

Correspondence – American Dental Association

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AMERICAN DENTAL ASSOCIATION

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August 16, 1974

Governor Jimmy Carter
1974 Campaign Chairman
Democratic National Committee
P.O. Box 1524
Atlanta, Georgia 30301

Dear Governor Carter:

Dr. C. Gordon Watson has asked me to send you materials describing the national legislative goals of the American Dental Association. I am enclosing a copy of the latest issue of our Washington Office Memorandum. As you will note, the chief concerns of the American Dental Association are with national health insurance bills and health manpower proposals.

I am also enclosing a copy of a 1971 action of the ADA House of Delegates that describes concisely the policies of the American Dental Association on national health care programs.

Dr. Watson appreciates your interest in dentistry's position on national issues. If you need further information please call on Dr. Watson or me.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Bernard J. Conway".

Bernard J. Conway
Assistant Executive Director
Legislation and Legal Affairs

BJC:eo
Enclosures
cc: Dr. C. Gordon Watson

WASHINGTON NEWS MEMORANDUM

Washington Office
American Dental Association

August 7, 1974
Vol. 4, No. 4



National Health Insurance: The House Ways and Means Committee was scheduled to begin holding executive sessions on national health insurance legislation during the week of August 5 following completion of its work on tax reform legislation. The decision by Chairman Wilbur D. Mills (D-Ark) to move immediately into NHI legislation caught many by surprise, including members of his own Committee. A recent meeting between Mills, Sen. Edward M. Kennedy (D-Mass), and HEW Secretary Caspar W. Weinberger, apparently precipitated the latest action. Although chairman Mills is a cosponsor, with Sen. Kennedy, of the so-called compromise NHI bill (S. 3286 and H.R. 13870), he has indicated he is not wedded to any single national health insurance bill. Earlier Sen. Kennedy stressed again his belief that a bill should be enacted this year and indicated that perhaps he would support a program providing for a five-year phase-in period.

The likelihood of final action on a bill this year seems remote, although a consensus on a bill during the current Committee consideration could pave the way for action early in the next Congress.

Taking up a bill at this time also is seen as an effort by Chairman Mills to assert the jurisdiction of his Committee at a time when Congress is about to consider Congressional reform proposals that would transfer health legislation to the purview of another committee.

ADA President Carlton Williams testified on national health insurance before the Ways and Means Committee in May. As a follow-up to that testimony, the Association has submitted a list of twenty-two substantive and technical amendments to the major NHI bills which are pending.

On the Senate side, the Finance Committee has indefinitely suspended its NHI hearings. Chairman Russell Long (D-La) evidently is waiting for House action before moving further. If such action is not forthcoming, he may take the initiative in behalf of his own catastrophic health protection bill.

Health Manpower: Prospects may be fading for early action on health manpower legislation as Congress prepares for impeachment debate. Until recently, the House of Representatives had been working toward a late August vote to revise and extend the expired health manpower law. It now appears that a bill will have to be brought to the floor by August 19. After that date, the House is expected to suspend most of its lawmaking activity until at least Labor Day as it considers the impeachment recommendations of the Judiciary Committee. Rep. Paul Rogers (D-Fla.), Chairman of the House health subcommittee, has stated his intent to meet the August 19 deadline. Committee staffers, however, privately express doubt that this accelerated timetable can be met. At present a draft health manpower proposal is being reached for presentation to the House subcommittee on health. That draft closely resembles the measure introduced as H.R. 14721 by Rep. Paul Rogers (see July JADA).

On the Senate side, efforts by Senator Kennedy to obtain quick approval of his health manpower proposal have met with opposition from several members of the full Committee on Labor and Public Welfare. On August 1, the Committee began consideration of a measure that contains most of the health manpower features of S. 3585, sponsored by Sen. Kennedy, plus several major amendments that were added to the bill by the subcommittee on health. Two of the new provisions, The Children's Dental Health Act (S. 429) and The Radiation Health and Safety Act (S. 667), were originally introduced as separate bills in the Senate. The American Dental Association supported the former bill in its original form and has submitted a statement opposing S. 667 (see separate item below).

