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reassess its policy. It was for this reason that last December I introduced a bill (S. 2802), to repeal the resolution as a necessary first step on the path of normalizing our relations with Cuba. A modified form of that legislation, calling for a review of United States-Cuban policy was adopted by the Senate as part of the USIA-State Department authorization bill.

I am heartened by the growing recognition that change in our Cuban policy is overdue.

Recently, the distinguished New York Times columnist, C. L. Sulzberger, presented a perceptive analysis of the compelling arguments for broadening the application of détente, including our relations with Cuba. I ask unanimous consent that Mr. Sulzberger's column, "Détente Around the Edges?" from the New York Times of July 13, 1974, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### DÉTENTE AROUND THE EDGES?

(By C. L. Sulzberger)

PARIS.—I cannot understand why the United States, so earnestly seeking détente with all the important power blocs pays so little apparent attention to small sores festering along the edges.

One would think a nation resolved to work out accommodations with the Russians, the Chinese, the Arabs and those Europeans with whom we have had a tendency to bicker, would also take the tiny steps required to regularize other quarrels on a miniature scale.

Specifically I have in mind the continuing cold war between the U.S.A. and Cuba, which doesn't seem to have much point in an era of relaxing tensions, and also the continuing failure to arrange diplomatic relations with those two small but strategically located states, Outer Mongolia and Albania.

Cuba is the most crucial of the three nations mentioned because of its relationship to continental America, its Caribbean position and proximity to the Panama Canal, its association with anti-U.S. propaganda and guerrilla movements elsewhere, and its symbolic implication as the locus of the nuclear age's greatest superpower confrontation.

A decade ago I asked Fidel Castro if he foresaw improvement of relations. He said: "This question depends on the relations of the United States with all Socialist countries and we are not interested in improving relationships for ourselves alone.

"We now receive aid from only one side for the simple reason that there is only one side to help us. It is practically impossible that the U.S.A. should help us because the U.S.A. would demand ideological concessions and we will never be prepared to make concessions of that sort. . . .

"I think it will require many years before diplomatic relations are restored. I don't think conditions exist in the United States that permit positive steps. I believe an improvement of relations must be regarded as a long-term affair."

Yet "many years" have now passed. United States relations with virtually "all Socialist countries" have improved. No "ideological concessions" (if one excepts our suggestions that Russia ease up on dissidents and would-be emigrants) have been demanded.

Moreover, the hatred has seeped out of Washington-Havana debates. Fidelismo is no longer regarded as an immediate menace to Latin America. And Moscow doesn't like in-

definitely financing the sagging Cuban economy.

The mini-crisis of 1970-71 over a reported Soviet submarine base at Cienfuegos has subsided into a cat-and-mouse game where each side (sometimes mischievously) toys with the other.

One would therefore think this is a propitious time to do something useful. Indeed, the State Department has quietly set in motion "preliminary steps for change."

But the hard truth is that so long as Bebe Rebozo remains President Nixon's intimate friend, the Department doubts whether it can ever get a White House go-ahead for serious negotiations. Mr. Rebozo is closely tied to some particularly anti-Castro refugees around Miami and Mr. Nixon is said to feel very deeply on the Cuban affair.

Thousands of miles distant from this impasse are the separate-but-equal cases of Albania and Outer Mongolia. They are separate—one on an inlet of Mediterranean Europe and the other at Asia's northeast end—but they are equal as favored clients, respectively, of the Chinese and Soviet Governments.

Peking does everything it can to help its only true European ally while Moscow makes massive use of the Mongols by, among other things, stuffing their broad land with military equipment and Soviet troops with which to menace China.

Clearly the logical thing is for Washington to use the present quest for global détente to open simultaneously diplomatic relations with each of these satellites, thus balancing Moscow's pleasure at our recognition of Mongolia with Soviet displeasure at our recognizing Albania—and the reverse for Peking.

