

This article records what happened to the organization of one agency in less than 5 years and cites specifically the pertinent documents

Organizational History of HSMHA

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For more than 23 years—from November 11, 1943, until January 1, 1967—the U.S. Public Health Service was organized by statute, Public Law 78-184, which was incorporated into the omnibus Public Health Service Act, Public Law 78-410, July 1, 1944. During that period, the Service consisted of four “bureaus”: Office of the Surgeon General, National Institutes of Health, Bureau of Medical Services, and Bureau of State Services.

In the early 1960s, unsuccessful attempts were made to modify the law to permit some modernization of the structure. Finally, in 1966 President Lyndon B. Johnson sent to Congress his Reorganization Plan No. 3, which became effective June 25, 1966. This authority empowered the

Secretary of Health, Education, and Welfare to reorganize the Public Health Service—without formal approval of Congress.

Anticipating this authority, Secretary John W. Gardner appointed in the summer of 1965 an external ad hoc committee, chaired by Dr. John Corson of Princeton University, to make a detailed study of the Department's health functions. On February 11, 1966, the committee presented its report. Although the Corson Committee was officially Secretary Gardner's committee, it reported primarily to Surgeon General William H. Stewart, and the organization proposed was more Dr. Stewart's than Mr. Gardner's.

Based on a memorandum dated April 18, 1966, from the Surgeon General, who had the Corson Committee's report at hand, Secretary Gardner established the new organization of the Public Health Service effective January 1, 1967 (31 Federal Register 253, December 31, 1966, pp. 16796–16798). As reconstituted, the Service consisted of (a) five operating bureaus: National Institutes of Health, Bureau of Disease Prevention and Environmental Control, National Institute of Mental Health, Bureau of Health Services, and Bureau of Health Manpower, (b) two specialized activities: National Center for Health Statistics and National Library of Medicine, and (c) Office of the Surgeon General.

This structure became known as the "five-bureau" organization, because now there were five genuine bureaus plus the three small organizations—the library, the health statistics center, and the "OSG." Whereas the previous organization endured for more than 23 years, the new one was to last only 15 months.

The Federal role in meeting the health problems of the nation had been undergoing dramatic changes in size, scope, and nature for several years, especially in the sixties. An unprecedented amount of health legislation had been enacted by Congress and approved by President Johnson. On March 4, 1968, the President, when presenting his health message to Congress, directed the Secretary of HEW ". . . to submit a modern plan of organization to achieve the most efficient and economic operation of the health programs of the Federal Government."

Placed in the Line—The Assistant Secretary

The Corson Committee declared that the Secretary needs a principal line officer to aid him in setting standards and in interrelating the sever-

al health programs of the Department, and it recommended that this HEW-wide responsibility be given to the Surgeon General. However, on March 13, 1968, Acting Secretary Wilbur J. Cohen, who had just succeeded Secretary Gardner, issued a Reorganization Order (33 Federal Register 57, March 22, 1968, p. 4894) giving the Assistant Secretary for Health and Scientific Affairs, Dr. Philip R. Lee, line responsibility for the direction of the functions of the Public Health Service and the Food and Drug Administration.

All delegations of authority to the Surgeon General and to the Commissioner of Food and Drugs were revoked, and all such authorities were immediately vested in the Assistant Secretary. The Assistant Secretary thereupon re delegated all those same authorities back to the Surgeon General and the Commissioner of Food and Drugs (33 Federal Register 57, March 22, 1968, p. 4894).

Now for the first time in American history a noncareer official became the Federal Government's top health officer.

The Assistant Secretary was also given responsibility for overall health policy direction and coordination of HEW health programs, including Medicare, Medicaid, and the health activities of the Children's Bureau.

PHS Reorganized Again, HSMHA Created

Only 7 months after the long-awaited reorganization of the Public Health Service on January 1, 1967 (the new PHS Organization and Functions Manual was available in print that very day), Secretary Gardner had launched another study, also by Dr. John Corson. That was in August 1967. One recommendation was to give line authority to the Assistant Secretary for Health and Scientific Affairs, as already described.

