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By Cannon
[May 1976]
REQUEST
AND INFORMATION

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR: THE PRESIDENT
FROM: JIM CANNON *JM*
SUBJECT: Response to your Decision to Construct
Eight VA Hospitals

You had asked about the timing of the press release on your decision and what coverage your decision had received.

The White House press release was out by 6:00 PM, shortly after the conclusion of your meeting with Administrator Roudebush. By that time, too, all of the interested members of Congress had been notified as had some local officials.

On the following morning, the Administrator wrote to the major veterans organizations and enclosed your statement. A copy of his covering letter is attached (Tab A). We provided the VA with 250 copies of your statement which they in turn distributed to veteran publications and interested groups.

Local newspapers in the eight communities have given the decision a fair amount of coverage. Some samples are at Tab B.

Attachments



VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420



As you are aware, it has been my practice as Administrator to keep our great veteran organizations informed of important developments in the Veterans Administration through meetings or communications such as this.

The purpose of this letter is to advise you of what I consider to be perhaps the most important development since I became Administrator.

The President informed me of his decision to officially approve and authorize the construction of all eight of the new and replacement VA hospitals on a list I had submitted for his consideration.

I am enclosing for your information the official statement of the President concerning his decision which was issued by the White House Press Office subsequent to our meeting.

The President's decision to ask Congress to add an extra \$249 million to the construction funds already requested in his Fiscal Year 1977 VA budget increases total construction funds for that fiscal year to \$459.6 million, an increase of \$55.2 million over the record construction sum the President had requested for the current fiscal year.

Presidential approval is required for all major VA construction projects, and his approval yesterday of the phased construction of all eight hospitals envisions a total estimated expenditure of \$824.5 million for the design and construction of these eight projects alone.

The President's approval of this massive construction program, combined with the added personnel and funding he has approved during the past two years to carry out the recommendations of the Quality of Care Survey, underscores his commitment - as enunciated in the enclosed official statement - "that the nation's veterans be assured of the finest in quality medical care."

Sincerely,

RICHARD L. ROUDEBUSH
Administrator

Enclosure

Tampa, FL

DATE OF PUBL.

May 12, 1976

Ford Okays New Bay Pines Hospital

By RICK ALLEN
Tribune Staff Writer

upon giving his approval to the Bay
Pines facility.

At the same time the President

SOURCE

NEWS AMERICAN

CITY AND STATE

Baltimore, Maryland

DATE OF PUBL.

May 12, 1976

Ford Backs Downtown Site For New Veterans Hospital

THE INQUIRER
The Inquirer

CITY AND STATE

Philadelphia, Pa.

DATE OF PUBLICATION

5/12/76

Camden will get VA hospital

Sen. Case announces decision

By William Vance
Inquirer Washington Bureau

The consultants recommended in February that the hospital be built in downtown Camden near Cooper Hospital.

The timing of President Ford's decision — after the Pennsylvania primary, which he won, but before the New Jersey primary — prompted several congressmen to say his decision was political.

SOURCE

The Columbian

CITY AND STATE

Vancouver, WA

DATE OF PUBL.

May 12, 1976

Weather

Vancouver weather: Increasing cloudiness tonight, light rain Thursday. Highs about 70, low in the mid-40s. Chance of rain zero tonight, 30 per cent Thursday.

The COLUMBIAN



Chuckle

The difference between a man and a woman is that a man will pay \$2 for a \$1 item he wants, while a woman will pay \$1 for a \$2 item she doesn't want.

Our 86th Year

No. 185

Wednesday, May 12, 1976

Vancouver, Washington

68 Pages, 6 Sections

★ 15¢

Vancouver not in Ford VA plan

By LINDA SIMPSON
Columbian Staff Writer

replace the present facility on Fourth Plain Boulevard in the Vancouver Barracks.

was correct when he said recently that an attempt to close the Vancouver hospital would be futile because

for an additional \$249,000 above his previous budget request for VA construction to implement the two-

SOURCE
SEATTLE POST-INTELLIGENCER

CITY AND STATE
Seattle, Washington

DATE OF PUBL.
May 13, 1976

New Vets' Hospital 'Preferable' Here

By DON TEWKESBURY

Corsaro said the fate of the existing hospital "hasn't been determined" by the city council, but he anticipated that

VA hospital head sees no closure



John J. Lee

By LINDA SIMPSON
Columbian Staff Writer

been made, the building of a new hospital or hospitals is still eight or nine years away, he said.

"In that time, we still have to take care of the patients," he said. "Our aim is to improve the quality here and broaden our mission. I think that's what Portland is doing, too."

Broadening the hospital's mission, Lee said, means moving toward long-term care.

"We are turning into the wind toward long-term care, because the VA, as an agency, has to address itself to that problem," he said. "The average age of World War II vets is now 55. They are rapidly approaching chronic care needs. We're making a move toward facing that problem here."

Lee said projects are under way and plans are being made to achieve the goals of improving the quality of care and providing long-term care.

VA Hospital Eyed for Md.