The two weak nations in question are politically and strategically of great interest as observation points for the United States. From Albania American diplomats might sniff out, from a new vantage point, additional information about Soviet machinations against neighboring Yugoslavia. And from Mongolia they might be in a better position to check tension along the Sino-Russian frontier and the seriousness of Moscow's intentions against Peking.

Thus, both in the name of détente—very much the *mot d'ordre* nowadays—and in the name of diplomatic horse sense, it might be well to start talks with all three of the countries mentioned with a view to regularizing what remains a foolishly irregular situation.

#### SOUTHERN ILLINOIS UNIVERSITY CONCERT CHORALE

Mr. PERCY. Mr. President, I wish to extend heartiest congratulations to the Southern Illinois University Concert Chorus for recently winning the international choral competition in Spittal, Austria. In winning the coveted Spittal choral competition, the group became the first American chorus ever to win this competition.

Fortunately, we in the Washington area will have the opportunity to hear this outstanding group this weekend as they will be performing at 1 p.m. on Sunday, July 21, in a free concert in the Grand Foyer of the John F. Kennedy Center for the Performing Arts sponsored by Alliance for Arts Education "Showcase" series. I hope that many of us will have the opportunity to hear this outstanding group from the Edwardsville Campus of Southern Illinois University this Sunday.

#### EARLY SCREENING

Mr. MONDALE. Mr. President, nearly 7 years ago, the Congress approved landmark legislation designed to assure that every poor child in this country receives the proper medical examinations and treatment. This effort is known as the early and periodic screening, diagnosis, and treatment program.

I have been deeply disturbed by the apparent unwillingness of the Department of Health, Education, and Welfare to fully implement the program. It took more than 2½ years and the filing of a suit in court to even get draft regulations issued.

In 1972—when HEW tried to further postpone and dilute EPSDT—I and some of my colleagues fought in Congress to assure that all the children covered by the program would receive the services to which they were entitled. The result of our efforts was a penalty clause in the 1972 Social Security Amendments. Specifically, the amendments required that States which did not implement EPSDT would be subject to a penalty of 1 percent of their AFDC funds.

A most informative article in the June 29 issue of National Journal informs us that EPSDT is still a matter of conflict and dispute within HEW—and the ones who are suffering are the 13 million children eligible for services. I request unanimous consent that a copy of this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### HEALTH REPORT/HEW, STATES' CHILD CARE RECORD MAY AFFECT AGENCY'S INSURANCE ROLE

(By John K. Iglehart)

Nearly seven years ago, Congress directed the Health, Education and Welfare Department to design a plan for finding poor children with medical problems and providing treatment for them.

Two years ago, HEW still had not come up with a workable program and Congress imposed a July 1, 1974, deadline on the department, hoping to force faster action.

But despite the personal interest and involvement of HEW Secretary Caspar W. Weinberger, the department has no hope of meeting the deadline.

And its inability to cope with a relatively small slice of the total national health problem is raising doubts on Capitol Hill that it would deal effectively with a national health insurance program.

The program in question is Early and Periodic Screening, Diagnosis and Treatment (EPSDT), a small element in HEW's vast array of health missions.

It is difficult to pinpoint any single reason for the department's failure to meet the deadline.

Part of the delay has been caused by internal HEW bickering over the best approach. States partly are responsible because of their concern that they cannot afford a fully implemented program, which eventually could cover as many as 13 million children.

Either way, the delay has hurt HEW on Capitol Hill.

The department's unwillingness to persuade states to comply with the law raises questions about the department's ability to launch a national health insurance plan, a medical task of far greater magnitude.

The unwillingness of some states to implement EPSDT largely because of potential

costs works against the Administration's argument that states should play a major role in administering and monitoring national health insurance.

"The performance of HEW and the states on EPSDT doesn't leave much to your imagination on how they might perform under health insurance," said an aide to Sen. Abraham Ribicoff, D-Conn., who was a leading sponsor of the child health plan in 1967.

