

H.R. 12080
SOCIAL SECURITY AMENDMENTS OF 1967

BRIEF DESCRIPTION OF SENATE
AMENDMENTS

PREPARED FOR THE USE OF THE
CONFEREES



DECEMBER 5, 1967

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the House Committee on Ways and Means

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SENATE AMENDMENTS TO H. R. 12080

Bill page	Amendment No.	Description
5	(1)	New table of contents.
TITLE I OLD-AGE, SURVIVORS, DISABILITY, AND HEALTH INSURANCE		
INCREASE IN BENEFITS		
11	(2)	Committee amendment--Increases social security benefits by 15 percent with minimum primary insurance amount of \$70. House bill provided 12½-percent increase with minimum primary insurance amount of \$50.
16-19	(3, 5 and 7-15)	Committee amendment--Effective date for benefit increase. Under Senate amendment benefit increase would be effective for March 1968. House bill would make it effective for second month after month of enactment.
17	(6)	Conforming with amendment No. 2.
SPECIAL BENEFITS FOR PERSONS AGE 72 AND OVER		
20	(16, 18-20, and 23)	Committee amendment--Increases special benefits payable to uninsured people who attained age 72 prior to 1968 from \$35 a month to \$50 for an individual. House bill would have increased this amount to \$40.
20-21	(17, 21-22, and 24)	Committee amendment--Increases special benefits payable to uninsured people who attained age 72 prior to 1968 from \$17.50 a month to \$25 for a spouse. House bill would have increased this amount to \$20.
21	(25)	Committee amendment--Increase in special benefits for uninsured would be effective for March 1968. House bill would have been effective for second month after month of enactment.
MAXIMUM AMOUNT OF SPOUSE'S BENEFIT		
22	(26)	Conforming amendment--Effective date for limitation on maximum amount of husband's or wife's benefits, conforming with amendment No. 3.

Bill page	Amendment No.	Description
DISABLED WIDOWS		
22	(27)	Committee amendment—Provides full-rate (82½ percent of the deceased spouse's primary insurance amount) benefits to disabled widows and widowers regardless of age. Benefits would be first payable for March 1968. House bill provided reduced benefits (ranging from 50 to 82½ percent of the primary insurance amount) starting at age 50, effective for second month after month of enactment.
REDUCED BENEFITS AT AGE 60		
46	(28)	Committee amendment—Provides actuarially reduced benefits for both men and women at age 60, with benefits first payable for December 1968. No comparable provision in House bill.
YOUNG DISABLED WORKERS		
54	(29)	Technical—Renumbering.
54	(30)	Conforming amendment—Effective date for change in insured status for younger disabled workers, conforming with amendment No. 3.
UNIFORMED SERVICES		
55	(31)	Technical—Renumbering.
EARNINGS TEST		
56	(32)	Technical—Renumbering.
56	(33-35)	Floor amendment by Senator Bayh—Increases from \$1,500 a year to \$2,400 the amount a person may earn and still get full social security benefits. The House bill would have increased the amount to \$1,680 a year.
WAGE BASE INCREASE		
57	(36)	Committee amendment-- Increases the amount of earnings subject to social security taxes and which can be used in benefit computations from \$6,600 a year to \$8,000 in 1968, to \$8,800 in 1969, and to \$10,800 in 1972 and thereafter. House bill would have increased amount to \$7,600 in 1968 and thereafter.

Bill
page

Amend-
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Description

TAX RATE CHANGES

- 66 (37) Committee amendment--Provides new schedule of social security taxes. The schedules in present law, the House bill, and the Senate bill are shown in the following table:

TAX SCHEDULE UNDER PRESENT LAW, THE HOUSE BILL
AND THE SENATE BILL

(In percent)

