

91-30
EXCHANGE OF PUBLIC HEALTH SERVICE
HOSPITAL WITH TULANE UNIVERSITY

GOVERNMENT

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HEARING
BEFORE THE
SUBCOMMITTEE ON
PUBLIC HEALTH AND WELFARE
OF THE
COMMITTEE ON
INTERSTATE AND FOREIGN COMMERCE
HOUSE OF REPRESENTATIVES
NINETY-FIRST CONGRESS

FIRST SESSION

ON

H.R. 13448

A BILL TO AUTHORIZE THE EXCHANGE, UPON TERMS FULLY
PROTECTING THE PUBLIC INTEREST, OF THE LANDS AND
BUILDINGS NOW CONSTITUTING THE U.S. PUBLIC HEALTH
SERVICE HOSPITAL AT NEW ORLEANS, LA., FOR LANDS UPON
WHICH A NEW U.S. PUBLIC HEALTH SERVICE HOSPITAL AT
NEW ORLEANS, LA., MAY BE LOCATED

NOVEMBER 12, 1969

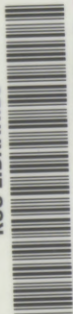
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EXCHANGE OF PUBLIC HEALTH SERVICE HOSPITAL WITH TULANE UNIVERSITY

WEDNESDAY, NOVEMBER 12, 1969

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON PUBLIC HEALTH AND WELFARE,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., in room 2218, Rayburn House Office Building, Hon. Paul G. Rogers presiding (Hon. John Jarman, chairman).

Mr. ROGERS. The subcommittee will come to order, please.

Now, the hearings today are on H.R. 13448, introduced by our colleague and the gentleman from Louisiana, Mr. Hébert, for himself and for Mr. Boggs, providing for the exchange with the administrators of Tulane University of the lands and buildings comprising the U.S. Public Health Service Hospital at New Orleans, La., for other lands of equal value for use in the construction of a new Public Health Service hospital in that town.

At this point in the record there will be printed the text of the bill and the agency reports thereon.

(The text of H.R. 13448 and departmental report thereon follow:)

[H.R. 13448, 91st Cong., first sess., introduced by Mr. Hébert (for himself and Mr. Boggs) on August 11, 1969]

A BILL To authorize the exchange, upon terms fully protecting the public interest, of the lands and buildings now constituting the United States Public Health Service Hospital at New Orleans, Louisiana for lands upon which a new United States, Public Health Service Hospital at New Orleans, Louisiana may be located

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. That, subject to the provisions of section 2 of this Act, the Secretary of Health, Education, and Welfare, is hereby authorized, on behalf of the United States, to exchange with the administrators of the Tulane educational fund upon such terms and conditions as the Secretary may determine to be in the public interest, the lands and buildings comprising the United States Public Health Service Hospital at New Orleans, Louisiana, for lands upon which a new United States Public Health Service Hospital at New Orleans, Louisiana may be located, to be provided by the administrators of the Tulane educational fund at a suitable site.

SEC. 2. The exchange authorized by the first section of this Act shall not be made unless the Secretary of Health, Education, and Welfare determines (1) that the value to the United States of the property to be conveyed to it is equal to or in excess of the market value of the property to be conveyed by the United States, or (2) that the United States is to receive from the administrators of the Tulane educational fund upon conveyance of the properties to be exchanged, a sum of money equal to the amount by which the market value of the property to be conveyed by the United States exceeds the value to the United States of the property to be conveyed to the United States. Any money received shall be covered into the Treasury as a miscellaneous receipt.

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., November 12, 1969.

HON. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Your letter of August 12, 1969, requested the views of the General Services Administration on H.R. 13448, 91st Congress, a bill "To authorize the exchange, upon terms fully protecting the public interest, of the lands and buildings now constituting the United States Public Health Service Hospital at New Orleans, Louisiana for lands upon which a new United States Public Health Service Hospital at New Orleans, Louisiana may be located."

The first section of the Act would authorize the Secretary of Health, Education, and Welfare to exchange with the administrators of the Tulane educational fund the lands and buildings comprising the United States Public Health Service Hospital at New Orleans, Louisiana, for lands upon which a new hospital may be located, to be provided by the administrators of the Tulane educational fund at a suitable site.

Section 2 of the bill provides that the exchange shall not be made unless (1) the value to the United States of the property to be conveyed to it is equal to or in excess of the market value of the property to be conveyed by the United States, or (2) the United States is to receive from the administrators of the Tulane educational fund, upon conveyance of the properties to be exchanged, a sum equal to the amount by which the market value of the property to be conveyed by the United States exceeds the value of the property to be conveyed to the United States.

On the assumption that the exchange does not involve construction of any improvements by the other party, the exchange proposed by this legislation is within the program responsibility of the General Services Administration pursuant to section 203(c) of the Federal Property and Administrative Services Act of 1949, as amended. If DHEW would report the United States Public Health Service Hospital at New Orleans to GSA as excess to its needs, GSA could handle the exchange transaction under the purview of the Property Act. We have made many such exchanges and are presently handling a number of exchanges similar to the one proposed. In light of the circumstances, the reporting of the property as excess to the needs of DHEW may be made for the specific purpose of accomplishing its exchange for the new lands.

Where general legislation, such as the Property Act, provides authority to accomplish the proposed transaction, we consider that the public interest is best served through using such authority rather than resorting to special legislation.

Accordingly, we oppose the enactment of this special legislation.

The Bureau of the Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this report to your Committee.

Sincerely,

ROD KREGER, Assistant Administrator.

Mr. ROGERS. And as our first witness this morning we are very pleased to welcome to the committee our distinguished colleague, the Honorable Eddie Hébert. Congressman, we are pleased to have you and we will be delighted to receive your testimony, sir.

STATEMENT OF HON. F. EDWARD HÉBERT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. HÉBERT. Thank you very much, Mr. Chairman. May I express my deep appreciation to you and your colleagues for allowing us to appear in behalf of this piece of legislation this morning.

My purpose in the preliminary remarks is to try to give you the feel and the background or the genesis of the proposed legislation and the reason for its enactment.

Backing up the bill will be Secretary Cavanaugh from the Department, and Dr. Butler and Dr. Van Hoek, and from Tulane University will be Dr. Clarence Scheps, who is the executive vice president of Tulane University.

My colleague, Congressman Hale Boggs, has advised me that he also would be here to appear and if not, of course, he will file something for the record.

Now, members of the committee, the genesis of this bill came about as a result of a great magnified plan of concentration of hospitalization and medical facilities within the city of New Orleans.

In the city of New Orleans, if I may paint a word picture for you, in the downtown area of the city, and most all of you are familiar with it, is located the world famous Charity Hospital, which has been there for a century.

Also located in that area is the Tulane University Medical School and the Louisiana State University Medical School.

Nearby is another fine hospital, under the supervision of the Sisters of Charity. Some leading citizens of New Orleans created a thought and brought into being an idea of developing a great medical center right in the heart of New Orleans concentrated around these buildings.

Oh, I forgot to mention that the veterans hospital is located right adjacent to the Charity Hospital in this area.

So then you have a picture of exactly what this great center is.

The plan of an organization that has been formed called HEAL is attempting to bring together all of the medical facilities of the city into this multi-acre area and concentrate and make it probably one of the world's greatest medical centers.

In connection with this the Public Health Service hospital is located in New Orleans on an area of ground some 5 or 6 miles removed from where this centralized area is to be utilized. The Public Health Service needs a new hospital.