Eighteen days after Dr. Lee was put in charge of the Public Health Service and the Food and Drug Administration, another sweeping reorganization took place. On April 1, 1968, Acting Secretary Cohen, by Reorganization Order (33 Federal Register 67, April 5, 1968, p. 5426), reconstituted the Public Health Service by—

- Transferring to PHS the Food and Drug Administration
- Elevating the National Institutes of Health to the status of an operating agency
- Creating a new operating agency called the Health Services and Mental Health Administration.

The FDA Commissioner, the NIH Director, and the HSMHA Administrator were made responsible to the Assistant Secretary.

Added to the NIH were the Bureau of Health Manpower and the National Library of Medicine, thereby bringing together the principal activities dealing with and supporting the medical schools and the universities.

The newly created Health Services and Mental Health Administration was established, according to Secretary Cohen, "to reflect increased concern with the organization for the delivery of health services and to associate all agencies responsible for the provision of health care to individuals" (report to the President, June 14, 1968, multi-lithed typescript, p. 21). As of April 1, 1968, the newborn HSMHA consisted of all that previously had been the Public Health Service, except NIH as formerly constituted and the Bureau of Health Manpower and the National Library of Medicine. This meant that at the outset, April 1, 1968, HSMHA was to operate with the following interim or residual structure: Office of the Administrator, National Center for Health Statistics, Bureau of Disease Prevention and Environmental Control, National Institute of Mental Health, and Bureau of Health Services. One month later Public Law 90-174 became effective, creating the National Center for Health Services Research and Development (law signed December 5, 1967, effective May 2, 1968).

Revocation of Surgeon General's authority. Also on April 1, 1968, the Assistant Secretary for Health and Scientific Affairs revoked all of the Surgeon General's authorities to administer the Public Health Service and delegated them to the NIH Director and the HSMHA Administrator. And the Surgeon General was declared to be "the principal deputy to the Assistant Secretary for Health and Scientific Affairs" (33 Federal Register 67, April 5, 1968, p. 5426). All further delegations to lower levels were again continued in effect.

No mention was made of the PHS Commissioned Corps, but subsequently, near the end of the Reorganization Order of July 1, 1968 (33 Federal Register 133, July 10, 1968, pp. 9909, 9910), a paragraph reads as follows:

This order does not revoke, rescind, or modify any delegations or redelegations to the Surgeon General in relation to administration of the Commissioned Corps, Public Health Service, in effect immediately prior to the effective date of this order.

Especially with the revocation of the Surgeon General's authority over the Public Health Service, the question arose, What had happened to

the Service? Is there any more a Public Health Service? "There very definitely is a PHS," said Dr. Lee. As a Presidential nominee, he explained, he would set PHS policy, while Dr. Stewart, as Surgeon General, would be the Assistant Secretary's chief deputy, the senior career health professional in the Service (PHS World News, vol. 1, No. 3, June 1968, p. 2).

The staff of the Office of the Surgeon General—679 people plus another 145 stationed at facilities outside of metropolitan Washington, especially at Perry Point, Md.—was soon to be distributed between the Office of the Assistant Secretary and the three operating agencies, especially HSMHA and to some extent NIH and FDA.

Top officials, April 1, 1968. In addition to Dr. Lee as Assistant Secretary and Dr. Stewart as Surgeon General and Deputy Assistant Secretary, the office also included assistants for science, for health and medical care, for health manpower, and for population and family planning.

In the three operating agencies, Dr. James A. Shannon remained as Director of NIH, Dr. James L. Goddard continued as Commissioner of FDA (until his retirement July 1, 1968), and Dr. Robert Q. Marston was named the first Administrator of the new Health Services and Mental Health Administration. Dr. Marston had been the first and only director of NIH's Division of Regional Medical Programs since its establishment in 1966.

As his Deputy Administrator, Dr. Marston selected Irving J. Lewis, formerly of the Bureau of the Budget, where he had served as Deputy Assistant Director for Human Resources Programs and before that as Chief of the Health and Welfare Division.

July 1, 1968—More Changes

Although Secretary Cohen in "The Secretary's Letter" said, "None of us likes a steady diet of reorganization," there was more to come—the first only 3 months after April 1.

