

POSITION STATEMENTS (ITEM 24)

1971

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ASSOCIATION OF AMERICAN MEDICAL COLLEGES

Memorandum #71-6

February 24, 1971

TO: Council of Deans  
FROM: John A. D. Cooper, M.D., President  
SUBJECT: AAMC BILLS IN CONGRESS

1. As you heard at the Assembly meetings recently in Chicago, the AAMC is sponsoring two bills this year for consideration by the Congress. Copies of the bills, each one representing a major area of our interests, were included in the red-bound package of 1971 legislative proposals passed out at the Council of Deans. Additional copies of the bills and analyses of them are available from the Association.

One of the bills, called the Health Professions Educational Assistance Amendments of 1971, would extend for five years (through the twelve months ending June 30, 1976) the Health Professions Educational Assistance Act, the basic statutory authority for federal assistance to schools of the health professions. The terms of this bill were worked out during the past nine months in discussions with the AAMC leadership and in joint sessions with representatives of all health professional schools. It is fully supported by the Federation of Associations of Schools of the Health Professions. The bill was introduced as HR 4171 on February 10, 1971, by Representative Harley O. Staggers (D - W.Va.), chairman of the House Interstate and Foreign Commerce Committee, and was referred to his committee.

The other bill, named the Physician Manpower Support and Services Act of 1971, which was developed within the AAMC, is an omnibus measure authorizing support for new medical schools and for expansion of existing schools in the terms recommended by the Howard Committee Report, and authorizing the establishment of academic medical center health maintenance organizations and of area health education centers, as proposed by the Carnegie Commission. This bill was introduced as HR 4170 on February 10, 1971, also by Mr. Staggers. It, too, was referred to his committee.

2. Already, other bills have been introduced that offer differing-- and I think inferior--proposals for these same areas. Any final legislation, of course, will represent a combination of bits and pieces from many bills. Because our bills are superior to the other competing measures, it is vitally important for the entire Congress-- both House of Representatives and Senate--to be quickly and completely informed of the situation. All Senators and Representatives need to be told of the need for legislation in these areas and of the features that make the Association bills superior to any others.

3. Four possible methods of contacting Members of Congress suggest themselves:

a) A personal visit. By far the best method. Call the Association's Washington office (202-466-5190) or ask a guard in any of the congressional office buildings for directions to the office you want to visit.

b) A telephone call. The Capitol switchboard (202-224-3121) can connect you with any Member of Congress.

c) A letter, the shorter the better.

To a Senator, the mailing address is:

U. S. Senate  
Washington, D.C. 20510

To a Representative, the mailing address is:

U. S. House of Representatives  
Washington, D.C. 20515

d) A telegram. Tell the Western Union operator you want to send a "personal opinion message." For 90 cents you can send up to 15 words, not counting name and address. Use the address in 3c.

4. Among the points you make in communicating with your Senators and Representatives, you may wish to include the following:

a) The basic statutory authority for federal aid to medical schools and teaching hospitals under the Health Professions Educational Assistance Act will expire on June 30, 1971.

b) Without continuing substantial federal support of the order of \$5,000 per student per year, the nation's medical schools will find it impossible to maintain their present structure, much less make their unique contribution to critical national objectives.

c) As recommended by the October 1970 report of the Carnegie Commission on Higher Education, "Higher Education and the Nation's Health -- Policies for Medical and Dental Education," and the report of the AAMC Committee on the Expansion of Medical Education, chaired by Robert B. Howard, federal support should be made available through capitation, or "first-dollar" funding. The rejected alternative was "last-dollar" funding through individually negotiated contracts or grants, based on determination of needs through detailed cost and program analyses of separate institutions. A capitation system would be easier to administer and would preserve the freedom of action necessary for an educational institution.

d) Curriculum innovation and change would be best supported through continuing the Special Project Grant mechanism, in order to provide for a careful evaluation of the program change planned, the contribution it will make, and the capability of the institution involved to sustain and benefit from it.

e) Construction assistance in the form of grants -- not loans -- must continue to be forthcoming if the additional necessary educational and clinical facilities are to be available to provide an increased output of trained health professionals.

f) Student support through loans and scholarships must be adequate to open the doors of the health professions to all who aspire to such training.

5. A few observations:

a) Do not assume specialized knowledge on the part of the Congressman, regardless of his background or position, unless you personally know the man and are confident of his thorough understanding of the field of medical education.

b) In the eyes of most Congressmen, you, as the head of an important institution in their state or district, have views that carry weight and will demand attention.

c) Illustrate your communication with specific references to your institution and the local situation, whenever possible.

d) Do not be disappointed if you are dealt with by a Congressional aide; an aide often exerts important influence on his boss, serving as a very necessary extra set of eyes and ears.

*Mary Kell...*

LEGISLATIVE PROPOSALS

1971

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ASSOCIATION OF AMERICAN MEDICAL COLLEGES  
One Dupont Circle, N.W. Washington, D.C.

LEGISLATIVE PROPOSALS  
1971

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SECTION A

HEALTH PROFESSIONS EDUCATIONAL  
ASSISTANCE AMENDMENTS OF 1971

A BILL

1 To amend Title VII of the Public Health Service Act  
2 to expand and improve our nation's resources for the train-  
3 ing of physicians, dentists, optometrists, pharmacists,  
4 podiatrists, veterinarians, and professional public health  
5 personnel, and for other purposes.

6 Be it enacted by the Senate and House of Representatives  
7 of the United States of America assembled,

8 Short Title

9 This Act may be cited as the Health Professions Educa-  
10 tional Assistance Amendments of 1971.

11 HEALTH PROFESSIONS TRAINING

12 Part A - Construction Grants

13 Sec. 101. Section 720 of the Public Health Service Act  
14 (42 U.S.C. 293) is amended to read as follows:

15 "Sec. 720. (a) There are hereby authorized to be approp-  
16 riated \$300,000,000 for the fiscal year ending June 30, 1972,  
17 \$350,000,000 for the fiscal year ending June 30, 1973,  
18 \$400,000,000 for the fiscal year ending June 30, 1974,  
19 \$450,000,000 for the fiscal year ending June 30, 1975, and  
20 \$500,000,000 for the fiscal year ending June 30, 1976, to  
21 be available for -

22 "(1) grants to assist in the construction of  
23 new teaching facilities for the training of physi-  
24 cians, optometrists, pharmacists, podiatrists,



1           veterinarians, or professional public health  
2           personnel;

3                   "(2) grants to assist in the construction  
4           of new teaching facilities for the training of  
5           dentists; and

6                   "(3) grants to assist in the replacement or  
7           rehabilitation of existing teaching facilities  
8           for the training of physicians, dentists, optome-  
9           trists, pharmacists, podiatrists, veterinarians,  
10          or professional public health personnel.

11          "(b) Sums so appropriated for any fiscal year shall  
12          remain available for obligation through the two following  
13          fiscal years."

14          Sec. 102. (a) Section 721 of the Public Health Service  
15          Act (42 U.S.C. 293a) is amended in subsections (b) (2) and  
16          (b) (3) by striking out "hospital" each time it appears  
17          and inserting in lieu thereof "hospital or outpatient facility".

18                  (b) Section 721 of such Act is further amended in sub-  
19          section (b) (2) by striking out "school of medicine or school  
20          of osteopathy" and inserting in lieu thereof "school eligible  
21          to participate under this part" and by striking out "section  
22          625" and inserting in lieu thereof "section 645".

23                  (c) Section 721 of such Act is further amended in sub-  
24          section (b) (3) by striking out "section 631" and inserting in

1        lieu thereof "section 645".

2                (d) Subsection (c) (2) of section 721 of such Act is amended  
3 by inserting a semi-colon following the phrase, "whichever is  
4 greater"and striking out the words " and the requirements of this  
5 clause (D) shall be in addition to the requirements of Section 771  
6 (b) of this Act where applicable;".

7                (e) Subsection (c) (6) of section 721 of such Act is  
8 amended by striking out "diagnostic or treatment center"  
9 and inserting in lieu thereof "outpatient facility".