The White House has recommended construction of an \$80 million, 370-bed Veterans' Hospital next to the University of Maryland Hospital and Medical Schools in downtown Baltimore, Sen. J. Glenn Beall Jr. (R-Md.) announced yesterday.

The project, which is subject to congressional approval, is one of eight proposed for the country as a whole, including replacement facilities for the McGuire VA Hospital in Richmond.

MAY 12 1976

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THE PHILADELPHIA INQUIRER Metropolitan

Headline - CAMDEN WILL GET VA HOSPITAL

Sen. Case announces decision

By - William Vance

WASHINGTON -- The White House has decided to build a proposed new veterans hospital for the Philadelphia-South New Jersey region in Camden, Sen. Clifford P. Case (R., N.J.) said yesterday.

Case said that he and several other South New Jersey congressmen had been told that President Ford would amend his budget proposed for fiscal 1977 to include the \$60 million-plus facility.

The White House decision concludes a 10-year tug-of-war between the Pennsylvania and New Jersey congressional delegation for the new hospital.

The Philadelphia members of the House of Representatives and Republican Hugh Scott and Richard Schweiker had been lobbying the Veterans Administration and President Ford for construction of the hospital on a site near Temple University on North Broad Street. The White House, however, followed with the recommendations of independent consultants hired by the VA to study the proposed sites.

The consultants recommended in February that the hospital be built in downtown Camden near Cooper Hospital.

The timing of President Ford's decision - after the Pennsylvania primary, which he won but before the New Jersey primary - prompted several Congressmen to say his decision was political.

"There's no question that his timing had something to do with the primary," said Rep. James J. Folrio (D., Camden), "but I've never been one to look a gift horse in the mouth.

"If this gives him points over Ronald Reagan in New Jersey, then God bless him."

Reagan is not on the New Jersey ballot, but a partial slate of delegates pledged to him his running for convention seats.

A disappointed Senator Schweiker said that a "vast majority" of the areas population of veterans lives on the Philadelphia side of the Delaware River.

He said that Philadelphia should have been chosen "on the merits of having several excellent teaching hospitals and the willingness of officials there to make a site available."

In Camden Mayor Angelo J. Errichetti hailed the announcement as "a major step in the rebirth of the city of Camden."

"Hallelujah!" the mayor exclaimed. "I'm delighted. This is going to cause a chain reaction, a chain reaction of interest in the city and in jobs."

SOURCE

SEATTLE POST-INTELLIGENCER

CITY AND STATE

Seattle, Wash.

DATE OF PUBL.

May 12, 1976

Seattle Post-Intelligencer May 12, 1976 S** F 11

A New Veterans Hospital Here?

SOURCE

SUN

CITY AND STATE

Baltimore, Maryland

DATE OF PUBL.

May 12, 1976

Eventual VA hospital approved for city

By TRACIE ROZHON

SOURCE

ST. PETERSBURG TIMES

CITY AND STATE

ST. PETERSBURG, FLORIDA

DATE OF PUBL.

5-12-76

Times DIGEST

Yacht club goes to court
to push its parking garage, — 3-B

\$4.93-billion budget is
passed by Senate panel — 18-B

/// Ford okays new Bay Pines hospital, calls for funds

President Ford has formally approved construction of a new veteran's hospital at Bay Pines, U.S. Rep. C.W. Bill Young, R-St. Petersburg, said Tuesday. He said Ford is asking Congress to appropriate funds this fiscal year for the new 1,150-bed hospital, estimated to cost \$110-million. He said it would be about four years before the hospi-

tal would be ready to open, assuming Congress appropriates the funds. The new hospital is slated to have 520 general medical and surgical beds, 120 nursing-care beds, 200 domiciliary care beds and 190 psychiatric beds.

Meeting topic is battered women

Battered women and what is being done to help them in the St. Petersburg-Tampa area will be discussed at a public meeting at 7:30 p.m. today at the Unitarian Universalist Church of St. Petersburg, 719 Arlington Ave. at Mirror Lake. Representatives from the St. Petersburg Police Department, social and economic services and other agencies will present reports and answer questions.

MAY 14 1976

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INCOAST/MISCELLANY

Hospital Funds Sought

Here's a briefing on area news of report that developed yesterday after the Evening Independent went to press:

President Ford has asked Congress for funds to build a new veterans hospital at Bay Pines. U.S. Rep. C. W. Bill Young, R-St. Petersburg, said Ford is requesting about \$110-million this fiscal year for a new 1,150-bed facility. It would be ready to open in four years if the money is appropriated.

Pinellas School Supt. Gus Sakkis has recommended setting up two old-fashioned "fundamental" elementary schools that would stress discipline, dress codes, patriotism, homework and mastery of basic skills. Parents who wanted

to enroll children in such a school would agree to have regular conferences with the teacher and to cooperate with school officials to correct discipline problems.

E. C. Brandon Jr., fired as city manager of St. Petersburg Beach in March, was hired as city manager of Treasure Island for \$24,000 a year. He replaces Acting City Manager Craig Hunter, who replaced Police Chief Clifford Frye, who stepped in for Phillip Sowa when Sowa resigned to face criminal charges. Sowa was acquitted of breaking and entering with intent to commit involuntary sexual battery.

