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## ABSTRACT

Progress made in DHEW during 1970-72 has been directed toward a more responsible government in meeting a broad range of human problems through better internal coordination, planning, and management accountability. The reforms and legislation enacted are summarized here. Management effectiveness was achieved by formal policy making and accountability structures, by the establishment of an Executive Secretariat to encourage intradepartmental coordination and communication, and by programs directed toward educating and upgrading employees. National educational programs include: The Education Amendments of 1972, the establishment of the National Institute of Education, advancements in career education, in the Right to Read Program, in school assistance grants, aid to black institutions, and the Educational Opportunity Act. Social services have been restructured to provide for greater efficiency in administration of services and income payments. Social Security benefits have increased, and the supplementary Security Income Program provides minimum income for the blind, disabled, and aged poor. Health programs include comprehensive health manpower reform legislation, a continuing Federal commitment to strengthening biomedical research, the National Cancer Act of 1971, a National Hypertension Program, nursing home standards reforms, health insurance proposals, and the Drug Abuse Office and Treatment Act of 1972. (JMB)

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Statement  
by

Elliot L. Richardson  
on his tenure as  
Secretary of Health, Education, and Welfare

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EDUCATION & WELFARE  
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In the two and one-half years I have been privileged to serve as Secretary of Health, Education, and Welfare, I have come completely to reject the argument that HEW is an unmanageable, unwieldy conglomerate, incapable of being directed, unable to respond efficiently or effectively to human needs.

It is unlikely that any Secretary has left the Department feeling satisfied that he has accomplished all his goals, or that the Department is operating -- as a result of his stewardship -- at peak efficiency. Judging by my own personal feelings upon leaving, most hope that they have removed some of the institutional roadblocks that impede the best efforts of dedicated and determined men and women to meet the basic needs of their fellow citizens.

At its best, I am convinced, HEW is and can be a coalition of concern -- a national focal point for a concentrated, comprehensive effort to help assure that anyone, no matter how unfortunate his circumstances, can lift himself into the American social and economic mainstream.

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It remains for others to judge the performance of an outgoing public official, and I leave it to them to do so without my coaching. But, upon leaving HEW, I feel it worthwhile to list some of the developments of the past two and one-half years in which I have taken a particular interest, and to point out that whatever progress they may represent reflect the abilities and energies of the thousands of able and concerned people who comprise this Department.

#### Improving the Management of a Coalition

Not only do I believe that HEW is a manageable institution, but I have become firmly convinced that we must design and implement comprehensive solutions to interrelated human needs in health, education, social services, and income support.

Whatever progress we may have made in the management of HEW has been directed toward a more responsible government in meeting a broad range of human problems through better internal coordination, planning, and management accountability.

As refined in the past two and one-half years, the HEW Operational Planning System (OPS), inaugurated by Secretary Finch, now serves as a key tool in assuring management by objectives. OPS requires the establishment of rational objectives and sets deadlines for their achievement. Managers are held accountable to the Secretary for specific, measureable accomplishments and the Department, in turn, is held accountable to the public. Recently, OPS has aided in developing cross-agency objectives, the monitoring of which will help assure--and even require--greater inter-program coordination.

Institution of a formal Planning Cycle and Policy Development and Implementation Process has provided HEW policymakers with a systematic procedure for identifying and analyzing issues, making choices among possible alternative approaches, and finally implementing policy.

Establishment of an Executive Secretariat has encouraged intradepartmental coordination and communication, and has assured that all affected HEW parties have access into the policymaking mainstream. The Executive Secretariat has assured, in short, that HEW staff members are talking to one another about programs and policies that concern them, and has put an end to the possibility that policy can be made without appropriate consultation among interested parties.

In terms of effective management, HEW's greatest resource is its employees. Recruitment of high quality managers and planners, from within and without the Department, has been possible by the establishment of an Executive Manpower Board and Executive Development Program.

