

**COMMITTEE ON FINANCE
UNITED STATES SENATE**

Harry Flood Byrd, *Chairman*

AUGUST 19, 1960

**MAJOR DIFFERENCES IN THE PRESENT SOCIAL
SECURITY LAW AND H.R. 12580 AS REPORTED
BY THE COMMITTEE ON FINANCE**

Printed for the use of the Committee on Finance

**UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1960**

50373

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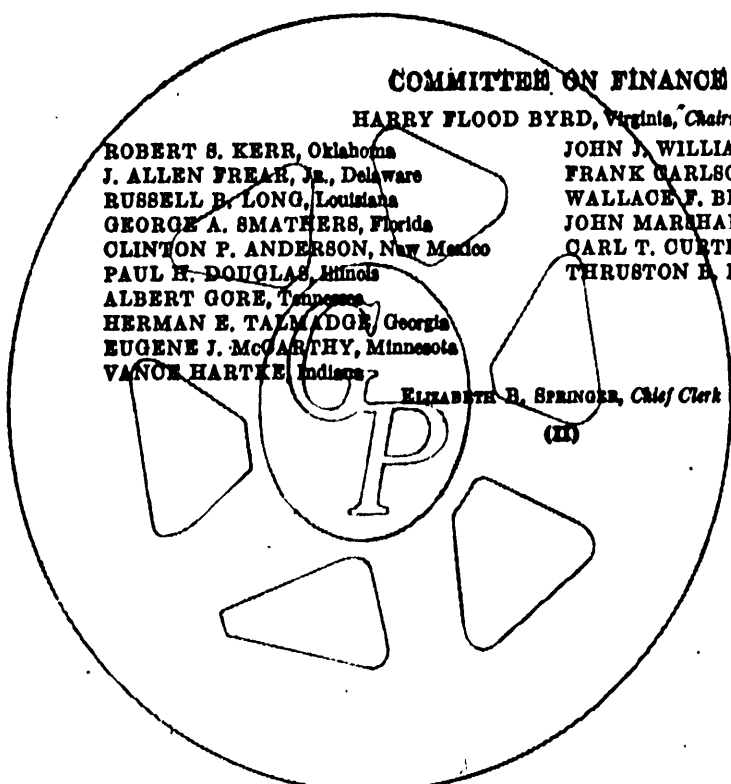
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Major differences in the present Social Security law and H.R. 12580 as reported by the Committee on Finance

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE

I. COVERAGE

[References are to the sections of the bill as reported by the Committee on Finance]

Item	Present law	H.R. 12580 as reported
<p>A. Self-employed:</p> <p>1. Ministers.....</p>	<p><i>Covers</i> duly ordained, commissioned or licensed ministers, Christian Science practitioners, and members of religious orders (other than those who have taken a vow of poverty) serving in the United States, and those serving outside the country who are citizens and either working for United States employers or serving a congregation predominantly made up of United States citizens. Coverage is available under the self-employment coverage provisions on an individual voluntary basis regardless of whether they are employees or self-employed.</p> <p>Allows election of coverage by filing of certificate for present minister, generally up until Apr. 15, 1959.</p>	<p>Extends the period of time generally through Apr. 15, 1962, within which present ministers may elect coverage.</p> <p>Bill: Sec. 101(a).</p> <p>Permits the validation of coverage of certain clergymen who filed tax returns reporting self-employment earnings from the ministry for certain years after 1954 and before 1960 even though, through error, they had not filed waiver certificates effective for those years. Waiver certificate must be filed and taxes for these years must be paid by Apr. 15, 1962. Extends option of ministers (which expired Apr. 15, 1959) to amend waiver certificate so as to cover the year 1956 where that year could have been covered in original filing.</p> <p>Bill: Sec. 101(b)(c).</p>
<p>B. Employees.....</p> <p>1. Domestic workers ...</p>	<p><i>Covers</i> employees including certain agent or commission drivers, life-insurance salesmen, homeworkers, traveling salesmen, and officers of corporations regardless of the common law definition of employee.</p> <p><i>Covers</i> persons performing domestic service in private nonfarm homes if they receive \$50 or more during a calendar quarter from 1 employer. Noncash remuneration is excluded.</p>	<p>No change.</p> <p>Excludes from coverage all earnings of such domestic workers who are under the age of 16.</p> <p>Effective date: Jan. 1, 1961.</p> <p>Bill: Sec. 105.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Present law	H.R. 12580 as reported
B. Employees—Continued		
1. Domestic workers— Continued	<i>Excludes</i> students performing domestic service in clubs or fraternities if enrolled and regularly attending classes at a school, college, or university.	
2. Casual labor.....	<i>Covers</i> cash remuneration for service not in the course of the employer's trade or business if the remuneration is \$50 or more from 1 employer during a calendar quarter.	Excludes from coverage all earnings of casual workers who are under the age of 16. Effective date: Jan. 1, 1961. Bill: Sec. 105.
3. State and local government employees.	<p><i>Covers</i> employees of State and local governments <i>provided</i> the individual State enters into an agreement with the Federal Government to provide such coverage, with the following special provisions:</p> <p>a. Employees who are in positions covered under an existing State or local retirement system (except policemen and firemen in most States) may be covered under State agreements only if a referendum is held by a secret written ballot, after not less than 90 days' notice, and if the majority of eligible employees under the retirement system vote in favor of coverage. The Governor of a State must personally certify that certain Social Security Act requirements under the referendum procedure have been properly carried out.</p> <p>In most States, all members of a retirement system (with minor exceptions) must be covered if any members are covered.</p> <p>Employees of any institution of higher learning (including a junior college or a teachers' college) under a retirement system can, if the State so desires, be covered as a separate coverage group. 1 or more political subdivisions may be considered as a separate coverage group even though its employees are under a statewide retirement system.</p> <p>b. <i>States have the option of covering or excluding</i> employees in any class of elective position, part-time position, fee-basis position, or performing emergency services.</p> <p><i>Retroactive coverage.</i>—An agreement, or modification of an agreement, agreed to prior to 1960 could be made effective as early as Jan. 1, 1956. Agreements or modifications made after 1959 could only be made retroactive to the 1st day of the year in which they were agreed to. Coverage must begin on the same date for all persons in a coverage group.</p>	<p>Permits the Governor of a State to delegate to a designated State official the making of the certifications required under the referendum procedure. Bill: Sec. 102(a).</p> <p>Allows employees of municipal or county hospital to be treated as a separate coverage group if the State so desires. Bill: Sec. 102(g).</p> <p>Allows Nebraska to exclude prospectively certain justices of the peace and certain constables, who are compensated on fee basis, who were previously covered by State agreement. Bill: Sec. 102(i).</p> <p>Allows agreements or modifications made after 1959 to begin as early as 5 years before the year in which an agreement is made, but not earlier than Jan. 1, 1956. Where a retirement system is covered as a single retirement system coverage group, permits the State to provide different beginning dates for coverage of the employees of different political subdivisions. Bill: Sec. 102(o).</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Present law	H.R. 12580 as reported
<p>B. Employees—Continued</p> <p>3. State and local government employees—Continued</p>	<p><i>Exceptions to general law authorizing coverage in named States:</i></p> <p>(1) <i>Split-system provision.</i>—Authorizes California, Connecticut, Florida, Georgia, Hawaii, Massachusetts, Minnesota, New York, North Dakota, Pennsylvania, Rhode Island, Tennessee, Vermont, Washington, and Wisconsin, and all inter-State instrumentalities, at their option, to extend coverage to the members of a State retirement system by dividing such a system into 2 divisions, 1 to be composed of those persons who desire coverage and the other of those persons who do not wish coverage, provided that new members of the retirement system coverage group are covered compulsorily. Also authorizes similar treatment of political subdivision retirement systems of these States.</p> <p>(2) <i>Policemen and firemen.</i>—Allows the States of Alabama, California, Florida, Georgia, Hawaii, Kansas, Maryland, New York, North Carolina, North Dakota, Oregon, South Carolina, South Dakota, Tennessee, Vermont, and Washington and all inter-State instrumentalities to make coverage available to policemen and firemen in those States, subject to the same conditions that apply to coverage of other employees who are under State and local retirement systems, except that where the policemen and firemen are in a retirement system with other classes of employees the policemen and firemen may, at the option of the State, hold a separate referendum and be covered as a separate group.</p> <p>(3) <i>Nonprofessional school employees and teachers (1958 amendments).</i>—Allows State of Maine until July 1, 1960, to treat the positions of teachers (and other related positions) and the positions of other members of the same retirement system as separate systems for coverage purposes.</p>	<p>Provides that where an individual who has chosen not to be covered under the divided retirement system provision becomes a member of a different retirement system group because of the annexation of the employing political subdivision by another political subdivision, or through some other action taken by a political subdivision, such individual will continue to be excluded from coverage.</p> <p>Bill: Sec. 102(b).</p> <p>Adds Virginia to the list.</p> <p>Bill: Sec. 102(d).</p> <p>Extends cutoff date to July 1, 1961. Sec. 102(j).</p> <p><i>Validation of coverage.</i>—Validates the coverage of certain teachers and school administrative personnel who, for the period Mar. 1, 1951, to Oct. 1, 1959, were reported under the Mississippi coverage agreement as State employees, rather than as employees of the various school districts in Mississippi.</p> <p>Bill: Sec. 102(h).</p> <p>a. No change.</p>
<p>4. Employees of non-profit organizations.</p>	<p><i>Covers employees of religious, charitable, educational, and other nonprofit organizations (which are exempt from income tax and are described in sec. 501(c)(3) of the Internal Revenue Code) on a voluntary basis if—</i></p> <p>a. the employer organization certifies that it desires to extend coverage to its employees, and</p>	

