

FOR IMMEDIATE RELEASE

July 26, 1975

Office of the White House Press Secretary

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THE WHITE HOUSE

TO THE SENATE OF THE UNITED STATES:

I am today returning, without my approval, S. 66, a bill to amend the Public Health Service Act to provide support for health services, nurse training, and the National Health Service Corps program.

This bill is very similar to two separate bills which I disapproved during the last session of the 93rd Congress, H.R. 14214 and H.R. 17085. In my memorandums of disapproval, dated December 23, 1974, and January 3, 1975, respectively, I cited a number of reasons why I could not approve those bills. Those objections remain valid for the measure before me today.

As in last year's bills, S. 66 would authorize excessive appropriation levels. I realize that in considering the bill this year, the 94th Congress made some reductions in the total cost of the measure. However, the levels authorized are still far in excess of the amounts we can afford for these programs. The bill would authorize almost \$550 million above my fiscal year 1976 budget request for the programs involved, and it exceeds fiscal year 1977 levels by approximately the same amount resulting in a total increase of \$1.1 billion. At a time when the overall Federal deficit is estimated at \$60 billion, proposed authorization levels such as these cannot be tolerated.

When I signed the Tax Reduction Act of 1975, I pledged to do everything in my power to keep this year's deficit from exceeding \$60 billion and to restrain the longer-run growth in Federal spending. I stated that I would resist every attempt by the Congress to add to that deficit. Bills currently being considered by the Congress would add \$25 billion to the fiscal year 1976 deficit and \$45 billion to next year's deficit. If they were to become law, they would lock us into a permanent policy of excessive spending and make the Federal budget a primary cause of inflation for years to come. To avoid this, I have no choice but to veto these bills if the Congress insists upon sending them to me.

Apart from its excessive authorization levels, S. 66 is unsound from a program standpoint. In the area of health services, for example, the bill proposes extension and expansion of Community Mental Health Centers projects which have been adequately demonstrated and should now be absorbed by the regular health services delivery system. S. 66 also would continue and expand such separate categorical programs as Community Health Centers and Migrant Health Centers. In addition, it would authorize several new narrow categorical, and potentially costly programs which duplicate existing authorities, including \$30 million for the treatment of hypertension, \$17 million for rape prevention and control, \$10 million for home health service demonstration agencies, and \$16 million for hemophilia treatment and blood separation centers. Three new national commissions on specific diseases

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also would be established. The expansion of the Federal role in health services delivery through such narrow categorical programs is not consistent with development of an integrated, flexible health service delivery system.

The Administration repeatedly and vigorously has opposed measures such as S. 66 and urged passage of a more effective and more equitable approach to Federal assistance for health services. H.R. 4819 and S. 1203, which reflect our proposals, would consolidate various separate programs into the flexible project grant authority of the Public Health Service Act to allow funding of a wide variety of health services projects based on State and local needs. Moreover, such programs would be for demonstration purposes. Once a new service model has been adequately tested, its adoption into the delivery of services can -- and should -- be the primary responsibility of the private sector and State and local governments.

The Federal roles in overcoming barriers to needed health care should emphasize health care financing programs -- such as Medicare and Medicaid for which spending is estimated at \$22 billion this year. These programs establish specified eligibility and benefits standards and provide assistance generally available to those most in need, such as the poor and the aged. S. 66, on the other hand, would have the Federal Government select individual communities and groups for special funding assistance. In my view, this is clearly an inequitable approach to health problems and an unwise attempt to substitute judgments made in Washington for those of responsible persons in State and local governments and the private sector.

In extending the registered nurse training authorities, S. 66 inappropriately proposes continuation of large amounts of capitation and construction support. These support mechanisms have outlived their usefulness. They were introduced to stimulate nursing schools to educate more general-duty nurses because of an overall shortage. The schools responded, with enrollements in baccalaureate and associate degree programs rising by more than 90 percent during the period 1970-74. As a result, with no further Federal stimulation, we can expect the supply of active registered nurses to increase by more than 50 percent during this decade.

With these increases, the employment market for general duty nurses already is tightening in some areas. As early as January, 1973, the American Nurses' Association stated that "...it appears that the shortage of staff nurses is disappearing." Our failure to limit growth now could result in our training an excess number of nurses, creating the same kind of oversupply that has left thousands of elementary and secondary school teachers disillusioned with the lack of teaching opportunities.

The general nursing student assistance provisions contained in this bill are largely duplicative of existing undergraduate student aid programs offered by the Office of Education, and represent just one more unnecessary categorical program.

The bill also fails to shift emphasis in any meaningful way from problems of aggregate supply shortages to the problem of geographic maldistribution, which is reflected in very substantial intra- and inter-State differentials in nurse-to-population ratios.

S. 66 continues to treat nurse training separately from the other health professions. The Congress is now considering various measures for Federal support for education in other health professions. Nurse training

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should be considered as part of that debate to interrelate health manpower education programs rather than to perpetuate a fragmented Federal health professions policy.

Finally, S. 66 provides for a one-year extension of the National Health Service Corps. I support this fine program, and the Administration has submitted legislation to the Congress for its extension. I believe, however, that the authorization level proposed in S. 66 of \$30 million for fiscal year 1976 is excessive.

Good health care and the availability of health personnel to administer that care are obviously of great importance. I share with the Congress the desire to improve the Nation's health care. I am convinced that legislation can be devised to accomplish our common objectives which does not adversely affect our efforts to restrain the budget or inappropriately structure our health care system. I urge the Congress to pass such legislation, using the bills I have endorsed as the starting point in such deliberations.

GERALD R. FORD

THE WHITE HOUSE,

July 26, 1975.

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