Period	OASDI			HI			Total		
	Present law	House bill	Senate bill	Present law	House bill	Senate bill	Present law	House bill	Senate bill
Employer-employee, each									
1968.....	3.9	3.9	3.8	0.5	0.5	0.6	4.4	4.4	4.4
1969-70.....	4.4	4.2	4.2	.5	.6	.6	4.9	4.8	4.8
1971-72.....	4.4	4.6	4.6	.5	.6	.6	4.9	5.2	5.2
1973-75.....	4.85	5.0	5.0	.55	.65	.65	5.4	5.65	5.65
1976-79.....	4.85	5.0	5.05	.6	.7	.65	5.45	5.7	5.7
1980-86.....	4.85	5.0	5.05	.7	.8	.75	5.55	5.8	5.8
1987 and after.....	4.85	5.0	5.05	.8	.9	.75	5.65	5.9	5.8
Self-employed									
1968.....	5.9	5.9	5.8	0.5	0.5	0.6	6.4	6.4	6.4
1969-70.....	6.6	6.3	6.3	.5	.6	.6	7.1	6.9	6.9
1971-72.....	6.6	6.9	6.9	.5	.6	.6	7.1	7.5	7.5
1973-75.....	7.0	7.0	7.0	.55	.65	.65	7.55	7.65	7.65
1976-79.....	7.0	7.0	7.0	.6	.7	.65	7.6	7.7	7.65
1980-86.....	7.0	7.0	7.0	.7	.8	.75	7.7	7.8	7.75
1987 and after.....	7.0	7.0	7.0	.8	.9	.75	7.8	7.9	7.75

NOTE.--Maximum taxable earnings base under present law is \$6,000. Maximum taxable earnings base under House bill is \$7,000, beginning in 1968. Maximum taxable earnings base under Senate bill is \$8,000 in 1968, \$8,800 in 1969-71, and \$10,800 in 1972 and after.

ALLOCATION TO DI TRUST FUND

- 76 (38) Technical--Renumbering.

DISABILITY FREEZE APPLICATIONS

- 77 (39) Committee amendment--Extends the period of time in which a person may file an application for the disability freeze (but not for monthly disability benefits) if the person was prevented by a physical or mental condition from filing an application within the period specified in present law or the law in effect prior to the enactment of the 1965 amendments. No comparable provision in the House bill.

Bill page	Amendment No.	Description
MARRIED STUDENT		
79	(40)	Committee amendment - Provides that a child's benefits shall not terminate (as they generally do under present law) when the child marries if the child is a full-time student; in the case of a girl beneficiary, the amendment would apply only if her husband is also a full-time student. No comparable provision in the House bill.
ADOPTED CHILDREN		
81	(41)	Floor amendment by Senator Allott - Provides that a child adopted by a person who is getting disability insurance benefits can become entitled to child's benefits if (a) the adoption takes place in the United States, (b) it was under the supervision of a public or private child-placement agency, (c) the disabled individual had resided in the United States for the year prior to the adoption, and (d) the child is under 18 at the time of the adoption. No comparable provision in the House bill.
MOTHER'S BENEFIT		
82	(42)	Floor amendment by Senator Nelson - Provides that a child over age 18 shall be considered to be in his mother's care, for purposes of paying mother's benefits, if the child is a full-time student in an elementary or secondary school. No comparable provision in House bill.
DELAYED RETIREMENT STUDY		
82	(43)	Floor amendment by Senator Allott - Provides that the Social Security Administration shall make a study and report to Congress on increasing old-age insurance benefits on account of delayed retirement. No comparable provision in House bill.
COVERAGE OF RELIGIOUS		
83-84	(44-46)	Committee amendment--Retains provision of present law which excludes from coverage members of religious orders who have taken a vow of poverty. House bill would have provided a method of coverage for such members on the same basis as other clergymen, unless they elected not to be covered.
84	(47)	Committee amendment--Provides that a clergyman may also elect not to be covered under social security if he is opposed to such coverage

Bill page	Amendment No.	Description
85	(47)	on grounds of religious principle, or on conscientious grounds. House bill provided for objection only on conscientious grounds.