10              Sec. 103. Section 722 (a) of the Public Health Service  
11 Act (42 U.S.C. 293b) is amended to read as follows:

12              "Sec. 722. (a) The amount of any grant under this  
13 part shall not exceed 75 per centum of the necessary cost  
14 of construction unless the Secretary determines that unusual  
15 circumstances make a larger percentage necessary, but in no  
16 case may the Federal share of construction costs exceed  
17 85 per centum."

18              Sec. 104. (a) Section 724 of the Public Health Service  
19 Act (42 U.S.C. 293d) is amended in subsection (1) (A) by  
20 striking out "fees, but not including the cost of acquisi-  
21 tion of land or offsite improvements" and inserting in lieu  
22 thereof "fees and the cost of acquisition of land and exist-  
23 ing buildings, but not including the cost of offsite improve-  
24 ments".

25              (b) Subsection (5) of section 724 of such Act is amended  
26 to read as follows:

1                   " (5) The term 'affiliated outpatient  
2                   facility' means an outpatient facility, as  
3                   defined in section 645, which is not owned  
4                   by, but is affiliated (to the extent and in  
5                   the manner determined in accordance with  
6                   regulations) with, a school eligible to partici-  
7                   pate under this part which meets the eligibility  
8                   conditions set forth in section 721 (b) (1)."

9           (c) Subsection (3) of section 724 of such Act is amended  
10          by striking out "section 631" and inserting in lieu thereof  
11          "section 645".

12                                   Part B - Student Loans

13           Sec. 201. (a) Section 741 of the Public Health Service  
14          Act (42 U.S.C. 294a) is amended in subsection (a) by strik-  
15          ing out "\$2,500" and inserting in lieu thereof "\$3,500".

16           (b) Section 742(a) of such Act is amended to read as  
17          follows:

18           "Sec. 742(a) There are hereby authorized to be appro-  
19          priated to the Secretary of Health, Education and Welfare  
20          to carry out this part (other than section 744) \$60,000,000  
21          for the fiscal year ending June 30, 1972, \$65,000,000 for the  
22          fiscal year ending June 30, 1973, \$70,000,000 for the fiscal  
23          year ending June 30, 1974, \$75,000,000 for the fiscal year  
24          ending June 30, 1975, and \$80,000,000 for the fiscal year

1 ending June 30, 1976. There are further authorized to be  
2 appropriated to the Secretary such sums for the fiscal year  
3 ending June 30, 1977, and each of the two succeeding fiscal  
4 years as may be necessary to enable students who have re-  
5 ceived a loan under this part for any academic year ending  
6 before July 1, 1976, to continue or complete their education.  
7 Sums appropriated under this section for the fiscal year  
8 ending June 30, 1967, or any subsequent year shall be avail-  
9 able to the Secretary (1) for payments into the fund estab-  
10 lished by section 744(d), (2) for making Federal capital  
11 contributions into loan funds under this part, and (3) for  
12 transfers pursuant to section 746."

13 (c) Subsection 741(f) of such Act is amended by striking  
14 out "optometry" and inserting in lieu thereof "optometry,  
15 pharmacy, podiatry, veterinary medicine", by striking out  
16 "optometrists"/and inserting in lieu thereof "optometrists,  
17 pharmacists, podiatrists, veterinarians" and by striking  
18 out "or optometrist" and inserting in lieu thereof "optome-  
19 trist, pharmacist, podiatrist, or veterinarian".

20 (d) Section 743 of such Act is amended by striking out  
21 "1974" each place it appears therein and inserting in lieu  
22 thereof "1979".

23 Part C - Institutional and Special  
24 Project Grants for Training Health Professions Personnel

1           Sec. 301. The title of Part E of Title VII of the  
2 Public Health Service Act is amended by striking out  
3 "And Podiatry" and inserting in lieu thereof "Podiatry  
4 And Veterinary Medicine".

5           Sec. 302. Sections 770 and 771 of the Public Health  
6 Service Act (42 U.S.C. 295f and 295f-1) are amended to  
7 read as follows:

8                                "Institutional Support

9           "Sec. 770. (a) The Secretary shall make grants in  
10 the fiscal year ending June 30, 1972 and in each of the  
11 four succeeding fiscal years as provided in this section  
12 to each public or other nonprofit school of medicine,  
13 osteopathy, dentistry, optometry, pharmacy, podiatry or  
14 veterinary medicine which is accredited as provided in  
15 section 721 (b) (1) (B) for the support of the teaching  
16 programs of such schools.

17           " (b) The amount of the annual grant under subsection  
18 (a) to each such school with an approved application shall  
19 be equal to \$50,000 plus the product of its enrollment of  
20 full-time students multiplied by -

21                                " (1) \$5,000 in the case of schools of  
22 medicine, osteopathy, and dentistry;

23                                " (2) \$3,500 in the case of schools of  
24 optometry, podiatry, and veterinary  
25 medicine;

1                   " (3) \$2,000 in the case of schools  
2                   of pharmacy.

3                   " (c) The Secretary is authorized to increase the  
4                   per capita levels set forth in subsections (b) (1), (b) (2),  
5                   and (b) (3), in accordance with regulations, to make pro-  
6                   vision for increases in operational costs.

7

8                   "Applications for Institutional Grants

9                   "Sec. 771. (a) The Secretary may from time to time set  
10                  dates (not earlier than the fiscal year preceding the year  
11                  for which a grant is sought) by which applications for grants  
12                  under section 770 for any fiscal year must be filed.

13                  " (b) To be eligible for a grant under section 770, the  
14                  applicant must (1) be a public or other nonprofit school,  
15                  (2) be a school of medicine, osteopathy, dentistry, optometry,  
16                  pharmacy, podiatry, or veterinary medicine, and (3) be  
17                  accredited by a recognized body or bodies approved for such  
18                  purpose by the Commissioner of Education, except that the  
19                  requirement of this clause (3) shall be deemed to be satis-  
20                  fied if, (A) in the case of a school which by reason of no,  
21                  or an insufficient, period of operation is not, at the time  
22                  of application for a grant under section 770 eligible for  
23                  accreditation, the Commissioner finds, after consultation  
24                  with the appropriate accreditation body or bodies, that there

1 is reasonable assurance that the school will meet the  
2 accreditation standards of such body or bodies prior  
3 to the beginning of the academic year following the normal  
4 graduation date of students who are in their first year  
5 of instruction at such school during the fiscal year in  
6 which the Secretary makes a final determination as to  
7 approval of the application, or (B) in the case of any  
8 other school, the Commissioner finds after consultation with  
9 the Secretary that there is reasonable ground to expect that,  
10 with the aid of a grant or grants under this part, having  
11 regard for the purposes of the grant sought, such school  
12 will meet such accreditation standards within a reasonable  
13 time.

14 " (c) The Secretary shall not approve or disapprove any  
15 application for a grant under section 770 except after  
16 consultation with the National Advisory Council on Health  
17 Professions Educational Assistance.

18 " (d) A grant under section 770 may be made only if the  
19 application therefor -

20 " (1) is approved by the Secretary upon his  
21 determination that the applicant meets the  
22 eligibility conditions set forth in subsection (b)  
23 of this section;

24 " (2) contains or is supported by assurances

1           satisfactory to the Secretary that the grant  
2           to any school for any fiscal year will not  
3           exceed the total of funds from non-Federal sources  
4           expended (excluding expenditures of a nonrecurring  
5           nature) by the school during the preceding year  
6           for teaching purposes (as determined in accordance  
7           with criteria prescribed by the Secretary), except  
8           that this subsection shall not apply in the case  
9           of a school which has for such year a particular  
10          year-class which it did not have for the preceding  
11          year or in the case of Howard University;

12                 "(3) provides for such fiscal control and  
13                 accounting procedures, and access to the records  
14                 of the applicant, as the Secretary may require  
15                 to assure proper disbursement of and accounting  
16                 for Federal funds paid to the applicant under  
17                 section 770; and

18                 "(4) contains such additional information as  
19                 the Secretary may require to make the determination  
20                 required of him and such assurances as he may find  
21                 necessary.

