

**NOMINATIONS OF MARJORIE WARD LYNCH  
AND HAROLD F. EBERLE**

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**HEARING**  
BEFORE THE  
**COMMITTEE ON FINANCE**  
**UNITED STATES SENATE**  
**NINETY-FOURTH CONGRESS**  
FIRST SESSION  
ON  
THE NOMINATIONS OF  
MARJORIE WARD LYNCH, TO BE UNDER SECRETARY OF  
THE DEPARTMENT OF HEALTH, EDUCATION, AND  
WELFARE  
AND  
HAROLD F. EBERLE, TO BE DEPUTY UNDER SECRETARY  
OF THE TREASURY

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NOVEMBER 4, 1975



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**NOMINATION OF MARJORIE WARD LYNCH TO BE UNDER SECRETARY OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE AND HAROLD F. EBERLE TO BE A DEPUTY UNDER SECRETARY OF THE TREASURY**

**TUESDAY, NOVEMBER 4, 1975**

**U.S. SENATE,  
COMMITTEE ON FINANCE,  
Washington, D.C.**

The committee met, pursuant to notice, at 9:25 a.m. in room 2228, Dirksen Senate Office Building, Senator Russell B. Long (chairman of the committee) presiding.

Present: Senators Long, Ribicoff, Mondale, Hathaway, Haskell, Hansen, Dole, Roth, Jr., and Brock.

The CHAIRMAN. I am going to call this committee meeting to order for the purpose of hearing the statement of Senator Warren Magnuson, who is required elsewhere. We want to have his statement for the benefit of the committee, before we act on the nomination of Marjorie Ward Lynch to be Under Secretary of Health, Education, and Welfare.

**STATEMENT OF HON. WARREN G. MAGNUSON, A U.S. SENATOR  
FROM THE STATE OF WASHINGTON**

Senator MAGNUSON. All right.

Both Mrs. Lynch and I thank you for this opportunity.

I have a meeting, I have got to go, strangely, on appropriations for HEW. They seem to just come up every month, supplementals.

I am going to put in the record my short statement, but I want the chairman and the committee to be assured that both myself and Senator Jackson, who probably will be here to submit a statement, highly endorse Marjorie Lynch to be nominated by the President for Under Secretary of HEW.

I have known Mrs. Lynch for many years and consider her an outstanding nomination. She served for nearly a decade in the Washington State House of Representatives. Her committee assignments gave her valuable expertise in the substantive area in which she would be concerned as HEW Under Secretary.

Among her achievements was her authorship of landmark legislation which established our State model community power system. Of course, that is down in the Bureau of Education. What interests the Federal Government is the fund of grants that is going out that you will have to pass on in that field, and a lot of social service legislation which, I think, has made the State of Washington service delivery system a national, almost a pilot operation, and an ideal.

I would add that her experience as an elected legislator gives her an experience which well may serve to the benefit of the Department and the Congress.

Now, she has made some significant achievements in public administration. She most recently has been serving as Deputy Administrator of the American Revolution Bicentennial Administration, and I think she has demonstrated her ability in that post and other posts.

I would invite the committee's attention to her community activities. You will note that her volunteer efforts have focused on social and health problems.

Finally, Mr. Chairman, I know her to be a woman of great character and great integrity. I hope that the committee will confirm her.

I want to say to the nominee that I am sure she knows that this is a great challenge down there. This is a great big, complex, unwieldy agency. A lot of good people have tried to run it and have not had very much success. I do not know how many Secretaries of HEW or Under Secretaries that I have served with in the matter of HEW appropriations.

I have often said, Marjorie, that I think the busiest man in town is the sign painter down at HEW. He must work 24 hours a day with a helper. So I do hope that with her ability that she would not only fit into the job but they will keep her there. I am sure the committee will feel the same way.

Thank you.

The Chairman. Thank you very much.

Senator MAGNUSON. I am sure Senator Jackson has a statement he will put in the record.

Incidentally, she comes from the State of Washington.

Mrs. LYNCH. Thank you, Senator.

[The prepared statements of Senators Magnuson and Jackson follow:]

PREPARED STATEMENT OF HON. WARREN G. MAGNUSON, A U.S. SENATOR  
FROM THE STATE OF WASHINGTON

Mr. Chairman, it is with great personal pleasure that I introduce to you and your distinguished Committee, Mrs. Marjorie Ward Lynch, who has been nominated by the President to be Under Secretary of Health, Education, and Welfare. I want to thank you for the opportunity to be present for this purpose.

I have known Mrs. Lynch for many years and consider her to be an outstanding nominee for this important position. As you know, she has been a resident of Washington State since she came to this country at the close of the Second World War. For nearly a decade, she served with distinction in the Washington State House of Representatives. Her Committee assignments gave her valuable expertise in substantive areas with which she would be concerned as HEW Under Secretary. Among her major achievements was her authorship of land mark legislation establishing our State's model community college system. She also sponsored much of the social service legislation which has made the State of Washington's service delivery system a national ideal. I would add that her experience as an elected legislator gives her a perspective which will well serve the Department and the Congress. Far too often we must endure administrators who have no understanding of the legislative process or the needs of elected legislators. Mrs. Lynch's experience definitely indicates that she would be sensitive to and respectful of Congressional concerns.

I do not want to ignore her significant achievements in public administration. She has held important regional and national positions in several agencies. Most recently, she has been serving as Deputy Administrator of the American Revolu-

tion Bicentennial Administration. I think she has demonstrated her abilities in these posts.

