Robert H. Finch Speech

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## SOUTHERN CALIFORNIA PUBLIC HEALTH ASSOCIATION

Santa Monica, California December 11, 1970

Brie

THANK YOU, DR. PRICHARD, FOR THAT GENEROUS INTRODUCTION.

I would only add the comment that my blood type is

"O" ... RH POSITIVE ... AND MY ANNUAL INTAKE OF

CYCLAMATES IS FAST APPROACHING ZERO.

I AM DEEPLY HONORED TO BE THE RECIPIENT OF YOUR DISTINGUISHED SERVICE AWARD TODAY. DISPLAYED IN MY OFFICE IT WILL SERVE AS AN EXCELLENT REMINDER TO ME OF THE CONCERNS WE SHARE.

And those who visit me in the White House will also BE REMINDED OF OUR HIGH INTERESTS IN THE HEALTH OF ALL OUR PEOPLE. This distinguished group of health professionals and volunteers is a key organization that shows active concern for our nation's urgent health problems.

Your sense of responsibility benefits and strengthens the Southern California community and the nation.

ORGANIZATIONS SUCH AS YOURS --- COMPRISED OF HEALTH PROFESSIONALS, VOLUNTEER AGENCIES, TECHNICIANS, AND CONSUMERS --- ARE A VITAL LINK IN THE COMBINED EFFORTS NECESSARY TO ENCOURAGE AND ASSIST IN THE EVOLUTION OF A MORE EFFECTIVE, MORE RESPONSIVE HEALTH CARE SYSTEM. IT WILL BE A LONG, ARDUOUS PROCESS. BUT WE MUST START NOW --- AS, IN FACT, THE PROCESS HAS STARTED.

WHEN WE CONSIDER THE MULTIPLE DIMENSIONS OF OUR PRESENT PROBLEMS IN HEALTH CARE, THERE IS ADDITIONAL REASON TO WELCOME YOUR INTEREST IN THE FUTURE OF MEDICAL CARE IN THIS COUNTRY.

IT IS GOING TO TAKE THE TOTALITY OF YOUR EXPERTISE
--- AND THEN SOME --- IF WE ARE GOING TO DEVELOP
EFFECTIVE, WORKABLE SOLUTIONS.

I THINK IT IS GENUINELY ENCOURAGING THAT ALMOST EVERYONE NOW AGREES ON THE PARAMETERS OF THIS HEALTH-CARE CRISIS --- WHAT IT IS AND, JUST AS IMPORTANT, WHAT IT IS NOT.

IT IS NOT A CRISIS OF QUALITY.

CONSIDERED ONE BY ONE, THE COMPONENTS OF OUR HEALTH-CARE SYSTEMS ARE OF TRUE EXCELLENCE ... INCOMPARABLE THE WORLD OVER.

THIS ESTIMATION APPLIES, I BELIEVE, WITH RESPECT TO BIOMEDICAL RESEARCH ... TO OUR WIDENING SHELF OF WONDER DRUGS ... TO THE SKILLS OF HEALTH PROFESSIONALS SUCH AS YOURSELVES ... TO THE EVOLVING TECHNOLOGY OF MEDICAL SCIENCE ... AND, SURELY NOT LEAST, TO THE EXCELLENCE OF OUR MEDICAL, DENTAL, AND NURSING SCHOOLS, AND OUR HOSPITALS AND CLINICS.

WE POSSESS EVERY ELEMENT OF MATCHLESS QUALITY IN OUR HEALTH-CARE DELIVERY SYSTEMS --- EXCEPT THE DELIVERY SYSTEMS THEMSELVES.

THE BASIC CAPABILITIES EXIST --- BUT THEY ARE SCATTERED, FRAGMENTED, AND UNCOORDINATED.

WE FOCUS TOO MUCH ON REMEDIAL ILLNESS MANAGEMENT ---

ESPECIALLY, THE CRISIS IS ONE OF A SHORTAGE OF MANPOWER.