A plan was originally organized and brought forth to put this hospital on an acre, or rather a subcampus of Tulane University below New Orleans where another great Tulane hospital was developed, and the Public Health Service hospital was to be built there with it.

However, upon persuasion of the Governor and the group organizing the center, it was decided to abandon the idea of the Public Health hospital being located just down below the river from New Orleans. Tulane also agreed, as far as the hospital facilities were concerned, not its research, but the hospital facilities, to cooperate with the State and the city in bringing this composition together.

The problem then arose that the Public Health Service had the hospital acreage and ground in the area 5 miles away from this area. Tulane University, in cooperating to build up this great center, owned certain land in the area of the hospital complex.

So the thought was advanced, and it is within precedent that such an arrangement can be made, that Tulane University and Public Health Service would merely exchange their plots of ground, obviously on a basis of equality and equity.

So, this then, would allow the raw land in the area of the hospitals to be utilized by the Public Health Service for a \$17 million or \$18

million hospital, which is in the making and in the plans. These plans were far advanced before this idea came into being. Tulane University would take the uptown ground in exchange near the Tulane University campus and develop it for whatever they want.

That is probably an oversimplification but it is a genesis of the legislation, and the reason for the legislation being brought before you today.

Now, in extension of this I would be pleased if you would allow Secretary Cavanaugh to testify for the Department, and after Secretary Cavanaugh, then Dr. Schepps, speaking for Tulane University administrators, and they can answer any and all questions as to details in this swap.

Thank you very much, Mr. Chairman. I appreciate the time you have given me.

Mr. ROGERS. Thank you, Mr. Hébert.

Are there any questions?

Mr. PREYER. No questions, Mr. Chairman.

Mr. HÉBERT. Thank you.

Mr. ROGERS. Fine. Thank you. We appreciate your being here.

Dr. Cavanaugh, if you would please come on up and identify those with you for the record.

Dr. CAVANAUGH. Thank you.

STATEMENT OF JAMES H. CAVANAUGH, PH. D., DEPUTY ASSISTANT SECRETARY FOR HEALTH AND SCIENTIFIC AFFAIRS, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; ACCOMPANIED BY DR. ROBERT VAN HOEK, ASSOCIATE ADMINISTRATOR OF HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION, AND DR. JACK BUTLER, ACTING DIRECTOR OF THE FEDERAL HEALTH PROGRAM SERVICE

Dr. CAVANAUGH. Mr. Chairman and members of the committee, it is always a pleasure to come before this committee to testify on behalf of various administration proposals that we have, as well as to state our position on various bills introduced by members.

I have with me this morning on my right Dr. Robert van Hoek, who is the Associate Administrator of Health Services and Mental Health Administration; and on my left, Dr. Jack Butler, the Acting Director of the Federal Health Program Service, which has direct administrative responsibility for the operation of the Public Health Service hospital system.

We are pleased to appear before you today concerning legislation to authorize the Department to negotiate an exchange of its existing Public Health Service hospital property and buildings in New Orleans, La., for a site on which a new Public Health Service hospital may be located.

The bill under consideration today—H.R. 13448, introduced by Mr. Hébert and Mr. Boggs—would authorize the Secretary of Health, Education, and Welfare to exchange the land and buildings the Public Health Service now occupies for property of at least equal value to be provided by the administrators of the Tulane Educational Fund, or, if the Federal land and facilities have a market value in excess of that

provided by the fund, the Tulane authorities will pay the difference to the United States. Funds so paid would be covered into the Treasury as a miscellaneous receipt.

The provisions of the bill would be helpful in assisting the Secretary to pursue one of several possible alternatives in respect to a future role for the PHS hospital at New Orleans. However, no commitment could be given to exercise the authority contained in the bill since any decision regarding the future of the PHS hospital at New Orleans must necessarily be made within the context of the future role of the Public Health Service hospital system.

Before discussing the larger question of the existing deliberations concerning the future role of the Public Health Service hospital system it may be helpful to review the existing status of the system. As the committee is well aware, the Public Health Service hospital system was originally conceived in 1798 in order to provide health care to merchant seamen. Since then its role has been expanded to provide health to a wide range of Federal beneficiaries, comprising active duty and retired members of the uniformed services and their dependents, and Bureau of Employees' compensation beneficiaries, as well as merchant seamen.

The present system consists of eight general hospitals, a specialty hospital for the care of leprosy patients, and 30 outpatient clinics. Within this existing system the Public Health Service hospital at New Orleans is considered one of the five major facilities, not only because of its size, but more importantly, because of its success in participating in community health activities, and in the training of health professionals.

In respect to the larger question, the future role of the Public Health Service hospitals has been the subject of extensive deliberations, prompted in part by the question of their need in light of their existing mission, as well as by many of the problems also common to community hospitals and non-Federal teaching hospitals. Within the framework of this problem, one of the several alternatives presently being considered by Dr. Roger D. Egeberg, our Assistant Secretary for Health and Scientific Affairs, and his staff includes a revitalizing of the hospitals by utilizing them as staging areas for research and demonstrations in the delivery of health services. At the same time they could be utilized for the training of allied health personnel since Federal hospitals are not restricted by a variety of State and local licensure and certification requirements which frequently impede the development of new types of allied health personnel.

The proposed exchange would only provide the land upon which a new Service hospital could be constructed, and there is presently no appropriation or departmental approval for the construction of such a facility. Furthermore, any such construction plan must be based on a long-range projection of the mission of, and the requirements for, a Service hospital in that area. Decisions relating to any particular facility must be made in the context of the broader review of the future mission and requirements of the Service generally. Thus, in conclusion, while we offer no objection to the bill, and I would like to stress that again, Mr. Chairman, while we offer no objection to the bill, we cannot at this time, because of the larger questions discussed above, provide any commitment that the authority contained in the bill will be exercised.

Mr. ROGERS. Thank you very much, Dr. Cavanaugh.

Are there any comments from either of the other gentlemen?

Dr. CAVANAUGH. We would be happy to entertain any questions, Mr. Chairman.

Mr. ROGERS. Mr. Satterfield.

Mr. SATTERFIELD. I have no questions, Mr. Chairman.

Mr. HASTINGS. The question I would ask, you say you have no objection to the bill; what would your position be if we approve the bill?

Dr. CAVANAUGH. Well, I think, Mr. Hastings, that our position is that we do not want to do anything which closes off any future alternative courses of action, including the construction of a new hospital in the new complex at New Orleans.

Now, this bill would provide that alternative by providing land within the complex in the center of New Orleans to allow that construction to proceed. If, on the other hand, a decision was made that would not provide for the construction of a hospital, we would not close off other alternatives.

Mr. HASTINGS. Would I assume that you would prefer to see an overall plan that would include the construction of the other facilities as part and parcel of any consideration that this committee might give?

Dr. CAVANAUGH. Yes, sir. If the decision is made to move ahead with the development of a new hospital in New Orleans we would very much—

Mr. HASTINGS. You would like to be affirmative at that point?

Dr. CAVANAUGH. Yes, sir; and see it related to what is really going to be a magnificent health center in that area.

Mr. ROGERS. Mr. Preyer.

Mr. PREYER. No questions, Mr. Rogers.

Mr. ROGERS. Doctor, I notice in your statement you changed it on page 3 where you say there is presently no authority for construction, and there is present authority but there is no money or departmental approval, as I believe you changed the words.