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Present law	H.R. 12580 as reported
<p>B. Employees—Continued 4. Employees of non-profit organizations—Continued</p>	<p>b. at least $\frac{2}{3}$ of the organization's employees concur in the filing of a waiver certificate. Employees who do not concur in the filing of the certificate are not covered <i>except</i> that all employees hired after a certificate becomes effective are covered.</p> <p>Waiver certificate may be made effective at the option of the organization on the 1st day of the quarter in which the certificate is filed or the 1st day of the succeeding quarter.</p> <p>Employees of nonprofit organizations who are in positions covered by State and local retirement systems and are members or eligible to become members of such systems must be treated apart from those not in such positions. Certificates must be filed separately for each group and $\frac{2}{3}$ of the employees in each group must concur in the filing of its certificate. All new employees who belong to a group for which a certificate has been filed are automatically covered, and new employees who belong to a group for which a certificate has not been filed are not covered.</p>	<p>b. Eliminates requirement that $\frac{2}{3}$ of the employees concur in filing a certificate. Effective date: Certificates filed after date of enactment. Bill: See 106(a).</p> <p>Eliminates requirement that $\frac{2}{3}$ of the employees in the group concur in filing a certificate. Effective date: Certificates filed after date of enactment. Bill: Sec. 106(a).</p> <p>Validates wages for services performed after 1950 and before July 1, 1960, by certain employees of nonprofit organizations where the organization has been reporting and paying taxes but did not comply with certain provisions of the law: i.e., failed to file a certificate, filed it too late to cover employees who had left, or failed to obtain the signatures of employees who wished coverage. Effective date: No benefits payable or increased for month of enactment or prior month; no lump sum death payment payable or increased if individual died prior to date of enactment.</p> <p>Validates remuneration erroneously reported as self-employment income for taxable years ending after 1954 and before 1962 by certain lay missionaries (and others). Effective date: No benefits payable or increased for months of enactment or prior month; no lump sum death payment payable or increased if individual died prior to date of enactment. Bill: Sec. 103.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Present law	H.R. 12580 as reported
B. Employees—Continued 5. Employees of foreign governments and their instrumentalities.	Excludes (among other groups) employees of foreign governments and their instrumentalities.	Covers U.S. citizens so employed within the United States on self-employment basis. Effective as to taxable years ending after 1960; for retirement test purposes effective for years beginning after date of enactment. Bill: Sec. 104.

II. PROVISIONS RELATING TO PERMANENT AND TOTAL DISABILITY

A. Nature of the Provisions		
1. Benefits.....	Provides an insurance benefit (for months beginning July 1957) for disabled workers between ages of 50 and 65 meeting eligibility requirements. Benefits are computed in the same way as retirement benefits and are payable from the Federal Disability Insurance Trust Fund.	Eliminates the requirement that an individual must have attained age 50 in order to be eligible for benefits. Effective date: 2d month after the month of enactment. Bill: Sec. 401.
2. Disability "freeze"....	Provides that when an individual for whom a period of disability has been established dies or retires on account of age or disability his period of disability will be disregarded in determining his eligibility for benefits and his average monthly wage for benefit computation purposes.	No change.
B. Eligibility requirements		
1. Definition.....	For benefits an individual must be precluded from engaging in any substantial gainful activity by reason of a physical or mental impairment. The impairment must be medically determinable and one which can be expected to be of long-continued and indefinite duration or to result in death.	No change.
2. Waiting period.....	A 6 months' "waiting period" is required before disability insurance benefits can begin.	Provides that people who become disabled within 60 months (5 years) after termination of a period of disability would not be required to serve another 6-month "waiting period" before they are again eligible to receive benefits. Effective date: Benefits payable for month of enactment and subsequent months. Bill: Sec. 402.
3. Work requirement...	To be eligible for disability benefits, an individual must— (1) Have acquired at least 20 quarters of coverage out of the last 40 quarters ending with the quarter in which the period of disability begins; (2) be fully insured.	Provides alternative work requirement for individuals who have (1) 20 quarters of coverage, whenever acquired, and (2) quarters of coverage in all calendar quarters elapsing after 1950 up to the quarter in which they become disabled, but not less than 6 quarters. Bill: Sec. 404.

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued
II. PROVISIONS RELATING TO PERMANENT AND TOTAL DISABILITY—Continued

Item	Present law	H.R. 12580 as reported
C. Rehabilitation.....	<p>The policy of Congress is stated that disabled persons applying for a determination of disability be promptly referred to State vocational rehabilitation agencies for necessary rehabilitation services. Act provides for deduction of benefits for refusal, without good cause, to accept rehabilitation services available under a State plan approved under the Vocational Rehabilitation Act in such amounts as the Secretary shall determine.</p> <p>A member or adherent of a recognized church or religious sect that relies on spiritual healing who refuses rehabilitation services is deemed to have done so with good cause.</p> <p>A disabled person who is receiving rehabilitation services from a State vocational rehabilitation agency and returns to work shall not, for at least 1 year after his work first started, be regarded as able to engage in substantial gainful activity solely by reason of such work.</p>	<p>Broadens present provision to allow, in effect, a 12-month trial work period for <i>all</i> beneficiaries (including childhood disability beneficiaries) who attempt to work. If, after 9 months, the beneficiary has demonstrated that he is no longer disabled within the meaning of the law, he will receive benefits for an additional 3 months. (Only 1 trial work period permitted for each period of disability: no additional trial work period for persons disabled a 2d time within 60 months.)</p> <p>Any beneficiary who has been determined to be no longer disabled within the meaning of the law will be given an additional 3 months of benefits as above.</p> <p>Effective date: Month beginning after month of enactment.</p> <p>Bill: Sec. 403.</p>