I also would invite the Committee's attention to her community activities. You will note that her volunteer efforts have focused on social and health causes. I think this experience and the knowledge she gained with these organizations also speak for her confirmation to the position in HEW.

Finally, Mr. Chairman, speaking from personal knowledge, I can testify to Mrs. Lynch's character and integrity. I have no doubts she will be an up-standing, forthright and scrupulous Under Secretary of HEW. I am sure you would agree that in these times of increased public cynicism about government generally, we could not underestimate the importance of these considerations.

I certainly hope that your Committee will be able to favorably report Mrs. Lynch's nomination to the floor. She would continue to be a credit to her nation in this new position, and I heartily recommend her confirmation to you.

Thank you for your courtesy.

**PREPARED STATEMENT OF HON. HENRY M. JACKSON, A U.S. SENATOR FROM THE STATE OF WASHINGTON**

As you know, the President has announced his intention to nominate Mrs. Marjorie Ward Lynch as Under Secretary of Health, Education and Welfare. Since your Committee will review this nomination, I wanted to express my views to you on this matter.

Mrs. Lynch was a resident of the State of Washington for many years before coming to Washington, D.C. to serve as Deputy Administrator of the American Revolution Bicentennial Administration.

I wanted you to know how pleased I was that the President had seen fit to nominate Mrs. Lynch to this high position in his administration. She has been an active and outstanding community leader in her home town of Yakima for many years, served in the Washington State legislature for 10 years and served as Chairman of its Higher Education Committee. During that period she co-authored legislation establishing a new system of community colleges, and was helpful in enactment of a number of important measures including child abuse laws, community mental health and mental retardation acts, licensing of child care agencies, new social and health services department, and mandatory education for the handicapped.

Mrs. Lynch later served as Regional Director of ACTION and then became its Associate Director, before becoming an Administrator of the Bicentennial Commission.

For this reason this nominee is particularly sensitive to the relationship between Federal Agencies and Congress, and to the relationship between programs and their recipients.

I believe Mrs. Lynch is the kind of person who can be both effective and compassionate.

The CHAIRMAN. Mrs. Lynch, we have a statement that relates to your experience and your background. I am sure you are familiar with the statement.

Mrs. LYNCH. Yes, Mr. Chairman.

The CHAIRMAN. If there is no objection, I would ask that this be included at this point.

Mrs. LYNCH. Thank you, Mr. Chairman.

[The document referred to follows.]

**BIOGRAPHICAL SKETCH OF MARJORIE WARD LYNCH**

**PERSONAL DATA**

Born in London, England, November 30, 1920. Educated in both public and private schools in England. Came to United States in November, 1945 and became an American citizen in 1948. Resident of Yakima, Washington for twenty-five years. Has three daughters.

**CAREER APPOINTMENTS**

Deputy Administrator, American Revolution Bicentennial Administration, Washington, D.C. Nominated by President Ford October 2, 1974; confirmed by Senate December 18, 1974.

Associate Director for Domestic and Anti-Poverty Operations, ACTION, Washington, D.C. Acting June, 1973 to Oct., 1973; nominated by President Nixon September, 1973; confirmed by Senate Oct., 1973.

Regional Director, Region X, ACTION, Seattle, Wash. December, 1971 to June, 1973.

Representative, Washington State Legislature, Olympia, Wash. Appointed 1961.

**ELECTIVE OFFICES**

Representative, Washington State Legislature, Olympia, Wash., 1962, 1964, 1966, 1968, and 1970.

**LEGISLATIVE EXPERIENCE**

Chairman, House Higher Education Committee (5 years).  
Senior Member, Appropriations Committee.  
Chairman, Higher Education Subcommittee of Appropriations.  
Member, Social and Health Services Committee.  
Commissioner, Education Commission of the States.  
Member, Governor's Advisory Council on Mental Health and Mental Retardation.  
Sixth Ranking Republican in the House.  
Member of the Executive Committee, Mental Health Council, of the Western Interstate Commission for Higher Education (this Council deals with the problems of mental health, mental retardation and the penal systems of all eleven Western states).

**COMMUNITY SERVICES**

Active member of Yakima Chamber of Commerce. Chairman of their Government Affairs Committee and a member of their Military Affairs and Highway Committees.

President of the Woman's Auxiliary to the Washington State Medical Association. Also served on their Board for several years as chairman of different committees.

Board Member, Washington State Mental Health Association and local mental health committees.

Member of Board of Local American Red Cross Chapter for many years. Was chairman of Volunteers and Public Information. Also assisted in organization of regional Blood Center.

Active in United Good Neighbors. Served as head of Women's Division and on the Board and the Allocations Committee.

First Chairman of local Heart Association—also member of Board of Washington State Heart Association for many years.

Chairman, Region IV Planning Commission for Vocational Rehabilitation.  
Vice President, Foundation for Handicapped Children.

Speaker at Girls' State (sponsored by American Legion Auxiliary): 1964-68, 1970.

**MEMBERSHIPS**

Salvation Army Board—Teen House, group home for delinquent boys; League of Women Voters; Zonta; and Business and Professional Women.

**MILITARY SERVICE**

Served as both an enlisted woman and commissioned officer in the Woman's Auxiliary Air Force. Commissioned in 1941 as Assistant Adjutant (Executive Officer)—a position previously held by a member of the R.A.F. Responsible for executive administration both for WAAF and R.A.F.

Also served with American Red Cross in London and Paris as Home Service worker—primarily dealing with problems related to family situations both in the USA and those of American servicemen married to English and French nationals.

