Appropriations

Departments of Labor, and Health, Education, and Welfare Appropriations

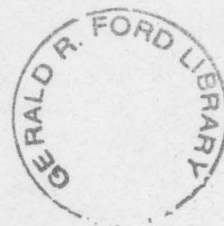
H.R. 13111

91st CONGRESS, FIRST SESSION

Fiscal Year 1970



Part 6—
NONDEPARTMENTAL WITNESSES



The problems of providing a meaningful secondary education for those youth not college bound has been recognized. After a 2-year study involving the people concerned, the education establishment, business and industry, and the State of Delaware, Wilmington is ready to initiate an important new approach which will replace the course grimly known as general studies with a realistic entry into the world of work. We are looking to the Federal Government for help by providing sufficient support in meeting the challenges of urban education.

STATEMENT OF GEORGE V. KIRK, PRESIDENT OF CHIEF SCHOOL OFFICERS OF DELAWARE

As President of the Chief School Officers of Delaware I wish to state that Delaware has, I believe, made wise use of the Federal funds provided for education within the State.

We also believe that it is essential that the Federal Government not only continue but increase its support of educational needs by national funding. ESEA Title I funds have made a significant impact throughout the State, especially in areas of critical need as outlined by Wilmington's Superintendent Geisert.

In addition, we see vital needs in the area of expanded vocational and occupational education. Just last evening the Boards of Education of Delaware met with our Governor and all Delaware legislators to encourage their support of an expanded program of occupational-vocational education for the youth of Delaware. The State Board of Education, the Delaware School Boards Association and the Chief School Officers considered this the number one priority program need for education in Delaware.

Increased Federal funding is essential to aid our State in this vital task which will give occupational skills to Delaware youth.

STATEMENT OF WILLIAM M. BUCHER ON H.R. 13111

Mr. Chairman, my name is William M. Bucher. I serve as the Vice President of the Hospital Council of the National Capital Area, a voluntary organization of twenty-eight Metropolitan Washington Hospitals dedicated to be of service to the community. It is my privilege today to speak in behalf of the hospitals of the District of Columbia and the financial needs essential to carry on current construction, equipping and planning activities initiated under Public Law 90-457 and partially funded under the Second Supplemental Appropriations Act of 1969.

I have with me today the Trustee Committee Chairman, Father T. Byron Collins, S.J. Vice President, Georgetown University Medical Center who will comment and respond to any questions you may have.

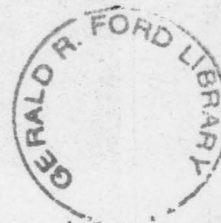
In order to conserve time, I would like to submit for the record a detailed project by project description of that requiring financing under H.R. 13111 and proceed to brief the committee on the legislative and project summary and funding required.

May I first note for your information, that the initial \$40,000,000 Grant and \$40,000,000 loan funds authorized under Public Law 90-457, the Second Supplemental Appropriations Act of 1969 provided \$7,500,000 Grant and \$7,500,000 loan funds. This is therefore a specific request for continuation of funding within H.R. 13111 including an immediate need for \$5,321,000 in grant funds and \$8,427,000 in loan funds for projects set forth within the 1969 Appropriations Act in order that these projects under way will not be halted which would substantially increase the cost involved. Also, this request includes planning funds for the Cafritz Memorial Hospital to initiate its community need expansion program.

The initial and partially funded projects in brief, include construction projects already under way at the George Washington and Georgetown University Medical Centers and the consultant and architectural planning program costs at Children's Hospital, Rogers Memorial Hospital and the Washington Hospital Center.

These projects are those determined to have the highest priority and result from a nine year backlog of inadequate and otherwise unavailable construction funding. I am pleased to report to you that the inter-hospital services planning which has taken place under this enabling legislation will result in an action to hold the line against rising costs of hospital care in the future.

The provisions of more adequate diagnostic and treatment facilities enables the physician to prescribe less expensive out-patient services and secondly, the provision of extended care facilities at the Washington Hospital Center will enable the patient to be moved from area high cost acute general hospital beds in accord-



DC Medical Facilities Act of 1968
Georgetown & George Washington Program

ance with his recuperative needs. Of considerable importance is the modernization of the antiquated specialized facility for children to be relocated on the grounds of the Washington Hospital Center. The expansion of the clinical instructional and emergency facilities at Rogers Memorial Hospital, George Washington University and Georgetown Medical Centers has been held crucial to the quality of health care of the entire Metropolitan Area.

I appreciate the opportunity to appear today and present this request. Father Collins and I will be pleased to respond to any questions you may have.

REQUEST TO AMEND H.R. 13111

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

THE DISTRICT OF COLUMBIA MEDICAL FACILITIES CONSTRUCTION ACT (P.L. 90-457)

For grants of \$5,321,000 and loans of \$8,427,000 for non-profit private facilities pursuant to the District of Columbia Medical Facilities Construction Act of 1968 (P.L. 90-457) to remain available until expended.

PUBLIC LAW 90-457.—DISTRICT OF COLUMBIA MEDICAL FACILITIES CONSTRUCTION ACT OF 1968

	Grants	Loans	Total
Authorization.....	\$40,052,000	\$40,575,000	\$80,627,000
Second supplemental appropriation 1969.....	7,500,000	7,500,000	15,000,000
Request for H.R. 13111.....	5,321,000	8,427,000	13,748,000
Total.....	12,821,000	15,927,000	28,748,000

PURPOSE OF LEGISLATION

To authorize project grants and loans for construction and modernization of hospitals and other medical center facilities in the District of Columbia, to correct and eight-year backlog of demand caused by Federal legislative inequities in the Federal Health Facilities Acts as they apply to the District of Columbia, and to provide a program to meet these needs in the most effective, economical manner.

HISTORIC BACKGROUND

This legislation represents the accumulation of individual and collective efforts of these health care institutions to meet the expressed and researched community needs. Areawide regional planning concepts as well as the endorsement of these plans has been accomplished. The legislation requires that each project submitted meet the community facility plans and those of the Secretary of H.E.W. This process is a continuous one for each of the grant and loan requests.

ROLE OF FEDERAL GOVERNMENT AS A CITY-STATE-COUNTY GOVERNMENT FOR THE BUDGET OF COLUMBIA

In local city, county and state jurisdictions throughout the country, financial assistance to meet matching funds is forthcoming from the government itself in addition to individual and industrial contributions. The loan program is equivalent to the bond issues in other jurisdictions. Because of the uniqueness of the Nation's capital, where upward of 70% of the population is employed by the United States Government or by its supportive industries, no such possibility exists.

SPECIAL EMPHASIS IN LEGISLATION

The dynamic and critical approach to meeting community needs as set forth within this legislation emphasizes the use of low cost extended care facilities, expanding outpatient, clinical, and clinical instruction capabilities within the existing hospital and medical center complexes inclusive of the replacement of outmoded, uneconomical and inefficient facilities. Inducement to obtain the programs and resulting community services includes adjustments of Federal matching fund ratios to 50 per centum of modernization construction and 66 $\frac{2}{3}$ per centum for extended care and Diagnostic-Treatment facilities. This will enable increased Medicare and Medicaid patient loads to be met at the least cost, and inpatient care costs can be reduced.

JUSTIFICATION FOR APP

After a review of the by the various planning of the National Capital projects of private non out and listed as requ were under way with ti

These projects were 90-457 had been some

The need for the pr requirements that the University Medical Cen Memorial Hospital (C actually started their

Because of the suppl construction or plannin

This request was un House of Representati ning agency was still master plan for the private hospitals in th Their recommendation requests are submitted

Funds are critically construction at Georg University, to finish at Rogers Memorial H an emergency generat for the Cafritz Hospita

The attached exhibit

1. Children's Hospital

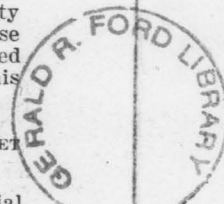
Funding from supplemental.....
H.R. 13111 request.....

Children's Hospital from its present non Center. It needs addi preparation of plans f mttments to the child

The planning proces historically relate to C in relationship to the services for the entire will be started in the vitally needed in orde munity schedule.

2. Georgetown Univ

Funding from supplemental.....
H.R. 13111 request.....



JUSTIFICATION FOR APPROPRIATION—SUPPLEMENTAL APPROPRIATION ACT OF 1962—
GRANT \$7,500,000—LOAN \$7,500,000

After a review of the construction program needs of the District of Columbia by the various planning groups especially under the aegis of the Hospital Council of the National Capital Area and the Health Facilities Planning Council, five projects of private non-profit hospitals in the District of Columbia were sifted out and listed as requiring funds on an emergency basis because their projects were under way with the expectation of funding from P.L. 90-457.

These projects were started on borrowed funds. The expected funding of P. L. 90-457 had been some two years prior to the final action.

The need for the projects was so critical for the District of Columbia health requirements that the five institutions, namely, Children's Hospital, Georgetown University Medical Center, George Washington University Medical Center, Rogers Memorial Hospital (Casualty Hospital), and Washington Hospital Center had actually started their projects.

Because of the supplemental funding, none of these critical projects had to stop construction or planning processes toward construction.

REQUEST FOR HR 13111 FUNDS

This request was unable to be presented to the Bureau of the Budget or the House of Representatives Appropriation Committee because the area wide planning agency was still evaluating each of the projects in depth as part of the master plan for the Medical Health Services and responsibilities among the private hospitals in the District of Columbia as part of the Metropolitan Area. Their recommendations are now finalized in detail for these projects and these requests are submitted in light of the area wide agencies recommendations.

Funds are critically needed to continue five projects: the two that are under construction at Georgetown University Medical Center, George Washington University, to finish the planning at Children's Hospital, to start construction at Rogers Memorial Hospital (Casualty) and to finish the planning and install an emergency generator system at Washington Hospital Center. Planning funds for the Cafritz Hospital are also necessary.

The attached exhibit explains each project in detail:

DETAILED EXHIBIT OF PROJECTS

1. Children's Hospital of the District of Columbia:

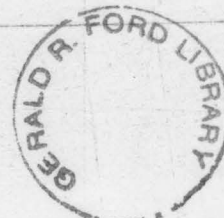
	Grant	Loan
Funding from supplemental.....	\$700,000	\$15,000
H.R. 13111 request.....	525,000	525,000

Children's Hospital is approved by the regional planning agency to relocate from its present non-conforming, old building to the Washington Hospital Center. It needs additional planning and architectural funds to continue its preparation of plans for construction in order for it to meet its community commitments to the children population.

The planning process has embraced a detailed programming of services as they historically relate to Children's areawide service and analyzing the future needs in relationship to the most recent medical care techniques with specialized services for the entire metropolitan children population. The architectural plans will be started in the immediate future, and funds to pay the architects are vitally needed in order for Children's Hospital to progress on its planned community schedule.

2. Georgetown University Medical Center:

	Grant	Loan
Funding from supplemental.....	3,250,000	5,800,000
H.R. 13111 request.....	1,103,000	2,649,000



Georgetown University Medical Center as part of the approved program is to supply an increase of medical personnel to the District of Columbia's Hospitals, especially at D.C. General and its area outpatient clinics through its clinical instruction enlargement. It will likewise enlarge its own Diagnostic Treatment and mental health facilities as part of its share of community medical services.

The additional funds are needed to finish the construction and to equip the buildings that are nearly completed.

Georgetown University Medical Center is substantially enlarging and modernizing its Medical Center with the addition of a new Dental Clinic, a new Diagnostic Treatment Rehabilitation Center with special facilities for mentally retarded children, a Clinic Science Expansion project that encompasses a new building, and modernizing of an existing building.

These facilities, together with the central utilities system, are more than 90% constructed due to the funding under P.L. 90-457. Funds for fixed laboratory equipment and instrumentation for these buildings is most urgently needed if the buildings are to be of service to the Washington health community needs.

The equipment is most necessary; otherwise, these buildings will be finished in the near future and will be unable to be open because of lack of funds for equipment.

Funds are also needed to finish the modernization.

3. George Washington University Medical Center:

	Grant	Loan
Supplemental appropriation, 1969.....	3,250,000	1,400,000
H.R. 13111 request.....	814,000	3,576,000

George Washington's role is to provide a large increase in outpatient diagnostic and treatment services since it is in the downtown area as well as to provide adequate inpatient facilities.

The additional funds are needed so that it can finish its construction and pay for its equipment in the present hospital and a remodeled facility.

George Washington University has enlarged and modernized its Medical Center in four major projects including the modernization of its Diagnostic and Treatment area in its present hospital. Also it has enlarged its Emergency Room, Heart Station, and ancillary services.

Another project that George Washington has undertaken is the purchase of a building adjacent to its medical center and completely renovated it so as to incorporate it into its medical center services at a substantial saving in costs.

Funds are needed to enable George Washington to complete each of the above projects which are more than 90% finished and to obtain funds for the equipping of their renovated spaces. These funds are needed immediately in order for George Washington University Medical Center to have the capability to assume its share in the health need of the Washington Community.

4. Rogers Memorial Hospital (formerly Eastern Dispensary and Casualty Hospital):

	Grant	Loan
Supplemental appropriations, 1969.....	100,000	50,000
H.R. 13111 request.....	1,900,000	950,000

Rogers Memorial Hospital has as its areawide planning function the responsibility to enlarge dramatically its emergency and outpatient facilities since it is in the inner city area.

The additional funds are needed in order that it may start construction of this long needed facility to alleviate inner city health service demands.

This facility will provide for immediate expansion of the Emergency Department, enlarge Physiotherapy Department, Electroencephalographic Laboratory, Coronary Care Unit, Medical and Surgical Intensive Care Unit, additional Administrative space, enlarge Radiology Department, and additional space for mechanical equipment and storage.

5. Washington Hospital Center:

Supplemental appropriation, 1969
H.R. 13111 request.....

Washington Hospital Center is a coordinated effort to share of the community money to complete its present medical center.

The planning for this stage that architecture enable the Washington Center by having patients treated is not necessary.

The emergency department center to provide request.

6. Cafritz Hospital

Supplemental appropriation, 1969
H.R. 13111 request.....

Funds are needed to meet its charge of increasing

TESTIMONY OF THE

Gentlemen: The request in the various medical fields heavily weighted and my classmates returned very optimistic toward Professions Scholars major cutback in National least fifty people in had applied. The manner.

Immediately students to buy books, to acquire activity of all human is not as fortunate in are the White medical sible to obtain adequate Medicine the cutback Aid we receive, which of White schools have Howard University producing almost one-half at Howard University.

If you gentlemen realize that there is carried on simultaneously admitted to part in their class performance turned down by State programs due to the Federal and bank into from the American to those of banks.

GERALD R. FORD LIBRARY

	Grant	Loan
Supplemental appropriation, 1969.....	200,000	100,000
H.R. 13111 request.....	929,000	702,000

Washington Hospital Center has its extended care facility approved as its share of the community medical effort by the areawide planning agency in the coordinated effort to reduce inpatient costs for the area bed patients. It needs money to complete its planning and to install an emergency generator for its present medical center components.

The planning for the Extended Care Facility of 300 beds has progressed to the stage that architectural plans should be immediately developed. This facility will enable the Washington Hospital Center to reduce its cost to hospitalized patients by having patients transferred to beds in this building when full hospital care is not necessary.

The emergency generator system must be installed in the existing medical center to provide required standby electric power.

6. Cafritz Hospital:

	Grant	Loan
Supplemental appropriation, 1969.....	0	
H.R. 13111 request.....	50,000	25,000

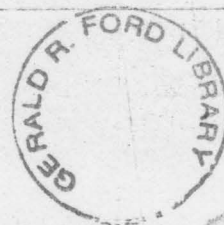
Funds are needed so Cafritz Hospital can plan the facility it needs to meet its charge of increasing outpatient services for the Anacostia area.

TESTIMONY OF THOMAS W. JONES, MEDICAL STUDENT, HOWARD UNIVERSITY, WASHINGTON, D.C.

Gentlemen: The recent cutback in appropriations to the professional students in the various medical fields has placed an additional burden on an already heavily weighted and constantly traumatized undertaking. I and many of my classmates returned to Howard University College of Medicine in September very optimistic towards the Federal Aid we were to receive (National Health Professions Scholarship and/or Loan). Then we learned that there had been a major cutback in National appropriations. Consequently, this meant that at least fifty people in my class would not receive the Federal funds for which they had applied. The Junior and Senior classes were also affected in the same manner.

Immediately students began to search fruitlessly for money to pay tuitions, to buy books, to acquire living quarters, and to master the one fundamental activity of all humans, eating. Because Howard University College of Medicine is not as fortunate in receiving private and Federal endowments and grants as are the White medical colleges, Black students find it difficult and in most impossible to obtain adequate financial aid. Therefore at Howard University College of Medicine the cutback has been very crucial; for the small amount of Federal Aid we receive, which is quite substandard, when comparing the sums with those of White schools has been diminished even more. This is very dangerous for Howard University College of Medicine because of its significant role in producing almost one-half of the Black doctors in the United States. Therefore we at Howard University College of Medicine need all the money we can get.

If you gentlemen know anything about good medical education, I'm sure you realize that there is no time during which it and gainful employment can be carried on simultaneously. However at least one fourth of my class when polled admitted to part time or full time employment with the risk of jeopardizing their class performance. Where should we go to get money? Students have been turned down by State banks which refuse to participate in the educational loan programs due to the losses produced by them and due to the differences in the Federal and bank interest rates. Other students have been forced to accept loans from the American Medical Association which has high interest rates similar to those of banks.



Senate Hearings

Before the Committee on Appropriations

Departments of Labor, and Health, Education, and Welfare Appropriations

H.R. 13111

91st CONGRESS, FIRST SESSION

Fiscal Year 1970



Part 6—

NONDEPARTMENTAL WITNESSES

Senator MAGNUSON. Where they have institutions?

Dr. GORDON. Yes. They have land right across the way from us.

Senator MAGNUSON. So you work in conjunction with them?

Dr. GORDON. That is right. They are going to build a 500-bed unit there for retardation. They are asking us to take over responsibility.

Senator MAGNUSON. Is it not true that these centers do a great deal of the project research and the institution across the way has to deal with day-to-day care of these people?

Dr. GORDON. That is right.

Senator MAGNUSON. There is some research?

Dr. GORDON. It is our responsibility for research and for the training of personnel.

Senator MAGNUSON. Is it not true that these centers do a great deal of the project research and the institution across the way has to deal with day-to-day care of these people?

Dr. GORDON. It goes in both directions.

Senator MAGNUSON. I think we understand this.

Do you have any particular figure that you are suggesting?

Dr. GORDON. No, I don't, sir.

Senator MAGNUSON. I presume you are not suggesting we do what HEW said, go back to the 33.

Dr. GORDON. No.

Senator MAGNUSON. All right. Thank you very much.

STATEMENT OF DR. JULIUS W. HILL, ON BEHALF OF DR. JOHN A. KENNEY, PRESIDENT, NATIONAL MEDICAL ASSOCIATION, INC.

ACCOMPANIED BY: DR. EMERSON WALDEN; AND LLOYD KILPATRICK, RESOURCE CONSULTANT.

MEDICAL COLLEGE

Senator MAGNUSON. Dr. Hill, I understand you are to make a presentation for the National Medical Association in place of Dr. Kenney. Is that correct?

Dr. HILL. That is correct.

Senator MAGNUSON. Dr. Hill, we are glad to have you all here.

Dr. HILL. Also with me are Dr. Walden and Mr. Lloyd Kilpatrick, our resource consultant.

Senator Magnuson, we want to reinforce the material presented this morning starting off with Dr. DeBakey and ending up with the president of the American Association of Medical Colleges. They did, in fact, reflect much of our point of view. We wish to speak to the very brief items relative to the medical-student loans, scholarships for medical students, and the new Howard University teaching hospital.

We request that this statement be made a part of the record which has been submitted.

Senator MAGNUSON. You have a short statement here. I hope you will read it. I think it is quite important.

There has been a great deal said about student loans throughout the testimony. We would like to get your viewpoint.

Dr. HILL. With reference to the appropriation of the funds for health professions schools, the commitment to support this is necessary to allow the schools to continue with their commitment to the health professions.

The Federal budget for the elimination of medical schools sought \$22 million in 1970, a \$7.7 million increase over the year 1968-69, the effect of the medical-student loans by the school year 1968-69 funding.

President Johnson cut approximately \$3 million from the medical schools. Nixon cut the medical schools and another 2,440 medical schools. The Nixon reduction to the scholarships to health professions cuts, which restricts loans, a level of program medical-student loans.

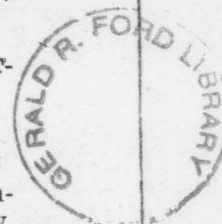
The \$7.7 million increase in the medical schools' students in need of financial aid, fully supported medical schools, our Nation's medical schools' commitments made, in part, American Medical Association enrollments.

Whereas 11 percent of the medical students, of 858, of the 35,809 is black. Outside the Nation's medical schools, is a physician, only in part.

Black students find cause banks often rest cannot meet, especially in the medical schools.

Since medical schools' Federal support in the Congress, in addition to the loans for fiscal year 1970.

Senator MAGNUSON. The medical schools' budget was \$24,610,000. For the medical and dental loans revised budget, made for \$34,891, whereas they were \$24,610,000.



MEDICAL-STUDENT LOANS

Dr. HILL. With reference to medical-student loans, we urge the appropriation of the full \$35 million authorized for fiscal year 1970 for health professions student loans and that Congress make a commitment to support this program. We feel Federal support is vitally necessary to allow the Nation's medical schools to follow through with their commitment to increase the number of Blacks entering the health professions.

The Federal budget for medical-student loans for 1970 looks to the elimination of medical-student loans. While the Nation's medical schools sought \$22 million for medical-school loans in fiscal year 1970, a \$7.7 million increase over medical-school loans for the school year 1968-69, the effect of the Johnson-Nixon budgets is to cut the medical-student loans by \$5.7 million and 4,830 medical students from the school year 1968-69 level of 12,375 loans and \$14.4 million level of funding.

President Johnson cut the medical-student loan program by approximately \$3 million and 2,490 medical-student loans. President Nixon cut the medical-student loan budget by another \$2.7 million and another 2,440 medical-student loans. While the House rejected the Nixon reduction by transferring funds for medical and dental scholarships to health professions student loans, it accepted the Johnson cuts, which restricted the loan program to 9,885 medical-student loans, a level of programming \$3 million under the school year 1968-69 medical-student loans.

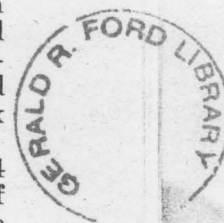
The \$7.7 million increase in medical-student loans which our Nation's medical schools seek, included funds for 370 black medical students in need of financial aid. It is our conviction that only through fully supported medical-student loan and scholarship programs will our Nation's medical schools be able to follow through with their commitments made, in part, through the urging of the National and American Medical Associations to increase the number of black enrollments.

Whereas 11 percent of the Nation's population is black, only 2.4 percent, of 858, of the Nation's total medical-school enrollment of 35,809 is black. Outside of Howard and Meharry, only 1 percent of the Nation's medical-school enrollment is black. Whereas one in 560 whites is a physician, only in 3,800 blacks is a physician.

Black students find it difficult to secure private loans, inter alia, because banks often restrict loans to customers, a condition most blacks cannot meet, especially the impoverished blacks.