III. ELIGIBILITY FOR BENEFITS

A. Retirement age.....	<p>Retirement age for men is 65. Retirement age for women is 62 with a reduced benefit upon retirement between age 62 and 65 for wives and women workers. Full benefits are payable at age 62 to widows and dependent mothers of deceased workers.</p>	<p>Provides option of earlier retirement for male workers and dependent husbands at age 62 with an actuarial reduction on the same basis presently provided for women workers and wives. The actuarial reduction for workers ($\frac{1}{2}$ of 1 percent for each month prior to age 65) would, if the worker retires at age 62, be 80 percent of the full benefit payable if he had retired at age 65.</p> <p>The actuarial reduction for dependent husbands ($\frac{2}{3}$ of 1 percent for each month prior to age 65) would, if benefits commence at age 62, be 75 percent of the amount which would be payable if benefits commenced at age 65.</p> <p>Full benefits payable to widowers and dependent fathers of deceased workers at age 62.</p> <p>Effective for benefits payable November 1960.</p> <p>Bill: Sec. 210.</p>
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OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. ELIGIBILITY FOR BENEFITS—Continued

Item	Present law	H.R. 12580 as reported
B. Survivors of workers who died prior to 1940.	Benefits are not payable to otherwise eligible widows, children, and parents if the wage earner had died prior to 1940.	Allows benefits to such individuals even though earner died before 1940 if he had at least 6 quarters of coverage. Effective for month after month of enactment. Bill: Sec. 205.
C. Widowers of workers who died prior to 1950.	Benefits are not payable to eligible widowers unless the insured worker's death was after August 1950 and she was fully and currently insured.	Eliminates August 1950 cutoff date. Effective for month after month of enactment. Bill: Sec. 205.
D. Former wives divorced of workers who died before September 1950.	Deemed fully insured status provided for all categories of survivors of workers who died prior to September 1950 with 6 quarters of coverage except former wives divorced.	Provides fully insured status for any person who died or attained retirement age before 1951 and thus would allow benefits to such former wives divorced. Effective for benefits for months after month of enactment. Bill: Sec. 204.
E. Children born or adopted after parent's disability.	Benefits are not payable to an otherwise eligible child unless he was born, or adopted, or became a stepchild before the worker became disabled.	Permits payment of benefits to children born or adopted after worker's disability. A child cannot become entitled unless he is the natural child or stepchild of the disabled worker or is adopted within 2 years after the month in which the worker became entitled to benefits, but only if such adoption proceedings were started before period of disability began or child was living with under the start of the period of disability. Effective for September 1958. Bill: Sec. 201.
F. Dependency of stepchild on natural father.	A child is deemed dependent on natural father or adopting father for benefit purposes unless the father is not contributing to the child's support and the child is living with and being supported by the stepfather at the time he files application.	Provides for payment of child's benefit even though the child was living with and receiving more than ½ of his support from his stepfather. Effective for month of enactment. Bill: Sec. 202.
G. Invalid marriages.....	The validity of a marriage (under the law of the State in which the worker lives) may determine eligibility for mother's, wife's, husband's, widow's, widower's, and child's benefits.	Provides that certain invalid marriages of insured workers will not result in ineligibility. Applicant must have gone through the marriage ceremony with insured worker in the belief that it would create a valid marriage and the couple must have been living together at the time of the worker's death or, be living together at the time of application for benefits. Effective for month of enactment. Bill: Sec. 207.

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. ELIGIBILITY FOR BENEFITS—Continued

Item	Present law	H.R. 12580 as reported
H. Lump sum death payment..	Lump sum death payment paid (in cases where no eligible spouse survives) only after burial expenses are paid.	Allows lump sum to be sent directly to funeral director on application of person who assumes responsibility for funeral home expenses. If any of the lump sum remains, it is paid to person who paid funeral bill; if any still remains to persons who paid other burial expenses in a certain order of priority. Effective date: For deaths after enactment and for deaths before enactment if no application is filed before the 3d month after month of enactment. Bill: Sec. 203.

IV. BENEFIT AMOUNTS

A. Computing average monthly wage.	<p>In general, an individual's average monthly wage for computing his monthly old-age insurance benefit amount is determined by dividing the total of his creditable earnings after the applicable starting date and up to the applicable closing date, by the number of months involved. Excluded from this computation are all months and all earnings in any year any part of which was included in a period of disability under the disability "freeze" (except that the months and earnings in the year in which the period of disability begins may be included if the resulting benefit would be higher). Also excluded from the computation are all months in any year prior to the year the individual attained age 22 if less than 2 quarters of such year were quarters of coverage. Starting dates may be last day of (1) 1936, or (2) 1950, or, if later, the year of attainment of age 21.</p> <p>The closing date may be either (1) the 1st day of the year the individual died or became entitled to benefits or (2) the 1st day of the year in which he was fully insured and attained retirement age, whichever results in a higher benefit.</p> <p>Applicable starting and closing dates are those which yield the highest benefit amount. The minimum divisor is 18 months.</p>	<p>Provides for computation of the average monthly wage, in retirement cases, on the basis of a constant number of years, regardless of when, before age 22, the person started to work or when, after age 62, he files application for benefits. The number of years would be equal to 5 less than the number of years (excluding years in periods of disability) elapsing after 1950 or after the year in which the individual attained age 21, whichever is later, and up to the year in which the person was first eligible for old-age insurance benefits (generally the year in which he attained age 62. In death and disability cases the number of years would be determined by the date of death or disability.</p> <p>In those cases where a larger benefit would result (because the individual's best earnings were in years before 1951) the number of years would be those elapsing after 1936, rather than 1950; this alternative is similar to the 1936 alternative "starting date" available under present law in such cases. The subtraction of 5 from the number of elapsed years is the equivalent of the present dropout of the 5 years during which the individual's earnings were the lowest.</p>
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OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

IV. BENEFIT AMOUNTS—Continued

Item	Present law	H.R. 12580 as reported
A. Computing average monthly wage—Con.	Individuals can "drop out" up to 5 years of lowest or no earnings in computing average monthly wage.	The earnings used in the computation would be earnings in the highest years. Earnings in years prior to attainment of age 22 or after attainment of retirement age could be used if they were higher than earnings in intervening years. The span of years could never be less than 2. Generally, the span of years to be used for the benefit computation in retirement cases could not be less than 5—the number of years that would have to be used under the present law by people who attain retirement age in 1960. Effective, in general, on Jan. 1, 1961. Bill: Sec. 303.
B. Child's survivor benefit.....	Benefit payable to each child is $\frac{1}{2}$ of worker's benefit plus $\frac{1}{4}$ of his benefit divided by the number of children he has (if he has 2 children, each child will get $\frac{1}{2}$ plus $\frac{1}{4}$ ($\frac{3}{4}$) of his benefit).	Benefit payable to each child would be $\frac{1}{4}$ of worker's benefit. Effective for 3d month after enactment. Bill: Sec. 301.

V. RETIREMENT TEST

	Annual test of earnings under which 1 month's benefit is withheld from beneficiaries under age 72 (and from any dependents drawing on their records) for each unit of \$80 (or fraction thereof) by which annual earnings from employment or self-employment exceed \$1,200. However, benefits are not withheld for any month during which individuals neither rendered services for wages in excess of \$100 nor rendered substantial services in self-employment. The retirement test does not apply to beneficiaries age 72 or over.	Raises annual earnings limitation to \$1,800. The other provisions of the retirement test would not be changed. Effective with respect to taxable years ending after 1960. Bill: Sec. 211.
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OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