"For all intents and purposes, Congress has given up on HEW's implementation of EPSDT within the context of the present medicaid program," said a House Ways and Means Committee official. "Congress now is prepared to federalize medicaid."

In its health insurance legislation (HR 12684, S 2970), the Administration has called for establishing two financing programs, one for the working population and another for non-working and low-income groups.

The states would play a key role in financing the second program, a task that would give them more incentive to control costs, according to the Administration analysis.

Sen. Russell B. Long, D-La., chairman of the Senate Finance Committee, and Rep. Wilbur D. Mills, D-Ark., chairman of the House Ways and Means Committee, are advocating health insurance bills that call for federal administration of the program. States would have only a secondary role.

Mills told Weinberger at a health insurance hearing April 24:

"You are going to have a hard time convincing me that any state has administered medicaid as well as the Social Security Administration has administered medicare," Mills said. The EPSDT program is a part of medicaid.

Standing: On paper at least, the EPSDT program enjoys priority standing with Weinberger. He has emphasized his interest in it at staff meetings and voiced concern in private conversations with ranking department officials that HEW's programs may be overemphasizing the older population at the expense of the young.

Moreover, implementation of EPSDT is one of the Secretary's program objectives for fiscal 1974.

In reality, though, the department never has committed the resources necessary to aid or prod states to implement the program. A telling statistic is the number of staff members which HEW has assigned to the task.

Seven professional staffers work on EPSDT in Washington, but four have decided to leave or have left HEW. In the department's 10 regional offices, one staffer, on the average, is responsible for working with the states in each region.

HEW never has been able accurately to estimate how much states spend for EPSDT because the funds flow from a general pot of medicaid money that will total in excess of \$10 billion in fiscal 1975. The department does estimate that 30 per cent of these monies are spent for children's health services of all kinds.

Under the program, which was first authorized by the Social Security Amendments of 1967 (81 Stat 821), states must inform all recipients of Aid to Families With Dependent Children (AFDC) of "the availability of child health screening services." The eligible child population is estimated to number 13 million.

States also must "provide or arrange for the provision of such screening services," and "arrange for . . . corrective treatment." The services are financed under a medicaid formula which obligates the federal government to pay from 50 to 83 per cent of the cost; the states pay the rest.

#### PRESSURES

Pressures are mounting on HEW to account for its efforts to implement EPSDT six

and a half years after Congress authorized creation of the program.

Sen. Ribicoff asked Weinberger in a letter dated June 11 to describe in detail what the department has done to implement the program.

Further, court suits have been brought against 10 states, claiming they have failed to implement the program fully. The states are California, Colorado, Connecticut, Illinois, Indiana, Michigan, New York, Ohio, Pennsylvania and Vermont.

Thus, with hope of meeting the statutory deadline of July 1 gone, with Ribicoff's expressed interest, and with the pending court suits, the department is going to have to develop a strategy for enforcing the stiff penalty which Congress mandated as a part of the Social Security Amendments of 1972 (86 Stat 1329).

Under the provision, HEW "shall" reduce by 1 per cent the federal payment to the Aid to Families with Dependent Children (AFDC) program of any state which fails to implement the EPSDT program.

With federal expenditures of \$4.1 billion provided for the AFDC program in the President's fiscal 1975 budget, the financial pain of a 1 per cent reduction in a state's payment could be substantial.

#### PROBLEMS

Full implementation of EPSDT has been stymied by a number of factors, the most important being concern at HEW and in the states over the potential cost of screening some 13 million eligible children for medical ailments and then providing corrective services.

#### States

The federal-state medicaid program itself has been a significant impediment to the full implementation of EPSDT. Although financed primarily with federal dollars, medicaid really is a state program, or, more accurately, 50 state programs.

Within general federal guidelines, states select the kind and amount of services they wish to provide, determine the groups eligible for assistance, dictate the standards health-care providers must follow, set the levels of reimbursement and administer the program.