On May 29, 1968, Mr. Cohen's nomination as Secretary was confirmed by the Senate, and on July 1, 1968, Secretary Cohen's Reorganization Order (33 Federal Register 133, July 10, 1968, pp. 9909, 9910) removed from HSMHA the Bureau of Disease Prevention and Environmental Control, except for the National Communicable Disease Center and the National Center for Chronic Disease Control, and transferred to HSMHA from NIH the Division of Regional Medical Programs. Thus, HSMHA was temporarily

structured as follows: Office of the Administrator, National Center for Health Statistics, National Communicable Disease Center, National Center for Chronic Disease Control, National Institute of Mental Health, Bureau of Health Services, National Center for Health Services Research and Development, and Division of Regional Medical Programs.

The Reorganization Order also created another operating agency of the Department of HEW, the Consumer Protection and Environmental Health Service (CPEHS)—to include PHS activities on air pollution, urban and industrial health, and radiological health, all transferred from HSMHA—plus four activities of HSMHA's National Communicable Disease Center: pesticides control, *Aedes aegypti* control, rodent control, and sanitation training.

Also included in and subordinate to CPEHS, the new operating agency, was an organization long recognized at the level of an operating agency, the Food and Drug Administration. Justification for creating CPEHS was summarized in Secretary Cohen's Report to the President, June 14, 1968 (multilithed typescript, pp. 21–24). That report declared that man's environmental milieu consists of such environmental elements as air, water, home, and work and also the environment of the products man consumes and uses, and that therefore the FDA and the environmental health aspects of HEW should be brought together. A second argument was that "the differences between the mode of operation of the FDA and the PHS are beginning to disappear."

To head the newly formed CPEHS, the Secretary appointed C. C. Johnson, career sanitary engineer in the PHS Commissioned Corps. Succeeding Dr. Goddard as Commissioner of Food and Drugs was Dr. Herbert L. Ley, Jr., who had been Chief of FDA's Bureau of Medicine.

Shortly before September 1, 1968, it became known that Dr. Shannon was to retire on August 31 as Director of NIH and that his successor was to be the man who only 5 months before had been appointed the first Administrator of HSMHA, Dr. Robert Q. Marston. Thus, on September 1, 1968, HSMHA lost the leadership of Dr. Marston. Irving J. Lewis, Deputy Administrator, was named Acting Administrator of HSMHA, and he served in that capacity for more than 4 months.

Several consolidations in HSMHA's administrative management area took place after April 1,

1968, and again after July 1. On September 1, 1968, all personnel and functions of the Office of the Director, Bureau of Health Services, were reassigned, and the Bureau was abolished.