Dr. CAVANAUGH. That is correct.

Mr. ROGERS. And I think that should be made a part of the record there on this statement.

Now, what is the situation with your present hospital in the New Orleans area?

Dr. CAVANAUGH. Well, the present hospital, as I indicated in the statement, Mr. Rogers, is one of our major hospitals in the Public Health Service system, and I would like Dr. Van Hoek and Dr. Butler to elaborate upon that further. It is an older hospital, and it is a hospital that has been very actively involved in community services and because of its location and because of its service load and because of some of its excellent training programs it is a hospital where we would like again to see its programs more related to the existing medical and health activities that are in that area. Dr. Van Hoek can describe some more specifics on the size of the hospital if you would like.

Mr. ROGERS. Yes, I think it would be helpful for the committee and the record to have some background on the hospital itself.

Dr. VAN HOEK. Yes. We will submit the information for the record, but I can summarize it.

Mr. ROGERS. All right. (See letter dated Nov. 29, 1969, p. 9.)

Dr. VAN HOEK. The New Orleans Public Health Service Hospital is a 400-bed hospital and has on a daily average over 300 patients hospitalized. It has approximately 140,000 outpatient visits per year.

Mr. ROGERS. How many?

Dr. VAN HOEK. 140,000 outpatient visits a year, and it admits over 6,000 patients a year.

Mr. ROGERS. How old is the hospital?

Dr. VAN HOEK. The existing hospital was built in 1932, but other facilities date back to 1883.

Mr. ROGERS. Has it had any additions since that time?

Dr. VAN HOEK. Not since 1932.

Mr. ROGERS. Not since 1932?

Dr. VAN HOEK. No, sir.

Mr. ROGERS. Any modernization?

Dr. VAN HOEK. There have been some alterations and renovations but no major modernization program. The hospital is outmoded in terms of the main hospital structure as well as the outlying buildings. There are 23 buildings on the property itself.

The hospital provides all the major clinical services of any large general hospital and it has training programs in all of the major clinical specialties, and also has training programs in the other health professional disciplines, such as dentistry, pharmacy, physical therapy, and so forth. It has affiliations with the major health professional schools in the New Orleans area as well as medical and health professional schools outside of the immediate area.

For instance, physical therapy training for the University of Florida School of Physical Therapy is provided by the New Orleans Hospital.

In addition to training professional people and staff of the Public Health Service, it is a major clinical training site for medical students from the Tulane University School of Medicine and other health professional schools in the community.

In recent years it has been a significant contributor to programs which involve community agencies and deal with the problems of employment as well as the health problems of the disadvantaged. It has a number of programs through these agencies by which the hospital has trained individuals for various health employment opportunities as well as providing needed health services for these individuals. Seven to eight hundred individuals have received some part of their training in our hospital, just from these disadvantaged community groups.

The PHS hospital has a large clinical research program which involves collaboration primarily with the Tulane University School of Medicine in cancer research, hypertension, cardiovascular disease and so forth. Parasitology research by the Tulane faculty is carried out in our physical facilities, and there is a close relationship between the staffs of the two institutions.

In the last few years, the hospital has been a leader in health services research in the Public Health Service, that is intramural research, and has developed a number of programs dealing with efforts to improve the organization and delivery of health services, particularly the application of computer techniques to the management and operation of health programs in the New Orleans Hospital and data from this has been extended to our own system.

A number of papers have been written on these subjects by the staff.

This in general describes the programs, the scope of the programs and the contributions that the hospital has made both to the Public Health Service and to the community.

Mr. ROGERS. What is the appraised value of the hospital and the land that would be exchanged?

Dr. VAN HOEK. We do not have at the moment a firm appraisal of the value of the property to be exchanged. This would be done if we have the authority to proceed with any exchange.

Mr. ROGERS. Have you any estimate at all of the value?

Dr. VAN HOEK. We have rough estimates. The property, itself, without the buildings, is worth roughly \$3.1 million, and the total property value with the buildings would be probably \$5 million to \$7 million.

Mr. ROGERS. What is the value of the Tulane land that would be estimated? I realize these are estimates.

Dr. CAVANAUGH. While Dr. Van Hoek is finding that figure, Mr. Chairman, I would just like to point out for your interest that the land was acquired by the Federal Government in 1883, 17.2 acres, and the cost to the Federal Government at that time was \$35,000.

Mr. ROGERS. That is a pretty good investment.

Dr. VAN HOEK. Mr. Chairman, the property proposed for trade by the Health and Education Authority of Louisiana, is estimated at \$3 million.

Mr. ROGERS. But would they pay for the difference in the buildings, as I understood the testimony?

Dr. VAN HOEK. Yes, sir. The appraised value of the Government's land which is greater than the value of the land which we would receive, this difference would be paid.

Mr. ROGERS. By Tulane or by the State, or by whom?

Dr. VAN HOEK. According to my information, it would be the Tulane Educational Fund.

Mr. ROGERS. Tulane?

Dr. VAN HOEK. Which is the owner of the land.

Mr. ROGERS. I see. And they have sufficient funds to do that? That would be a rather considerable sum.

Dr. CAVANAUGH. At the time that this trade would be effected, they would have the funds.

Mr. ROGERS. What did you estimate the difference would be, some \$2 to \$4 million?

Dr. VAN HOEK. Yes, it would be approximately \$2 to \$4 million.

Mr. ROGERS. Now, are you going to have to build a new facility even if this were not worked out? Is the hospital in such shape that you will have to build a new one?

Dr. VAN HOEK. Yes, sir.

Dr. CAVANAUGH. Yes, sir.

Mr. ROGERS. So there is no question about a new facility having to be built?

Dr. CAVANAUGH. No. If the decision is made to continue a Public Health Service Hospital in New Orleans, without question a new facility would be needed. The existing facility, as was pointed out, was built in 1932. There have been very modest modernization efforts made since then.

Mr. ROGERS. How is this hospital staffed?

Dr. VAN HOEK. It has a staff of 620.

Mr. ROGERS. Is it all Public Health doctors?

Dr. VAN HOEK. It is staffed almost entirely by commissioned officers of the Public Health Service and Civil Service employees of the Public Health Service. There are consultants to the Public Health Service who are on the faculty of Tulane University School of Medicine or other institutions.

Mr. ROGERS. From the community?

Dr. VAN HOEK. Who come to the hospital and provide additional professional support.

Mr. ROGERS. Yes. Would you let us have for the record the staffing?

Dr. VAN HOEK. Yes, sir. (See letter dated Nov. 29, 1969, below.)

Mr. ROGERS. And how it is made up? Has there been any difficulty staffing the hospital?

Dr. VAN HOEK. There has been difficulty but it has been comparable to the difficulty of almost all hospitals and health programs in the country. There is a critical shortage of nurses and shortages of certain specialists among physicians and other health categories.

Mr. ROGERS. And would you let us have a rundown too of your nursing staff and what shortages exist both at the physician level and the nurse and technician levels?

Dr. VAN HOEK. Yes, sir. (See letter dated Nov. 29, 1969, below.)

Mr. ROGERS. Also I would like for the record the number of people who are trained at this hospital. I notice you said you had a number of training programs. How many doctors are trained there?

Dr. VAN HOEK. At the present time there are 42 doctors in full-time training in the hospital. These are medical interns and residents.

Mr. ROGERS. And residents?