The commitment that states have made to the medicaid program varies widely. California and New York offer a broad range of benefits to medicaid recipients. In New York, the medicaid budget now exceeds that of the budget for aid to needy children (AFDC).

A number of states offer only the minimum range of benefits required by law: inpatient and outpatient hospital care, skilled nursing home care, physician care, home health services, laboratory and X-ray services, family planning services and screening and treatment of individuals under the age of 21.

Although EPSDT is one of medicaid's mandatory services, states have implemented it with the same varying degrees of enthusiasm that they have shown for the total medicaid program.

#### SRS

The child health care program is only one of several that has been hindered by bureaucratic warfare between the director of the Social and Rehabilitation Service (SRS) and his career staff.

SRS Administrator James S. Dwight Jr. has established priorities which feature efforts to improve management of the welfare system and to purge the public assistance rolls of ineligible recipients of welfare funds. Dwight's prescription includes relentless budget cutting, both within SRS and in the programs it administers.

The SRS career staff has a totally different set of priorities, which favor liberalizing the agency's programs so that more, rather than fewer, low-income families receive federal help.

The conflict between Dwight and the SRS bureaucracy has generated turmoil within the agency. Staff morale is low and a number of recent resignations have resulted, including those of Howard N. Newman, medicaid commissioner, Karen F. Nelson, medicaid's chief of program, planning and evaluation, Joseph Manes, medicaid's long-term care specialist; and Barney F. Sellers, head of EPSDT.

Congressional discontent with Dwight's stewardship of SRS also is mounting. The best reflection of it was in the passage May 24 by the House of a bill (HR 14225) that would remove the Rehabilitation Services Administration, the most popular SRS program, from that agency and place it in Weinberger's office. The vote was 400-1.

Earlier in the year, Congress removed the Administration on Aging from SRS and placed it in the Secretary's office because, in the view of legislators, Dwight's support of the program was weak.

#### EVOLUTION

The history of the EPSDT program is a textbook example of what happens to a program which Congress authorizes—and then rarely tends to—and to which the executive branch never fully commits itself.

The problems of a lack of financial resources, an absence of available screening services and the inability of states effectively to link eligible children with services which are available all have stood in the way of fulfilling a commitment which President Johnson first articulated in a message to Congress on Feb. 8, 1967.

Mr. Johnson outlined a 12-point welfare program which included a commitment to "expand our programs for early diagnosis and treatment of children with handicaps."

The President noted that nearly 500,000 children were receiving treatment at that time under HEW's health program for crippled children, but he said "more than twice that number need help."

"The problem is to discover, as early as possible, the ills that handicap our children. There must be a continuing follow-up and treatment so that handicaps do not go neglected," Mr. Johnson said.

EPSDT was sold to the President by former HEW Secretary (1968-69) Wilbur J. Cohen, when he was the department's undersecretary.

Chairman Mills scheduled hearings before the Ways and Means Committee a week after the message. And by Aug. 17, the House had passed the Social Security Amendments of 1967, which included a provision that required states to screen, diagnose and treat the medical ailments of children of low income families starting July 1, 1969.

The Senate Finance Committee approved similar legislation and the program cleared Congress on Dec. 15 of that year. President Johnson signed the bill into law Jan. 2.

HEW dragged its feet in developing regulations to implement the program. But two and a half years later, the former SRS administrator, John D. Twinn, proposed "tentative" regulations for EPSDT which interpreted the law quite broadly.

The regulations stipulated that states were to provide screening services for all eligible children under 21. If ailments were found, the states were obligated to correct them regardless of whether the necessary treatment was a service normally provided under the medicaid program.

States strongly objected to the proposed regulations, arguing that the comprehensiveness of the services required would have a dramatic impact on state budgets.

As a result, HEW rewrote the regulations and watered them down. The new regulations instructed states to provide services to children that normally were a part of medicaid benefits which they offered.

HEW also said that states were obligated

only to screen, diagnose and treat children under age six at the start, eventually expanding the program to serve all children under 21 years.