STATE AND LOCAL EMPLOYEES

88	(48)	Committee amendment---Provides a 3-year extension, through 1969, for election of social security coverage by State and local employees who did not previously do so under the provisions which permit a State to cover only those employees who desire coverage.
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RETIRED PARTNERS

89	(49)	Technical---Editorial.
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POLICEMEN AND FIREMEN

91	(50)	Committee amendment---Provides for including Puerto Rico in the list of the States which may provide social security coverage for policemen and firemen---amendment includes provision to reflect floor amendment by Senator Curtis which provides for retroactive social security coverage for certain firemen in Nebraska for whom social security taxes were erroneously paid.
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FIREMEN

92	(51)	Committee amendment - Provides that social security coverage can be extended to firemen in States not specifically authorized to cover them if the Governor of the State certifies that the total benefit protection of firemen would be improved as a result of such coverage. However, the divided retirement system could not be used and the firemen would have to be brought into coverage as a separate group and not as part of a group which includes persons other than firemen. No comparable provision in House bill.
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VALIDATION OF EARNINGS OF PUBLIC EMPLOYEES

93	(52)	Committee amendment- Provides that when a State makes a social security coverage agreement it may validate coverage of earnings of State and local employees which had been erroneously reported if no refund has been made of the taxes on the earnings reported. No comparable provision in House bill.
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Bill page	Amendment No.	Description
JUSTICES OF THE PEACE		
94	(53)	Committee amendment—Provides social security coverage as self-employed individuals to State and local government employees who are compensated solely on a fee basis (e.g., constables and justices of the peace). People in fee-basis positions in 1968 could elect not to be covered, and States could modify their coverage agreements to exclude from coverage fee-basis employees who are now covered. No comparable provision in the House bill.
FAMILY EMPLOYMENT		
97	(54)	Committee amendment—Provides for extending social security coverage with respect to employment performed in the private home of the employer by a parent in the employ of his son or daughter where there is a bona fide employment relationship and where the son or daughter <ul style="list-style-type: none"> (a) is a widow or widower, (b) is divorced, or (c) has a disabled spouse, and has a child who is under age 18 or who is disabled. No comparable provision in the House bill.
MASSACHUSETTS TURNPIKE AUTHORITY		
99	(55)	Committee amendment—Provides that the State of Massachusetts may modify its social security coverage agreement so as to terminate the coverage now provided for employees of the Massachusetts Turnpike Authority. If coverage is terminated, it may not be reinstated at a later date. No comparable provision in the House bill.
PHYSICIANS PAYMENT—MEDICARE		
100	(56-59)	Committee amendment—Modifies the provision in the House bill which provides for physician payment under the medical insurance program. Under present law, payment may be made only to the physician upon assignment or to the patient upon presentation of a receipted bill. House bill provided for retention of present law provisions and added new alternatives for payment to the physician or patient on the basis of an unpaid bill. Under Senate amendment only two methods of payment would be provided: payment either directly to the patient on the basis of an itemized bill (which could be either receipted or unpaid) or directly to the physician as under the present assignment method.

Bill page	Amendment No.	Description
101	(60)	Effective date--Claims pending on basis of nonreceipted bill as of date of enactment may be paid, instead of being returned to beneficiary (as under House bill).
PODIATRISTS		
103	(61)	Committee floor amendment--Would limit the purposes for which a podiatrist is considered a physician only for definition of covered physicians' services.
PROSTHETIC LENSES		
105	(62)	Committee amendment--Modifies House bill which prevented payment for the costs of procedures to determine refractive state of eyes so as to permit payment for services or procedures involved in fitting prosthetic lenses.
OUTPATIENT HOSPITAL SERVICES IN PART B		
107	(63)	Technical--Relettering.
107	(64)	Conforming with amendment No. 88.
108	(65)	Technical--Renumbering.
108	(66)	Conforming with amendment No. 88.
108	(67)	Technical--Editorial.
108	(68)	Conforming with amendment No. 88.
108	(69)	Technical--Editorial.
109	(70)	Conforming with amendment No. 88.
110	(71)	Effective date advanced to April 1, 1968 to reflect passage of time; except that date of termination of requirement of initial physician's certification for hospital care is date of enactment rather than December 31, 1967 as under House bill.
BILLING FOR HOSPITAL SERVICES		
111	(72)	Technical.
111	(73-74)	Conforming with amendment No. 90.
112	(75)	Effective date advanced to April 1968 to coincide with effective date of new part B premium.
RADIOLOGICAL AND PATHOLOGICAL CHARGES FOR INPATIENTS		
113	(76)	Effective date advanced to April 1968 to coincide with effective date of new part B premium.
PHYSICAL THERAPISTS		
114	(77)	Committee amendment--Expands the provisions of the House bill which added coverage of physical therapy when provided in a patient's

Bill page	Amendment No.	Description
114	(77)	home under the supervision of a hospital. Under present law, such services may be provided by or through home health agencies. The amendment would also cover outpatient physical therapy services furnished by physical therapists employed by or under an agreement with and under the supervision of other providers of services, approved clinics, rehabilitation centers, or local public health agencies. Under the committee amendment the patient would not have to be homebound for the physical therapy services to be covered.