22                 "(e) For the purposes of Parts E and F, the term 'full-  
23                 time students' (whether such term is used by itself or in  
24                 connection with a particular class year) means students pur-



1 suing a full time course of study leading to a degree of  
2 doctor of medicine, doctor of osteopathy, bachelor of  
3 science in pharmacy, or doctor of pharmacy, doctor of  
4 optometry or an equivalent degree, doctor of veterinary  
5 medicine or an equivalent degree, doctor of dentistry or  
6 an equivalent degree, or doctor of podiatry or an equivalent  
7 degree."

8 Sec. 303. Section 772 of the Public Health Service  
9 Act (42 U.S.C. 295f-2) is amended to read as follows:

10 "Special Project Grants

11 "Sec. 772. (a) There are authorized to be appropriated  
12 \$150,000,000 for the fiscal year ending June 30, 1972,  
13 \$165,000,000 for the fiscal year ending June 30, 1973,  
14 \$180,000,000 for the fiscal year ending June 30, 1974,  
15 \$195,000,000 for the fiscal year ending June 30, 1975, and  
16 \$210,000,000 for the fiscal year ending June 30, 1976, for  
17 project grants to expand and improve teaching programs in  
18 medicine, osteopathy, dentistry, optometry, pharmacy,  
19 podiatry, and veterinary medicine.

20 "(b) To be eligible under this section for a grant  
21 the applicant must be a public or other nonprofit institution,  
22 agency, or organization.

23 "(c) In approving applications under this section, the  
24 Secretary, in consultation with the National Advisory

1 Council on Health Professions Educational Assistance, shall  
2 give special consideration to projects in medicine, osteo-  
3 pathy, dentistry, optometry, pharmacy, podiatry, and veter-  
4 inary medicine that would -

5 " (1) plan, develop and establish new  
6 programs in such health professions;

7 " (2) provide for significant expansions  
8 in enrollments and graduates at existing schools  
9 in such health professions;

10 " (3) increase the supply of well-qualified  
11 faculty members in such health professions schools;

12 " (4) improve curriculums and expand research  
13 in fields related to education in such health  
14 professions;

15 " (5) assist such health professions schools  
16 in serious financial straits in meeting their  
17 operational costs;

18 " (6) develop training programs for new levels  
19 or types of health professions personnel; or

20 " (7) develop and implement programs of teach-  
21 ing and instruction (including continuing education)  
22 and including special training programs in all  
23 phases of primary health care.

24

1           Sec. 304. Section 773 of the Public Health Service  
2    Act is repealed upon the effective date of the enactment  
3    of this Act.



1 such scholarship awarded for a school year shall cover  
2 such portion of the student's tuition, fees, books, equipment,  
3 and living expenses at the school making the award, but not to  
4 exceed \$3,500 for any year, as such school may determine the  
5 student needs for such year on the basis of his requirements  
6 and financial resources.

7 "(d) In the fiscal year ending June 30, 1977, and the  
8 two succeeding fiscal years no scholarships under subsection  
9 (a) may be awarded to individuals who did not receive such  
10 support from such appropriations for the fiscal year ending  
11 June, 30, 1976.

12 "(e) Grants under subsection (a) shall be made in  
13 accordance with regulations prescribed by the Secretary  
14 after consultation with the National Advisory Council  
15 on Health Professions Educational Assistance.

16 "(f) Grants under subsection (a) may be paid in ad-  
17 vance or by way of reimbursement, and at such intervals  
18 as the Secretary may find necessary; and with appropriate  
19 adjustments on account of overpayments or underpayments  
20 previously made."

SECTION B

HEALTH PROFESSIONS EDUCATIONAL  
ASSISTANCE AMENDMENTS OF 1971  
and  
COMPARISONS WITH EXISTING HPEA  
ACT

HEALTH PROFESSIONS EDUCATIONAL  
 ASSISTANCE AMENDMENTS OF 1971  
 and COMPARISONS WITH EXISTING  
 HEALTH PROFESSIONS EDUCATIONAL  
 ASSISTANCE ACT

2/3/71

PROVISION	EXISTING LAW	PROPOSED AMENDMENTS
A. Construction		
1. Appropriation authorization (Sec. 720)	1970 \$170,000,000	1972 \$300,000,000
	1971 225,000,000	1973 350,000,000
		1974 400,000,000
		1975 450,000,000
		1976 500,000,000
2. Availability of funds (Sec. 720)	Two years	Three years
3. Clinical facilities (Sec. 721)	Affiliated hospitals	Affiliated hospitals and outpatient facilities
4. Eligibility for sponsorship of clinical facilities	Schools of medicine and osteopathy	All schools eligible under this part
5. Federal share of cost of construction (Sec. 722)	75 percent: Public health schools	85 percent: All schools to meet special needs as determined by the Secretary
	66 2/3 percent: New school or major expansion	75 percent: New school or major expansion and all other construction
	50 percent: All other, but 66 2/3 percent in "unusual circumstances."	
6. Definition of construction (Sec. 724)	Excludes cost of land acquisition	Includes cost of land acquisition
B. Student Loans		
1. Annual maximum award per student (Sec. 741)	\$2,500	\$3,500
2. Appropriation authorization (Sec. 742)	1971 \$35,000,000	1972 \$60,000,000
		1973 65,000,000
		1974 70,000,000
		1975 75,000,000
		1976 80,000,000

PROVISION	EXISTING LAW	PROPOSED AMENDMENTS
3. Eligibility for forgiveness (Sec. 741)	Students of medicine, osteopathy and dentistry	All students of schools eligible under HPEA
C. Scholarships		
1. Annual maximum award per student (Sec. 780)	\$2,500	\$3,500
2. Formula for appropriations and allocations (Sec. 780)	\$2,000 multiplied by ten percent of enrollment	\$3,000 multiplied by ten percent of enrollment
D. Institutional Support		
1. Authorization for appropriations (Sec. 770)	1970 \$117,000,000 1971 168,000,000 The Secretary of HEW determines the division between formula and project grants.	See D. 3 and D. 4
2. Base grant per school year (Sec. 771)	\$25,000	\$50,000
3. Formula grants	Approximately \$600 per student per year	\$5,000 per student medicine osteopathy dentistry \$3,500 per student optometry podiatry veterinary medicine \$2,000 Pharmacy (Cost of living increases built in)
4. First year enrollment expansion requirement (Sec. 771)	2 1/2 percent, or 5 students, whichever is greater, over the average of the two highest first year enrollments during the period 1963-68. This requirement may be waived by the Secretary.	Expansion requirement is transferred to project grants



PROVISION	EXISTING LAW	PROPOSED AMENDMENTS
5. Project grants authorization for appropriations	See D. 1	1972 \$150,000,000
		1973 165,000,000
		1974 180,000,000
		1975 195,000,000
		1976 210,000,000
6. Eligible institutions (Sec. 772)	Accredited schools covered by HPEA Act	Same, plus public and private nonprofit institutions and agencies
7. Purpose of grants (Sec. 772)	Projects to: develop, plan, or establish programs of education in HPEA professions;	Projects to: Accomplish all of the objectives under the existing law, plus;
	Improve curriculum of HPEA schools;	Assist public and private nonprofit institutions and agencies in planning, establishing, and developing HPEA schools;
	Conduct research in fields related to HPEA education;	Assist in increasing the supply of well-qualified faculty members in the HPEA health professions;
	Develop training for new levels or types of health professions personnel;	Assist in making significant expansions in enrollment capacity of HPEA schools; or
	Strengthen, improve, or expand programs to train HPEA personnel; or	Develop and implement programs of teaching and instruction
	Increase the supply of adequately trained HPEA personnel.	

SECTION C

THE PHYSICIAN MANPOWER  
SUPPORT AND SERVICE ACT  
OF 1971

## A BILL

1 To amend the Public Health Service Act to increase and expand the  
2 national resources for the education of Doctors of Medicine and  
3 Osteopathy; and to promote the role of academic medical centers  
4 in improving the delivery of health services and medical care.

5 Be it enacted by the Senate and the House of Representatives of  
6 the United States of America in Congress assembled, that this  
7 Act may be cited as the "Physician Manpower Support and Services  
8 Act of 1971."