VI. FINANCING

<p>A. Investment of the trust funds.</p>	<p>Provides that the managing trustee (Secretary of the Treasury) shall invest such portion of the trust funds as is not, in his judgment, needed to meet current withdrawals. Investments must be made in interest-bearing obligations of the United States or in obligations guaranteed as to both interest and principal by the United States.</p> <p>Such obligations issued for purchase by the trust funds shall have maturities fixed with due regard for the needs of the funds, and bear interest at a rate equal to the average rate of all marketable interest-bearing obligations not due or callable until after the expiration of 5 years from the date of original issue. This interest rate, if not a multiple of $\frac{1}{4}$ of 1 percent, is rounded to the nearest multiple of $\frac{1}{4}$ of 1 percent.</p> <p>The special obligations shall be issued for purchase by the trust fund only if the managing trustee determines that the purchase in the market of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price, is not in the public interest.</p>	<p>Changes interest provision so that obligations purchased in the future shall bear interest at a rate equal to the average market yield (computed by the managing trustee on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of 4 years from the end of such calendar month.</p> <p>Reverses the provision so that the managing trustee is authorized to make purchases in the open market only when he deems it is within the public interest.</p> <p>Effective date: First day of the month after the month of enactment.</p> <p>Bill: Sec. 701.</p>
<p>B. Review of status of trust funds.</p> <p>1. Board of Trustees...</p>	<p>These funds are administered by a Board of Trustees consisting of the Secretary of the Treasury, as managing trustee, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officio (with the Commissioner of Social Security as secretary).</p> <p>It shall be the duty of the Board of Trustees to—</p> <ol style="list-style-type: none"> (1) Hold the trust funds; (2) Report to the Congress not later than the 1st day of March of each year on the operation and status of the trust funds during the preceding fiscal year and on their expected operation and status during the next ensuing 5 fiscal years; (3) Report immediately to the Congress whenever it is their opinion that during the ensuing 5 fiscal years either of the trust funds will exceed 3 times the highest annual expenditures anticipated during the next 5 years, or whenever in their opinion either of the trust funds is unduly small. 	<p>No change.</p> <p>No change.</p> <p>(3) Changes requirement so that Board has to report immediately only if it believes that the amount of either trust fund is unduly small.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

VI. FINANCING—Continued

Item	Present law	H.R. 12580 as reported
<p>B. Review of status of trust funds—Continued</p> <p>1. Board of Trustees—Continued</p>	<p>(4) Recommend improvements in administrative procedures and policies designed to effectuate the proper coordination of the old-age and survivors insurance and Federal-State unemployment compensation programs.</p>	<p>No change.</p> <p>Adds requirements that the Board review the general policies followed in managing the trust funds, and recommend changes in such policies, including necessary changes in the provisions of the law which govern the way in which the trust funds are to be managed. The Board is also required to meet at least once each 6 months.</p> <p>Effective date: 1st day of the month after the month of enactment.</p> <p>Bill: Sec. 701.</p>
<p>2. Advisory Council...</p>	<p>An Advisory Council on Social Security Financing will periodically review the status of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund in relation to the long-term commitments of the programs. The first such Council will be appointed by the Secretary after February 1957 and before January 1958 and will consist of the Commissioner of Social Security, as Chairman, and 12 other persons representing employers and employees, in equal numbers, self-employed persons and the public. The Council shall make its report, including recommendations for changes in the tax rate, to the Board of Trustees of the trust funds before Jan. 1, 1959. The Board shall submit the recommendations to Congress before Mar. 1, 1959, in its annual report. Other advisory councils with the same functions and constituted in the same manner will be appointed by the Secretary not earlier than 3 years nor later than 2 years prior to Jan. 1 of the years in which the tax rates are scheduled to be increased. These advisory councils will report to the Board on Jan. 1 of the year before the tax increase will occur and the Board will report to Congress not later than Mar. 1 of the same year.</p>	<p>Changes appointment and report dates of advisory councils: will be appointed during 1963, 1966, and every 5th year thereafter and will report not later than Jan. 1 of the 2d year after the year in which they are appointed.</p> <p>Effective date: Date of enactment.</p> <p>Bill: Sec. 704.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

VI. FINANCING—Continued

Item	Present law	H.R. 12580 as reported
C. Maximum taxable amount.	\$4,800 a year.	No change.
D. Tax rate for self-employed.	Taxable years beginning after—	
	Percent	
	1959..... 4½	Do.
	1962..... 5¼	
	1965..... 6	
	1968..... 6¾	
E. Tax rate for employees and employers.	Calendar years:	
	1960-62..... 3	Do.
	1963-65..... 3½	
	1966-68..... 4	
	1969 and after..... 4½	

MEDICAL SERVICES FOR THE AGED

Item	H.R. 12580 as reported																																																																																																																			
I. Medical assistance for the aged: A. Purpose.....	<p>The bill would amend title I (relating to old-age assistance) to permit the States to enlarge their programs thereunder to include plans for medical assistance for the aged; that is, to provide medical benefits for aged persons who are not old-age assistance recipients, but whose income and resources are insufficient to meet the costs of necessary medical services. Federal payments to States would reimburse the States for a portion of their expenditures under approved plans for medical assistance for the aged according to the equalization formula now used to compute the Federal portion of old-age assistance payments between \$30 and \$65 per month, except that the Federal share would range from 50 to 80 percent depending upon the per capita income of the State as related to the national per capita income. The Federal Government would bear half of the administrative expenses under such plans. For Federal matching percentages, see below.</p> <p style="text-align: center;"><i>Federal medical percentage applicable for October 1, 1980 through June 30, 1981</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%; text-align: center;">State</th> <th style="width: 12.5%; text-align: center;">Percent</th> <th style="width: 25%; text-align: center;">State</th> <th style="width: 12.5%; text-align: center;">Percent</th> </tr> </thead> <tbody> <tr><td>Alabama.....</td><td style="text-align: right;">79.15</td><td>Montana.....</td><td style="text-align: right;">54.07</td></tr> <tr><td>Alaska.....</td><td style="text-align: right;">50.00</td><td>Nebraska.....</td><td style="text-align: right;">63.41</td></tr> <tr><td>Arizona.....</td><td style="text-align: right;">63.23</td><td>Nevada.....</td><td style="text-align: right;">50.00</td></tr> <tr><td>Arkansas.....</td><td style="text-align: right;">80.00</td><td>New Hampshire.....</td><td 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	<p>In order to be eligible for such payments, the State must provide medical assistance for the aged according to a plan submitted to the Secretary of Health, Education, and Welfare, and approved by him which meets the requirements set out in the bill. The administrative provisions are generally the same as now required for State old-age assistance plans. The requirements relating to plans for medical assistance for the aged are described later. The Secretary may suspend payments to States, in whole or part, when he finds that the State is not complying with its plan, or that the plan no longer complies with the requirements of the bill.</p>																																																																																																																			

MEDICAL SERVICES FOR THE AGED—Continued

Item	H.R. 12580 as reported
I. Medical assistance for the aged—Continued	
B. Scope of benefits.....	<p>The State plan for medical assistance for the aged may specify medical services of any scope and duration, provided that both institutional and noninstitutional services are included. The Federal Government would share in the expense of providing the following kinds of medical services:</p> <ol style="list-style-type: none"> (1) Inpatient hospital services; (2) Skilled nursing home services; (3) Physicians' services; (4) Outpatient hospital or clinic services; (5) Home health care services; (6) Private duty nursing services; (7) Physical therapy and related services; (8) Dental services; (9) Laboratory and X-ray services; (10) Prescribed drugs, eyeglasses, dentures, and prosthetic devices; (11) Diagnostic, screening, and preventive services; and, (12) Any other medical care or remedial care recognized under State law. <p>The Federal Government would not share as to services in pulmonary tuberculosis or mental hospital.</p>
C. Eligibility for benefits..	<p>The State plan must provide medical benefits to all persons who—</p> <ol style="list-style-type: none"> (1) Have attained age 65; (2) Are not recipients of old-age assistance, but whose incomes and resources are insufficient to meet all of the cost of the medical services outlined above. (3) Are residents of the State (provision must be made, in accordance with the Secretary's regulations, which will make benefits available to residents of the State who are absent therefrom). <p>The State plan for Medical Assistance for the Aged cannot provide medical benefits for persons who—</p> <ol style="list-style-type: none"> (1) Are recipients of old-age assistance; (2) Are under age 65. <p>The plan may not require a premium or enrollment fee as a condition of eligibility. The State plan must include reasonable standards for determining eligibility, but such standards may not be inconsistent with the above requirements. The plan must provide that no lien may be imposed against the property of a beneficiary prior to his death (or that of his surviving spouse, if any) or on account of any benefit he may have correctly received, and that there may be no recovery of any benefits correctly paid until after the death of the recipient (or that of his surviving spouse, if any).</p>
D. Beginning date.....	<p>Payments may be made to States with approved plans for medical assistance for the aged for calendar quarters commencing Oct. 1, 1960, or thereafter.</p> <p>Bill: Sec. 601.</p>

