

INDUSTRIAL WAR COLLEGE

DINING-IN

FORT BELVOIR

3.15.83

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SURGEON GENERAL

U.S.P.H.S.

PLEASE

UNIFORMED SERVICES

REMINI YOU WE ARE UNARMED

HAVE NO DEFENSE

OFFENSE BUDGET

OUR DEFENSE IS CONSTANT

TIME CONSUMING

INEXPENSIVE

OPPONENT IS OMB

ENJOYED MY TIME SINCE CONFIRMATION

OTHER SGT

CREDIBILITY

TURF

ACCEPTANCE

COOPERATION AT AMSUS

PROUD TO WEAR THIS UNIFORM

NEVER EMBARRASSED

ALTHOUGH I COULD HAVE BEEN

WHAT AIRLINE

HERSHEY

ELEVATOR MAN

DC 10 - SEAT 22C

①

LET ME TELL YOU A LITTLE OF THE PHS

NHS - HUGE

PHS - 55000

C.C. - 7000

WE HAVE 5 AGENCIES

OFFICE OF ASH

I KNOW YOU'VE BEEN ABSORBING VAST AMOUNTS OF INFORMATION SINCE MARCH 7, SO I WILL TRY TO BE AS BRIEF AS I CAN.

FIRST, YOU SHOULD KNOW THAT THE PUBLIC HEALTH SERVICE IS FAR FROM BEING A MONOLITH. IT IS MADE UP OF FIVE P.H.S. AGENCIES, PLUS THE OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH. THAT POSITION HAS LINE AUTHORITY OVER THE PUBLIC HEALTH SERVICE AND HAS BEEN PLAYING AN INCREASINGLY SIGNIFICANT ROLE IN THE AREAS OF BOTH POLICY AND PROGRAM. IN URGENT MATTERS OF PUBLIC HEALTH, THE SURGEON GENERAL IS THE PRINCIPLE COMMUNICATOR. I AM ALSO THE HIGHEST RANKING MEMBER OF THE UNIFORMED P.H.S. COMMISSIONED CORPS, WHICH IS 5,800- STRONG.

NOW, WHAT ABOUT THOSE AGENCIES.

TAKING THEM IN ALPHABETICAL ORDER, I'LL START WITH THE ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION. I THINK THE TITLE SAYS IT ALL. THIS AGENCY HAS THREE NATIONAL INSTITUTES -- OF MENTAL HEALTH, OF DRUG ABUSE, AND OF ALCOHOLISM AND ALCOHOL ABUSE. THEY CARRY OUT RESEARCH AND PUBLIC EDUCATION PROGRAMS AND, UNTIL RECENTLY, THEY'VE ALSO SUPPORTED A WIDE RANGE OF SERVICE DELIVERY PROGRAMS AT

THEM LOCAL LEVEL...800 MENTAL HEALTH CENTERS...300 STATE AND LOCAL DRUG ABUSE PROGRAMS...AND ABOUT 1,000 LOCAL ALCOHOLISM PROJECTS. BUT MORE ABOUT THOSE PROJECTS LATER.

THE FISCAL 1983 APPROPRIATION FOR A.D.A.M.H.A., AS IT IS KNOWN IN THE TRADE, IS \$420 MILLION DOLLARS.

NEXT, ARE THE CENTERS FOR DISEASE CONTROL, OR C.D.C. THE CENTERS ARE HEADQUARTERED IN ATLANTA AND, AS THE NAME IMPLIES, THEY'RE CONCERNED PRIMARILY WITH CONTROLLING 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 CARRY OUT SUCH ACTIVITIES AS CHILD IMMUNIZATIONS, THE CONTROL OF SEXUALLY TRANSMITTED DISEASES, AND THE EPIDEMIOLOGICAL DETECTIVE WORK

TO UNRAVEL THE MYSTERIES OF LEGIONNAIRE'S DISEASE, TOXIC SHOCK SYNDROME, AND THE LATEST STRAIN OF INFLUENZA. RIGHT NOW, AS YOU HAVE PROBABLY READ IN THE PAPERS, THE C.D.C. ARE TRYING TO SOLVE THE MYSTERY OF A.I.D.S., OR ACQUIRED IMMUNE-DEFICIENCY SYNDROME.

C.D.C. PERSONNEL ARE NOT ONLY ON T.D.Y. WITH STATE HEALTH AGENCIES, BUT THEY'RE ALSO ON DUTY OVERSEAS SCREENING SOUTHEAST ASIAN REFUGEES OR HELPING THE WORLD HEALTH ORGANIZATION PLAN ITS "EXTENDED CHILD IMMUNIZATION PROGRAMME." THE PUBLIC HEALTH SERVICE IS INVOLVED TO SOME EXTENT IN TECHNICAL ASSISTANCE AGREEMENTS FOR IMPROVING THE HEALTH CARE IN 38 OTHER NATIONS. THE CENTERS FOR DISEASE CONTROL CONTRIBUTE PERSONNEL AND EXPERTISE TO MOST OF THESE.

