REPORT
MEDICAL LEGISLATIVE CONFERENCE
of the
AMERICAN MEDICAL ASSOCIATION

March 18- 19, 1961

PICK-CONGRESS HOTEL
CHICAGO, ILLINOIS

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BRIDGEPORT, CONNECTICUT

Following a registration period beginning at 8:00 A.M. on Saturday, March 18th and subsequent to a few opening remarks by Julian O. Price, M.D., Chairman of the Board of Trustees of the AMA, the conference really got underway with an address titled "Must Reason Be a Feeble Reed" by E. Vincent Askey, M.D., President of the AMA.

He compared the positive approach of Medicine toward such achievements as polio vaccine, cancer research and open-heart surgery with the appealing approach of the Caroline Kennedys, the boy scouts and the P.T.A. which seem to make the headlines. But in today's program in Medicine, he continued, "We must of necessity enter into controversial matters - especially since the National Council of Churches, the AFL-CIO, the Socialist party and other powerful groups, including the President of the United States, have aligned themselves against us."

"Misunderstanding, hopelessness, anxiety, impulsiveness, apathy, defeatism and differences of opinion have no place in our battle. There are all conceivable attitudes in our very midst. But there is no triumphant retreat."

Doctor Askey emphasized: "We must have unanimity of opinion to carry on the conduct of our campaign. We must agree on a plan and carry it through. We must support our Board of Trustees, if our plan is to succeed. We must get on the team, and once the signal is called, we must follow through to the very last play in the game."

"The price of leadership in Medicine's campaign is to be willing to take vituperative criticism and abuse, and continue to state the facts.

Our enemies are adroit and they are distortionists. They will revile and persecute us but we will hate ourselves if we decide to float along with the stream."

Voluntaryism and not compulsion is what we stand for -- helping, but not coercing, those who need help. These tenets will lead us to success," he concluded.

Frank Groner, L.L.D., President of the American Hospital Association made the general statement that the solution of one problem produces many others.

Briefly, he touched on the following:
(1) What system will best serve the people of our nation?
(2) The AHA can live with the Kerr-Mills Bill.
(3) The government's responsibility is only toward the indigent and near indigent.

(4) Social Security implementation is socialization.
Mr. Groner elaborated and I quote according to my notes, "No matter how you view Social Security implementation, it is Socialization. Several years ago," he continued, "such implementation was to cost 600 million dollars, but by July of 1959 it was estimated by HEW to cost 1.2 billion, then 2.4 billion, and now the present King Bill is to cost 1.2 billion dollars with no doctor's fees and with the $90.00 deductible clause. And more recently a new figure arrived at is 1.5 billion dollars for hospital care only (not including nursing home care or doctor care)."
(5) Social Security implementation is irrevocable.
(6) Over utilization of hospitals with run-a-way costs will result.
(7) Greater utilization of the 'acute hospitals' with the same old problem of 'can't find a bed' will follow and increase.
(8) Social Security implementation would lead to total compulsory health insurance.
(9) To implement the King Bill under the Social Security mechanism would increase greatly the deficit financing of the Social Security system.

The Social Security debt arising out of unearned benefits is variously estimated to be in the neighborhood of $350,000,000,000. With only a relatively small amount on hand the taxpayers are in debt to the tune of approximately $330,000,000,000. insofar as Social Security alone is concerned. It would appear that we will have to pay interest on this debt forever. But that is not all, according to Mr. Groner, for when we consider what present and future American taxpayers now owe, exclusive of the Social Security debt, and add it to this latter debt, the ultimate figure would be somewhat over one trillion dollars.

Returning to the subject of the King Bill, Mr. Groner spoke of our opponents objecting to a means test while, in fact, the $90.00 deductible called for in the King Bill is a means test in itself. He had a great deal of reservation about the wording of the King Bill which states, "the government will pay reasonable costs." He is of the opinion that fixed cost payments would ultimately lead to the insolvency of the voluntary hospitals. The public should be entitled to the facts.