MEDICAL SERVICES FOR THE AGED—Continued

Item	Present law	H.R. 12580 as reported																																																				
II. Old-age assistance medical program.	The following formula is applicable for a combined program which includes both money payments and vendor expenditures for medical care.	Provides for Federal financial participation in expenditures to vendors of medical services of up to \$12 per month in addition to the existing \$65 maximum provision. Where the State average payment is over \$65 per month, the Federal share in respect to such medical services costs would be a minimum of 50 percent and a maximum of 80 percent depending on each State's per capita income. (See p. 12 for approximate Federal percentages.) Where the State average payment is \$65 a month or under, the Federal share, in respect to such medical service costs, would be 15 percentage points in addition to the existing Federal percentage (50 to 65 percent); thus for these States the Federal percent applicable to such medical services costs would range from 65 to 80 percent (see p. 15). A State with an average payment of over \$65 a month would never receive less in additional Federal funds in respect to such medical-services costs than if it had an average payment of \$65.																																																				
A. Matching formula.	Federal matching share is \$24 of the 1st \$30 (% of the 1st \$30) with matching above this amount varying from 50 to 65 percent. States whose per capita income is equal to or above the per capita income for the United States have 50 percent Federal matching, while those States below the national average have Federal matching which varies up to a maximum of 65 percent.	Bill: Sec. 601.																																																				
	The Federal percentages as promulgated for the period Oct. 1, 1958, through June 30, 1961, are as follows:	Federal matching percentage applicable to medical expenditures expenses of old-age assistance recipients for States with average total payment of under \$65 (shown for States in this category in May 1960):																																																				
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See footnotes at bottom of p. 16.

MEDICAL SERVICES FOR THE AGED—Continued

Item	Present law	H.R. 12580 as reported
II. Old-age assistance medical program—Continued A. Matching formula—Continued	State: <i>Federal percentage</i>	State: <i>Federal percentage</i>
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¹ Average total assistance payment in May 1960 was \$65 or more. See p. 12 for applicable Federal percentage.

² In Puerto Rico, Guam, and the Virgin Islands the existing average old-age assistance matching maximum is \$35 rather than \$65, and the additional matching for vendor payments is based on \$6 a month per recipient rather than \$12 a month.

MEDICAL SERVICES FOR THE AGED—Continued

Item	Present law	H.R. 12580
<p>II. Old-age assistance medical program—Continued B. Definition of old-age assistance.</p>	<p>For Federal matching purposes excludes any money or vendor medical care payments for persons who have been diagnosed as having tuberculosis or psychosis and are patients in medical institutions as a result thereof.</p>	<p>Extends definition by making exclusion applicable only to pulmonary tuberculosis or psychosis. Bill: Sec. 601.</p>
<p>III. Medical care guides and reports.</p>	<p>No provision.</p>	<p>Provides that the Secretary would develop and revise from time to time guides or recommended standards as to the level, content, and quality of medical care and medical services for the use of the States in evaluating and improving their public assistance medical care programs and their programs of medical assistance for the aged. For this purpose, the Secretary would also be directed to secure information from the States on their medical care and medical services under these programs and to publish these reports and other necessary information. Bill: Sec. 705.</p>

**AID TO BLIND
(Public Assistance)**

<p>I. Temporary extension of certain special provisions relating to State plans for aid to the blind.</p>	<p>Temporary legislation (sec. 344(b) of the Social Security Amendments of 1950) relates to the approval by the Secretary of certain State plans for aid to the blind which do not meet in full the requirements of clause (8) of sec. 1002(a) of title X relating to the "needs" test. Expires June 30, 1961.</p>	<p>Postpones termination date until June 30, 1964. Bill: Sec. 706.</p>
<p>II. Earnings exemption for recipients.</p>	<p>State agency must, in determining need, take into consideration income and resources of individuals, except that State must disregard the first \$50 per month (\$600 per year) of earned income.</p>	<p>Until July 1, 1961, the States <i>may</i> disregard the first \$1,000 of annual earned income, plus one-half of annual earned income in excess of \$1,000 in lieu of the monthly exemption contained in existing law. After June 30, 1961, the States <i>must</i> use this annual exemption in lieu of the monthly exemption contained in existing law. Bill: Sec. 710.</p>

MATERNAL AND CHILD WELFARE SERVICES

Item	Present law	As reported
I. Maternal and child health services:		
A. Authorization of annual appropriation.	Authorizes \$21,500,000 per year.....	Authorizes \$25 million per year. Effective date: Fiscal year 1961. Bill: Sec.
B. Allotment to States.	Out of the sum appropriated— 1. \$10,750,000 shall be allotted as follows: to each State a uniform base grant of \$60,000 and the remainder in the proportion of live births in that State to the whole United States. 2. The other \$10,750,000 is allotted according to the financial need of each State after taking into consideration the number of live births in that State [proportionate reduction in amounts if full authorized sum is not appropriated].	Substitutes \$12,500,000 for \$10,750,000 in both 1 and 2 and also provides that the uniform grant in 1 be increased from \$60,000 to \$70,000. Bill: Sec. 707.
C. Special project grants.	No specific provision in the law.....	Adds provision that not more than 25 percent of the sums under B-2 (above) shall be available for grants to State health agencies, and to public or other nonprofit institutions of higher learning for special projects of regional or national significance which may contribute to the advancement of maternal and child health. Bill: Sec. 707.
II. Crippled children's services:		
A. Authorization of annual appropriation.	Authorizes \$20 million per year.....	Authorizes \$25 million per year. Effective date: Fiscal year 1961. Bill: Sec. 707.
B. Allotment to States.	Out of the sum appropriated— 1. \$10 million shall be allotted as follows: to each State \$60,000 and the remainder according to need after taking into consideration the number of crippled children in each State in need of services and the cost of furnishing such services. 2. The other \$10 million according to need of State as determined after taking into consideration the number of crippled children in each State in need of services and the cost of furnishing such services to them.	Same as I-B above.
C. Special project grants.	No specific provision in the law.....	Same as I-C above. Bill: Sec. 707.

MATERNAL AND CHILD WELFARE SERVICES—Continued

Item	Present law	H.R. 12580 as reported
<p>III. Child welfare services:</p> <p>A. Authorization of annual appropriation.</p> <p>B. Allotment to States.</p> <p>C. Research and demonstration projects.</p>	<p>Authorizes \$17 million per year.</p> <p>Out of the sum appropriated allots to a State such portion of \$60,000 as the amount appropriated bears to the amount authorized to be appropriated. The remainder of sums appropriated shall be allotted so that each State shall have an amount which bears the same ratio to the total remainder as the product of (1) the population of each State under the age of 21 and (2) the allotment percentage (based on relative per capita income) bears to the sum of the corresponding products of all the States.</p> <p>No provision.</p>	<p>Authorizes \$25 million per year. Effective date: Fiscal year 1961. Bill: Sec. 707.</p> <p>Changes the \$60,000 to \$70,000. Bill: Sec. 707.</p> <p>Authorizes appropriation for grants by the Secretary of Health, Education, and Welfare to public or other nonprofit institutions of higher learning and to public and nonprofit agencies and organizations engaged in research or child welfare activities, for special research or demonstration projects for the demonstration of new methods or facilities which show promise of substantial contribution to the advancement of child welfare. Bill: Sec. 707.</p>

EMPLOYMENT SECURITY (UNEMPLOYMENT COMPENSATION)

<p>I. Federal unemployment account.</p>	<p>At the end of each fiscal year, after Federal and State administrative expenses have been paid, any excess net Federal unemployment tax receipts are earmarked and placed in the Federal unemployment account to maintain a balance of \$200 million in that account. This account is used to make advances to the States with depleted reserve accounts. Any excess receipts not required to maintain the \$200 million balance in the Federal unemployment account are allocated to the trust accounts of the various States in the proportion that their covered payrolls bear to the aggregate of all the States.</p>	<p>The amount authorized as a balance in the Federal unemployment account is increased to \$500 million. Bill: Sec. 501(a).</p>
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EMPLOYMENT SECURITY (UNEMPLOYMENT COMPENSATION)—Continued

