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THE WHITE HOUSE

ACTION

WASHINGTON

February 15, 1975

MEMORANDUM FOR: THE PRESIDENT
FROM: JIM CAVANAUGH 
SUBJECT: Health Legislation

Secretary Weinberger has again requested reconsideration of health services, nurse training, and health manpower budget and legislative decisions as announced in your 1976 budget.

Attached is a memorandum from Jim Lynn requesting your decision on whether HEW should submit bills in those areas and if so, what positions should be reflected. Next week HEW will be required to testify on all three areas.

BACKGROUND

In vetoes of 93rd Congress Legislation and in your 1976 budget proposals, you set forth your policies concerning health services, nurse training and health manpower.

In health services, you vetoed legislation in order to hold to the policy of reduced funding and no new starts. Your 1976 budget maintains that position.

You also vetoed nurse training legislation so that undergraduate capitation subsidies could be eliminated and categorical nurse training authorities could be integrated with general health manpower programs. In your 1976 budget decisions you held to that policy.

No health manpower legislation was finalized by the 93rd Congress due to sharp disputes within each House and between the House and Senate. In your 1976 budget you chose the policy of phasing out institutional capitation subsidies, of dealing with the maldistribution problem through special projects, and of requiring public service commitments in return for student assistance.

CURRENT SITUATION

Secretary Weinberger has now submitted a compromise legislative strategy on each of these proposals due to his feeling that none of your policies will be accepted by Congress. The Secretary's memorandum is at Tab A.

In health services and nurse training, HEW's proposals would exceed the levels of your budget and run counter to your basic decisions. Health services would provide for new starts and nurse training would be retained as a separate categorical program.

The HEW health manpower proposal would continue capitation subsidies and require medical schools to have 50% of their residencies in primary care and to obtain commitments from 25% of their students to serve in underserved areas.

I concur with OMB in their recommendation that "the HEW proposals would not present Congress with the fundamental program policy on an appropriate Federal rate outlined in your February 3rd budget and in your veto statements."


It's important that we get specific Administration proposals to the Hill and that they reflect your budget decisions. While we may indeed want to talk compromise later, a specific legislative package now will ensure a strong negotiating position.

DECISION

Health Services and Nurse Training

_____ Option 1. Do not submit legislation, but permit HEW to negotiate for a compromise along the lines of the HEW proposal.

Weinberger

 Option 2. Submit an Administration bill reflecting the 1976 Budget decisions announced last week but stay flexible on future policy negotiations.

Lynn, Cavanaugh, Friedersdorf, Buchen

Health Manpower

_____ Option 1. Submit an Administration bill--as proposed by HEW--with higher capitation subsidies than those in the Budget. In addition, require schools to meet Federal residency training goals and to obtain commitments from entering students to serve in underserved areas as a condition of capitation. Limits would be placed on immigration by foreign medical graduates who would also have to meet Federal quality standards.

Weinberger



Option 2. Submit an Administration bill which continues gradual capitation phaseout, addresses maldistribution and primary care problems through targeted special projects, and emphasizes student assistance in return for commitments with public service.

Lynn, Cavanaugh, Friedersdorf, Buchen

A



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

DECISION

FEB 14 1975

MEMORANDUM FOR THE PRESIDENT

FROM: JAMES T. LYNN
SUBJECT: Health Legislation

Secretary Weinberger is requesting reconsideration of the budget and legislative decisions announced last week in your 1976 Budget in three areas--health services, nurse training, and health manpower. Copies of the Secretary's memoranda are at Attachment A.

HEW is testifying on legislation in all three areas before the House health subcommittee on February 19 and 20. This memorandum seeks your decision on whether or not HEW should submit bills in these areas and, if so, what positions should be reflected in those bills.