Since medical schools need to have the assurance of continuing Federal support in making their recruiting plans, we urge that the Congress, in addition to providing full support for medical-student loans for fiscal year 1970, commit itself to this program for the future.

Senator MAGNUSON. Getting back to the figures, in 1969, the amount was \$24,610,000. For direct loans, obligations, nursing loans, and medical and dental loans. The 1970 budget, as it came up, the so-called revised budget, made it the same thing, 24.610. The House made it 34.891, whereas they upped it \$10 million.



NMA Position on Student Financial Assistance

The Department wants it back to 24, so they testified. But on top of that, I will say to the Senator from Hawaii, the House upped it to 34, but they took the \$10 million away from scholarships to do it.

So that fixes it up pretty good, doesn't it?

Dr. HILL. Very good.

Senator MAGNUSON. They looked like they were doing a great thing, but they took it away from scholarships. This is something we want to look at seriously and try to unravel.

Dr. HILL. I might mention that this scholarship fund has placed the medical schools, as I mentioned, who have made commitments—as you know, it has been a long, hard century that we have endeavored to get close to the 99 medical schools throughout the Nation to admit black and minority students. They are beginning to assume the attitude of liberalism and are accepting black students.

But just at the time that they begin to accept the black students, the funds are being cut off, and that has crippled their programs and has crippled this need.

You are aware of the fact, as was mentioned this morning, that 50,000 physicians are needed urgently by the United States. It so happens that of the 50,000, when you consider the fact that there are 5,870 black physicians in the United States, which is less than, or 2 percent, of the total number of physicians out of 317,000, and our Nation needs an additional 50,000, we find that that need, the need for the number of black and, let us say, minorities, is approximately 30,000 physicians. The 5,897 black doctors and those being absorbed in the research and things like that just can't treat 20 million people.

I was just bringing that up to show the necessity for the return, if possible, of those scholarships—that is, the scholarships and student loans which are urgently needed.

As a typical example, the University of California admitted 25 Black students this year in its freshman class. I have letters on my desk requesting what the National Medical Association can do to help finance these 25 additional Black students that are sorely needed. We have just about expended our treasury fund on scholarships, inasmuch as we have been wide on administering scholarships to the training of medical students.

Senator MAGNUSON. You figure that if the cuts remained, I am talking about both of the cuts, that there would be 4,830 medical students affected during the school year? Is that right?

Dr. HILL. Yes, sir.

Dr. WALDEN. I believe that would be correct.

Senator MAGNUSON. Close to 5,000.

Dr. HILL. Yes, sir.

Senator MAGNUSON. You said the Johnson budget was \$3 million and the Nixon budget cut that another 2.7. That would mean you are talking in figures of 5.7 to get back at least to the 48.3.

Dr. HILL. That is correct.

Senator MAGNUSON. I suppose a lot of people in here could testify to this, but maybe you can help out.

How many applications do medical schools receive?

Dr. HILL. For medical students?

Senator MAGNUSON. Yes.

Dr. HILL. Applications far exceed the medical colleges' ability to bring these students in.

Senator MAGNUSON. applications.

Mr. KILPATRICK. At Senator MAGNUSON. taken of.

Dr. HILL. That is co Senator MAGNUSON. loans. Although I see we did allow upping a little more flexible in

But that doesn't help interest.

Dr. HILL. That is c Mr. KILPATRICK. If Senator MAGNUSON.

Senator FONG. I n increase the loan fund

Dr. HILL. That is c Senator FONG. You amounts above what t grants, do you?

Dr. HILL. We wou Senator FONG. We

Dr. HILL. We are s If we would cut out medical graduates—w cians in the United S we are robbing these ical students to come l and they remain here physicians also.

Seemingly, we are ical graduates from al They stay here, and v them. But by the same hamlets of foreign cou

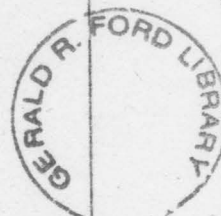
Getting back to our is an immediate need ethnic groups other t need to fill the gap of ratio in balance.

Senator FONG. So concerned. Also, this is

Dr. HILL. Dentists 2,000 black dentists in I think it runs right al that same deficit. That session of the deficit schools are about to fol funds to operate.

Senator FONG. Than

Senator MAGNUSON. item in your statement.



Senator MAGNUSON. I am talking about eligible people, legitimate applications.

Mr. KILPATRICK. About 19,000 per year.

Senator MAGNUSON. That can't be taken care of, or just won't be taken of.

Dr. HILL. That is correct.

Senator MAGNUSON. Many of those students can't get the direct loans. Although I see the President signed the bill today on all loans, we did allow upping of that interest rate so that the banks might be a little more flexible in making loans.

But that doesn't help the fellow who can't make the extra 2 percent interest.

Dr. HILL. That is correct.

Mr. KILPATRICK. If he can get the loan.

Senator MAGNUSON. Senator Fong?

Senator FONG. I noted that what the House really did was to increase the loan funds by taking money from the grants.

Dr. HILL. That is correct.

Senator FONG. You have no objection if we increase the loan amounts above what the House gave us and then also increase your grants, do you?

Dr. HILL. We would appreciate it.

Senator FONG. We understand we are short about 50,000 doctors.

Dr. HILL. We are short about 50,000 doctors in the United States. If we would cut out the 35,000 FMG—I mean by that the foreign medical graduates—we would have a shortage of about 95,000 physicians in the United States. It so happens if we are robbing Peter, we are robbing these countries—like Austria, Vienna—of their medical students to come here after they finish and intern in our hospitals and they remain here. These countries are sorely in need of their physicians also.

Seemingly, we are sort of parasitic by taking these foreign medical graduates from all of the other countries. They are coming here. They stay here, and we welcome them to stay here because we need them. But by the same token, we are robbing some people in the poor hamlets of foreign countries of their physicians. I think that is wrong.

Getting back to our own figure there of 50,000, we find that there is an immediate need for, let us say, 20,000 more physicians of other ethnic groups other than black. And we find there is an immediate need to fill the gap of 30,000 black physicians if we want to keep the ratio in balance.

Senator FONG. So we are in a great deficit as far as doctors are concerned. Also, this is true of dentists.

Dr. HILL. Dentists are in worse shape than that. There are only 2,000 black dentists in the United States. If you would take that figure, I think it runs right along with the other ethnic groups, and you have that same deficit. That was attested to this morning in this morning's session of the deficit in dentists and the fact that several of their schools are about to fold and go under because they don't have adequate funds to operate.

Senator FONG. Thank you.

Senator MAGNUSON. Scholarships for medical students is the next item in your statement, I believe.



SCHOLARSHIPS FOR MEDICAL STUDENTS

Dr. HILL. Since medical student scholarships are intended for those students in extreme financial need, we urge that the \$4.78 million in health-professions scholarships, which the House transferred to health-professions loans, be restored.

The portion of the \$4.78 million in scholarship grants transferred to student loans included funds with which to add 1,851 additional medical student scholarships over the 6,073 granted in the school year 1968-69. The elimination of the 1,851 medical school scholarships is directed to first-year students, including some blacks to whom medical schools made commitments on the assumption that additional funds would be available for scholarships in the school year 1969-70.

Senator MAGNUSON. The total for scholarships was \$11.219 million last year. The Budget requests—I am putting this in for the record—\$16 million. This is medical and dental. Nurses were \$5.7 million last year. The Budget estimate was 16 for medical and dental and 13 for nursing.

The House cut it down to 11 and 7.5 for nursing, which cut the total back to the \$17,719,000. But the Department made an appeal for \$28 million in that case, to go back up to the \$28 million of the Budget estimate. But they aren't figuring in what they transferred.

Dr. HILL. No, sir.

The next item is the specific one, sir, and it is in regard to the new Howard College of Medicine Hospital.

NEW HOWARD HOSPITAL

With respect to funds for the new Howard University Hospital, a 500-bed teaching hospital, for which the House voted \$22.2 million for construction, along with a directive that construction proceed as "expeditiously" as possible, we are of the belief that the facility, as funded by the House, is inadequate in all respects.

The facility for which the House voted \$22.2 million to construct, contains only 587, some-odd thousand gross square feet, whereas authoritative sources indicate that the hospital should have been 682,000 to 684,000 gross square feet.

We wish to emphasize that Dr. Russell A. Nelson, president of Johns Hopkins Medical Center, who served as Howard's hospital construction consultant, as early as 1962 recommended that the new 500-bed hospital have 683,466 gross square feet. Moreover, the Surgeon General's 1964 Architectural Guide for medical-education facilities recommends that a 500-bed teaching hospital, which Howard Hospital clearly is to be, contain 682,000 gross square feet. On the basis of 1967 construction costs of \$50, \$50 per square foot, this would cost \$34.1 million.

The Budget Bureau, we emphasize, cut the recommendations of the Johns Hopkins consultant by approximately 95,000 square feet, and paid no heed to the Surgeon General's recommendation that 500-bed teaching hospitals contain approximately 682,000 gross square feet.

Accordingly, we urge that the Secretary of HEW be directed to take two steps before construction commences:

(1) That he reevaluate square feet on space in light of—

(a) The 96,000 gross square feet of the Johns Hopkins

(b) The general's 1964 Architectural Guide's ties that 500-bed hospital would require 682,000 square foot would

(2) That the Secretary's committee as to the 95,000 gross square feet incorporated in the consultant and the Surgeon General's

The unbiased expert's more than the Budget's million difference be projected in the Surgeon General's \$22.2 million/500-bed

We have reason to believe that the 683,466 gross square feet consultant, Dr. Nelson's office space, research and

We urge a reevaluation report back to the House, however, to make an independent study upon further studies

A fully adequate facility can attract 88 additional national averages of medical-school budget average.

Thank you, sir.

Senator MAGNUSON. The bridge, we had quite a director of the budget thoroughly agreed that was going to be that about it now. He was I hope he does.

You know this is the construction. Maybe we they recognize this little bit behind cause conscious of this Howard

Then, of course, it better than I do, Fred is any way of changing hospital in that location

Dr. HILL. It is quite Senator MAGNUSON



(1) That he reevaluate the Budget Bureau ceiling of 587,625 gross square feet on space and the \$22.2 million ceiling on construction cost in light of—

(a) The 96,000 square feet cut, imposed upon the approximately 684,000-gross-square-foot hospital recommended by the Johns Hopkins consultant.

(b) The general recommendations contained in the Surgeon General's 1964 Architectural Guide for medical-education facilities that 500-bed teaching hospitals contain 682,000 gross square feet, which on the basis of 1967 construction costs of \$50 per square foot would cost \$34.1 million.

(2) That the Secretary of HEW be directed to report back to the committee as to the additional funds needed to add the approximately 95,000 gross square feet to the new hospital to bring it up to standards incorporated in the 1962 recommendations of the Johns Hopkins consultant and the Surgeon General's 1964 Architectural Guide.

The unbiased experts recommended up to 95,000 gross square feet more than the Budget Bureau has allowed. There is at least a \$12 million difference between the \$34 million/500-bed teaching hospital projected in the Surgeon General's 1964 Architectural Guide and the \$22.2 million/500-bed teaching hospital approved by the House.

We have reason to believe that the 95,000 gross square feet cut from the 683,466 gross square feet recommended by the Johns Hopkins consultant, Dr. Nelson, was concentrated in the area of faculty office space, research areas, conference areas, and other nonbed uses.

We urge a reevaluation of the plans for adequacy, and we urge a report back to the committee of additional funds. We are unable, however, to make an estimate of additional funds as that would depend upon further studies by the Secretary.

A fully adequate teaching hospital is necessary so that Howard can attract 88 additional clinical faculty members to bring it up to national averages of 164 and a corresponding increase in its present medical-school budget of \$4.4 million to the \$11.8 million national average.

Thank you, sir.

Senator MAGNUSON. When Dr. Cheek was here, and then Dr. Burbridge, we had quite a discussion on that item. Mr. Cardwell, director of the budget of HEW, was here at all the hearings. He thoroughly agreed that the cost would go up and that if the ultimate was going to be that 500-bed facility, maybe we ought to do something about it now. He was going down to the Department and report back. I hope he does.

You know this is the only exception in this whole bill for new construction. Maybe we ought to take the 22 and run. I don't know. But they recognize this fact that for some reason the planning was a little bit behind causing the cost factor to go up. The Department is conscious of this Howard University Hospital problem.

Then, of course, they have the other problem that, as you know better than I do, Freedman's is a public hospital. I don't think there is any way of changing it because of the necessity of having the hospital in that location.

Dr. HILL. It is quite urgent.

Senator MAGNUSON. It is not just the university hospital.

NMA Testimony Howard Hospital



Dr. HILL. We are in the process of building a new hospital in Los Angeles, the King Hospital.

Senator MAGNUSON. Senator Fong, do you have any questions?

Senator FONG. No, thank you.

Mr. KILPATRICK. We have some further documentation that is being typed up that we would like to submit for the record.

Senator MAGNUSON. Fine. We will put in the record anything you wish, if it is submitted to the committee before this record goes to print.

STATEMENT OF THE HON. JAMES H. SCHEUER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

ACCOMPANIED BY: DR. MUTYA SAN AUGUSTIN, DIRECTOR, COMPREHENSIVE CHILD CARE PROJECT, BRONX, NEW YORK

PREPARED STATEMENT

Senator MAGNUSON. I am sure someplace along the line we will get some recommendation on this.

Congressman Scheuer, do you want to make your statement now? You have with you Dr. Mutya San Augustin. We are glad to have you.

Representative SCHEUER. Thank you, Senator.

I have a prepared statement that I would like to place in the record.

Senator MAGNUSON. We will place that in the record.

(The statement follows:)

Chairman Magnuson, distinguished members of the Appropriations Committee, ladies and gentlemen:

I am Representative James H. Scheuer of the 21st Congressional District in the Bronx, New York City. My district includes economically stable middle-class neighborhoods characterized by sound housing and public facilities, which, if insufficient, at least partially accommodate most basic needs. However, a large segment of the 21st Congressional District is characterized by severely deteriorating housing, and grossly inadequate public facilities and services. This latter area is populated in the main by non-white working poor and welfare client families.

One of the most shocking and tragic failures of public policy, as is painfully evident among the deprived segments of my home community, is the acute unavailability of decent health care. Indeed, even in the case of middle income families who *should* be able to secure proper health care in New York City, the painful and apparently inexorable doctor and hospital cost squeeze have priced many needed medical services out of the reach of most.

The depths of poverty, ignorance and despair that are found in portions of the South Bronx are unparalleled in almost all of urban America. That is why I have focused much of my time and my energy as a public servant on creating workable and relevant job-training and education programs. But it takes, unhappily, many long years to break away from the crippling grip of poverty. In the meantime, adequate, *well-rounded* health care must be provided to those who cannot otherwise obtain it. This is especially important for children, not only because, literally, their lives depend on it, but also because their careers, their very ability to become self-sustaining, productive members of our society depends on the kind and extent of health care which they are offered.

For example, if a child is sick, even if only suffering from a low-grade illness, this can cause the child to be inattentive and unresponsive in the classroom, thereby falling into the destructive and often hopeless school-dropout syndrome; if a child is not given proper medical attention early for an illness, that illness may intensify and cause a life-long handicap; if a child is given erratic and

superficial medical attention where his life and that of his family is at stake, it is a joy.

I must emphasize the danger of narcotics addiction and lead poisoning, social ills on the same result from a decaying environment, too evident and abundant; Lead poisoning is today a remediable damage to them school children down into.

What has the Morrisani done about all of this? Well so competent, dedicated and a visible dent in the health of all American health professionals.

They have achieved successful treatment of lead poisoning.

They have provided for pediatrics, dentistry, family and general public health services on healthy, wholesome lease on healthy, wholesome.

They have done yeoman reaching out to the brother they too go that awful round.

Finally, the Project has to help coordinate the fight.

Now, we have first-rate population, where before the.

Yet this noble and trying only a few; several thousand but tens of thousands need help.

I am regretful but under a frustrated and angry worker close it down and walk away.

function successfully and fathers are begging to.

Today must be turned away tragedy, because Dr. San Augustin and by budgetary limitations.

area.

Gentlemen, it is my plea: public health professional needs your concern, she needs the Bronx and the thousands who might benefit from her.

Thank you.

Senator MAGNUSON. You go ahead, if you want.

Representative SCHEUER.

I am Congressman Scheuer.

I am Congressman Scheuer.

I am Congressman Scheuer.

I am Congressman Scheuer.

I am Congressman Scheuer.

I am Congressman Scheuer.

I am Congressman Scheuer.

I am Congressman Scheuer.

GERALD R. FORD LIBRARY

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION,
AND WELFARE APPROPRIATIONS FOR FISCAL YEAR 1970

HEARINGS

BEFORE THE

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

NINETY-FIRST CONGRESS

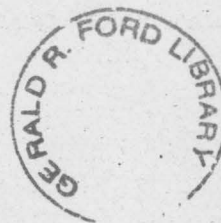
FIRST SESSION

ON

H.R. 13111

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENTS
OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND
RELATED AGENCIES, FOR THE FISCAL YEAR ENDING JUNE 30,
1970, AND FOR OTHER PURPOSES

Printed for the use of the Committee on Appropriations



U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1969

37-314 O

(AFTERNOON SESSION, 2:30 O'CLOCK, FRIDAY, NOVEMBER 21, 1969)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

HOWARD UNIVERSITY

STATEMENTS OF:

DR. JAMES E. CHEEK, PRESIDENT, HOWARD UNIVERSITY
DR. CHARLES E. BURBRIDGE, SUPERINTENDENT, FREEDMEN'S
HOSPITAL

ACCOMPANIED BY:

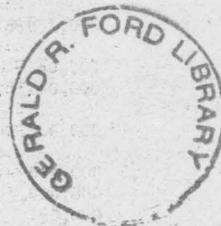
JAMES B. CLARKE, TREASURER OF THE UNIVERSITY
JULIAN A. COOK, COORDINATOR ON THE BUILDING PROGRAM
HERBERT L. HUNT, ASSISTANT SUPERINTENDENT
DR. R. FRANK JONES, MEDICAL DIRECTOR
G. FREDERICK STANTON, SECRETARY OF THE UNIVERSITY
DR. T. E. MCKINNEY, JR., VICE PRESIDENT FOR ACADEMIC
AFFAIRS
MARIUS C. JEPPERSON, ESTIMATE BRANCH, GSA
GREGORY CAVANAGH, CHIEF DESIGN BRANCH, GSA, REGION 3
JAMES B. CARDWELL, DEPUTY ASSISTANT SECRETARY,
BUDGET

(3945)



HISTORY OF APPROPRIATIONS

<u>Fiscal Year</u>	<u>Estimate Bureau of Budget</u>	<u>Budget Estimate To Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1959	334,000	171,000	123,000	123,000	123,000
1960	6,280,300	21,000	21,000	21,000	21,000
1961	4,877,000	1,658,000	1,658,000	1,658,000	1,658,000
1962	4,761,000	4,958,000	4,958,000	4,958,000	4,908,000
1963	5,757,000	5,617,000	5,617,000	5,617,000	5,617,000
1964	6,444,000	6,245,000	6,245,000	6,245,000	6,245,000
1965	1,811,000	1,810,000	1,810,000	1,810,000	1,810,000
1966	2,920,000	2,920,000	2,920,000	2,920,000	2,920,000
1967	3,342,000	3,342,000	3,342,000	3,342,000	3,342,000
1968	23,134,000	23,111,000	3,926,000	3,926,000	3,926,000
1969	24,529,000	2,209,000	2,209,000	2,209,000	2,209,000
1970	23,335,000	22,710,000			



GENERAL STATEMENT CONCERNING THE BUILDING PROGRAM

3

The building program at Howard University has largely followed the Master Development Program as prepared in 1951 with the cooperation of General Services Administration under an appropriation of \$50,000 authorized by the Congress (public Law 639, 80th Congress, approved June, 1949). This program was based upon a twenty year projection which would make it possible to accommodate an equivalent of 5,200 full-time students in ten schools and colleges, for a regular two-semester school year. The student projection of 5,200 was reached in 1963. The full-time equivalent student enrollment for 1969 is expected to be 8,662. In order to update the Master Development Program, request was made and the Congress authorized two appropriations in 1965 and 1967 totaling \$60,000 to study the building needs of the University for the next twenty years. This study is about complete -- needing only approval of the National Capital Planning Commission, and resubmission by architect in final form. In general, the Revised Master Development Program provides educational, administrative, service, and auxiliary facilities for a full-time equivalent of 12,000 students or an increase of 6,800 over the 1951 plan.

The transfer of Freedmen's Hospital to the supervision of Howard University, the acquisition of the old Griffith Stadium site, and the proposed construction of a new 500 bed teaching hospital represents the major development in the building program.

While the proposed program envisions the acquisition of approximately 43 acres of additional land contiguous to the present campus site, careful thought has been given to intensified use of present Freedmen's Hospital site as a means of accommodating buildings contemplated for an increased enrollment.

The following summarizes appropriations and the status of building projects since 1945 ;

Completed Projects

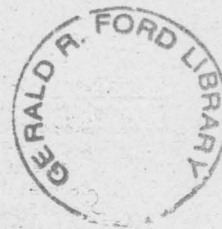
1. Master
2. Power
3. Women's
4. Engine
5. Dental
6. Science
7. Pharmacy
8. Biology
9. Law School
10. Administration
11. Pre-C
12. Men's
13. Audit
14. Home
15. Power
16. Tele
17. Phys
18. Class
19. Ware

Under Construction

1. Women's
2. Rental
3. Soc

In Planning

1. Men's
2. Master
3. Un
4. Ph
5. SI
6. Un
7. Cl
8. We
9. Me
10. G
11. P
12. P



STATUS OF BUILDING PROJECTS, SHOWING
APPROPRIATED AND REQUESTED OBLIGATIONAL AUTHORITY (1)

Completed Projects	DIRECT APPROPRIATIONS		Total
	Plans and Specifications	Construction	Obligational Authority
1. Master Development	\$ 50,000	\$ -	\$ 50,000
2. Power Plant Survey	21,000	-	21,000
3. Women's Dormitories (2)	39,600	1,750,400	1,790,000
4. Engineering Building	42,480	2,118,860	2,161,340
5. Dental School	42,480	3,257,680	3,300,160
6. Science Hall Alterations	12,760	307,240	320,000
7. Pharmacy Building	55,500	904,500	960,000
8. Biology-Greenhouse Bldg.	101,500	1,770,500	1,872,000
9. Law School Building	107,900	1,302,100	1,410,000
10. Administration Building	90,500	1,534,500	1,625,000
11. Pre-Clinical Medical Bldg.	190,000	4,436,000	4,626,000
12. Men's Dormitory #3	101,800	1,898,200	2,000,000
13. Auditorium-Fine Arts Bldg.	57,015	3,687,985	3,745,000
14. Home Economics Building	70,000	1,105,000	1,175,000
15. Power Plant Facilities	-	-	-
Repairs, and Boilers	-	1,292,000	1,292,000
16. Telephone Duct System	-	122,000	122,000
17. Physical Educ. Bldg. - men	203,000	3,270,000(2)	3,473,000
18. Classroom Building #2	105,000	2,225,000	2,330,000
19. Warehouse Service Bldg. #1	52,000	550,000	602,000
	\$1,342,535	\$31,531,965	\$32,874,500
<u>Under Construction in 1969</u>			
1. Women's Dormitory #7	120,000	3,417,000	3,537,000
2. Renovation of Electrical & Steam Distribution Systems	-	1,779,000	1,779,000
3. Social Work Building	56,000	1,434,000	1,490,000
	\$ 176,000	\$ 6,630,000	\$ 6,806,000
<u>In Planning Stage in 1969</u>			
1. Men's Dormitory #4	139,000	3,714,000	3,853,000
2. Master Development Program Study	60,000	-	60,000
3. University Hospital	1,230,000	-	1,230,000
4. Physical Education Building for Women	140,000	2,620,000	2,760,000
5. Site Plans and Development	20,000	419,000	439,000
6. University Center	240,000	3,760,000(2)	4,000,000
7. Classroom Building #3	150,000	-	150,000
8. Women's Dormitory #8	150,000	2,741,000	2,891,000
9. Medical-Dental Library Expansion	24,000	-	24,000
10. General Library Expansion	100,000	-	100,000
11. President's House	5,000	-	5,000
12. Power Plant Facilities-Electrical Distribution	85,000	-	85,000
	\$2,343,000	\$13,254,000	\$15,597,000



b

	Plans and Specifications	Construction	Total Obligational Authority
<u>Acquisitions and Renovations</u>			
<u>in Progress</u>			
1. Warehouse service Bldg. #2	\$ -	\$ 700,000	\$ 700,000
2. Site for University Expansion	-	1,725,000	1,725,000
	-	2,425,000	2,425,000
<u>In 1970 Estimates</u>			
1. University Hospital	-	22,200,000	22,200,000
2. Carver Hall Renovation	-	260,000	260,000
3. Science Library	100,000	-	100,000
4. Classroom Building #4	150,000	-	150,000
	250,000	22,460,000	22,710,000
	\$4,111,535	\$76,300,965	\$80,412,500

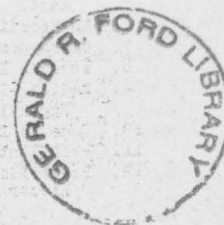
(1) At June 30, 1969

(2) \$677,000 transferred to University Center
building project from unobligated balanceSummary of Appropriation Request

Howard University requests an appropriation of \$22,710,000 for the following building projects:

	Appropriated To Date	Request For 1970
<u>For Construction</u>		
University Hospital	1,230,000	22,200,000
Carver Hall Renovation	-	260,000
Total - Construction	\$1,230,000	\$22,460,000
<u>For Plans and Specifications</u>		
Science Library	-	100,000
Classroom Building #4	-	150,000
Total - Planning	-	250,000
Total	\$1,230,000	\$22,710,000

A justification for each project follows.