An Upward Mobility Program has been established to enable lower grade employees to reach their full potential by providing college opportunities for 4,256 employees and other specialized on-the-job training and job restructuring programs.

An Office of Special Concerns was established in April 1971 to serve as an advocacy office responsible for insuring that minority groups and women are assured equitable access to the

services of the Department as well as an appropriate role in the development and implementation of HEW policy.

A Women's Action Program has been established to upgrade the role of women in the Department and the Nation.

#### Responsive Government

Efforts to improve the management of HEW programs have also been directed at making the Department more responsive to the individuals, institutions, and State and local governments which it serves. The cornerstone of greater responsiveness has been the Department's decentralization program, which has resulted in the complete decentralization of 45 programs and the partial decentralization of 55 others. The power and responsibilities of HEW's 10 regional directors have been substantially upgraded, particularly in financial and personnel matters.

Responsiveness has also meant simplifying and standardizing the grants process by eliminating unnecessary reviews, reporting requirements, and time delays.

A Division of Consolidated Funding has been established. This "switching station" enables a project applicant to go to one place in the Department and receive assistance in finding funds from among the full spectrum of HEW resources.

Improving the Effectiveness of and Broadening Access to  
Educational Opportunities

The Education Amendments of 1972 provide for Basic Opportunity Grants (BOGs) to help insure that all who wish -- regardless of income -- may enjoy the benefits of higher education. This significant legislation also provides for an institutional aid program that keys upon the institution's acceptance of students being aided by Federal funds.

The same legislation also provides for Innovation Grants for Higher Education which will be used to explore and test recommendations for substantial reform of higher education such as those contained in the so-called Newman Report which contained a broad-gauged and stimulating critique of current perceptions about the best means to conduct higher education.

A National Institute of Education (NIE) has been created to spur educational reform and renewal at all levels. The NIE will fund and monitor education research and innovation and will serve as a national clearinghouse for disseminating educational data. This new constituent agency of HEW, together with the Office of Education, reports to the new Assistant Secretary for Education.

We have continued to advance the concept of career education which seeks to stimulate student's awareness of the world of work and to encourage the tailoring of curricula to real life work opportunities.

We have continued to advocate the national Right to Read program whose goal is literacy for Americans of all ages and backgrounds.

In the past three school years, we have made Emergency School Assistance grants of \$150 million to ease the path of desegregation and the FY 73 appropriation contains an additional \$270 million for this purpose.

Federal aid to predominantly black colleges and universities has more than doubled in the past four years. This fiscal year we are launching a \$48 million special initiative directed at these institutions.

The President sent to the Congress the Equal Educational Opportunity Act which calls for strengthened targetting of Federal funds for compensatory education for disadvantaged children and requested authorization of \$2.5 billion annually for compensatory programs.

### Reforming the Social Services Delivery Systems

To give a coherent sense of direction and purpose to the disparate social service system--and to allow measurement of progress--we have established regulations which clearly orient the system toward the goal of dependency reduction.

To allow social workers to concentrate on functions requiring personalized attention--and to foster greater administrative efficiency in the performance of functions which may appropriately be treated uniformly--we have mandated the administrative separation of service provision and income payments.

To reduce the fragmentation--and the associated inefficiency and ineffectiveness--of the present service maze, we have introduced the Allied Services Act (on which the Congress has not yet acted). The Act would allow States and localities comprehensively to plan and to administer integrated service delivery. It would reorient the present system toward people and problems--not narrow program categories.

### Ensuring Adequate Income

To remedy the disgrace we mistakenly call a welfare system, the President proposed a comprehensive strategy for welfare reform--providing a uniform national income floor, with incentives to strengthen the family and to encourage work and with provisions for the equitable treatment of the working poor. Regrettably, after three years of debate, Congress has still failed to address the problem comprehensively.



There has, however, been major progress in improving the income of older Americans. Social Security benefits have increased by 51.8 percent in the past four years--the most rapid rate of increase in the history of the program. Enactment of the President's proposed "cost-of-living escalator" has made social security benefits inflation-proof.

