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UNTIL NOON AUGUST 6, 1975

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Office of the Vice President  
Washington, D. C.

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Vice President Nelson Rockefeller, Chairman of the President's National Commission on Productivity and Work Quality, today announced a \$1.8 million program funded by the Department of Health, Education and Welfare and the Texas Hospital Association (THA) to establish a statewide hospital productivity center in Austin, Texas.

The center's two-year pilot program could lead to savings estimated at more than \$14 million annually for participating hospitals, allowing the individual patient a potential average savings of \$8 per day for care, or \$50 per average stay. Today, an average hospital bill can mount to \$113 to \$200 a day in the nation's 7,000 hospitals, 10% of which are in Texas.

HEW and THA hope the project will serve as a model for other states, thus helping to bring under control the nation's spiraling \$100 billion health care costs, and reduced government spending on national health care programs, such as Medicare and Medicaid, which now consume 7.6 percent of the gross national product.

"Individual hospitals are limited in what they can do alone to control the rising costs of medical care," Rockefeller explained. "But working together, through such programs as group purchasing and equipment sharing, hospitals can achieve impressive savings. They can do so without reducing the quality of care and without requiring burdensome, costly government intrusion and regulation.

The productivity center, with headquarters in Austin and regional centers in Abilene and Texarkana, the Vice President explained, will be directed by Dr. Sam A. Edwards and a staff of 35. In addition to cost reductions, the center will seek to improve health services in rural communities, the inner cities and small towns by attracting more doctors, nurses and the professionals to work in these under-served areas.

The Vice President cited the efforts of Senator John Tower and Congressmen Omar Burlison, Wright Patman and Jake Pickle of Texas, in encouraging the establishment of the center.

He commended O. Ray Hurst, President of the Texas Hospital Association, which is matching the \$900 thousand HEW contract with its own \$900 thousand; Dr. Kenneth M. Endicott of HEW for his leadership in getting approval for the program and Adrienne A. Astolfi of the Hospital and Health Care Sector for the Productivity Commission for her guidance and assistance.

The Vice President pointed out that their program represents a model for the rest of the nation and will be a vital contribution to the development of national health care policies.

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