THE C.D.C. BUDGET FOR FISCAL '83 IS \$248 MILLION.

THE FOOD AND DRUG ADMINISTRATION -- OR F.D.A. -- HAS BEEN, FOR MOST OF ITS 77 YEARS, ONE OF THE MOST WIDELY PUBLICIZED, PRAISED, AND VILLIFIED AGENCIES OF GOVERNMENT. THE TWO WATCHWORDS OF ITS LAW, SAFETY AND EFFECTIVENESS, PLACE THE F.D.A. AS 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 '83 IS \$367 MILLION -- NOT AN EXTRAORDINARY SUM, CONSIDERING THAT THE MISSION OF THE F.D.A. IS TO REGULATE ABOUT \$465 BILLION WORTH OF AMERICAN COMMERCE, A LITTLE MORE THAN 100 TIMES THE F.D.A.'S BUDGET.

THE HEALTH RESOURCES AND SERVICES ADMINISTRATION IS CONCERNED WITH A VARIETY OF PROGRAMS:

FIRST, IN SHEER SIZE AND IMPACT, THE MAJOR H.R.S.A. PROGRAM IS THE MATERNAL AND CHILD HEALTH PROGRAM -- RUNNING AT A LEVEL OF \$373 MILLION THIS FISCAL YEAR -- PLUS SUCH RELATED PROGRAMS AS FAMILY PLANNING, GENETIC COUNSELING, AND THE PREVENTION OF SUDDEN INFANT DEATH SYNDROME.

NEXT WOULD BE 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 CERTAIN PROFESSIONS. YOU ARE PROBBANLY MOST FAMILIAR WITH THE MAJOR COMPONENT OF THIS PROGRAM, THE NATIONAL HEALTH SERVICE CORPS, WHICH ASSIGNS 2,500 HEALTH PERSONNEL MOSTLY PHYSICIANS, NURSES, AND DENTISTS TO DELIVER MEDICAL CARE IN UNDERSERVED AREAS. THIS IS HOW THESE YOUNG PROFESSIONALS REPAY THEIR STUDENT LOANS TO THE GOVERNMENT.

A THIRD MAJOR PROGRAM HAS BEEN THE BUILDING AND MAINTENANCE OF AMERICAN 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 100,000 SURPLUS HOSPITAL BEDS, A COSTLY CIRCUMSTANCE FOR THE NATION.

THIS ORGANIZATION HAS ALSO BEEN RESPONSIBLE FOR SUPPORTING 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 THE CAUSE OF RELIEF FROM FEDERAL REGULATIONS AND A RETURN TO THE PRIMACY OF STATE GOVERNMENT.



THE HEALTH RESOURCES AND SERVICES ADMINISTRATION IS THE P.H.S. AGENCY THAT HAS ACTUALLY DELIVERED -- DIRECTLY OR THROUGH THIRD PARTIES -- A VARIETY OF HEALTH SERVICES TO "PROTECTED POPULATIONS." SOME EXAMPLES 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.

THE HEALTH RESOURCES AND SERVICES ADMINISTRATION HAS A FISCAL '83 APPROPRIATION OF \$1.2 BILLION.

THE AGENCY WITH THE LARGEST APPROPRIATION IS THE NATIONAL INSTITUTES OF HEALTH. ITS BUDGET FOR FISCAL 1983 IS \$4 BILLION

THE 11 INSTITUTES THAT MAKE UP THE N.I.H. SUPPORT ABOUT 16,000 EXTRAMURAL RESEARCH PROJECTS AT ANY ONE TIME. N.I.H. ALSO CARRIES OUT SOME 2,000 INTRAMURAL PROJECTS EACH YEAR. SINCE 1937, WHEN THE NATIONAL CANCER INSTITUTE WAS ESTABLISHED, THE N.I.H. HAS SUPPORTED THE WORK OF 60 NOBEL LAUREATES IN MEDICINE, PHYSICS, AND CHEMISTRY, OR ABOUT 1 OUT OF 6 WINNERS IN THOSE PRIZE CATEGORIES.

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 SUCH AS PLANNING, EVALUATION, MANAGEMENT AND BUDGET, PERSONNEL, AND SO ON.

THE O.A.S.H. BUDGET THIS YEAR IS \$1.5 BILLION. BUT OVER 80 PERCENT OF THAT IS THE FUNDING OF FOUR BLOCK GRANTS. AND THAT LEADS US TO SOME COMMENTS ABOUT THE FUTURE.

I WANT TO TELL YOU OF 5 CHANGES

THEN A FEW NUMBERS

A. Change in our perceptions of disease and disability:

- ° We have gained control over the major infectious diseases of childhood, virtually eliminating polio and indigenous measles, etc.
- ° We are continuing to bring down the death rates associated with heart disease and stroke and, for persons under the age of 45, the rates for cancer as well.
- ° We are convinced that personal, family, and community behaviors can prevent a great deal of disease and disability and also promote the maintenance of good health.