Strong opposition to S. 3585 from national health organizations has apparently forced the Committee on Labor and Public Welfare to reopen the entire health manpower issue. It is understood that the Committee decided, on August 2, to re-examine each of the major health manpower bills that have been introduced. At this juncture it is impossible to predict what will ultimately emerge from this debate. The Association has submitted statements strongly opposing provisions in the bill that would establish a national licensure and relicensure system for dentists and physicians and require each entering student to sign an agreement to serve in a designated shortage area for two years after graduation.

It now seems likely that final congressional agreement on a new health manpower bill could be delayed for some time. One indication that this may occur is the recent (July 23) action by

the Senate in passing an emergency extension of the health professions student loan program (S. 3782). A similar bill (H.R. 16077) is pending in the House. The House measure would also authorize an extension of the National Health Service Corps scholarship program.

H.E.W. Appropriations: The House of Representatives has passed a fiscal 1975 appropriation of \$29.5 billion for the Department of Health, Education, and Welfare. Action was deferred on budget requests totaling an additional \$4.6 billion pending the enactment of new authorizing legislation. Included in this category are funds for health manpower education, the Division of Dentistry, and research contracts for the National Institutes of Health. Support for these programs will be considered in a supplemental appropriations bill later in this session of Congress or early in 1975.

A noteworthy decrease in the overall budget is a cut of \$40 million below the requested amount for HMO support. The bill provides only \$18 million--\$15 million for grants and \$3 million for direct operations. The subcommittee decided to cut this appropriation because a supplemental bill that provided \$60 million to fund the first phase of the new HMO support bill became law only last June 8.

The NIDR received a fiscal 1975 House appropriation of \$44.388 million. This represents an increase of \$5.337 million over the administration's request for authorized programs. It is expected that the House will add another \$5 million to the NIDR budget for research contracts when supplemental appropriations are passed.

Senate appropriation hearings for HEW have been completed.

In a related action, the President on July 12 signed the Congressional Budget and Impoundment Control Act of 1974. This law is an effort to provide a stronger role for Congress in the Federal budget-making process and, equally important, to bring order to the traditional piecemeal approach of arriving at annual budget for the Executive. Essentially the new law:

--Establishes House and Senate budget committees and a new Congressional Budget Office to coordinate the overall focus on budget totals and individual appropriations bills.

--Changes the beginning of the fiscal year from July 1 to October 1, starting in 1976.

--Establishes a timetable for Congressional action on authorizing legislation or appropriations bills.

--Requires Congressional agreement on Presidential impoundment of appropriated funds and on reductions in funding levels.

The requirement for congressional agreement on withholding funds is effective immediately.

Radiation Health and Safety Act: The Senate health subcommittee held a one-day hearing in June on S. 667, a bill which would make it unlawful for any individual to apply ionizing radiation to humans for diagnostic or therapeutic purposes unless he is a medical practitioner, a licensed dentist, a licensed dental hygienist, or holds a valid radiologic technologist license. Licensure standards on various categories of radiologic technologists would be issued to the states by the Secretary of HEW and if not adopted by a state within two years a federal license would be required.

Called the Radiation Health and Safety Act, the bill has been introduced several times previously by Sen. Jennings Randolph (D-W.V.), who chaired the hearing.

In addition to the above stricture, the bill would require the HEW Secretary to issue criteria and minimum standards for the accreditation of educational institutions conducting training programs for radiologic technologists, including medical and dental practitioners and dental hygienists.

The ADA submitted a statement in response to the bill, pointing out dentistry's objections to various provisions in it.

Among other things, the ADA pointed out that the Council on Dental Education already is recognized by the U.S. Commissioner of Education as the responsible accrediting agency for establishing standards of education for schools of dentistry, dental hygiene, and dental assisting. Accordingly, a separate federal standard-setting mechanism is unnecessary.

The Association also recommended that the licensing functions be left under the jurisdiction of existing state licensing agencies.

Pension Reform Legislation: Senate and House conferees have completed their frequent meetings to iron out differences between the Senate- and House-passed versions of pension reform legislation. The ADA-supported increase in the Keogh Program passed both houses in the same form, and so this is not an issue being considered in conference. This change in the Keogh Program will allow a self-employed person to set aside, on a tax-deferred basis, 15% of his income up to a maximum of \$7,500 for investment in a qualified retirement plan. It represents a substantial increase from the present limits of 10% of a person's income up to a maximum of \$2,500.