The County Commission voted 3-2 to join St.



Petersburg in court to keep construction going on Interstate 275. The city is opposing a lawsuit filed by the Florida Wildlife Federation against U.S. Transportation Secretary William T. Coleman. Voting against going to court were Cliff Stephens and Jeanne Malchon.

Tampa Mayor William Poe promised to answer, in writing, criticisms from local journalist about a city police photographer who posed as a newsman to gain information. A police employ identified himself as a Washington Post newsman while photographing demonstrators at Feb. 3 protest.

MAY 14 1976

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Richmond Times-Dispatch

CITY AND STATE

Richmond, Virginia

DATE OF PUBL.

May 12, 1976

*Replace McGuire,
Ford Asks Congress*

Richmond News Leader, Wed., May 12, 1976

*Ford Asks Funds
For New McGuire*

Corvallis, Oregon
Gazette-Times
(Cir.D.13,323)

APR 21 1976

Allen's P. C. B Est. 1888

Consultants find problems

5525

Another site for VA hospital?

Morning Herald, Hagerstown, Md., Wednesday, May 12, 1976
(Front Page) 3-1/2" wide and 8" long.

MARTINSBURG WILL GET NEW VA HOSPITAL

By Sandra Fleishman

Martinsburg, W. Va. -- Veterans Administration officials have approved a \$57 million replacement for the 30-year-old medical complex here according to U. S. Sen. Robert C. Byrd and Jennings Randolph. The Senators learned Tuesday from the White House that the VA will ask for the planning funds for the new facility in the 1977 budget. President Ford had deleted the \$4.5 million needed for planning from his budget earlier this year but the two Senators were told Tuesday that neither the White House nor the Veterans Administration will fight the funds next year.

The Martinsburg replacement is among eight Veterans hospitals to be built during the next four fiscal years. Two hospitals will be constructed each year although no date has been set for Martinsburg's facility it will definitely not be built in the first year, according to John Guiniven, an aide to Senator Byrd.

The first two hospitals will be in Florida and Virginia, Guiniven said.

The 57 million dollar facility for Martinsburg will replace most of the present 90 buildings in the VA complex. The buildings were first erected by the U. S. Army in 1943 as temporary facilities according to I. V. Billes, VA center director/

question" that many of the present buildings should be replaced. The new hospital is "badly needed," he said.

Billes had not been officially informed of the Administration's approval Tuesday.

The proposed replacement is a 500-bed hospital about four or five stories high covering three or four acres, Billes said. A 120-bed nursing unit would also be included. The hospital presently accomodates 675 patients but Billes said he did not think the loss of 55 beds would be significant.

"With the services we could provide in a new hospital, we could certainly reduce to some degree the length of a patient's stay in the hospital," he said, bringing a higher turnover rate and freeing beds more quickly.

A 550-bed domiciliary care building would remain as it is on the present 100 acre grounds, he said. The proposal for a replacement facility was described in a VA study completed in November by an independent consortium of architects, engineers and health care specialists.

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A NEW VETERANS HOSPITAL HERE?

A new Veterans Administration hospital for Seattle is included in a request made by President Ford to Congress yesterday for money to build eight new veterans hospitals.

Seattle may have to wait a few years though. Because Ford listed the Seattle hospital among six that would be built at a rate of two a year during the three fiscal years following 1977. He recommended highest priority for new hospitals in Richmond, Va., and Bay Pines, Fla. asking for construction to start there in 1977 according to the Associated Press.

Representative Joel Pritchard (R-Seattle) said the Seattle hospital would cost \$85-90 million. The present Seattle Veterans Administration hospital was built in 1951 for \$6.3 million.

Ford's request included \$249 million in the fiscal 1977 budget to get all the projects underway. Other locations for new hospitals would be Martinsburg, W. Va., Portland, Ore., Little Rock, Ark., Baltimore, Md., and Camden, N. J., the President said. All the hospital would replace existing ones.

Jerome Dolezal, director of the Seattle hospital said, "we have needed additional beds and larger facilities in Seattle for a number of years."



The existing hospital is located on 34 acres at 4435 Beacon Avenue, South, among a campus of eleven buildings. It has 346 beds, serves 145,000 outpatients yearly and admits 9,000 patients a year, Dolezal said. It admitted 4,000 patients a year in 1963.

Dolezal said the hospital was too small even when it was built -- 250-beds had been loped off original plans. The hospital was proposed in 1940 and, after many delays, admitted its first patient May 1951.

For thirteen years, hospital officials have wanted a new wing and never got money for it and Dolezal said the need "is urgent" now for a new facility.

The Veterans Administration commissioned a \$100,000 study of the need in 1974 and the study recommendation was for (copy blank)

"The President's recommendation is for a new facility," Dolezal said, "and I understand he also recommends building it on the same site."

The President said yesterday he was acting on recommendation of VA Administrator Richard Roudebush in order "to provide quality medical care to our veterans."

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REPLACE McGUIRE, FORD ASKS CONGRESS

President Ford will ask Congress for additional budget funds for 1976-77 to design and construct a replacement for McGuire Veterans Hospital here the White House announced yesterday.