B. Change in our priorities for research:

- ° We are focusing on the genetic information within the human cell.
- ° We are adapting hybridoma technologies to open new avenues in immunology, oncology, virology, and other areas.
- ° We are seeking to learn more about the role of behavior in prevention: e.g., smoking cessation, diet, alcohol intake, exercise.
- ° We need to know more about the interrelationships among economics, social change, and medical progress.

C. Change in our perceptions of the costs of health care.

- ° While reducing the overall national rate of inflation, we still cannot prevent medical costs from spiraling up at twice the national rate.
- ° We are more prone to analyze the cost-benefit ratios of new medical technologies.
- ° We want medicine to be more cost-competitive, yet we will not give up the goal of universal equal access to quality care.
- ° Health care now has better than a 10 percent share of the American G.N.P. -- it will shortly be more -- and we tend to be concerned about the impact of that share upon the rest of the American economy.

D. Change in the composition of the American population.

- ° The "Baby Boom" generation is now entering middle age, creating impact on family health services and the insurance system.
- ° By the year 2020, about 1 person in 5 will be over the age of 65; the "Graying of America."
- ° We are now experiencing an "echo effect" of the post-World War II "Baby Boom."
- ° A loosening of traditional family ties has left the care of the elderly, for example, largely to society and child health to the schools.

**E** Change in the apportionment of responsibility for health.

- ° The Reagan Administration, through the system of Block Grants, has shifted the delivery of health services from the Federal Government to State, county, and local agencies.
- ° Government at all levels is seeking the active participation in decision-making of the private sector.
- ° The emphasis on prevention and the promotion of good health is drawing the individual, the family, and employers into the "circle of responsibility" for improved health status.

*NOW SOME NUMBERS*

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SOME NUMBERS:

In 1981 the American people spent \$287 billion on health care.

This was 9.8 percent of the GNP.

This represented \$1,225 for every man, woman, and child in the U.S.

About \$700 per person was spent out-of-pocket.

About \$525 per person was spent by government agencies.

Of the total, \$118 billion was spent on hospital services.

\$13 billion by the patient, \$40 billion by insurance, the rest by government

Of the total, \$55 billion was spent on physician services.

\$21 billion by the patient, \$19 billion by insurance, and the rest by government

The total P.H.S. budget for 1983 is \$7.79 billion.  
The total P.H.S. budget proposed for 1984 is \$7.70 billion.

The 1983 budget for the F.D.A. is \$367 million. The F.D.A. regulates \$465 billion worth of commerce.

The 1983 budget for the C.D.C. is \$250 million. The C.D.C. program to immunize 95 percent of all American children costs \$40 million this year.

The C.D.C. program to fight venereal diseases, which have an impact of \$4 billion-plus on American society, is operating at a level of \$48 million this year.

Smoking is the country's Number One public health epidemic. This year we are spending a little over \$2 million on research and public education to combat cigarette smoking.

②

The 1983 budget for N.I.H. is \$4.004 billion this year. We propose that it rise to \$4.077 next year.

The National Heart, Lung, and Blood Institute does research on the two major causes of death in this country: heart disease and stroke. This year's budget is \$623 million. We propose that it rise next year to \$628 million.

Cancer is the country's third leading cause of death. The National Cancer Institute began operations in 1937, the first of the 11 National Institutes of Health. This year the N.C.I. budget is \$984 million. We propose that next year it rise next year to \$989 million.

**MORE DIFFICULT TO MANAGE ARE NUMBERS  
LIKE THESE**

Price variations in Medicare (cases showed no difference in quality):

For treatment of heart attack: Hospital A -- \$1,500  
Hospital B -- \$9,000

For hip replacement: Hospital A -- \$2,100  
Hospital B -- \$8,200

For removal of cataracts: Surgeon A -- \$2,800  
Surgeon B -- \$450

1983 BUDGET ADAMHA 12 335 MILLION

2/3 NIMH

1/3 ALCOHOL  
DRUGS 1  
2

NIMH - AWARDED 500 NEW + COMPETING GRANTS  
(OUT OF 1500 TOP FLIGHT APPL.)

LEADER OF BRAIN RESEARCH - WORLD

PET SCANNER

SEROTONIN

ENORPHINS

ADA - DOES 80% OF ALL SCIENTIFIC RES  
WORLD WIDE

INTRAMURAL 20%

EXTRA " 80%

IN PAST 2 YEARS)

CONSOLIDATED HOUSEKEEPING  
WORD PROCESSING  
SERVICE ADM  
ETC

↓ 50%

TO BE AGENCY & SMALLEST ADM.  
SLICE IN PHS

SPEAKING OF NAT'L INST OF MENTAL HEALTH  
PROVIDES THE OPPORTUNITY TO LET YOU IN  
ON HOW AT LEAST ONE PSYCHIATRIST COULD  
SAY "YOU WIN SOME; YOU LOSE SOME"

N.Y.

BVS

HAREN