Reorganizations of HSMHA

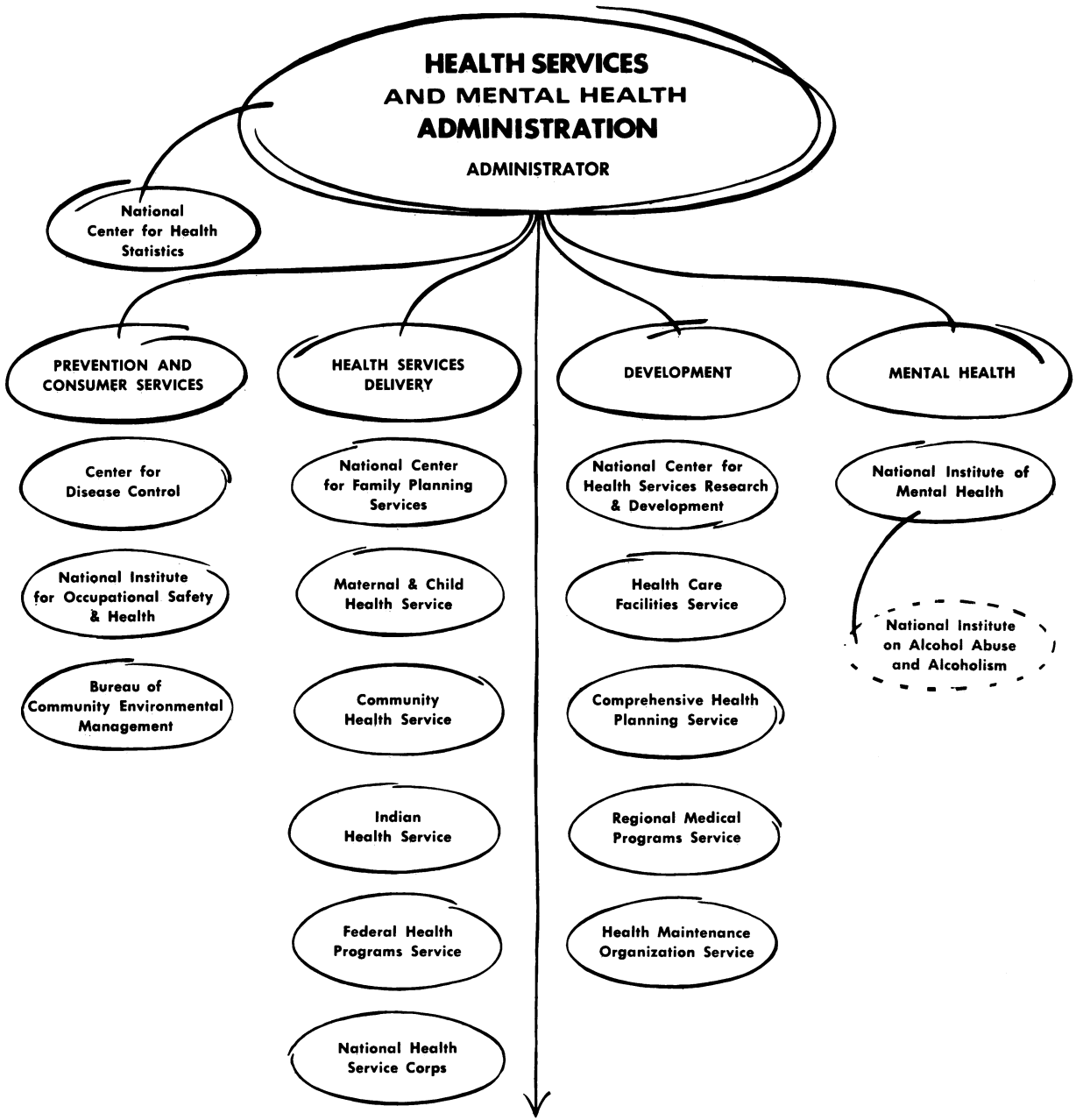
During the first half-year of HSMHA's existence, the agency functioned under two interim structures, already described, but meanwhile an internal study of organization was underway. Four proposals were considered. Dr. Marston, after 3 months as HSMHA Administrator, submitted his selection to Dr. Lee on June 30, 1968, and Irving Lewis, as Acting Administrator, formally submitted it to the Secretary on September 12, including detailed functional statements down through the division level.

First reorganization. On October 24, 1968, that organization plan received Secretarial approval (33 Federal Register 212, October 30, 1968, pp. 15953–15963). This first reorganization of HSMHA resulted in a nine-component structure, as follows: National Center for Health Services Research and Development, National Center for Health Statistics, Center for Disease Control (current name), National Institute of Mental Health, Health Care Facilities Service (current name), Community Health Service, Regional Medical Programs Service, Indian Health Service, and Federal Health Programs Service.

Subsequent growth. On September 17, 1969, the functions of the Children's Bureau relating to maternal and child health activities were assigned to HSMHA (34 Federal Register 182, September 23, 1969, pp. 14700–14702, specifically at page 14701). It was named, on February 25, 1971, the Maternal and Child Health Service (36 Federal Register 44, March 5, 1971, p. 4435). HSMHA then had a 10th major component.

On October 15, 1969, family planning was singled out for emphasis. The Secretary created HSMHA's 11th major component, the National Center for Family Planning Services (34 Federal Register 204, October 23, 1969, p. 17210; a revision of the organization of NCFPS was approved by Secretary Richardson on September 6, 1971, and the statement was published in 36 Federal Register 177, September 11, 1971, pp. 18338, 18339).

The next chapter in HSMHA's growth was accounted for by two organizational events seemingly unrelated to HSMHA. These events, however, were to result in enlarging the agency.



REGIONAL OFFICES

I Boston, Mass.
II New York, N.Y.