**SPECIAL HONORS**

BPW's Woman of Achievement Award, 1961.  
Included in Who's Who in Washington, 1963.  
American Legion Auxiliary Citation for Meritorious Service, 1967.  
P.T.A. Golden Acorn Award for Service to Children and Youth, 1968.  
Community Leader of America, 1968.  
Who's Who in Politics, 1967-68.

The CHAIRMAN. I note you have a very impressive record in legislative matters.

Would you tell us something of your experience in the administrative areas?

#### STATEMENT OF MARJORIE WARD LYNCH

Mrs. LYNCH. Mr. Chairman, I suppose my administrative experience started out in 1940, when I served in the Woman's Auxiliary Air Force. At that time, I was a citizen of England. I had a major administrative responsibility for both RAF members, as well as WAF members.

I came to this country, and——

The CHAIRMAN. Would you tell us a little about that, because the administrative experience is valuable in England as well as here.

Mrs. LYNCH. I was responsible for the discipline, for the general administration of an RAF station. I was responsible for the entire management of the station commander and adjutant's office. I was responsible for knowing where three squadrons, fighter squadrons, were, the strength of those squadrons, what was happening to them, as well as the general management of our headquarters office.

I then came to this country and became a citizen in 1948, was a community worker in many, many fields, and then was appointed to the legislature. I served in the legislature for 10 years. I resigned from the legislature in 1971 and became a regional director with ACTION, and I suppose that is where my first administrative experience started in America.

I had four States, the States of Oregon, Washington, Alaska, and Idaho. I had the responsibility for all of the management of the appropriate ACTION programs. My budget was around \$1 million there in the actual region. I had a number of volunteers, of course, in each one of those States, and I had the responsibility for managing the RSVP, the foster grandparent, and the VISTA programs.

I was asked to come to Washington, to become the Acting Associate Director for domestic and antipoverty programs, a position which I held for, I think, 5 or 6 months. The President then nominated me to become the Associate Director. At that time, I was responsible for 400 people, a \$100 million budget, and the entire administration for the country for the ACTION domestic programs.

Then, a year ago, I went to ARBA, the American Revolution Bicentennial Administration, as Deputy to Administrator Warner, where I had total responsibility as far as budget management, personnel, and guidance of programs. When I was sworn in, Mr. Warner said that I would be a full partner with him, and that is exactly what I have been. I had full responsibility.

The CHAIRMAN. You are nominated here to be the Under Secretary of Health, Education, and Welfare.

Are you familiar with, or at least are you acquainted with the areas of your responsibility in this job, if confirmed?

Mrs. LYNCH. Mr. Chairman, I am quite sure that I do not know all of the responsibilities yet, but I certainly understand that as an Under Secretary I would have full responsibility of being the Under Secretary to Secretary Mathews.



I would have particular responsibility for the regions, for the regional operations. I think that is one area in which I certainly do have some expertise.

The CHAIRMAN. Well, the responsibilities in HEW are so broad, some of us really think that that Department is too big. It accomplishes too many things.

I just wondered, would your position as Deputy Secretary cover a whole range of activities in that vast department, of that far-flung empire, or would they relate just to some part of it?

Mrs. LYNCH. I have not specifically gotten down to that kind of a discussion with the Secretary, but I am assuming, if I look at what other Under Secretaries have done, my responsibilities will be very broad and range in a number of areas.

I agree with you, Mr. Chairman, that it is a very large agency.

The CHAIRMAN. Senator Ribicoff.

Senator RIBICOFF. The only comment I have is that in my opinion, Mrs. Lynch is undertaking one of the toughest jobs in this Government, a job in which there can be no winners from the Secretary down.

I want to tell you publicly, as I told you privately, it is your complete lack of experience in this entire field that concerns me.

Have you discussed with the Secretary or with the Department, the problem of these PSRO's that were the brainchild of Senator Wallace Bennett and received the unanimous support of the entire committee?

Mrs. LYNCH. No, Senator, I have not.

Senator RIBICOFF. You know, the complaint I have been getting from around the country is that the administration of these PSRO's is so underfunded that the committees are unable to really do the job that the Finance Committee expected.

I received a letter, from Florida—which I turned over to the Florida Senators, and, told them I would take it up with the staff, here—indicating that the amount they have for administration is so small that it is impossible for them to supervise the hospitals and the doctors.

It is estimated that the cost of administration would be more than enough to save tremendous sums of money. The other day I read in the paper that there is a doctor—I think one doctor, Mr. Chairman—that received \$400,000 last year in medicare and medicaid fees.

I would like you to come back to the committee with a report of what the Department intends to do with the PSRO's.

As I say, it was not this side that came up with the idea. It was Senator Wallace Bennett. There was great opposition, but I do believe, Mr. Chairman, that we unanimously supported Senator Bennett's proposal.

With the high cost of medicare and medicaid, it would seem to me that if we do have a group of doctors who are trying to do the policing job themselves that they should have the cooperation from HEW.

Mrs. LYNCH. Senator, I will certainly come back to you. I do have some knowledge in that area, because I have been closely involved with the medical field for some time. But I will come back to you with a report.

[The following was subsequently received for the record from Mrs. Lynch:]

THE UNDERSECRETARY OF HEALTH, EDUCATION, AND WELFARE,  
Washington, D.C., December 4, 1975.

HON. ABRAHAM RIBICOFF,  
U.S. Senate, Washington, D.C.

DEAR SENATOR RIBICOFF: During my confirmation hearing before the Senate Finance Committee, you requested information relating to funding and implementation of the Professional Standards Review Organization (PSRO) program. I requested Dr. Theodore Cooper, Assistant Secretary for Health, to provide me with an analysis of the current and projected status of the program. Enclosed are the report and data provided me by Dr. Cooper.