For every $1.47 sent to the Federal Government, the state got only $1.00 worth of service in New Jersey according to recent reports. On this basis you can imagine what the cost of the King Bill might be to the states now that the insurance industry has estimated the cost to be $1.5 billion for its first year of operation. Social Security at the end of this decade will take 12% of taxes.

Mr. Groner's address was followed by an "Estimate of the Legislative Situation" by C. Joseph Stetler, Director of the Division of Legal and Socio-Economic Activities. He called attention to the fact that on February 13, 1961, Congressman Cecil King (D) California, introduced H.R. 4222, and Senator Clinton P. Anderson (D) New Mexico, and eleven other Senators, introduced S.909 in the 87th Congress. These identical measures implement the aims of the Kennedy Administration as outlined by the President in his message to Congress.

Mr. Stetler reviewed the King Bill. It is a complicated one consisting of over 400 pages of print. This bill, called the Health Insurance Benefits Act of 1961, H.R. 4222 (87thCongress), was briefly analyzied as envisioned in the AMA "Medical Legislative Digest" of February 27, 1961 (enclosed for your further reference).

Mr. Stetler feels it is important to note that in examining the benefits in greater detail under "Inpatient Hospital Services" we find NOT INCLUDED: medical or surgical services provided by a physician, resident or intern, except in the fields of pathology, radiology, physiatry or anesthesiology. However, as we explore further, we find that it would include all types of service rendered in the hospital by an intern or resident-in-training under an approved teaching program. Inpatient hospital services would not include services of a private duty nurse.

Discussing these so-called benefits under the King Bill, Mr. Stetler emphasized the point that it entails the sale of physicians' services in four departments, namely, pathology, radiology, physiatry and anesthesiology and at the same time it compels the hospital to sell the services of internes and residents under their teaching program. Therefore, this is a most ominous piece of legislation. It appears evident, then, that this is exploitation of the young physician-in-training -- no matter how you slice it.

It might be of interest to report a few additional remarks of Mr. Stetler which are not to be found in the "Digest." In the 86th Congress there were 750 bills affecting medicine, and so far in the first few months of the 87th Congress there are already 350 such bills.

He urged that if the doctors, the woman's auxiliary and the executive officers of the state and county medical societies and their members do just a little better than they did in the 86th Congress, then in his opinion H.R. 4222 may not pass this year or next year.

In favor of passage of the King Bill are the following -

(1) An administration and its president who are ardently partial to it, to say the least.
(2) The powerful position of Cecil King, ranking member of the House Ways & Means Committee, who introduced it.
(3) A willingness to compromise.
(4) Our apathy.
(5) Our defeat in the White House Conference.
(6) The CBS-TV Fiasco
(7) The National Council of Churches who came out for a Social Security approach.

Circumstances which might not allow the King Bill to pass are -

(1) The close presidential election.
(2) Strong Congressmen on the House Ways & Means Committee.
(3) A stronger conservative Congress.
(4) Congressman Mills' refusal to sponsor it.
(5) The Senate Finance Committee with Senator Byrd who opposes it.
(6) Breakage of Rules Committee, which will aid us in the long run.
(7) Prompt implementation of the Kerr-Mills Bill.
(8) Because the doctors are left out of it, and
(9) Because the Communist and Socialist party joined the AFL-CIO to favor the King Bill.

In closing, Mr. Stetler said, "The big contingency is 'honest effort' on our part as to whether the King Bill will pass. Work as if your professional life depended on it - because it DOES."

Doctor Ernest B. Howard, Assistant Executive Vice President of the AMA, was the next speaker. His topic concerned "The Issues."

Briefly, Dr. Howard intimated that our adversaries have seen to it that references to Socialized Medicine and to the Voluntary Enterprise System type of philosophy have now been eliminated from the frame of reference in debate upon the subject.

Statements such as "this system permits people to prepay for health benefits to be received in their later years," should always be refuted. This system (i.e., implementation through the Social Security mechanism) does not PERMIT, it COMPELS people to pay. And such compulsory payment does not take care of their later years for themselves, but, to the contrary, it pays for current benefits of OASI beneficiaries.