1975 and 1976 Budget Decisions. In your 1976 Budget, you decided:

- ° in health services, to seek rescissions from the 1975 Labor-HEW appropriation level to hold to no new starts. In 1976, the no new starts policy would be continued, and Federal funds would be reduced by 20% and grantee cost-sharing would be increased accordingly.
- ° in nurse training, to integrate separate, categorical nurse program authorities and funding into the general health professions authorities. Undergraduate capitation subsidies would be eliminated and student assistance would only be available in return for public service commitments.
- ° in health manpower, to continue the phaseout of institutional capitation subsidies, to demonstrate new primary care residency initiatives and to address geographic maldistribution problems through special projects, and to require commitments to public service in return for student assistance.

You vetoed bills enacted in the 93rd Congress to extend narrow categorical health service and nurse training programs. Copies of your memoranda of disapproval are at Attachment B, along with a comparison of HEW compromise proposals for health services and nurse training with the 1976 Budget. These statements set forth your basic policy positions on health services and training.

Current HEW Proposals. The Secretary's proposals for compromise at this time reflect his belief that legislative proposals consistent with the 1976 Budget will not be accepted by Congress. Briefly, he proposes:

- ° in health services, continuation of the narrow categorical health service delivery programs at authorization levels which, if funded, would exceed the levels called for in your rescission proposals and permit new starts in 1975. Although he makes no proposals for 1976, it would be difficult to hold 1976 levels below those he is proposing for 1975.
- ° in nurse training, continuation of separate program authorizations at \$100 million rather than the \$32 million requested in the Budget. Student assistance without public service commitments would also be continued.
- ° in health manpower, abandoning the gradual phase-out of capitation subsidies for schools that train physicians and dentists, limiting immigration and establishing Federal quality standards for foreign medical graduates, and requirements on medical schools--as a condition of capitation grants--to have 50% of their residencies in primary care and to obtain commitments from 25% of their students to serve in underserved areas.

Secretary Weinberger believes that Congress will enact health services and nurse training bills identical to those previously vetoed, and that another veto may be difficult to sustain. Thus, HEW would submit a bill to accomplish the health manpower proposal within the total funding level contained in the 1976 Budget. In health services and nurse training programs, however, HEW would not submit a bill, but would agree to authorization levels in excess of the 1976 Budget and work informally to obtain a compromise.

Funding implications of HEW's health manpower proposal are shown at Attachment C.

OMB Recommendation. The HEW proposals would not present Congress with the fundamental program policy on an appropriate Federal role outlined in your February 3 Budget and in your veto statements. The Secretary also states, "I am not certain that even this compromise would be sufficient."

We concur in his observation, but we believe it is important to have an Administration bill before Congress to (1) avoid criticism that the Administration has not taken a public stand on the issues and (2) provide an explicit set of policy proposals which can be used as a strong basis for negotiation and for evaluating compromise proposals from Congress as the legislation develops. On health manpower, for example, there are sharp and extensive differences between the House and Senate. A specific bill can enhance the Administration's bargaining position.

Accordingly, we recommend that HEW submit Administration bills reflecting your 1976 Budget decisions for health services and health professions education, with nurse training to be integrated with related health manpower authorities.

Decisions:

Health Services and Nursing

- Do not submit legislation, but permit HEW to negotiate for a compromise along the lines of the HEW proposal.
- Submit an Administration bill reflecting the 1976 Budget decisions announced last week.

Health Manpower

- Submit an Administration bill--as proposed by HEW--with higher capitation subsidies than those in the Budget. In addition, require schools to meet Federal residency training goals and to obtain commitments from entering students to serve in underserved areas as a condition of capitation. Limits would be placed on immigration by foreign medical graduates who would also have to meet Federal quality standards.
- Submit an Administration bill which continues gradual capitation phaseout, addresses maldistribution and primary care problems through targeted special projects, and emphasizes student assistance in return for commitments with public service.

