

## HOLDING DOWN HOSPITAL BILLS

CONGRESSMAN NICK RAHALL

THE EXPENDITURES FOR HEALTH CARE IN THE UNITED STATES HAS INCREASED FOR DECADES. BY FISCAL YEAR 1977, TOTAL HEALTH SPENDING IN THE UNITED STATES REACHED AN ESTIMATED \$163 BILLION, OR ABOUT 8.8 PERCENT OF THE GROSS NATIONAL PRODUCT.

IN 1978, HOSPITAL COSTS ALONE ROSE 12.8 PERCENT, COMPARED TO 9 PERCENT FOR ALL CONSUMER PRICES.

THIS RAPID GROWTH IN HEALTH CARE, AND ESPECIALLY IN HOSPITAL EXPENSES, HAS FOCUSED INCREASING CONGRESSIONAL ATTENTION ON THE HEALTH SECTOR. MAJOR PROPOSALS WERE INTRODUCED IN THE LAST SESSION OF CONGRESS TO CONTAIN RISING HOSPITAL COSTS AND TO REVISE THE MAJOR PUBLIC PROGRAMS PAYING FOR MEDICAL CARE, MEDICARE, AND MEDICAID.

LAST WEEK, PRESIDENT CARTER SUBMITTED HIS 1979 HOSPITAL COST CONTAINMENT BILL TO CONGRESS. IN DOING SO, MR. CARTER CITED THAT: ONLY TEN YEARS AGO, A PATIENT PAID \$533 FOR AN AVERAGE STAY IN A HOSPITAL; THE AVERAGE HOSPITALIZATION NOW COSTS, \$1,634. BY THE END OF THIS CENTURY, AMERICANS WILL BE PAYING \$1 TRILLION DOLLARS ON HOSPITAL CARE, UNLESS THE INCREASE IS BROUGHT INTO LINE.

WHEN HOSPITAL COSTS RISE, THE ELDERLY, WHO NEED MORE SERVICES, ARE PARTICULARLY HARD HIT. THE MEDICARE HOSPITAL DEDUCTIBLE PAID BY THE ELDERLY HAS ALMOST QUADRUPLED FROM \$44 IN 1969, TO \$160 IN 1979. IF HOSPITAL INFLATION IS NOT RESTRAINED, THE DEDUCTABLE WILL REACH \$260 IN 1984.

THE ADMINISTRATION'S PLAN WOULD GIVE THE HOSPITALS UNTIL JAN. 1, 1980, TO PROVE THAT THEY CAN HOLD THE AMOUNT OF MONEY THEY SPEND, RATHER THAN TAKE IN, TO AN ANNUAL INCREASE OF NO MORE THAN 9.7%, PLUS AN ADJUSTMENT THAT WOULD TAKE INTO ACCOUNT SOME INFLATION FACTORS.

WASHINGTON BY-LINE, PAGE 2

ALTHOUGH THIS MEASURE IS EXPECTED TO FACE STIFF OPPOSITION IN CONGRESS, OPINION POLLS SHOW THAT AMERICANS RATE THE HIGH PRICE OF HEALTH CARE AS ONE OF THEIR TOP FOUR FINANCIAL WORRIES, EXCEEDED ONLY BY INFLATION IN GENERAL, UNCONTROLLED FEDERAL SPENDING AND UNEMPLOYMENT.

THE CONTAINMENT OF HEALTH CARE COSTS WILL BE A MAJOR LINK IN THE FIGHT AGAINST INFLATION IN THE COMING MONTHS, AND NUMEROUS LEGISLATIVE PROPOSALS WILL BE SUBMITTED BEFORE ANY FINAL DECISIONS ARE MADE. HOWEVER, THE MOST IMPORTANT POINT IN THIS DEBATE WILL BE TO HOLD DOWN COSTS, WHILE STILL PROVIDING QUALITY HEALTH CARE.