## FINDINGS AND DECLARATION OF PURPOSE

9  
10 Sec. 2 (a) The Congress declares that the Nation's economy,  
11 welfare, and security is dependent upon the health  
12 and well being of its citizenry. Thus, a principal  
13 objective of national policy must be the vigorous  
14 cultivation of the resources upon which the Nation's  
15 ability to protect and advance the health of the  
16 people derives. The Nation's schools of medicine  
17 and osteopathy and their related medical centers  
18 constitute the vital core of these resources because  
19 of the special role they serve in (1) expanding the  
20 supply of physicians; (2) maintaining the quality  
21 and competence of health personnel through continuing

1 education programs; (3) improving the health care  
2 and services available to their surrounding  
3 communities through research into and the develop-  
4 ment and demonstration of improved methods and  
5 arrangements; (4) providing high-quality medical  
6 care to larger numbers of people through their  
7 hospital and outpatient facilities, particularly to  
8 disadvantaged persons and in areas deficient in health  
9 care services.

10 (b) It is the finding of the Congress that the Nation's  
11 progress in health is gravely threatened by (1) the  
12 continued shortage of physicians and their real  
13 distribution; and (2) the lack of organized programs  
14 of health and medical care that serve the full health  
15 needs of defined population groups at low cost and  
16 with high qualitative standards.

17 (c) It is therefore the policy of the Congress to provide  
18 full support for the further increase and expansion of  
19 the Nation's schools of medicine and osteopathy on a  
20 selected geographic basis, and to encourage and assist  
21 academic health centers in the development of prepaid  
22 group practice programs aimed at providing a wide  
23 range of preventive, diagnostic, and therapeutic medical  
24 and health services to predetermined population groups.

1 TITLE I: GRANTS FOR THE EXPANSION OF FACILITIES FOR THE  
EDUCATION OF DOCTORS OF MEDICINE AND OSTEOPATHY.

2 Sec. 101: It is the purpose of this Title to assist educational  
3 institutions or other public and private nonprofit  
4 agencies to initiate new or provide for substantial  
5 expansion of educational facilities for the education  
6 of Doctors of Medicine and Osteopathy through grants:

- 7 1. for the new construction of or expansion of  
8 existing educational facilities;
- 9 2. to meet the exceptional expenditures  
10 associated with the initiation and development  
11 of a new or expanded educational program; prior  
12 to the admission of the additional students  
13 involved;
- 14 3. To provide additional operating support to  
15 meet the costs associated with the new and  
16 added students resulting from the expansion of  
17 facilities under this Title in addition to the  
18 levels of operating support provided under  
19 Title VII of the PHS Act.

20 Sec. 102(a) For the purposes of making grants to assist in the  
21 construction of new and expansion of existing educational  
22 facilities for Doctors of Medicine and Osteopathy,  
23 there is hereby authorized to be appropriated  
24 \$200,000,000 for the fiscal year ending June 30, 1972;  
25 \$200,000,000 for the fiscal year ending June 30, 1973;  
26 \$250,000,000 for the fiscal year ending June 30, 1974;

\$200,000,000 for the fiscal year ending June 30, 1975;  
\$150,000,000 for the fiscal year ending June 30, 1976.  
Funds so appropriated shall remain available for  
obligation through the two following fiscal years.

(b) For the purposes of this Title, "educational facilities"  
is defined as those structures and equipment which  
the Secretary, with the advice of the National Advisory  
Council on Education for the Health Professions deems  
as requisite to and necessary for providing the full  
educational program required to qualify an individual  
for the award of a doctoral degree in Medicine or  
Osteopathy.

Sec. 103(a) From the sums appropriated pursuant to Section 102,  
the Secretary is authorized to make grants, in  
accordance with the provisions of this Part, to carry  
out the purposes of Section 101.

(b) No grant shall be made under this Section unless an  
application therefor has been submitted to, and  
approved by, the Secretary after review by and  
consideration of the recommendations of the National  
Advisory Council on Education for the Health Professions.  
Such application shall be in such form, submitted in  
such manner, and contain such information as the  
Secretary shall have prescribed by regulations which  
have been promulgated by him and published in the  
Federal Register not later than six months after the  
date of enactment of this Title.

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1 (c) Grants under this Section shall be in such amounts  
2 and subject to such limitations and conditions as  
3 the Secretary may determine to be proper to carry  
4 out the purposes of this Title, except that: (1)  
5 the amount of any grant shall not exceed a level of  
6 \$200,000 per new or additional student in the  
7 entering class, the addition of which will be made  
8 possible under the project for which support is  
9 sought; (2) and in no case is the amount of the Federal  
10 award to exceed 80 percentum of the total cost of  
11 the construction proposed.

12 (d) In administering this Title, the Secretary, in respect  
13 to approval of applications, the amount and payment  
14 of grants, the recapture of payments, and the  
15 definitions which apply shall adhere to the  
16 terms of Sections 721, 722, 723, and 724 of the  
17 PHS Act, insofar as they are applicable to and  
18 not specifically modified by the provisions of  
19 this Title.

20 Sec. 104: For the purpose of making grants to carry out the  
21 purpose of Section 101 (2) of this Title, there are  
22 authorized to be appropriated:  
23 \$20,000,000 for the fiscal year ending June 30, 1972;  
24 \$20,000,000 for the fiscal year ending June 30, 1973;  
25 \$25,000,000 for the fiscal year ending June 30, 1974;  
26 \$20,000,000 for the fiscal year ending June 30, 1975;  
27 \$15,000,000 for the fiscal year ending June 30, 1976.

1 Funds so appropriated shall remain available for  
2 application through the two following fiscal years.

3 Sec. 105(a) From the sums appropriated pursuant to Section 104,  
4 the Secretary is authorized to make grants for  
5 the purposes of meeting the high costs associated  
6 with the initiation and development of a new and  
7 expanded program of education in medicine and osteopathy  
8 prior to the admission of the new and additional  
9 students provided for in such programs of expansion.

10 (b) To be eligible to apply for a grant under this  
11 Section, the applicant must be (A) a public or  
12 non-profit school of medicine or osteopathy, and  
13 (B) accredited by a recognized body or bodies  
14 approved for such purpose by the Secretary,  
15 except that a new school which is not at the time  
16 of application for a grant under this Section eligible  
17 for accreditation by such a recognized body or bodies  
18 shall be deemed eligible for such a grant under this  
19 Section on the finding by the Secretary, after  
20 consultation with the National Advisory Council on  
21 Education for the Health Professions, is sponsored  
22 by a public or non-profit organization capable of  
23 initiating a new or expanded program in medical or  
24 osteopathic education and otherwise eligible for  
25 grants under the Public Health Service Act.

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1 (c) No grant shall be made under this Section unless  
2 an applicataion therefor has been submitted to,  
3 and after review by and consideration of the  
4 recommendations of, the National Advisory Council  
5 on education for the Health Professions approved  
6 by the Secretary as providing a significant and  
7 geographically appropriate expansion in medical  
8 and osteopathic education. Such application shall  
9 be in such form, submitted in such manner, and  
10 contain such information as the Secretary shall have  
11 prescribed by regulations which have been promulgated  
12 by him and published in the Federal Register not  
13 later than six months after the date of enactment  
14 of this Title.

15 (d) Grants under this Section shall be in the amount  
16 of \$20,000 multiplied by the number of new and  
17 additional students in the entering class resulting  
18 from the program of expansion for which an award has  
19 been made under Section 103 of this Title.

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1       Sec. 106:     For the purposes of making grants to provide  
2                    additional operating support for new and added  
3                    students resulting from the expansion of educational  
4                    facilities under this Title, there is hereby  
5                    authorized to be appropriated:  
6                    \$4,000,000 for the fiscal year ending June 30, 1972;  
7                    \$8,000,000 for the fiscal year ending June 30, 1973;  
8                    \$14,000,000 for the fiscal year ending June 30, 1974;  
9                    \$18,000,000 for the fiscal year ending June 30, 1975;  
10                   \$15,000,000 for the fiscal year ending June 30, 1976.