Attachments



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

FEB 6 1975

File
MEMORANDUM FOR JACK MARSH
THE WHITE HOUSE

SUBJECT: Health Services and Nurse Training Legislation

As I discussed with you, the situation on health services and nurse training legislation is as follows:

- Without holding hearings, the Senate Labor Committee has ordered reported, in combined form, the same two pieces of legislation which the President pocket vetoed last December. It is likely that the House will soon pass a bill or bills.
- We assess the chances of sustaining a veto on a combined bill or separate bills as close to zero. The health services bill was passed by voice vote in the Senate and by votes of 359-12 and 372-14 in the House. The nurse training bill was passed by voice votes in both Houses.
- We have received inquiries from both the House and Senate Health Subcommittees about the possibilities of a compromise. We believe these to be genuine offers and not made out of fear of the Congress' inability to work its will.

The issue is whether the President wishes to face the strong probability of one or two veto overrides on these subjects or prefers to seek some accommodation with the Congress involving authorization levels and program structure different from those we have been seeking. We believe this issue involves more than just the merits of the specific legislation involved. In addition to several substantive advantages of revised Administration positions in these areas, I believe it is desirable for the President to seek a compromise for the following reasons:

- We have no chance of achieving our original proposals, only something more expensive.
- An early test of strength by the Congress and the President, in which the President loses, is disadvantageous to him for his overall program.

- Even if the proffered compromise fails and an unacceptable bill is sent to the President, his strength to sustain a veto is greater simply because he has offered to compromise.

I recognize the concerns about exceeding the budget or moving prematurely. With respect to the first, I see no prospect of getting a bill which approaches the spending levels indicated in the budget. But we could try to minimize the difference. Indeed, failure to try to compromise is likely to result in a worse fiscal impact. Moreover, any compromise offer on the authorizing legislation could be accompanied by the reservation that we could not agree to change our budget proposals for FY 75 and FY 76. With respect to the second, we need to know soon whether we are going to attempt a compromise because this bill is moving quite quickly in the Congress.

Attached are the outlines of a compromise which we might offer. I strongly doubt that less than what is outlined would be acceptable and I am not certain that even this compromise would be sufficient. I would hasten to add that the tactics of how we reveal the compromise to the Congress can be quite flexible.

I would urge you to consider this matter promptly and propose that we might discuss it together as soon as you are ready. If you believe necessary, we would then raise it with the President to get his judgement.

/s/ Cap Weinberger

Secretary

Attachments

cc: James Cavanaugh ✓
Paul O'Neill ✓

Health Services

The President's message again emphasized budget impact as the justification for disapproving the bill. He mentioned as well needless categorization. Our proposal would accept specific categorical authority for the three programs we plan to continue: migrants, community health centers, family planning, and for 314(d) State formula grants. We would also accept new start authority for CMHC's, by agreeing to extending existing law with two features from the House version of the health services bill: the reduction in the funding period from eight to five years for non-poverty area CMHC's, and authority for financial distress funding. We would delete all the Senate-added categorical programs, studies and advisory committees. Total authorizations would be limited to \$730 million per year, as compared to \$1.1 billion in the vetoed bill.

Health Services Proposal

Proposed
Authorization
FY'75

Community Health Centers

(Focus on underserved areas and economically disadvantaged)

225.00

-- establish centers in catchment areas to provide specified preventive care and treatment services directly or through providers to now underserved populations regardless of ability to pay. Services will include primary care and such supplemental services as are necessary in the community.

-- Rodent Control

15

Migrant Health Centers

-- to establish centers which will provide primary care and specified supplemental services for migratory agricultural workers and their families in high impact areas (6,000 workers more than 2 months per year). Also assistance in other than high impact areas.

30.00

Community Mental Health Centers

-- extend by statutory definition the required services now mandated by regulation and include certain services now optional; broaden program to include planning and initial operating grants; facilities assistance in areas with 25% low income group residents, consultation and education, conversion, financial distress.

