

# Some Officials of H.E.W. Say Health Part

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Special to The New York Times

WASHINGTON, May 25 — The health side of the Department of Health, Education and Welfare is in serious trouble, according to a growing consensus among officials there, ranging from high policy makers on down.

Many of these officials, who were among several dozen interviewed in the last month, charged that they were faced with policy incohesion, internal power struggles, dismissals for political reasons, lagging recruitment and meddling by the White House.

The most optimistic felt that the health side of the department was seriously disorganized, the most pessimistic that it was falling apart.

As expressed by one of the department's top officers, a Republican with offices on the fifth floor of the headquarters building:

"Things are pretty bad. It's organized insanity—no, it's disorganized insanity. Part of the turmoil certainly started under the Democrats, but we ought to be able to accept a substantial part of the blame."

## Warning by Administration

The White House is aware of the problems. Almost a year ago, the Administration termed the nation's medical system a "cottage industry" and warned of a "breakdown in the delivery of health care unless immediate concerted action is undertaken."

The Administration has been seeking ways to amend the system for the short term by what it calls "patching and mending," while policy planners hope eventually to attract private capital into health care through establishing all-inclusive, prepaid health plans, like

the Kaiser program on the West Coast.

But technical and legal problems have blocked these efforts so far, and in the meantime concern over the state of health care in America continues to grow, inside the Government and out.

Doctors and nurses are in short supply. Adequate dental care is simply not available to millions of Americans at any price. Still, the amount of money poured into the nation's health system continues to rise sharply.

Daily hospital charges are rising four and a half times as fast as the cost of living, while doctor's fees are going up at twice the rate. The Medicare and Medicaid programs have helped bring some health care to the elderly and the poor, but performance under the programs is generally acknowledged to be spotty despite staggering costs.

According to United Nations data, 20 other countries have lower infant mortality rates than America's, while life expectancy of men is higher in 30 other countries. Some statistics suggest that the longevity of Americans has actually decreased slightly in the last several years.

The breadth and complexity of these problems has left many of the Federal administrators charged with meeting them on a daily basis frustrated and pessimistic. One official who is leaving H.E.W. expressed their feelings this way:

"There never was a national health policy, even under the Democrats, but the Republicans either don't care or don't even try to understand how bad the problems are, that a terrible situation is becoming far worse and that it is going to take longer and longer to correct."

On ideological grounds, the Nixon Administration does not



United Press International  
Dr. Roger O. Egeberg, head of the department's health side, says the White House "doesn't know what's going on in the health field."

share the beliefs of some liberal public health leaders that the Federal Government should assume responsibility for the health of all Americans.

But members of the Nixon team at H.E.W. are interested in reforming the system, and it is they who are talking about waning White House support.

These difficulties began some time ago when Secretary Robert H. Finch sought to fill the department's top health post with a tough, knowledgeable administrator who the Secretary was sure would add a strong voice to the reform battles that he knew lay ahead.

Mr. Finch wanted John H. Knowles, head of the progressive Massachusetts General Hospital. But his choice was vetoed,

first by the American Medical Association, which challenges the contention that the health care system needs reform, then by members of Congress sympathetic to the doctors, such as the late Senator Everett McKinley Dirksen, and finally by Mr. Nixon.

The Knowles affair was regarded by many persons sympathetic to the Boston physician's reformist views as a clue to the Administration's "real attitude" toward changing the system, which they say amounted to this:

"Do as much as possible, but don't spend any more money. Major reforms are not in the cards because they would be too costly."

This attitude, the Administration critics continue, has stalled recruitment for policy making positions.

With the Nixon Administration one-third of the way through its four years in office, five of the six positions as Deputy Assistant Secretary of Health remain vacant, although one and perhaps two of these offices are due to be filled soon.

"The fundamental failure of the Administration in the health area is to get good, qualified people to work on the problems," said an H.E.W. leader. "We need good deputies to move such entrenched groups as the medical schools to get them to turn out more doctors."

After six months without a top health administrator, Mr. Finch chose Dr. Roger O. Egeberg as his Assistant Secretary of Health. Dr. Egeberg, a Democrat who acknowledges that he is "not of this Administration" but is "trying to be loyal to it," had won wide respect as a medical administrator in Los Angeles. He now is du-

Washington. Dr. Egeberg complained in a

# of the Department Is in Trouble

bious about his effectiveness in recent interview that Mr. Finch and John C. Veneman, the Under Secretary of the department, were not taking his advice on health matters and that Mr. Nixon's advisers openly ignored him.