BLOOD

121-122	(78-79)	Committee amendment—Modifies the provision in the House bill which requires that the patient replace 2 pints of blood for the first pint of blood received for purposes of the 3-pint deductible. (In effect, 4 pints would have to be replaced for the 3 pints used.) Under the Senate bill, replacement would be on a pint-for-pint basis, as under present law.
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ADDITIONAL HOSPITAL DAYS

123, 126	(80-83)	Committee amendment—Modifies the provision of the House bill which would extend the number of inpatient hospital days covered during a "spell of illness" from 90 to 120 days, with a \$20 coinsurance requirement from the 91st day through the 120th day. Instead, there would be provided a lifetime reserve of 60 additional days of hospital care after the 90 days covered in a "spell of illness" have been exhausted. Coinsurance of \$10 for each day would be applicable to such added days of coverage. Under both bills, the additional days would be available after December 31, 1967.
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ALTERNATIVE METHOD OF REIMBURSEMENT

130	(84)	Floor amendment by Senator Miller—Provides that the average per diem method of calculating reimbursement may be used, effective July 1, 1968, at option of provider of services, under medicare. Secretary shall take into account the per diem cost prevailing in the community for comparable quality and level of service. No comparable provision in House bill.
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Bill page	Amendment No.	Description
PARTNERSHIP FOR HEALTH—DEPRECIATION ALLOWANCES		
131	(85)	Committee amendment—Provides that reimbursement under medicare or medicaid for depreciation or interest on debt would not be available for certain capital expenditures of hospitals or other health facilities where such expenditures have been specifically disapproved by a State's partnership for health agency (Public Law 89-749), effective with respect to expenditures made after June 30, 1970 (or earlier at the request of a State). The amendment does not compel any State to specifically disapprove capital expenditures—assumption of that function is at the option of the State. No comparable provision in House bill.
MEDICARE FOR PUBLIC EMPLOYEES		
138	(86)	Committee amendment— Adds a provision permitting States to contract with the Secretary of Health, Education, and Welfare for hospital insurance coverage for State and local governmental employees, retired or active (and their dependents and survivors), age 65 or over who do not otherwise qualify for medicare. States would reimburse the medicare program for the costs of benefits paid and administrative expenses incurred with respect to such coverage. No comparable provision in House bill.
NONPARTICIPATING HOSPITALS		
144	(87)	Committee amendment—Adds a provision permitting payment for services received in certain nonparticipating hospitals. At present, payments may be made to participating hospitals, and in an emergency case, to a nonparticipating hospital which meets certain standards, but only if such nonparticipating hospital agrees to accept reasonable cost reimbursement as full payment. The Senate bill permits direct reimbursement to be made to an individual who was furnished hospital services in a nonparticipating hospital during the 18-month period ending December 31, 1967. This coverage would not apply to non-emergency admissions occurring after 1967. Payment would be limited to 60 percent of the room and board charges and 80 percent of the hospital ancillary charges for up to 20 days in each spell of illness (subject to the \$40 deductible

Bill page	Amendment No.	Description
144	(87)	and other statutory payment limitations in present law) if the hospital did not formally participate in medicare prior to January 1, 1969. If it did participate in medicare prior to that date and if it applied its utilization review plan to the services for which medicare benefits are being claimed (and which were provided before its regular participation started) up to the full 90 days of coverage could be reimbursable in behalf of or to the beneficiary. No comparable provision in House bill.