Dr. VAN HOEK. Yes, sir. This does not include medical students and doctors from other institutions. We can give you that information. (See letter dated Nov. 29, 1969, below.)

Mr. ROGERS. I think that would be helpful to have, too, and your nurses, and you said you have a dental training program as well?

Dr. VAN HOEK. Yes, sir. There are presently six dental interns and residents in training.

Mr. ROGERS. And I would like to know the number of clinical research projects and the number of people working on those projects, and the number of people working on your training of community aides for underdeveloped areas, and your health service research, and I think it would be helpful to let us have a rundown on what has been accomplished in health service. You say you have made progress and we would like to know that, what it is, and how much moneys were expended on that research.

(The following letter and attachments were received for the record:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
OFFICE OF THE SECRETARY,
Washington, D.C., November 29, 1969.

HON. JOHN JARMAN,
Chairman, Subcommittee on Public Health and Welfare, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. JARMAN: In response to requests made during the hearings conducted on H.R. 13448 before your Committee on November 12, 1969, there are enclosed information and data concerning activities of the Public Health Service Hospital,

New Orleans, Louisiana :

1. The staffing of the New Orleans Public Health Service Hospital.
2. Shortages of staff and difficulties in recruitment.
3. Listing of clinical research projects in progress at the New Orleans facility and the staff involved.
4. Scope of training activities vis-a-vis health personnel in the community, including a schedule of training affiliated institutions.
5. Listing of the Health services research projects in progress, the funding involved and contributions or value of the projects.

If there is any further information you require for your deliberations on H.R. 13448, please let me know.

Sincerely yours,

JAMES H. CAVANAUGH, Ph. D.,

Deputy Assistant Secretary for Health and Scientific Affairs.

New Orleans USPHS Hospital—Staffing as of Sept. 30, 1969

Medical and surgical: Physicians.....	35
Nursing:	
Professional nurses.....	45
Nursing assistants.....	94
Ward clerks.....	17
Medical records: Administrative support.....	34
Pharmacy:	
Pharmacists.....	9
Administrative support.....	1
Dental:	
Dentists.....	4
Dental assistants.....	7
Administrative support.....	2
Dietetics:	
Dietitians.....	6
Administrative and support.....	58
Laboratory:	
Technologists.....	15
Technicians.....	10
Administrative support.....	8
Physical medicine:	
Therapists.....	7
Administrative support.....	2
Social service:	
Social workers.....	3
Administrative support.....	2
Engineering and maintenance: Engineering and maintenance personnel...	43
Research:	
Physicians.....	3
Other professionals.....	5
Support.....	7
Education and training:	
Training officer.....	1
Students (medical and X-ray technicians, dietitians, etc.).....	22
Medical interns and residents.....	42
Pharmacy residents.....	5
Dental interns.....	6
Administration:	
Physicians.....	2
Administrative support.....	125
Total.....	620

Composition of Employees at New Orleans as of Sept. 30, 1969

Physicians.....	40
Dentists.....	4
Medical interns and residents.....	42
Dental interns and residents.....	6
Nurses.....	45
Dietitians.....	6
Pharmacists.....	9
Pharmacy residents.....	5
Occupational therapy.....	1
Physical therapy.....	6
Social workers.....	3
Total.....	167
Support staff.....	453
Total.....	620

STAFF SHORTAGES AND DIFFICULTIES OF RECRUITMENT

The problems in recruiting and maintaining staff at the New Orleans PHS Hospital are a reflection of the personnel shortages experienced by a majority of the Nation's hospitals. There are simply not enough of certain categories of health personnel available to meet the current demand for services. Thus, the various health facilities and programs are in a highly competitive environment. The most critical shortages are in nursing, laboratory technicians, medical records librarians, and certain physician specialties. In nursing, for example, the staffing methodology developed by the Commission of Administrative Services and Hospitals, was applied to the New Orleans PHS Hospital. It reflected a need for 272 man years of nursing time. Currently, the hospital has 182 full-time equivalent positions, a deficit of 90 positions. At this level of staffing, it is difficult to maintain a minimal level of patient care. On an overall basis, the New Orleans hospital has less than 1.7 employees per bed patient, whereas the average number of employees per patient in community hospitals approximates 2.7.

In this highly competitive environment, the New Orleans PHS Hospital is at a disadvantage for several reasons. Federal salaries are often lower than those of community hospitals. The obsolete structure of the New Orleans Hospital, the lack of air conditioning, outmoded equipment and frequency of evening and night tours of duty and overtime hamper recruitment and result in high turnover of professional personnel.

To assist the community and to meet its own needs for health personnel, the New Orleans Hospital conducts training programs for various professional and allied health personnel. In addition, the hospital is experimenting with the use of nonprofessionals in providing services traditionally limited to the professionals.

Clinical research activities in U.S. Public Health Service Hospital, New Orleans, La. (supported by direct funding) Nov. 13, 1969

<i>Title</i>	<i>Cost</i>
Lung Scanning in Pulmonary Tuberculosis.....	\$1, 070
The Clinical Use of Pseudomonas Polysaccharide (Piromen ^R) to Evaluate the Hypothalamus-Pituitary-Interrelationship.....	NC
Bioassay for Prolactin-inhibiting-factor (PIF), Development of.....	1, 560
Effects of Alpha and Beta Melanocyte Stimulating Hormone (MSH) in the Rat and Rabbit.....	1, 840
The Diffusing Capacity of the Lung Before and After Phlebotomy in Polycythemic States.....	NC
Ectopic Hormone Secretion in Patients With Carcinoma of the Lung.....	NC
Phase II Study of Cyclophosphamide (Cytosan) and Vincristine (Oncovin) in Lung Cancer.....	NC
Studies of the Release of Adrenocorticotrophic Hormone (ACTH).....	4, 800
NIH grant—Coronary drug project.....	52, 867

CLINICAL RESEARCH

	Number	Cost
Full-time base positions:		
Direct operations.....	8	\$88,531
NIH grants.....	7	54,700
Funding of projects:		
Direct operations.....	8	9,270
NIH grant.....	1	52,867
Total.....	24	205,368

NEW ORLEANS PHS HOSPITAL—TRAINING PROGRAM

TABLE I—Public Health Service personnel (current fiscal year 1970)

[Numbers of participants by type of training]

I. Residents:	
Internal medicine.....	5
Obstetrics-gynecology.....	3
Ophthalmology.....	3
Orthopedics.....	4
Pathology.....	2
Preventive medicine.....	3
Radiology.....	6
Surgery.....	7
Total.....	33
II. Interns:	
Medical.....	9
Dental.....	6
Pharmacy.....	5
Total.....	20
III. Costeps:	
Medical.....	6
Dental.....	1
Pharmacy.....	1
Nursing.....	6
Physical therapy.....	1
Total.....	15
IV. Other professional:	
Institutional environmental health.....	2
Medical technologist.....	9
X-ray technologist.....	6
Dietitians.....	5
Total.....	22

TABLE II.—*Multidisciplinary programs (community) (current fiscal year 1970)*

[Numbers of participants by type of training]

A. Affiliate professional programs:	
1. Medical student clerkships:	
Medicine.....	12
Obstetrics gynecology.....	3
Surgery.....	1
Pediatrics.....	1
Urology.....	1
Radiology.....	2
Total.....	20
2. Nursing:	
Undergraduate professional.....	44
Refresher, graduate.....	20
Total.....	64
3. Pharmacy students.....	10
4. Physical therapy students.....	5
5. Social work, graduate.....	1
6. Medical record librarian.....	5
7. Speech therapy.....	1
B. Affiliate auxiliary programs:	
1. Licensed practical nurses.....	51