I am also forwarding a copy of this material to the Senate Finance Committee for insertion on page 10 of the transcript.

If I can be of further assistance, please do not hesitate to contact me.

Cordially

MARJORIE LYNCH.

Enclosures.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,  
OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH,  
Washington, D.C., December 3, 1975.

REPORT TO UNDER SECRETARY LYNCH ON THE PROFESSIONAL STANDARDS REVIEW ORGANIZATION PROGRAM

The PSRO program was authorized by the 1972 amendments to the Social Security Act. The PSRO provision of Public Law 92-603 (Section 249F) requires the Secretary to establish and support a nationwide network of voluntary, non-profit groups of local physicians to assure the quality and appropriate utilization of health care services financed by and provided to beneficiaries and recipients of Medicare, Medicaid, and Maternal and Child Health programs. Planning PSROs are established for the purpose of completing the formal plan required to qualify for designation as a conditional PSRO. A conditional PSRO performs binding institutional review in accordance with an approved formal plan.

The Department is proceeding with implementation of the PSRO program. In 1974 the country was divided into 203 PSRO areas designated by the Secretary of HEW. During the past year, physician interest in the PSRO program has increased considerably and this is the major prerequisite to effective PSRO implementation. In addition, the Department is pleased that existing planning PSROs have progressed more rapidly than was originally anticipated in their efforts to develop formal plans for conditional designation. The Department is converting some of the qualified planning PSROs to conditional status at levels commensurate with other PSROs.

During Fiscal Year 1974, with a budget of \$33.7 million, 91 planning PSROs, 11 conditional PSROs, and 13 Support Centers were funded. In Fiscal Year 1975, with a budget of \$37 million, 49 planning PSROs were converted to conditional status and 16 new planning PSROs were funded. Continued support was provided for the 42 remaining planning PSROs, the existing conditional PSROs, and the 13 Support Centers. Currently, 60 percent of the PSRO areas in the country are covered by some form of PSRO activity.

The President's budget request for Fiscal Year 1976 is \$50.1 million for the PSRO program. This amount would support the conversion of up to 10 planning PSROs to conditional status, continuation of 63 conditional PSROs, continuation of 48 planning PSROs and establishment of up to 6 Statewide Councils.

The Department recognizes the importance of controlling the costs of the Medicare and Medicaid programs. All hospitals currently participating in these programs are required to develop and operate internal systems for utilization review (UR). These systems have been operating since the enactment of the Medicare legislation. The Department's goal is to replace utilization review with PSRO review, as the PSRO statute intended, as quickly as possible. This approach offers the best opportunity to realize cost savings and quality control in the Medicare and Medicaid programs.

The Social Security statute intended PSRO and UR to be interchangeable at the option of the local practicing physicians in each PSRO geographic area. Since review is required, the statute contemplated the period of time (until January 1, 1976) during which both PSRO and UR would be performed. PSRO, however, is the preferred method and would be selected wherever a qualified organization was available.

A majority of the existing conditional PSROs have been performing review for a short while. However, the accomplishments to date of the more experienced PSRO organizations and their predecessors indicate that in general, they have achieved some reductions in length of stay. In addition, some have also reduced unnecessary admissions and services and changed physician behavior. Data on these experiences are enclosed.

THEODORE COOPER, M.D.,  
Assistant Secretary for Health.

Enclosures.

## EXAMPLES OF IMPACT OF PSRO REVIEW

### A. COLORADO

1. *Impact:* Number of admissions per 1,000 eligibles dropped by ten percent. Number of bed days per 1,000 eligibles reduced by ten percent. Average length of stay leveled out after previously experiencing a four percent per year increase.

2. *Comment:* Study was completed of Medicaid admissions performed over a three year period (1972-1974), the last year of which was a PSRO.

### B. MULTNOMAH FOUNDATION FOR MEDICAL CARE

1. *Impact:* Costs of review were recovered more than five-fold through reduced length of stay (costs of \$6,630 vs. savings of \$35,900). Average length of stay fell 1.8 percent per month, greatly exceeding national trends towards shorter lengths of stay.

2. *Comment:* Study was performed by Oregon Physicians Services, reviewing admissions in certain hospitals over an eighteen month period, May 1973 to September 1974.

### C. OVERLOOK HOSPITAL, NEW JERSEY

1. *Impact:* Decrease of 3.1 days in average length of stay in the Medicare population over the last four years (1970-1974). Financial benefits of over \$1.2 million accrued to Medicare expenditures.

2. *Comment:* Overlook Hospital, Summit, New Jersey began PSRO-type concurrent review for length of stay and level of care in 1970.

### D. NEW MEXICO

1. *Impact:* Demonstrated statistically significant impact in the form of improved physician compliance with locally developed quality criteria. After implementation of review procedures, use of injections on ambulatory patients decreased thirty percent per year. Fifty percent of the avoided injections estimated for antibiotics unwarranted by patient's diagnosis.

2. *Comment:* Analysis performed by RAND from September 1971 to August 1973.