In discussing these matters Dr. Howard advises us not to criticise Social Security, per se, but to use the Supreme Court decisions freely; i.e., that the Social Security System is NOT insurance but that it is a welfare program. And we might add here that the Supreme Court has emphasized in the case of Wickard v. Filburn that the Federal Government must control what it subsidezes.

Though specific disclaimers of such control have been written into the present Federal Welfare bills, there is no way to guarantee that the Congress in future years will not prescribe more obvious conditions and terms of control under which the funds allotted can be expended.

Under the King Bill, he said that the American people would be forced to contribute a tax to a health care scheme under which they would have no control of their own dollars.

"Why not give the beneficiaries more dollars?" he asked. But Wilbur J. Cohen will answer, "Because they won't spend them prudently." So Mr. Cohen as under-secretary of Health, Education and Welfare, is now privileged to direct us in how to spend our dollars!

Doctor Howard went on to explain that though the term "Socialized Medicine" has been eliminated from the frame of reference in debate by our adversaries, we should use the term. In doing so, it would be wise to use a definition which had been well thought out and prepared in advance. With this thought in mind it might be to our advantage to discuss further what Doctor Howard said at the conference as well as to quote him directly from a recent communication.

"The addition of health benefits to the social security system socializes health care because: (1) It places the principal responsibility for the financing and purchasing of that care directly in the federal government; (2) The federal government, through the Social Security Administration, fixes prices and compensation in accordance with what it determines to be 'reasonable cost'; (3) The federal government promulgates rules and regulations under which the payment for services rendered is made; (4) The federal government would eventually intervene between the vendor of services and the recipient to 'assure quality' and to maintain cost at a 'reasonable' level; (5) By virtue of the direct payment by the federal government of the providers of medical care, all intermediary agencies, including communities and states, would be circumvented; (6) No federal agency could administer a program costing several billions of dollars without, at the same time, controlling the services for which those billions of dollars are paid."

Even though doctors of medicine are not included in the King Bill, except as they are exploited in the four previously mentioned services, he asserted that if the Federal Government pays for so much as one hospital day, it is still Socialized Medicine.

"'Socialization' is inherent in any financing mechanism through social security because of the administrative nature of that system. Complete responsibility and authority are vested in the Social Security Administration under the King-Anderson Bills. The fact that most physicians are excluded from those bills is irrelevant. It is obvious from what Congressman Forand and others have already said that these bills, once enacted, will form the framework for rapid expansion to include the services of physicians as well as hospitals and nursing homes. The arguments by Ribicoff that these bills do not constitute 'socialized medicine' because 'physicians are not included and all patients are not included and all patients would have the right of free choice' are nonsense. It is obvious that physicians would be included at an early time and the free choice argument is a non sequitur. Even if free choice were retained to a large degree, the services still could be 'socialized', in the sense that the federal government would control the nature and quality of the services rendered."

In speaking further on the compulsory nature of the Social Security approach, Dr. Howard added, "We do not believe in forcing help on those who do not need help. A society with no means test is a 'big brother' society.

Regarding the economic status of our elderly, there are many statistics to indicate that the age group over 65 is one of the best age groups economically.

The King Bill tells doctors <u>what</u> to do and <u>how</u> to do their job."

He also stated Cohen's reply to Bruce Alger of Texas, who really took him to task, was an admission in the House Ways and Means Committee on July 14, 1959, that, "at this time, we do not need socialized medicine." But he didn't say how soon <u>he</u> might later think we need it! Reference was made to Cohen's tactics in the recent White House Conference in 1961.

<u>Ned F. Parish,</u> Assistant Executive Vice President of Blue Shield affirmed that Blue Shield is fully committed to the preservation of private medical care and rejects the thesis that government alone can provide adequate medical care. Also, Blue Shield is fully and unequivocally committed to private institutions for the financing of health care. The program furnishes continuing coverage of the 65 and over even after they have left their employer.

Today 47 of 69 Blue Shield plans (71%) have non group programs available to those over 65. If the New York and Pennsylvania plans come in, then 91% of the plans would cover those persons 65 and over after they leave their employers.