250.00

(includes 199.0
for previous con-
tinuations, 51.0
for new starts)

Health Revenue Sharing and Rodent Control

-- to extend section 314(d) without any categorical mandate but allow the Department to continue activities for rodent control under communicable disease provisions (section 317)

100.0

Proposed
Authorization
FY'75

Family Planning

-- continuation of program: service, training,
evaluation, etc., (project grants and
contracts)

125.00

Compromise HEW Total

745.00

Deleted would be the following provisions from H.R. 14214

- Home Health Services - 0
- Committee on Mental Health and Illness of the Elderly - such sums
- Rape Prevention and Control - 10.0
- National Commission on Epilepsy - such sums
- Hemophilia Services - 8.0
- Commission for Control of Huntington's Disease - such sums

HEALTH SERVICES

	'73		'74		'75		'76	
	<u>Auth.</u>	<u>Appr.</u>	<u>Auth.</u>	<u>Appr.</u>	<u>Pres. Budget</u>	<u>H.R. 14214 Conf. agreement</u>	<u>Proposed Compromise</u>	<u>Pres. Budget</u>
Community Health Centers/ Rodent Control	157.0 ^{1/}	116.2/15	230.7 ^{1/}	205.5/13	200.0/13	260.0/15	225.0/15	155.2/5.4
Migrant Health Centers	30.0	23.7	26.8	23.7	24.0	75.0	30.0	19.0
Community Mental Health Centers	323.7	205.1	219.3 ^{3/}	188.8	67.5 ^{5/}	338.0 ^{4/}	250.0	160.1
Health Revenue Sharing	165.0	90.0	90.0	90.0	90.0	160.0	100.0	0.0
Family Planning	181.5 ^{2/}	137.0	118.0	100.6	100.1	215.5	125.0	79.4
TOTAL	857.2	587.0	684.8	621.6	494.6	1063.5	745.0	419.1

^{1/} budget authority used for Community Health Centers and for Rodent Control

^{2/} excludes \$20 million for Family Planning formula grants, which are not included in H.R. 14214

^{3/} new program activities plus 8 year grant commitments

^{4/} new program and budget authority (conversion, operational, planning, construction, financial distress and consultation and education), and continuation costs for 8 year grant commitments

^{5/} proposed for termination 4/1/75

Nurse Training

The Administration's original proposal for renewing the nurse training legislation requested \$20 million for Special Projects (mainly to deal with specialty maldistribution by increasing the output of graduate nurse specialists) and \$25.6 million for Student Assistance (statutorily required continuation of existing loan and scholarship commitments). However, with a FY 1974 appropriation level of \$134 million and with the Congress considering levels of \$200 million annually, our proposal received no serious consideration.

The President's message disapproving the final bill cited excessive budgetary impact (\$187 million the first year, and a total of nearly \$650 million over three years), mandated enrollment increases (at a time when there is wide agreement that an adequate aggregate supply of general duty nurses exists), failure to address geographic maldistribution, and categorical assistance to undergraduate nursing students that is unnecessary given existing Office of Education authorities.

The President agreed with Congressional support for the expanded training of nurse specialists. Accordingly, we should continue to support this emphasis. However, in order to respond to the cited deficiencies and to put forward a proposal on which we might compromise with the Congress, we propose increasing the authorization request to \$100 million, which is the FY 1974 appropriation level (\$134 million) minus capitation (\$34 million). In addition, we omit and would argue very strongly against capitation, enrollment increases, and broad undergraduate student assistance (with the exception, in the latter case, of scholarships totaling \$3 million for the disadvantaged and \$7 million for those who agree to practice in underserved areas). Finally, we propose a major attack on geographic maldistribution that cuts across several assistance categories including construction (\$5 million restricted to schools located in underserved areas), special projects (limited to \$8 million to train students in clinical settings in underserved areas and to place graduates in these areas), and the undergraduate scholarships cited above (i.e., \$7 million for those agreeing to serve in these areas).