The Senate Finance Committee gave its blessing to the department's more restrictive interpretation of the law by including a provision in the Social Security Amendments of 1970 which conformed with the proposed regulations. These amendments, however, never became law.

Finally, almost four years after President Johnson signed into law the Social Security Amendments of 1967, former HEW Secretary (1971-1973) Elliot L. Richardson approved EPSDT regulations on Nov. 4, 1971, to become effective 90 days later.

Congress showed its concern over the lack of movement on the part of HEW and the states to implement EPSDT when it approved as part of the Social Security Amendments of 1972 a provision imposing a tough penalty on jurisdictions that did not meet the statutory requirements.

But, on the whole, Congress has paid little attention to the program. Besides Ribicoff's letter, the most recent expression of congressional interest in EPSDT was voiced by Rep. David R. Obey, D-Wis., a member of the House Appropriations Subcommittee on Labor-HEW.

At a hearing April 24, Obey pressed Dwight to explain why HEW's implementation of EPSDT never has gotten off the ground.

#### CONFLICT

HEW policy makers always have been at odds over the degree to which the department should commit itself to implementing the EPSDT program. There are essentially two schools of thought on the question.

One school advocates an aggressive approach to implementation, "beating the bushes to link the children with the services," said one HEW official who supports this approach.

The other school frowns on such tactics and maintains that HEW should adopt a passive role, not going out of its way to advertise the program and not forcing states to implement it fully.

The two schools clashed last year through internal department memoranda and the result has been a middling approach to the implementation of EPSDT.

#### Newman memo

The seeds of conflict were planted by a memorandum dated Dec. 12, 1973, from medicaid commissioner Newman and Saul R. Rosoff, acting director of the Office of Child Development, to their program chiefs in HEW's 10 regional offices.

Newman and Rosoff announced that they had agreed to fund some 200 demonstration projects that would utilize private, nonprofit Head Start agencies "in making EPSDT services available to medicaid eligible children ages 0-6."

Newman and Rosoff noted that the medicaid and Head Start programs had "common bases" which could facilitate implementation of the EPSDT program. They continued:

"Both agencies serve low income families. Both are concerned with continuity of health care and have the similar objective of integrating services provided through all available state and local resources. These similarities set a common frame of reference that can generate a wide range of local collaborative activities. Therefore, medicaid and Head Start are initiating a collaborative effort."

Although the language was bureaucratic, Newman and Rosoff were saying that HEW would institute an aggressive program that would seek out low-income youngsters to undergo medical screening and receive corrective services, if necessary.

"Head Start will refer potentially eligible Head Start children to medicaid for enrollment and medicaid will pay for needed health services as required by EPSDT regulations," the memorandum said.

#### Dwight rebuff

SRS Commissioner Dwight learned of the Newman-Rosoff memorandum some weeks after it had been sent to the department's regional offices. Several states, a HEW staffer said, including Connecticut and Texas, had expressed concern to Dwight that the new EPSDT-Head Start project would force these jurisdictions, against their will, to expand the screening program.

On Jan. 10, 1974, Dwight wired SRS's regional commissioners: "Disregard the 12-12-73 memorandum from Howard Newman and Saul Rosoff, 'collaboration between selected Head Start grantees and state local medicaid agencies for delivery of EPSDT services.' That memorandum has not received SRS clearance and should be considered only as a recommendation to me."

Dwight also asked regional commissioners to comment on the Newman-Rosoff proposal. One month later, he issued another memorandum to SRS regional commissioners which essentially outlined the passive approach toward implementation of the EPSDT program.

Dwight said that "SRS has a primary interest and obligation under the law to insure the availability of EPSDT services," but he maintained that the statute does not require the kind of aggressive outreach program that Newman and Rosoff envisioned.

