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October 6, 1975

SUBJECT: ADMINISTRATION AGREES TO CONTINUE  
AID TO MEDICAL AND DENTAL SCHOOLS

Is it correct that at the urging of Secretary Matthews, President Ford has agreed to continue providing \$686 million in aid to medical and dental schools that he had previously planned to phase out?

GUIDANCE: The Administration, in testimony before the Health Subcommittee, indicated its views for proper direction for Health Manpower Programs.

At that time, Dr. Ted Cooper, Assistant Secretary for Health, indicated that the Administration would support the continuation of the present "capitation" program with modifications. As you know, capitation grants are grants that go to an institution based on the number of students enrolled in that school. At the present time, there are approximately 114 medical schools which receive \$1500 for each of the 50,000 students enrolled.

What are the modifications proposed by the Administration?

GUIDANCE: The Administration has proposed that the capitation grants be continued in their present amount if upon graduation students agree to serve in medically underserved areas. Should some students not wish to serve in these areas, the grant for that university would be reduced accordingly.

JGC