11       Sec. 107(a) From the sums appropriated pursuant to Section 104,  
12                    the Secretary is authorized to make grants to those  
13                    institutions or organizations to which a grant  
14                    has been awarded under Section 103 of this Act  
15                    for the purposes of meeting educational costs  
16                    associated with the education of additional students  
17                    of medicine and osteopathy resulting from programs of  
18                    expansion for which grants have been made under  
19                    Section 103 of this Title. These grants shall be  
20                    in addition to any other provision for operating  
21                    support of students of medicine and osteopathy  
22                    made available under other provisions of the PHS  
23                    Act provided, however, that the additional award  
24                    per additional student under this Section shall be  
25                    available only for the four-year period required  
26                    to complete the educational program leading to the  
27                    doctoral degree.

1 (b) No grant shall be made under this Section unless an  
2 application therefor has been submitted to, and  
3 approved by, the Secretary after review by and  
4 consideration of the recommendations of the National  
5 Advisory Council on Education for the Health Professions.  
6 Such application shall be in such form, submitted in  
7 such manner, and contain such information as the  
8 Secretary shall have prescribed by regulations which  
9 have been promulgated by him and published in the  
10 Federal Register not later than six months after the  
11 date of enactment of this Title.

12 (c) Grants under this part shall be in the amount of  
13 \$4,000 multiplied by the number of new and  
14 additional students resulting from the program of  
15 expansion for which an award has been made under  
16 Section 103 of this Title.

1 TITLE II: Support of Academic Health Programs for Community  
2 Health Education and Service

3 Part A: Grants to Assist Academic Health Centers in  
4 Planning and Initiating Health Maintenance  
5 Organizations.

6 Sec. 201: It is the purpose of this Part to encourage and  
7 assist academic health centers in the establishment  
8 of health maintenance organizations to be primarily  
9 directed at defined population groups which are  
10 characterized by a lack of adequate medical care  
11 services. The objectives of such health maintenance  
12 organizations are (a) to provide the means by which  
13 the full scope of the health needs of a family or  
14 an individual could be determined, provided, and  
15 evaluated; (b) to achieve a more effective and  
16 efficient program of ambulatory health care services;  
17 (c) to limit the cost of providing health care to the  
18 greatest extent possible without sacrificing quality;  
19 (d) to engage academic health centers in the develop=  
20 ment of coordinated education, research, and medical  
21 care programs based in the community; (e) to encourage  
22 the appropriate use of allied health manpower, and  
23 the development of new types of health manpower  
24 occupations; (f) to obtain a better geographic  
25 distribution of health personnel, facilities, and  
26 health care services.

27 DEFINITIONS

28 Sec. 202: For the purpose of this Title:

1           "(a) the term 'academic health center' shall mean  
2           those health care institutions which are owned and  
3           operated by a university or college of medicine or  
4           which have a bona fide written affiliation arrangement  
5           with a university or college of medicine for the  
6           purpose of educating undergraduate medical students;

7           "(b) the term 'health maintenance organization'  
8           shall mean an organization which combines the  
9           principles of group medical practice, direct service  
10          prepayment, and the provision of a wide range of  
11          health services;

12          (1)       'group medical practice' shall mean the  
13                   provision of medical services by three or more  
14                   full-time physicians formally organized in a  
15                   common facility to render medical care, consultation,  
16                   diagnosis, and treatment through the joint use  
17                   of equipment and personnel and with income from  
18                   medical practice distributed in accordance with  
19                   methods previously determined by members of the  
20                   group. The group must include appropriate  
21                   members of physicians to provide primary and  
22                   specialty care.

23          (2)       'direct service prepayment' shall mean a  
24                   contractual arrangement on a per capita basis  
25                   between a specifically identified enrolled  
26                   population and a health maintenance organization  
27                   under which payment in advance of the need for

1 service guarantees the provision of those  
2 services if and when they become necessary.

3 (3) 'wide range of services' shall include at a  
4 minimum: inpatient hospitalization, physician  
5 services in office and hospital, and preventive  
6 care as well as diagnostic laboratory and x-ray  
7 services.

8 (c) The term 'construction' includes new construction,  
9 alteration, major repair, remodeling, renovation of  
10 existing buildings (including initial equipment  
11 thereof), and replacement of obsolete, built-in  
12 equipment of existing buildings subject to such  
13 further definition and limitation as may be pre-  
14 scribed in regulations.

15  
16 GRANTS FOR PLANNING AND FEASIBILITY STUDIES

17 Sec. 301 (a) The Secretary, upon recommendation of the Health  
18 Maintenance Organization Review Council, established  
19 in a subsequent section of this Part, is authorized to  
20 make grants to academic health centers to assist in  
21 planning or studying the feasibility of developing  
22 health maintenance organizations. Funds awarded  
23 under such grants shall be available for expenditure  
24 by the grantee for a period not to exceed two years  
25 from the date of award at the discretion of the  
26 Secretary. Upon the completion of planning or feasibility  
27 study carried out under a grant authorized under this

1 section or at the end of the two-year grant period,  
2 the grantee shall make a full and complete report  
3 to the Secretary. This report will include among  
4 such other matters as the Secretary may prescribe  
5 in regulation: (1) specification of the population  
6 group or groups to be served and enrollment projected;  
7 (2) nature and estimated unit costs of the health  
8 and medical care services to be provided; (3)  
9 anticipated sources of prepayment for services to  
10 be provided; (4) sources of professional services for  
11 and organizational arrangements to be utilized in  
12 providing proposed health and medical care benefits;  
13 (5) facilities available for and additional capital  
14 investments and sources of financing therefore,  
15 required to provide level and scope of health services  
16 proposed; (6) description of the relationship to and  
17 effect upon the educational, research, and community  
18 service functions and programs of the academic health  
19 center involved; (7) evaluation of the support for and  
20 acceptance of the proposed health maintenance  
21 organization by the population to be served, the  
22 sources of operating support, and the professional  
23 groups to be involved or who would be affected thereby.

24 sec 301(b) For the purpose of carrying out the provision of this  
25 section, there are authorized to be appropriated  
26 \$10,000,000 for the fiscal year ending June 30, 1972;  
27 \$20,000,000 for the fiscal year ending June 30, 1973; and  
28 \$20,000,000 for the fiscal year ending June 30, 1974.

## GRANTS FOR INITIAL DEVELOPMENT COSTS

1  
2 Sec. 401 (a) The Secretary, upon recommendation of the Health  
3 Maintenance Organization Review Council, is authorized  
4 to make grants to academic medical centers to assist  
5 them in meeting the costs involved in the initial  
6 development of a health maintenance organization  
7 prior to first-day operation. Such development grants  
8 shall be awarded only after the Health Maintenance  
9 Organization Review Council is satisfied with the  
10 results of prior planning feasibility or operational  
11 studies, the evidence of institutional commitment to  
12 and projected financial stability of the program to  
13 be undertaken, the capacity of the grantee institution  
14 to provide the services proposed, and the  
15 relationships of the activity to the programs of  
16 sponsoring institutions and the needs of the area  
17 and population groups to be served.

18 (b) Funds awarded under such grants shall be available for  
19 expenditure by the grantee for a maximum of two years  
20 and shall be utilized for such purposes as may be  
21 prescribed in regulation by the Secretary, including  
22 but not limited to:  
23 (1) implementation of an enrollment campaign; (2)  
24 detailed design of and arrangements for health and  
25 medical services to be provided and their integration  
26 with the institution's research and educational  
27 programs; (3) development of administrative and internal  
28 and organizational arrangements, including fiscal control  
and fund accounting procedures and the development of



1 a capital financing program; (4) recruitment of  
 2 personnel and conduct of personnel training activity  
 3 (c) For the purpose of carrying out the provisions of  
 4 this section, there are hereby authorized to be  
 5 appropriated \$2,000,000 for the fiscal year ending  
 6 June 30, 1972; \$20,000,000 for the fiscal year ending  
 7 June 30, 1973; \$55,000,000 for the fiscal year ending  
 8 June 30, 1974; and \$70,000,000 for the fiscal year  
 9 ending June 30, 1975.

10 CONSTRUCTION AND RENOVATION OF FACILITIES

11 Sec. 501 (a) The Secretary, upon recommendation of the Health  
 12 Maintenance Organization Advisory Council and subject  
 13 to such regulations as he may prescribe, is  
 14 authorized to make grants to academic medical centers  
 15 to assist them in the construction and equipment of  
 16 facilities specifically intended for use to provide  
 17 health services to the enrolled population served by  
 18 a health maintenance organization. An award under  
 19 this authority shall be made only after the Secretary  
 20 has determined that assistance for the construction  
 21 proposed has been sought and is not available under  
 22 Titles I and II of the Medical Facilities Construction  
 23 and Modernization Amendments of 1970 and Title IX of  
 24 the National Housing Act.