Ford announced he will ask for \$249 million more than the previous request for VA construction to replace the hospital here and another in Bay Pines, Florida.

Those two hospitals were assigned the highest priority for replacement by the Administrator of Veterans Affairs, Richard L. Roudebush. Roudebush recommendations followed a series of planning studies of eight proposed replacement hospitals nationwide.

Ford also announced he will ask for funds to design the other six hospitals and construction funds to build them at the rate of two each year for the next three fiscal years.

Plans for replacing McGuire have been discussed for more than 15 years.

The approximately 80 buildings that make up McGuire hospital on its 142 acre site in South Richmond were built during 1943 and 1944. The first patients arrived during July 1944.

In November a team of architects and engineers recommended that the VA replace the hospital with an 880-bed facility that would cost a figure of \$115,020,000 the current buildings house 870-beds.

Ford's announcement yesterday specified that no "decision on construction details and the number of beds at each facility" were being made. He said those decisions would be made after further review.

The announcement also did not specify how the \$249 million requested would be broken down between McGuire and Florida hospitals.

The recommendations on McGuire and its replacement should be built on the South Richmond site where the original is located. Ford's announcement did not specify a location.

The contractors recommended that the new McGuire structure be an eight-story tower, flanked by two wings each two stories high.



The new facility will have 295 medical patients; 35 neurological patients; 160 spinal cord injury patients; 80 psychiatric patients; 190 surgical patients, and 120 nursing home care patients.

Besides construction of a new building the estimate of \$115,020,000 included demolition of most of the existing buildings and construction of parking areas, sidewalks, driveways and landscaping.

The recommendations were sent along with those for the seven other hospitals from the Veterans Administration to the Office of Mgmt and Budget for priority consideration. From there recommendations went to the President. Rep. David E. Satterfield III, D-3rd, said he was advised by the White House of Ford's decision about 5:00 P. M. yesterday.

"I'm delighted that it now looks like Richmond will be getting a replacement for McGuire hospital," he said by phone from Washington last night. "I can think of no other hospital that needs it more."

"Of course, we've got to get the money in the budget. And that's where my job starts now."

Satterfield, a member of House Committee on Veterans Affairs, is chairman of that committee on hospitals.

At one time in the debate about replacing McGuire there was considerable discussion about locating the replacement in the medical college of Virginia area downtown.

Those discussions, however, died several years ago then the MCV announced plans for a new hospital of its own that is to occupy the space where the McGuire replacement had been planned.

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FRONT PAGE SECOND SECTION

HEADING - EVENTUAL VA HOSPITAL APPROVED FOR CITY

BY - Tracie Rozhon

President Ford yesterday approved the eventual construction of a new \$80 dollar Veterans Administration hospital in downtown Baltimore.

However, the President's two other locations to begin immediate construction in Martinsburg, West Virginia and Bay Pines, Florida.

Through Senator J. Glen Beall, Jr., the Maryland Republican running for re-election this year. The President announced the release of design money already budgeted for the Baltimore hospital along with design money for five other VA hospitals.

With the move coming exactly a week before the Maryland primary political observers were quick to speculate the announcement was a political maneuver.

Last week Viggo P. Miller, the VA's Construction Chief said that all eight locations had been designated as "top priorities" by Congress in 1973. All eight continued would be built as a "long term" goal.

Although a spokesman in the office of Senator Charles McC. Mathias, Jr. (R., Maryland), said the announcement meant that all the hospitals would be built within the next 3 years. VA officials could not be reached to confirm that time table.



did not know the amount of the design funds. "The details are very sketchy" said Nancy Greisheimer, the aide in Mr. Mathias' office.

Plans for the new Baltimore hospital drawn up by RPKL Associates, the architects chosen by the VA to do a preliminary Baltimore study, show the 370 bed hospital on a now partly vacant lot bounded by Fayette, Greene, Baltimore and Arch Streets, adjacent to University Hospital. The two hospitals would be connected by an above ground walkway and would share doctors and expensive equipment.

The new hospital would employ about 2,000 persons and would incorporate the outpatient clinic now in the Federal Building downtown.

Besides Baltimore, the other regions that will receive design money are Little Rock, Ark., Seattle, Richmond, South New Jersey-Philadelphia area and the Portland, Ore.-Vancouver Washington area.



by Rick Allen, Tribune Staff Writer
St. Petersburg

FORD OKS NEW BAY PINES HOSPITAL

Plans for a new 1150-bed Veterans Administration hospital at Bay Pines here were approved by President Ford yesterday and sent to Congress for funding. In his approval order, the President requested \$110 million from Congress in next years budget for design and construction of the new veterans facility here.

"We owe our veterans the finest in medical care," Ford said in Washington upon giving his approval of the Bay Pines facility.

At the same time, the President approved and requested funds for design and construction of a similar veterans hospital in Richmond, Virginia, deputy press secretary John Carlson said.

U. S. Rep Bill Young, R-Fla., yesterday called the Presidential approval of the new Bay Pines hospital a personal victory. For two years, Young has been attempting to get approval for the new facility.

