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NEWS from
U.S. Senator
Bob Dole

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ADMINISTRATION HOSPITAL COST PLAN
WOULD PENALIZE PAST EFFICIENCY, DOLE CONTENDS

ST. LOUIS, MO. -- Sen. Bob Dole (R-Kan.) said Sunday that President Carter's hospital cost containment plan would penalize institutions that have been efficiently managed in the past and give an advantage to the inefficient.

Mr. Carter proposed a limitation on Medicaid and Medicare reimbursement for hospital cost increases to no more than 9 per cent in the next fiscal year.

Dole said that approach fails to take into account the uncontrollable rising costs that hospitals incure. "Soaring costs, whether of the bills that patients pay when they leave the hospital, or of the complicated equipment in the operating room, won't be brought under control by arbitrary decree, the senator declared, "no matter whether that decree is handed down by the government or anyone else."

PHYSICAL THERAPY ASSOCIATION MEETING

He addressed a luncheon meeting sponsored by the American Physical Therapy Association's Congressional Action Committee. APTA is holding its annual convention in St. Louis.

A "cap" on cost increases would cause most institutions to raise their rates by that much, the senator asserted, even those more efficient managers who might be able to hold their increases down. Cost-conscious facilities would be subject to the same percentage restrictions as those that have been extravagant in the past, he noted.

"This is a problem of national concern that can be dealt with best by a partnership of government and the private health-care system working together," Dole asserted.

He is a co-sponsor of the bill introduced by Sen. Herman E. Talmadge (D-Ga.) which would provide an alternative long-range solution to the health-care cost problem. Dole said Talmadge's approach is preferable because it would hold out reimbursement incentives for those institutions that can keep their costs within specified target limits.