PAYMENTS FOR EMERGENCY HOSPITAL SERVICES

148	(88)	Committee amendment--Provides for benefits on a basis essentially comparable to those described in the transitional benefit authorized under amendment 87. This would apply to emergency admissions occurring on or after January 1, 1968, as an alternative to the coverage of emergency care provided under present law. Hospitals could apply for payment on a reasonable cost basis, as under present law, or if the hospital did not apply, the patient could obtain payment directly, under the new provisions, on the basis of 60 percent of room and board and charges and 80 percent of ancillary services charges.
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With respect to both this and the preceding amendment, a new definition would be used for hospitals eligible under the transitional and emergency care provisions. A qualifying hospital must have a full-time nursing service, be licensed as a hospital, and be primarily engaged in providing medical care under the supervision of a doctor of medicine or osteopathy. This definition is retroactive to July 1, 1966, so that some hospitals which today would be ineligible to receive payment for emergency services may receive such payments on behalf of beneficiaries back to the beginning of the program, provided they apply for such payments. If such payments are not applied for, the patient would be paid directly under the new payment provisions. No comparable provision in House bill.

MEDICARE IN CANADA AND MEXICO

151	(89)	Committee amendment--Adds a provision which would permit direct payment of hospital insurance benefits to a resident of the United States for up to 20 days of inpatient hospital services furnished with respect to admissions
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Bill page	Amendment No.	Description
151	(89)	occurring after March 31, 1968, in a country contiguous to the United States by a hospital which is not more than 50 miles from the border of the continental United States. In the case of non-emergency care, the hospital would have to be the one nearest to the patient's residence suitable to treat his illness. The amendment also provides that payment may be made for emergency in-patient hospital services furnished outside the United States in a hospital within 50 miles of the border if the hospital was the closest one suitable for treatment and the emergency occurred no more than 50 miles outside the United States (present law provides emergency coverage outside the United States only if the emergency occurs in the United States). Benefits would be payable for the services covered under this provision only on the basis of an application for reimbursement filed by the medicare beneficiary and only if the hospital met standards which are essentially comparable to those required of hospitals participating under the program in the United States. No comparable provision in House bill.

CERTAIN INPATIENT ANCILLARY SERVICES

154	(90)	Committee amendment--Adds a provision which would permit payment under the supplementary medical insurance program for presently noncovered ancillary hospital and extended care facility services, principally X-ray and laboratory services, furnished after March 31, 1968, to a patient who has exhausted his eligibility for such services under part A of the program. Payment would be made for these services under the usual part B provisions applying to the \$50 deductible and 20-percent coinsurance. No comparable provision in House bill.
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GENERAL ENROLLMENT PERIOD

155	(91)	Committee amendment--Adds a provision effective January 1, 1969, under which the general enrollment periods of the supplementary medical insurance program would be placed on an annual basis, rather than biennial. The enrollment period would run from January 1 through March 31, rather than October 1 through December 31, as under present law. The Secretary would determine and promulgate during December of each year the premium rate which would be applicable
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Bill page	Amendment No.	Description
155	(91)	for a 12-month period to begin the following July 1. When the Secretary promulgates the rate for part B, he would also be required to issue a public statement setting forth the actuarial assumptions and bases upon which he arrived at the rate. Additionally, persons wishing to cancel part B coverage could do so at any time, but such termination would not take effect until the close of the calendar quarter following the quarter in which the notice of withdrawal was filed. Presently, termination may be made only during a general enrollment period (every 2 years). The amendment would also substitute a flat one-time late enrollment penalty of up to 3 months' premium in lieu of the 10- or 20-percent additional monthly premium charge required under present law. This provision becomes effective within the present open enrollment period ending March 31, 1968. No comparable provision in House bill.

TB HOSPITALS

159	(92)	Committee amendment—Effective January 1968, eliminates provision in present law under which days in a tuberculosis institution immediately before initial entitlement to hospital insurance are counted against the days of coverage for which an individual would otherwise be eligible. The amendment would make an individual's entitlement to hospital insurance benefits the same if he received hospital services in a tuberculosis hospital as it would be if he received such services in a general hospital. No comparable provision in House bill.
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OPTOMETRISTS