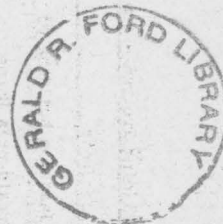
Status of Plans for New Teaching Hospital Project as of December 31, 1968

1

The feasibility study required by the Bureau of the Budget was completed in October 1965. As a result of this study the Griffith Stadium site was selected and the architects proceeded with the Diagrammatic Sketches. In the development of the Diagrammatics several matters arose which called for consideration to an increase in the authorized gross area of the building. The major matters involved were: the need to restore the laundry to project; the need for research space and, the consideration of net to gross area ratio, which did not take into account need for minimum secondary circulation. In September, 1966, representations were made to the Department of Health, Education, and Welfare for an increase in the gross area of the building to provide for needed additions. During this period work on the plans awaited the outcome of considerations on request. After review and conference, the Bureau of the Budget approved an increase in the gross area, and a corresponding increase in the estimated cost of project.

This change in requirements of the building called for a new set of drawings, and therefore, a new contract with the architects. A new contract was negotiated and approved by the Department of Health, Education, and Welfare in June 1967. The contract called for the completion of the Diagrammatics within 17 weeks after notice to proceed, or by November 27, 1967. In January, 1968 the administration of the project was transferred from the Central Office of the Public Buildings Service to the Regional Office. Work proceeded on the Diagrammatics and they were completed and submitted to the University, through the Public Buildings Service, on February 9, 1968. The University advised the Public Buildings Service of its approval of this first phase with modification noted, on March 28.

Consideration, by the medical staff in determining the best arrangements within authorized space limitations required more time than the allocated 17 weeks. However, many of the elements of planning, which would normally take place in the subsequent stage, were attained in the Diagrammatic Sketch stage. These efforts should contribute to the possibility of getting back on schedule in the following tentative drawing stage which Public Building Services advises is due by January 28, 1969. The Public Building Service has indicated a schedule in the letter that follows, for estimated completion dates on the several remaining stages.



3993

GENERAL SERVICES ADMINISTRATION

Region 3

Washington, D. C. 20407

September 30, 1968

Dr. James M. Nabrit, Jr.
President
Howard University
Washington, D. C. 20001

Dear Dr. Nabrit:

In regard to your correspondence dated September 25, 1968, the time table for the completion of design and construction of the Teaching Hospital is as follows:

- | | |
|-----------------------------------|--------------------|
| 1. Completion of Tentatives | December 31, 1968 |
| 2. Approval of Tentatives | January 28, 1969 |
| 3. Completion of Working Drawings | September 30, 1969 |
| 4. Approval of Working Drawings | November 4, 1969 |
| 5. Invitation to Bid | February 17, 1970 |
| 6. Bid Opening | March 17, 1970 |
| 7. Contract Award | April 21, 1970 |
| 8. Notice to Proceed | May 25, 1970 |
| 9. Completion of Construction | August, 1972 |

Should you have any further questions regarding this schedule, please do not hesitate to contact this office.

Sincerely,

W. A. Meisen /s/

W. A. Meisen
Chief, Design Branch



Senator MAGNUSON. That complaint might come sometimes from peoples outside the campus?

Mr. CLARKE. Oh, yes.

Senator MAGNUSON. That complaint would not come from students or from within the campus. You may have other student problems inside, but it is not what I am talking about.

CONSTRUCTION REQUEST

Let's go to construction. On construction, for the record, you had \$2,209,000 in 1969 budget. Then \$22,710,000 in this budget, which the House allowed, which is \$20 million more. Let's skip the Freedmen's Hospital for a minute and go to page 5 of your statement and talk about construction.

Dr. CHEEK. I wish also to express our appreciation to the committee, and to other Members of the Congress, for authorizing an appropriation of \$2,209,000 in fiscal year 1969, under the title of "Construction" for four items; namely, additional funds on a social work building which is now under construction, \$497,000; additional funds for a women's dormitory which is nearing completion, \$947,000; power-plant facilities, \$665,000; and plans for the expansion of the general university library, \$100,000.

The 1970 request of \$22,710,000 includes \$22,200,000 for construction of the university hospital; planning funds for two projects; namely, a science library building, \$100,000 and a classroom-laboratory building, \$150,000; and \$260,000 for the complete renovation of Carver Hall Residence Building.

HOSPITAL

Senator MAGNUSON. The bulk there is for the construction of the university hospital. How far is that along, or is this just in the beginning stage?

Dr. CHEEK. We have a schedule, Mr. Chairman, which on the basis of our present information, the plans and specifications leading to construction, we are planning on June 7 to complete the design phase, June 7, 1970; August 4, the issuance of invitation for construction bids; October 6, the opening of the bids; October 20 the award of contract; and November 3, the notice to proceed with the construction.

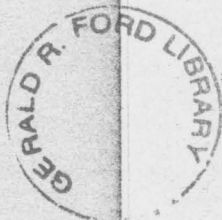
We expect a period of 780 days or approximately 26 months for the hospital to be constructed.

Senator MAGNUSON. If the contractors told you that, you are going to be lucky. Mr. Cardwell, how does it happen that we are funding it now when the actual expenditure of \$22 million, or the big bulk, will not be needed until November 3, 1970, which would be in the 1971 budget?

Mr. CARDWELL. We really need the funds in order to award a contract this coming October. In other words, October of 1970. Our concern was that if we held this over until 1971, we wouldn't be able to invite bids or initiate the contract action until sometime next fall, maybe about a year from now. That would actually delay the project.

This is a project that has been delayed now for many, many years. The Secretary and the White House, too, for that matter, are extremely anxious to get it started.

Senator MAGNUSON. The \$22 million will be an account in the Treasury until next November. They will not have to pay it out. The con-



Cheek Testimony
Howard Hospital

tractor doesn't get paid until he starts working and then is paid in regular installments?

ADDITIONAL FUNDING

Mr. CARDWELL. We are already facing a serious problem with the project. Even though we are a little ahead of the day which we would actually award a contract, it now appears that the \$22,710,000 in this bill is inadequate. We are going to have to work out some additional funding arrangement.

Senator MANGUSON. How much more do they think it will be?

Mr. CARDWELL. At least another \$9 million.

Senator MANGUSON. It has gone up that much; or did you change the plans?

Mr. CARDWELL. It is essentially a matter of having the cost estimate go up that much.

Senator MANGUSON. Forty percent?

Mr. CARDWELL. Yes, sir.

Senator MANGUSON. How long ago has it been since you planned it? When you asked for the \$22 million, did you assume that that would be the cost?

Mr. CARDWELL. Yes.

Senator MANGUSON. When did you ask for that?

Mr. CLARKE. It was as of September, 1966, based in 1966.

Senator MANGUSON. In 1966?

Mr. CLARKE. It was pegged on the estimate of 1966.

Senator MANGUSON. You asked the budget for money on an estimate you had in 1966. So you would have 4 years and you were estimating then and the cost went up 10 percent per year.

TWO ALTERNATIVES

Mr. CARDWELL. Actually, they have gone up more than that this last year. We really have two choices on the funding of it. We are now in discussions with the Bureau of the Budget as to what course of action we ought to follow. One would be to seek a supplemental appropriation in, say, the next session of Congress.

Another would be to try to split the contract into two phases. Our recommendation to the Bureau of the Budget is that we not split the contract. GSA would agree with us, on the theory it naturally drives up the total cost, and also it tends to extend the elapsed time required for construction.

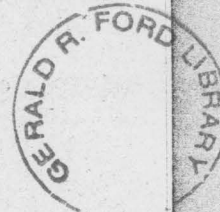
This is a facility that this community really needs. We have got to do our best.

Senator MANGUSON. The reason I want a good explanation of this is because you fellows are about the only ones in the whole budget that have a piece of new construction. There are other projects all over the United States which were turned down on the general theory that there was going to be no new construction in the budget whatsoever.

As of now, you are the only ones that have any major piece of new construction in the budget. So maybe we had better keep it in before somebody decides to throw it out.

Dr. CHEEK. We certainly would urge that.

Senator MANGUSON. Or the rule applies across the board.



HEW Testimony Hospital
(Budget) (Cardwell)



4004

I think I know a little bit about this. You have needed this new hospital for a long time. That is why I wanted to make the record clear on it, so that they will understand that this has been pending and why we are suggesting \$22 million now when the actual building is not going to start until next November.

Dr. CHEEK. Actually, Mr. Chairman, the critical date is August 4.

Senator MAGNUSON. You make your contractual obligation?

Dr. CHEEK. That is right.

Senator MAGNUSON. But you don't have to pay them then?

Dr. CHEEK. No. I understand GSA would not allow us to award a bid, a contract, unless the funds actually are appropriated. Is that correct?

WOMEN'S DORMITORY

Senator MAGNUSON. Yes, you have \$947,000 in additional funds for a women's dormitory, which is nearing completion. What is the total cost of that dormitory? Is this the last one?

Mr. CLARKE. This is the last for that particular project. But the cost will be close to \$3.5 million.

Senator MAGNUSON. How many of your women students live on campus?

Mr. CLARKE. It is approximately 1,700.

Senator MAGNUSON. How many of the male students live on campus?

Mr. CLARKE. Approximately 1,200.

Senator MAGNUSON. So there are about 3,000 students who live on campus?

Mr. CLARKE. Yes.

Senator MAGNUSON. You furnish housing for them?

Mr. CLARKE. Yes.

Senator MAGNUSON. Would more want to live on campus if you had more dormitories?

Dr. CHEEK. Oh, yes, Mr. Chairman. That is one of our critical problems at the moment.

Senator MAGNUSON. Have you ever taken advantage of the college housing?

Dr. CHEEK. Of course, I just arrived in July. The university, to my knowledge, has not used that route heretofore.

Senator MAGNUSON. It might be helpful. Of course, you would still have to get the appropriation to pay for the housing. But it does have this long-term aspect and instead of relying from year to year on appropriations, when you don't know from year to year what is going to happen to you. You might be able to do a little better planning, and then come up here for the appropriation and say, "Well, we owe the HUD a number of dollars for college housing."

Dr. CHEEK. We can give consideration to that.

FREEDMEN'S HOSPITAL

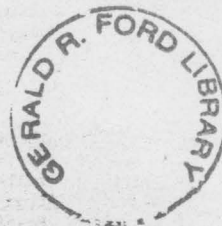
Senator MAGNUSON. Now let's go to Freedmen's Hospital on page 4.

STATEMENT OF DR. JAMES E. CHEEK, PRESIDENT
HOWARD UNIVERSITY

APPROPRIATION ESTIMATE

FREEDMEN'S HOSPITAL [SALARIES AND EXPENSES]

For [expenses necessary for operation and maintenance] *the partial support of Freedmen's Hospital*, including repairs *to buildings and grounds, \$9,109,000* [; furnishing, repairing, and cleaning of wearing apparel used by employees in the performance of their official duties; transfer of funds to the appropriation "Howard University, salaries and expenses" for salaries of technical and professional personnel detailed to the hospital; payments to Howard University for actual cost of steam for heat and other purposes furnished by such university; for employee benefits and hospital insurance coverage; \$8,739,000: *Provided*, That no intern or resident physician receiving compensation from this appropriation on a full-time basis shall receive compensation in the form of wages or salary from any other appropriation in this title]: *Provided* [further], That, *hereafter*, the District of Columbia shall pay by check to Freedmen's Hospital, upon the request of Howard University, in advance at the beginning of each quarter, such amount as the University calculates will be earned on the basis of rates approved by the Bureau of the Budget for the care of patients certified by the District of Columbia. Bills rendered by the University on the basis of such calculations shall not be subject to audit or certification in advance of payment, but proper adjustment of amounts which have been paid in advance on the basis of such calculations shall be made at the end of each quarter.



14

12



Appropriation Language Changes

The first change eliminates the phrase "expenses necessary for operation and maintenance," and substitutes "the partial support of Freedmen's Hospital" in its place. This proposed change is to bring appropriation language for Freedmen's Hospital in harmony with appropriation language for Howard University.

The second change adds the words "to buildings and grounds;" after repairs. The explanation for this change is the same as for the first.

The third change eliminates the following "furnishing, repairing, and cleaning of wearing apparel used by employees in the performance of their official duties; transfer of funds to the appropriation "Howard - University, salaries and expenses" for salaries of technical and professional personnel detailed to the hospital; payments to Howard University for actual cost of steam for heat and other purposes furnished by such university; for employee benefits and hospital insurance coverage." The revision is made in recognition of the changed status of the Hospital from an activity supervised by the U. S. Public Health Service to a responsibility of Howard University.

The fourth change eliminates the following "Provided, that no intern or resident physician receiving compensation from this appropriation on a full-time basis shall receive compensation in the form of wages or salary from any other appropriation in this title." The change in status of the Hospital appears to make this language unnecessary.

The fifth change eliminates the word "further" and inserts "hereafter" after the word "that" on the same line. The purpose of this change is to make the provision continuing, rather than an annual requirement for the District of Columbia.

Freedmen's Hospital

Amounts Available for Obligation

	<u>1969</u>	<u>1970</u>
Appropriation.....	8,739,000	9,109,000
Proposed transfer from "Community Mental Health Resources Support" for pay increase.....	291,000	...
Reimbursements.....	<u>3,600,000</u>	<u>3,600,000</u>
Total obligations.....	12,630,000	12,709,000

Obligations by Activity

	1969 Estimate		1970 Estimate		Increase or Decrease	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
Operation and maintenance	1099	\$11,239,000	1195	\$11,232,000	+96	-7,000
Education and training	39	1,391,000	43	1,477,000	+4	+86,000
Total obligations	1138	\$12,630,000	1238	\$12,709,000	+100	+\$79,000



14

Obligations by object

	1969 Estimate	1970 Estimate	Change
Total number of permanent positions	1,138	1,238	+100
Full-time equivalent of all other positions	267	270	+3
Average number of all employees . . .	1,308	1,387	+79
Personnel compensation:			
Permanent positions	7,543,000	8,181,000	+638,000
Positions other than permanent . .	1,190,000	1,250,000	60,000
Other personnel compensation	351,000	351,000	...
Subtotal, personnel compensation	9,084,000	9,782,000	+698,000
Personnel benefits	565,000	606,000	+41,000
Travel and transportation of persons.. . . .	17,000	17,000	...
Transportation of things.	8,000	8,000	...
Rent, communications and utilities ..	200,000	200,000	...
Printing and reproduction	41,000	41,000	...
Other services:	576,000	377,000	-199,000
Supply and materials...	1,283,000	1,333,000	+50,000
Equipment	936,000	425,000	-511,000
Subtotal.	12,710,000	12,789,000	+79,000
Deduct quarter & subsistence charges	-80,000	-80,000	...
Total Obligations by object . . .	12,630,000	12,709,000	+79,000

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ANALYSIS OF FINANCING IN SUPPORT OF BUDGET ESTIMATES FOR FISCAL YEARS 1967-70

	1967 actual	1968 actual	1969 estimate	1970 estimate
From non-Federal sources:				
1. Student fees, tuition.....	\$3,374,000	\$3,414,000	\$3,533,000	\$3,533,000
Incidental and service.....	948,000	990,000	979,000	979,000
2. Endowment income.....	265,000	271,000	276,000	276,000
3. Gifts and grants.....	3,990,000	4,245,000	5,532,000	5,532,000
4. Sales and services of educational departments and activities.....	194,000	236,000	232,000	232,000
5. Other income.....	18,000	34,000	28,000	28,000
6. Auxiliary enterprises.....	2,241,000	2,538,000	2,757,000	2,757,000
7. Student aid.....	1,566,000	1,524,000	1,580,000	1,580,000
Total, non-Federal sources.....	12,596,000	13,252,000	14,917,000	14,917,000
From reimbursements:				
Freedmen's Hospital.....	812,000	1,197,000		
Other sources.....	4,000	4,000	4,000	4,000
Total, reimbursements.....	816,000	1,201,000	4,000	4,000
From Government appropriation.....	13,534,000	15,534,000	18,231,000	20,445,000
Total, financing.....	26,946,000	29,986,000	33,152,000	35,366,000

STATEMENT ON FREEDMEN'S HOSPITAL

Senator MAGNUSON. Do you have anything to add?

What is the new equipment you are going to put in or going to buy?

Dr. BURBRIDGE. The equipment request is reduced by \$511,000. That is the decrease over the prior year. We are requesting \$445,000 for the coming fiscal year.

Senator MAGNUSON. Now we have a general statement on the hospital which we will put in the record in full.

(The information follows:)

The Freedmen's Hospital, formerly operated by the Federal Government has been transferred to Howard University and is now incorporated into the University as its teaching hospital. In carrying out this function, the Freedmen's Hospital provides inpatient and outpatient care and furnishes a facility for the training of physicians, nurses and other types of professional and technical health personnel. The Hospital operates 441 beds and 75 bassinets, an outpatient clinic and an emergency service. The total hospital complex of activity is carried on in a number of smaller buildings.

BACKGROUND OF THE ESTIMATES

The objective of the Freedmen's Hospital is to operate an efficient institution providing a good quality of patient care to its patient clientele in the Metropolitan Washington Area, functioning as a fully adequate locale for the teaching functions of Howard University and for the training of para-medical personnel and utilizing the resources that are available in patient material and professional talent to develop a creative and effective research program.

As a measure of the amount of improvement that is needed to reach this objective of the hospital, the estimates propose the first phase of a program directed toward attaining general comparability, in employee patient ratio with other teaching hospitals. This measure is not presented for the sake of comparability alone. It underlines the principle that the citizens who make up the patient clientele of Freedmen's Hospital are entitled to health services in this location equal to those that would be received in institutions of a similar position in the Washington community.

As a measure of comparability, it is noted that the local teaching hospitals as reported for 1967 in the Journal of the American Hospital Association had a ratio of employees to patients of 3.5 to 3.8. Historically this ratio has increased between 1946 and 1967 at an average annual rate of 2.6 percent. Accordingly, we can expect that in 1970 when this appropriation becomes effective the other local university hospitals will have higher ratios than those stated above. Nevertheless, assuming that 3.5 is an appropriate objective, the Freedmen's Hospital



ratio in 1969 is 2.9 and the increase proposed for 1970 will bring this ratio to 3.1 percent.

Furthermore, a major area of concern to the hospital has been the continuing trend of decline of pay patients with a consequent threat of eventual reduction of the receipts from these which constitute a major part of the resources of the hospital. The percentage which full pay patients constitute of the total has declined from 72.5 percent in 1965 to 60.9 percent in 1968. This trend stems from the fact that patient services are inferior to those available elsewhere in the area. However, we believe that the substantial support provided by the Congress in 1969 and recognition of the needs of the hospital in 1970 will stem the tide and result in a leveling of the pay patient load in these two years. The estimates for the two years provide for a climate of improving services and refurbishing of our ancient facilities to a point where they can begin to compete on the local scene. Thinking beyond 1970 when we might hope to obtain parity in staffing and services it is reasonable to expect that this adverse trend will be reversed and that we may be able to see an increase in the proportion of our pay patients with a consequent increase in the amount of support the hospital receives from its pay patient receipts.

SUMMARY OF APPROPRIATION REQUEST

The 1970 estimates propose a total obligation of \$12,709,000, an increase of \$79,000 over the 1969 estimate. Of this amount, it is expected that \$3,600,000 will be obtained as payment for services to patients. The remainder \$9,109,000 is requested as an appropriation for 1970. The estimate proposes \$127,000 to provide for the built-in cost of statutory promotions, wage board salary increases, and the full year cost of new 1969 positions only partially funded in that year. Sixty-six positions at a cost of \$309,000 are needed to strengthen the basic services such as nursing, housekeeping, maintenance and so on. Special services such as laboratory, radiology and anesthesiology need a reinforcement of 30 positions at a cost of \$208,000 as itemized in the justifications submitted to you. Lesser but important needs for increased use of disposable supplies (\$50,000) additions of 4 positions to the faculty of the nursing school and an increase of twelve professional trainees to bring the total trainee population to 276 (\$80,000) and a proposal to provide auxiliary help by hiring local youth during after school hours, (\$15,000) bring the sum total of all increases requested to 100 positions and \$789,000. The effect of the elimination of \$199,000 used for non-recurring alterations in 1969 and of a reduction of equipment purchases by \$511,000 reduces the total expense of the added program proposed to a net increase of \$79,000 as noted above.

I would be most ungrateful if I did not take this opportunity to thank this Committee on behalf of the patients and staff of the Hospital for the support we have received from the Congress. With your help, for instance, our emergency facilities were vastly improved to the point where they were cited in a recent magazine article as being among the three best in the city. Good progress has been made and with your continued support badly needed additional improvements will follow. I will be glad to answer any questions or furnish any additional information you may require.

HOSPITAL OPERATION

Senator MAGNUSON. You have 441 beds?

Dr. BURBRIDGE. 449.

Senator MAGNUSON. Would the budget for this year give you any more beds in 1970?