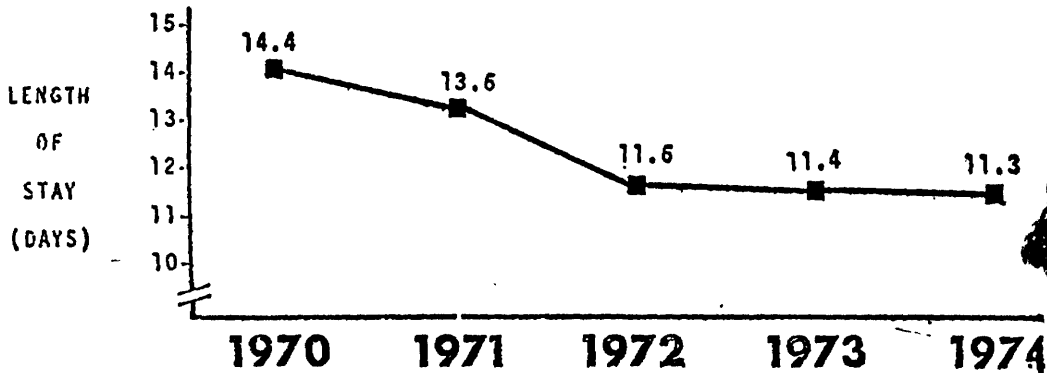
### E. SACRAMENTO

1. *Impact:* Since 1970, CHAP used for all Medi-Cal admissions. Length of stay for Medicaid admissions reduced by twenty-five percent. Sacramento reports that a 1973 American Health Systems study showed hospital days went from 1279/1000 to 811.2/1000 which essentially reduces hospital costs by one-third.

2. *Comment:* Sacramento reports that it has been active in commercial claims review since 1960; active in Medi-Cal claims review since 1970. Currently, has nine commercial carriers. CHAP developed in 1969; currently, six commercial carriers.

IMPACT OF PSRO TYPE REVIEW AT OVERLOOK HOSPITAL, SUMMIT, NEW JERSEY

**LENGTH OF STAY**  
POPULATION-MEDICARE



MULTNOMAH FOUNDATION FOR MEDICAL CARE

In 1974 a private, non-profit insurance carrier in Portland analyzed the impact of professional review on the cost per case of their acute care patients. The professional review was conducted by the Multnomah Foundation for Medical Care (MFMC). The carrier found that charges for reviewed patients were 6.2% less than charges for non-reviewed patients in a controlled test situation. Hospital care in Portland now costs \$190 per day, and patients in federal programs reviewed by the MFMC/PSRO in the very early stages of implementation stayed an average of 8.41 days. The percentage savings realized by the carrier, applied to the current situation, indicate a projected savings of about \$96 per case, or \$3,164,000 if applied to all of the 33,000 federally insured admissions the MFMC will be reviewing each year. MFMC/PSRO annual operational costs are less than 17% of this figure.

In 1975, the review of patients by MFMC for private carriers was strengthened and upgraded to reflect more effective procedures developed for us in PSRO review. Length of stay for patients reviewed in this program dropped from 5.5 days in 1974 to 4.9 days in the first half of 1975. Using the same \$190 per day and 33,000 admissions per year figures, this decrease of .6 days applied to federally insured patients would result in a projected annual savings of \$3,762,000. The annual operational budget is less than 15% of this figure.

Actual PSRO review of federally financed patients during the early implementation phase also show a savings. However, possible comparisons are limited because of lack of adequate current comparative data. Greater impact is expected to be apparent in data currently being collected compared to actual 1975 data. The latest available, Commission on Professional and Hospital Activities, Western Region, (1973), reflect an average length of stay of .96 days higher for patients 65 and older than MFMC data shows for the first 7100 Medicare patients reviewed by the program. At current costs, projected annual savings may be over six million dollars. It should be recognized that comparison is not completely accurate because of the lack of current data to compare MFMC data to. It does demonstrate, however, that we can expect a substantial savings that will be more than adequate to finance MFMC/PSRO activities. These activities, as they mature, will also provide quality assessment and educational input to the physician community and will have similar impacts on the quality of medical care that is financed by the federal government.

Senator RIBICOFF. I have no further questions, Mr. Chairman.

The CHAIRMAN. Senator HANSEN.

Senator HANSEN. I do not think I have any questions, Mr. Chairman.

It is awfully nice to see you again.

Mrs. LYNCH. Thank you, Senator.

The CHAIRMAN. Senator Roth.

Senator ROTH. I would just like to ask one question that we discussed in private, also.

One of my concerns is how we get control of that bureaucracy over there. Too often I find that the Secretaries, the Under Secretaries, not only in this agency but in others, become captives of the bureaucracy.

I would like to know what your thinking is in the area of trying to come up with some new approaches that may better serve. You have had a lot of experience at the State level. You have been in the State legislature, as I see. You have been a member of the educational committees, health.

Do you see a principal part of your job as Under Secretary to try to come up with new initiatives in this area, in the various areas you have responsibility for?

Mrs. LYNCH. Senator, I think one of the reasons why I became intrigued with the thought of having this appointment was in listening to the Secretary discuss his approaches of getting closer, back to the State level, back to the community level. And I suppose, having been a legislator, and having worked in the community, I feel very strongly that we do need to get back to where the people know what is going on.

I would hope that, as we begin to work in the next few months, we will work very much more closely with Members of Congress, with city officials, with county officials. I would also hope that we would have a close working relationship with this committee and the other committees we work with. Again, having been a legislator, I know how important it is to have that kind of dialog going on and to have the opportunity to exchange ideas.

As far as I am concerned, anything that I do will be very much upon that basis.

Senator ROTH. I appreciate your reply, and I hope and personally believe that your experience in the State legislature should be very helpful in your future task, and I congratulate you.

Mrs. LYNCH. Thank you, sir.

The CHAIRMAN. Senator Brock.

Senator BROCK. I have no questions.