Nurse Training Proposal

<u>Capitation</u>	<u>Proposed Authorization</u>
(Can be discontinued due to adequate aggregate supply of RN's)	0
None	
<u>Special Projects in Nurse Redistribution</u>	
-- placement of graduates in underserved areas and provide clinical training for students already in underserved areas	10
-- scholarships for undergraduates who agree to serve minimum of 2 years, @ 1 year of service for 1 year of aid (subject to payback if services not given)	8
<u>Nurse Practitioners in Primary Care</u>	
(Pediatric, internal medicine, nurse midwifery)	20
-- grants and contracts	
<u>Student Assistance</u>	
<u>General</u>	
(Focus on graduate training)	
-- graduate traineeships on a stipend basis	8
-- loan repayment	1.6 ^{1/}
-- (phase out existing scholarship)	6.0 ^{1/}
-- (phase out existing loan program)	18.0 ^{2/}

<u>Disadvantaged</u>	<u>Proposed Authorization</u>
(Positive effort toward greater minority participation)	
-- programs to seek out students and provide pre-entry remedial training, counseling, etc., upgrade skills, LPN's	6
-- scholarships (unrestricted-1 year only)	3
<u>Advanced Nurse Training</u>	
(To help overcome national shortages)	
-- grants and contracts to train administrators, supervisors, teachers	10
<u>Construction</u>	
(Underserved areas only)	5.0
<u>Financial Distress</u>	
(Preserve existing institutions)	5.0
	<hr/>
	100.6

1/ '75 request

2/ 22.8 appropriated in '75 supplemental,

4.8 proposed for recission

NURSE TRAINING

	'73		'74		'75			'76
	Auth.	Appr. ^{1/}	Auth.	Appr. ^{2/}	Pres. Budget	H.R. 17085 Conf. agreement	Proposed Compromise	Pres. Budget
Capitation	82.0	38.5	88.0	34.3	0	45.0	0	
Special Projects	28.0	23.6	35.0	19.0	19.6	18.0	10.0	16.0
Student Loan and Scholarship assistance	88.0	45.5	94.0	43.0	25.6 ^{4/}	30.0	33.6 ^{7/}	15.5 ^{7/}
Graduate Traineeships	22.0	15.9	24.0	13.0	-	20.0	8.0	
Disadvantaged Student Assistance	5.0	2.0	6.5	.6	-	2.0	9.0	
Nurse Practitioners	-	-	-	-	0	20.0	20.0	
Advanced Nurse Training	-	-	-	-	0	20.0	10.0	
Construction	40.0	21.0	45.0	20.0 ^{3/}	1 ^{5/}	27.0 ^{6/}	5.0	1.0 ^{5/}
Financial Distress	10.0	10.0	5.0	4.8	0	5.0	5.0	
TOTAL	275.0	156.5	297.5	134.7	46.2	187.0	100.6	32.5

1/ not enacted--figures are first House Allowance

2/ under P.L. 93-192

3/ includes 1M interest subsidy

4/ includes 1.6 loan repayment

5/ interest subsidy

6/ includes 2M interest subsidy

7/ 25.6M is '75 figure for phase out of old loan and scholarship program, also includes 1.6 for loan repayment

8/ 15.5 is '76 figure for old loan and scholarship program contemplated for phase out, includes 2.5M for loan repayment

MEMORANDUM FOR JACK MARSH
THE WHITE HOUSE

Subject: Health Manpower Legislation

Authority for health manpower programs expired on June 30, 1974. Both Houses passed health manpower bills in the last Congress, but could not reach agreement. House hearings will begin on February 20. We need a quick decision on what kind of health manpower bill to submit.

Last year, our bill was rejected largely because: (1) its budget was too low (\$320 million or approximately 40 percent below the FY '74 appropriation level); (2) it failed to incorporate measures perceived as strong enough to address adequately the problems of geographic and specialty maldistribution; and (3) it did not include any action on the problem of poor quality of foreign medical graduates (FMGs). Our proposal relied upon special project grants to institutions. Since the effectiveness of this approach depends upon individual school initiatives, Congress felt it too weak. I believe that we do indeed need to take stronger actions, ones that will yield system-wide involvement in the solution. Furthermore, if we do not propose corrective actions, we may end up with unnecessary, powerful regulatory bodies.