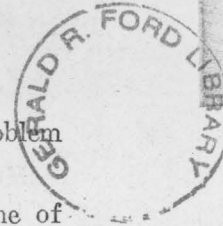
Dr. BURBRIDGE. No, this is about the same number of beds.

Senator MAGNUSON. Its main purpose is for training teachers and medical students?

Dr. BURBRIDGE. That is right. It is also an important community health service facility.

Senator MAGNUSON. Do you feel you come within the American Hospital Association ratio of patients of 3.5 to 3.8?

Dr. BURBRIDGE. That is the ratio we are attempting to achieve.



Senator MAGNUSON. I suppose you are having the same problem everybody else is having getting trained help?

Dr. BURBRIDGE. Yes, sir.

Senator MAGNUSON. Why do you have a continuing decline of patients? Do you have different guidelines for entrance requirements?

Dr. BURBRIDGE. No; this is quite simple. Freedmen's Hospital, Mr. Chairman, is possibly the last stronghold hospital of obsolescence at this point in the District of Columbia. As a result, with freedom of choice for third party payers and for medicare and medicaid patients, they seek more modern facilities. That is the reason it is so crucial that the Congress fund the necessary money to build a new hospital.

Senator MAGNUSON. How do you get involved in medicare patients?

Dr. BURBRIDGE. We get involved in medicare patients by virtue of our participating in the program and having the number of patients 65 and over who apply to us for care.

Senator MAGNUSON. Some university hospitals do not become involved in that program because they don't want to be. In other words, they don't take in patients except for the purpose of research, teaching, and related objectives. Some university hospitals are not open to the public. Let's put it that way.

Dr. BURBRIDGE. This one is.

Senator MAGNUSON. Yours is open. It would be pretty hard to have it any different; would it not?

Dr. BURBRIDGE. That is right.

Senator MAGNUSON. It would be very difficult. You would run into trouble. But you can't take care of half the people who want to come in. So, therefore, you must participate in medicaid and medicare.

Dr. BURBRIDGE. Yes; all service programs that we can.

MEDICAL STUDENT LEVEL

Senator MAGNUSON. How many students are in the medical school?

Dr. CHEEK. Approximately 400. I can give you the exact figure. It is 397, the current school year.

Senator MAGNUSON. As you know, HEW, with the strong backing of Congress, is trying to see if we can't increase in the medical schools throughout the country, the number of new students that they are going to take in.

What was the figure we had, 1,000?

Mr. CARDWELL. An increase of 1,000.

Senator MAGNUSON. We are hoping that you will be able to squeeze in your share.

Dr. CHEEK. We have initiated conferences with the dean and the faculty, Mr. Chairman, to review this situation and come up with some recommendations for this.

Senator MAGNUSON. Some medical schools can do it a little easier than others. But we have to get at this doctor shortage and then to the training of trainees for other types of work in the delivery of health care.

I have no further questions. I hope you can keep the costs down on this hospital construction, so it will not be what Cardwell says it is going to be.

REVISED CONSTRUCTION COST ESTIMATES

Here is a letter that the Department sent to the Bureau of the Budget on this.

Mr. CARDWELL. Yes; and I would like to be able to furnish you with the latest estimates, if I could, with their approval.

(The information follows:)

Howard University Hospital revised construction cost estimate

	Oct. 1970 ¹
Anticipated bid price-----	\$28,770,000
Contingencies-----	1,370,000
Reservations-----	77,000
Duplications, bids, etc-----	137,000
Drawings-----	1,512,000
Supervision-----	1,074,000
Total cost-----	32,940,000

¹ Based on 8-percent escalation per year and an October 1970 contract award.

RISE IN COST OF FINANCING

Senator MAGNUSON. You hear various estimates about the rise in the cost of construction and in HUD they have been going at it quite carefully. This may be a different type of construction. In housing as a whole, it is closer to 6½ percent overall, than it is 10. But I guess when you get into a specialized building, such as this, you run into that 9- to 10-percent figure.

Mr. CARDWELL. Yes, sir. But across the board it has been—as a matter of fact, the bright side has been holding its own a little bit this year.

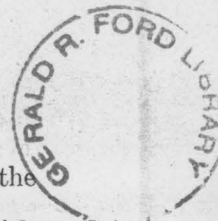
Senator MAGNUSON. Doctor, we thank you.

Dr. CHEEK. Thank you, Mr. Chairman.

SUBCOMMITTEE RECESS

Senator MAGNUSON. The subcommittee will recess until Monday at 10 a.m.

(Whereupon, at 3:20 p.m., Friday, November 21, the subcommittee was recessed, to reconvene at 10 a.m., Monday, November 24.)



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Budget Bureau Revised
Cost New Howard Hospital

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION,
AND WELFARE APPROPRIATIONS FOR 1970

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES

NINETY-FIRST CONGRESS

FIRST SESSION

SUBCOMMITTEE ON DEPARTMENTS OF LABOR AND HEALTH,
EDUCATION, AND WELFARE AND RELATED AGENCIES

DANIEL J. FLOOD, Pennsylvania, *Chairman*

WILLIAM H. NATCHER, Kentucky
NEAL SMITH, Iowa
W. R. HULL, Jr., Missouri
BOB CASEY, Texas

ROBERT H. MICHEL, Illinois
GARNER E. SHRIVER, Kansas
CHARLOTTE T. REID, Illinois

ROBERT M. MOYER, *Staff Assistant to the Subcommittee*

PART 6

DEPARTMENTAL MANAGEMENT
GENERAL PROVISIONS
SOCIAL AND REHABILITATION SERVICE
SOCIAL SECURITY ADMINISTRATION
SPECIAL INSTITUTIONS

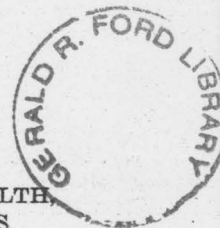


Printed for the use of the Committee on Appropriations

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1969

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proposed supplemental of \$401,000. The increase in funds will be used in three major areas of the university that we feel should be given further consideration.

AVAILABILITY OF ADDITIONAL LAND

Mr. FLOOD. What is your land situation out there? At Gallaudet they have a problem as far as space is concerned. Is there land you can get?

Dr. NABRIT. We have from time to time been able to get parcels of land near the campus. Our biggest acquisition, as you recall, was when we got Griffith Stadium.

Mr. FLOOD. Suppose we want some tomorrow, could we buy some tomorrow?

Dr. NABRIT. I think we could buy some and I would be very happy if we could do this.

Mr. FLOOD. I am not inviting it.

Dr. NABRIT. I have been trying to find a satisfactory large piece near the university and see if we could work out some way whereby we could buy it.

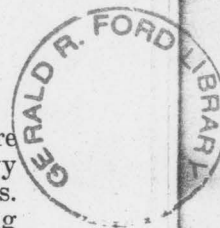
Mr. FLOOD. You are lucky.

INCREASED SUPPORT FOR EXISTING ACTIVITIES

Dr. NABRIT. The increased student enrollment, now numbering more than 11,000 students during the full fiscal year, has placed a heavy load upon the instructional staff and the available physical facilities. There is a continuing need to provide more teachers and supporting services as the university seeks to improve the quality of instruction by providing teachers, adequate salaries, personnel benefits, and physical facilities that will contribute to the learning experience of the student. To this end, request is here made for four new positions and a total increase of \$1,128,000 distributed as follows: three new teaching positions and personnel benefits in the School of Law, \$71,000; one new supporting position, educational supplies, equipment, and personnel benefits in the School of Engineering; \$72,000; equipment in the Schools of Medicine and Dentistry, \$100,000; and \$885,000, salary increases for the teaching staff with attendant personnel benefits.

EXTENSION AND IMPROVEMENT OF EXISTING PROGRAMS

The 1970 request for Howard University in this area seeks to implement recommendations of the Centennial Commission report whereby vocationally oriented programs, now functioning as departments within schools or colleges, are separated, upgraded, strengthened, and established as new colleges. The extension and improvement of these programs represented a response to the national need for trained personnel in these particular fields. The request includes 15 positions—six teaching, nine supporting—and \$251,000 in funds as partial support for the establishment of Schools of Business, Home Economics, Architecture, and Medical Technology. Improvement of instruction in the Graduate School and in the School of Nursing contemplate the addition of eight teachers, four supporting personnel, 15 graduate fellowships, educational supplies, equipment, and personnel benefits.



at a total cost of \$342,000. Further, vitally important for the orderly progress of the university is the request for an office for planning and development with a staff of three persons, supporting supplies, equipment, and personnel benefits, \$76,000 and, finally, \$40,000 for aid to disadvantaged youths who in a learning situation can acquire practical working skills.

STRENGTHENING OF SUPPORTING SERVICES

The third area covered in the request includes a supplement to the retirement allowances program, \$25,000; expenses and equipment for the data processing center, \$150,000; and support for the operation and maintenance of the physical plant, \$202,000. This last item of \$202,000 includes five new positions of skilled craftsmen.

Mr. FLOOD. Skilled craftsmen?

Dr. NABRIT. Yes.

Mr. FLOOD. What do you want them for?

Dr. NABRIT. Well, we do our own repairs in every area we can on University buildings, plumbing, and so on.

Mr. FLOOD. These are maintenance men?

Dr. NABRIT. Yes, some are carpenters.

Mr. FLOOD. Well, it is maintenance?

Dr. NABRIT. That is right. And \$146,000 in nonrecurring special rehabilitation and renovation projects.

SUMMARY—SALARIES AND EXPENSES

The total appropriation request for 1970 of \$20,445,000 exceeds the appropriation for 1969 of \$17,830,000 plus a proposed transfer for pay increases to nonteaching personnel of \$402,000, leaving a net increase of \$2,214,000 in the salaries and expenses category.

CONSTRUCTION—HOWARD UNIVERSITY

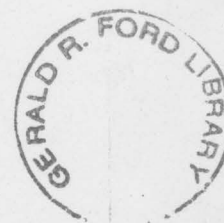
I wish also to express our appreciation to the committee, and to other Members of the Congress, for authorizing an appropriation of \$2,209,000 in fiscal year 1969, under the title of "Construction" for four items; namely, additional funds on a social work building which is now under construction, \$497,000; additional funds for a women's dormitory which is nearing completion, \$947,000. This will be occupied for the fall term coming.

Powerplant facilities \$665,000; and plans for the expansion of the general university library, \$100,000.

The 1970 request of \$22,710,000 includes \$22,200,000 for construction of the University hospital; planning funds for two projects; namely, a science library building, \$100,000, and a classroom-laboratory building, \$150,000; and \$260,000 for the complete renovation of Carver Hall Residence Building.

FREEDMEN'S HOSPITAL

I wish to register my support for the Freedmen's Hospital request, which contains total obligation estimates of \$12,709,000, supported by a appropriation request of \$9,109,000 and reimbursements of \$3,600,000. The appropriation request represents a net increase of



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DISTINGUISHED PROFESSORS

Mr. FLOOD. Tell us something about these four "distinguished professors" you want at salaries of \$30,000 each.

Dr. NABRIT. We would like to be thought of as at least within the sight of the great universities in this country where we can employ a person who will lecture to the whole university. He is a university-wide professor, he is a man of outstanding authority and more than likely he would be a visiting professor.

Mr. FLOOD. On sabbatical?

Dr. NABRIT. That would take a sabbatical but they can't do it now because we can't offer them enough. We are getting a few who have retired but the great energy they had is gone. We would like to pick some up in the midst of their energy.

Mr. FLOOD. This is not exorbitant.

Dr. NABRIT. No, this is nothing like exorbitant. I would say it is a very minimum type of compensation for the type of people we are talking about.

CONSTRUCTION OF UNIVERSITY HOSPITAL

Mr. FLOOD. The biggest item you have as far as dollars are concerned is \$22,200,000 for construction of a new University hospital. There certainly has been a most inordinate delay in getting this project on the way. It seems like I have heard you since before the War Between the States talking about this year after year. We first appropriated planning funds for this in 1961. Do you really think you will get a contract awarded in 1970 for this?

Dr. NABRIT. Absolutely, Mr. Chairman.

I would say this: We have heard from GSA regarding the schedule. We are proceeding with the Architect and there is only a 2-month slippage there.

Mr. FLOOD. What do you think about it? Who are you?

Mr. SORG. I am from region 3, General Services Administration.

Mr. FLOOD. What do you think?

Mr. SORG. I believe we will be prepared to award a contract about July or August of next year.

Mr. FLOOD. If you do not, do not come back. I am tired of listening to this and then nothing happening.

Mr. SHRIVER. What has been the reason for the delay?

Dr. NABRIT. When the Congress authorized the construction plans in 1961, we were not decided—when I say "we," I mean HEW, PBS, the University and Congress as to what this hospital was going to cost. I was of the opinion it would cost \$25 million. Some of the people in the Bureau of the Budget at that time thought it would cost about \$12 million. So we had this long discussion.

In the meantime, we had to decide where the hospital was to be built. A year was consumed on this matter. When the Griffith Stadium was secured and we were ready to have the contract awarded for the planning of the hospital at the agreed-upon figure, we were then required to show again why it should not be built next to the old hospital. This took up another six months.

Then the contract was awarded, but the contractor was ordered, before he began plans for the construction of the hospital, to make



Nabrit Testimony Howard Hospital

a feasibility study for the Bureau of the Budget to determine where it should go, which took another 9 months.

Mr. FLOOD. Anything we can do other than appropriate the funds?

Dr. NABRIT. If the money is put in, let me say this, we will be in a position to have the Government begin the printing of these specifications which have to go out for bids and this consumes time. But they will not do any of this until Congress has authorized the appropriation.

Mr. FLOOD. We have appropriated for hospitals and schools for years. We know all about these architects, engineers, and paperwork, but there has been a most inordinate delay on this particular hospital.

Dr. NABRIT. I agree with you. Nobody has felt it more than I have, but I have also felt maybe in the long run it is better because I think we are getting a very good hospital plan. I believe it is going to be a good hospital when constructed.

Mr. FLOOD. How much longer are you going to continue to use Freedmen's?

Dr. NABRIT. I hate to raise that question with the medical people now because they are spilling out all over the place and I do not want to dampen their enthusiasm, but I can tell you, by the time we get in the new hospital in my judgment its capacity will be filled. We will just use up to the maximum of the new hospital.

Mr. FLOOD. I hope you get your hope.

MEDICARE, MEDICAID, AND INDIGENT PATIENTS

Is Freedmens receiving any payments through medicare or medicaid?

Dr. NABRIT. Yes, medicare. Medicaid was just about ready to go in there. We joined with the other hospitals in the District trying to get that hundred percent payment, and they offered 80.

Mr. FLOOD. How much do you get in 1969 and 1970 from medicare?

Dr. BURBRIDGE. The dollar amount?

Mr. FLOOD. Yes.

Dr. BURBRIDGE. \$940,000.

Mr. FLOOD. Do you have many indigent patients for which there is no payment received at all?

Dr. BURBRIDGE. I would say no payment was made at all on about 25 percent of our patients. The medicare patients, and this is something of interest—I want to make an observation about medicare patients. Medicare patients, only enough, have decreased in our hospital and by that same number the indigent patient load has increased, by the same percentage, about 5 percent.

Mr. FLOOD. I cannot figure that out.

Dr. BURBRIDGE. I can.

I think it is because of the fact that in the medicare bill there is freedom of choice. The person can select any hospital or doctor he wants, and I think this is a very good clause in the bill. So, they select a hospital that is more commodious and that has better accommodations than ours. I am quite certain this is the reason we have this downswing in medicare patients.

The indigent load has increased over the past several years and this means we have earned more money under the medical aid program

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our faculty, give them training which they have not gotten in schools or were not supposed to have gotten in the schools. And then we give them the advantage of the facilities we have at the university.

This has been going on for a year without any cost except the cost of the operation of the facilities because the people have done this voluntarily at the university. To me this is a solid achievement which is service rendered by the university under this program.

Mr. SHRIVER. It is a continuing program?

Dr. NABRIT. Yes, as long as it is mutually agreeable.

MEDICAL SCHOOL SALARIES

Mr. SHRIVER. On page 113 of the justifications, you say with respect to medical salaries, there is a wide gap between what is being presently paid and what is considered to be acceptable by the Association of American Medical Colleges. The biggest discrepancy exists in the clinical field and specialties such as pathology and radiology.

Will the amounts of increase you have asked for take care of that discrepancy?

Dr. NABRIT. No, it will not take care of it. This will move us though in a much more competitive position than we are now. We are down in the bottom part of the medical schools in the United States now in this respect. So this would not take care of it but would make it so much better for us.

Mr. SHRIVER. Do you think you have asked for enough to close the gap?

Dr. NABRIT. I do not want to answer something you did not ask, but I hope you asked.

I asked for enough additional money, but I did not get a chance to get over here with it. I am answering your question now.

Mr. FLOOD. Somebody threw a block?

Dr. NABRIT. That is right.

PER DIEM COSTS OF FREEDOM'S HOSPITAL

Mr. SHRIVER. Do you have a breakdown, Doctor, of the per patient hospital cost and how much of it is for various items of expense?

Dr. BURBRIDGE. We can provide it for the record.

Mr. SHRIVER. I would be interested in seeing that.

(The information follows:)

Per Diem Costs by Major Hospital Department, Fiscal Year 1969

Department:	Per diem cost
1. Administration	\$5.71
2. Admissions	.66
3. Dietary	4.62
4. Laundry	1.62
5. Housekeeping	2.25
6. Heat, light and power	.65
7. Maintenance and repairs	2.83
8. Motor service	.34
9. Medical and surgical services:	
a. Salaries of physicians and surgeons (house staff)	3.26
b. Supplies and miscellaneous	2.31
c. Anesthesia service	.90

Per Diem Costs by

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Dr. NABRIT. The law school dean resigned to go to Rutgers; on my recommendation the board appointed a former ambassador, Pat Harris, who is professor in the law school, to dean. She got in there just as the students were having these difficulties with one of the programs in the law school, and she had been a favorite of the students, but when she undertook to carry out her responsibilities as dean, the students turned on her and without thinking about it, she said that she was not invited to two administrative meetings where decisions were made and therefore she could not function.

As a matter of fact, she was in one of the meetings and talked and got the vice president of the university to excuse her because she had something else to do.

Mr. SMITH. Was this a difference of opinion over what action should be taken against the students?

Dr. NABRIT. No, no differences of opinion, because the action that was being taken was the action she was recommending. And she tendered her resignation. I immediately accepted it.

Then about the next day she said maybe she acted too precipitously, but I had appointed somebody to act because the law school could not operate in this sort of situation without a dean. And she is still teaching on the law faculty.

I never made any statement with respect to her statement because I did not see any use. I am making it to the committee for the committee's benefit. She is a very able woman in my opinion, a good law teacher.

EXPANSION OF MEDICAL SCHOOL

Mr. SMITH. Last year I asked you about the possibility of increasing the number of students in the medical school and you indicated you did not think that by 1975 it could be increased more than 10 percent. Do you stand by that now?

Dr. NABRIT. Let's put it this way, Mr. Smith: Without strong support from the Government, I would not stand by that. We can do things in this country that just would amaze people so I would say with strong enough efforts we could double the incoming class.

Mr. SMITH. I interpreted what you said last year to indicate you did not think you could get the professors.

Dr. NABRIT. I understand now, I am talking about the increase of 100 over this period of time. If I were assured this is what we were going to do, then I would present a program for the additions to the staff which would be needed as this first class reached the school, as the second class reached, as the third and the fourth, you see.

So it would be available. This is why I say if you really wanted to do it, this is the way you would do it and you would also find that you might have space problems for the first and second years. These also could be prepared.

I believe if that is what the Government wants done, medical schools in general and Howard in particular could do it.

Mr. SMITH. We could do it more so with Howard than with others due to the unique situation with regard to financing.

Dr. NABRIT. If I could get this medical school up to where it should be, then I would be ready to take off on the other. This is what concerns me. It is very difficult.

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Mr. SMITH. You mean up where it ought to be in quality or quantity?
Dr. NABRIT. In the quantity and quality; and this is a matter of funds. This determines both of those.

Mr. SMITH. So you do not misinterpret it, I have been a strong supporter of Howard, as I think every member of this committee is.

Dr. NABRIT. I know that.

Mr. SMITH. I really think there is a great opportunity there and a great need, and especially with regard to the medical school and the diploma nursing school, and so forth. If enrollment were doubled, there would be positions for all of the graduates. But I just do not have any patience if we are going to be the committee that goes to the Congress each year and tries to get more money and then we find that the students that we are trying to give a chance out there are not permitted to go to class.

Dr. NABRIT. Let us hope you would not form this judgment because this would not actually depict Howard. I would guarantee you that in substance we have come out of this better than any university in the United States, because we have had a more likely place to flare up than any, and I would say this, and it has not been easy. We have had no violence and education has been continuous.

These people sitting back here have worked night and day, every day of the week, because we have other forces, just as you can understand.

COURT DECISION ON EXPULSION OF STUDENTS

Mr. SMITH. There is nothing in this court decision that would have prevented you from filing trespass charges, is there?

Dr. NABRIT. I am making it clear that suit did not stop me from doing these things you and I are talking about. This is a judgment which I have made.

No, I do not. I have given that impression, I do not want that. It does not stop us from getting trespass warrants and having arrests, nothing stops us from calling the District police in and having them take these people from the campus. There is nothing to keep us from filing trespass charges. None of this. Nothing to stop us from expelling students. I am the one who has decided not to do these things.

Mr. SMITH. I had the impression that you felt that you were extremely restricted in what you could do on account of a court of appeals decision.

Dr. NABRIT. I was telling you where I tried to do something without following the law. This is what I did and I was telling you the court stopped me in that.

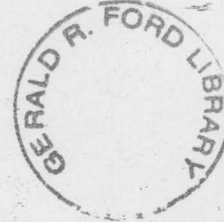
What I am saying, Mr. Smith, is in my judgment I hope the committee would not look at us in that light. We have, with the help of this committee, come through three very difficult years without losing either our strength, our reputation, or our constituents. And this to me is something which the committee should take pleasure in and say to the Congress the president of the university takes the responsibility for these judgments. If they are bad, then he has made bad judgment.

Mr. SMITH. I think the concern is that perhaps failure to have dismissed, suspended or disciplined leaders who seized buildings encourages others to do the same thing and I fear it will get worse.

Dr. NABRIT. You see, Mr. Smith, if you look at the campus, when I was a student I would agree with you but if I look at all of the cam-



5500 Prospect Place
Chevy Chase, Maryland 20015
September 12, 1969



The Honorable James F. Cheek
President
Howard University
Washington, D. C. 20001

Dear President Cheek:

In my role as a consultant and based upon my relationship to the National Medical Association and to the American Medical Association and my independent research I have analyzed the problem and have had the benefit of input from various sources. I submit this to you for your use and evaluation and I am sending copies of it to the various NMA and AMA individuals concerned, including Mr. Leo Brown of the AMA, Dr. Walden, Dr. Berry and others.

I believe it would be foolish to seek a three-fold increase in appropriation requests to the Senate for the hospital along the lines that Dr. Nelson projected in 1962. But on the other hand it would be folly to knowingly acquiesce in the construction of a facility which is inadequate without first submitting the question to responsible officials of the Department of Health, Education and Welfare such as the Assistant Secretary for Health, Dr. Roger Egeberg. In this connection I would surmise that the Department through its Comptroller and other fiscal officers have no doubt taken the position that the hospital as approved for construction by the Budget Bureau is an adequate facility.

