

NEWS RELEASE ON HOSPITAL AND MEDICAL  
ASSISTANCE COSTS

January 15, 1968

Governor Agnew announced today that the National Governors' Conference will undertake, at his request, an in-depth study of the problems and causes of spiraling hospital and medical assistance costs.

Maryland is facing a \$5 million deficit in its program this year and will have to reduce the number of patients cared for as of July 1 unless effective controls are established, Governor Agnew has stated.

Other states are facing similar, or worse, financial problems.

Governor John A. Volpe of Massachusetts, chairman of the National Governors' Conference, told the Maryland Governor he agrees that "this is a matter which ought to concern the Conference."

"As you point out, this problem is one which faces every state and we have been wrestling with it here in Massachusetts for some time," Governor Volpe said in a letter.

"I am going to request, therefore, that the Committee on Health and Welfare, under the chairmanship of Governor Nelson Rockefeller, make an in-depth study into the problems and causes of soaring hospital and medical assistance costs.

"Since this is a new committee, I believe this topic to be most appropriate as its first assignment."

The appeal to the National Governors' Conference for assistance in trying to bring about controls over the Federally-aided program was one of three actions taken recently by Governor Agnew.

He also received from Maryland hospital administrators assurances that they will try to work with the State in seeing that all needy patients can be cared for within the limits of available budgeted State funds. And he wrote to Maryland Congressmen requesting their assistance in trying to obtain a relaxation of present Federal standards that require full repayment to hospitals of their average daily costs for patient care without any limitation as to amount or the duration of a patient's stay.

"It is impossible to budget for this sort of open-ended program, which will soar out of sight unless we can establish some effective controls over it," Governor Agnew said.