The CHAIRMAN. Senator Mondale.

Senator MONDALE. No, I have no questions.

I have talked with the nominee, and I fully support her.

The CHAIRMAN. Senator Haskell.

Senator HASKELL. I have no questions.

The CHAIRMAN. If there are no further questions of the witness, ordinarily, I would call on these other persons, but I called the meeting early in order that we could hear from Senator Magnuson, who has to Chair another meeting.

We have with us a distinguished Member of Congress from Louisiana, Mrs. Lindy Boggs. I believe she would like to say a word on behalf of the nominee.

I will excuse the witness now.

Mrs. LYNCH. Thank you, Senator.

The CHAIRMAN. We are glad to have you.

**STATEMENT OF HON. LINDY BOGGS, A REPRESENTATIVE IN THE  
U.S. CONGRESS FROM THE SECOND CONGRESSIONAL DISTRICT OF  
THE STATE OF LOUISIANA**

Representative Boggs. Thank you very much, Mr. Chairman and other members of this committee, for allowing me the privilege to have the happy assignment of coming to tell you my observations as a majority member from the House on the American Revolutionary Bicentennial Administration Board, of having observed firsthand the multiple capabilities of Mrs. Lynch as the Deputy Administrator.

She brought to the job of Deputy Administrator an educational background of some excellence and organizational expertise that was gained not only through her very severe responsibilities in the WAF during World War II but also in the field of community volunteerism. Of course, I do not believe that anybody can gain that particular type of organizational expertise in any other field.

She also, as you well know, is a very capable legislator. The bills that she sponsored as a legislator and the fields in which she worked suit her admirably for her position as Under Secretary of HEW.

In addition to that, she brought to the American Revolutionary Bicentennial Administration a dedication to American principles that I think is only shared by those persons who, denied the privilege at birth, have chosen to become American citizens.

She is beautifully qualified, as far as her capabilities are concerned, her dedication is concerned, and I think that she will work very well with Members of Congress in both branches of the Congress. I was delighted to hear that among her major responsibilities will be the regional offices, because I think that it is in these offices where we find most of our business as Members of the House of Representatives.

She is a splendid person, and I recommend her most highly. I hope that she will be confirmed unanimously.

The CHAIRMAN. Thank you very much, Mrs. Boggs.

Any questions, gentlemen?

Senator HANSEN. I have no questions.

I want to compliment you on that very excellent endorsement, Congresswoman Boggs.

The CHAIRMAN. I gained the impression, Mrs. Boggs, that anybody who finds their way on that Bicentennial Commission is headed somewhere.

[General laughter.]

Representative Boggs. I trust that is true of the Administrator as well.

Thank you so much.

The CHAIRMAN. I believe we also have with us Mr. John Warner.

**STATEMENT OF JOHN WARNER, ADMINISTRATOR, AMERICAN  
REVOLUTIONARY BICENTENNIAL ADMINISTRATION**

Mr. WARNER. Mr. Chairman, thank you for the opportunity to appear on behalf of Marjorie Lynch.

About a year ago, I conducted a nationwide survey to find a Deputy Administrator of the Bicentennial, and during the course of that

survey. I interviewed perhaps as many as 50 outstanding women in America. It was a very clear choice on my part to make a recommendation to the President of the United States, which he in due course, and the Senate in due course, confirmed her unanimously to the position of Deputy Administrator.

Now, the question was asked about her capabilities as administrator. Of course, this is a matter of subjective judgment, and I think it has to be made in the context of one's own experience. I have been privileged over the last 6 years to have a series of posts in the administration, beginning in 1969 as Under Secretary of the Navy, and then in 1972 to 1974 as Secretary of the Navy. During that period of 5½ years, my primary responsibility within the Department of the Navy was that of administrator.

We had budgets of many billions of dollars, as you well know, and employees of approximately 350,000, and taking over the Bicentennial Administration was a very unusual experience. It is quite small. There is no precedent for it. Our mission is to help coordinate the Nation's Bicentennial and the desires of the people. Therefore, I made a decision that I personally should get out and travel extensively throughout the United States, which I have been able to do because of Mrs. Lynch's ability as administrator.

I turned the basic, daily operations of the Bicentennial Administration over to her, and she has done a most commendable job. I unequivocally recommend her to the Senate for the position of Under Secretary of HEW.

Thank you, Mr. Chairman.

Might I ask that my letter to you of November 3 be made a part of the record?

The CHAIRMAN. Without objection.

[The letter referred to follows:]

NOVEMBER 3, 1975.

Hon. RUSSELL B. LONG,  
Chairman, Committee on Finance,  
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: It is a privilege to write in support of the President's nomination of Mrs. Marjorie W. Lynch for the position of Under Secretary of the Department of Health, Education and Welfare.

About fifteen months ago I initiated a nationwide search for women candidates qualified to fill the position of Deputy Administrator of ARBA. Several hundred applied and, following nearly fifty personal interviews, I recommended as my first choice Marjorie Lynch. The President accepted this recommendation and his nomination was unanimously confirmed by the Senate on December 18, 1974.

Under Public Law 93-179 which established this Agency, the Deputy Administrator is to perform such duties and to assume such responsibilities as may be prescribed by the Administrator. I delegated to Mrs. Lynch general authority co-equal with mine and the specific duties of overseeing the daily administrative and financial requirements of the Agency. Additionally, she coordinates ARBA's ten field offices.

Since the principal mission of this Agency is to stimulate and coordinate Bicentennial activities in each of our States and Territories, Mrs. Lynch's direction of the Agency's daily operations thereby enables me to travel extensively throughout the United States.