TABLE III.—*Community programs for the disadvantaged*¹

[Numbers of participants by type of training]

A. Title V—Work experience for needy persons (EOA):	
Employed:	
Nurse aides.....	42
Dental assistants.....	2
Food service workers.....	17
Receptionist.....	1
Laundry workers.....	6
Laboratory assistants.....	5
X-ray aides.....	2
Key punch operators.....	3
Air condition mechanic's helpers.....	2
Maintenance workers.....	3
Warehouseman.....	1
Inhalation therapy technicians.....	3
Telephone operators.....	2
Recreation aide.....	1
Junior plumber.....	1
Physician assistant.....	1
Personnel clerk-typists.....	4
Clerk-typists.....	7
Housekeeping aides.....	24
Visual aide technician.....	1
File clerks.....	7
Office machine operators.....	2
Social worker aide.....	1
Animal caretakers.....	5
Physical therapy aides.....	2
Total number trainees.....	378

¹ Total for 3 years.

NEW ORLEANS PHS HOSPITAL—TRAINING PROGRAM—Continued

TABLE III.—Community programs for the disadvantaged—Continued

[Numbers of participants by type of training]

B. Title I-B—Neighborhood Youth Corps (summer program for students in school):	
Maintenance workers.....	30
Finance clerks.....	2
X-ray aides.....	6
Clerical visual aide technicians.....	2
Recreation aides.....	2
Medical record clerks.....	4
Clerk-typists.....	6
Warehousemen.....	5
Laundry workers.....	5
Nursing aides.....	11
Pharmacy aides.....	2
Medical aide.....	1
Ward clerks.....	8
Personnel clerk.....	1
Housekeepers.....	10
Food service workers.....	2
Total number enrollees.....	97
C. Title I-B—Neighborhood Youth Corps (out of school):	
Food service workers.....	4
Laundry workers.....	15
Warehousemen.....	8
Maintenance workers.....	40
Housekeeping aides.....	34
File clerks.....	23
Ward clerks.....	16
Physician assistants.....	60
Total number enrollees.....	200
D. New careers, total Community Action, Inc.:	
Pharmacist assistants.....	2
Physician assistants.....	10
Physician assistants (ophthalmology).....	2
Draftsmen.....	2
Keypunch operators.....	2
Autopsy assistant.....	1
Personnel clerk-typist.....	1
Inhalation therapy technicians.....	2
Total number trainees.....	22
E. Job Corps (YWCA sponsored):	
Nurse aides.....	8
F. Refresher course for R.N.'s, LHA sponsored (Manpower Development & Training Act):	
Enrollees.....	20
G. Title I-C—College student work-study (sponsored by Xavier University, Southern University, New Orleans):	
Pharmacy assistants.....	8
Recreation aides.....	4
Clerk-typists.....	23
Receptionists.....	8
Medical laboratory technicians.....	34
Draftsmen.....	2
Accounting clerks.....	4
Total number enrollees.....	83

TRAINING AFFILIATION AGREEMENTS, NEW ORLEANS,¹ AS OF AUGUST 1969

Training facility and location	Effective date	Expiration or renewal	Type of program	Class of student	Number of students, length of training, etc.
Hotel Dieu School of Nursing, New Orleans, La.....	Oct. 3, 1961	Indefinite	Clinical experience, tuberculosis nursing.	Junior.....	27 students, maximum 5 students at a time, 2 weeks training.
	Sept. 23, 1963	Amendment to original agreement.	Obstetrical nursing.	Senior.....	27 students, maximum 3 students at a time, 1 week training.
Tulane University Department of Orthopedics, New Orleans, La.....	July 1, 1964	Indefinite	Medical (children's, orthopedics and basic sciences).	2d and 3d year.....	6 months training.
New Orleans Public Schools, New Orleans, La.....			Clinical experience, practical nursing.		12 to 26 students, 9 to 10 months training.
Tulane University, New Orleans, La.....			Social service.....	1st year.....	1 student, 7 months training.
Do.....			Speech therapy.....	Graduate, 2d year.....	2 students, 2 hours per week, 10 months training.
Tulane University School of Medicine, New Orleans, La.....	July 1, 1969	1 year.....	Medical technology.....	Urology resident.....	1 student, 1 year training.
Xavier.....			Urology residency training.....		1 resident for 6 months.
Loyola.....			Medical technology.....		6 students, 1 year training.
Tulane University, New Orleans, La.....			Do.....	Do.....	Do.....
Do.....			Medical, undergraduate.....	2d year.....	12 to 16 students, 4 times per week, 60 students total.
Do.....			Basic science, biochemistry.....	Graduate.....	4 to 10 students, 10 months training.
Do.....			Basic science, pharmacology.....	do.....	Do.....
Do.....			Basic science, advance cardiovascular pharmacology.	Graduate and hospital staff.....	2 credit course.
Do.....			Medical secretarial (medical terminology).	Secretarial.....	6 students, 2 hours per week, 4 months training.
University of Florida Physical Therapy Service.....	May 1, 1965	1 year with renewal.....	Clinical experience, physical therapy.	Physical therapist.....	2 students at a time (3-week period).
Tulane University School of Medicine, New Orleans, La.....	July 1, 1969	1 year with automatic renewal.	Pediatric residency training.....	1st or 2d year resident.....	1 resident at a time.
Dillard University Division of Nursing, New Orleans, La.....	May 31, 1965	1 year with renewal.....	Clinical experience in nursing.....	Senior.....	6 weeks training, 14 hours per week, 5 students in 1st group; 10 students per group thereafter.

TRAINING AFFILIATION AGREEMENTS, NEW ORLEANS,¹ AS OF AUGUST 1969—Continued

Training facility and location	Effective date	Expiration or renewal	Type of program	Class of student	Number of students, length of training, etc.
Tulane University School of Medicine	Sept. 15, 1965	Indefinite	Clinical expert in obstetrics-gynecology.	Junior	6 weeks, 3 students at a time.
Do.	do	do	Clinical expert in surgery.	do	3 students, 3 weeks.
University of Southwestern Louisiana, Lafayette, La.	Apr. 1, 1967	do	Experience in medical record administration.	Completed 3 years of academic training.	2 students, 2 weeks.
Tulane University School of Medicine, New Orleans, La.	Jan. 1, 1967	do	Clinical experience, otolaryngology.	3d year resident	1 resident at a time for 6 months.
Louisiana State University School of Medicine	Oct. 23, 1967	do	Clinical experience in psychiatry.	Junior	4 students for 6 weeks.
Touro Infirmary School of Nursing, New Orleans, La.	Mar. 11, 1968	do	Clinical experience in psychiatric nursing.	do	Do.
Louisiana Hospital Association	June 1, 1968	do	RN refresher course (MDTA)	Registered nurses	20 to 22 trainees. 6 hours a week.

¹ U.S. Public Health Service Hospital.

