CONCERNS FACING THE P.H.S.

PREPARED FOR DELIVERY BY

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(Greetings to Hosts, Guests)

It's a pleasure to be here, representing the U.S. Public Health Service at this Interagency Institute. I know Dr. Koop had wanted very much to be here. But the World Health Organization and our Government wanted him to be in Geneva. So he is there today and I am here. In addition to being an outstanding pediatric surgeon, Dr. Koop has been for nearly four decades an enthusiastic, dedicated teacher. I can assure you he misses this opportunity to teach.

We discussed the kinds of things you might want to know about the P.H.S., building on the wealth of information you've been absorbing since April 26, which must seem like several years ago. What I would like to do, therefore, is to present a brief overview of what the P.H.S. looks like now...after some changes...what it will probably look like next year...and what its challenges will be for the next five years.

(Presented for Dr. Koop by Richard R. Ashbaugh, Acting Director, Bureau of Medical Services, Health Services Administration, P.H.S., D.H.H.S.)
FIRST, YOU SHOULD KNOW THAT THE PUBLIC HEALTH SERVICE IS FAR FROM BEING A MONOLITH. IT IS MADE UP OF A HALF-DOZEN AGENCIES, EACH ONE DEMONSTRATING ITS OWN TRADITIONAL STREAK OF STUBBORN INDEPENDENCE. THAT QUALITY MAY HELP EXPLAIN WHY ITS PERSONNEL COULD CHASE OFF TO AFRICA AND ASIA AND WIPE OUT SMALLPOX OR CHASE OFF AFTER CIGARETTE SMOKING IN AMERICA OR CHASE OFF AFTER SENILE DEMENTIA OR DRUG ABUSE OR THE STRUCTURE OF D.N.A. IN SOME RESPECTS, THE P.H.S. IS LIKE THE FEARLESS SAMURAI WHO JUMPED ON HIS HORSE AND RODE OFF IN ALL DIRECTIONS AT ONCE.


TAKING THEM IN ALPHABETICAL ORDER, LET'S START WITH THE ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION. THE TITLE SAYS IT ALL. IT HAS THREE NATIONAL INSTITUTES -- OF MENTAL HEALTH, OF DRUG ABUSE, AND OF ALCOHOLISM AND ALCOHOL ABUSE -- THAT CARRY OUT RESEARCH AND PUBLIC EDUCATION PROGRAMS AND, UNTIL RECENTLY, HAVE SUPPORTED A WIDE
RANGE OF SERVICE DELIVERY PROGRAMS AT THE LOCAL LEVEL...NEARLY 700 COMMUNITY MENTAL HEALTH CENTERS...300 STATE AND LOCAL DRUG ABUSE PROGRAMS...AND ABOUT 500 STATE AND LOCAL ALCOHOLISM PROJECTS. BUT MORE ABOUT THOSE LATER.

THE FISCAL 1982 APPROPRIATION FOR A.D.A.M.H.A. -- AS IT IS KNOWN IN THE TRADE -- IS A BIT OVER $400 MILLION.

THE CENTERS FOR DISEASE CONTROL, OR C.D.C., ARE HEADQUARTERED IN ATLANTA. AS THEIR NAME IMPLIES, THE CENTERS ARE CONCERNED PRIMARILY WITH UNDERSTANDING, CONTROLLING, AND/OR PREVENTING COMMUNICABLE AND VECTOR-BORNE DISEASES. YOU HAVE PROBABLY READ C.D.C.'S MORTALITY AND MORBIDITY WEEKLY REPORT, THE BAROMETER OF INFECTIOUS DISEASE ACTIVITY IN THIS COUNTRY.