ON'C HEALTH COENE

LET'S LOOK FOR A MOMENT AT OUR NATION'S HEALTH SCENE.

WE AMERICANS SPEND MORE DOLLARS AND A GREATER PROPORTION OF OUR TOTAL NATIONAL WEALTH ON HEALTH CARE THAN ANY OTHER NATION IN THE WORLD --- BUT MILLIONS OF OUR CITIZENS HAVE VIRTUALLY NO ACCESS TO ANY HEALTH SERVICES WORTH THE NAME.

In some areas of the country, the screening of Job

Corps applicants --- most of them inner-city,

MINORITY-GROUP YOUTHS --- REVEALED THAT UP TO

70 PER CENT HAD NOT SEEN A DOCTOR SINCE EARLY CHILDHOOD

... AND THAT 90 PER CENT HAD NEVER SEEN A DENTIST.

Health professionals are in critically short supply
--- but compounding the problems is the poor distribution
of the resources we do have.

In suburban areas today, the doctor-patient ratio runs about 1-to-500; in the inner city, it is 1-to-10.000 --- or worse.

Nor is the problem limited to the inner city.

In some 115 <u>Rural</u> counties, scattered over 23 states, a total population of some <u>Half-a-Million persons</u> Lacks a single M.D. in patient care. HEALTH-CARE FACILITIES, TOO, ARE UNEVENLY DISTRIBUTED
--- OFTEN IN THE WRONG PLACES, OFFERING PRIMARILY
ACUTE-CARE SERVICES. AND THEY ARE OF UNEVEN QUALITY.

Our best estimates show that revitalizing hospitals in the inner city would cost at least \$6 billion.

And even an expenditure of this magnitude would not buy the primary-care, early- and extended-care facilities to which millions of Americans --- of every race, class, and condition --- almost wholly lack ready access.

ON TOP OF ALL THESE FACTORS HAS BEEN ADDED A VAST

UPSURGE IN PUBLIC DEMAND FOR HEALTH SERVICES ...

FUELED BY ABUNDANCE, AND BANKROLLED IN GROWING PART

BY THE FEDERAL GOVERNMENT. THE FEDERAL HEALTH BUDGET

--- NOW EDGING UP TO 20 BILLIONS OF DOLLARS A YEAR

--- EXCEEDS THE NATION'S TOTAL, PUBLIC AND PRIVATE,

HEALTH OUTLAY OF ONLY 15 YEARS AGO. IT ACCOUNTS FOR

BETTER THAN 35 PER CENT OF THE NATIONAL HEALTH BUDGET.

AND 75 PER CENT OF THESE EXPENDITURES --- ABOUT \$14 BILLION LAST YEAR --- ARE SIMPLY MONEY-TICKETS. THEY REPRESENT HUNDREDS OF MILLIONS SIMPLY DISGORGED INTO OUR EXISTING HEALTH-CARE SYSTEMS, WITH NO ADEQUATE PROVISION FOR MATCHING THE SUPPLY OF RESOURCES AGAINST MOUNTING DEMAND ... OR FOR STANDARDS AFFECTING QUALITY OF CARE.

THE MEDICARE PROGRAM WAS ENACTED IN 1965, WITH MEDICAID JUST AN AFTERTHOUGHT. NOW THEIR COMBINED COSTS ARE RUNNING AT TWICE ORIGINAL PROJECTIONS. THEY HELD OUT PROMISES THAT SIMPLY COULD NOT BE MET --- WITH AVAILABLE MANPOWER AND FACILITIES.

In this perspective, if Congress instituted some scheme of <u>national health insurance</u> tomorrow --- predictably, the costs would be prohibitive. And it still wouldn't give us the facilities and manpower to deliver.

ADD ALL THESE CIRCUMSTANCES TOGETHER, AND THE RESULTS ARE APPARENT TO ALL OF US.

MEDICAL COST INFLATION IS RUNNING AT MORE THAN DOUBLE
THE RATE OF INCREASE IN THE OVERALL COST-OF-LIVING
INDEX.