Item	Present law	H.R. 12580 as reported
<p>II. Advances to States:</p> <p>A. Eligibility for advances.</p> <p>B. Amount of advances.</p> <p>C. Repayment of advances.</p>	<p>A State whose reserve account at the end of any quarter is less than the amount of benefits paid in the last four preceding quarters may apply for an advance from the Federal unemployment account.</p> <p>A State is advanced the amount specified in the State's application but such amount may not exceed the largest amount of benefits paid by it in any one of the last four preceding quarters.</p> <p>The Governor of any State may at any time request that funds be transferred from the State's account to the Federal unemployment account in repayment of part or all of the balance of advances made to the State. If an advance to any State has been outstanding at the beginning of four consecutive years, the employers' credit in that State against the Federal tax is reduced from 2.7% to 2.55%. This increase in the net Federal tax is used to pay off the advance. During successive years in which the advance is outstanding the employers' credit is reduced by an additional 0.15% a year. If a State repays outstanding advances by Dec. 1 of any year the reduced credit provisions do not come into operation for that year.</p>	<p>A State's eligibility for advances (applied for after enactment) may be determined at any time. Advances will be made only if in the account of the State requesting an advance the sum of reserves on hand plus expected tax receipts will be inadequate to meet the expected level of benefit payments during the current or following month.</p> <p>Bill: Sec. 502(a).</p> <p>Advances will be made in amounts which the Secretary of Labor estimates will be required to pay compensation during the current or following month, including amounts to cover unexpected contingencies. The aggregate amount of loans approved by the Secretary of Labor may not exceed the amount available for advances in the Federal unemployment account.</p> <p>Bill: Sec. 502(a).</p> <p>Same as present law.</p> <p>If an advance to any State made after enactment is outstanding at the beginning of two consecutive years, the employers' credit in that State against the Federal tax is reduced from 2.7% to 2.4%. During successive years in which the advance is outstanding the employers' credit is reduced by an additional 0.3% a year. If a State repays outstanding advances by Nov. 10 of any year the reduced credit provisions do not come into operation for that year.</p>

EMPLOYMENT SECURITY (UNEMPLOYMENT COMPENSATION)—Continued

Item	Present law	H.R. 12580 as reported
II. Advances to States—Con. C. Repayment of advances—Con.		<p>In addition to the reduction of 0.3% a year in the employers' tax credit against the Federal tax two other possible credit reductions are provided. The first provides that beginning in the third year in which an advance is outstanding the maximum employers' credit is reduced by the amount, if any, by which the average employer contribution rate in the preceding year was less than 2.7%. The second credit reduction provides that in the fifth year in which an advance is outstanding if the State's benefit-cost rate over the preceding five years is higher than 2.7% then the employers' credit shall be reduced by the amount, if any, by which the State's average contribution rate in the preceding year is less than such benefit-cost rate.</p> <p>Bill: Sec. 503.</p>

TABLES ON PUBLIC ASSISTANCE MEDICAL PROGRAMS

TABLE 1.—Summary information on medical care available to old-age assistance recipients through federally aided public assistance vendor payments, and other resources (based on information supplied by Bureau of Public Assistance, June 1960)

State	Vendor payment method used	Vendor payments					Other resources for medical care available to old-age assistance (OAA) recipients
		Practitioner	Hospitalization (including controls or limitations on hospital days)	Drugs	Nursing home care	Other	
Alabama.....	No.....	No.....	No.....	No.....	No.....	No.....	Maximum OAA money payment of \$75 may be exceeded up to \$110 for nursing home care. Recipient in hospital continues to receive money payment. State has program of hospitalization for medically indigent, administered by State health department.
Alaska.....	No.....	No.....	No.....	No.....	No.....	No.....	Maximum OAA money payment of \$100 available for nursing home care. For nonnatives, State program of general assistance is used to meet medical needs, including hospitalization and nursing-convalescent home care not met in the money payment to the recipient. For natives, Bureau of Indian Affairs is a resource for medical care including hospitalization.
Arizona.....	No.....	No.....	No.....	No.....	No.....	No.....	Nursing home care provided through money payment up to maximum of \$80 for OAA recipients. Recipients in hospital continue to receive money payment. Hospitalization and general medical care are county responsibility. For reservation Indians, Indian Health Service is a resource.
Arkansas.....	Yes.....	Yes ¹	As recommended by physician for all acute illnesses and injuries. General rule: 30 days a year; extension possible.	No ²	\$90 maximum, plus \$5 in money payment for personal needs.	Yes.....	
California.....	Yes.....	Yes.....	No (vendor payments for OAA recipients in public medical insti-	Yes.....	No.....	Yes.....	Nursing home care provided through money payment of \$115 or \$95 maximum (depending on recipients income). Hospitalization available in

			tutions after 1st 60 days).				all locations from county hospitals.
Colorado.....	Yes.....	Yes.....	All recommended by physician, except for purpose of diagnosis only. General rule: 30 days; extension possible.	Yes.....	Money payment \$106, plus \$20 to \$95 vendor payment based on patient's needs.	Yes.....	
Connecticut.....	Yes.....	Yes.....	All recommended by physician for definitive medical treatment. No limitation on number of days.	Yes.....	No.....	Yes.....	Nursing home care provided through money payment to recipient. Pay budgetary deficit up to approved rate. Maximum rate: \$212.33.
Delaware.....	No.....	No.....	No.....	No.....	No.....	No.....	Nursing home care provided through money payment. Maximum of \$75 may be supplemented up to approved rate. Hospitalization for indigent persons reported as provided by county governments.
District of Columbia.	Yes.....	Yes.....	All essential surgical and medical care and treatment. No limitation on number of days.	No ¹	No.....	Yes ²	Nursing home care provided through money payment to \$100 maximum, plus \$10 for personal needs. Drugs available through District of Columbia Public Health.
Florida.....	Yes.....	No.....	Limited to acute injuries and illness. Maximum: 30 days a year.	Yes.....	No.....	No.....	Nursing home care provided through money payment to \$66 maximum, which may be supplemented from other sources up to rate determined for community.
Georgia.....	No.....	No.....	No.....	No.....	No.....	No.....	Nursing home care provided through money payment to \$65 maximum, which may be supplemented from other sources up to maximum rate. Limited hospitalization through board of commissioners. Hospital care for medically indigent enacted in 1958, but not in operation.

¹ Applicable only if surgery is authorized by remedial eye services section for cooperating ophthalmologist.

² Some drugs provided by vendor payment when dispensed by hospital for continuation of treatment after discharge of a patient who has received inpatient care for the same condition.

³ Vendor payments may be made for drugs, appliances, dental services, and optical supplies recommended by physician, hospital, or clinic when such are not available without cost to the agency through other services.

TABLES ON PUBLIC ASSISTANCE MEDICAL PROGRAMS—Continued

State	Vendor payment method used	Vendor payments					Other resources for medical care available to old-age assistance (OAA) recipients
		Practitioner	Hospitalization (including controls or limitations on hospital days)	Drugs	Nursing home care	Other	
Guam.....	No.....	No.....	No.....	No.....	No.....	No.....	Hospitalization and other medical care available through Government hospital.
Hawaii.....	Yes.....	No.....	All recommended by physician except Hansen's disease (leprosy). No day limitation.	No.....	No.....	Yes.....	Nursing home care provided through money payment. State agency and medical care provisions being reorganized. Outpatient care provided by State paid physicians who also dispense drugs to limited extent.
Idaho.....	Yes.....	No.....	No.....	No.....	\$150 maximum, plus money payment for personal needs; maximum may be exceeded.	No.....	Hospitalization furnished under annual contract with private hospitals in some counties; general assistance used primarily for medical care. Public assistance recipient in a public medical institution can continue to receive assistance grant.
Illinois.....	Yes.....	Yes.....	All recommended by physician. General rule: 2 weeks, with provision for extension.	Yes.....	To meet need for care, not to exceed "going rate" in community.	Yes.....	
Indiana.....	Yes.....	Yes.....	Limited to nonelective surgery, injuries, acute illness, diagnosis. No day limitation.	Yes.....	Money payment or vendor, as determined by county. Rates negotiated in each county.	Yes.....	Scope of medical care determined by individual counties in line with content recommended by State agency.
Iowa.....	Yes.....	Yes.....	No.....	Yes.....	No.....	No.....	Nursing home care provided through money payment to meet rate for needed care; basic rate \$80, plus amounts for additional care needed. Hospitalization available through general assistance and Iowa University Hospital.