C.D.C.'S HISTORY IS ROOTED IN THAT STRONG TROPICAL DISEASE FRATERNITY WHO LABORED WITH WILLIAM CRAWFORD GORGAS AND WALTER REED IN THE CARIBBEAN, CENTRAL AMERICA, AND THE PHILIPPINES. TODAY, THE CENTERS WORK PRIMARILY THROUGH STATE AND LOCAL HEALTH AUTHORITIES TO -- FOR EXAMPLE -- CARRY OUT CHILD IMMUNIZATIONS, TO CONTROL SEXUALLY TRANSMITTED DISEASES, AND TO PROVIDE THE EPIDEMIOLOGICAL EXPERTISE TO UNRAVEL THE MYSTERIES OF LEGIONNAIRE'S DISEASE, TOXIC SHOCK SYNDROME, AND THE LATEST STRAIN OF INFLUENZA.
C.D.C. PERSONNEL ARE NOT ONLY ON T.D.Y. WITH STATE HEALTH AGENCIES, BUT ARE ALSO ON DUTY OVERSEAS WORKING TO IMPROVE THE SCREENING OF SOUTHEAST ASIAN REFUGEES, SOLVING SPAIN'S OLIVE OIL SCARE, OR HELPING THE W.H.O. PLAN ITS "EXTENDED CHILD IMMUNIZATION PROGRAMME."

THE C.D.C. ANNUAL BUDGET IS JUST UNDER A QUARTER OF A BILLION DOLLARS.

THE FOOD AND DRUG ADMINISTRATION -- THE F.D.A. -- HAS BEEN AROUND IN ONE GUISE OR ANOTHER FOR 76 YEARS. IT REMAINS ONE OF THE MOST WIDELY PUBLICIZED, PRAISED, AND VILLIFIED AGENCIES OF GOVERNMENT. ITS BASIC STATUTE HAS TWO WATCHWORDS, SAFETY AND EFFECTIVENESS, THAT MAKE THE F.D.A. THE ARBITER FOR PUBLIC HEALTH IN THE MARKETPLACE OF DRUGS, VACCINES, MEDICAL DEVICES, HEALTH SUPPLIES, RADIOLOGICAL GEAR, AND CERTAIN HEALTH AND MEDICAL PRACTICES, SUCH AS NUTRITION AND DIET COUNSELING, PRESCRIPTION DRUG ADVERTISING, DRUG PRESCRIBING, AND ANTENATAL FETAL DIAGNOSIS.

THE F.D.A.'S BUDGET FOR FISCAL 82 IS $330 MILLION -- NOT AN EXTRAORDINARY SUM, WHEN YOU CONSIDER THAT THE MISSION OF THE F.D.A. IS TO REGULATE ABOUT $465 BILLION WORTH OF GOODS AND SERVICES BOUGHT BY AMERICAN CONSUMERS.
THE HEALTH RESOURCES ADMINISTRATION HAS BEEN CONCERNED WITH THREE MAJOR PROGRAMS:

* FIRST, THE BUILDING AND MAINTENANCE OF MEDICINE'S DOMESTIC, CIVILIAN PHYSICAL PLANT. THIS IS KNOWN AS THE HILL-BURTON PROGRAM, NAMED FOR ITS CONGRESSIONAL SPONSORS IN 1946. IT'S BEEN A VERY SUCCESSFUL PROGRAM -- SO MUCH SO THAT THERE NOW APPEARS TO BE ABOUT 107,000 SURPLUS HOSPITAL BEDS, A COSTLY CIRCUMSTANCE FOR THE NATION.

* SECOND, THE EDUCATION AND TRAINING OF HEALTH PROFESSIONALS -- PHYSICIANS, DENTISTS, NURSES, THERAPISTS, TECHNICIANS, AND MANY OTHERS. AGAIN, WE ARE CHALLENGED BY SUCCESS: MOST ESTIMATES BY PRIVATE AND GOVERNMENT ORGANIZATIONS SHOW CURRENT OR POTENTIAL "SURPLUSES" AMONG SOME MEDICAL SPECIALTIES.

* AND THIRD, HEALTH PLANNING AT THE STATE AND LOCAL LEVELS. A RELATIVELY NEW PROGRAM, HEALTH PLANNING HAS COME TO BE THE EXAMPLE MANY OBSERVERS CHOOSE WHEN ARGUING FOR RELIEF FROM FEDERAL REGULATIONS AND A RETURN TO STATE PRIMACY.