I recognize that to submit the matter to Dr. Egeberg would entail possibly somewhat of a departure from the usual relationships which have previously characterized the University's relationship to the Department of Health, Education and Welfare and the Budget Bureau. If the two professional associations can be of assistance it would be to lend their support to your dealing directly with Dr. Egeberg, if they share my concern that the matter is in need of medical educational and scientific review.

I would not be candid with you if I did not state there is a difference of opinion between Dr. Jason and myself respecting the validity of the position paper. "Meeting Society's Expectations for Excellence in Service and Education," especially the portion thereof which states that a

Background Correspondence re Howard
University Med School Hospital

The Honorable James E. Cheek

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teaching hospital requires 1300 to 1500'square feet per bed and would involve a construction cost of \$75 to \$80 per square foot.

I can only say to you that the same document was cited by Richard T. Viguers, Administrator of the New England Medical Center Hospitals of Boston who is Chairman of the Committee on Modernization and Construction Funds for Teaching Hospitals of the Association of American Medical Colleges and is included in the Hearings before the Subcommittee on Public Health and Welfare of the Committee on Interstate and Foreign Commerce of the House of Representatives on Hospital and Health Facility Construction and Modernization, 91st Congress, First Session, which were held between March 25 and 28th, 1969.

Dr. Viguers stated that the document which contains the figures which I have relied upon in my analyses represents the most accurate and complete thinking of the Association of American Medical Colleges. I am only a layman but, nevertheless, such disputes as to the adequacy would suggest to me the need for further review by the experts in this field before the University proceeds on a decision which is predicated, as the record reveals, on what must have been lay judgments in the Bureau of the Budget.

Time is of the essence. We have to take a position. Even though we have not had a full-scale meeting, I do believe you have the NMA's and the AMA's thinking and my own. I do believe, however, that a full-scale meeting with as much representation as possible from all interested parties, should be held if at all possible.

Sincerely yours,

Sgd Loy Kirkpatrick

Loy Kirkpatrick

Judge Scovill Richardson
cc: Mr. Leo Brown
Dr. Emerson Walden
Dr. Leonidas Berry and Others



Analysis and Recommendations re New Howard Hospital
of Loy W. Kirkpatrick

September 10, 1969

Significant input has been received from the following: (a) Special Report of the Subcommittee of the NMA-AMA Liaison Group Appointed to Meet with Representatives of Howard University; (b) Leo Brown's Letter of August 20, 1969 to Loy Kirkpatrick; and Dr. Leonidas Berry's letter of September 4, 1969 to Judge Scovill Richardson. The purpose of this analysis is to analyze the various documents and to identify areas of agreement and areas of conflict. The writer will save until the end his criticisms and recommendations. These documents are set forth as Exhibits A, B, and C respectively.

The Special Report, notes that the "gist of the problem" has been the long drawn out fight to get sufficient funds from the Federal Government, and that "the medical school committee and professional consultants recommended more money than was approved." The Special Report notes that the "bureau of the budget gave a final figure of \$22.2 millions for a 500 bed hospital." Dr. Berry's September 4, 1969 letter to Judge Richardson, states, "more than \$22.2 millions were asked for by Dr. Jason's planning committee, but the budget bureau 'official' insisted on a cutback to \$22.2 million" Leo Brown's letter of August 20, 1969 to Loy W. Kirkpatrick, alludes to 587,625 square feet as being the amount which, "among others, Doctor Nabrit, the retiring President, felt could have been built for \$22.2 million, but that on the basis of recommendations made in 1962 by Russell Nelson of Johns Hopkins, "the Hospital should encompass 683,466 square feet, and that the construction cost of the 683,466 gross square feet, assuming that the recommendations of the Association of American Medical Colleges Council on Teaching Hospitals of \$75 to \$80 per square foot are followed, would put a price tag on the 683,466 gross square foot Russell Nelson plan, "somewhere around \$60 million"

From the foregoing it is possible to conclude as a fact that to build the 683,466 gross square feet included in the Russell Nelson Plan under current estimates of construction cost would be in the nature of \$60 million dollars. It is also possible to conclude that the University did ask for more money and floor space than was finally allowed by the Bureau of the Budget, which did so far as the public record reveals cut the university back to \$22.2 million and 587,625 gross square feet.

The Special Report states, "new President Cheek, on the job for one month" said, "his preliminary investigation among deans and educators elsewhere indicated that the \$22.2 millions are greatly inadequate."

From the foregoing, to the extent that the Special Report reflects Dr. Cheek's views, 587,625 gross square feet and \$22.2 million dollars are "greatly inadequate", it is factually possible to conclude that Dr. Cheek thinks and believes what has been approved is greatly inadequate.

Leo Brown stated it was "his understanding" that "NMA feels that it should appeal to the Senate Appropriations Committee to increase the appropriation from \$22.2 million to \$60 million. The basis for such understanding may have been a note which this writer advised Mr. Brown:

- (a) House has voted 22.2 million for the construction of a 587,625 gross square foot hospital;
- (b) 587,625 square feet is 95,841 square feet below Russell Nelson's 1962 recommendations for 683,466;
- (c) 587,625 square feet is well below AAMC-CTH figures which under the 1300 to 1500 gross square feet to each teaching bed, and on the basis of 500 authorized beds would require 650,000 to 750,000 gross square feet.

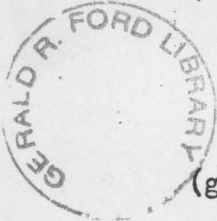
- (d) Construction cost per square foot of new hospital is \$38 per square foot, even though AAMC recommendations of \$75 to \$80 per square foot and a total construction cost should be in the neighborhood of \$60 million and \$22.2 million.
- (e) If the Senate Acts, there is every reason to think that GSA (the arm of the Federal Government in charge of building construction) will move to let construction contracts of a facility that is too small and cheap,
- (f) While the Assistant Secretary of HEW (Mr. Kelly) the Comptroller has probably made up his mind on costs for the new hospital, it might be possible to have Assistant Secretary of HEW (Dr. Egeberg) review the matter before the project moves beyond recall or modification. It would probably have to be decided by the President (Nixon),
- (g) Dr. Cheek may be completely under the Control of Assistant Secretary Kelly (See note of August 13, 1969 from Loy Kirkpatrick to Leo Brown, set forth as Attachment D.)

I stated in conclusion: "while I am ever mindful of the policy decision that surrounds the voluntary accreditation system, ...no intervention unless asked, I would hope that it would not be a bar to joint NMA-AMA effort to ask the Assistant Secretary for Health (Dr. Egeberg) to review in collaboration with the Associations whether the new facility as designed will be adequate for its purpose in light of contemporary construction practice." I emphasized that, "time is a factor", for "if the Senate votes the \$22.2 million, GSA will start construction"

While I did mention the closeness of Senate Appropriation Committee action, and noted that if it approved the \$22.2 million GSA would let construction contracts of a facility which is too small and cheap, I did not recommend that either the AMA or the NMA go directly to Senate Committee. I recommended that there be a joint NMA-AMA effort to ask Assistant Secretary for Health (Dr. Egeberg) to review in collaboration with the Associations whether the new facility as designed will be adequate for its purpose in light of contemporary construction practice. My hope is and was that if the Department on reconsideration thinks the hospital is too small, it would make an "appropriate response"

Leo may have arrived at his, "understanding" that NMA feels that it should appeal to the Senate from information derived during his presence at the convention in San Francisco. I had to leave on Tuesday, August 12. I was out of contact with any responsible NMA official until September 6, 1969, when I was in telephonic contact with Dr. Walden.

A highly useful purpose was served by "Leo's understanding", and Dr. Berry's conversations with Dr. Ruhe, for we know where the AMA stands on a frontal assault to the Senate asking for a \$60 million dollar facility. Leo Brown's August 20, 1969 letter to Loy Kirkpatrick reveals, "a discussion" of AMA support for an increase in the appropriation request from \$22.2 million to \$60 million with Dr. Ruhe, and that "prior to committing the AMA to endorsing a \$60 million appropriation, it is absolutely essential that we AMA have opportunity of meeting with representatives from Howard University and National Medical Association to review this entire matter," and that "it would seem absolutely essential that we be informed of the position that would be taken by Howard University regarding this appropriation." Leo Brown emphasized that "If we are unable to come up with some uniform approach to the total amount of the appropriation, it is questionable whether the AMA would request the opportunity of testifying before the Senate Appropriations Committee."



Dr. Berry's letter to Judge Richardson, predicated upon discussions with both Dr. Ruhe (Chairman of the Council on Medical Education of the AMA) and Dr. Jason (longtime chairman of the Freedmen's Hospital planning Committee), is of the view:

- (a) quite impractical to expect to get an increase of construction funds to \$60 million by Senate over and approved \$22.2 millions by House at this time.
- (b) Dr. Ruhe seriously doubts that AMA Washington based advisors would support an attempt to increase appropriation from \$22.2 million to \$60 million

AMA clearly feels that it cannot ask the Senate to request a \$60 million dollar facility, when the House has already voted \$22.2 million, and in any event, before it takes a position on anything, "it must be informed" of the position that would be taken by Howard. Ideally, it would appreciate a three way meeting, Howard, NMA, and AMA. This writer has endeavored since receipt of Leo Brown's letter of August 20, 1969, requesting a meeting to have the NMA secure three way talks, even though he expressed the view in his letter of August 24, 1969 to Leo Brown (a copy of which is set forth as Exhibit B) that four way talks would be necessary, the fourth party being representatives of the Federal Government.

Dr. Walden of the NMA (Chairman of the Board) requested, on September 6, 1969, a meeting with Howard in a letter to President Cheek. This left it up to Dr. Cheek whether to have representation of members of the AMA, as well as the NMA.

Dr. Berry's letter to Judge Richardson also suggests what came out of his "consensus with Dr. Ruhe and Dr. Jason.

- (a) Most that could be achieved at this point is increased funds to bring the \$22.2 million up to 1970 costs, but to leave to Howard University's planning committee (headed by Dr. Jason) to determine "amount of increase" in construction funds;

- (1) This is essentially technical would involve determination of increase in cost of construction since 1967-
- (2) How much would it cost to build the 587,625 gross square foot hospital approved by the Budget Bureau in 1970 assuming increases in cost of construction since 1967.

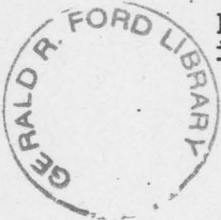
Dr. Berry's letter also suggests a recommendation which came out of his "consensus" with Dr. Ruhe and Dr. Jason

- (a) Beginning immediately a planning grant request should be filed to plan for additions and expansions of the new hospital.

I, speaking now as a critic, point out that;

- A. No decision has been reached on whether to take an appeal to Dr. Egeberg, Assistant Secretary for Health and to the Budget Bureau to secure a reversal of the decision to limit Howard to 587,625 gross square feet and \$22.2 million of construction cost for the new hospital.

- (1) This necessarily assumes that the position is supportable that the hospital is too small as designed and as funded.
- (2) This necessarily assumes that the Secretary of HEW or the



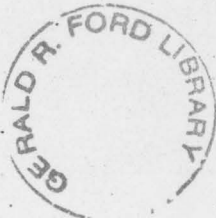
Director of the Bureau of the Budget could advise both the House and Senate Committees that as the result of the Administration's review of the entire matter that it regards the plan as approved by previous administration to be inadequate, that it is redesigning the hospital project, and will impound the funds until the project is redesigned, at which time it will in all likelihood be necessary to seek additional funds.

I, speaking now as a critic, also take issue with Dr. Berry's penultimate recommendation that the way out of the problem is for a planning grant for additions to the new hospital on the grounds that:

- (a) It necessarily presupposes building an inadequate facility without an appeal to Dr. Egeberg and the Department of HEW;
- (b) Howard University may to the extent that the General Counsel of HEW is still of the view expressed in a letter signed by Edwin F. Rosinski Deputy Assistant Secretary for Health Manpower to Dr. Kenney on May 9, 1968, be ineligible to receive grants for the planning of new construction. (A copy of the Rosinski letter is attached as Exhibit E)
- (c) Such planning could become effective only if new legislation were enacted to authorize beds over and beyond the 500 beds authorized in 1961 by P.L. 87-262.
 - (1) Howard has a difficult time getting legislation enacted for its benefit and meets Budget Bureau resistance for its needs (a) The present hospital is the fruit of the "Freedmen's Hospital Study Commission, established by the Secretary of HEW and which reported in May 1955.
 - (b) There was over a six year delay in getting any law to authorize construction of a 500 bed hospital i.e. P.L. 87-262 enacted in 1961 which authorized not to exceed 500 beds.
 - (c) There have been many delays, including the Budget Bureau refusal to allow the Russell Nelson 683, 466 gross square feet plan to be implemented.
- (d) the Present legislation does not impose a ceiling on construction cost or or square footage. Such restrictions are those which the Kennedy-Johnson Administration imposed through its Budget Bureau.
- (e) The Nixon Administration could reverse its predecessors and seek funds for optimum space and construction cost with respect to the 500 beds authorized in 1961

Speaking as a Consultant. I recommend:
Position in the Howard Meeting

Professional Association (NMA) and AMA hopefully refer matter to Dr. Egeberg with recommendation that the Assistant Secretary review whether the new facility as designed will be adequate for its purpose in light of contemporary construction practice



- (b) Witness Statement before the Senate Committee noting the defects, and stating that the two associations have referred the matter to Department of HEW, with the hope that the Department would take an appropriate position and so advise the Committees the results of the Department's review.
- (c) Make no representation of how much the new hospital would cost, nor urge any specific increase, until such time as the Associations have had opportunity to review the Department's (HEW's) analysis.

Loy Kirkpatrick



HOWARD UNIVERSITY
WASHINGTON, D. C. 20001

OFFICE OF THE PRESIDENT

September 11, 1969



Dear Dr. Walden:

Please express to the members of the Board of Trustees my very deep appreciation for the plaque which was presented to me at the convention in San Francisco last month. I was scheduled for surgery the day following the presentation and at the last minute had to alter my plans.

Your interest and concern with respect to the Hospital is most helpful and encouraging. I do not at this time see wisdom in a pre-hearing strategy meeting, but will keep closely in touch with you concerning developments.

Kindest regards.

Sincerely yours,

A large, stylized handwritten signature in dark ink, appearing to read "James E. Cheek". The signature is written over the typed name and title.

James E. Cheek
President

Dr. Emerson C. Walden
Chairman of the Board of Trustees
National Medical Association, Inc.
4200 Edmondson Avenue
Baltimore, Maryland 21229



NATIONAL MEDICAL ASSOCIATION, INC.

ORGANIZED 1895
INCORPORATED 1924

EMERSON C. WALDEN, M.D.
CHAIRMAN OF THE BOARD OF TRUSTEES
4200 EDMONDSON AVENUE
BALTIMORE, MARYLAND 21229

301-947-2718

September 6, 1969

Dr. James Cheek, President
Howard University
2400 Sixth Street, N. W.
Washington, D. C. 20001

Dear Dr. Cheek:

It was nice meeting you and talking about the new Freedmens Hospital with Judge Richardson, Dean Harden, and Dr. Green last month.

We had a very good convention in San Francisco and were sorry that you could not be present to accept your plaque which I am sure Dr. Harden has turned over to you by now.

During the meetings of the Board, we had full and free discussion of the new hospital and the National Medical Association's role in its regard. We received the counsel and in-put from such people as our own well-regarded and highly esteemed Dr. Robert S. Jason, the hospital's and medical center's Coordinator. Our basic position remains one of interested concern and we wish only to help if indeed we can.

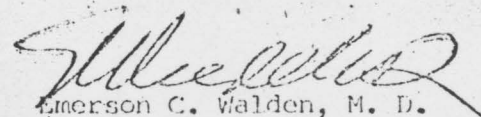
The time for Senate Appropriation hearings draws nigh and I write now to ask you and Judge Richardson:

1. Do you feel that our (NMA) meeting with you prior to the hearings will serve any useful purpose, strategy-wise?
2. Such a meeting proving to be useful, what do you say to a similar pre-hearing conference with you and appropriate NMA and AMA representatives? or
3. Knowing your busy schedule and assuming you should favor a pre-hearing strategy meeting to define the most helpful role for the NMA in this delicate matter, would you prefer a single meeting which would include representatives of the NMA, the AMA and Howard representatives of your choosing?

Whatever your thinking on pre-hearing strategy meetings, be assured that we of NMA stand ready to meet with you at your convenience.

With kindest personal regards,

Very truly yours,


Emerson C. Walden, M. D.
Chairman

ECW/cbw

cc: Hon. Scovel Richardson

LEONIDAS H. BERRY, M. D., F. A. C. P.
412 EAST FORTY-SEVENTH STREET
CHICAGO 53

September 4, 1969

Judge Scovel Richardson
U.S. Customs Court House
Federal Plaza
New York, N.Y.



Dear Scovel:

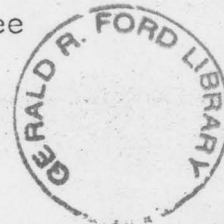
As I have said in previous letters your instructions and the consensus of our August 3rd meeting were relayed to Dr. Ruhe, spokesman for the AMA segment of our NMA-AMA liaison committee. After contact with Dr. Ruhe's office by letter and a conference with his associate, Dr. Nicholson, I had a substantive conference with Dr. Ruhe a few days ago.

Dr. Ruhe wishes me to say to you that the AMA in cooperation with the NMA is quite willing to give supportive testimony for any reasonable and practical request for increased construction costs for Freedmen's Hospital at this time. He states that the AMA group would like to leave these increases entirely up to Howard University, it's planning committee and architectural advisor. Dr. Ruhe appreciates and confirms the importance of a statement emphasized by you at the August 3rd meeting, that any extra jurisdictional testimony must agree to the letter with a final official request made by Howard University.

I have determined a consensus in discussions with Dr. Ruhe, 3 other members of our liaison committee and the long time chairman of Freedmen's Hospital planning committee which is as follows:

- 1) It seems quite impractical to expect to get an increase of construction funds to 60 millions by the Senate over an approved 22.2 millions by the House at this time.
- 2) Dr. Ruhe seriously doubts that the AMA Washington based advisors would support such an attempt.
- 3) More than 22.2 millions were asked for by Dr. Jason's planning committee, but the budget bureau "official" insisted on the cut back to 22.2 millions.

- 4) .Probably the most that could be achieved at this point is increased funds to bring the total up to 1970 costs. This would be an important achievement because the experience at Howard in similar projects is that the contractors would require reduction in construction footage or less expensive materials in order to stay within range of 1967 approved costs.
- 5) The determination of the amount of increase in construction costs to be requested should be left entirely up to Howard University's planning committee with any augmentation or consultation which may be desired or required at this time.
- 6) Beginning immediately, a planning grant request should be filed to plan for additions and expansions of the new hospital to meet the needs for future growth in the delivery of community health care, medical school teaching and research and to find ways of coordinating such a program with the progressive plans of other leading D.C. hospitals.
- 7) AMA facilities through its Washington based representatives will support the programs and methods as discussed above as finally presented by Howard University.
- 8) NMA is also committed to help in any feasible way and to coordinate its efforts with AMA through their liaison conference.



We would expect that you and/or President Cheek will tell us when to make the next move.

With sincerest regards and best wishes,

Leonidas H. Berry, M.D.
For NMA-AMA Sub Committee
on Howard University

Dear Sir,
he agency mentioning
multinational was talking to
out white teaching hosp. this
we don't follow signals
may end up with No hosp
til after Nixon - years
LHB/jw

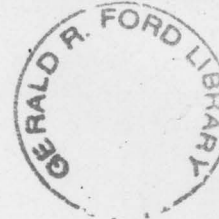
AMA was quite upset
about last minute
triple increase
requests
for it

cc: President Cheek
Dr. Walden

President J. Hill (NMA)
Loy Kirkpatrick

August 24, 1969

Mr. Leo E. Brown
Assistant to
Executive Vice President
American Medical Association
535 North Dearborn Street
Chicago, Illinois 60610.



Dear Leo:

I have received your letter of August 20 wherein you advise that it is "absolutely essential" that the AMA has the "opportunity of meeting with representatives from Howard University and the National Medical Association to review" the posture of each with respect to the new teaching hospital as "soon as possible." I understand the urgency to be due to the fact that Congress will reconvene and the Senate Appropriations Committee will act upon the appropriations for the new teaching hospital.

With respect to your penultimate paragraph, which asks whether such a meeting can be called and when and where, I have taken the following steps in the absence of Dr. Kenney, Chairman of the NMA medical legislative committee, and Dr. Walden, Chairman of the Board of Trustees, both of whom are in Japan as part of a medical exchange:

I contacted Dr. Mitchell W. Spellman, Dean of the Charles R. Drew Postgraduate Medical School in Los Angeles and a retiring Trustee, who assured me that he would relay your suggestion to Dr. Julius Hill of Los Angeles, the President. I also contacted Dr. W. T. Armstrong of Rocky Mount, N.C., the President-elect who assured me that he would follow through.

I trust that a three-way meeting will be held in the very near future. I had hoped that such a meeting could have been held in San Francisco and the NMA convention. However, conventions are not the right time for such deliberations.

I believe that you have very aptly summarized the views of the Federal Government with respect to the new hospital. I do not believe that the General Accounting Office has had occasion to review the adequacy of the plans or the \$22.2 million construction cost.

The record shows that the Budget Bureau in the Executive Office of the President rejected the recommendations of Dr. Russell Nelson of Johns Hopkins, made in 1962, that the new hospital have 683,466 gross square feet. In the final analysis it is the Budget

Bureau that has insisted upon 587,625 gross square feet at a cost of \$22.2 million. Dr. Nabrit has embraced the Budget Bureau approved \$22.2 million hospital even though it is a project much scaled down from Dr. Nelson's 1962 recommendations.

While I was not present at the recent conference attended by Secretary Finch, Dr. Egeberg, and NMA officials, I understand that Dr. Egeberg expressed dismay that anybody would hope to construct a 500 bed teaching hospital for \$22.2 million.

Heretofore, in all our discussions, it has been assumed that Howard is an independent entity and not an arm of the Federal Government. While it is nominally "private and self-governing," it is in practice completely dominated by HEW and the Budget Bureau. I attempted to chronicle this special relationship in my memorandum of October 28, 1968, to Mr. Harry N. Peterson of your legal staff.

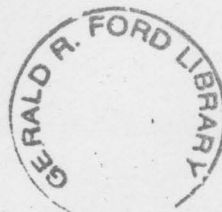
In short, we need a timely three party conference as a starter. I predict, however, that Howard cannot give a straight answer prior to clearance by HEW. Four-party talks involving HEW-Budget Bureau-Howard-NMA & AMA) may well be necessary.

Sincerely,

Sgd. Loy

Loy W. Kirkpatrick

cc: Leonidas Berry, M. D.
Claude H. Organ, M. D.
Emerson Walden, M. D.
John A. Kenney, M. D.
C. H. William Ruhe, M. D.
James M. Whittico, M. D.
W. T. Armstrong, M. D.
Mitchell W. Spellman, M. D.
Julius Hill, M. D.