LET ME NOTE, THOUGH, THIS IS NO LONGER TRUE WHERE

DOCTORS' FEES ARE CONCERNED. IN THE LAST YEAR, THESE

HAVE BEEN HELD AT JUST ABOUT THE OVERALL RATE --- AND

SUBSTANTIALLY LESS UNDER MEDICARE.

The average citizen is <u>Doubly squeezed</u> --- in the form of higher taxes, and higher bills for the medical services he buys in the open market. Our insurance systems encourage the <u>overutilization</u> of highest-cost facilities. Doctors are overburdened --- 70-hour work weeks on the average --- and often their time and skills are <u>wasted</u> on jobs that <u>supporting auxiliaries</u> might better perform.

WHAT THEN CAN BE DONE ABOUT IT?

I'D LIKE TO TALK ABOUT SOME OF THE IMMEDIATE STEPS THAT ARE BEING TAKEN NOW. THEY POINT TO WHAT WE CAN EXPECT IN HEALTH CARE IN THE NEXT FIVE YEARS.

As the world's biggest purchaser of health services, the Federal government recognizes its special obligation to offer initiatives. I cannot possibly touch on all of them currently under way, but can give you some of the highlights that will, in effect, influence the trend of medical care in the coming years.

FIRST IS THE SHIFT IN PRIORITIES TO <u>PREVENTIVE</u> CARE
--- TOWARD KEEPING PATIENTS HEALTHY AND OUT OF THE
MOST EXPENSIVE ACUTE-CARE FACILITIES.

Where <u>HEALTH FACILITIES</u> ARE CONCERNED, WE NEED THIS IMPROVEMENT.

EARLY IN THIS ADMINISTRATION, WE PROPOSED THE RETARGETING OF ALL ONGOING PROGRAMS IN THE DIRECTION OF COMMUNITY HEALTH CENTERS, OUTPATIENT CLINICS, AND FACILITIES EMPHASIZING THIS PREVENTIVE, EARLY, AND EXTENDED CARE. THIS HAS BEEN THE WHOLE THRUST OF OUR HILL-BURTON REFORMS. AND I MIGHT ADD, PARENTHETICALLY, THAT THE FAILURE OF CONGRESS TO RESPOND TO THESE NEW PRIORITIES WAS THE REAL REASON FOR THE PRESIDENT'S VETO EARLIER THIS YEAR.

PERHAPS THE MOST EXCITING AND <u>PROMISING</u> OF OUR NEW DEPARTURES IS WHAT WE REFER TO AS H.M.O.'S --- THE HEALTH MAINTENANCE OPTION UNDER MEDICARE. THIS PROPOSAL IS NOW ON THE TABLE FOR DEBATE AND DISCUSSION --- ACCEPTED BY THE HOUSE, AND PENDING IN THE SENATE.

Under it. Medicare beneficiaries could choose to contract with <u>single source providers</u> of comprehensive health services for <u>all</u> their health needs. And at a cost that would not exceed 95 per cent of the present cost of Part A and Part B services combined. And states could mount demonstration projects to test out the HMO concept under Medicaid as well.

There would have to be <u>competing options</u> in any given area --- and, always, the individual would remain free to <u>continue</u> the <u>present</u> practice of shopping for his own medical services. Every contractor would have to serve high medical risks as well as the <u>healthy</u> --- and none would be given an <u>exclusive</u> franchise to serve only Medicare patients. And the most stringent safeguards would also be required --- to maintain <u>quality of service</u>, and to guarantee really free and informed <u>consumer choice</u>.

On the other hand, the <u>Barriers</u> are many and formidable. Some states flatly prohibit the practice of medicine in this fashion. Quality controls would be no easy problem. But we firmly believe that this is a direction that <u>Must be explored</u> --- <u>With</u> the health professions, and <u>With</u> existing providers of health services. This is an enterprise that can only move forward in <u>Partnership</u>.