After lengthy hearings, the House enacted a bill authorizing \$475 million for FY 1975 with increases for FY 1976 and FY 1977, and the Senate passed Senator Beall's bill with \$600 million authorizations in FY 1975 and increases in the following two fiscal years compared with our proposed \$320 million in FY '75. Among the most novel features of these two bills were the Senate's requirement that schools receiving capitation reserve 25 percent of each class for qualified students who agree to serve in underserved areas and the House requirement that students repay capitation payments after they graduate if they do not practice in shortage areas. The House bill also would have clamped numerical restrictions on FMGs--an approach which goes much too far in my view.

There are three options available:

1. Submit last year's bill, making only such changes as are necessary to follow the FY 1976 Budget;
2. Submit a new bill which stays within the FY 1976 Budget total but which provides a more specific and stronger Federal role in dealing with specialty and geographic maldistribution and with FMG quality;
3. Submit a new bill which exceeds the FY 1976 Budget by an amount (\$70-\$90 million) sufficient to come closer to Congressional views and provide stronger financial incentives for the objectives we seek.

I strongly recommend Option 2. The first option does not deal adequately with the major health manpower problems and leaves Congress to its own devices in setting forth a Federal role for assisting medical education. The third option more nearly reflects the amounts necessary to secure passage of the bill, but is not appropriate in view of our budget proposals and fiscal problems.

I recommend that we strengthen our attack on geographic maldistribution by increasing scholarships tied to service in underserved areas and by tying capitation, in part, to schools' agreement to accept an established percentage of students who agree to such service (phased up to 25 percent by 1978).

Specialty maldistribution would begin to be redressed by tying capitation to a requirement that each school have at least a minimum number (50 percent by 1978) of their residencies in primary care. Longer range solutions to graduate medical education and its financing would be studied through the establishment of a 30-month Graduate Medical Education Commission.

The quality of physicians practicing in this country but trained abroad has become a very emotional and explosive issue. It appears that the Congress is moving toward very tight limits on the number of Foreign Medical Graduates permitted to practice here. I strongly oppose such an arbitrary limitation on the freedom to immigrate to this country. I am, however, concerned about the quality of some of these graduates. Therefore, I recommend that we establish quality standards exactly equivalent to those by which American graduates are

judged. I also believe that we should seek changes in the immigration laws because it is no longer necessary to keep the preference for physicians.

I would propose to allocate the FY 1976 Budget total of \$339 million for health manpower and nursing in the following manner:

	<u>Proposed</u> (In Millions)	<u>FY 1976 Budget</u> (In Millions)
Student Assistance	\$ 59	\$ 62
Institutional Assistance	140	109
Special Projects	133	168
Residency Commission	2	-
FMG Quality	5	-

This proposal would significantly differ from last year's bill in the following respects:

- Extending the bill to four years, FY 1975-FY 1978, instead of three (although, of course, half of FY '75 is over).
- Retaining capitation support for those schools willing to participate in programs designed to solve the problems of geographic shortage and specialty distribution.
- Instituting efforts to assure higher FMG quality.
- Studying the financing and structure of graduate medical education.

In our proposed \$340 million proposal, about \$40 million would go for nursing support. In my recent memorandum to you seeking consideration of a compromise with the Congress on the Nurse Training Act, I recommended compromising on an authorization of approximately \$100 million. The difference between that level of support and the level in this new manpower proposal does not reflect a different structure of Federal assistance, but rather an attempt to get acceptance of lower authorization for a bill already much further along in the legislative process than the manpower bill.

I urge your approval of, or an early meeting to discuss, this proposal.