"This makes me very happy. This does it. The Presidential approval of the hospital was the main hurdle," Young said in Washington.

He said the current Bay Pines facility constructed in the early 1930's with only 650 beds, is "so overcrowded that each bed is in half the space recommended nationally by the VA."

Young said according to the plans approved yesterday the new hospital will include 520 general medical and surgical beds, 120 nursing care beds and 200 domiciliary beds.

He said the current facility will be "completely renovated" providing for a new 190 bed psychiatric unit.

"This is especially good because any patient needing psychiatric care have to be sent out of the state," Young said.

Young said his personal studies of Bay Pines needs, confirmed by VA consultants reports shows that the "overall population of the Bay Pines service area is expected to increase by 37 percent in the next decade."



The report continued: "approximately 84 percent of the patient population of the hospital is 50 years old or older and the majority of the veteran population in the service area is in the age range which seeks services more frequently. "

The Bay Pines service area includes Pinellas, Hillsborough, Pasco, Polk and Manatee counties.

Young said VA plans for the new Bay Pines hospital contemplates a four year design and construction period. He said the new facility should open in late 1980 or early 1981.

The new Bay Pines facility was all but promised early this year by the President in a Valentine's Day campaign trip to St. Petersburg.

After an inspection of Bay Pines, Ford told gathered veterans "Its obvious there is a tremendous need (for a new facility here).

"I don't think you will be too disappointed with the kind of results you are going to get," Ford told the cheering veterans.

Young said Ford privately told him(Young) after leaving Bay Pines that day that "he (Ford) would approve the new facility here. "

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Little Rock VA Hospital
Arkansas Gazette
Wednesday, May 12, 1976

Ford to Release Money to Design Little Rock VA Hospital
Construction to be asked in 3 years.

This is from Gazette Washington Bureau.

President Ford said Tuesday he would provide design funds for 8 new veterans Administration Hospitals, one of them at Little Rock, and would ask Congress to fund their construction over the next 3 years. The White House Budget Office has withheld the 4.4 million appropriated for advance design and site acquisition for the Little Rock Hospital for the last 3 years. Mr. Ford's announcement, which he described as another important step in our effort to provide quality medical care to our veterans, came after he met at the White House with Richard Roudebush, Administrator of Veterans Affairs. Roudebush gave the President recommendations on the priority of constructing the 8 hospitals listing Little Rock and Seattle projects for funding in 1979. However, Senate Appropriations Committee Chairman, John L. McClellan, Democrat, Arkansas, who has vigorously promoted the Little Rock Hospital said he would attempt to obtain construction funds for it as soon as planning and designs are sufficiently advanced. "I want to get this hospital started and under construction before I leave, before my term expires at least," McClellan said in an interview shortly before the President's



announcement. "We're going to push this thing." McClellan's term in the Senate expires in 1978. He announced in his last campaign that he would retire then. Officials told by Mills, Representative Wilbur D. Mills, Democrat, Arkansas, informed some officials in Arkansas, of the action shortly before the President's announcement. Mr. Ford said he would ask Congress to add an additional \$249 million to his current budget request for construction of VA hospitals at Richmond, Virginia, and Bay Pines, Florida. According to the priorities of the VA he then intends to seek construction funds in the fiscal 1978 budget for hospitals at Martinsburg, West Virginia, and Portland, Oregon, in the fiscal 1979 budget for Little Rock and Seattle and in the fiscal 1980 budget for Baltimore and Camden, New Jersey. Mr. Ford pointed out that more than a million persons annually used Veterans Administration health facilities. They deserve to continue to receive care of the highest quality and the latest in medical research. He said, "This requires adequate hospital facilities." The actions I am announcing today reflect my commitment that the nation's veterans be assured of the finest in quality medical care. Independent contractors earlier conducted feasibility studies for construction of each of the hospitals. Although Mr. Ford said decisions on construction details and the number of bids at each facility will be made at further review and analysis the 100,000 Little Rock study recommended replacement of existing hospital on East Roosevelt Road and expansion of ten buildings of the VA hospital at North Little Rock. After a meeting with Roudebush about a month

ago, McClellan said the VA wants to provide a total of 1,420 hospital beds at Little Rock facilities. Now there are 460 beds at the Little Rock Hospital and 1,300 at North Little Rock. The consultants recommended that the new hospital expected to cost about \$115.6 million be placed on 37 acre site south of the University Medical Sciences Campus and fronting on the Wilbur D. Mills Freeway. Dr. Eugene J. Tobin, Chief of Staff, of the Little Rock VA Hospital has proposed to the VA Headquarters that new hospital be named the John L. McClellan Veterans Health Center. It was announced April 2 that the VA had asked the Office of Management and Budget to provide money for the Little Rock project but it was unclear when the VA wanted the money provided. McClellan said at the time that he had insisted to Roudebush that a new hospital be constructed. Representative John Paul Hammerschmidt, Arkansas, ranking Minority Member of House Veterans Affairs Committee has also been pushing the hospital.



STATEMENT FROM JOHN P. CLARK, DIRECTOR, PORTLAND VETERANS HOSPITAL.