An issue of interest resolved in the conference was the pension limit which would be applicable to employees of professional corporations. The Senate-passed bill would have allowed a corporate employee to set aside, on a tax deferred basis, an amount sufficient to produce a retirement income equal to 75% of the average of his highest 3 years of earnings, but not to exceed \$100,000. The conferees accepted the House-passed limits of 100% of the average of the highest 3 years not to exceed \$75,000.

The conferees have substantially completed their work. All that remains is for the conference committee to finish drafting its report, which is expected in the near future. The conferees will then meet once more to report out the bill which will probably be voted on by the House during mid-August.

Presidential approval is anticipated.

Tax reform developments: The House Ways and Means Committee completed its consideration of a series of tentative decisions which will be used as the basis of a broad ranging tax reform bill. Of particular interest are the following:

(1) Deductions for expenses of taxpayers attending conventions, educational seminars, or similar meetings outside the United States. The general rule agreed to by the committee is that "no deduction is allowable for foreign travel expenses (including expenses for transportation, meals, and lodging) for an individual with respect to a convention, seminar, or similar meeting held outside the United States unless the location is consistent with the activities, purposes, and functions of such convention, meeting, or seminar."

(2) Deduction of medical and dental expenses. The committee has tentatively decided to repeal the deduction of one-half (but not in excess of \$150) of medical insurance premiums which is now allowable without regard to the 3 per cent floor applicable to other medical expenses. The committee also decided to increase this floor from 3 to 5 per cent and to eliminate the 1 per cent floor with regard to drugs. Expenses for drugs covered under the 5 per cent floor will apply only to prescription drugs.

(3) Deductions for miscellaneous expenses. The committee tentatively decided to institute a \$200 floor on miscellaneous expenses ("which include employee business expenses and expenses for the production of income") so that only the total miscellaneous expenses above \$200 may be deducted.

PSROs: A number of bills (H.R. 15090, S. 3589, H.R. 15110, etc.), all identical, have been introduced with the purpose of amending part B of title XI of the Social Security Act to limit the authority of the review organizations.

A bill introduced by Rep. Teno Roncalio (D-Wyo), which has strong AMA support, alters the section of the PSRO law which provides "norms of care" which PSROs must apply in evaluating care by substituting "guides for care" to be an "initial point of review" rather than "a principal point of review." The guides may not be used as evidence in civil litigation in the absence of competent medical testimony.

The reporting of violations section of the present law is amended to require only the reporting of a "pattern of violations --- constituting a substantial violation" rather than reporting of a "violation of any obligation" as is now the case.

The bill deletes from the law the requirement that PSROs determine, in advance, the necessity, appropriateness, and cost effectiveness of in-hospital or extended and/or costly outpatient care. Instead, the bill requires "regular, sample, or selective" review of providers to determine if they are providing care consistent with the criteria in the act.

The bill would reduce the penalty for first-time violators from a potentially (at the discretion of the Secretary) indefinite suspension of eligibility for payment for covered services to a 30-day suspension.

Another provision would delete from Medicare the prohibition of payment to providers who make false application for payment, submit excessive bills, or who

furnish unnecessary and or harmful services or supplies. Similar provisions would be deleted from Medicaid.

All of these bills would, in effect, weaken the authority presently provided to PSROs by law but there is no indication of widespread support for them. These bills are all pending in the Ways and Means and the Finance Committees.

Dental Corps Reorganization: Rep. Melvin Price (D-Ill.), ranking member of the House Armed Services Committee, has introduced a revised bill dealing with the organization of the Army-Air Force dental services and specifying new duties and responsibilities for the Chief of the Dental Corps. The substitute bill (H.R. 13553) overcomes some of the objections which led to a resolution in the House of Delegates at the 1973 Annual Session which called for removal of certain deficiencies in the original Price bill (H.R. 10803) with regard to command structure.