25 (b) For the purpose of carrying out the provisions of this  
 26 section, there are authorized to be appropriated \$10,000,000  
 27 for the fiscal year ending June 30, 1972; \$30,000,000  
 28 for the fiscal year ending June 30, 1973; \$50,000,000  
 29 for the fiscal year ending June 30, 1974; and \$50,000,000  
 30 for the fiscal year ending June 30, 1975.

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## 1                    GUARANTEED LOAN PROGRAM

2    Sec. 601 (a) In order to assist academic health centers in the  
3                    initiation of health maintenance organizations and  
4                    to provide initial working capital for the operation  
5                    of a health maintenance organization as well as to  
6                    subsidize the difference between income and operating  
7                    expenditures during the beginning enrollment period,  
8                    the Secretary may in accordance with the provisions  
9                    of this Part guarantee to non-Federal lenders making  
10                   loans to such academic health centers for the purposes  
11                   aforesaid, payment of principal of and interest on loans  
12                   made by such lenders which are approved under this Part.

13                   (b) The guarantee of a loan under the provisions of this  
14                   Part shall be made only after receipt of an application  
15                   by an academic health center and review of such application  
16                   by the Health Maintenance Organization Advisory Council  
17                   and a determination by the Secretary with the advice of  
18                   the aforesaid Council: (1) that the funds available on  
19                   the loan for which a guarantee is sought are requisite  
20                   to and will be utilized for the purpose of necessary  
21                   subsidy in initiating a health maintenance organization;  
22                   (2) that <sup>there</sup> / is reasonable assurance that the agency  
23                   receiving the loan will be able to make payments of  
24                   principal and interest thereon when due; and (3) that,  
25                   in the case of a loan for which a guarantee is sought,  
26                   the terms, conditions, maturity, security (if any), and  
27                   schedule and amounts of repayments with respect to the

1 loan are sufficient to protect the financial interests of  
2 the United States and are otherwise reasonable and  
3 in accord with regulations, including a determination  
4 that the rate of interest does not exceed such per  
5 centum per annum on the principal obligation outstanding  
6 as the Secretary determines to be reasonable, taking  
7 into account the range of interest rates prevailing in  
8 the private market for similar loans and the risks  
9 assumed by the United States.

10 (c) (1) In the case of any loan to a nonprofit private  
11 agency, the United States shall be entitled to recover  
12 from the applicant the amount of any payment made  
13 pursuant to any guarantee of such loan under this  
14 Part, unless the Secretary for good cause waives its  
15 right of recovery, and , upon making any such payment,  
16 the United States shall be subrogated to all of the  
17 rights of the recipient of the payments with respect  
18 to which the guarantee was made; (2) Guarantees of  
19 loans to nonprofit private agencies under this Part  
20 shall be subject to such further terms and conditions  
21 as the Secretary determines to be necessary to assure  
22 that the purposes of this Part will be achieved.

23 (d) There is hereby established in the Treasury a loan  
24 guarantee fund which shall be available to the  
25 Secretary without fiscal year limitation, in such  
26 amounts as may be specified from time to time in  
27 appropriations Acts to enable him to discharge his  
28 responsibilities under guarantees issued by him under

1 this part. There are authorized to be appropriated  
2 to the fund from time to time such amounts as may  
3 be necessary to provide capital required for the  
4 fund.

5 GUARANTEED REINSURANCE POOL

6 Sec. 701 (a) The Secretary is authorized to establish a Federally  
7 guaranteed reinsurance fund to be financed by an  
8 actuarially determined percentage of the premium of  
9 each enrollee in a health maintenance organization  
10 established by an academic health center under the  
11 provisions of this Part. All health maintenance  
12 organizational institues participating in the  
13 guaranteed loan program authorized under Section  
14 601 of this Act shall be rquired to participate in  
15 the guaranteed reinsurance fund.

16 (b) Funds available in the guaranteed reinsurance fund  
17 shall be available to offset losses incurred by  
18 health maintenance organizations participating in  
19 the fund by reason of abnormal deviations in  
20 requirements for health services resulting from  
21 unusual age, sex, or chronic disease characteristics  
22 of enrollees or the occurrence of epidemics or other  
23 exceptional health problems arising in the  
24 enrolled population group. Eligibility for and payments  
25 made from the reinsurance shall  
26 be made under terms and conditions prescribed by  
27 the Secretary, based upon the review and recommendation  
28 of the Health Maintenance Organization Review Council.

## 1 HEALTH MAINTENANCE ORGANIZATION REVIEW COUNCIL

2 Sec. 801 (a) The Secretary is authorized to appoint, without  
3 regard to the Civil Service laws, a Health Maintenance  
4 Organization Review Council. The Council shall consist  
5 of the Assistant Secretary for Health and Scientific  
6 Affairs, who shall be the Chairman, and twelve other  
7 members, not otherwise in the regular employ of the  
8 United States, who are leaders in the development of  
9 prepaid health services programs, the medical sciences,  
10 medical education, the insurance industry, or public  
11 affairs. At least three of the members shall be  
12 physicians engaged in medical practice.

13 (b) Each appointed member of the Council shall hold office  
14 for a term of four years, except that any member  
15 appointed to fill a vacancy prior to the expiration  
16 of the term for which his predecessor was appointed  
17 for the remainder of such term, and except that the  
18 terms of office of the members first taking office  
19 shall expire, as designated by the Secretary at the  
20 time of appointment, four at the end of the first  
21 year, four at the end of the second year, and four at  
22 the end of the third year after the date of appointment.  
23 An appointed member shall not be eligible to serve  
24 continuously for more than two terms.

25  
26 (c) Appointed members of the Council, while attending  
27 meetings or conferences thereof, or otherwise serving  
28 on business of the Council, shall be entitled to

1 receive compensation at rates fixed by the Secretary,  
2 but not exceeding \$100 per day, including travel time  
3 and while so serving away from their homes or regular  
4 places of business, they may be allowed travel expenses,  
5 including per diem in lieu of subsistence, as author-  
6 ized by section 5 of the Administrative Expenses Act  
7 of 1946 (5 U.S.C. 73b-2) for persons in the Government  
8 service employed intermittently,  
9

10 (d) The Council shall advise and assist the Secretary  
11 in the development of policy and preparation of  
12 regulations relating to the development of health  
13 maintenance organizations under DHEW programs.  
14 The Council shall consider all applications for  
15 grants and Federal loans under this title and  
16 shall make recommendations to the Secretary with  
17 respect to approval of applications for and the  
18 amounts of grants under this Part.

1

## REPORT

2 Sec. 901: On or before June 30, 1974, the Secretary, after  
3 consultation with the Review Council, shall  
4 transmit to the President and then to the Congress,  
5 a report of the activities under this Part together  
6 with (a) an appraisal of the activities under this  
7 Part in the light of their effectiveness in carrying  
8 out the purposes of this part; and (b) recommendations  
9 with respect to extension of modification of this  
10 Part in the light thereof.

11

12

## RECORDS AND AUDIT

13

14 Sec. 1001: Each recipient of a grant under this title shall  
15 keep such records as the Secretary may prescribe,  
16 including records which fully disclose the amount  
17 and disposition by such recipient of the proceeds  
18 of such grant, the total cost of the project or  
19 undertaking in connection with which such grant is  
20 made or used, and the amount of that portion of  
21 the cost of the project or undertaking supplied  
22 by other sources and such records as will facilitate  
23 an effective audit.