CURRENT HEALTH SERVICES RESEARCH ACTIVITIES AT USPHS HOSPITAL, NEW ORLEANS, LA., NOVEMBER 13, 1969

(All are supported by direct funding)

1. Inpatient Drug Distribution.
2. A Study of the Utilization of Flame Retardant Fabrics as a Means of Reducing the Danger of Fire in the Hospital Setting.
3. Outpatient Pharmacy Prescription Automation.
4. Study of the Stress of Becoming a Hospitalized Patient with Physical Illness.
5. Computer Assisted Menu Planning.
6. A Study of the Implementation of "Comprehensive Health Care" in a PHS Hospital.
7. An Automated Storage and Updating System of Publications in the Medical Library.
8. Utilizing EDP in the Updating and Printing of the Hospital Formulary.
9. A Study of the Utilization and Electronic Data Processing in a Glaucoma Clinic.
10. A Study to Define the Efficient Interaction of the Man-Machine System During Dental Surgery.
11. A Statistical Compilation and Cost Analysis Study in a Dental Clinic.
12. Establishment of an X-Ray Teaching File Containing X-Ray Diagnoses in Codes for Easy Retrieval.
13. Health Evaluation Program—Yields Various Statistical Reports From Data Collected From Selected Controlled Source Documents.
14. Outpatient Pharmacy Prescription Automation Conversion of the Batch-Mode System to the On-line, Real-time Mode.
15. Computer System to Capture, Store and Retrieve Data to be Used in the Analysis of Cost for Outpatient Visits. This one cost study project ties data gathered from visit records (Form 1203002), X-ray (Form 0301), urinalysis, hematology and bacteriology laboratory slips to the patient hospital number, and will provide the basis for determination of outpatient costs by: (1) clinic, (2) beneficiary status, (3) disease category, (4) type of visit, and varied reports utilizing the data from these documents. Various reports are also generated by tying pharmacy prescription data to any or all of this data. By-products, such as the monthly statistical report for the Medical Records Department, are also generated by this system.

Health services research (New Orleans)

Full-time base positions (8) Direct operations	\$72,000
Funding of projects: Direct operations	11,000
Total	83,000

Mr. ROGERS. Now, Dr. Cavanaugh, I think it was interesting to have your statement here that the Department is considering revitalization of the public health hospitals, and I presume that is not just here in New Orleans, but I presume that this would be the decision to whether you want to maintain them all or phase out some; is that correct?

Dr. CAVANAUGH. That is correct.

Mr. ROGERS. And when do you think this decision will be made?

Dr. CAVANAUGH. Well, I would hope, Mr. Chairman, that we would be in a position to have this overall question decided by sometime shortly after the first of the calendar year.

Mr. ROGERS. I think what you have projected is an excellent idea, to try to use this as a base for research in different types, developing different types of personnel and various services. I would encourage this to be done in the Department, and I think the subcommittee would, too, because the freedoms that you would have, that you mention here in your system, I think would almost be necessary to help develop new personnel in the health field.

Dr. CAVANAUGH. I think the primary consideration that we are faced with, Mr. Rogers, is: are there alternatives to providing care to those beneficiaries of the public health service who are a statutory responsibility, within the community and within various types of financing mechanisms. I think the outcome of that study, that is, are there acceptable alternatives to insure good quality care, is going to then determine whether or not the decision is made to revitalize the system or to find other ways, again, to provide that care.

Mr. ROGERS. Well, I hope you will not restrict it just to that determination because I think if you base it on that determination it may well come out to be the fact that you can do it by contract or some service. It may not be sufficient, I do not know, but I would hope that you would go beyond that in broadening and making this determination as to whether the public health service itself needs such facilities in order to develop programs to solve manpower shortage and delivery of services, and unless you have something that you can work with I do not see how you can adequately perform this service.

Dr. CAVANAUGH. That is certainly a second major consideration in our thinking, and this is why we are so pleased that if we do go ahead with a new development in New Orleans, that it will be tied into this complex. We, in the executive branch, have been encouraging community groups to do this throughout the country.

Here is a chance for the Federal Government itself to tie into a major complex.

Mr. ROGERS. I think as we discussed before, here would be an opportunity, I think, to try to use some manpower that we get back from the armed services and try to encourage youth here in development of some professional slot in the whole hierarchy of medicine, and I would hope that would be done.

Now, actually you need no authority as such, legislative authority to construct the building; is that correct?

Dr. CAVANAUGH. That is correct.

Mr. ROGERS. That already exists in the public health law.

Dr. CAVANAUGH. That is correct, sir.

Mr. ROGERS. It simply would be, then, a matter of departmental determination and money to be appropriated?

Dr. CAVANAUGH. Appropriation from the Congress.

Mr. ROGERS. Any other questions?

Mr. SATTERFIELD. I have a question at that point.

If you should make a decision to proceed with a hospital in the New Orleans area and to build a new one, in the absence of this legislation the present property would then be declared as excess property; would it not?

Dr. CAVANAUGH. I believe that is correct.

Mr. SATTERFIELD. And under that proceeding, under the GSA, then any other Federal agency would have a chance to obtain the property if they declared they could use it?

Dr. CAVANAUGH. That is correct.

Mr. SATTERFIELD. Then would it not be safe to say that while you have no objection to this measure, only by passage of this measure can you guarantee in that eventuality that you can effect this transfer of land?

Dr. CAVANAUGH. I think by passage of this we could guarantee that the Public Health Service could participate in the HEAL development.

Mr. SATTERFIELD. And without this legislation you could not guarantee that?

Mr. CAVANAUGH. Without this we could not guarantee that.

Mr. ROGERS. Are there any other questions?

Thank you very much.

Dr. CAVANAUGH. It is a pleasure to be here, Mr. Chairman.

Dr. VAN HOEK. Thank you.

Dr. BUTLER. Thank you.

Mr. ROGERS. Thank you, Doctor.

Dr. Scheps, we will be delighted to have your testimony now, sir.

Mr. SCHEPS. Thank you.

**STATEMENT OF CLARENCE SCHEPS, PH. D., EXECUTIVE
VICE PRESIDENT, TULANE UNIVERSITY**

Mr. SCHEPS. Mr. Chairman, we very much appreciate this opportunity of adding to the testimony which has already been given. I am the executive vice president of Tulane University, New Orleans, La. The doctor appellation is a Ph. D. and not an M.D. I want to make that clear so you will not be confused.

We will submit written testimony, which will elaborate on these things, but it seems to me that in the interest of your time it would be most helpful for me simply to comment on some of the points that have been made previously by the representatives of the Public Health Service and by Mr. Hébert. Incidentally, we are very grateful to Mr. Hébert and Mr. Boggs for their interest in support of this endeavor which we think is very important.

Mr. ROGERS. I might say that interest is almost essential for consideration by the Congress.

Mr. SCHEPS. It certainly is.

Mr. ROGERS. So, you have got two good sponsors for your efforts.

Mr. SCHEPS. We appreciate it very much.

Mr. ROGERS. I am sure you do.

Mr. SCHEPS. I want to emphasize that H.R. 13448 is permissive legislation. It does not bind, as we understand it, either the Federal Government, the U.S. Public Health Service, or Tulane University to finally consummate the exchange of land. It simply sets up a condition in which, if and when, the two parties mutually reach the point where we think this is in the best interest of both of us, we can proceed.

Mr. Hébert indicated that Tulane owned all of the land that the new Public Service hospital would be located on. I would like to say that we owned, at the outset of this project, only a very small part of the site, but we proceeded to acquire additional land because we are so deeply convinced that it will be in the best interest of both the Public Health Service and the entire medical complex which includes Tulane as a part, to have the Public Health Service Hospital across the street from our medical school.