"The federal government will not directly engage in outreach and will not require any state to engage in outreach to secure additional eligibility for the Title XIX (medicaid) program," Dwight said in his memorandum, dated Feb. 14. "This is a prerogative and a choice which should be strictly limited to the states. The states are the operator of Title XIX and their choice determines the scope of service and eligibility for Title XIX."

Dwight directed that the "primary emphasis" of the 200 Head Start demonstration projects be to make EPSDT services "available to medicaid eligible children who are also enrolled in Head Start" rather than encouraging these children to enlist in the program.

But recognizing, as Dwight put it, that "outreach is inevitable in such a project," he directed that state medicaid directors and Governors would have to approve individual demonstration projects "before this activity is initiated in any state."

Dwight oversees medicaid and SRS' other programs while adhering to a view that for HEW to prod states to take actions they essentially do not want to take is an unproductive exercise.

"I have an affinity for how to get states to do something—otherwise I have wasted five years of my life," Dwight said in an interview. "If we start dictating procedures to the states then we will get ourselves in trouble."

Dwight came to Washington in 1972 to work as an associate director of the Office of Management and Budget. Before that, he served in California as a deputy finance director in the administration of Gov. Ronald Reagan, R.

#### Dialog

Dwight's plan for limited implementation of the program, as outlined in his Feb. 14 memo and as evidenced in the number of people he has assigned to the task, is the subject of mounting debate within HEW.

The issue has been a topic of discussion at two of the Secretary's recent management meetings. Weinberger regularly holds such sessions to keep track of objectives which HEW's agencies establish through a system

of management that the Administration has adopted in most executive departments.

The system is known as management by objective (MBO). Under MBO, the departments each year must set objectives and, once they are approved by the Office of Management and Budget, mold their operations to accomplish the stated goals.

#### Weinberger meetings

At the Secretary's management meeting Jan. 15, Stanley B. Thomas Jr., assistant HEW secretary for human development, brought up the issue which had arisen over utilizing Head Start grantees to implement EPSDT.

Dwight explained that he had rescinded the Newman-Rosoff memo because of complaints from a number of states about the use of private Head Start grantees as an outreach vehicle for state-run EPSDT programs.

The ensuing discussion revealed that the key issue was the extent to which the availability of EPSDT services should be advertised by HEW, and thus generate additional demands on state medicaid programs without state consent.

Weinberger concluded the discussion by directing Newman, Rosoff and Dwight to reconcile their differences or, failing that, submit a memo to the Secretary on the issues involved.

The concern expressed by Thomas about the implementation of the EPSDT program was echoed two and a half months later by Bernice L. Bernstein, director of HEW's New York regional office, at another management meeting March 28.

Dwight led off the discussion on EPSDT by reporting that his agency had been overly optimistic in setting a goal of screening two million children in fiscal 1974. A more realistic estimate, Dwight said, would be the screening of from 1.2 million to 1.4 million children.

At that point, Mrs. Bernstein, who was speaking for all of HEW's regional directors, said that a lack of commitment on the part of SRS to provide adequate field staff to implement EPSDT was a major problem. She also called for more active involvement in the task by the office of Dr. Charles C. Edwards, assistant HEW secretary for health.

Dwight replied that SRS was not able, unfortunately, to provide additional medicaid staff members to the regions because all employees were fully committed to higher priorities until July 1975. He said the situation could worsen for EPSDT implementation.

Weinberger concluded the meeting by emphasizing his strong commitment to implement EPSDT. The official minutes of the meeting read:

"The Secretary stressed that this is an extremely important objective which should not fall short of achievement due to inaction or delay on the part of HEW. He expressed his strong desire that regional PHS (Public Health Service) personnel take an active role in assisting states to implement this program. . . ."

#### Young memo

More recently, John D. Young, HEW's assistant secretary-comptroller, also has questioned whether the department's implementation of the EPSDT program complies with the law.

Young, according to several SRS staffers, sent a memorandum to John R. Ottina, assistant HEW secretary for administration and management, suggesting that, in light of the July 1 deadline, SRS's management objective for implementing the EPSDT program be strengthened.