1 TITLE II

2 Part B: Grants to Assist in the Establishment and Operation  
3 of Area Health Education Centers

4 Sec. 101: Title IX of the Public Health Service Act is amended  
5 to read as follows:

6 Title IX Regional cooperative arrangements for  
7 Education, Research, Training, and Demonstration  
8 to improve health services and medical care

9 Sec. 102(a) Section 900(a) of such Title is amended by inserting  
10 the words "including area health education centers,"  
11 immediately after "arrangements", by placing a semi-  
12 colon after the words "patient care" and by striking  
13 out "in the fields of heart disease, cancer, stroke,  
14 and other related diseases;"

15 (b) The first sentence of Section 901 (a) of such Title  
16 as amended is further amended by striking out the  
17 words "\$129,000,000 for the fiscal year ending June  
18 30, 1971; \$150,000,000,000 for the fiscal year ending  
19 June 30, 1972, and \$250,000,000 for the fiscal year  
20 ending June 30, 1973" and inserting in lieu thereof  
21 the following: "\$150,000,000 for the fiscal year  
22 ending June 30, 1971; \$200,000,000 for the fiscal  
23 year ending June 30, 1972; \$275,000,000 for the fiscal  
24 year ending June 30, 1973; and \$300,000,000 for the  
25 fiscal year ending June 30, 1974." This first sentence  
26 is further amended by inserting following the word  
27 "activities" the words "including area health education  
28 centers."



1 Sec. 103(a) The first sentence of Section 902 (a) of this Title  
2 is amended by inserting a period following the word  
3 "rehabilitation" and striking out the words "relating  
4 to heart disease, cancer, stroke, kidney disease and,  
5 at the option of the applicant, other related diseases."

6 (b) Section 902(a) is further amended by adding a sub-  
7 paragraph "g" following subparagraph "f" to read as  
8 follows:

9 (g) The term "area health education center" means a  
10 hospital, educational facility, or other public  
11 nonprofit institution affiliated with an academic  
12 health center for the conduct of or the providing  
13 of guidance for education and training programs  
14 for health personnel in association with state,  
15 community, or public colleges, other hospitals  
16 and health facilities, professional health or  
17 medical organizations in a particular geographical  
18 area and to serve as an instrument of cooperation  
19 between an academic health center and its education,  
20 research, and health service programs and the  
21 framework of health facilities and organizations  
22 and activities for the betterment of health in a  
23 given area.

24 Sec. 104: Sections 903 and 904 are amended by inserting the words  
25 "including area health education centers" following  
26 the words "regional medical programs" wherever the  
27 latter words appear.

1 Sec. 105: Section 906 is amended by striking out the words  
2 "relating to the same diseases" following the  
3 word "demonstration."

4 Sec. 106: Section 910 is amended to read as follows:  
5 "MULTIPROGRAM SERVICES. To facilitate interregional  
6 cooperation and develop improved national capability  
7 for delivery of health services, the Secretary is  
8 authorized to utilize funds appropriated under this  
9 Title to make grants to public or nonprofit private  
10 agencies or institutions, or combinations thereof,  
11 to contract for and otherwise participate in the  
12 cost of those activities which, upon advice of the  
13 National Advisory Council on Regional Medical Programs,  
14 he deems to be necessary or appropriate for the  
15 accomplishment of the purposes of this Title."  
16

SECTION D

PROPOSED PHYSICIAN MANPOWER  
and  
SERVICES ACT OF 1971

PROPOSED  
PHYSICIAN MANPOWER & SERVICES ACT OF 1971

PROVISION	APPROPRIATION	
I. Support of New Medical Schools & Expansion of Existing Schools		
A. Construction	FY '72	\$200 million
(\$200,000/entering student for basic facilities)	73	200
	74	250
	75	200
	76	150
B. Start Up Costs	FY '72	\$ 20 million
(\$20,000/entering student)	73	20
	74	25
	75	20
	76	15
C. Operating Support	FY '72	\$ 4 million
(additional capitation support of \$4,000/entering student)	73	8
	74	14
	75	18
	76	15
II. Academic Medical Center Health Maintenance Organizations		
A. Planning & Feasibility Studies	FY '72	\$ 10 million
	73	20
	74	20
B. Initial Development Costs	FY '72	\$ 2 million
	73	20
	74	55
	75	70
C. Construction & Renovation	FY '72	\$ 10 million
(for HMO health care facilities)	73	30
	74	50
	75	50
D. Guaranteed Loans		-
(to provide initial working capital)		
E. Guaranteed Reinsurance Pool		-
(to offset losses incurred from abnormal deviations in health services requirements)		
III. Area Health Centers	FY '71	\$150 million
(to support the establishment & operation of area health centers as described in the Carnegie Commission report)	72	200
	73	275
	74	300

SECTION E

FY 1972 APPROPRIATIONS  
NATIONAL INSTITUTES OF HEALTH

BUDGET ANALYSIS

APPROPRIATIONS FOR THE NATIONAL INSTITUTES OF HEALTH  
(In thousands)

APPROPRIATION/ACTIVITY	ACTUAL APPROPRIATION			PRESIDENT'S BUDGET	
	FY 1969	FY 1970	FY 1971	FY 1972 Amount	Change From FY 1971
<b>1. RESEARCH INSTITUTES</b>					
<u>Biological Standards</u> .....	\$ 8,499	\$ 8,237	\$ 9,127	\$ 8,636	\$ -491
<u>National Cancer Institute</u> .....	185,150	181,357	232,234	232,234	--
<u>National Heart &amp; Lung Institute</u> .....	166,928	160,549	194,448	194,448	--
<u>National Institute of Dental Research</u> .....	29,984	28,744	35,631	38,400	2,769
<u>National Institute of Arthritis &amp; Metabolic Diseases</u> .....	143,888	131,678	139,324	134,400	-4,924
<u>National Institute of Neurological Diseases &amp; Stroke</u> .....	128,935	97,265	106,651	95,496	-11,155
<u>National Institute of Allergy &amp; Infectious Diseases</u> .....	96,840	97,290	103,062	98,431	-4,631
<u>National Institute of General Medical Sciences</u> .....	163,513	148,209	166,322	150,091	-16,231
<u>National Institute of Child Health &amp; Human Development</u> .....	73,126	76,058	95,035	102,532	7,497
<u>National Eye Institute</u> .....	--	22,814	31,095	32,434	1,339
<u>National Institute of Environmental Health Sciences</u> .....	17,820	17,418	20,805	25,039	4,234
<u>Research Resources</u> .....	84,809	67,039	66,276	67,916	1,640
<u>John E. Fogarty International Center for Advanced Study in the Health Sciences</u> .....	600	2,775	3,636	3,252	-384
<u>Special Cancer Research Initiative</u> ..	--	--	--	100,000	100,000
<b>TOTAL</b> .....	<b>1,100,092</b>	<b>1,039,433</b>	<b>1,203,646</b>	<b>1,283,309</b>	<b>79,663</b>

Health Manpower

Medical, dental & related health  
professions:

(a) Institutional support .....	76,224	112,224	124,069	271,650	147,581
(b) Student assistance					
(1) Direct loans .....	15,000	15,000	25,000	22,027	-2,973
(2) Scholarships .....	11,219	15,541	15,500	15,500	--
Subtotal .....	26,219	30,541	40,500	37,527	-2,973
(c) Construction .....	76,800	118,100	131,600	96,700	-34,900
(d) Educational grants & contracts & direct operations .....	--	--	14,741	15,671	930
(e) Health research facilities .....	8,400	--	--	--	--
Subtotal .....	187,643	260,865	310,910	421,548	110,638

Nursing:

(a) Institutional support .....	7,000	7,000	11,500	11,500	--
(b) Student assistance					
(1) Direct loans .....	9,610	9,610	17,110	9,610	-7,500
(2) Scholarships .....	6,500	7,178	17,000	17,000	--
(3) Traineeships .....	11,120	11,120	10,470	11,470	1,000
Subtotal .....	34,230	27,908	44,580	38,080	-6,500
(c) Construction .....	8,000	8,000	9,500	8,000	-1,500
(d) Educational grants & contracts & direct operations .....	--	--	9,131	10,438	1,307
Subtotal .....	42,230	42,908	74,711	68,018	-6,693

Public health:

(a) Institutional support .....	9,471	9,471	9,571	9,571	--
(b) Traineeships .....	8,000	8,000	8,400	8,400	--
(c) Direct operations .....	--	--	504	543	39
Subtotal .....	17,471	17,471	18,475	18,514	39

Allied health:

(a) Institutional support .....	10,975	10,988	9,750	10,000	250
(b) Traineeships .....	1,550	1,550	3,750	3,750	--
(c) Educational grants & contracts & direct operations .....	--	--	5,986	12,744	6,758
Subtotal .....	12,525	12,538	19,486	26,494	7,008

Manpower Requirements & Utilization ....	15,731	16,746	--	--	--
Program Direction & Manpower Analysis ..	--	--	5,159	6,227	1,068
TOTAL .....	275,600	343,914	428,741	540,801	112,060

National Library of Medicine ..... 18,160 19,142 21,207 21,486 279

Buildings and Facilities ..... -- 1,615 -- 3,325 3,325

Office of the Director ..... -- 8,037 8,667 11,083 2,416

Scientific Activities Overseas (Special  
foreign currency program) ..... -- 3,455 28,944 25,545 -3,399

Health education loans

    Payment of sales insufficiencies &  
    interest losses ..... 200 2,693 3,083 4,000 917

TOTAL NIH .....\$ 1,394,052 1,418,289 1,694,288 1,889,549 195,261

2/9/71

AAMC Department of Planning and Policy Development

ADDENDUM

STANDING COMMITTEES:  
HOUSE AND SENATE



SENATE STANDING COMMITTEES

Senate Finance Committee

Russell B. Long - La. chairman  
Clinton P. Anderson - N. Mex.  
Herman E. Talmadge - Ga.  
Vance Hartke - Ind.  
J. W. Fulbright - Ark.  
Abraham Ribicoff - Conn.  
Fred R. Harris - Okla.  
Harry F. Byrd, Jr. - Va.  
Gaylord Nelson - Wisc.

Wallace F. Bennett - Utah  
Carl T. Curtis - Neb.  
Jack Miller - Iowa  
Len B. Jordan - Idaho  
Paul J. Fannin - Ariz.  
Clifford P. Hansen - Wy.  
Robert P. Griffin - Mich.

Labor and Public Welfare Committee

Harrison A. Williams, Jr. - N.J. chairman  
Jennings Randolph - W. Va.  
Claiborne Pell - R.I.  
Edward M. Kennedy - Mass.  
Gaylord Nelson - Wisc.  
Walter F. Mondale - Minn.  
Thomas F. Eagleton - Mo.  
Alan Cranston - Calif.  
Harold E. Hughes - Iowa  
Adlai Stevenson III - Ill.

Jacob K. Javits - N.Y.  
Winston L. Prouty - Vt.  
Peter H. Dominick - Colo.  
Richard S. Schweiker - Pa.  
Robert W. Packwood - Oreg.  
Robert Taft - Ohio  
J. Glenn Beall - Md.

Appropriations Committee

Allen J. Ellender - La. chairman  
John L. McClellan - Ark.  
Warren G. Magnuson - Wash.  
John C. Stennis - Miss.  
John O. Pastore - R.I.  
Alan Bible - Nev.  
Robert C. Byrd - W. Va.  
Gale McGee - Wy.  
Mike Mansfield - Mont.  
William Proxmire - Wisc.  
Joseph M. Montoya - N. Mex.  
Daniel Inouye - Hawaii  
Ernest F. Hollings - S. C.

Milton R. Young - N. D.  
Karl E. Mundt - S. D.  
Margaret Chase Smith - Ma.  
Roman L. Hruska - Neb.  
Gordon Allott - Colo.  
Norris Cotton - N. H.  
Clifford P. Case - N. J.  
Hirman L. Fong - Hawaii  
J. Caleb Boggs - Del.

Charles Percy - Ill.  
Edward Brooke - Mass.

## HOUSE STANDING COMMITTEES

### Ways and Means Committee

Wilbur D. Mills - Ark. chairman  
Hale Boggs - La.  
John C. Watts - Ky.  
Al Ullman - Oreg.  
James A. Burke - Mass.  
Martha W. Griffiths - Mich.  
Dan Rostenkowski - Ill.  
Phil M. Landrum - Ga.  
Charles A. Vanik - Ohio  
Richard Fulton - Tenn.  
Omar Burlison - Tex.  
James C. Coman - Calif.  
William J. Green - Pa.  
Sam Gibbons - Fla.  
Joe D. Waggoner, Jr. - La.

John W. Byrnes - Wisc.  
Jackson E. Betts - Ohio  
Herman T. Schneebeli - Pa.  
Harold R. Collier - Ill.  
Joel T. Broyhill - Va.  
Barber B. Conable, Jr. - N.Y.  
Charles E. Chamberlain - Mich.  
Jerry L. Pettis - Calif.  
John J. Duncan - Tenn.  
Donald Brozman - Colo.

### Interstate and Foreign Commerce Committee

Harley O. Staggers - W. Va. chairman  
Torbert H. Macdonald - Mass.  
John Jarman - Okla.  
John E. Moss - Calif.  
John D. Dingell - Mich.  
Paul Rogers - Fla.  
Lionel Van Deerlin - Calif.  
J. J. Pickle - Tex.  
Fred B. Rooney - Pa.  
John M. Murphy - N.Y.  
David E. Satterfield - Va.  
Brock Adams - Wash.  
Ray Blanton - Tenn.  
Bill Stuckey - Ga.  
Peter Kyros - Ma.  
Bob Eckhardt - Tex.  
Robert O. Tieman - R.I.  
Richardson Preyer - N.C.  
Bertram L. Podell - N.Y.  
Henry Helstoski - N.J.  
James W. Symington - Mo.  
C. J. Carney - Ohio  
Ralph Metcalfe - Ill.  
G. E. Byron - Md.  
W. R. Roy - Kans.

William L. Springer - Ill.  
Samuel L. Devine - Ohio  
Ancher Nelsen - Minn.  
Hastings Keith - Mass.  
John T. Broyhill - N.C.  
James Harvey - Mich.  
Tim Lee Carter - Ky.  
Clarence J. Brown - Ohio  
Kan Kuykendall - Tenn.  
Joe Skubitz - Kans.  
Fletcher Thompson - Ga.  
James F. Hastings - N.Y.  
James M. Collins - Tex.  
Louis Frey - Fla.  
John Ware III - Pa.  
John Y. McCollister - Neb.  
Richard Shoup - Mont.

### Appropriations Committee

George H. Mahon - Tex. chairman  
Jamie Whitten - Miss.  
George W. Andrews - Ala.  
John J. Rooney - N.Y.

Frank Bow - Ohio  
Charles Raper Jonas - N.C.  
Elford A. Cederberg - Mich.  
John J. Rhodes - Ariz.

House Appropriations Committee continued

Robert L. F. Sikes - Fla.  
Otto E. Passman - La.  
Joe L. Evins - Tenn.  
Edward P. Boland - Mass.  
William H. Natcher - Ky.  
Daniel Flood - Pa.  
Tom Steed - Okla.  
George E. Shipley - Ill.  
John M. Slack - W. Va.  
John J. Flynt, Jr. - Ga.  
Neal Smith - Iowa  
Robert N. Giaimo - Conn.  
Julia Butler Hansen - Wash.  
Joseph P. Addabbo - N. Y.  
John J. McFall - Calif.  
W. R. Hull, Jr. - Mo.  
Edward J. Patten - N.J.  
Clarence D. Long - Md.  
Sidney Yates - Ill.  
Bob Casey - Tex.  
David Pryor - Ark.  
Frank E. Evans - Colo.  
David R. Obey - Wisc.  
Edward R. Roybal - Calif.  
William D. Hathaway - Ma.  
Nick Galifianakis - N.C.  
Louis Stokes - Ohio  
J. Edward Roush - Ind.  
K. Gunn McKay - Utah

Robert H. Michel - Ill.  
Silvio Conte - Mass.  
Glenn R. Davis - Wisc.  
Howard W. Robison - N.Y.  
Garner E. Shriver - Kans  
Joseph M. McDade - Pa.  
Mark Andrews - N.D.  
Louis C. Wyman - N.H.  
Burt L. Talcott - Calif.  
Charlotte T. Reid - Ill.  
Donald W. Riegle - Mich.  
Wendell Wyatt - Oreg.  
Jack Edwards - Ala.  
Donald Clawson - Calif.  
William J. Scherle - Iowa  
Robert C. McEwen - N.Y.  
John T. Myers - Ind.