ESSENTIAL TO OUR THINKING IS THAT WE MUST BEGIN TO

DEAL WITH THE HEALTH INDUSTRY AS ONE WHOLE, CONCERNED

WITH RESULTS ... QUALITY RESULTS. WE WOULD BE INTERESTED

IN DELIVERY OF A GUARANTEED PACKAGE OF HEALTH BENEFITS,

AND ASSURANCES THAT THE HEALTH MAINTENANCE ORGANIZATION

COULD SUPPLY THAT PRODUCT. WITHIN THE CONTRACT PRICE,

SAYINGS THROUGH EFFICIENCY WOULD ACCRUE TO THE

ORGANIZATION AND THE CONSUMER ... AND THE ORGANIZATION

WOULD ASSUME THE RISK OF ANY LOSSES.

This concept by no means represents a wholly <u>new</u>

Departure. Already --- under such comprehensive

PROGRAMS AS THE <u>Kaiser</u> Plan and the <u>San Joaquin Foundation</u>

Here in California --- millions of Americans are

Covered by <u>Blanket</u> health arrangements whose incentives

Run toward preventive and <u>Early Care</u>. We propose to

EXTEND THIS CONCEPT.

WE PROPOSE INCENTIVES TO ENCOURAGE ENTRANCE INTO THE HEALTH-CARE INDUSTRY ... AS ORGANIZERS AND MANAGERS, NOT AS DIRECT PRACTITIONERS ... OF CORPORATIONS, HOSPITALS, FOUNDATIONS, AND TEAMS OF PROFESSIONALS. AND WE PROPOSE UNDER THE HMO CONCEPT, TO REWARD EFFICIENCY IN THE DELIVERY OF TOP QUALITY HEALTH SERVICES.

As of this date, such corporate giants as General Electric, Brunswick, and Texas Instruments are all studying the <u>Feasibility</u> of Becoming involved --- and so are scores of Hospitals and Medical complexes, all around the country.

HMO's, of course, would put a premium on <u>integrated</u> across-the-board health services --- on <u>team</u> and <u>group</u> practice, and thus also on the <u>effective</u> utilization of paraprofessionals in <u>support</u> of highest-skill specialists.

I DON'T HAVE TO TELL YOU THAT THE WORKLOAD ON HEALTH PROFESSIONALS IS JUST ABOUT AT THE THRESHOLD --- WE NEED GREATER NUMBERS IN EVERY CATEGORY, AND WE NEED BETTER UTILIZATION OF OUR EXISTING MANPOWER.

BEYOND A SHEER RESCUE OPERATION. TO KEEP THE DOORS

OF OUR MEDICAL AND DENTAL SCHOOLS OPEN, WE HAVE TO

FIND WAYS TO INCREASE THEIR PRODUCTIVITY --- WITH

ADDITIONAL FIRST-YEAR SLOTS, AND PROBABLY WITH SOME

COMPRESSION OF MEDICAL EDUCATION. DURING WORLD WAR II,

AS MANY OF YOU RECALL, WE DID PRODUCE DOCTORS AND

DENTISTS IN THREE YEARS ... AND IT WAS DONE WITHOUT

RELAXING ESSENTIAL STANDARDS. WE SHOULD BE ABLE TO

DO THAT WELL IN THIS LATER TIME OF EMERGENCY TOO.

AND, MOST IMPORTANT, WE HAVE TO BEGIN TREATING MEDICAL EDUCATION AS A PRIMARY TARGET IN AND OF ITSELF --- WITH DIRECT INSTITUTIONAL GRANTS RATHER THAN RESEARCH GRANTS, AND WITH DIRECT STUDENT AID ... GRANTS AND LOANS ... THAT MIGHT ENTAIL A FEW YEARS OF POSTGRADUATE OBLIGATED SERVICE. THIS WOULD BE ONE WAY TO STAFF RURAL AND INNER CITY FACILITIES WITH YOUNG PROFESSIONALS ORIENTED TO PATIENT CARE.