THE HEALTH RESOURCES ADMINISTRATION HAS A FISCAL 82 APPROPRIATION OF SLIGHTLY MORE THAN A QUARTER OF A BILLION DOLLARS.
THE NEXT ORGANIZATION, THE HEALTH SERVICES ADMINISTRATION, HAS BEEN THE PRINCIPAL AGENCY IN THE PUBLIC HEALTH SERVICE ACTUALLY DELIVERING -- OR HAVING AGENTS DELIVER FOR IT -- A VARIETY OF HEALTH SERVICES TO "PROTECTED POPULATIONS." SOME EXAMPLES OF THESE POPULATIONS ARE AMERICAN INDIANS AND ALASKAN NATIVES, MIGRANT WORKERS, FEDERAL EMPLOYEES, COAL MINERS, AND PEOPLE LIVING IN MEDICALLY UNDERSERVED OR UNSERVED AREAS.

UNTIL RECENTLY MERCHANT SEAMEN, BARGEMEN, CANALLERS, RIVERBOATERS, AND FEDERAL RETIREES WERE ALSO INCLUDED. THEY RECEIVED THEIR CARE THROUGH EIGHT PUBLIC HEALTH SERVICE HOSPITALS AND 27 CLINICS -- ALL THAT REMAINED OF THE ONCE EXTENSIVE NETWORK OF "MARINE HOSPITALS" BEGUN BY PRESIDENT JOHN ADAMS IN 1798. AS YOU MAY KNOW, P.H.S. NO LONGER OPERATES THOSE CLINICS AND HOSPITALS.

H.S.A. ALSO SUPPORTS GRADUATE MEDICAL EDUCATION THROUGH STUDENT LOANS AND SCHOLARSHIPS. ITS MAJOR COMPONENT, THE NATIONAL HEALTH SERVICE CORPS, ASSIGN 2,500 HEALTH PERSONNEL -- MOSTLY PHYSICIANS -- TO PROVIDE HEALTH AND MEDICAL CARE IN UNDERSERVED AREAS. THE QUID PRO QUO FOR THEIR GOVERNMENT SCHOLARSHIP.

BUT IN SHEER SIZE AND IMPACT, THE MAJOR H.S.A. PROGRAM HAS BEEN THE BILLION-DOLLAR MATERNAL AND CHILD HEALTH PROGRAM AND SUCH RELATED ACTIVITIES AS FAMILY PLANNING, GENETIC COUNSELING, AND THE PREVENTION OF SUDDEN INFANT DEATH SYNDROME.
THIS YEAR'S H.S.A. APPROPRIATION IS FOR $2.7 BILLION, THE SECOND LARGEST AGENCY APPROPRIATION WITHIN THE PUBLIC HEALTH SERVICE.

AND THAT LEADS US TO THE AGENCY WITH THE LARGEST APPROPRIATION, THE NATIONAL INSTITUTES OF HEALTH. ITS BUDGET FOR FISCAL 1982 IS $3.6 BILLION, AND THAT LEVEL SHOULD RISE TO $3.75 BILLION WHEN WE GET OUR NEW BUDGET ON OCTOBER FIRST.


THE FINAL MAJOR ORGANIZATIONAL UNIT WITHIN P.H.S. IS THE OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH, THE HIGHEST RANKING CIVILIAN HEALTH OFFICER IN OUR GOVERNMENT. WITHIN THIS OFFICE ARE SUCH ACTIVITIES AS DISEASE PREVENTION AND HEALTH PROMOTION, ANTI-SMOKING, SUPPORT FOR H.M.O.'s, ADOLESCENT PREGNANCY PROGRAMS, INTERNATIONAL HEALTH, PHYSICAL FITNESS AND SPORTS MEDICINE, AND STAFF ACTIVITIES LIKE PLANNING, EVALUATION, MANAGEMENT, BUDGET, PERSONNEL, AND SO ON.
THE O.A.S.H. BUDGET THIS YEAR IS $750 MILLION. BUT OVER HALF OF THAT WAS TO HAVE BEEN THE FUNDING OF TWO BLOCK GRANTS. AND THAT LEADS ME TO SOME OBSERVATIONS ABOUT OUR FUTURE.


