The original documents are located in Box 43, folder "1975/03/20 - Jack Veneman" of the James M. Cannon Files at the Gerald R. Ford Presidential Library.

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3PM - Meeting with Jack Veneman Thursday, March 20, 1975 ganger !

JOHN G. VENEMAN

555 California Street, Suite 2635, San Francisco, CA 94104 (415) 397-2932

March 5, 1975

Mr. James Cannon
Director
Domestic Council
The White House
1600 Pennsylvania Avenue
Washington, D.C.

Dear Jim:

Just want to confirm our meeting at 11.00 am on Monday, March 17.

It was good talking to you on the phone and I look forward to seeing you.

Sincerely,

3/20 3 pm

A. FOROLISEAN

OFFICE OF THE VICE PRESIDENT WASHINGTON, D.C.

VICE PRESIDENT

Mr. John G. Veneman 555 California Street Suite 2635 San Francisco, California 94104



OFFICE OF THE VICE PRESIDENT WASHINGTON

February 28, 1975

Number 3/17

11 Aug Durham

Mr. John G. Veneman 555 California Street Suite 2635 San Francisco, California 94104

Dear Jack:

Thank you very much for your letter of February 24, 1975. I appreciate the kind words, and only hope I can live up to them.

After officially becoming Executive Director of the Domestic Council, I would be most happy to have one of the staff speak with Dr. Frank Seubold about Health Maintenance Organization.

With warm personal regards,

Sincerely,

James M. Cannon



February 28, 1975

Mr. John G. Veneman 555 California Street Suite 2635 San Francisco, California 94104

Dear Jack:

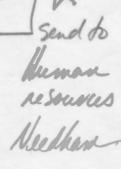
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555 California Street, Suite 2635, San Francisco, CA 94104 (415) 397-2932

February 24, 1975

Mr. James Cannon
Director
Domestic Council
The White House
1600 Pennsylvania Avenue
Washington, D.C.

Dear Jim:

Congratulations on your new assignment. The news that the Vice President and you will assume the responsibilities of the Domestic Council was welcomed with enthusiasm by a great many people, both within and outside of Government. The conflicting pressures for reduced Federal spending and the demands for increased involvement in the human services areas makes your task difficult but challenging.

I believe I mentioned my continued involvement in Health policy during our discussion in Washington last Fall. Perhaps one develops a somewhat different perspective of what is going on from the outside, but there are a couple of trends I see taking place that causes some concern.

As you may know, I was deeply involved in the development of the <u>Health Maintenance Organization</u> concept as an alternative to the present method of delivering health care. We were successful in getting Administration support to include payments to HMO's in PL 93-603, which ultimately led to the HMO Development Act of 1973.

During the past year, the support for the program from key officials seems to have diminished. Questions are being raised about the sincerity of the Administration toward the concept.

At no time did we suggest that HMO's were the panacea that would cure all the ills of the health delivery system. We did, however, feel that HMO's, over time, would begin to institutionalize a combination of broad health care coverage with strong cost control incentives into health economics, something that no other movements in the health policy field showed equally good chances of accomplishing. Such policies as the HMO concept, which combine increased productivity and cost control, are especially important in controlling both inflation and recession, and should be strongly supported during such periods.

The budget for HMO development has been cut significantly, which is understandable though perhaps not desirable. But equally as important is for someone, be it the President, the Vice President, or the Secretary of HEW, to champion the cause. If this were to occur, I would predict that a good many plans would develop or expand without additional Federal funds.

There are some impressive statistics available from HEW which verify the cost effectiveness of the HMO concept. It would be helpful if you or a member of your staff spent a few minutes with Dr. Frank Seubold, the Director of the Program for HEW.

Another area that concerns me somewhat are the discussions going on in Congress to extend health coverage to the unemployed. I hope the emotional concerns created by today's economy do not lead us into an overly narrow approach for National Health Insurance that would be undesirable in the future.

Enough of the personal opinions. The purpose of this letter was to extend my very best to you. Perhaps we can get together when I'm in Washington.

Please extend my regard to the Vice President.