III Philadelphia, Pa.
IV Atlanta, Ga.

V Chicago, Ill.
VI Dallas, Texas

VII Kansas City, Mo.
VIII Denver, Colo.

IX San Francisco, Cal.
X Seattle, Wash.

As to the first organizational event: The Consumer Protection and Environmental Health Service created by Secretary Cohen was less than a year and a half old when Secretary Finch, in his first year at the HEW helm, ordered a study made of CPEHS and of its supervision of the long-established Food and Drug Administration. As a result of this 2-month study by Deputy Under Secretary Frederick V. Malek, the Secretary on January 5, 1970, announced that he was abolishing CPEHS and splitting it into two organizations each at the level of an operating agency. Reestablished at that level was FDA (the HEW Field Letter heralded, "FDA regains agency status"). Also, a new unit, the Environmental Health Service, was created—to consist of the rest of what had been CPEHS (35 Federal Register 11, January 16, 1970, p. 606; reorganization effective February 1, 1970).

In elevating FDA to its former status, Secretary Finch explained, "Our experience has shown little practical interaction between FDA and the remainder of CPEHS." He made no reference to ex-Secretary Cohen's statement to the contrary a year and a half earlier.

Now the much-restructured Public Health Service consisted of four operating agencies: HSMHA, NIH, FDA, and the new EHS.

The second event seemingly not related to HSMHA was the removal, not only from PHS but even from HEW, of most of the environmental health activities and their transfer to the new independent Environmental Protection Agency. Almost all of HEW's Environmental Health Service was absorbed by EPA when it came into existence on December 2, 1970, pursuant to President Nixon's organizational emphasis on the environment. Two portions of the short-lived Environmental Health Service remained unattached in HEW. These were the National Institute for Occupational Safety and Health (NIOSH) and the Bureau of Community Environmental Management (BCEM), and both, having no parent agency, reported for half a year after December 2 to the Assistant Secretary for Health and Scientific Affairs.

Finally, as of May 17, 1971, the Secretary transferred intact both NIOSH and BCEM to HSMHA (36 Federal Register 126, June 30, 1971, pp. 12320–12322, the statements having been approved by Secretary Richardson on June 22, 1971; a subsequent reorganization of BCEM was approved on March 13, 1972, and published

in 37 Federal Register 53, March 17, 1972, pp. 5673, 5674). The number of major HSMHA components thus rose to 13.

In addition, the Secretary, on May 11, 1971, established—not as a major component but within and subordinate to the National Institute of Mental Health—a National Institute on Alcohol Abuse and Alcoholism (36 Federal Register 116, June 16, 1971, p. 11604). This was required by Public Law 91–616 (December 31, 1970).

A 14th HSMHA component was established by the Assistant Secretary for Administration and Management on October 12, 1971. This is the Health Maintenance Organization Service (36 Federal Register 202, October 19, 1971, p. 20256).

A limited reorganization. As a result of a recommendation made on September 24, 1971, by HSMHA Administrator Dr. Vernon E. Wilson, who had succeeded Dr. Joseph T. English on July 1, 1970, the Assistant Secretary for Administration and Management approved—on November 12, 1971—a limited reorganization of HSMHA (36 Federal Register 223, November 18, 1971, pp. 22017–22019). Four "executive groupings," each with a Deputy Administrator "for" (not with line authority), were devised, as follows:

FOR PREVENTION AND CONSUMER SERVICES

Center for Disease Control
National Institute for Occupational Safety and Health
Bureau of Community Environmental Management

FOR HEALTH SERVICES DELIVERY

National Center for Family Planning Services
Maternal and Child Health Service
Community Health Service (except for Comprehensive Health Planning)
Indian Health Service
Federal Health Programs Service
National Health Service Corps (then in process of establishment)

FOR DEVELOPMENT

National Center for Health Services Research and Development
Health Care Facilities Service
Comprehensive Health Planning Service (then being recommended for separation from CHS)
Regional Medical Programs Service
Health Maintenance Organization Service

FOR MENTAL HEALTH

National Institute of Mental Health (including the National Institute on Alcohol Abuse and Alcoholism)

With the approval of this reorganization a 15th major HSMHA component was established, the Comprehensive Health Planning Service.