In addition to her management expertise Mrs. Lynch has the proven capability of making public appearances. Consistently I have received very favorable reports from State Bicentennial Officials covering her representation of this Agency at State Bicentennial functions. In this connection, she has worked very effectively with Members of Congress and Congressional Staffs.

In conclusion, I extend my unequivocal endorsement of this capable person for the position of Under Secretary of HEW. This judgment is based upon many years of service in a variety of positions within the Executive Branch of the Government—the most recent being the post of Secretary and Under Secretary of the Department of the Navy from 1969 through 1974. This experience enabled me to have a wide range of professional relationships with individuals holding Cabinet and sub-Cabinet positions and I unhesitatingly rank Mrs. Lynch among the finest I have been privileged to know.

Respectfully,

JOHN W. WARNER, *Administrator.*

Senator RIBICOFF. I have a couple of questions.

How many employees does the Bicentennial Commission have?

Mr. WARNER. It is known as the Bicentennial Administration, for the record, sir.

Senator RIBICOFF. How many employees do they have?

Mr. WARNER. We have slightly less than 200, some of which are volunteers.

Senator RIBICOFF. Part of the 200 are volunteers?

Mr. WARNER. Yes.

Senator RIBICOFF. What is the budget?

Mr. WARNER. The budget is \$10 million, of which \$1,300,000 is sent directly to the States, netting about \$8.7 million.

Senator RIBICOFF. You equate the Bicentennial Commission, you equate the same problems, administratively, of the Bicentennial Commission with HEW?

Mr. WARNER. Senator, I do not believe there is any basis to equate the two. I will say, again, based on my 5½ years as Administrator of a very large government department, that we, Marjorie and I, encountered some unusual personnel situations. After all, this is an agency which goes out of business in June of 1977, and as such, it is difficult to get talented, able, committed people.

Fortunately, Marjorie and I have a staff which we think is talented and able and committed. And I think that is where leadership plays a role as an administrator.

Senator RIBICOFF. Mr. Chairman, I think the record should show that we are dealing with some 128,000 employees and a \$120 billion budget, just for the purpose of the record.

The CHAIRMAN. Thank you very much.

Mr. WARNER. Thank you.

The CHAIRMAN. Congressman Pritchard is here.

#### STATEMENT OF HON. JOEL PRITCHARD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Representative PRITCHARD. Thank you, Mr. Chairman. I am delighted to be here.

I must say that I thought I could not be here, because I was having my arm operated on, and that was the result of a tennis match by a competition, here with Senator Haskell. I have to tell you, ever since I played that afternoon, I have not been able to play.

Senator HASKELL. That is terrible.

Representative PRITCHARD. I heard of the Senate force, and it is a true fact.



Well, gentlemen, I am here to testify for Marjorie Lynch. I have known here in our State as a friend, as a fellow colleague in the legislature. She is a person who is a dedicated worker, a tireless worker, and I think I can best testify for her because of the attitude she has, and her concern for people.

I think whenever we are looking at somebody for a position of responsibility, we always have to go back to, what are those deep-down concerns the person has, and are they really concerned with people, and are they concerned with the problems the agency has. And I can tell you that this lady has worked tirelessly in our State, particularly for education, but also for health measures. She was a strong force for handicapped children, and she has shown—not only shown, but I know she has continually lived with—a deep concern for these social problems.

And of course, nowhere is it more evident and needed than in the Department of HEW, which has primary concern. So, I would just come to testify for those attitudes which I think are most important when you look at the person. If you have any questions, I would be happy to answer them.

The CHAIRMAN. Do you have any questions?

Senator MONDALE. What happened to your elbow?

Representative PRITCHARD. I was playing tennis, and I have what they call tennis elbow.

Senator MONDALE. You did not twist it?

Representative PRITCHARD. No, no. I stayed on the other side of the net from him.

[General laughter.]

The CHAIRMAN. Thank you very much.

Representative PRITCHARD. Yes, sir.

[The prepared statement of Representative Pritchard follows:]

PREPARED STATEMENT OF HON. JOEL PRITCHARD, A U.S. REPRESENTATIVE FROM THE STATE OF WASHINGTON

It is a pleasure for me to support the nomination of Mrs. Marjorie Lynch to be the Under Secretary of the Department of Health, Education, and Welfare. I am sure your Committee will find her ability, sensitivity and experience to be well suited to this important position.

Mrs. Lynch has served with distinction in a variety of administrative positions since 1970, and has demonstrated her management skill. There will be ample testimony on this, I am certain, and I would like to offer the Committee my comments based on service together in the Washington State Legislature, and our long-time acquaintance and friendship.

Mrs. Lynch and I served together in the Washington State Legislature from 1961 to 1970, and I know of her genuine concern for the kinds of human problems HEW is charged with meeting. She served as Chairman of the Higher Education Committee in the House, where she made lasting contributions to education through legislation establishing a model community college system, and a new state college in Olympia, already widely recognized for its emphasis on education innovation.

Mrs. Lynch's legislative record makes her, in many ways, a "natural" for this HEW position. She sponsored legislation on the state level ranging from improved treatment and education for the mentally retarded and handicapped to tougher child abuse laws and work release programs for inmates in penal institutions. In addition, she serves as the senior member of the House Appropriations Committee, and her knowledge of the budget process would be a considerable asset as Under Secretary.

Marjorie Lynch is well qualified and well suited to be Under Secretary of Health, Education, and Welfare. I urge you to favorably consider her nomination.