160	(93)	Committee amendment—Includes within the definition of physician a licensed doctor of optometry but only with respect to functions he is authorized to perform by the State in which he practices. No payment would be made for services involving the diagnosis or detection of eye diseases unless the optometrist is legally authorized to treat the disease, or for diagnostic services where the optometrist provides no treatment. Effective, under part B of medicare with respect to services provided after March 31, 1968. No comparable provision in House bill.
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Bill page	Amendment No.	Description
CHIROPRACTORS		
161	(94)	Committee amendment—Includes within the definition of physician a licensed chiropractor but only with respect to functions he is authorized to perform by the State in which he practices. Effective under part B of medicare with respect to services provided after March 31, 1968. No comparable provision in House bill.
PSYCHOLOGISTS		
162	(95)	Floor amendment by Senator Harris—Includes within the definition of physician a licensed or certified psychologist but only with respect to functions he is authorized to perform by the State in which he practices. Effective, under part B of medicare, with respect to services provided after March 31, 1968. No comparable provision in House bill.
ELIGIBILITY OF ADOPTED CHILD		
163	(96)	Committee amendment—Makes the more liberal eligibility provision for adopted children contained in the House bill effective March 1968 (instead of second month after enactment), conforming with amendment No. 3.
CHILD'S DEPENDENCY ON MOTHER		
164	(97)	Committee amendment—Makes the House provision conforming dependency requirement of female worker to those now provided for male workers effective March 1968 (instead of second month after enactment), conforming with amendment No. 3.
RECOVERY OF OVERPAYMENTS		
165	(98)	Committee amendment—Authorizes the Secretary of HEW to recover overpaid benefits by requiring the overpaid beneficiary or his estate to refund the overpayment or by withholding future benefits payable to him, his estate or to any other person entitled to benefits on the same earnings record. Under present law, overpayments may be recovered from the overpaid person while he is getting benefits; recovery may not be made from any other person getting benefits on the same account; there is no specific provision for recovering an overpayment while the beneficiary is alive if he is not getting benefits. No comparable provision in House bill.

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ERRONEOUS DEATH REPORTS

166 (99) Committee amendment—Provides that all benefits paid on the basis of official reports of death issued by the Department of Defense will be considered lawful payments even though it is later determined that the person who was reported dead is still alive. No comparable provision in House bill.

UNDERPAYMENTS

167-178 (100-101) Committee amendment—Substitutes a uniform order of distribution of unpaid amounts in place of dual order of distribution in House bill, as follows:

House bill		Senate bill
Cash benefits	Medicare (pt. B)	
(1) To his surviving spouse if she was entitled to benefits on the same earnings record as the deceased beneficiary.	<p>In cases where a beneficiary who has received services for which payment is due him dies, and the bill for such services has been paid (but reimbursement under the medical insurance program has not been made) payment of the medical insurance benefits to the person who paid the bill would be authorized. If payment could not be made to the person who paid the bill, payment would be made to the legal representative of the deceased beneficiary's estate, if any. If there is no legal representative, payment would be made to relatives of the deceased individual in the following order of priority:</p> <p>(1) The surviving spouse living with the deceased beneficiary at the time of his death.</p> <p>(2) A surviving spouse entitled to a monthly social security benefit based on the earnings of the deceased beneficiary.</p> <p>(3) The child or children of the deceased beneficiary (in equal parts).</p> <p>If none of the persons mentioned in the list, no payment would be made.</p>	1. Spouse living with individual at time of his death or to spouse not living with individual but entitled to benefits on same earnings record.
(2) To his child or children (in equal parts) if they were entitled to benefits on the same earnings record as the deceased beneficiary.		2. Child entitled to benefits on same earnings record.
(3) To his parent or parents if they were entitled to benefits on the same earnings record as the beneficiary.		3. Parent entitled to benefits on same earnings record.
(4) To the legal representative of the deceased beneficiary's estate.		4. Spouse who was neither entitled to benefits on same earnings record nor living with individual.
(5) To his surviving spouse not entitled to benefits on the same earnings record.		5. Child not entitled to benefits on same earnings record.
(6) To his child or children (in equal parts) not entitled to benefits on the same earnings record. If none of the persons mentioned in the bill exist, no payment would be made.		6. Parent not entitled to benefits on same earnings record.
		7. Legal representative of individual's estate, if any.
		8. Person related to individual by blood, marriage, or adoption determined by Secretary to be proper person to receive the payment due.

The Senate amendment would provide that before applying the order of priority described above amounts due under supplementary medical insurance (pt. B) of medicare after the beneficiary's death be paid first to the person who paid for the services or to the person who provided the services. (If the person who paid for the services is the decedent, the payment would be made to the legal representative of his estate, if there is one.)