TAKEN FROM PAGE C-6, THE OREGONIAN.

NEW VET'S HOSPITAL TO BE BUILT IN PORTLAND, AREA. A new

Veterans Administration hospital for the Portland area will be built within the next four years, Oregon's Senators Mark Hatfield and Bob Packwood said Tuesday. The new hospital, to be built on a site as yet not chosen, is one of eight given construction priority by President Ford who said in Washington, D. C., Tuesday that he would ask Congress for an additional \$249 million in fiscal 1977 to get the projects under way. The White House assured us, the Senators said in a joint statement, that the Administration will request funds for the new Oregon facility within the next four years. Hatfield and Packwood said they were pleased that this timetable has been provided and that veterans in Oregon and Southwest Washington can look forward to improved facilities soon.

In his statement, Ford said hospitals in Richmond, Va., and Bay Pines, Fla., were given the highest priority and that he was asking construction on these facilities be started next year. Other hospitals will be located later in Martinsburg, W. Va.; Seattle, Wash; Little Rock Ark., Baltimore, Md.; and Camden, N. J.

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HEADLINE - FORD OKAYS NEW BAY PINES HOSPITAL, CALLS
FOR FUNDS

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THE PHILADELPHIA INQUIRER Metropolitan
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By - William Vance

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THE WHITE HOUSE

WASHINGTON

May 5, 1976

MEETING ON VA HOSPITAL CONSTRUCTION

Thursday, May 6, 1976

2:00 p.m. (20 minutes)

The Oval Office

From: Jim Cannon 

I. PURPOSE

To inform Administrator Roudebush of your decision on the design and construction of eight new VA hospital projects.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background:

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The fact that you have made decisions on this matter has been very closely held. Administrator Roudebush has not been advised of your decisions but has been told that is the subject you wish to discuss with him. He will be accompanied at the meeting by Dr. John D. Chase, Chief Medical Director of the VA. Shortly after the conclusion of the meeting the Press Office will release a brief statement summarizing your decision.

B. Participants: Administrator Roudebush, Dr. John Chase, Jim Cannon, Paul O'Neill and David Lissy

C. Press Plan: Statement to be released shortly after conclusion of the meeting.

III. TALKING POINTS

1. I have had personal concern about the importance of providing the highest quality of medical care in our VA facilities.
2. Shortly after I assumed office, I reviewed the Quality of Care Survey which Dr. Chase helped produce and I am pleased that in our last two budget requests we have been able to provide almost everything recommended by that report.
3. The VA did a fine job of analyzing the relative merits of the eight sites presently under consideration for major new construction. As you know, I am required by the law to make the final decisions on these eight projects.
4. I have reviewed very carefully the work of the VA.
5. My decision is as follows:
 - 1) We will move ahead in FY 77 on design of all eight facilities.
 - 2) We will seek funds in FY 77 for the construction of the two highest ranking projects based on the VA priorities list -- Richmond, Virginia and Bay Pines, Florida.
 - 3) We will seek construction funds for two more projects in each of the next three fiscal years for the remaining projects.
 - 4) We will reserve until a later date final decisions on specific sites at each location, as well as the total number of beds and bed mix at each location.
6. OMB will work with VA to prepare the necessary budget amendment -- which will require \$249 million additional in FY 77.
7. I am pleased to take this action and I think it important that we do all we can to give our veterans the finest medical care.





EXECUTIVE OFFICE OF THE PRESIDENT
 OFFICE OF MANAGEMENT AND BUDGET
 WASHINGTON, D.C. 20503

MEMORANDUM FOR: THE PRESIDENT
 FROM: James T. Lynn
 SUBJECT: Eight Veterans Administration (VA) Hospital Projects

PURPOSE

This memorandum provides background on VA recommendations on eight hospital projects for which planning studies have been completed. It also sets forth some possible options on how to proceed for your consideration.

BACKGROUND

The VA has established priorities for eight medical care complexes, which include nursing home and domiciliary facilities as well as hospitals.

The estimated costs of the complexes, premised upon FY 1977 design funding and FY 1978 construction funding, are as follows:

		(\$ in thousands)	
	<u>Total Cost</u>	<u>Available Funding</u>	<u>Required Funding</u>
Hospitals	\$ 782,220	\$ 24,484	\$ 757,736
Nursing Homes and Domiciliaries	42,280	0	42,280
Complexes	824,500	24,484	800,016

Costs by complex are attached.

Decision WAS:

Design \$ FOR ALL 8 IN 77
 CONST. OF TOP 2 IN 77
 + 2 IN 78
 + 2 IN 79
 + 2 IN 80



VA rated each complex on a number of factors which resulted in priorities as follows:

<u>Priority</u>	<u>Complex</u>	<u>Weighted Rating</u>
1	Richmond	599
2	Bay Pines	557
3	Martinsburg	554
4	Portland/Vancouver	552
5	Seattle	410
6	Little Rock	377
7	Baltimore	366
8	Philadelphia/Southern New Jersey	312

DISCUSSION

Process for Authorization

Presidential authorization for design and construction funding, as well as for bed levels and bed mix, is required for further funding of the eight hospitals. Because of the unique and urgent requirement to proceed with a decision on the eight hospitals, time-constraints on OMB review of the projects, and the questionable nature of some of the VA bed estimates, we would recommend a two-part authorization process. The first step would be a general authorization for design and/or construction funding at estimated levels in a specific budget year but not for bed levels and bed mix. These, with final funding requirements, would be authorized after more detailed planning and review of the approved projects. The two-stage authorization also would allow VA adequate time to seek A-95 clearance for the Presidentially-approved projects.