Blue Shield believes that dollar for dollar it can supply and provide better health care coverage than any government plan.

<u>Thomas M. Brennan</u>, Vice President of the National Association of Manufacturers stated that the National Association of Manufacturers will continue to work with its state associations to cooperate with and support the doctors of America in their struggle to maintain the private practice system of medicine.

<u>Roger Fleming of Washington, D. C.</u>, Secretary-Treasurer of the American Farm Bureau Federation accused the government of funnel vision and suggested that we take a wide-angled look at what the government is doing to the people. As soon as one

goes to the central government for every local problem, we defeat the ultimate, whether it be the cost to the people for medical care or anything else which is very important to persons on a fixed income.

"It is to be found on the basis of the record that if each promotes his own individual welfare, it will best serve the general welfare," stated Mr. Fleming.

He spoke of our adversaries as having a "license to lie", and to be a "cult of the positive, even if it's positively wrong." And if we, in medicine, are so often accused of taking a negative approach, why not recall the fact to our liberal and socialist "friends" that seven of the Ten Commandments start out with "Thou shalt not", and are they prepared to argue against the negative?

He stated further that he didn't know too much about the "new" or the "old" frontiers, but he did know that the fight for freedom is the eternal frontier.

The guest speaker at the luncheon on Saturday, March 18th was the Honorable Robert S. Kerr, U.S. Senator from the State of Oklahoma and co-author of the Kerr-Mills Bill. His inspiring address should have been taped and made compulsory listening for every member of the medical profession. To my way of thinking it would leave about 95% of our membership with a guilt complex arising from their individual apathy and inaction.

Senator Kerr, by co-authoring the Kerr-Mills Bill, has made a real effort to provide for medical assistance for the aged in a manner which will do the job properly and which has also met with the approval of organized medicine. He urged the medical profession to get behind the Kerr-Mills Bill to secure its early implementation by exercising our right of petition.

He recalled the days when physicians of America went to Europe, but that now physicians of Europe come to America to learn and perfect themselves in an atmosphere of Freedom. Be sure to preserve this freedom, he warned, lest the night we go to sleep on this treasured heritage will be the night we'll lose it.

He urged that we busy ourselves by writing members of the House Ways and Means Committee, the House Rules Committee and the Senate Finance Committee.

The Saturday afternoon session was presided over by Doctor George M. Fisher, member of the A.M.A. Board of Trustees, who introduced the following speakers -

Leo Brown, Director of the Communications Division, A.M.A. asserted that the doctors of America are in a real war which necessitates the active participation of every doctor of medicine, every auxiliary member and all persons or groups receptive to our way of thinking. He stressed the need for a greater effort in professional education.

Roy T. Lester, M.D., Manager of the Washington Office, A.M.A. stated that there were ten persons employed in the Washington A.M.A. office and that none is a lobbyist.

They do have three men who are called lobbyists by some, but they are just information or contact men to congressmen. They have no vote to give to the congressmen, they are not from the congressmen's districts and they make no contribution to the congressmen's campaigns.

We need a doubling and a tripling of everything that has been done. We have no special privileges, no postmasters to appoint or anything else such as the administration has to offer.

We have got to get the message across to the public and we've got to get the public to write their congressmen in our behalf.

Aubrey D. Gates, Director of the Field Service Division, A.M.A. warned that we have just as many hurdles to clear as we had in fighting the Forand Bill and that "Cope", the so-called Committee on Political Education of the AFL-CIO, is holding 17 regional meetings across the nation to implement the Kennedy proposals.

It is important to know the names of the members of three important committees- the House Ways and Means Committee, the House Rules Committee and the Senate Finance Committee. (see enclosed list) Write to these congressmen; but what is even more important, get others than medical doctors to write them and to all members of the Congress -- 1000 letters per week are needed for the rest of this session of the National Congress.