Bill page	Amendment No.	Description
SIMPLIFICATION OF COMPUTATION		
178	(102)	Technical—Renumbering.
182	(103)	Conforming amendment—Makes simplification rules for survivors coming on rolls after enactment effective for March 1968, conforming with amendment No. 3.
DEFINITION OF WIDOW, ETC.		
184	(104)	Technical—Renumbering.
186	(105)	Conforming amendment—Makes more liberal definition of widows, etc., in House and Senate bills effective for March 1968, conforming with amendment No. 3.
HUSBANDS AND WIDOWERS		
187	(106)	Technical—Renumbering.
188	(107)	Conforming amendment—Makes more liberal eligibility rules for husbands and widowers in House and Senate bill effective for March 1968, conforming with amendment No. 3.
DEFINITION OF DISABILITY		
188	(108)	Technical—Renumbering.
159-192	(109-114)	Floor amendment by Senator Metcalf—Deletes the provision of the House bill providing (a) new guidelines emphasizing the importance of the medical factors in determining disability and (b) a special definition of disability for widows and widowers.
WORKMEN'S COMPENSATION		
193	(115)	Technical—Renumbering.
194	(116)	Conforming amendment—Makes more liberal disability workmen's compensation offset in House and Senate bill effective March 1968, conforming with amendment No. 3.
MISCELLANEOUS		
194-195	(117-118)	Technical—Renumbering.
INTERNATIONAL TREATIES		
197	(119)	Committee amendment—Provides that the present 5-year residence requirements that uninsured people must meet in order to qualify for (a) hospital insurance, or (b) for special age 72 payments, or (c) the supplementary medical insurance, would not apply where they would be

Bill page	Amendment No.	Description
197	(119)	contrary to treaty obligations of the United States under treaties in effect on the date of enactment. No comparable provision in House bill.

ALIENS

198	(120)	Technical---Renumbering.
200	(121-123)	Committee amendment--Makes provision of House bill relating to limitation on payments to aliens outside the United States effective January 1969. Under House bill the provision relating to the change in the 40 quarters of coverage and 10-year resident requirement would have been effective 6 months after enactment, the provision relating to future benefits to people in Communist countries would have been effective for benefits payable after enactment, and the provision relating to past benefits due people in Communist countries would have applied to benefits for months before enactment.

ILLEGITIMATE CHILDREN

201	(124)	Committee amendment--Provides that the benefits payable to a person on the effective date of the 1965 amendments which were reduced because an illegitimate child became entitled to benefits under the 1965 amendments will not be reduced in the future. For people who became entitled after the effective date of the 1965 amendments or become entitled in the future the provisions of present law will apply. House bill provided that benefits payable to illegitimate children who became entitled to benefits under the 1965 amendments could not exceed the difference between the total amounts payable to other persons and the family maximum amount. Benefits payable under Senate amendments will be payable March, 1965 instead of second month after date of enactment as in House bill.
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ADVISORY COUNCILS

203	(125)	Technical---renumbering.
206	(126)	Committee amendment--Modifies the House-passed provision relating to the time at which Advisory Councils would be appointed and would issue reports to provide that the Advisory Councils be appointed in 1969 and every 4 years thereafter. The appointments could be made at any time after January 31 (rather than in February as in the House bill). As in present law.

Bill page	Amendment No.	Description
206	(126)	the Senate amendment provides that each Council would report to the Secretary not later than the first day of the second year following the year in which it is appointed. Interim reports are also authorized. Under House bill, Council must report in year it is appointed.

MISCELLANEOUS

207-208 (127-128) Technical—Renumbering.

DISCLOSURE TO COURTS

209 (129-131) Committee amendment—Modifies provision in House bill relating to disclosure of address of deserting father to make information available to both courts in interstate support actions.

REPORTS TO CONGRESS

210 (132) Technical—Renumbering.

GENERAL SAVINGS PROVISIONS

211-212 (133-140) Committee amendment—Broadens savings clause in House bill to include Senate amendments. Under the provision, people on the benefit rolls will not have their benefits reduced because of the family maximum when new people are added to the rolls under the new benefit provisions.