Treatment of Nursing Home and Domiciliary Requests

Hospitals, domiciliaries, and nursing homes are different line items in the VA construction budget. Recognizing the

merit of coordinated facility planning, we recommend that the general authorization for a hospital serve as the authorization for the nursing home and/or domiciliary projects associated with it, but that these facilities be funded through the regular line item activities in the budget.

Weighting of New versus Replacement Facilities

The factors used in prioritizing the eight projects weigh against the Philadelphia/Southern New Jersey project, the only facility proposed which would not replace an existing hospital. VA does not have a strong programmatic justification for the bias against the new facility, and we believe that it could be considered a special case.

Funding Implication of Decision

Unless all eight hospitals are funded, a decision on how to handle the projects not selected must be made. Program considerations suggest that the appropriated but unobligated design funds for these projects should be rescinded or reprogrammed for use on the selected projects, with funding for the facilities not initially recommended considered in outyear budget processes. However, proponents of the "defunded" projects are likely to object to this approach.

OPTIONS

The options below are designed to spell out arguments in favor of, and against, various design and construction policies. They should be viewed in the context of the longer term considerations affecting the VA construction program.

All options assume separate funding of nursing home and domiciliary facilities. Costs are in current dollars and reflect the funding required to complete all eight projects over time in the priority order established by VA.

Option 1: Authorize all eight hospitals now, providing design funds in FY 1977 and construction funds in FY 1978.

Cost:

<u>1977</u>	<u>1978</u>
\$ 84 M	\$ 698 M

Arguments for:

- . Significantly upgrades the VA medical care system, comprised of facilities whose average age is 30 years old.
- . Replaces aging facilities (average age 39.6 years) with new structures, enhancing quality of care and efficiency.
- . Indicates strong Administration commitment to veteran health care "second to none."
- . Limits potential cost escalation, estimated by VA at 7% a year, on the eight projects.

Arguments against:

- . Invests \$800 M in replacement/new hospitals identified in 1972, ignoring possibly more serious system needs. Approximately 50 VA facilities are as old or older than the average age of the eight projects. In the last five years, none of the eight have lost accreditation and only the Baltimore facilities have been placed on probation, while a substantial number of other VA facilities have lost or received only temporary accreditation in that time.
- . Continues support for acute medical care services when studies completed and underway indicate the VA might more appropriately emphasize long-term care.
- . Invests substantial funding in upgrading a system and facilities sized on past practice at a time when both the Executive Branch and Congress are attempting to focus VA treatment on service-connected veterans, who now constitute some 25% of VA hospital discharges.
- . Taxes VA ability to soundly manage design and construction of the projects.
- . Disregards current fiscal restraint policies.

Option 2: Authorize design funds for all eight hospitals now. Provide full or partial construction funds for projects as outyear budgets permit.

Cost:

<u>1977</u>	<u>Outyears</u>
\$ 84 M	\$ 698 M

Arguments for:

- . Allows for relatively low cost design funding while retaining flexibility to fund construction when and how it is most appropriate, honoring fiscal restraint policy while beginning to meet hospital needs.
- . Makes integration of the eight projects into overall system construction priorities possible.
- . Retains the option not to build a facility if program or fiscal reasons so dictate.
- . Provides a basis for solid construction cost estimates.

Arguments against:

- . Changes in medical practice and veteran needs may render the design inadequate or obsolete if construction is not funded when designs are completed. Changes of up to 30% in bed estimates for the eight projects have occurred in the past two years as a result of these factors.
- . Encourages cost escalation and undermines good management practices.
- . May falsely raise congressional, veteran, and VA expectations.
- . May result in unnecessary expenditures of design funds.

Option 3: Authorize one hospital a year, with design funding beginning in 1977 and construction funding beginning in 1978.

Cost:

<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>Outyears</u>
\$ 10 M	\$111 M	\$ 94 M	\$ 71 M	\$143 M	\$ 354 M

Arguments for:

- . Is consistent with current policy of funding one new or replacement hospital a year reflected in long range budget projections.
- . Recognizes there are deficiencies in the eight facilities which will be dealt with in a deliberate fashion.
- . Places fewer fiscal restraints on factoring other replacement hospitals into outyear budgets than commitments to faster rates of construction would.
- . Provides VA the opportunity to plan and manage their construction programs well.

Arguments against:

- . Will result in an eight year bottleneck in VA construction.
- . May be seen as an inadequate rate of construction given the present state of the system.
- . May be interpreted as a lack of Administration support for veteran health care programs.
- . Will result in cost escalation for the seven projects begun in outyears.