And, most significantly, the enactment of the new Supplementary Security Income program provides a uniform nationwide minimum income for the blind, the disabled, and the aged poor.

In face of the Congress' failure to enact the comprehensive welfare reform that the country needs so badly, we are taking steps within our administrative discretion to improve the effectiveness and equity with which the Aid for Families with Dependent Children programs administered by the States. These steps include the so-called quality control regulations recently proposed.

Creating a Comprehensive Health Strategy

The development and partial implementation of comprehensive strategies for health was made possible by the marshaling of Department-wide resources and recognizing the relationships between poverty and health.

On the supply side, the Administration proposed and Congress enacted comprehensive health manpower reform legislation, providing important incentives to reduce the health manpower shortage, geographic maldistribution, and to increase the number of family practitioners. While supporting the concept of institutional aid to medical schools, the Administration also emphasized the development of physician and dentist assistants and the "team approach" to health care delivery.

The health strategy recognizes a continuing Federal commitment to strengthening biomedical research so that the frontiers of today's knowledge can be applied for the benefit of all Americans.

The National Cancer Act of 1971, signed by the President December 23, 1971, targeted resources in the search for a cure for this dreaded disease, increasing the Federal budget commitment for FY 1973 to over \$400 million. A greater research commitment combined with clinical application and community service is providing a targeted, comprehensive attack on Sickle Cell disease.

In recognition of the need for greater emphasis on preventative medicine and health education, the President's Committee on Health Education was established in September 1971 to define this need and will submit its report to the President within a few weeks.

A National Hypertension Program was launched in July to create greater public awareness of the dangers of hypertension and the ways in which it can be treated.

To reform the health services delivery system, a number of initiatives were taken.

- Health maintenance organization demonstration projects have been funded.

- Legislation to authorize Federal support for developing HMO's and provide other incentives to reform the health care delivery system was proposed to the Congress.

The President's nursing home initiative has upgraded the standards of care. All 50 States have instituted proper certification procedures to insure nursing home safety and high health care standards. Five States are experimenting to find effective ways to give nursing home patients a spokesman (ombudsman). In addition, the quality, cost, and different methods of nursing home care are being examined.

The National Health Service Corps has need of 144 communities for physicians and personnel.

On the demand side, the health strategy includes important reforms in the financing of health care to assure the financial access to health care for all families regardless of their ability to pay. The strengths of the existing health structure are being used in proposed health insurance legislation to meet the needs of the poor for adequate health care, to assure the availability of health care, to regulate appropriately the insurance industry, and to ensure that health insurance legislation has been enacted. Significant reforms have been made in Medicare and Medicaid. The enactment of H.R. 1. These reforms, including the establishment of peer review, will enable the Federal Government to assure a better quality of care and cost consciousness.

Other significant health initiatives of the past few years included:

- Signing in February of new health cooperation agreements between the United States and the Soviet Union and the exchange of scientists and data begun.
- Appointment in 1971 of the Medical Commission on the Quality of Health Care. The Commission held public hearings and has recently submitted its final report. The recommendations deal with the growing problem of malpractice suits and malpractice insurance.

Combatting Drug Abuse

On March 21, 1972, the President signed the Drug Abuse Office and Treatment Act of 1972 which launched a new initiative concerning the drug abuse problems in this country. Through this legislation, the Federal Government moved from a view of drug abuse as almost exclusively a problem of law enforcement to one where health has at least equal billing. In fact, the new Act contained as a mandate that "administering agencies construe drug abuse as a health problem."

There has been a recent five-fold expansion of the health care delivery system for drug abusers. In 1971, there were only 23 community based programs with a treatment capacity per year of 13,000 patients; by December 1972 there were 129 programs with a total capacity to treat more than 62,000 patients per year. This represents a major expansion in every region of the country of opportunities for citizens with drug abuse problems to find help.