Secretary

cc to Dr. James Cavanaugh
Mr. Paul O'Neill

Attachment B

Comparison of Funding Levels and Authorizations
Nurse Training and Health Services
(BA in \$ Millions)

	1974	1975			1976		1977	
	Actual	President's Budget	Vetoed Bills	HEW Compromise	Change from President's Budget	President's Budget	Vetoed Bills	Vetoed Bills
<u>Nurse Training:</u>								
<u>°Institutional Aid:</u>								
Capitation grants	34	--	45	--	--	--	50	55
Special Projects	19	20	20	10	-10	16	25	30
Financial Distress grants	5	--	5	5	+ 5	--	5	5
Construction aid	20	1	27	5	+ 4	1	28	29
Nurse Practitioners	--	--	20	20	+20	--	25	30
Advanced Nurse Training .	--	--	20	10	+10	--	25	30
<u>°Student Aid:</u>								
Loans and Scholarships ..	43	25	30	34	+ 9	16	35	40
Graduate Traineeships ...	13	--	20	8	+ 8	--	25	30
Disadvantaged Students ..	1	--	--	9	+ 9	--	--	--
Subtotal	135	46	187	101	+55	33	218	249
<u>Health Services:</u>								
Community Health Centers/	205	200	260	225	+25	160	280	--
Rodent Control	13	13	38	15	+ 2	5	--	--
Migrant Health Centers ..	24	24	75	30	+ 6	19	80	--
Community Mental Health								
Centers	189	199	338	250	+51	160	399	305
Health Revenue Sharing ..	90	68	160	100	+32	--	160	--
Family Planning	101	101	215	125	+24	80	257	--
Subtotal	622	605	1,086	745	+140	424	1,176	305
<u>Miscellaneous:</u>								
Home Health Services	--	--	--	--	--	--	15	--
Committee on Mental								
Health and Illness			such				such	
of the Elderly	--	--	sums	--	--	--	sums	--
Rape Prevention and								
Control	--	--	10	--	--	--	10	--
National Commission on			such				such	such
Epilepsy	--	--	sums	--	--	--	sums	sums
Hemophilia Services and								
Blood Separation	--	--	8	--	--	--	10	such
Commission for Control			such				such	such
of Huntington's Disease	--	--	sums	--	--	--	sums	sums
Subtotal	--	--	18	--	--	--	35	--
Total	757	651	1,291	846	+195	457	1,211	554

The enrolled bill would also extend various special nursing student assistance provisions of current law. Nursing students are overwhelmingly undergraduates, and as such should be -- and are -- entitled to the same types of student assistance available generally under the Office of Education's programs for post-secondary education. These include, in particular, guaranteed loans and basic educational opportunity grants for financially hard-pressed students. Categorical nursing student assistance activities are not appropriate and should be phased out, as the Administration has proposed.

GERALD R. FORD

THE WHITE HOUSE,
January 2, 1975.

#

Office of the White House Press Secretary

THE WHITE HOUSE

MEMORANDUM OF DISAPPROVAL

I have withheld my approval from H.R. 17085, a bill that would amend Title VIII of the Public Health Service Act to provide support for the training of nurses.

This measure would authorize excessive appropriations levels -- more than \$550 million over the three fiscal years covered by the bill. Such high Federal spending for nursing education would be intolerable at a time when even high priority activities are being pressed to justify their existence.

I believe nurses have played and will continue to play an invaluable role in the delivery of health services. The Federal taxpayer can and should selectively assist nursing schools to achieve educational reforms and innovations in support of that objective. The Administration's 1976 budget request will include funds for this purpose. Furthermore, I intend to urge the 94th Congress to enact comprehensive health personnel training legislation that will permit support of nurse training initiatives to meet the new problems of the 1970's.

This act inappropriately proposes large amounts of student and construction support for schools of nursing. Without any additional Federal stimulation, we expect that the number of active duty registered nurses will increase by over 50 percent during this decade.

Such an increase suggests that our incentives for expansion have been successful, and that continuation of the current Federal program is likely to be of less benefit to the Nation than using these scarce resources in other ways. One result of this expansion has been scattered but persistent reports of registered nurse unemployment, particularly among graduates of associate degree training programs.

Today's very different outlook is not reflected in this bill. We must concentrate Federal efforts on the shortage of certain nurse specialists, and persistent geographic maldistribution. However, this proposal would allocate less than one-third of its total authorization to these problems. Moreover, it fails to come to grips with the problem of geographic maldistribution.