At the June meeting of the Council on Legislation, a representative of the Organization for Dental Corps Reform and the Chief of the Army Dental Corps discussed the need for restrictive language in the bill to remove any possibility of further subordination of dental officers in the Army and the Air Force to medical officers.

The Council on Legislation considered several alternatives and will make a recommendation when formal public hearings on the bill are held.

Pay Bill: A revised pay structure for dental officers in the armed services, entitled the Uniformed Services Special Pay Act of 1974 (H.R. 15355), was introduced June 12 by Rep. Samuel S. Stratton (D-N.Y.). Also affected would be veterinarians, optometrists, podiatrists, and psychologists, as well as lawyers in the Army, Air Force, and Marine Corps.

A dental officer may be paid an amount not to exceed \$10,000 for each year of the active duty agreement that he signs, while all other health professionals listed are entitled to a bonus amount not to exceed \$5,000 for each such year. And unlike the recently-passed medical officers special pay bill, H.R. 15355 does not include any changes in the special monthly professional pay which is currently available to dentists and scaled from \$100 per month to \$250 per month over ten years.

A competing proposal (H.R. 15514), introduced by Rep. Donald Mitchell (R-N.Y.) on June 20, proposes to amend the existing

medical officers compensation law by adding military and PHS dentists, optometrists, veterinarians, and podiatrists. This bill provides statutory parity and leaves to the Secretary of Defense the final determination of the level of bonus payments of up to \$13,500.

Medical Device Legislation: A bill to regulate medical and dental devices is still pending before the House subcommittee on health. After some delay, it is now understood that the subcommittee will act once health planning and health manpower measures have been approved.

The ADA has urged the sponsors of the bill (H.R. 9984) to provide a statutory exemption for dental "custom devices." A similar bill (S. 2368) has already passed the Senate.

Indian Health Service: The Senate Interior Committee has approved a bill (S. 2938) authorizing funds to improve services and facilities of federal Indian health programs. Among other things, the bill would provide aid for Indians to enter the health professions and scholarships for students of the health professions who agree to serve in the Indian Health Service. The ADA presented a record statement in support of the measure.

ADPAC Scoreboard: The number of states cooperating in obtaining contributions for ADPAC has increased to 28 in the last four months. The additions are the District of Columbia, Florida, Indiana, Maine, Montana, Nebraska, and North Dakota.

West Virginia has now joined the other states that have formed political action committees, and Arkansas has recently requested information about forming a political action committee, too.

Status Report:

Neighborhood and Migrant Health Centers: The House bill (H.R. 14214) has been reported by the full Interstate and Foreign Commerce Committee; action on the Senate version (S. 3280) is pending.

Health Planning: The House Public Health Subcommittee has reported out a bill (H.R. 16204) on health planning after considerable debate. A controversial section of the original bill (H.R. 13995), which had to do with the state regulation of rates of institutional providers of health services, was dropped.

The planning bill approved would establish a National Council for Health Policy within HEW to develop and recommend a national health policy. The Council would also conduct studies and analyses designed to achieve these goals, and recommend guidelines concerning the supply, distribution, and organization of health resources and services.

In addition to the national council, each state would have a state health planning and development agency designated by the governor to administer the state program. It would be advised by a state health planning council.

Two other functions deleted from the authority of the state health planning council were:

- The licensing of health care facilities and health manpower in the state;
- Setting standards for health care facilities and health manpower, to the extent authorized by state law, and reviewing for quality the performance of health service within the state.

At the local level would be set up health service agencies. These would have a governing body made up of one-half providers and one-half consumers, plus one additional consumer. The agencies would create health plans for particular health service areas.

The Senate health planning bill (S. 2994) is pending in committee.

Consumer Price Index: Now pending in the House Education and Labor Committee is a joint resolution (H.J. Res. 992) which would prohibit the Bureau of Labor Statistics from instituting any revision in the method of calculating the Consumer Price Index until such revision has been approved by resolution of either the Senate or the House of Representatives.

National Research Act: This law (P.L. 93-348; original bill, H.R. 7724) provides statutory authority for research training for the National Institutes of Health, including the National Institute of Dental Research. The ADA submitted a record statement in support of continuing research training and fellowship assistance to the health professions schools and research centers.