AMERICAN MEDICAL ASSOCIATION

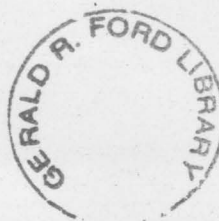
535 NORTH DEARBORN STREET • CHICAGO, ILLINOIS 60610 • PHONE (312) 527-1500 • TWX 910-221-0300

ERNEST B. HOWARD, M.D.
Executive Vice President

LEO E. BROWN
Assistant to
Executive Vice President

August 20, 1969

Mr. Loy Kirkpatrick
5500 Prospect Place
Chevy Chase, Maryland 20015



Dear Loy:

I found the material regarding Freedmen's hospital which you sent to me very interesting. It appears that there seems to be a difference of opinion in terms of the total dollar amount needed to build this hospital.

In the background material you sent to me I gather that the Public Health Service, the General Accounting Office, and Doctor Nabrit, representing Howard University, all seem to feel that the 587,625 square feet in the new Howard University teaching hospital can be built for \$22.2 million. The construction cost figures out to approximately \$38.00 per square foot in terms of the appropriation passed by the House Appropriations Committee.

We now learn that on the basis of recommendations made in 1962 by Russ Nelson the hospital should encompass 683,466 square feet and that the Association of American Medical Colleges Council on Teaching Hospitals recommends that the cost per square foot be somewhere between \$75.00 and \$80.00. With this increased square footage and cost per square foot, the total cost involved would be somewhere around \$60 million.

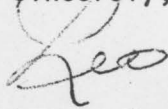
It is my understanding that the National Medical Association feels that it should appeal to the Senate Appropriations Committee to increase the appropriation from \$22.2 million to \$60 million. I have discussed this matter with Dr. William Ruhe, Director of our Division of Medical Education. Prior to committing the AMA to endorsing a \$60 million appropriation, it is absolutely essential that we have the opportunity of meeting with representatives from Howard University and the National Medical Association to review this entire matter.

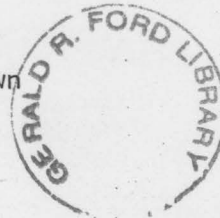
It would certainly be unwise for the AMA to testify before the Senate Appropriations Committee in behalf of the \$22.2 million grant if the NMA is contemplating changing its testimony in support of a \$60 million appropriation. Further, it would seem absolutely essential that we be informed of the position that would be taken by Howard University regarding this appropriation.

We are fully aware that the Senate Appropriations Committee may be discussing this matter in the near future. Therefore, it is important that such a meeting be held as soon as possible. If we are unable to come up with some uniform approach to the total amount of the appropriation, it is questionable as to whether the AMA would request the opportunity of testifying before the Senate Appropriations Committee.

Please let me know at your earliest convenience whether such a meeting can be called, and when and where.

Sincerely,


Leo E. Brown



cc: Alvin J. Ingram, M. D.
Leonidas Berry, M. D.
Claude H. Organ, M. D.
Emerson Walden, M. D.
John A. Kenney, M. D.
G. H. William Ruhe, M. D.

HOWARD UNIVERSITY

WASHINGTON, D.C. 20001

OFFICE OF THE PRESIDENT

July 9, 1969



Dear Dr. Berry:

I appreciate very much your letter of June 18, and your kind expressions as I begin my new work.

President Nabrit has passed on to me your correspondence to him of May 26, concerning the creation of a conference committee to meet with the liaison committee to discuss medical education and community hospital services at Howard.

As you probably know, medical education and health services have a high priority for us, and we are most concerned that every possible way be explored to strengthen our programs.

We shall proceed to compose such a committee, and I will forward the names to you within a few days. In the meantime I should appreciate knowing the probable dates or time period you envision for the meeting.

Your committee and the two associations can be very helpful to us, and I am deeply grateful to you and those you represent for the interest you have in our needs.

I shall look forward to meeting you personally.

Very truly yours,

A large, stylized handwritten signature in dark ink, written over the typed name of the president.

James E. Cheek
President

Dr. Leonidas H. Berry
412 East Forty-seventh Street
Chicago, Illinois



AMERICAN MEDICAL ASSOCIATION

535 NORTH DEARBORN STREET • CHICAGO, ILLINOIS 60610 • PHONE (312) 527-1500 • TWX 910-221-0300

ERNEST B. HOWARD, M.D.
Executive Vice President

LEO E. BROWN
Assistant to
Executive Vice President

April 2, 1969



Mr. Loy Kirkpatrick
5500 Prospect Place
Chevey Chase, Maryland 20015

Dear Loy:

I hope you will forgive me for my tardiness in responding to your recent correspondence, but I assure you that this delay has been due to the press of other activities and not any disagreement that we may have had concerning mailings to the NMA-AMA Liaison Committee.

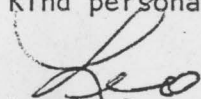
You have done simply a magnificent job in gathering background information on appropriations to Howard University and in particular to Freedman's Hospital. The documented material which you have supplied re the repeated failures of the Budget Bureau and Congress to fulfill its obligation to Howard is demanding evidence as to what must be done at the present time. Our objection to your sending this material to the AMA members of the Liaison Committee is based fundamentally on the fact that this is essentially an AMA responsibility rather than that of someone who is not directly associated with either the AMA or the NMA. But all of this is water over the dam and please be assured that there are no hard feelings whatsoever.

Last week the AMA testified before the House Interstate and Foreign Commerce Committee on the extension of Hill-Burton appropriations and, during the question and answer period, we had the opportunity to strongly support the \$20 million appropriation to Freedman's Hospital. Darrell Coover and Harry Hinton, both in our Washington Office, have been instructed to carry on an active lobbying effort with the Budget Bureau and the House and Senate Appropriations Committees to insure that the \$20 million appropriated to Freedman's Hospital will be retained in the budget for this year. I had the opportunity of discussing this matter with John Kenney on Saturday and he was pleased to know that we were vigorously pursuing this matter through appropriate channels.

Although we have not heard from the Deans at Meharry or Howard re AMA assistance, we are hopeful that their decision will be positive and a request will be submitted to us for AMA and NMA involvement. The AMA does not feel that it can force this issue; however, it might be helpful if the NMA were to encourage both schools to accept this invitation.

Let me assure you that we expect to keep on top of the appropriation to Freedman's Hospital. I have given Doctor Kenney's name to both Mr. Coover and Mr. Hinton in the event they need additional information. Looking forward to seeing you in Washington May 18 at our NMA-AMA Liaison Committee meeting.

Kind personal regards,


Leo E. Brown

LEB:s1

March 12, 1969

Mr. Leo E. Brown
Assistant to Executive Vice President
American Medical Association
535 North Dearborn Street
Chicago, Illinois 60610



Dear Leo:

I refer to your recent telephone conversation with Dr. Kenney relating, in part, to my communications with members of the Special Subcommittee of the AMA-NMA Liaison Committee.

While I felt I was within permissible limits in making direct communication to members of both associations, effect being given to the existence of a special fact finding subcommittee of both associations, and my unique status in relation thereto, I sincerely regret any difficulty which my direct communications may have caused you. I will honor to the full your understanding with Dr. Kenney that all relevant communications be directed to your office.

With respect to Howard, I believe it pertinent to note that in 1964 HEW made, as required by law, 20 U.S.C. 123, an investigation of Howard Medical College.

I was able to secure a copy of the inspection report and found it a devastating criticism. I have since perceived remedial steps as an area where genuine cooperation between the two associations should be possible. Unfortunately, I misplaced my copy, or I would have transmitted a copy to you heretofore.

It was in response to the HEW criticism that Howard sought to justify additional appropriations to effect improvements in medical education at Howard. Congress allowed additional funds for medical school improvement in Fiscal Years 1966, 1967, 1968, and 1969. The extent to which such funds appropriated to Howard for medical school improvement have been so spent is another question, one which we understand from Dr. Nicholson's letter of February 25, 1968, is now under consideration. A copy of Dr. Nicholson's letter is enclosed.

May I suggest that Dr. Nicholson, if he does not now have available to him the HEW study alluded to above, might wish to seek such study.

Sincerely yours,

A handwritten signature in cursive script that reads "Loy Kirkpatrick".

Loy Kirkpatrick

cc: John A. Kenney, Jr. M.D.
CH William Ruhe, M.D.

Hayden C. Nicholson, M.D.
James M. Whittico, Jr. M.D.



AMERICAN MEDICAL ASSOCIATION

535 NORTH DEARBORN STREET • CHICAGO, ILLINOIS 60610 • PHONE (312) 527-1500 • TWX 910-221-0300

February 28, 1969

SIGN OF
ICAL EDUCATION

I. WILLIAM RUHE, M.D.,
Director

ARTMENT OF UNDERGRADUATE
ICAL EDUCATION

DEN C. NICHOLSON, M.D.,
Director

Mr. Loy W. Kirkpatrick
5500 Prospect Place
Chevy Chase, Maryland 20015

Dear Mr. Kirkpatrick:

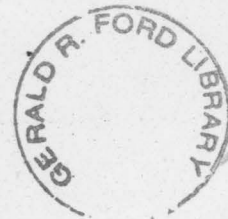
Thank you for your letter of February 25. We have noted your current address.

Your letter will be very helpful. We have talked to officials at Howard and Meharry and have reason to think that each institution would welcome our help. I have also written to Dr. Harden asking for an explanation of their failure to use federal funds to pay faculty salaries. I'll keep you informed.

Very sincerely yours,

Hayden C. Nicholson, M.D.

CC: John A. Kenney, Jr., M.D.
C. H. William Ruhe, M.D.
James M. Whittico, Jr., M.D.
Leo E. Brown

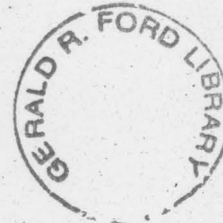


HOWARD UNIVERSITY
WASHINGTON, D. C. 20001

COLLEGE OF MEDICINE
DEPARTMENT OF MEDICINE

Division of Dermatology
Freedmen's Hospital
Washington, D.C. 20001
February 25, 1969

To Members of the Subcommittee on Aid
to Howard and Meharry Medical Schools
of the AMA-NMA Liaison Committee, and
to Members of the Councils on Medical
Education of the American Medical
Association and the National Medical
Association



Dear Doctors:

Mr. Loy Kirkpatrick of NMA has made what we consider to be a significant comparison of Federal assistance for hospital construction in the District of Columbia to other hospitals with that provided to Freedmen's Hospital which is the teaching hospital for the Howard University College of Medicine.

While we realize that each of you are busy doctors with an already overloaded schedule, we hope that you can find some time to peruse the enclosed material which we feel points up the need for AMA-NMA help for Freedmen's Hospital and indeed for Howard University College of Medicine which must perforce look to the Federal Government for its main support. We feel that it is within the purview of both Councils and of the Subcommittee of the Liaison Committee to be concerned with the quality of training of a significant number of the Negro physicians in this country produced by both Howard and Meharry. For Howard medical students Freedmen's Hospital is inescapably interwoven with the quality of training provided.

While Congress in 1961 authorized the construction of a new 500-bed replacement for Freedmen's Hospital, this new hospital has not yet been built. The official record demonstrates that there has been thus far a four-and one-half-year delay in securing Budget Bureau approval for the necessary requests to Congress for appropriations with which to build a new hospital. A

principal point at issue was the approved amount of floor space.

President Johnson's last budget now before Congress includes 23.4 million dollars with which to construct the new Freedmen's Hospital. (From the point of view of the professional staff of the hospital and others familiar with hospital construction costs this figure should be substantially more than that, but the Budget Bureau has held it down to this amount). President Nixon is reviewing the Johnson budget with a view to ascertaining where cuts can be made. Any further reduction of funds for the new Freedmen's would in our view be a severe catastrophe for the College of Medicine at Howard. Congressmen who surveyed Freedmen's when the new legislation was passed termed the present Freedmen's Hospital "inadequate", "a dump", and a "national disgrace."

Freedmen's Hospital did not share in the award of 62.4 million dollars in construction grants under various Federal laws which have provided hospital construction grants in the District of Columbia. Freedmen's is not scheduled to receive any share of the \$80.6 million in loans and construction grants authorized by the District of Columbia Medical Facility Act of 1968.

By contrast, the two other teaching hospitals in Washington, those at Georgetown and George Washington Universities, have received or are scheduled to receive a total of \$45.5 million in Federal hospital construction assistance under all laws.

The reasons for all of this are involved and complicated and would make too lengthy a discussion for this letter especially in view of all of the other material we are enclosing herewith.

We have asked for more data on Meharry's situation which we hope will be forthcoming and which we hope to present to you at a later date.

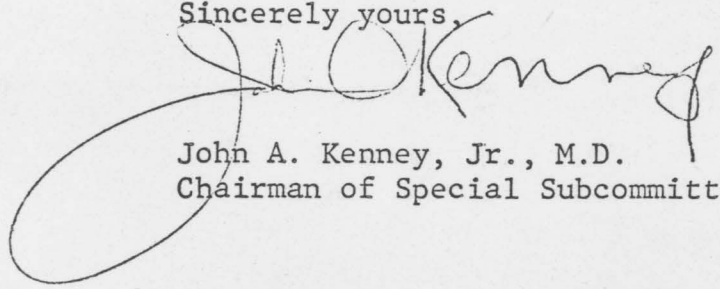
We trust there will be time for consideration of these and other pertinent matters at sessions of the subcommittee and perhaps of the Councils in the not-too-distant future, but we thought you should have this



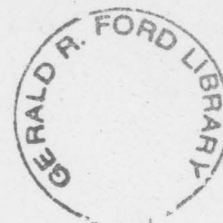
- 3 -

background material to aid you in becoming familiar with the situation and with the reasons why we urgently seek assistance of the AMA and the NMA and their appropriate Councils.

Sincerely yours,


John A. Kenney, Jr., M.D.
Chairman of Special Subcommittee

JAK:zsc





DIVISION OF
MEDICAL EDUCATION

C. H. WILLIAM RUHE, M.D.,
Director

DEPARTMENT OF UNDERGRADUATE
MEDICAL EDUCATION

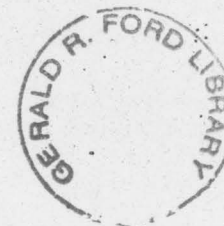
HAYDEN C. NICHOLSON, M.D.,
Director

AMERICAN MEDICAL ASSOCIATION

535 NORTH DEARBORN STREET • CHICAGO, ILLINOIS 60610 • PHONE (312) 527-1500 • TWX 910-221-0300

February 17, 1969

Mr. Loy Kirkpatrick
2500 Wisconsin Avenue, N.W.
Washington, D.C.



Dear Mr. Kirkpatrick:

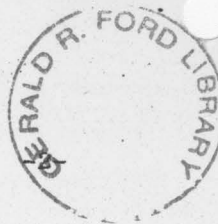
Thank you very much for your note of February 13 with the accompanying material relating to Howard University College of Medicine and particularly to the substantial federal support of hospital construction in the District of Columbia, not including Freedmen's Hospital.

As you may know, the proposed studies of Howard and Meharry Medical Schools were discussed last week at a meeting of the Council on Medical Education. The Council felt strongly that we should involve ourselves in it only at the request of the schools themselves. Letters are being sent to the two schools informing them of this fact and asking if they wish us to undertake such a study. Assuming that the schools reply affirmatively, our Advisory Committee on Undergraduate Medical Education will be asked to serve as a subcommittee of the Council in this matter.

The need for a new Freedmen's Hospital was clearly pointed out in the last accreditation report on Howard in 1966. A memorandum summarizing the pertinent comments in this report was forwarded to the Undergraduate Advisory Committee just a few days ago in order that that committee may approve by mail a recommendation regarding a new Freedmen's Hospital to be presented to the Council on Medical Education at its next meeting.

The information provided with your letter regarding the substantial federal support of hospital construction in the District of Columbia is very enlightening and very impressive.

Mr. Loy Kirkpatrick



February 17, 1969

Incidentally, the figures on Howard and Meharry compared with national averages and with certain other schools sent to you by Mr. Leo Brown were taken largely from our annual questionnaire and from accreditation survey reports. When we request this information from the individual schools we assure them that the information will be kept confidential. I don't believe I explained the source of the information to Mr. Brown and he, of course, had no way of knowing of its confidential nature.

In your memorandum you raise the question of "how far a school could deviate from national norms and still be immune from such sanctions and remedies which the councils have at their disposal" and say that you do not "know how bad a school's situation must be before the Councils will move of their own volition, as distinct from a school's request for assistance." Accreditation of medical schools is a function of the Liaison Committee on Medical Education representing jointly the Council on Medical Education of the American Medical Association and the Executive Council of the Association of American Medical Colleges. Consequently, any activity of the AMA dealing with accreditation must be through the Liaison Committee. Schools are visited and accredited periodically by the Liaison Committee and Howard University is due to be visited again shortly. I might say that, the accreditation process is meant to be educational and helpful to the institution and disaccreditation or a threat to disaccredit are steps that are taken very reluctantly and only as last resorts.

With kind regards,

Very sincerely yours,

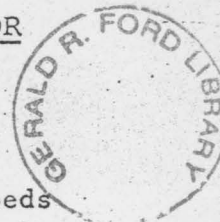
Hayden C. Nicholson, M.D.

HCN:db

CC: John A. Kenney, Jr., M.D.
C. H. William Ruhe, M.D.
James M. Whittico, Jr., M.D.
Leo E. Brown

NMA POSTSCRIPT: 2/25/69 This letter was just received today. It expresses the viewpoint of AMA's Council on Medical Education regarding interceding in the internal affairs of a university. However, the Professional Staff of Freedmen's Hospital, a teaching hospital of Howard University College of Medicine, feels that it has to enlist outside aid to better the situation and in future session it hopes to advance its reasons therefor. J.A.K.

COMPARISON OF FEDERAL ASSISTANCE FOR HOSPITAL CONSTRUCTION
IN THE DISTRICT OF COLUMBIA WITH FEDERAL ASSISTANCE FOR
FREEDMEN'S HOSPITAL



In 1946 Congress, in an effort to alleviate the shortage of hospital beds within the District of Columbia, enacted legislation, P.L. 79-648, Act of August 7, 1946, which authorized the appropriation of \$35 million for the construction of a medical center in the District of Columbia. In 1957 the 813-bed Washington Hospital Center, operated by three merged private hospitals, opened its doors. The Federal Government, as provided in P.L. 79-648, had met all costs of construction and equipment of the Center. Under this law, the District of Columbia Government is required to return to the Federal Government in annual installments 30% of the cost of the Center. 1 /

By 1951, it was apparent that the District of Columbia would not be eligible to receive more than a few hundred thousand dollars per year in Hill-Burton hospital construction assistance, which assistance would not be sufficient to support a hospital construction program on a scale with that conducted by the various States. 2 / By 1951 it also had become apparent that the construction of the Washington Hospital Center would require an expenditure of only \$21.7 million of the \$35 million authorized for Hospital Center construction by P. L. 79-648. Accordingly, Congress amended P.L. 79-648 by enactment of P.L. 82-221 to allow any of the \$35 million authorized for the construction of the Center, which was not needed for the construction of the Center to be used for grants to private, non-profit hospitals which did not choose to join the Washington Hospital Center.

In 1958, P.L. 79-648 was amended to increase the ceiling on construction. It was amended to allow a grant of \$3 million to assist the construction of Cafritz Hospital in Southeast Washington. 3 / The D. C. Hospital Center Act expired in 1962. Congress then enacted a special law in 1962, applicable only to George Washington University Hospital, authorizing 2.5 million dollars for a new wing. 4 /

1 / P.L. 79-648 required hospitals desiring to participate in the Center to donate their existing hospitals to the Federal Government and to merge with other hospitals participating in the operation of the Center. Three hospitals, Episcopal, Garfield, and Emergency merged, conveyed their properties to the Government and assumed ownership of the Washington Hospital Center. A copy of Public Law 79-648 is attached as Exhibit A.

2 / The legislative history of P.L. 82-221 is clear that Congress was of the opinion that the dollar amount of Hill-Burton aid for the District of Columbia would be relatively small. The reason is that Hill-Burton aid favored States whose per capita income is low. The District of Columbia, whose per capita income was relatively high, stood to receive very little Hill-Burton aid. See 97 Congressional Record 13, 217 (Oct. 16, 1951) and S. Rept. 738. 82 Cong., vss. 1-6 (1951). set forth as Exhibit B. A copy of P.L. 82-221 is set forth as Exhibit C.

3 / P.L. 85-329 of February 15, 1958.

The D. C. Hospital Center Act, P.L. 79-648, as amended, limited assistance to nonprofit private hospitals. It was intended to supplement Hill-Burton grants. It presupposed that the hospitals assisted would have non-Federal matching funds. Freedmen's received nothing under the D. C. Hospital Center Act. Until 1967 Freedmen's was owned by the Federal Government. It was ineligible for construction grants from this source.

The Federal Government had by 1968 contributed \$62.4 million toward the cost of constructing several Washington Hospitals. Such aid included \$41.7 million under the D. C. Hospital Center Act. The distribution of Federal financial assistance to the District of Columbia hospitals is well illustrated by the following table, prepared by the Public Health Service.



SUMMARY OF APPROVED HOSPITAL PROJECTS IN THE DISTRICT OF COLUMBIA UNDER VARIOUS PROGRAMS
(FISCAL YEARS 1913-63)

Facility	Lanham Act	Hill-Burton (1913-1968)	D.C. Hospital Center Act (1953-1962)	Total Federal grants	Total costs
D.C. General Hospital.....		924,014		924,014	3,757,151
Childrens Hospital.....		1,480,255	675,913	2,156,168	9,353,132
Warwick Cancer Clinic.....		18,414		18,414	652,995
Childrens Convalescent Home.....		830,652		830,652	1,937,234
George Washington University Hospital.....	2,500,000	933,721		3,433,721	2,734,572
Georgetown University Hospital.....		1,258,202	2,170,000	5,928,202	12,043,033
Casualty Hospital.....		577,072	1,300,000	1,877,072	4,775,257
Davis Memorial Rehabilitation.....		150,000		150,000	1,453,515
Childrens Treatment Center.....		127,917		127,917	301,251
Columbin Lighthouse.....		19,841		19,841	230,452
Childrens Hearing Speech.....		295,929		295,929	635,333
Calritz Memorial Hospital.....		1,295,241	3,375,000	4,670,241	11,903,377
Hillcrest Childrens Center.....		595,953		595,953	1,273,404
Columbia Hospital for Women.....		18,567	2,290,000	2,308,567	3,055,492
Washington Hospital Center.....		62,522	23,435,849.35	23,498,371.35	23,533,535.35
Sibley Memorial Hospital.....		14,290	4,374,000	4,388,290	9,030,197
Providence Hospital.....			4,027,040	4,027,040	8,265,457
Total.....				55,291,741.35	
*Georgetown Hospital, H.E.W. experimental grant.....				7,130,000	
Total.....	5,655,000	8,603,933	41,637,202.35	62,421,741.35	100,630,791.35

This table is set forth in H. Rept. 1735, 90th Cong., 2d Sess., (1968), the report of the House of Representatives District of Columbia Committee on the District of Columbia Medical Facilities Act of 1968.

It should be emphasized that Freedmen's Hospital, a facility constructed in 1908 and formerly owned by the Federal Government, has not shared in any of the Federal aid enumerated above. Moreover, it is not scheduled to receive any aid under P.L. 90-457, Act of August 3, 1968, the District of Columbia Medical Facilities Construction Act of 1968, legislation authorizing \$30.6 million in loans and grants for hospital modernization and expansion by July 1972. 5 /

1 / P.L. 87-460 of May 31, 1962.

3 / A copy of the D. C. Medical Facilities Construction Act of 1968 is set forth as Exhibit D.