Option 4: Authorize two hospitals a year, with design funding beginning in FY 1977 and construction funding beginning in 1978.

Cost:

<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1980</u>
\$ 20 M	\$ 210 M	\$ 212 M	\$ 204 M	\$ 136 M

Arguments for:

- . Provides funding of all eight projects within five years at a fairly constant cost after the first year.
- . Reflects a commitment to both veterans health care and budget restraint.
- . Provides funding at a rate which can be well managed by VA.

Arguments against:

- . Doubles new hospital construction funding over a current policy level of approximately \$100 M a year.
- . Is likely to prevent construction of new and replacement hospitals other than the eight given current commitments to balance the budget in three years.
- . Will result in cost increases for projects selected in outyears.

Option 5: Authorize the top four priority hospitals for design funding in 1977 and construction funding in 1978. Fund the remaining hospitals as out-year budgets permit.

Cost:

<u>1977</u>	<u>1978</u>	<u>Outyear</u>
\$ 41 M	\$ 419 M	\$ 363 M

Arguments for:

- . Demonstrates Administration concern for veteran health care by funding 50% of the proposed projects immediately.
- . Recognizes the fact that the VA ratings for the second, third, and fourth priority hospitals are very close.
- . Allows the most needed projects, as determined by VA, to be completed while maintaining the flexibility to schedule the remaining four within the context of over-all VA priorities.

Arguments against:

- . Represents a major investment in the current system at a time when the advisability of continuing current practices and policies is being questioned.
- . Requires substantial funding in 1978.

cc: DO Records (Official)
 Director's Chron
 Director
 Deputy Director
 Mr. Derman (2)
 VA Branch (Official)

CVA BSelfridge:hrs 4-7-76



Eight Medical Care Complexes - Cost Summary*
(Dollars in thousands)

	<u>Total Cost</u>	<u>Available Funding</u>	<u>Funding Needed</u>
1. Richmond:			
Hospital	111,440	2,930	108,510
Nursing Home	4,560		
Total	116,000		
2. Bay Pines:			
Hospital	97,220	1,780	95,440
Nursing Home/Domiciliary	12,780		
Total	110,000		
3. Martinsburg:			
Hospital	62,110	1,625	60,485
Nursing Home/Domiciliary	13,890		
Total	76,000		
4. Portland/Vancouver:			
Hospital	148,700	2,350	146,350
Nursing Home	5,900		
Total	154,600		
5. Seattle:			
Hospital	90,000	2,200	87,800
Other	-		
Total	90,000		
6. Little Rock:			
Hospital	115,600	4,575	111,025
Other	-		
Total	115,600		
7. Baltimore:			
Hospital	87,000	5,224	81,776
Other	-		
Total	87,000		
8. Philadelphia/Southern New Jersey:			
Hospital	70,150	3,800	66,350
Nursing Home	5,150		
Total	75,300		
	<hr/>	<hr/>	<hr/>
Total Hospital	782,220	24,484	757,736
Total Nursing Home/Domiciliaries	42,280	0	42,280
Grand Total	824,500	24,484	800,016

* Costing assumes design funding in FY 1977 and construction funding in FY 1978.



THE WHITE HOUSE

WASHINGTON

May 5, 1976

MEMORANDUM FOR: JIM CANNON
FROM: DAVID LISSY 
SUBJECT: VA Hospitals

Attached is a draft of the memo to the President. We still do not have confirmation of the meeting and I have yet to call Roudebush and Chase. Paul O'Neill believes -- but is not certain -- that he will attend. Paul has not yet reviewed his staff's draft of the press statement. He promised to get it to me shortly.

I believe it is important that you speak to Dick Cheney -- or whoever is appropriate -- before the meeting to be sure the President knows the extent to which we have kept Roudebush in the dark, and why.

Attachment

V.A. MEETING WITH PRESIDENT
(Roudebush, Lissy)
Thursday, May 6, 1976
Oval Office
2:00 p.m.



V.A. MEETING WITH THE PRESIDENT
Monday, May 10, 1976
The Oval Office
2:00 p.m.



URBAN POLICY MEETING
With Fletcher, May, McConahey
Quern, Delaney
Friday, April 9, 1976
2 p.m.
Room 248

THE WHITE HOUSE

WASHINGTON

May 5, 1976

MEETING ON VA HOSPITAL CONSTRUCTION

~~Monday~~ Thursday, May 10, 1976

2:00 p.m. (20 minutes)

The Oval Office

From: Jim Cannon *Jim*

I. PURPOSE

To inform Administrator Roudebush of your decision on the design and construction of eight new VA hospital projects.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background:

Your review and approval was required by law on VA recommendations for the construction of eight new medical care complexes. A copy of OMB's memorandum to you is at Tab A. Your decision was to proceed in FY 77 on the design of all eight facilities; to seek funds in FY 77 for the construction of the two top ranking projects; and to seek construction funds for two more projects in each of the next three fiscal years. Your decision reserves until a later date final determination of specific sites within a given location, as well as the determination of bed levels and bed mix at each location.

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- . Taxes VA ability to soundly manage design and construction of the projects.
- . Disregards current fiscal restraint policies.

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