As I say, we have proceeded with our own funds and with borrowed funds to acquire other parcels of property in this site. In a sense we

have stuck our necks out because we deeply believe that if a Public Health Service hospital is built, this is the location that it ought to be in for the sake of both parties.

I would like to clarify, if I may, this business of the appraisal because it sounds like Tulane would be expected to put up about \$5 million difference between the value of the site on which the present Public Health Service hospital is located and the value of the new site.

The appraisals that have been made are very tentative and are not to be taken as official appraisals at this time. However, I doubt very seriously whether the present Public Service hospital will be appraised at anything like \$5 million. I think this is highly unlikely because this is an outmoded hospital building which is not worth anything very much to anybody.

We think that the values will be approximately the same.

On the other hand, the bill very clearly points out that the transfer will be at no cost to the Federal Government, so that in no event will the Federal Government receive less in value than it gives up. Tulane is committed in the bill to make the difference up in cash to the Treasury of the United States.

Mr. ROGERS. Now, does Tulane have the capacity to do this?

Mr. SCHEPS. Well, it depends on how much this would amount to. If the figures quoted to you were correct I doubt very seriously whether we would even consider it. We think that a fair appraisal of the present site will indicate a value much less than the \$8 million that was quoted today because you simply do not put a value of \$5 million on an old hospital building that has no sale value.

I would also like to point out that the present U.S. Public Health Service site is in a residential section of New Orleans. It is certainly something less than satisfactory for a hospital site. It probably is not a good site for any other Federal development; it simply is not in the right location, and that is why we are persuaded that the best thing that could happen to the community and to the Public Health Service is to plan to move the hospital into this exciting development in downtown New Orleans.

We are all extremely excited about the proposed new medical complex. It is one of the few times in the history of our State, at least, and I think of many States, that a private medical school, a State medical school, and a State-operated charity hospital have gotten together and have created a medical authority, which will plan the development of a vast medical center, which probably will be second to none in the United States. It is a very exciting prospect, even though a long-range prospect.

We believe that when the final reviews are made by the Public Health Service they will conclude that they want and need to be in this coordinated medical center, across the street from two schools of medicine.

And I would emphasize once more that Tulane feels so strongly about this that we have actually spent or committed several million dollars of our own funds in the acquisition of this land. Our plan is to build a teaching hospital, immediately across the street from this proposed Public Health Service hospital, and if the planning of these two hospitals could proceed simultaneously, this would redound to the mutual benefit of both, because we could plan joint facilities.

As you well know, many medical treatment facilities are extremely expensive and it may be that one or the other hospital could contain them with the option of use by the other built into the situation. Moreover, service facilities such as laundries might be planned jointly.

We think there is no question but that this would be to the mutual benefit of both parties. We very much hope that you will approve this permissive legislation, which will then give the Public Health Service at least the knowledge that if they decide this is the land they want, and if details can be worked out, then there will be no further obstacle to their plans.

Mr. ROGERS. Thank you very much, Doctor. As I understand it, you feel that building the hospital within the complex would also be helpful in increasing the number of doctors that can be turned out from your educational institution?

Mr. SCHEPS. There is no question about this.

Mr. ROGERS. And what impact would it have? You may want to furnish this for the record. What impact would it have in helping to increase the number of doctors that you could train or the number of nurses, and so forth? We are very conscious of trying to close this manpower gap.

Mr. SCHEPS. One of the limiting factors in producing M.D.'s and other kinds of medical personnel is the hospitals in which to train the students, the nurses, and the technicians. The more hospitals, the more variety of opportunities the young physician has in his training advantages. It not only increases the number that can be accommodated and trained, but it also helps produce a better physician.

Mr. ROGERS. If you could let us have something for the record as to the number of students you are now training and the various professions and the projected increase that you anticipate.

Mr. SCHEPS. I would be very happy to.

(The information requested was not available to the committee at the time of printing.)

Mr. ROGERS. Are there any questions?

Mr. SATTERFIELD. No questions, Mr. Chairman.

Mr. HASTINGS. No questions, Mr. Chairman.

Mr. ROGERS. Mr. Preyer?

Mr. PREYER. I agree, Doctor, that this does sound like an exciting vision you have there. Thank you.

Mr. SCHEPS. Thank you.

Mr. ROGERS. I think it will be excellent and we will follow it with a great deal of interest.

Mr. SCHEPS. Thank you, sir.

Mr. ROGERS. Thank you for being here.

(The following additional statement from Tulane University was received for the record:)

ADDITIONAL STATEMENT OF CHARLES SCHEPS, PH. D., EXECUTIVE VICE PRESIDENT,
TULANE UNIVERSITY, NEW ORLEANS, LA.

Tulane University School of Medicine was founded in 1834 and throughout its history the work of the faculty has placed Tulane in the forefront of medical education and research. In 1968 the Tulane School of Medicine together with the Louisiana State University Medical Center and Charity Hospital was designated as a primary institution of a proposed New Orleans Medical Complex. The Medical Complex was authorized by the Louisiana State Legislature to be admin-

istered by the Health Education Authority of Louisiana (HEAL). Subsequently the University created Tulane Medical Center consisting of the School of Medicine, School of Public Health and Tropical Medicine, and other health-related programs. These two events provided the impetus for the planning of an expanded role in the education of physicians and other health-oriented professionals by the Tulane School of Medicine. One of the elements for consideration in the HEAL complex is the role of the Public Health Service hospital as an affiliated institution of the Tulane School of Medicine. The potential magnitude of the role will, of course, be dependent on the location of the Hospital.

If it is relocated to a site within the boundaries of the HEAL complex and adjacent to the Tulane School of Medicine it can play a significant part in the development of the complex, contribute to Tulane's medical education program, and participate to a greater degree in the total health effort of the New Orleans community. The Hospital in the new location will enhance the capability of Tulane to educate a greater number of medical students and broaden its health-related educational programs. The following discussion is provided in support of the above statements.

The Tulane School of Medicine—Public Health Service Hospital affiliation has developed over a period of years and is one of mutual respect and cooperation. Currently, medical students are assigned to the Public Health Service Hospital for a portion of their clinical training and a limited number of Tulane Residents are also assigned to the Hospital. In addition, cooperative research efforts in the areas of clinical and health services research have been carried out for several years. The distance of the Hospital from the Medical School and the Hospital's facility limitations have minimized collaborative efforts between the institutions. In a new facility readily available, the number of medical students and Residents assigned to the Public Health Service Hospital could be increased and cooperative research activities expanded. The proposed Public Health Service facility adjacent to the School would provide additional teaching beds for the planned increase in the number of students admitted to the medical school. This year 135 students were accepted and it is proposed that this number be increased to 162 by 1974.

Tulane at the present time does not have a teaching hospital but utilizes Charity Hospital for most of its teaching beds. A study is now underway to explore alternative means of providing additional required teaching beds. A new Public Health Service Hospital adjacent to the Tulane Medical School would increase Tulane's educational capability, improve the type of care provided to Public Health Service patients, and allow for conducting clinical and health services research on a broader basis.

Because of the important advantages to Tulane University and to the overall development of a great medical complex in New Orleans, Tulane with its own funds and with borrowed money has proceeded to acquire the site in which the U.S. Public Health Service indicated interest. Most of the land has now been obtained.