"The White House doesn't appreciate, doesn't know what is going on in the health field," he said. "I just can't get through to Ehrlichman." He was referring to John D. Ehrlichman, the President's chief aide for domestic matters.

As an example, Dr. Egeberg told of a meeting with Mr. Ehrlichman last winter just before they were to have seen the President.

According to Dr. Egeberg, who is seeking an additional \$100-million to expand immediately the training of more doctors and nurses, Mr. Ehrlichman asked whether the physician wanted to discuss money. On finding out that he did, Dr. Egeberg said, Mr. Ehrlichman told him: "We'll recycle the meeting."

"That was four months ago," Dr. Egeberg said.

## Rebuttal by Ehrlichman

Mr. Ehrlichman, asked about the incident, said: "Only one-third of that story is true. The President did see Dr. Egeberg, but he brought up a subject that had not been properly staffed and Mr. Nixon was not prepared to deal with it at that time."

Dr. Egeberg said he had been omitted from membership on an informal White House committee dealing with health. When he asked why there was not even one doctor on it, he said, he was told that a member who was a physician "would only be a lobbyist."

In another anecdote, Dr. Egeberg said that Edward L. Morgan, one of Mr. Ehrlich-

man's assistants, called him to ask if the Assistant Secretary had seen the January issue of Fortune magazine, which dealt with the crisis in health.

"They only believed it when they saw it in Fortune," Dr. Egeberg said. "If it were in any other magazine they wouldn't have paid attention."

Dr. Egeberg denied rumors that he might resign, saying that he intended to stay and fight for more money for health. "I may be fired because of my words and actions, but I won't quit," he said.

## 'Petty Warfare' Discerned

Others at H.E.W. contend that Dr. Egeberg himself shares some of the blame for the disarray they see in the nation's health care policy. They say he has not taken charge of his own field and that has become immersed in "petty warfare" with other officials in the department.

These other officials are, reportedly, Lewis H. Butler, Assistant Secretary for Planning and Evaluation; Dr. Jesse L. Steinfeld, the Surgeon General, who is Dr. Egeberg's chief assistant, and Frederic V. Malek, a Deputy Under Secretary in charge of organization.

"Egeberg just isn't a politician and he doesn't understand how to play the game here for his own operational benefit," one H.E.W. official said. In his opinion, he said, this has tended to make for a division of the leadership in health, leaving Dr. Egeberg in an ineffective position.

On Mr. Finch's orders, Mr. Malek has been trying to tie together the collection of almost independent fiefdoms in the health side of the department. Old-timers in organizations such as the Food and Drug Administration, the National Institutes of Health and

the Public Health Services, which at one time were independent of H.E.W., have resented the department's authority.

A succession of reorganization plans, starting under the Democrats, have come and gone, resulting in little more than a reshuffling of authority.

"Malek's ideas are basically sound," said one source at H.E.W. headquarters. "The chain of command in the health side is in chaos, with middle-level people not knowing whom to turn to for authority."

## Politics Is Charged

But this source, and several others who were willing to discuss the problem, censured Mr. Malek. They said he had tried to fill vacant positions with Republicans, not necessarily with the best specialists possible.

Dr. James E. Allen Jr., the department's Assistant Secretary for Education, publicly complained last week that Republicans were demanding that Democrats be excluded from consideration for vacant jobs.

Even Mr. Finch, in recent interview agreed that his department was having problems in running some people through the political selection process. But he insisted that the problems were being solved.

Yet since taking office Mr. Finch himself has tripled the number of political appointments unprotected by civil service in his own office from 59, when the Democrats left, to more than 150.

Discussions with some of the persons who have left the department leave an impression of deep bitterness.

Dr. Joseph T. English, who is to become president of New York City's Health and Hospitals Corporation, is leaving his post as H.E.W.'s health services and mental health administrator. He has no comment on his departure, but he is known to feel that he was ousted for political reasons on orders of the White House.

"Finch had nothing to do with Joe's leaving," said a source at H.E.W. headquarters. "He was handed his walking papers by some people at the White House." Several other top officials of the Health Services and Mental Health Administration are also leaving.

Dr. Edward B. Cross, the Assistant Surgeon General and the highest ranking Negro in the Public Health Service, has resigned.

Dr. Cross, an expert in the delivery of health care, said he felt that it was pointless to stay at H.E.W. because he was neither listened to nor consulted.

Another health official who is resigning says: "There has been a calculated decision on the part of the Administration to do nothing new in the area of health. It is pointless to spend another two years in that climate, maybe even six. I'm leaving for double the salary and half the headaches."