The National Center for Health Statistics remained a major component but was made a staff element in the Office of the Administrator.

Sixteenth major component. As a result of the enactment of Public Law 91-263 (the Emergency Health Personnel Act), HSMHA Administrator Wilson established the National Health Service Corps on May 14, 1971. It was made a branch of one of the divisions of the Community Health Service (36 Federal Register 101, May 25, 1971, p. 9477). Subsequently, the Administrator recommended that the Corps be reestablished two echelons higher—as a major component of HSMHA. When approved on January 24, 1972, it became HSMHA's 16th major component (37 Federal Register 20, January 29, 1972, p. 1501).

Regionalization. All this restructuring at national headquarters leaves out of consideration the substantial organization and procedural changes involved in the extensive decentralization to the 10 Regional Health Directors during the past 3 years. Far-reaching delegations of authority were made in February 1970 by HSMHA Administrator English, effective March 1, 1970, and soon thereafter (35 Federal Register 92, May 12, 1970, pp. 7387, 7388). Since then additional delegations have been made by Dr. Wilson. Also, the offices of the Regional Health Directors have been reorganized and standardized.

Succession of Officials, 1968-72

From March 13, 1968, through 1972, the following personnel changes took place in the health area of the Department of HEW and in HSMHA:

The Secretary. After Secretary John W. Gardner's resignation, effective February 29, 1968, Under Secretary Wilbur J. Cohen became Acting Secretary. He was confirmed as Secretary on May 9 and served until January 20, 1969. Robert H. Finch became Secretary when President Nixon was inaugurated in January 1969 and served until June 23, 1970. Elliot L. Richardson was appointed Secretary on June 24, 1970, and occupied that office until succeeded by Caspar W. Weinberger in January 1973.

The Assistant Secretary for Health and Scientific Affairs. Dr. Philip R. Lee, who had served as the first Assistant Secretary for Health and Scientific Affairs since January 2, 1965, continued on until soon after the Nixon administration took over in January 1969. He resigned on February 16, and the office was not filled until July 18, 1969, when Dr. Roger O. Egeberg was appointed. Dr. Egeberg served until June 30,

1971. Dr. Merlin K. DuVal took office on July 1, and served a year and a half, through December 15, 1972. The title of his office was shortened to Assistant Secretary for Health on November 9, 1972 (37 Federal Register 222, November 16, 1972, pp. 24377, 24378).

The Surgeon General. Dr. William H. Stewart, who had been appointed in October 1965 for a 4-year term, was in active service until July 1969. The office was vacant until Dr. Jesse L. Steinfeld, the incumbent, was appointed for a 4-year term in December 1969. Whereas the Surgeon General was announced as the ranking Deputy Assistant Secretary in the April 1, 1968, reorganization, the November 9, 1972, listing places the Surgeon General fourth in line after the Assistant Secretary for Health.

The HSMHA Administrator. Dr. Robert Q. Marston, the first Administrator, served 5 months, from April 1, 1968, through August 31, 1968, when he left to become Director of NIH. Irving J. Lewis served as Acting Administrator from September 1, 1968, through January 12, 1969. Dr. Joseph T. English took office on January 13, 1969, and served through June 30, 1970. He was succeeded the following day by Dr. Vernon E. Wilson, who resigned effective December 31, 1972.

Concluding Observations

Dr. Harold Seidman, for 25 years an official of the U.S. Bureau of the Budget and a participant in almost all the main reorganizations in the Federal Government during that period of time, recently brought out a landmark book (*Politics, Position, and Power: The Dynamics of Federal Organization, 1970*). On the first page of his first chapter, the following three sentences open the first three paragraphs:

Reorganization has become almost a religion in Washington.

Reorganization is deemed synonymous with reform and reform with progress.

For the true believer, reorganization can produce miracles.

Obviously, there are advantages and disadvantages to any reorganization. One disadvantage lies in the fact that the sequence of events tends to be soon forgotten and the question recurs as to who has legal authority to do what. Unless reorganizations are planned and conducted with the utmost care and scholarship, and unless detailed records are maintained and logically filed, the disadvantages of reorganizing will be magnified.