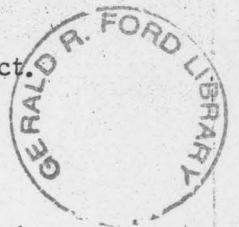
Freedmen's Hospital has been transferred to Howard University pursuant to the Act of September 21, 1961, P.L. 87-262 (20 U.S.C. 126) legislation which inter alia, authorized "appropriation of such sums as may be necessary" to provide a new hospital "with a capacity not to exceed five hundred beds." 6/ No funds have yet been appropriated for the construction of the new Freedmen's Hospital. It has not yet been built. The old hospital has been described by those in Congress who favored a new hospital as, "totally inadequate for modern medical care," a "dump," and a "national disgrace." 7/

In 1962, the University was prepared to submit its plans to the architect. Bureau of the Budget objections to various items of cost and floor space caused a delay of four and a half years. It was not until Fiscal Year 1968 that funds for the new hospital were sought from Congress. Congress declined to appropriate the funds which were sought on the grounds that plans were not completed. In Fiscal Year 1969 no funds were requested. 8/

President Johnson's budget included \$23.4 million with which to construct the new 500-bed hospital. The Johnson Budget is under review by President Nixon. It is possible that the new hospital could be deleted. 6/ A copy of P.L. 87-262 is set forth as Exhibit E.

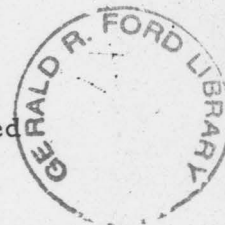
7/ See 107 Congressional Record 18486, September 7, 1961. See also 107 Congressional Record 15264-15270, August 9, 1961, as set forth in Exhibit E1.

8/ Following the action of Congress in 1961 authorizing a new 500 bed hospital for Howard University, Dr. Jason of the Howard faculty and Dr. Nelson of Johns Hopkins, Consultant, recommended to the University that a hospital with 683,466 gross square feet be built. This program was ultimately reduced by the Budget Bureau which imposed a 550,500 gross square feet limitation. The architect-engineers were of the view that 550,500 was too little and recommended that the University seek 667,529 square feet. By January of 1967 the Bureau of the Budget was of the view that 587,625 gross square feet and a ceiling of \$20.4 million on construction would be appropriate. Funds were included in the President's 1968 Budget only to be eliminated by Congress. See the following sources: Hearings Before A Subcommittee on Appropriations of the House Committee on Appropriations, Depts. of Labor and HEW Appropriations for 1969, pt. 3, pages 1541 to 1543; and S. Rept. 469, 90th Cong., 1st Sess., 75 (1967); and H. Rept. 271, 90th Cong., 1st Sess., 43 (1967) set forth as Exhibit F.



Other hospitals in Washington, most notably Georgetown and George Washington University Hospitals, have greater flexibility in that they are free to take advantage of all available Hill-Burton grants, special PHS construction grants, and also grants and loans under the D. C. Medical Facilities Act of 1968. 9/

Howard has never received any PHS construction grants. There is some form of legal objection thereto, set forth in a letter dated May 9, 1968 from Edwin Rosinski, Deputy Assistant Secretary of HEW to Dr. John A. Kenney, Jr. 10/ Despite delays, and apparent inadequacy of the physical plant of the school, which has been supplied by the Federal Master Program for Howard University, university policy leans to restricting the University's construction program to the Federal Master Development Program. 11/ No matching funds are required. The Federal Government bears 100% of the cost of the program. Between 1945 and 1967 Congress has appropriated \$51,572,000 to carry out such Master Plan. 12/ While such a program may be adequate for the University as a whole, it does not, so far as the medical school and teaching hospital are concerned, show promise of keeping pace with the demands of the times. 13/



Georgetown and George Washington have derived many benefits from the Federal Government for their teaching hospitals which benefits Howard did not share. It is a fact that the Federal Government contributed approximately \$2.5 million, based upon 1944 prices, to the present Georgetown and George Washington Hospitals. This was under the Lanham Act. 14/ George Washington added a new wing with 9/ See Table reproduced at page one, and tables included in letter of July 3, 1968 from Harold M. Graning, M.D., Assistant Surgeon General, Director of Division of Hospital and Medical Facilities, to Congressman Sisk, printed in Hearings Before Subcommittee No. 5 of the District of Columbia Committee of the House on Hospital Construction, 90th Cong., 2d Sess., 81 to 83, set forth as Exhibit G.

10/ The Letter of May 9, 1968 from Deputy Assistant Secretary Rosinski to Dr. Kenney is set forth as Exhibit H.

11/ The Master Development Plan is printed in the F. Y. 1967 Senate Appropriations Hearings, 1471-76, and set forth as Exhibit I.

12/ See S. Rept. 469, 90th Cong. 1st Sess., 75.; set forth as Exhibit J.

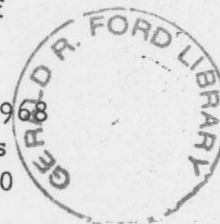
13/ The Master Development Plan formed the subject of a colloquy between University President Nabrit and Congressman Denton in the F. Y. 1963 House Rept. of HEW Appropriations hearings. 87th Cong., 2d Sess., 1064-1065, set forth as Exhibit K.

14/ See letter of Harold M. Graning, M.D., Assistant Surgeon General, Director of Division of Hospital and Medical Facilities, to Congressman Sisk, dated July 3, 1968 printed at page 25 of H. Rept. No. 1753,

90th Cong., 2d Sess., set forth as Exhibit L

assistance provided under P.L. 87-460 of May 31, 1962; the dollar amount of such assistance to George Washington was \$2.5 million.

Georgetown has received \$13.05 million under all Federal programs to date, exclusive of any loans made pursuant to the Partnership for Health Act of 1967, discussed below, and will receive an additional \$17.26 under the D. C. Medical Facilities Act of 1968 for a total of \$30.2 in Federal aid. ^{15/} George Washington has received \$5.93 million under all Federal programs to date, and will receive an additional \$9.9 million under the D. C. Medical Facilities Act of 1968 for a total of \$15.34 million. ^{16/} Howard by contrast is still in its 1911 plant, with little added thereto, except the 1940 T.B. annex, 50 beds of which were converted for short-term general care use for paying patients in 1962. ^{17/} It also should be added that a million dollars was spent in F.Y. 1966 to make certain improvements to (inter alia) the emergency room. This million was provided to tide the hospital over until the new 500-bed facility could be provided, now expected in 1972, assuming that President Nixon allows the \$23.4 million that President Johnson included in his Budget and that Congress appropriates the necessary construction money.



In Fiscal Year 1966 the Public Health Service awarded Georgetown a grant of \$7.1 million for two-thirds of the cost of an experimental and demonstration hospital construction project. The Partnership-for-Health Amendments of 1967 (P. L. 90-194; Act of December 5, 1967) authorized a loan to Georgetown in the amount of \$3.5 million to complete the experimental and demonstration project. Under the D. C. Medical Facilities Construction Act of 1968 (P. L. 90-457), Georgetown will receive a grant of \$6.189 million and two and one half per cent interest loan, repayable within 50 years, in the amount of 11.08 million with which to "remodel" and substantially enlarge "its outpatient and medical center instruction facilities including a unit for the mentally retarded." ^{18/} The Georgetown attitude, which is an admirable one in your writer's view, was well stated by the Rev. T. Byron Collins, S. J., Vice-President for Planning and Physical Plant of Georgetown University during House consideration of the legislation which became the D. C. Medical Facilities Construction Act

^{15/} See Summary of Approved Hospital Projects in the District of Columbia Under Various Programs, F. Y. 1949-68, set forth on page 2. See also Schedule of Financial Assistance to Enumerated Recipients, set forth in H. Rept. 1753, 90th Cong., 2d Sess., at page 11, set forth as Exhibit M.

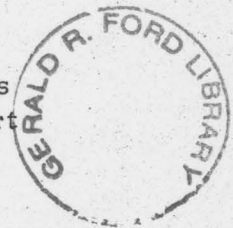
^{16/} See Summary of Approved Hospital Projects in the District of Columbia Under Various Programs, F. Y. 1949-68, set forth on page 2. See also P.L. 87-460 of May 31, 1962.

^{17/} See F.Y. 1963 House Rept. of HEW Appropriations hearings, 87th Cong., 2d Sess., 990-91, set forth as Exhibit N.

^{18/} See Exhibit M.

of 1968. The Rev. Mr. Collins stated: "Why did Georgetown University undertake this program? We felt we must supply our share of the health resources necessary for the Washington area. Georgetown University was confronted with the question go or stop. We went..."^{19/}

Howard, by contrast, even though it has a theoretical right to 100% Federally-financed construction of physical plant, is proceeding much less rapidly, if it is progressing at all. If funds for construction of the new hospital are deleted from the Nixon Budget, then its progress will be at a complete standstill. While I believe that the University should adopt Georgetown's aggressive approach and seek the type of construction grants that all other medical schools seek, that is for the long term, for the short term, that is, the immediate present, every effort should be made to secure the appropriation of funds for the new Freedmen's Hospital.



Dr. Kenney has suggested to the Howard University planning coordinator the desirability of Howard's participation in Federal grant and loan programs, including amendments of the D. C. Medical Facilities Act of 1968, for the purpose of adding to its new hospital. Georgetown and George Washington Universities are doing very well through this approach. The response of the Coordinator has been essentially negative. ^{20/} While in the final analysis the choice of the financing program most adapted to the University's needs must remain for the University, it would seem equally clear to this writer that AMA and NMA have the responsibility to expect of Howard that it will prosecute a construction program that is consonant with good medical teaching. The record suggests that Howard University has not kept pace, due in part to its concern for fiscal matters. It is doubtful whether the Bureau of the Budget, in the four and a half years that it delayed the first budget request for construction funds for the new Freedmen's Hospital, gave any weight to the effect of delay on the quality of medical education. It is equally doubtful that the Bureau of the Budget will give any greater weight to Howard's future needs, unless the two associations make their weight felt with respect to Howard's needs in common with all other medical schools, to update their facilities.

Being a layman and unfamiliar with the workings of the Councils on Medical Education of the NMA and AMA, I don't know how far a school could deviate from national norms and still be immune from such sanctions and remedies which the Councils have at their disposal. I don't know how bad a school's situation must be before the Councils will move of their own volition, as distinct from a school's request for assistance. In the case of Howard, I can imagine that the situation would have to be almost to the breaking point before a request would be made. So long as Congress appropriates operating funds, and such funds are passed upon by HEW and the Bureau of the Budget, its administrators will be reluctant to ask any outside aid.

^{19/} See hearings before Subcommittee No. 5 of the House Committee of the District of Columbia on Hospital Construction, 90th Cong., 2d Sess., 53, set forth as Exhibit O.

^{20/} See exchange of correspondence between John A. Kenney, Jr., M.D., Professor

and Chairman, Division of Dermatology, Freedmen's Hospital, Washington,

In the case of Howard, I think that it would be worthwhile to compare the situation as reported to the AMA by its Dean when AMA was preparing its testimony on the Health Manpower Act of 1968, and the situation as reported by the Washington Post of February 9, 1969. 21/ In the one case, the Dean stated that "there were no problems." In the other case, when met with student unrest and a strike, he admitted that Howard was a "Have Not" school.

Again, while there may be little precedent for intervention by the Councils where a school seeks no assistance, yet I doubt that there are as many schools with so much complexity as Howard. Its major complicating fact is its links with the Federal Government. Its Administrators, so long as it can keep afloat with Federal assistance, would want to keep outsiders away.

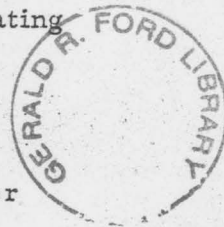
I submit that the test for intervention, requested or not, is whether the school is capable of conducting an educationally adequate program. This is not for a layman to say except in the most general terms.

There is another matter which somewhat aside from the enumeration of construction grants, still should be called to the attention of the Councils on Medical Education. This is with respect to the formula for determining the amount of Federal support for the annual operating cost of Freedmen's Hospital, both the existing and the new Freedmen's Hospital.

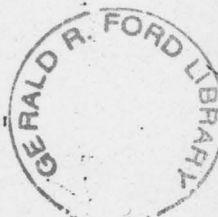
I cannot emphasize too strongly that while Howard is in form a private institution, its major support both for construction and operating expense comes from the Federal Government. 22/ Roughly speaking, 72% of the hospital's operating expense for fiscal year 1970 is expected to be derived from an appropriation from Congress. The other 28% must come from patient earnings.

Assistance to Freedmen's Hospital for operating purposes is subject to the following statutory criteria:

- 20/ (cont. from preceeding page) D. C., and Robert S. Jason, M. D., Coordinator, Design and Planning of the Hospital and Medical Center, Howard University College of Medicine, Washington, D. C., January 23, January 28, February 3, set forth as Exhibit P.
- 21/ The letter from Leo Brown to Loy Kirkpatrick dated June 11, 1968 and the Washington Post clipping, dated February 9, 1969, set forth as Exhibit Q.
- 22/ Howard University is a private corporation created by an Act of Congress. A large percentage of its expenses are paid by annual appropriations made by Congress. In F. Y. 1970 it has a total operating budget of 35.4 million, of which 14.9 million is derived from non-Federal sources and 20.4 million would be realized by the Federal appropriations. See Appendix to the Budget of the U. S. Government, F. Y. 1970, 476, set forth as Exhibit R.



- (a) In order to facilitate operation of a "teaching hospital," Congress is committed to appropriate annually to the University, "such sums as the Congress may determine for the partial support" of the hospital; and
- (b) To the "extent consistent with good medical teaching practice," the hospital shall become "progressively more self supporting."
23/



For fiscal year 1970, the Budget Bureau has approved a total spending program of \$12.7 million of which \$9.1 million would be supplied by direct appropriation, and \$3.6 million from patient care. The University expects to have 12,200 admissions, with an average of a 385 daily patient load. It expects 58,000 outpatients in its clinics, and 43,000 in its emergency room. To the extent that the AMA has received accurate information from the University respecting its full-time clinical staff, it must accomplish this work with 76 full-time clinical faculty. 24/

Whether such a workload is "consistent with good medical teaching" is not for a layman to say. It would seem to be a proper matter of concern for the two Councils on Medical Education, whether or not the University solicits or invites the scrutiny of these two official groups.

It should be emphasized that Freedmen's is a "community hospital" as well as a teaching hospital. Its community role is the product of its history. It was at one time the only hospital in Washington where Negroes were freely accepted. 25/ While most hospitals welcome paying patients with Blue Cross type coverage, irrespective of race, the fact remains that Freedmen's treats a good number of patients who are Black who have no other place to go. Much of this work is done in behalf of the welfare authorities on a reimbursable basis.

I am given to understand by some of the younger clinicians that their clinics are overwhelmed by routine, run-of-the-mill patients, and that the time of highly skilled, board-certified internists must be spent on cases which could be dealt with by those of lesser skills. The need to recover from paying patients much of the operating costs, and the rationale behind the Federal subsidy, may be as much to support the community hospital aspect of the hospital as it is the teaching aspect.

23/ See Section 5 of P.L. 87-262, Act of September 21, 1961 (75 Stat. 543); 20 U.S.C. 128, and Section 6 of P.L. 87-262, Act of September 21, 1961 (75 Stat. 543); 20 U.S.C. 129, both of which are set forth as Exhibit S.

24/ See Appendix to Budget of the U.S. Government, F.Y. 1970, 478, set forth as Exhibit R.

25/ See S. Rept. 741, 87th Cong., 2d Sess., (1961), set forth as Exhibit T.

This is an aspect of the problem that the Councils on Medical Education should consider, even though to do so might well be bitterly resented by those who are in charge. Such review may be necessary to increase appropriations with emphasis being placed upon the education role, and to minimize the community service role. As it is, the hospital cannot be selective in the patients it sees.

So long as exciting medical teaching is not being conducted, the younger men, who in reality must be looked to provide the nucleus for expansion of the school, will be attracted elsewhere, never to return.

I have one final point to make. This is with respect to the data transmitted to me by Mr. Leo Brown's letter of January 30, 1969 respecting Howard and Meharry. I assume that the data provided are for the school year 1968-69 (which is fiscal year 1969). The AMA figures show 128 full-time faculty, (76 clinical and 52 full-time basic science). My figures, which are based upon the University's Congressional budget justification from 1963 to 1968 (and are included in my report transmitted to Mr. Harry Peterson on October 28, 1968), show that Howard had funds appropriated for not less than 148 (one hundred and forty-eight full-time teachers) and would have had, if Congress had approved its F.Y. 1969 increase in budget, funds for 158 (one hundred and fifty-eight full-time teachers). There is an apparent discrepancy between the number of full-time teachers which the University has on its payroll, and the funds which it could look to hire additional teachers. There should be some clarification from the school. My research can only show how funds were budgeted, not how they are spent. You will get reports on spending. I will report, basically, funds sought and posts justified.

It would seem to be a matter of concern to the two Councils if the University could not spend all the money for which it has funds appropriated because of a lack of persons who would agree to a teaching post there. It would be pointless to demand more money, if the school cannot attract teachers with funds available.

One starting point of the inquiry might be the statements made in the University's F.Y. 1969 Budget Justifications. The specific question would be whether the words, "new full-time teaching positions," as used in paragraph 2, under the head "Improvement of Instruction in the College of Medicine" refers to new people attracted and hired, or rather does it mean "paper positions" and funds for persons who the university might succeed in employing?

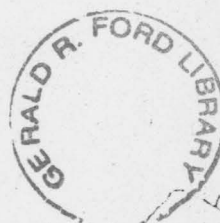
One starting point to the inquiry of the Councils on Medical Education would be the statement of accomplishments taken from the F.Y. 1969 University Appropriations Hearings.



F. Improvement of Instruction in the College of Medicine, \$450,000

The University through the Dean of the College of Medicine and his staff continues efforts to lift the instructional program to a level whereby adverse criticism received from survey teams may be eliminated. The observations of the Office of Education submitted as a result of its comprehensive survey in 1964, have been used as a guide in attacking the eight major areas of concern. The following represents a summary of what has been accomplished.

1. An administrative staff for the proposed newly organized health center. Action--a budget of \$72,400 was authorized in 1967 for 4 administrative and clerical positions, supplies and equipment.
2. Increase in number of full-time faculty in clinical and pro-clinical areas. Action -- a total of 20 new full-time teaching positions was added in the 1966, 1967 and 1968 fiscal years at a total cost of \$294,472. Ten additional positions are being requested in the 1969 Budget Estimates.
3. Improvements in the salary scale for teachers. Action--Average salaries for the teaching staff in all ranks has increased from \$12,087 in 1965-66 to \$14,164 in 1967-68.
4. Improvement in the quality of students admitted for the study of medicine. Action--the College of Medicine reports there is evidence that the quality of entering freshmen is improving. Further improvement can only come about through a vigorous recruitment program.
5. Improvements in the medical library. Action--The library collection was increased by 10,395 volumes, and 448 periodicals through purchases made from appropriation of \$200,000 received in 1967. In addition, \$24,000 was authorized in 1967 for plans on an addition to the present library facility.
6. Additional supplies and equipment. Action--Funds made available through appropriation in 1966, 1967 and 1968 have made it possible to add a total of \$503,586 to the operating budget of medicine. The 1969 request is for an additional \$250,000 in this area.



7. Need for a new teaching hospital. Action--Preparation of plans and specifications on the proposed new 500 bed teaching hospital is underway. The new hospital should be in operation by fiscal year 1972.
8. Housing facilities for students. Action--Accommodation for women students may become a reality in 1969. No action has been taken with respect to the housing of men.

Although the above summary represents progress towards the elimination of deficiencies noted by the Office of Education, much remains to be done in the area of (a) improvement of salaries for the instructional staff; (b) further increase in the number of full-time teachers; (c) improvement in the quality of students admitted to the study of medicine, and (d) housing facilities for students and staff. The elimination of all deficiencies will require additional time and funds. The request for \$450,000 in 1969 represents a further effort to improve the quality of medical instruction:

1. Additional teachers (10), \$200,000

<u>Rank</u>	<u>No.</u>	<u>Salary Rate</u>	<u>Amount</u>
Professors	2	\$25,000	\$50,000
Associate Professors	4	21,250	85,000
Assistant Professors	4	16,250	65,000
	<u>10</u>		<u>\$200,000</u>

2. Supplies, Personnel Benefits and Equipment, \$250,000

Supplies	\$75,000
Contract services	55,000
Equipment, renewal and replacement of teaching equipment in all departments	100,000
Personnel benefits	20,000
	<u>\$250,000</u>

Does the claimed accomplishment of thirty new teachers mean teachers hired, or does it mean merely money with which to hire teachers if they can be found and become Howard full-time faculty?

Does the claimed accomplishment include an actual administrative staff, or merely money with which to hire administrative staff?

I would like to have a clear explanation of the \$3,006,830 reported to the AMA as expenditure for "Regular Medical College Program." Does it include non-professional supporting staff for which Howard has \$1.4 million in its budget? My calculations, transmitted to the AMA on October 28, 1968, considered nonprofessional staff, in addition to funds for 158 full-time faculty. I did not consider sponsored research

and sponsored teaching.





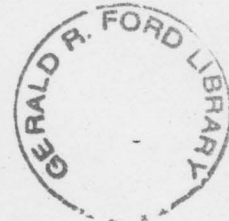
AMERICAN MEDICAL ASSOCIATION

535 NORTH DEARBORN STREET • CHICAGO, ILLINOIS 60610 • PHONE (312) 527-1500 • TWX 910-221-0300

ERNEST B. HOWARD, M.D.
Acting
Executive Vice President

January 30, 1969

LEO E. BROWN
Assistant to
Executive Vice President



Mr. Loy W. Kirkpatrick
5500 Prospect Place
Chevy Chase, Maryland 20015

Dear Loy:

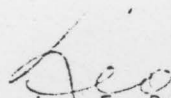
Thank you for your recent letter. It had a lot of very interesting information in it and I have discussed this matter with Doctor Ruhe.

The American Medical Association Council on Medical Education will be discussing the problems of the Negro physician at its forthcoming meeting to be held immediately prior to the Congress on Medical Education. The attached information is being supplied to the Council for background information concerning a number of facts relating to Howard and Meharry in contrast to the national picture in medical education. I found this information most intriguing and it can certainly be used in supporting a case for increased federal grants to both of these schools.

In discussing this matter with Doctor Ruhe, he felt that perhaps the Council on Medical Education would recommend that a joint meeting be set up where representatives of the AMA Council on Medical Education and the NMA Council on Medical Education might get together to discuss this matter jointly. If this meeting materializes, I will suggest to Doctor Ruhe that the Committee appointed by Doctor Whittico from the AMA-NMA Liaison Committee be invited to attend.

I expect to attend the Congress on Medical Education on Sunday, February 9, at which time the subject of "The Negro in Medicine" will be discussed. I hope to see Doctor Kenney at this meeting and will discuss this matter further with him at that time.

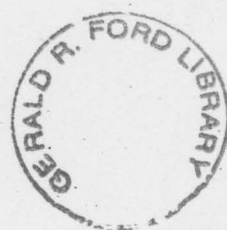
Sincerely yours,


Leo E. Brown

LEB:s1

cc: James M. Whittico, Jr., M. D.
John A. Kenney, Jr., M. D.

Salient facts about Howard and Meharry medical schools
extracted from the 1968 questionnaire, together with com-
parable national figures.



