

PREPARED TEXT OF ADDRESS BY SENATOR BOB DOLE
BRANDON COMMUNITY HOSPITAL DEDICATION, BRANDON FLA.
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This fine new hospital is a shining symbol of what the determined people of a community can do, within the private enterprise system, in spite of countless bureaucratic obstacles, to bring health care services closer to where they live.

The situation in Hillsborough County during the nine years it has taken to get this facility built posed a problem that is typical in many parts of the nation. Many of the existing hospitals are located near where the population used to be concentrated and many miles away from the areas of recent development and growth.

In downtown Tampa, there are hospitals across the street from one another. But that's 17 miles of congested highways--across three sets of railroad tracks--away from Brandon and a potential hospital service area of over 100,000 people. I am told that it sometimes took an hour or more to get to the emergency room from here.

INSPIRATIONAL STORY

The story of what it took to get this hospital built may be familiar to you, but it's an inspiration to those of us who believe that the free enterprise system is still the best vehicle for solving most of our problems in this country.

At first, as you know, there was considerable opposition to the construction of this institution. Your community leaders contracted with an investor-owned hospital management company to build and manage the hospital. But there were more bureaucratic snags with the County, State and Federal governments than Mr. Funderburk and the others care to remember, I'm sure.

But you persevered and here, at last, is your brand new hospital ready to receive its first patients tomorrow. I congratulate you on your accomplishment.

In addition to meeting the health care needs of the community, Brandon Community Hospital will bring payrolls and tax revenues to the area. The administrator estimates that the hospital will spend \$6 million a year--money that will go into the local economy. More important, the hospital will not be a drain on public funds. In fact, it will boost the tax rolls substantially. Being investor-owned it is not tax-exempt.

Therefore, the taxes that the hospital pays in Hillsborough County will go to help support the public hospital in Tampa.

For those of us who sit in Washington and make policy, health-care is a complicated subject with a lot of abstract terms. There is a danger that we become so laden with reimbursement rates, cost ratios, and delivery systems that we lose sight of the human element in the health-care mission. It is especially useful, therefore, to be able to visit a community such as yours and observe some of the problems and some of the solutions--not as they look on a piece of legislation, but the way they look up close.

PARTNERSHIP OF GOVERNMENT, PRIVATE SECTOR

This hospital and the skilled professional services that will soon be provided here are exhibits that tell of the progress and success achieved by our private enterprise health system. But we cannot ignore the fact that the federal government does have a role to play encouraging the development of needed services and the improvement of the existing health-care system. These improvements are best achieved by a partnership of government and the private health industry.

Medicare and Medicaid represented an effort to make medical services more readily available to the poor and elderly. These programs are under increasing scrutiny, however, because of soaring costs and cases of fraud and abuse.

Individual Americans hardly need to be told that the cost of health care has gone up rapidly since these programs were started. Health care consumes almost twice the percentage of the Gross National Product that it did in 1950.

Nor do these statistics come as any surprise to the providers of health care. They pay more of their malpractice insurance. The cost of labor and supplies are up. New medical treatment techniques carry a big price tag, too.

It is simply costing more to provide the quality of health care that Americans deserve.

Now that you have your hospital, you can look forward to the cost of hiring personnel to fill out forms and comply with all the federal, state and local government regulatory requirements.

GOVERNMENT PART OF THE PROBLEM

The President's Council on Wage and Price Stability said that the "ubiquitous and often conflicting morass of regulations" imposed by Washington, "instead of being part of the solution, is part of the problem of rising health-care costs."

I believe it is fair to say that the rapid increase in the cost of health care has become a matter of national concern.

Contrary to what some people think, a larger injection of federal control won't cure that ailment.

Government and the private sector must work together to keep rising costs under control. It can't be done arbitrarily, or by one side without the other.

This week the Health Subcommittee of the Senate Finance Committee will hold hearings on a bill I have co-sponsored--the Medicare-Medicaid Reimbursement and Reform Act. These two programs have become a heavy burden on the federal budget and an impenetrable maze to doctors, hospital officials, and other providers of health services.

Unless something is done to contain these costs, they will consume an ever increasing share of the federal budget.

Spiraling health costs are a concern to all of us, young and old, in all economic classes. But the delivery system is not responsible alone for generating these inflationary pressures. Rising labor and supply costs; the need to constantly upgrade equipment and facilities; skyrocketing malpractice premiums; and compliance with the proliferation of new regulations have all played their part.

HOSPITAL CAP UNREALISTIC

Those are conditions which have apparently gone unnoticed by the Carter Administration, which wants to impose an arbitrary 9 percent limitation on hospital reimbursement increases.

Without somehow placing corresponding limits on the prices hospitals must pay for the goods and services they need to buy, it is unrealistic to expect our health-care institutions to shoulder this burden alone.

Our bill is a reasonable alternative to the Carter cost containment plan. If there are efficiencies to be realized in Federal health program administration, our bill is realistically designed to bring them about.

Our approach is to provide incentives for cost efficiency. We would provide incentives for the establishment and maintenance of medical practices in communities where there is a need for more doctors--but where fees are relatively low--by increasing relative reimbursement levels.

My own state of Kansas has many sections where physicians are badly needed. But recruitment efforts have been hampered by the discriminating nature of current medicare reimbursement practices.

I also think we should prohibit the arbitrary publication of physicians' earnings in the Medicare-Medicaid programs. There were an inexcusably large number of errors in the "\$100,000 Club" list put out recently by HEW, and while we must protect against fraud and abuse, we should also protect against another unnecessary violation of personal privacy.

BILL SUBJECT TO CHANGE

The Talmadge-Dole bill is a good starting point for bringing health care costs under control--without setting up Federal Price Control Czars. Some of the provisions of that measure are subject to reconsideration and revision as far as I am concerned. We don't have the final answers.

Medicare and Medicaid affect the medical costs of every American--not just participants in the programs. It is essential that we grapple with this problem and bring it under control. It is also essential that the strength of the private health care system be preserved and government involvement in the regulation of medical practice be held to an absolute minimum.

What you have done here in Brandon is a monument to the effectiveness of a concerned citizenry and private enterprise working together to reach a common goal. It took nine years and there were many discouraging moments, but you reached that goal working together. Again, I commend you for what you have done together, and wish many years of successful operation for the Brandon Community Hospital.