To support our health <u>Professionals</u> ... and there will always be <u>Fewer</u> of them than we need ... we <u>Must</u> step up the training of supporting aides and <u>Para-Professionals</u>. I have seen recent pilot studies suggesting that a <u>Single</u> physician's aide, or <u>one</u> chairside dental technician, can increase productivity as much as three- or four-fold --- a dramatic increase, in effect, in the overall supply of skilled expertise. By mid-'71, better than <u>Thirty</u> states will have medic training programs on the rails ... with particular emphasis on corpsmen returning from Vietnam.

THIS IS A POTENTIAL ASSET WE SIMPLY <u>CANNOT</u> AFFORD TO WASTE.

PARAPROFESSIONALS ARE URGENTLY NEEDED IN GREATER NUMBERS, AND IN NEWLY-DEVELOPING DISCIPLINES. AND WE MUST HELP CREATE THE CONTEXTS WITHIN WHICH THEIR SKILLS CAN EXTEND THE DOCTOR'S, DENTIST'S, AND SURGEON'S EXPERTISE ... AND THUS FREE HIM FROM TIME-CONSUMING, LOWER-SKILL ACTIVITIES. IN PRELIMINARY PATIENT SCREENING AND TESTING, IN LABORATORY AND RADIOLOGICAL WORK, IN CERTAIN SIMPLE MEDICAL PROCEDURES --- IN ALL THESE SUPPORTING ACTIVITIES, THE PARAPROFESSIONAL IS CRUCIAL TO THE EVOLUTION OF A COORDINATED, EFFECTIVE HEALTH-CARE DELIVERY SYSTEM.

AND SO, ALL OUR PLANS FOR TWO-YEAR COMMUNITY COLLEGES

AND CAREER EDUCATION INCLUDE AS A KEY COMPONENT THE

TRAINING OF PARAPROFESSIONAL HEALTH AIDES AND

TECHNICIANS.

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The deficiencies that I have touched on and the possible ways of correcting them are among the major health concerns of this Administration. But they do not overshadow the pressing need to make certain that the poor, and those who are threatened with poverty by the burden of health costs, are not deprived of the essential services on which their health depends.

MEDICAID WAS AN ATTEMPT TO CLOSE THIS GAP, BUT ITS RELIANCE ON STATE MATCHING FUNDS HAS RESULTED IN GLARING DISPARITIES AMONG STATE PROGRAMS. DESPITE ITS ENORMOUS COSTS, THERE REMAIN GROSS DEFICIENCIES IN MEETING THE NEEDS OF THE POOR IN MOST STATES.

CLEARLY, MEDICAID MUST NOW BE REPLACED BY A SYSTEM THAT IS MORE EQUITABLE AND MORE EFFECTIVE.

THIS IS THE OBJECTIVE OF THE ADMINISTRATION'S FAMILY HEALTH INSURANCE PLAN --- NOW ON THE DRAWING BOARD.

FOR THE FIRST TIME, IT WOULD MAKE HEALTH INSURANCE

PROTECTION AVAILABLE TO ALL POOR AND NEAR POOR FAMILIES

REGARDLESS OF WHERE THEY LIVE. IT WOULD ASSURE A

BASIC NATIONAL STANDARD OF HEALTH PROTECTION FOR THE

MORE THAN 20 MILLION PEOPLE WHO WOULD BE ELIGIBLE TO

PARTICIPATE IN IT.

THE ADMINISTRATION INITIATIVES I HAVE DESCRIBED ARE ONLY A PART OF THE CHANGES WE MAY SEE IN MEDICAL CARE DURING THE NEXT FIVE YEARS. THERE ARE NEW DEVELOPMENTS IN GROUP AND TEAM SETTINGS ... IN PREPAID HEALTH PROGRAMS ... THE GROWING CONCERN OF PRIVATE SECTOR INSURANCE CARRIERS FOR THE QUALITY OF HEALTH-CARE, AND NOT JUST THE PAYING OF MEDICAL BILLS ... THE EFFORTS OF MANY OF THE HEALTH PROFESSIONS TO SHORTEN THE LEAD-TIME IN THE TRAINING OF PROFESSIONAL AND PARAPROFESSIONAL MANPOWER ... AND THE DETERMINATION OF OUR OVERBURDENED MEDICAL SCHOOLS TO INCREASE ENROLLMENTS AND COMPRESS THE TIME SPAN OF MEDICAL EDUCATION. PRIVATE INITIATIVE SPURS THESE ONWARD FROM MERE EXPRESSION TO REAL ACHIEVEMENT.