Average MCAT Scores by Classes

(Note: The Howard and Meharry scores were taken from the most recent survey and differ slightly in the years involved.)

	Howard	Meharry	Nation
1st Year	488	460	562
2nd Year	492	453	559
3rd Year	482	444	541
4th Year	476	440	544

Total of Scholarships
Awarded Last Year

			Nation age pe
	\$62,831	\$27,120	\$92,05

Total of Loans
Awarded Last Year

	305,460	173,919	216,42
--	---------	---------	--------

Per Cent of Enrollment
Receiving Scholarships

	26.6	19.1	29.4
--	------	------	------

Per Cent of Enrollment
Receiving Loans

	63.9	94.8	54.3
--	------	------	------

Teaching Responsibilities of Faculty for
Other Than Medical Students in Full-Time
Equivalents

Howard	Meharry	Nation
347	96	875

Full-Time Faculty in Basic Science
Departments

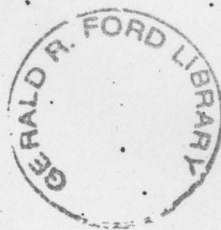
		<u>Nation</u>
52	35	72

Full-Time Faculty in Clinical
Departments

	76	58	164
--	----	----	-----

Total Full-Time Faculty

	128	93	National Average 247
--	-----	----	----------------------------



Support From Federal Government	1.6	81.7	48.4
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Medical Student/Full-time Faculty Member	3.1	2.7	1.6
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Total Students/Full-time Faculty Member	5.8	3.7	3.9
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Neither school admits that any budgeted, unfilled faculty positions have been vacant for more than one year.

		Howard	Meharry	Nat Med
Library (The figures on the library furnished by Howard must refer to the entire University Library. Figures used are from 1966 survey report.)	Total Budget	\$111,093	\$43,770	\$16
	Volumes	33,388	22,300	7
	Current Serials	1208	466	
	Staff	9	4	

Total Expenditures, Excluding Hospital and Clinic Costs	Howard	Meharry	National A
	\$4,259,129	\$2,449,434	\$11,882,86

Sponsored Teaching Programs	\$641,351	\$560,845	\$ 1,570,64
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Sponsored Research	\$552,959	\$397,999	\$ 4,775,35
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Total Expenditures for Regular Medical College Programs	\$3,006,830	\$1,491,190	\$ 5,013.32
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Ratio of Expenditures for Regular Operating Expenses to Total	69.9	60.5	42
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Tuition and Fees	\$314,978	\$304,636	\$499,363
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Average MCAT Scores by Classes		Howard	Meharry	Natio
(Note: The Howard and Meharry scores were taken from the most recent survey and differ slightly in the years involved.)	1st Year	488	460	562
	2nd Year	492	453	559
	3rd Year	482	444	541
	4th Year	476	440	544

Total of Scholarships Awarded Last Year				Natio age p \$92,0
		\$62,831	\$27,120	

Total of Loans Awarded Last Year				216,4
		305,460	173,919	

Per Cent of Enrollment Receiving Scholarships				29.4
		26.6	19.1	

Per Cent of Enrollment Receiving Loans				54.3
		63.9	94.8	

Teaching Responsibilities of Faculty for Other Than Medical Students in Full-Time Equivalents	Howard	Meharry	Natio
	347	96	875

Full-Time Faculty in Basic Science Departments			Natio
	52	35	72

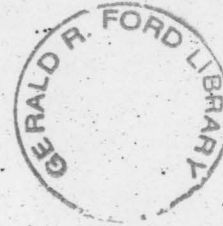
Full-Time Faculty in Clinical Departments			164
	76	58	

Total Full-Time Faculty			National Average 247
	128	93	



2500 Wisconsin Ave , N.W.
Washington, D.C. 20007
October 28, 1968

Mr. Harry N. Peterson, Esq.
Legislative Attorney
American Medical Association
535 North Dearborn St.,
Chicago, Illinois 60610



Dear Mr. Peterson,

I refer to your letter of September 6, 1968 wherein you indicated that the AMA would be pleased to assist in furthering its testimony on H. R. 15757 given on June 12, 1968, that no application of the Health Professions Educational Assistance Act would operate to the detriment of Howard University's eligibility to benefits thereunder.

Since receiving your letter I have engaged in further research as to the relationship of both the College of Medicine and Freedmen's Hospital to the Federal Government. It is my intention that this be considered as factual matter for your use in supplementation of Freedmen's medical staff's statement to the Board of Trustees of the University recommending a concerted effort on the part of the university to secure additional Federal financial support for the University's Health Science Complex, including additional Federal support for Freedmen's Hospital.

I offer this research in the hope that it might be evaluated and possibly confirmed from such sources as the AMA Council on Medical Education and Hospital and assimilated in advance of any subsequent AMA-NMA Liaison committee meetings. Every good wish to you.

Sincerely yours,
Loy W. Kirkpatrick
Loy W. Kirkpatrick

Enclosures

cc: Mr. Leo Brown
James M. Whittico, Jr., M.D.
John A. Kenney, Jr., M.D.

GERALD R. FORD LIBRARY

FEDERAL SUPPORT FOR HOWARD COLLEGE OF MEDICINE

Pursuant to 42 U.S.C. 120 et. seq. Congress provides for appropriations for the partial support of Howard University and Freedmen's Hospital. This means that its budget is passed upon each year by the Budget Bureau in the Executive Office of the President and by Congress in a manner just like the budget of any other Federal Agency. Accordingly, it is possible to gather a good deal of information by detailed study of the university's annual budget justifications for both Howard University and Freedmen's Hospital.

Howard Medical College was severely criticized in 1964 for, inter alia, a lack of adequate teaching hospital, small full time faculty and inadequate salary structure.

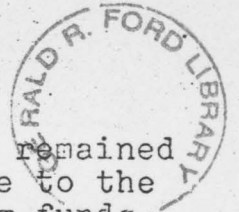
(su) Howard's annual budget at the time of criticism was approximately \$2.6 million per year for 111 teaching personnel and an assumed 186 non-professional staff 1/. The \$2.6 million did not include any funds which might have been received from NIH research and training grants or other types of supported programs. Regular support from appropriated sources is the type of support that the American Association of Medical Colleges regards to be bedrock support, and the type of support used to determine the adequacy of a school's financial support.

As described by its own budget justifications for F.Y. 1967, its regular support was such as to have placed it in the "bottom rung" of scale 2/. Improvement of medical education, the School indicated, was one of its "most critical problems" 3/.

(fr) 1/ The sum of \$2.6 million is derived from published salaries and figures published in House Hearings on Dept. of HEW Appropriations for F.Y. 1964, 88th Congress, 1st Sess., 1097 (set forth as Attachment A). The Hearings showed 59 preclinical and 52 clinical teachers for a total of approximately \$1,154,000. (\$575,000 for 59 preclinicals and \$579,000 for 52 clinical). The \$2.6 million made allowance for 186 non-professional personnel with a minimum cost of \$1,323,013. See H. Hrgs. on Dept. of HEW Appropriations for F.Y. 1968, 1211 (set forth as Attachment B).

2/ See House Hearings on HEW Appropriations for F.Y. 1967, 89th Congress, 2nd Sess., 1541 (1966). (Set forth as Attachment C).

3/ See House Hearings on HEW Appropriations for 1967, 89th Congress, 2nd Sess., 1541 (1966). (Set forth as Attachment C).



The Howard Medical School budget is assumed to have remained constant until F.Y. 1966, when the university in response to the 1964 criticism sought additional medical school operating funds.

Howard's assumed \$2.6 million in annual support in school year 1964-65 (fiscal year 1965) would have placed it \$1.2 million below national averages for medical school expenditures.

Its support was such as would have grouped it with thirteen other schools, spending between two and three million dollars per year for their regular programs.^{4/} This would only have placed Howard above the bottom ten to eleven schools which spent only one to two million dollars per year from regularly available funds. The bottom ten schools are the ones which are being threatened with the loss of accreditation.

Commencing in fiscal year 1966 (school year 1965-66) through fiscal year 1969 (school year 1968-69), the Medical School has succeeded by annual increments in the appropriation to raise its operating budget from \$2.6 million to \$4.4 million ^{5/} a 173% rise in budget, which increase includes the addition of 47 budgeted teaching posts, and for a total of 158 budgeted teaching posts.

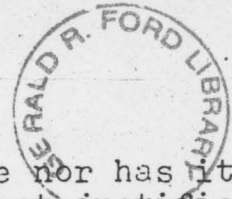
Each year as the school sought a modest increase over the previous year's budget, the university has stated in its budget justification given to Congress, that its goals to be achieved with the additional funding, included achievement of a "first class medical school" ^{6/} and to move toward "excellence".^{7/} Even with the buildup in funds, it is reasonable to conclude that the Howard College of Medicine is still \$1.6 million below national average expenditures for medical schools. Even with the buildup, assuming that all 158 budgeted teaching posts were filled by full timers (physicians who see no patients outside of Freedmen's Hospital), the school would still be 69 full timers below the national averages for full time faculty, as found in school year 1965-66. If statistics were available for fiscal year 1969 (school year 1968-69), we would probably be still further behind, in terms of full time medical faculty, as full time medical faculty continues to grow in schools across the Nation.

^{4/} See 1965-66 Medical Education Symposium of 202 JAMA (Nov. 67); and Willard, The Have and Have Not Medical Schools 185 JAMA 367.

^{5/} According to the latest figures available, the University Budget Justification for Fiscal Years 1968 and 1969, the Medical School would have had 158 faculty posts, at an annual cost of \$2,269,487, 197 non-professional supporting personnel at a cost of \$1,379,530, and \$701,425 in educational supplies and equipment for a total of \$4,350,442. See H. Hrgs. on HEW Appropriations for 1968, 90th Cong., 1st Sess., 1211 (1967), set forth as Attachment B, and see H. Hrgs. on HEW Appropriations for 1969, 1547 90th Cong., 2nd Sess., 1547 (1968), set forth as Attachment D.

^{6/} See H. Hrgs. on Labor and HEW Appropriations for 1967, 89th Congress, 2nd Sess., 1542 (1966), set forth as Attachment C.

^{7/} See H. Hrgs. on HEW Appropriations for 1968, 90th Cong., 1st Sess., 1219 (1967), set forth as Attachment B.



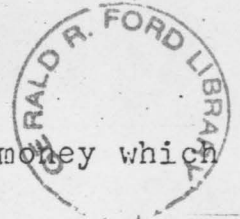
The buildup in funds has not achieved excellence nor has it created a first class school as the university's budget justification intimated would be the case. The buildup in funds has only preserved accreditation.

The following recommendations are in order:

- A. Secure a two to three million dollar a year increase in the amount of Federal appropriations for Howard Medical School
- B. Timely construction of a new teaching hospital (replacement is delayed until mid 1973 at the earliest).
- C. Additional appropriations for the support of the existing Freedmen's Hospital to the end that the existing Freedmen's Hospital may effectively discharge its patient care and teaching responsibilities in the interim prior to its replacement.
- D. Rescind rule prohibiting faculty members from receiving any portion of their salaries from NIH Research Grants in supplementation of their regular salaries.
 - (a) This is necessary since the rule against supplementation discourages Howard College of Medicine from attracting and retaining the type of researchers of promise whose presence the school vitally needs and who will go to a school where supplementation is permitted.
- E. Rescind the rule holding that Howard University is ineligible to receive Public Health Service Construction grants.
 - (a) HEW's General Counsel has ruled that school cannot get PHS grants since school has had large amounts of Federal construction appropriations made for its behalf over the years under a master development plan 8/.
 - (b) AMA because of the AMA-NMA Liaison Committee knows of this restriction and is dissatisfied therewith, and will assist in reversal of rule. 9/

8/ See letter of May 9, 1968, from Edwin Rosinski, Deputy Assistant Secretary for Health Manpower to John A. Kenney, Jr., M.D. set forth as Attachment E.

9/ See letter of September 6, 1968, from Harry N. Peterson, AMA, to Loy W. Kirkpatrick, NMA Consultant, set forth as Attachment F



- F. Raising of private money to supplement amount of money which Congress would appropriate.
- (a) Hire public relation's people, etc.
 - (b) Money to match Federal money for Health Research Facilities assuming that Rule discussed under caption E can be reversed, and rule under caption D can be reversed so that funds would be available to help pay for the researchers

Medical staff and interested professional organizations, AMA and NMA, must sell this program to University President and University Trustees, and ultimately to the new Federal Administration to be formed in Washington in January.

FINANCING OF FREEDMEN'S HOSPITAL

Until July 1, 1967, Freedmen's Hospital was owned by Federal Government and managed by the Public Health Service, and in that status served as the teaching hospital for the Howard University College of Medicine.

Pursuant to the authority of Public Law 87-262, Act of September 21, 1961, 42 U.S.C. 128, Freedmen's Hospital was formally liquidated as a Federal hospital and came under the control of Howard University.

Public Law 87-262, also authorizes the appropriation of such sums as may be necessary for the construction of a new 500 bed teaching hospital.

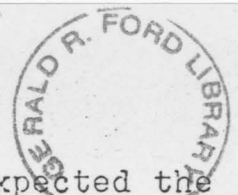
In accordance with Section 5 of Public Law 87-262, the financing of Freedmen's programs is achieved from the following sources:

- (a) Federal Government by direct appropriation;
- (b) District of Columbia and other jurisdictions for the care of the indigents;
- (c) Direct payments from individuals

It should be emphasized that P.L. 87-262 limits appropriations for Freedmen's partial support. It should be emphasized that part of its program must be actually financed from revenues derived from patient care, described as "reimbursements from non-Federal sources. The Federal appropriation is sufficient only for partial support. The hospital must earn designated amounts approved by the Budget Bureau and Congress described as "reimbursement targets" when it appropriates funds.

As can be clearly seen from the attached tables, in fiscal year 1965, 1966, and 1967, the hospital failed, respectively, to meet targeted reimbursement goals by \$153,000, \$393,000, and \$299,000.

If the hospital's actual earnings fall short, it must have a cutback in the levels of services. Superintendent Burbridge explained in the fiscal year 1967 Senate HEW Appropriations Hearings



that the \$3,433,000 which HEW and the Budget Bureau expected the hospital to earn in fiscal year 1967 would be difficult to achieve. The actual earnings for fiscal year 1967 were \$299,000 short of the reimbursement goal. 10/ Failure to earn expected levels of income would result in "cutting back" staff and equipment and repairs to buildings.

After Dr. Burbridge's protest to Senator Hill, HEW and the Budget Bureau agreed to reduce the reimbursement target for fiscal year 1968.

Nevertheless, the present budgeting system is deficient in both amount of funds appropriated and its dependence upon actual cash reimbursements to support hospital operations. Dr. Burbridge recommended to Senator Hill that "total amount of budget be appropriated by Congress," and that the "receipts" from revenue from patients go to "miscellaneous receipts of the Treasury as an offset against the appropriations." 11/

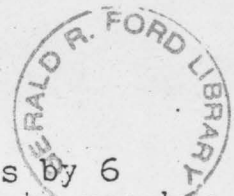
Freedmen's Hospital must clear all proposed expenditures, initially, with HEW and the Budget Bureau, before Congress acts upon its appropriation request. Only after the spending program has received Executive Branch clearance, can Congress consider the Freedmen's Budget. There is little in the record to suggest that Congress has ever reduced a Freedmen's appropriation request. Congress has, as a rule, appropriated all that the Executive Branch allows Freedmen's to seek

The problem which concerns the medical staff is seek a commitment from the University Trustees, in principle, to demand that the Executive Branch clear medically and educationally adequate budgets for the existing Freedmen's Hospital, and that the construction of the 500 bed new teaching hospital be accelerated. As this report is being prepared, the medical staff had received no acknowledgement that the staff had directed a communication to the University Trustees. The next problem, assuming that the staff is successful in its efforts with the university trustees is to resist HEW and Budget Bureau Budget cuts. Only after these internal problems are solved would it be necessary to approach the problem at the level of Congress, and the various Appropriations Committees.

The foregoing illustrates that Freedmen's must clear all its proposed expenditures with HEW and the Budget Bureau. A few examples point up the problem. As early as 1959, when the initial efforts were being made to secure legislative authorization of the new 500 bed hospital, HEW banned the purchase of new equipment for the old hospital. In Fiscal Year 1964, HEW cut Freedmen's budget by \$562,000 involving 48 positions and \$176,000 worth of equipment; the Budget Bureau cut \$322,000 including 19 nursing positions and \$23,000 in equipment.

10/ Senate F.H. 1967, Dept. of Labor & HEW Appropriations Hearings, at 1414, set forth as Attachment C.

11/ See footnote 10/.



In F.Y. 1965, HEW and Budget Bureau reduced nurses by 6 positions even though 11 additional nurses were needed to reach a minimum standard.

In F.Y. 1966, HEW reduced budget by \$425,000; the Budget Bureau reduced by \$511,000, making a total reduction of \$963,000. Dr. Burbridge indicated in his testimony that these cuts would be felt in the level of nursing services, training program, and equipment. 1

In F.Y. 1968, Dr. Burbridge indicated that there was a million dollar backlog in equipment that should be replaced.

The total authorized spending program for Freedmen's for fiscal year 1969, which ends next June 30, is \$12,023,000, of which \$8,739,000 will be by direct appropriation from the Treasury. The balance of \$3,284,000 must be earned income. 13/ The spending program includes funds to compensate 112 interns and residents (through fourth year) as well as 100 student nurses. Also, these funds must cover the training of 10 dietetic interns, 20 x-ray technicians, and 4 nurse anesthetists. 14/

The spending for 1969, includes an additional \$1,802,000 from the previous years program, represented by 25 additional staff in housekeeping, dietary and maintenance, 30 in laboratories, 33 persons to staff coronary and intensive care units, repairs to buildings, and \$591,000 equipment replacement. 15/

Nevertheless, in F.Y. 1969 HEW cut the program presented to it, before Congress considered the program, by \$352,000. The Budget Bureau cut the program by an additional \$43,000. 16/

Also construction funds in the neighborhood of 22 million dollars were cut to initiate construction of the new 500 bed replacement teaching hospital authorized in 1961. 17/ Hence, there will be a delay until at least mid 1972 or later before the hospital authorized in 1961 can be built. And in any event, the timing of new hospital construction is contingent upon appropriations.

12/ See Senate Hearings on Dept. of Labor & HEW Appropriations for 1966, 89th Cong., 1st Sess., 1687, set forth as Attachment H.

13/ See House Hearings on Dept. of Labor & HEW Appropriations for F.Y. 1969, 90th Cong., 2d Sess., 1598, set forth as Attachment I.

14/ See House Hearings on Dept. of Labor & HEW Appropriations for F.Y. 1969, 90th Cong., 2d Sess., 1606, set forth as Attachment I.

15/ See House Hearings on Dept. of Labor & HEW Appropriations for F.Y. 1969, 90th Cong., 2d Sess., 1600, set forth as Attachment I.

16/ See Senate Hearings on Dept. of Labor & HEW Appropriations for F.Y. 1969, 90th Cong., 2d Sess., 2543, set forth as Attachment I.

17/ See Senate Hearings on Dept. of Labor & HEW Appropriations for F.Y. 1969, 90th Cong., 2nd Sess., 2525, set forth as Attachment K; and see House, Dept. of Labor & HEW Appropriations Hearings for F.Y. 1969, 90th Cong., 2nd Sess., 1541-3, set forth as Attachment

Table
Freedmen's Hospital

Total Program-Appropriations-Reimbursement Targets

F.Y.	Total Spending Program	Appropriations (incl. supplementals)	Reimbursement target	Actual Reimbursement	Insufficiency
65	\$6,923,000	\$3,873,000	\$3,050,000	\$2,917,000	-\$133,000
66	8,039,000	4,624,000	3,415,000	3,022,000	- 393,000
67	8,626,000	6,193,000 _{1/}	3,433,000	3,134,952	- 299,000
68	10,221,000 _{2/}	6,700,000	3,142,000	3,284,000	(+ 142,000)
69	12,023,000	8,739,000	3,284,000		

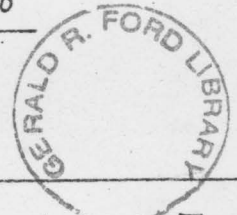
1/ The total appropriation for F.Y. 1967 contained a one million dollar supplemental appropriation made pursuant to the Act of October 27, 1966 for capital outlay to remedy deficiencies. As the result, the emergency room was expanded, an intensive care and coronary care unit was added, and the cardiovascular research laboratory was added.

2/ The total program as approved by Congress in F.Y. 1968 was \$9,842,000. Total appropriated funds were increased by \$237,000 for a salary increase, and reimbursements exceeded the lowered target. Such increments, when added to the \$6,700,000 appropriation allowed a larger program at year's end of \$10,221,000, rather than the \$9,842,000 first approved by Congress.

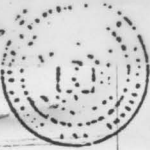
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Statistical Data Applicable to
Howard & Meharry



Category	Howard	Meharry	National Average
Full Time Basic Science	52	35	72
Full time Clinical	76	58	164
Total Full Time	128	93	247
Total Expenditure Excluding Hospital and Clinic Costs	\$4,259,129	\$2,449,484	\$11,882,860

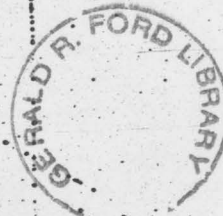


DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D.C. 20201

OFFICE OF THE SECRETARY

May 9, 1968

John A. Kenney, Jr., M.D.
Division of Dermatology
Frederick's Hospital
Sixth and Bryant Streets, N.W.
Washington, D.C. 20001



Dear Dr. Kenney:

You may find this hard to believe, but I finally got an answer to your question about matching fund requirements for a facility or program already supported by Federal funds. Our General Counsel states the following:

In general, we would suggest that the annual appropriation for the "partial support" of Howard University for salaries and expenses need not be regarded as "Federal" money in the sense that it is unavailable to match Federal grant support. Rather, in the absence of any contrary indication in the legislation or in the legislative history it might be treated as "non-Federal" on the same basis as, for example, the appropriation to the District of Columbia. Under such circumstances the Federal appropriation would be regarded as "private" money, similar for this purpose to funds available to Howard from other sources.

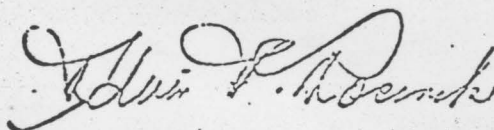
We believe, however, that the separate appropriation for construction at Howard University presents a more serious question. In this case there is no reference to "partial support."

The funds so appropriated are used to carry out a building program, known as the "Master Development Program" for Howard University, formulated pursuant to the statutory directive. The nature of this Federally-supported building program would, we believe, cast doubt on the propriety

of any PHS construction grant, matching or otherwise, to Howard University. The apparent comprehensiveness of the direct program, coupled with the fact that in making the annual appropriations for it Congress has not used language comparable to the words "partial support" which appear in the general Howard appropriation, may give rise to an inference that Congress intended the special appropriation to be the only source of Federal funds for construction at Howard. Accordingly, we are unable to give assurance that any construction grant to Howard University would not be objectionable, and suggest that the advice of the Comptroller General would need to be sought before awarding any such grant.

○ I hope this is of some help to you.

Sincerely yours,



Edwin F. Rosinski, Ed.D.
Deputy Assistant Secretary
for Health Manpower