Young said in the June 5 memo: "The SRS proposal to make available EPSDT services to eligible children and to screen three million children should be reconciled with the legal mandate to provide

screening for all children, in other words eight million plus.

"Now that push has come to shove, as far as the financial penalty is concerned, we suggest that SRS invest much more than \$40,000, which in budget terms represents two man years, in the effort.

"Also, the OPS (Operational Planning System) objectives should detail how SRS will monitor EPSDT and apply financial sanctions where necessary. The plan should also include development of a tracking system to indicate whether health screenings are actually followed up with by diagnosis and treatment."

Young was making reference to the MBO management system. Ottina and Thomas S. McFee, his deputy for management planning and technology, are responsible for administering the internal management system.

The implementation of the EPSDT program was a management objective established by the SRS in fiscal 1974. McFee said in an interview that because of Weinberger's commitment to the goal it likely would be upgraded in fiscal 1975.

It was SRS' first crack at upgrading the objective which Young questioned Dwight had suggested that the "resources required" to operate EPSDT in fiscal 1975 totaled \$2.6 million, including \$40,000 for the salaries and expenses of two staff members.

#### STATES

HEW's grudging commitment to the children's health program has been reinforced to a large degree by the states, which have feared from the beginning that EPSDT would only add to what was already an onerous financial burden—medicaid.

States have recognized the problems which exist, according to Howard Newman, but they have failed to correct most of them because of a concern over the potential cost.

In a speech March 12 to the National Health Forum, Newman said:

"There was universal acknowledgement of the need for comprehensive health services for poor children, and that such services were not readily available or accessible to the needy.

"Today, many of those problems still exist. In certain areas, a child in a poor family has only half the chance of those with higher incomes to live to his or her first birthday. Half of all poor children are not immunized against polio. About two-thirds have never been to a dentist. And poor children have three times more heart diseases, seven times more visual impairment, six times more hearing defects, five times more mental illnesses than the more affluent," Newman said.

He said that EPSDT got caught in the squeeze between rising welfare expenditures and the states' concern over the potential cost of the screening program.

"States were reluctant to embark on this venture, and the federal government was reluctant to insist. The number of welfare program recipients had been increasing steadily and the bulk of this increase was in the addition of children whose families needed public assistance. . . . Despite its obvious long run, and even short run, benefits, EPSDT posed a problem for public budgets," he said.

#### Links

Beyond the problem of its potential costs, EPSDT posed a significant obstacle for medicaid programs that never had been called upon to develop services. To make the vital link between providers of care and the intended recipients was a new and foreign task for state medicaid programs.

Medicaid was established in 1965, primarily as a federal-state mechanism to finance the cost of the basic health needs of some 27 million poor Americans. Many state programs are not equipped to manage the development of new service programs within the context of medicaid, even if they had the money.

But pressed by court suits, a number of states now are committing new resources to develop the EPSDT program. The states which have most impressed HEW with their efforts to implement EPSDT are Alabama, Iowa, Michigan, Missouri, Mississippi and Virginia.

In California, the EPSDT program helped influence the state legislature to enact a law which directed the state government to make screening services available to all children.

Texas has made a special effort to extend dental services to children eligible for the EPSDT program. Dental services are generally the most difficult to attain of those services provided under the program.

#### New York

New York has decided to step up its implementation of EPSDT, in the face of a court suit which charges the state with not developing a program and, as the result of the recent appointment to a high state post of Beverlee A. Myers, a former HEW official committed to EPSDT.

In a project that will start in September, New York State's Department of Social Services and Department of Health will strive to link children eligible for EPSDT with a comprehensive range of health services.

"The program began in 1972 in New York, but to date it has not been effective in reaching the target population," according to a state document which outlined plans to upgrade EPSDT implementation.

Through a marriage of New York's medicaid program and the regional medical program (RMP), another HEW enterprise which seeks to improve the health delivery system in a variety of ways, the state agency hopes to make the vital link between eligible children and screening services.