In these same five years, we can expect technological Breakthroughs as well. And these technological ACHIEVEMENTS CAN BE IMMENSE.

Technological research has already produced Dramatically, and productively for health care.

I REFER TO REMOTE EKGS IN AMBULANCES ON THE WAY TO
THE HOSPITAL EMERGENCY ROOM ... TO EEG READINGS THAT
ARE IMPROVED BY COMPUTERS ... TO THE COMPUTER PROGRAMMING
OF MEDICAL HISTORIES.

SENSORS THAT WERE DEVELOPED TO RECORD METEORITES

STRIKING A SPACE CAPSULE --- ARE NOW USED TO RECORD

MUSCLE TREMORS IN THE EARLY DIAGNOSIS OF NEUROLOGICAL

ILLS.

Here, Too, As our public national space effort has contributed, so has private industry. A California based corporation did the research and produced an economical means of screening school children in numbers for heart disease. California is experimenting with the technique now --- nationwide, over one million children have been screened.

THE GLOBAL IMPORTANCE OF THIS NEW STEP IN PREVENTIVE MEDICINE AND IN EARLY TREATMENT IS DIFFICULT TO DESCRIBE. SCREENING, ALONG WITH RELATED HEALTH EDUCATION, IS CALLED A HIGH PRIORITY NEED IN ENGLAND AND ON THE CONTINENT. IT IS AN INCREASINGLY HIGH PRIORITY IN THE UNITED STATES. BREAKTHROUGHS SUCH AS THESE PROMISE MUCH FOR ALL OF US.

ALMOST A HUNDRED YEARS AGO, THE BRITISH PRIME MINISTER, BENJAMIN DISRAELI, SAID:

"THE HEALTH OF THE PEOPLE IS REALLY THE FOUNDATION UPON WHICH ALL THEIR HAPPINESS AND ALL THEIR POWERS AS A STATE DEPEND."

HIS OBSERVATION HOLDS TRUE TODAY.

FOR WE ENGAGE IN NEW COMMON EFFORTS TO MEET THIS OLD CHALLENGE THAT HAS SURVIVED THE CENTURIES.

To MEET IT WE MUST COMBINE ALL OUR RESOURCES --PUBLIC ... PRIVATE ... VOLUNTARY --- INTO A COORDINATED
EFFORT. WE MUST WORK TOGETHER --- WITH UNITY OF
PURPOSE --- TO BLEND ALL THE INDEPENDENT COMPONENTS
OF THE HEALTH PROFESSIONS --- AND ALL THE INSTITUTIONS
IN THE SOCIAL MATRIX THAT SHARE AN ABIDING CONCERN
FOR PUBLIC WELL-BEING --- INTO A WELL-ARTICULATED,
WELL-UNDERSTOOD SYSTEM FOR DELIVERING HEALTH CARE TO
EVERY AMERICAN.

THE CALL HERE IS NOT FOR A MONOLITHIC NATIONAL BUREAUCRATIC STRUCTURE. THAT HAS ALREADY BEEN WEIGHED IN THE BALANCE AND FOUND WANTING.

WHAT WE DO NEED IS A SHARED KNOWLEDGE AND UNDERSTANDING, AND A SINGLENESS OF MIND AND PURPOSE DRIVEN BY THE INTENSITY OF OUR COMMITMENT.

GIVEN THESE NEW SOURCES OF COMBINED ENERGY, WE WILL GET OPTIMUM RESULTS FROM THE BREAKTHROUGHS OF TODAY.