AND OPERATING 534 CATEGORICAL GRANT-IN-AID PROGRAMS, MOST OF THEM DELIVERING SOME SERVICE. ONE-SEVENTH OF THOSE -- 74, TO BE EXACT -- WERE IN P.H.S. THE ADMINISTRATION SAID THAT IT WAS TIME FOR THE FEDERAL GOVERNMENT TO GET OUT OF THE BUSINESS OF DELIVERING HEALTH SERVICES, EITHER DIRECTLY OR BY PROXY THROUGH GRANTEES AND CONTRACTORS. IT HAS BEEN TOO COSTLY, TOO UNWIELDY, AND NOT AS EFFECTIVE AS ADVERTISED. HANDING OVER THOSE FEDERAL PROGRAMS TO STATE AND TERRITORIAL HEALTH AUTHORITIES SEEMED TO BE PREFERABLE. BUNDLING THEM INTO BLOCKS, WITH AS FEW STRINGS AS POSSIBLE, WAS TO BE THE METHOD.

AND P.H.S. HAS HAD ENOUGH EXPERIENCE WITH THIS NOTION TO MAKE US OPTIMISTIC. FOR EXAMPLE, NEARLY ALL OF C.D.C.'S SERVICE PROGRAMS ARE ADMINISTERED THROUGH STATES. THAT RELATIONSHIP INVOLVES IMMUNIZATION, FLUORIDATION, DATA COLLECTION, RAT CONTROL, AND SIMILAR PROGRAMS. THEIR RECORD IS VERY IMPRESSIVE. ANOTHER EXAMPLE IS THE INDIAN HEALTH SERVICE. UNDER THE "INDIAN SELF-DETERMINATION ACT," P.L. 93-638, FEDERALLY RECOGNIZED TRIBES CAN DECIDE HOW MUCH FEDERAL AID THEY WANT TO DIRECTLY CONTROL ON THEIR OWN. A NUMBER OF TRIBES HAVE CHOSEN TO ASSUME COMPLETE CONTROL OVER HEALTH SERVICES FORMERLY CONTROLLED AND DELIVERED BY OUR INDIAN HEALTH SERVICE. AND THAT ALSO SEEMS TO WORK.
THE RESULT OF THE BLOCK GRANT APPROACH IS A NEW DIVISION OF LABOR WITHIN P.H.S. ONE TASK IS SIMPLY TO ADMINISTER THE FISCAL ARRANGEMENTS FOR THE BLOCKS. THAT CAN BE DONE WITH A RELATIVELY SMALL MANAGEMENT STAFF AT THE ASSISTANT SECRETARY'S LEVEL. THE OTHER TASK IS TO PROVIDE THE STATES WITH ANY TECHNICAL ASSISTANCE THEY MIGHT NEED OR IN OTHER WAYS BE HELPFUL TO STATE PROGRAM PEOPLE AT THEIR REQUEST. THIS TASK REQUIRES FEWER PROGRAM PERSONNEL IN SMALLER P.H.S. AGENCIES.

IN FACT, WE ARE CURRENTLY IN THE PROCESS OF COMBINING BOTH THE HEALTH RESOURCES AND THE HEALTH SERVICES ADMINISTRATIONS. THE FORMER IS NO LONGER STIMULATING HOSPITAL CONSTRUCTION. ACROSS-THE-BOARD UNDERGRADUATE AND GRADUATE MEDICAL EDUCATION, OR HIGHLY STRUCTURED, FEDERALLY REGULATED HEALTH PLANNING. THE LATTER NO LONGER HAS THE ENORMOUS CATEGORICAL GRANT-IN-AID SERVICE PROGRAMS THAT ARE NOW PART OF THE BLOCKS.

THE PRESIDENT HOPES THAT THE BLOCK GRANT APPROACH, IN ADDITION TO BREATHING NEW LIFE INTO AMERICAN FEDERALISM, WILL ALSO TEND TO REDUCE THE GROWTH RATE OF FEDERAL HEALTH FUNDING. THIS IS ONE OF THE FASTEST GROWING LINE ITEMS IN THE FEDERAL BUDGET. IN 1965, A BENCHMARK LEGISLATIVE YEAR, FEDERAL SPENDING FOR HEALTH TOTALED $5 BILLION. THAT WOULD INCLUDE THE V.A. AND THE NATIONAL SCIENCE FOUNDATION, FOR
EXAMPLE, AS WELL AS THE P.H.S. BY 1980 THE TOTAL HAD RISEN TO $71 BILLION -- A 14-FOLD INCREASE. OBVIOUSLY, IF THE PRESIDENT IS LOOKING FOR SO-CALLED "TARGETS OF OPPORTUNITY" FOR COOLING DOWN THE FEDERAL BUDGET, WHAT BETTER PLACE TO START THAN THE PUBLIC HEALTH BUDGET?