Support for innovative projects -- involving the health professions, nursing, allied health, and public health -- should be contained in a single piece of legislation to assure that decisions made in one sector relate to decisions made in another, and to advance the concept of an integrated health service delivery team. By separating out nursing from other health personnel categories, this bill would perpetuate what has in the past been a fragmented approach.

more

(OVER)

DECEMBER 23, 1974

Office of the White House Press Secretary
(Vail, Colorado)

THE WHITE HOUSE

MEMORANDUM OF DISAPPROVAL

I have withheld my approval from H. R. 14214, the "Health Revenue Sharing and Health Services Act of 1974."

H. R. 14214 conflicts with my strong commitment to the American taxpayers to hold Federal spending to essential purposes. The bill authorizes appropriations of more than \$1 billion over my recommendations and I cannot, in good conscience, approve it. These appropriation authorizations are almost double the funding levels I have recommended for Fiscal Year 1975 and almost triple the levels I believe would be appropriate for 1976.

As part of my effort to see that the burden upon our taxpayers does not increase, I requested the Congress last month to exercise restraint in expanding existing Federal responsibilities, and to resist adding new Federal programs to our already overloaded and limited Federal resources. These recommendations reflect my concern with both the need to hold down the Federal budget and the need to limit the Federal role to those activities which can make the most necessary and significant contributions.

In H. R. 14214, the Congress not only excessively increased authorizations for existing programs but also created several new ones that would result in an unjustified expenditure of Federal taxpayers' funds. Although the purposes of many of the programs authorized in this bill are certainly worthy, I just cannot approve this legislation because of its effect upon the economy through increased unwarranted Federal spending.

Finally, it should be pointed out that the Federal Government will spend almost \$20 billion in 1975 through Medicare and Medicaid for the financing of health services for priority recipients -- aged and low-income persons. These services are provided on the basis of national eligibility standards in Medicare and State eligibility standards in Medicaid and therefore are available to individuals in a more equitable and less restrictive manner than many of the programs authorized in H. R. 14214.

GERALD R. FORD

THE WHITE HOUSE,
December 23 1974
21 4

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Attachment C

Budget Summary - HEW Health Manpower Proposal
(\$ in millions)

	1976	
	<u>President's</u> <u>Budget</u>	<u>HEW</u> <u>Proposal</u>
<u>Student Assistance:</u>		
• NHSC/PSA scholarships	22.5	40.0
• HP direct loans and scholarships	23.5	{26.0}
• Nursing direct loans and scholarships..	13.0	
• Loan repayments	8.5	8.5
subtotal	67.5	74.5
<u>Institutional Assistance:</u>		
• HP Capitation grants	101.1	120.0
• "Financial Distress" grants	5.0	5.0
• "Start-up/conversion" grants	3.0	15.0
subtotal	109.1	140.0
<u>"Special Projects":</u>		
• HP special projects	44.0	{92.5*}
• Nursing special projects	16.0	
• Educational initiative awards	55.6	
• Dental programs	7.8	
• Family Med./Primary Care residencies ..	39.0	
subtotal	162.4	117.5
• Residency Commission	--	2.0
• FMG "Quality" Initiatives	--	5.0
Total	339.0	339.0

*The \$92.5 M is evidently allocated as follows:

- "community-based medicine" initiatives (AHECs)	20.0
- "manpower initiatives"	13.0
- nursing special projects	24.5
- HP special projects	35.0
	92.5

THE WHITE HOUSE

WASHINGTON

February 17, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JAMES CAVANAUGH
FROM: JERRY H. JONES
SUBJECT: Health Legislation

Your memorandum to the President on the above subject has been reviewed and the following decisions were made:

Health Services and Nurse Training

Option 2 -- Submit an Administration bill reflecting budget decisions, but stay flexible on future negotiations.

Health Manpower

Option 2 -- Submit Administration bill which continues gradual capitation phaseout, addresses maldistribution and primary care problems through targeted special projects, and emphasizes student assistance in return for commitments with public service.

Please follow-up with the appropriate action.

Thank you.

cc: Don Rumsfeld