Kansas	Yes	Yes	All recommended by physician. No day limitation.	Yes	No	Yes	Nursing home care provided through money payment to meet budgetary deficit of recipient up to the local rate. No statewide rates or ranges.
Kentucky	No	No	No	No	No	No	Nursing home care provided through money payment up to \$66 (for total needs). New legislation to start in 1961. Covers all types of medical care to limited amount. Some counties make contributions to local hospitals for care of needy.
Louisiana	Yes	Yes	No	Yes	\$110 maximum, plus \$17 money payment for personal needs. \$105 money payment in home not subject to license.	Yes	Practitioner services paid by vendor payment in nursing home cases only; in other circumstances, provided through money payment. Hospitalization available through State hospital program.
Maine	Yes	No	All recommended by physician. Maximum: 45 days a year.	No	\$65 maximum money payment, remainder by vendor payment up to \$130 or \$165.	No	Other medical care must be met by recipient from money payment. OAA maximum is \$65.
Maryland	Yes	Yes	All recommended by physician; 21 days for illness, exception possible upon medical recommendation.	Yes	No	Yes	Nursing home care provided through money payment up to \$115.50 for total care. Maximums of \$190, \$200, \$210 (according to group into which county is classified) on total money payment for total needs of recipient.
Massachusetts	Yes	Yes	All recommended by physician. No day limitation.	Yes	\$6.50 maximum a day; may be exceeded. All other medical needs are met.	Yes	
Michigan	Yes	Applicable only if connected with hospitalization.	do	Applicable only if connected with hospitalization.	No	Applicable only if connected with hospitalization.	Nursing home care provided through money payment, \$90 maximum; may be supplemented from State and local general assistance funds to maximum regional rate (\$150 to \$175). Practitioner services are in money payment. OAA maximum \$80.

TABLES ON PUBLIC ASSISTANCE MEDICAL PROGRAMS—Continued

State	Vendor payment method used	Vendor payments					Other resources for medical care available to old-age assistance (OAA) recipients
		Practitioner	Hospitalization (including controls or limitations on hospital days)	Drugs	Nursing home care	Other	
Minnesota.....	Yes.....	Yes.....	All recommended by physician. Maximum: 30 days; extension on recommendation of county medical advisory committee.	Yes.....	\$60 by money payment, plus vendor up to \$150, may be exceeded.	Yes.....	
Mississippi.....	No.....	No.....	No.....	No.....	No.....	No.....	Nursing home care provided through money payment, \$33 administrative maximum; may be supplemented from local or private funds to \$150 maximum. Some hospitalization available through State subsidies. Some counties contribute.
Missouri.....	Yes.....	No.....	For acute illness and injury when recommended by physician. Maximum: 14 days per hospital admission.	No.....	No.....	No.....	Nursing home care provided through money payment, \$65 maximum, except \$100 for "completely bedfast and totally disabled." Other medical care by money payment. Provisions being revised.
Montana.....	Yes.....	Yes.....	Limited to remedial eye care.	Yes.....	No.....	No.....	Nursing home care and all other medical care provided through money payment, \$85 maximum. "Medical component" of nursing home care paid through general assistance. Vendor payment method limited to prevention of blindness and restoration of sight.
Nebraska.....	Yes.....	No.....	All recommended by physician. General rule: 31 days; extension possible.	No.....	Meet budgetary deficit up to fee range negotiated in each county.	No.....	Practitioner services and other medical services are in money payment up to \$70 maximum for OAA.

Nevada.....	Yes.....	Yes.....	No.....	Yes.....	No.....	Yes.....	Nursing home care provided through money payment, \$130 maximum, plus \$8 for personal needs. Hospitalization is responsibility of county commissioners. Hospitalized recipients may continue to receive money payments to \$75 maximum.
New Hampshire.....	Yes.....	Yes.....	All recommended by physician. General rule: 14 days; extension possible.	Yes.....	No.....	Yes.....	Nursing home care provided through money payment, \$150 maximum; may be exceeded in unusual circumstances.
New Jersey.....	Yes.....	No.....	No.....	No.....	\$180 basic; \$190, including physician and prescriptions. Cash payment for personal use.	No.....	All medical care except nursing home provided through money payment. No maximum.
New Mexico.....	Yes.....	Yes.....	All except elective. No maximum; 7 days with reauthorization required.	Yes.....	\$55 maximum on money payment, plus vendor to \$150.	Yes.....	
New York.....	Yes.....	Yes.....	All recommended by physician. No day limitation.	Yes.....	Rates set locally. Personal needs met by money payment.	Yes.....	Counties have option as to method of payment for each of the services provided, subject to State approval.
North Carolina.....	Yes.....	No.....	All recommended by physician. Maximum: 180 days.	No.....	No.....	No.....	Nursing home care provided through money payment, \$175 maximum, applicable only to need for skilled nursing service following hospitalization; limited to 3 months; may be extended 3 times. All other medical care provided through money payment. No maximum. Average OAA payment, \$40.
North Dakota.....	Yes.....	Yes.....	All recommended by physician. Maximum: 60 days.	Yes.....	Meet budgetary deficit up to maximum rates from \$100 to \$175.	Yes.....	

TABLES ON PUBLIC ASSISTANCE MEDICAL PROGRAMS—Continued

State	Vendor payment method used	Vendor payments					Other resources for medical care available to old-age assistance (OAA) recipients
		Practitioner	Hospitalization (including controls or limitations on hospital days)	Drugs	Nursing home care	Other	
Ohio	Yes	Yes	All recommended by physician; non-elective surgery only, except after special review; 10 days each admission with possible extension.	Yes	No	Yes	Nursing home care provided through money payment to meet budgetary deficit for care needed up to approved rates, \$65 to \$160.
Oklahoma	Yes	Yes	Limited to life endangering conditions and conditions producing or alleviating blindness; 21 days per admission.	No	\$66 maximum on money payment, plus \$69 vendor payment.	Yes	Hospitalization limited; no specific items of medical care provided in budgeting for money payment.
Oregon	Yes	Yes	All recommended by physician. No maximum; reauthorization every 7 days.	Yes	\$124 to \$184 according to care needed. Personal items in money payment.	Yes	In lieu of nursing-home care, house-keeping or nursing service in own home provided in special payment directly to recipient.
Pennsylvania	Yes	Yes	No	Yes	No	Yes	Nursing-home care provided through money payment, \$100 to \$165 maximum, according to type of care; plus \$5 for personal needs in money payment. Hospitalization through State-owned and State-aided hospitals.
Puerto Rico	No	No	No	No	No	No	Medical services of all types available from resources of public health department.
Rhode Island	Yes	Yes	All recommended by physician. Gen-	Yes	No	Yes	Nursing-home care provided through money payment, \$182 maximum, de-

			eral rule: 21 days with provision for extension.				pending on type of care, plus \$6 for clothing and personal needs.
South Carolina	Yes	No	Acute illness and injury. 30 days maximum.	No	(1) For continuing care, money payment to \$60, plus supplement to \$150 from other sources; (2) for persons who have been hospitalized, up to \$94 vendor payment, plus \$60 money payment.	No	Medicine provided through money payment; OAA maximum, \$60.
South Dakota	No	No	No	No	No	No	Nursing home care provided through money payment of \$75 to \$165 depending on type of care needed. Hospitalization provided by county poor relief fund, financed in part by return to county of portion of State taxes earmarked for this purpose. Specified drugs and appliances provided in money payment. No maximum except for nursing home.
Tennessee	Yes	No	Acute illness or injury, and illnesses and injuries requiring hospitalization; 10-day maximum.	No	No	No	Nursing home care provided through money payment of \$60 maximum; may be supplemented from other sources to \$150, plus allowance for personal needs. No other items of medical care specified in provisions for money payment. OAA maximum, \$55.
Texas	No	No	No	No	No	No	Nursing home care provided through money payment, \$67 maximum; may be supplemented from county funds up to \$100 for nursing care, plus \$64.50 for maintenance. Limited medical care through money payment. County commissioners generally maintain county hospitals or make payment to private hospitals.