BUT EVEN THAT IS AN OVERSimplification. WHILE SOME HEALTH AGENCIES MAY RECEIVE REDUCED APPROPRIATIONS, SOME PUBLIC HEALTH FUNCTIONS WILL NEED -- AND GET -- MORE MONEY. THIS IS SEEN MOST CLEARLY IN THE RESEARCH AREA.

WHEN THE PRESIDENT GAVE HIS "STATE OF THE UNION" ADDRESS LAST JANUARY, HE SPECIFICALLY NOTED THAT "RESEARCH AT THE NATIONAL INSTITUTES OF HEALTH WILL BE INCREASED BY OVER $100 MILLION." THE SUBSEQUENT BUDGET PROPOSALS FOR FISCAL 1983 ACTUALLY SHOW A $109 MILLION INCREASE FOR THE BIOMEDICAL RESEARCH SUPPORTED BY N.I.H. AND A $27 MILLION INCREASE FOR THE PREDOMINANTLY BEHAVIORAL RESEARCH SUPPORTED BY A.D.A.M.H.A.

NOW, ARMED WITH ALL THIS INFORMATION, YOU CAN BEGIN TO SEE WHAT THE WORLD OF P.H.S. MAY LOOK LIKE OVER THE NEXT FIVE YEARS. LET ME SKETCH THE OUTLINE FOR YOU NOW:
1. WE WILL BE RETURNING TO WHAT HAD BEEN OUR TRADITIONAL ROLE AS A PARTNER...AN EQUAL AMONG EQUALS...WITH COLLEAGUES IN HEALTH AND MEDICAL CARE AT OTHER LEVELS OF GOVERNMENT AND IN PRIVATE NON-PROFIT AND FOR-PROFIT ORGANIZATIONS. MORE INITIATIVES FOR IMPROVED HEALTH AND MEDICAL CARE WILL SPRING FROM AMONG THOSE GROUPS THAN MAY HAVE BEEN THE CASE IN THE RECENT PAST. THE OPPORTUNITIES WILL BE THERE, SINCE THE FEDERAL ROLE IS BEING REDUCED, BROUGHT BACK DOWN TO A MORE REASONABLE SCALE. FEDERAL EXPERTISE WILL RESIDE MORE IN SUBSTANCE, IN THE ABILITY TO NEGOTIATE AMONG COMPETING INTERESTS ON THE PUBLIC'S BEHALF, AND IN THE STEWARDSHIP OF THE NATIONAL HEALTH AGENDA.

3. THE GREAT STRUCTURE BUILT TO CARRY OUT THE DELIVERY OF HEALTH SERVICES WAS PREDICATED ON MEDICAL PRACTICE THAT WAS ESSENTIALLY CURATIVE AND REPARATIVE. IT WAS ESSENTIALLY POST-FACTO MEDICINE. ONE OF THE THINGS WE'VE LEARNED FROM RESEARCH AND EXPERIENCE, HOWEVER, IS THAT THE MOST EFFECTIVE TOOLS WE HAVE TO IMPROVE HEALTH STATUS ARE PREVENTION AND HEALTH PROMOTION. THERE WOULD NEVER HAVE BEEN ENOUGH MONEY IN THE WORLD TO TAKE CARE OF HEART DISEASE AND CANCER VICTIMS -- IF THERE HAD BEEN NO CAMPAIGN TO GET PEOPLE TO QUIT SMOKING. WE WOULD NEVER HAVE BEEN ABLE TO CARE FOR THE CHILDREN AND ADULTS, STRUCK DOWN BY POLIO, DIPHTHERIA, MEASLES, AND TYPHUS, HAD THERE BEEN NO PROGRAM OF MASS CHILDHOOD IMMUNIZATION.

I HOPE THIS BRIEF OVERVIEW OF WHERE WE ARE AND WHERE WE ARE HEADING HAS HELPED YOU GET SOME ADDITIONAL PERSPECTIVE ON THE U.S. PUBLIC HEALTH SERVICE. WE'VE COME A VERY LONG WAY OVER THE PAST 184 YEARS. WE ANTICIPATE A FRUITFUL JOURNEY FOR THE NEXT 184.

THANK YOU.

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