The CHAIRMAN. That concludes the testimony on behalf of Mrs. Marjorie Lynch. We also have Mr. Harold F. Eberle to be Deputy

Under Secretary of the Treasury. Is Mr. Eberle here? I will ask, if there is no objection, that this statement of Mr. Eberle's background be placed in the record at this point.

[The material referred to follows:]

**RÉSUMÉ OF HAROLD F. EBERLE, JR., DEPUTY UNDER SECRETARY-DESIGNATE  
(LEGISLATIVE AFFAIRS), U.S. TREASURY**

**AUGUST 18, 1975, TO PRESENT**

Acting Assistant Secretary (Legislative Affairs) of Treasury in consultant status.

**SEPTEMBER 1, 1974, TO AUGUST 1, 1975**

Project Development Officer with Parsons & Whittemore, 200 Park Avenue, New York City. Promoted municipal solid waste/resource recovery systems of company's wholly owned subsidiary, Black Clawson Fibreclaim, Inc., with federal, state, municipal and trade association officials.

**MARCH 19, 1973, TO AUGUST 30, 1974**

Assistant to the Director (Congressional Affairs), Office of Management and Budget. Headed Congressional Relations staff (4 persons) of OMB. Worked in close coordination with White House Liaison Staff, presented OMB's legislative program (chiefly the Budget) to the Congress, and reported back significant developments to OMB and White House. Assisted in setting up Federal Energy Office and conducted its Congressional Relations during initial two months. Took lead on the Congressional Budget Reform Act of 1974.

**NOVEMBER 1972 TO MARCH 1973**

Assistant to the President (Congressional Relations), Overseas Private Investment Corporation. Worked mainly to renew OPIC's authorizing legislation.

**AUGUST 1971 TO NOVEMBER 1972**

Administrative Assistant to ex-Representative Victor V. Veysey (R., Calif.) Headed Washington staff of 13 and supervised 2 district offices.

**JULY 1961 TO AUGUST 1971**

Administrative Assistant to late Representative Robert J. Corbett (R., Pa.). Headed Washington staff of 9 and supervised Pittsburgh district office of 4.

**PREVIOUS TO 1961**

State Department Foreign Service Officer, 1955-61.  
Registered Representative, Dean Whitter & Co., 1954-55.  
Sacramento State College, B.A., 1953-54.  
Pilot, U.S. Air Force, 1948-53.  
Woodbury College, Los Angeles, Calif., B.B.A., 1946-48.  
Pilot, U.S. Army Air Corps., 1943-46.  
Born: May 14, 1925 in Los Angeles, Calif.  
Residence: 419 Fifth Street, SE, Washington, D.C. 20003  
Married to the former Mary Jane Sudderth.

**STATEMENT OF HAROLD F. EBERLE**

The CHAIRMAN. As I understand it, you are now acting as Assistant Secretary for Legislative Affairs to Treasury in a consultant status.

Mr. EBERLE. That is correct, Senator.

The CHAIRMAN. Would you tell us a little about your experience?

Mr. EBERLE. My experience over the last 10 years has been essentially Hill oriented. I was an administrative assistant to a Congressman who died in 1972, Robert J. Corbett, of Pittsburgh; later, an adminis-

trative assistant to ex-Congressman Victor Veysey, of California. And I then went to the Overseas Private Investment Corp., where I handled congressional relations under the rubric of assistant to the president. And from there—1973—with Mr. Roy Ash at the Office of Management and Budget, and I was his assistant for congressional relations. It is essentially Hill oriented over the last 13, 14 years.

The CHAIRMAN. Would you tell us a little about this job to which you were nominated? I know we have more than one Under Secretary of Treasury. In what areas would your responsibilities lie?

Mr. EBERLE. Legislative affairs, Mr. Chairman; consulting with the Secretary to implement his legislative goals here on the Hill, presenting his particular programs, and then bringing back to him a reaction from the members of the various committees—what will be flyable and what will not be, and the strategy to make it go if we can.

The CHAIRMAN. And who would you be replacing?

Mr. EBERLE. Mr. Frederick Weber, who resigned the 1st of September.

The CHAIRMAN. That is a more important job, to the committee's point of view, than meets the eye. In other words, you are the fellow we will be talking to about what our views are, what the Department's views are, and trying to come to grips with the Department in legislative matters, and trying to pass such laws as we and the executive branch can agree upon. Is that correct?

Mr. EBERLE. That is correct; yes, sir.

The CHAIRMAN. Any questions, gentlemen?

Senator HANSEN. I have no questions, Mr. Chairman.

The CHAIRMAN. Well, good luck. We will all need it.

Mr. EBERLE. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

By the way, I think I should ask you this, Mr. Eberle. You are already in Treasury. Do you know of any conflicts-of-interest problem that you might have, present or past?

Mr. EBERLE. No; there is none, Senator.

The CHAIRMAN. That has been explored prior to this, in taking your previous job, I imagine.

Mr. EBERLE. That is correct. There is no conflict, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Should we act on this now, gentlemen? It is all right with me, if you want to.

Senator BROCK. I move the adoption, Mr. Chairman.

The CHAIRMAN. All in favor of confirming Mrs. Lynch say aye.

[Chorus of ayes.]

The CHAIRMAN. Opposed, no.

[No response.]

The CHAIRMAN. The ayes have it.

Those in favor of Mr. Eberle?

[Chorus of ayes.]

The CHAIRMAN. Opposed, no.

[No response.]

The CHAIRMAN. The nomination is confirmed.

[Whereupon, at 10 a.m., the committee went on to the consideration of other business.]