TABLES ON PUBLIC ASSISTANCE MEDICAL PROGRAMS—Continued

State	Vendor payment method used	Vendor payments					Other resources for medical care available to old-age assistance (OAA) recipients
		Practitioner	Hospitalization (including controls or limitations on hospital days)	Drugs	Nursing home care	Other	
Utah	Yes	Yes	All recommended by physician, except elective surgery. General rule: 30 days; extension possible.	Yes	No	Yes	Nursing home care provided through money payment of \$87.50, \$110 maximum, which may be supplemented from other sources to \$200; \$5 allowance for personal items.
Vermont	Yes	No	No	No	\$165 for skilled nursing care; \$135 for personal nursing service; \$5 money payment for personal needs.	No	Hospitalization provided by "town" general assistance; other medical needs included in money payment. OAA maximum, \$75.
Virgin Islands	Yes	No	No	Yes	No	No	Other medical treatment through department of health. Hospitalization available under system of municipal hospitals.
Virginia	Yes	No	Extension of vendor payment provisions to hospital care effective July 1, 1960.	No	\$150 maximum, plus \$6 money payment for personal items.	No	Other medical care provided through money payment; average OAA money payment, \$37. (To July 1, 1960, hospitalization provided through State-local payments, not part of public assistance program.)
Washington	Yes	Yes	All recommended by physician. No day limitation.	Yes	\$102 to \$192 according to type of home. Personal items through money payment.	Yes	

West Virginia-----	Yes-----	Yes-----	Limited to acute illness, immediate surgery, diagnostic services; exceptions if will increase capacity for self-care. Maximum 30 days.	Yes-----	No-----	Yes-----	Nursing home care provided through money payment, \$60 maximum a person, \$165 a household, supplemented by general assistance under specified conditions. Practitioner services through money payment.
Wisconsin-----	Yes-----	Yes-----	All recommended by physician. No day limitation; reauthorization stipulated.	Yes-----	Pay budgetary deficit to meet rate for care needed; rates negotiated in each county. Allowance for personal needs in money payment.	Yes-----	
Wyoming-----	Yes-----	Yes-----	All recommended by physician. No day limitation.	No-----	\$85 maximum money payment for maintenance, plus vendor payment up to \$100.	No-----	Other medical services are responsibility of counties.

TABLES ON PUBLIC ASSISTANCE MEDICAL PROGRAMS—Continued

Table 2.—Old-age assistance: Payments for vendor medical bills: Total amount, amount for which type of service was not reported, and amount in all States reporting for specified type of service, by State, fiscal year 1959 (supplied by the Bureau of Public Assistance) ¹

State	Total	Type of service not reported	In all States reporting for specified type of service				
			Practitioners' services	Hospitalization	Drugs and supplies	Nursing and convalescent home care	Other
Total	\$220, 749, 925	\$24, 953, 705	\$21, 344, 694	\$71, 879, 997	\$31, 877, 084	\$56, 944, 998	\$13, 749, 447
Alabama.....	17, 473		2, 329	15, 144			
Alaska.....							
Arizona.....							
Arkansas.....	2, 989, 720		21, 393	1, 671, 037		1, 294, 030	3, 260
California.....	22, 140, 019		6, 649, 307		13, 100, 862		2, 389, 850
Colorado.....	7, 739, 663		1, 097, 093	4, 878, 353	77, 096	1, 624, 167	62, 954
Connecticut.....	3, 710, 081		453, 372	2, 259, 290	940, 438	1, 494	55, 487
Delaware.....							
District of Columbia.....	202, 936			196, 454			6, 482
Florida.....	1, 390, 427				1, 390, 427		
Georgia.....							
Hawaii.....	99, 977	99, 977					
Idaho.....	24, 130					24, 130	
Illinois.....	24, 788, 904		2, 022, 275	6, 612, 511	2, 722, 576	12, 541, 541	890, 001
Indiana.....	5, 807, 135		1, 277, 606	1, 619, 147	872, 201	1, 849, 526	188, 655
Iowa.....	667, 938		315, 954		334, 334		17, 650
Kansas.....	3, 913, 454		622, 473	1, 366, 940	795, 779		1, 128, 262
Kentucky.....							
Louisiana.....	2, 394, 230		32, 935		115, 304	2, 239, 448	6, 543
Maine.....	1, 354, 849			625, 785		729, 064	
Maryland.....	463, 099	463, 099					
Massachusetts.....	29, 654, 045		683, 863	10, 306, 418	4, 640, 549	13, 030, 875	992, 340
Michigan.....	4, 985, 744	4, 985, 744					
Minnesota.....	14, 723, 821		1, 419, 212	6, 027, 400	1, 536, 242	5, 354, 227	386, 740
Mississippi.....							
Missouri.....							
Montana.....	17, 855		6, 916	9, 878	17		1, 044
Nebraska.....	3, 391, 745			1, 044, 795		2, 346, 950	
Nevada.....	229, 642		79, 443		82, 553		67, 646
New Hampshire.....	1, 222, 136		178, 044	709, 419	274, 920	32, 661	27, 092
New Jersey.....	5, 800, 800	5, 800, 800					
New Mexico.....	914, 908		143, 955	420, 400	120, 940	190, 197	39, 416
New York.....	26, 050, 471			14, 766, 084		4, 918, 973	6, 365, 414
North Carolina.....	832, 317			832, 317			
North Dakota.....	2, 027, 898		243, 415	1, 086, 083	219, 043	421, 484	57, 873
Ohio.....	9, 402, 926		1, 543, 879	5, 747, 637	1, 753, 514	17, 721	340, 175
Oklahoma.....	11, 233, 765		1, 688, 688	4, 346, 185		5, 182, 308	16, 584

Oregon.....	4, 335, 246		170, 611	912, 817	404, 232	2, 805, 116	42, 470
Pennsylvania.....	2, 708, 931		588, 050		1, 197, 393	687, 050	236, 438
Puerto Rico.....							
Rhode Island.....	980, 836	980, 836					
South Carolina.....							
South Dakota.....							
Tennessee.....	1, 394, 994			1, 394, 994			
Texas.....							
Utah.....	593, 496		71, 664	130, 380	264, 556	88, 099	38, 797
Vermont.....							
Virgin Islands.....	3, 657	3, 657					
Virginia.....	445, 582					445, 582	
Washington.....	8, 326, 489		1, 843, 036	4, 113, 408	913, 708	1, 071, 204	385, 133
West Virginia.....	745, 866		113, 924	591, 393	19, 758		20, 791
Wisconsin.....	12, 619, 592	12, 619, 592					
Wyoming.....	403, 128		75, 257	178, 078	100, 642	49, 151	

¹ In some instances, figures are presented where no federally aided vendor payments are made; in others, no figures are presented where vendor payment programs are now in existence. These discrepancies are generally the result of the method and of the timing of the State reports. For example, Alabama, although it has no federally approved plan for vendor method payment, reports total payments of \$17,473. This amount, however,

represents payments from local funds only. New York, which has a vendor program for all types of services, reported its payments for practitioners' services and drugs and supplies under the heading designated "Other." Another example is the fact that no hospitalization payments are listed for Florida, because the program did not go into effect until October 1959.