The agency plans to focus its efforts initially on approximately 450,000 eligible children in upstate New York. Medicaid funds would finance the screening, diagnosis and treatment services. But RMP monies would be used to identify the children and educate their parents to the merits of EPSDT.

New York spends more than \$2 billion a year to finance health services under medicaid. It spends an average of \$300 a year on individuals who participate in medicaid.

Mrs. Myers, a deputy commissioner of the State's Department of Social Services, rejects the notion that the EPSDT will be a costly endeavor for states. "We may well be able to reduce that \$300 figure, or at least control how it is spent better, through EPSDT because it will encourage the delivery of more primary care and less hospital care."

"The program should demonstrate that a relatively small amount of flexible RMP funds can be used as leverage to make the expenditure of relatively large amounts of medicaid funds more effective," Mrs. Myers said in an interview.

In New York City, the state agency plans to follow two approaches to implementation. One is to inform parents of preschool children through letters of the availability of screening services, which are provided by New York City's Health Department.

Second, New York plans to screen older children through a linkage with the schools they attend, an approach which has not been used widely in other jurisdictions. Before New York can move forward with this approach, though, HEW must grant its approval because it will require the department to waive a program regulation.

#### OUTLOOK

Come July 1, Dwight said, HEW would be prepared to assess the penalty provided by law on states that have failed to implement the EPSDT program. But he said that "assessment of the penalty is an admission of failure" to put EPSDT in place.

SRS's apparent strategy, as reflected in Dwight's comments and the agency's MBO statement, is to grant states the benefit of the doubt on the question of implementation.

SRS's proposed MBO statement on implementing EPSDT indicates that the agency does not plan to move precipitately to impose the penalty.

For one thing, a lot of money is involved and a quick cut-off would bring screams of indignation from the states and their representatives on Capitol Hill.

Second, a reduction in the funds would only hurt those individuals who can least afford it—the welfare recipients. And third, Dwight is prepared to give states every benefit in finding ways to comply with the law, such as phasing in programs over time.

SRS's proposed MBO statement on implementing EPSDT shows that the agency plans to use the first three months of fiscal 1975 to assess which states have not complied with the law.

On Capitol Hill, meanwhile, a spokesman for Sen. Ribicoff said that he is prepared to take HEW to task if it fails to require states to comply with the EPSDT law.

#### THE ENERGY CRISIS

Mr. TAFT. Mr. President, there has come to my attention an address made by Putnam B. McDowell, president of Marion Power Shovel Co. to the Marion, Ohio, Chamber of Commerce on January 29, 1974. In my opinion it is an extraordinarily perceptive analysis of the energy crisis which should be shared with my colleagues. While I do not necessarily ascribe to the comments as to individuals, political candidates, or international relations, the ideas propounded are helpfully provocative and validly challenge some of our prevalent shibboleths dominating public thinking on the subject. I therefore ask unanimous consent that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE ENERGY CRISIS: REAL—NOT CONTRIVED  
(By Putnam B. McDowell)

President Dunn, distinguished guests, members and friends of the Marion Area Chamber of Commerce:

This opportunity to speak to many of Marion's most distinguished citizens comes to me just before my 50th birthday and I am, therefore, reminded that someone once said that "middle age is when you know all the answers and nobody ever asks you the questions."

Since I'm about to enter solid middle age, this may be the last time I get asked the questions and I'm going to take full advantage of it and give you what I think are the answers to some of the questions you should be asking about the nation's energy problems, about how it is affecting relations between industry and the public in general and about how it may affect the relationship between your community and our company—Marion Power Shovel. We, of course, build the mining equipment which is a key to relieving the energy crisis through increased coal production.

Never in my business career have I seen such strong evidence of failure on the part of the public and of politicians to understand and respect the functioning of our profit-based economy than is evident in the daily headlines concerning the energy crisis, which I assure you is real—not contrived.