D.C. Medical and Dental Manpower Act: The House of Representatives has passed by a vote of 348-11 a bill (H.R. 11108) to provide direct financial support to Georgetown University Dental and Medical Schools and the George Washington University Medical School. The bill has been referred to the Senate.

Other bills of interest include the following:

H.R. 11385-(Rogers-Fla.)-Signed into law (P.L. 93-353) as the Health Services Research, Health Statistics, and Medical Libraries Act. This law extends and revises the authorities for the National Center for Health Services Research and Development, the National Center for Health Statistics, and support for Medical Libraries.

H.R. 15859-(Cohen-Me.)-A bill to amend the SS Act to direct the Secretary of HEW to develop standards relating to the rights of patients in certain medical facilities.

H.R. 15739-(Roy-Ks.)-A bill to amend section 1302 of the participating HMO Act of 1973 by redefining the term "medical group" to permit physicians to spend less than a majority of their time in delivering mandated care on behalf of an HMO.

S. 3725-(Dole-Ks.) A bill to raise the VA to the status of an executive department of the Government to be known as the Department of Veterans Affairs.

S. 3705-(Hartke-Ind.) An original bill to amend title 38, US Code, to provide a 10-year delimiting period for the pursuit of educational programs by veterans, wives, and widows.

S. 3697-(Tower-Tx.)-A bill to amend title XVIII of the SS Act to provide payment under part A (the hospital insurance program) for care and treatment furnished at a central radiation therapy treatment facility, and to provide full payment under part B (the supplementary medical insurance program) for radiation therapy services furnished by physicians to in-patients of any hospital or any such facility; and for other purposes.

S. 3670-(Brock-Tn.)-A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for medical expenses, and for other purposes.

H.R. 15519-(Symington-Mo.)-A bill to establish a Health Action Corps.

H.R. 15292-(Dorn-S.C.)-A bill to amend title 38 of the US Code to establish a priority for the furnishing of outpatient medical treatment to veterans with service-connected disabilities.

S. 3577-(Kennedy-Mass.)-A bill to replace the recently expired Hill-Burton program with a new federal authority for the construction and modernization of health facilities.

H.R. 15082-(Aspin-Wis.)-A bill to prohibit the military departments from using dogs in connection with any research or other activities relating to biological or chemical warfare agents. A number of other bills contain the same language.

H.R. 15111-(Roybal-Ca.)-A bill to prohibit hospitals which receive Federal support from compensating physicians and other persons for the referral of patients for treatment.

S. 3543-(Cranston-Ca.)-"Bilingual Health Opportunities Act of 1974"--A bill to amend the PHS Act to promote the training of bilingual persons in the health, nursing, and allied health professions, to establish bilingual health training centers for such purposes, to provide for a special study of health education institution admissions, examinations, and for other purposes

H.R. 15004-(Lujan-N.M.)-A bill to establish regional Federal Medical Malpractice Boards to reduce the expenses of bringing, and the awards granted in, medical malpractice suits in the US

H.R. 14953-(Quie-Mn.)-A bill to amend the IR Code of 1954 to allow the deduction of certain expenditures for food and lodging primarily for medical care.

H.R. 14969-(Hudnut-Ind)-A bill to amend the PHS Act to authorize the Secretary of HEW to make loans to students in graduate health profession schools the repayment of which will be based on income earned after graduation.

H.R. 14931-(Staggers-W.Va)-A bill to extend the National Health Service Corps, and for other purposes.

H.R. 10957-(Rogers-Fla.)-This bill would restructure and recodify the Public Health Service Act and in the process abolish the statutory position of Chief Dental Officer. The bill has passed the House and is pending in the Senate. The Senate is expected to re-establish the Chief Dental Office position.

H.R. 14392-(Andrews-N.C.)-A bill to eliminate the payment of retroactive taxes on loan forgiveness as payment for service in shortage areas by critically-needed professionals.



**GUIDELINES FOR
DENTISTRY'S POSITION
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NATIONAL
HEALTH PROGRAM**

**ADOPTED BY
THE 1971 HOUSE OF DELEGATES
OF THE AMERICAN DENTAL ASSOCIATION**