Two points are emphasized with respect to H.R. 13448. The first is that the interests of the United States Government are fully protected in that the transfer of lands contemplated in the building will have to be accomplished at no net cost to the Government. If the land to be provided by Tulane is less in value than the existing U.S. Public Health Service site, Tulane is obligated to pay the difference into the Treasury of the United States.

The second point of emphasis is that this is permissive legislation. Its passage will simply make it possible for the transfer to be concluded in the event the Public Health Service wishes to go ahead with the transfer and, for that matter, if the conditions are such that Tulane wishes to go ahead with the exchange. The passage of the Bill would facilitate the planning of both institutions.

In conclusion, the location of a modern Public Health Service facility adjacent to the Tulane School of Medicine would contribute in a major way to Tulane's effort in educating physicians and conducting research directed toward improving the health of the country.

Mr. ROGERS. Now, we have our distinguished colleague, Congressman Hale Boggs, who may want to give the committee some of his feelings; he is a cosponsor of the bill, and we are honored to have you here today and we will be pleased to receive your testimony.

**STATEMENT OF HON. HALE BOGGS, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF LOUISIANA**

Mr. Boggs. Thank you, Mr. Chairman and members of the committee. I think that the case has been made. I have a statement, which is not very long, and I would like, if possible, to make it part of the record.

Mr. ROGERS. Without objection it will be made a part of the record this morning.

Mr. Boggs. And to save your time, say that I think this is a very splendid arrangement, both for the university and the Government, and I hope that the committee will favorably report out the bill.

(Mr. Boggs' prepared statement follows:)

STATEMENT OF HON. HALE BOGGS, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF LOUISIANA

Mr. Chairman, I am grateful to you and your colleagues for this opportunity to appear before your subcommittee in support of H.R. 13448, a bill introduced by Congressman Hébert and myself.

The purpose of this bill, as clearly stated in its title, is to permit the exchange of lands and buildings now constituting the U.S. Public Health Service hospital in New Orleans, upon terms fully protecting the public interest, for land upon which a new, much-needed U.S. Public Health Service hospital in New Orleans may be built.

The bill would authorize the Secretary of Health, Education, and Welfare to exchange the site and buildings of the present Public Health Service hospital for land of equal or greater value and suitable for the construction of new facilities, to be provided by Tulane University.

The principals of this proposed exchange—the U.S. Public Health Service and Tulane University—are institutions with long and distinguished records of public service in our community.

Several years ago, the U.S. Public Health Service expressed interest in moving from its present location in uptown New Orleans, not far from the main campus of Tulane University, to a new site in close proximity to the Tulane Medical Center and the Louisiana State Medical Center. With modern facilities, located near the two medical centers, it is felt the Public Health Service hospital will be in a better position to treat its patients and serve our region. The location most desirable for this purpose is square No. 338, bounded by Tulane Avenue, LaSalle Street, Cleveland Avenue, and South Liberty Street—a site very near the two medical centers.

Subject to more detailed surveys, the area of square No. 338 is estimated at 78,000 square feet, with an estimated market value of \$2,730,000.

The area of the U.S. Public Health Service property is estimated at 757,944 square feet with an estimated market value of \$2,652,804.

These estimated values include all buildings and appurtenances on the properties, but may require adjustment to take into account removal costs incident to the construction of new facilities.

It seems clear to me that this exchange of properties of almost equal value between the U.S. Public Health Service and Tulane University would be in the best interest and to the mutual benefit of both institutions. Of greater importance, however, is that this exchange will enable both institutions to better serve the people of our city and State in their respective capacities. Of perhaps the greatest importance is the beneficial impact this exchange will have upon the complex of medical facilities that the city of New Orleans, and the State of Louisiana are assembling in downtown New Orleans.

In act No. 112 of its 1968 session, the Louisiana Legislature voted unanimously to establish the Health Education Authority of Louisiana. One of the purposes of this new organization is to oversee and to develop an overall, long-range plan for a vast new medical complex to be located near this site in downtown New Orleans. This medical complex would bring together and coordinate the diverse medical facilities and knowledge of the Tulane University School of Medicine, the Louisiana State University School of Medicine, Charity Hospital, and various other medical institutions in the area.

By assembling this medical complex, we can coordinate and expand the scope of medical research now being conducted in New Orleans, and improve the quality of health care available to the people of our region.

The relocation of the U.S. Public Health Service hospital to this site very near the existing medical centers would be a welcome, and, I think, wise addition to the medical complex. It would also be very much in the best interests of the U.S. Public Health Service hospital and the patients it treats.

At this time, I would like to make a part of the record of these hearings a letter from Mr. Darwin S. Fenner, chairman of the board of the Health Education Authority of Louisiana.

Because of the great benefits which can result from this exchange of land and the relocation of the U.S. Public Health Service hospital, I respectfully urge you to report out H.R. 13448, with your approval.

Thank you.

STATE OF LOUISIANA,

HEALTH EDUCATION AUTHORITY OF LOUISIANA,
New Orleans, La., November 10, 1969.

HON. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: On August 11, 1969, H.R. 13448 was introduced by Messrs. Hebert and Boggs. The bill would authorize the exchange, upon terms fully protecting the public interest, of lands and buildings now constituting the United States Public Health Service Hospital at New Orleans, Louisiana for lands upon which a new United States Public Health Service Hospital may be located. The bill merely authorizes the proposed transfers between the U.S. Public Health Service and the Tulane Educational Fund at terms and conditions found by the Secretary of the Department of Health, Education, and Welfare to be in the public interest. If qualified independent appraisals indicate that the lands now held by the Public Health Service are more valuable than the new site offered by Tulane, the difference would be paid into the U.S. Treasury. Should the appraisals indicate on the contrary, that the land offered by Tulane is more valuable than the Public Health Service lands, then Tulane would absorb the loss.

The purpose of this letter is to inform you and the members of your committee that H.R. 13448 is heartily endorsed by the Health Education Authority of Louisiana. The Authority, created by the Louisiana legislature in 1968, is charged with the responsibility for developing a long-range master plan for the future development of a comprehensive medical center complex. It is to coordinate the planning and development of the Tulane Medical Center, the Louisiana State University Medical Center, and Charity Hospital, together with other medical resources for the state and region physically located in that area of New Orleans.

The proposed relocation of the Public Health Service Hospital is entirely consistent with and important to the proposed master plan of the Health Education Authority. It is the unanimous opinion of our Board of Trustees that it is to the interest of the Public Health Service Hospital that it be located in the heart of the New Orleans health teaching, research, and service community as H.R. 13448 would authorize. The relationships between the institutions involved would be greatly strengthened to the mutual benefit of all, including their patients. The possibilities for increased efficiency and improved staff recruiting for the Public Health Service Hospital are almost limitless. Opportunities for shared services and staff resources would be greatly increased.

I am grateful for the opportunity to endorse H.R. 13448 and would appreciate your including this statement in your committee's public records.

Sincerely yours,

DARWIN S. FENNER,
Chairman, Board of Trustees.

Mr. ROGERS. Any questions?

Mr. SATTERFIELD. No questions.

Mr. HASTINGS. No, sir.

Mr. ROGERS. Thank you very much.

Mr. BOGGS. Thank you, Mr. Chairman.

Mr. ROGERS. We appreciate you being here.

Are there any other witnesses?

If not, that concludes our hearing and we appreciate your being here.

The committee stands adjourned.

(Thereupon, at 10:45 a.m. the hearing was adjourned.)