The final speaker of the afternoon was F. J. L. Blasingame, M.D., Executive Vice President of the A.M.A. He urged that we move into stepped-up action in the area of organizing committees or persons to carry out our program. Increase our educational programs regarding the Kerr-Mills Bill -- use all means of communications ---2,000,000 plus persons are seen daily by physicians. Utilize state and county associations, the women's auxiliaries, hospital administrators, Blue Cross and Blue Shield.

He stated there are 2,000,000 persons working on health teams today -- contact these. Also work through the Chamber of Commerce, Manufacturer's Associations, Dental and Bar Associations, the Farm Bureaus and every possible agency favorably inclined toward physicians.

He spoke of the problem injected by the National Council of Churches.

Combat unfair editorials with a barrage of well written letters. Energize the local speakers bureaus and cooperate with the national bureau. There are 100 of these available throughout the nation.

The A.M.A. is to organize a Political Action Committee - later on a state and local level. Get busy on the 1962 elections at once.

On Sunday, March 19th, the morning was utilized in Regional Workshop Sessions. These were followed by a general session devoted to regional workshop reports.

Each state comprising the regional groups carefully analized their legislator's views regarding their possible voting proclivities on the King Bill. Members of both the Senate and House were recorded as "for", "against", or "doubtful" and even as to the direction which their doubts might take. The resulting figures would indicate that all is not lost if we will just put our shoulders to the wheel.

We were urged to select about 10% of our membership to act as "Paul Reveres" and to ask each of these to speak to 9 other men who might be in a position to personally contact legislators in this matter and give a little of our time, energy and means.

This was followed by a luncheon at which the guest speaker was Edward R. Annis, M.D., of Miami, Florida.

Doctor Annis, in his usual characteristic fashion, gave a pep talk as no one else can. He insisted that we should work together and be sure to read the A.M.A. publications, adding that every bit of material he had used in the TV debates had previously appeared in the AMA News.

He urged us to be reasonable - not vindictive or abusive in our contact with our adversaries.

Irrespective of how many physicians attend a conference with the magnitute of scope, intent and purpose of the one held in Chicago on March 18th and 19th, and at which I had the privilege of being one of your three official representatives, it is my opinion that each of us would bring back varied interpretations of the proceedings of the meeting. The sum-total of these several interpretations would then add up to a single course of action which might be followed.

Right at the outset it might as well be realized that we have not seen the end of legislative conferences -- that action of this type must become a continuing effort if we are to succeed. And the effort again must stress the prime necessity to acquaint the physician with the facts. In this area of thought, one of the speakers at the conference made the statement that not even 10% of physicians knew what the important provisions of the Kerr-Mills Bill are and fewer than that percentage had taken time to really seek-out an analysis of the bill so that they could intelligently discuss it with members of allied groups, legislators or persons in a position to be of help to us. Enlightenment of the physician is most important.

No matter how many letters we had previously written to congressmen regarding the Forand Bill, it is still an important and accepted method of letting our legislators know what their constituents back home think of the Kerr-Mills approach to the financing of health care to the aged.

Carefully worded and well thought-out letters with a word of appreciation from doctors are often of merit. However, some of the most poorly written letters to legislators come from physicians -- some are truly abusive. Don't villify your congressman, but give him a pat on the back if you possibly can. Even more important than letters from doctors, in a ration of 2:1, are letters from other persons - your patients, your friends and individual members of groups allied with us such as those represented by nursing home associations, farm bureaus, pharmaceutical and hospital associations. Get the auxiliary members, nurses, members of women's clubs, Rotary and Kiwanis clubs and anyone else to write to their legislators expressing the adequacy of the Kerr-Mills voluntary approach.

Do not call the King or Anderson Bills the Kennedy Bill.

Though we as physicians pooh-pooh letters in the "live letters" column it is nevertheless an accepted nmethod of getting our ideas across to the public. Our opponents do not hesitate to take advantage of this type of approach.

These homely remarks may seem ultra-simple to you, but remember the statement of a moment ago in quoting one of the speakers at the conference, namely that "the most unfavorable approach is often taken by doctors and that some of the poorest letters are often written by physicians to their legislators."