EXPEDITED PAYMENTS

213 (141) Committee amendment—Provides for the establishment of procedures to expedite the payment of cash benefits other than benefits based on disability. The provision would not apply where benefit checks have been cashed. No comparable provision in House bill.

DRUG STUDY

215 (142) Committee amendment—Requires the Secretary to study and report to the Congress, prior to January 1, 1969, the savings which might accrue to the Government and the effects on the health professions and on all elements of the drug industry which might result from enactment of two proposals relating to drugs: (1) a proposal to cover prescription drugs under medicare [S. 17, 90th Cong.], and (2) a proposal to estab-

Bill page	Amendment No.	Description
215	(142)	lish, through a formulary committee, quality and cost control standards for drugs provided under the various Federal-State assistance programs and the hospital insurance part (pt. A) of the medicare program [S. 2299, 90th Cong.]. No comparable provision in House bill.

BLIND PERSONS

217	(143)	Committee amendment--Changes the definition of disability for the blind so that a person who is "industrially blind" (i.e., visual acuity of 20/200 or less) can be entitled to disability insurance benefits if he has at least 6 quarters of coverage. A person who qualifies would be paid benefits regardless of whether he engages in substantial gainful work. No comparable provision in House bill.
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DISABLED CHILD

219	(144)	Committee amendment--Provides child's insurance benefits for an otherwise qualified disabled child if his disability began after age 18 but before age 22. Under present law, a person must have become disabled before age 18 to qualify for childhood disability benefits as the son or daughter of an insured disabled, retired, or deceased worker. No comparable provision in House bill.
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ATTORNEY'S FEES

222	(145)	Floor amendment by Senator Ervin-- Authorizes the Secretary of HEW to fix a reasonable fee for the services in administrative proceedings provided an applicant for social security benefits by an attorney and to pay such attorney's fee out of past-due benefits. The fee could not exceed the smaller of (a) 25 percent of the past-due benefits, (b) the fee fixed by the Secretary, or (c) the amount agreed to by the applicant and the attorney. No comparable provision in House bill.
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TITLE II--PUBLIC WELFARE AMENDMENTS

FAMILY SERVICES PLAN

223-224	(146)	Committee amendment (line 4 on p. 224 through comma on line 16)--Requires that States provide a program of family services and child welfare services to AFDC family. Under existing law program has to be supplied to children only. Floor amendment by Senator Kennedy (N.Y.), page 224 (lines 16 through 19)--Provides that
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Bill page	Amendment No.	Description
		such a program is to assist AFDC recipients (1) attain or retain capability for self-support and care and (2) maintain and strengthen family life and child development.
225	(147)	Committee amendment—Changes words “illegitimate births” to “births out of wedlock”.
225-226	(148-149)	New subparagraph (B) added by the Senate amendment conforms to the work incentive program established by amendment 198, which provides that the evaluation of employment potential of participants will be carried out by the Labor Department rather than the welfare agency, as the House bill would require. Child care and family planning services would be provided by the welfare agency under both bills.
		New subparagraph (C) added by the Senate amendments provides a statutory rule that family planning services must be voluntary with the individual. The House committee report indicated a similar intent.
226	(150-152)	Technical—Relettering.
226	227 (153-155)	Conforming with amendment No. 146.
		Committee amendment—Modifies House provision so that local agencies administering State plan need not have a single organizational unit to administer child welfare and family services.
227	(156)	Committee amendment—Changes words “illegitimate child” to “a child born out of wedlock”.
224-231	(157)	Committee amendment—Makes 75 percent matching applicable to child and family services provided under family development plan described by amendment 146.
231-232	(158-165)	Technical—Relettering.
232	(166)	Technical—Drafting simplification.
234	(167)	Committee amendment—Plan of services for AFDC families must be in effect by July 1, 1968 (or earlier if State plan so provides). House bill requires compliance by July 1, 1969.
		Committee amendment also exempts from single State organizational unit requirement any State which on the enactment date has an agency administering child welfare services which is different from the single State agency under the (AFDC) program. The States affected by this amendment are Kentucky and Illinois.
235	(168-169)	Technical—Conforms to amendment 157 and makes 85 percent matching available for child care and family planning services from date of enactment (rather than from Oct. 1, 1967, as under House bill) to July 1, 1969. Also makes available 85 percent matching to services under family development plan.

Bill page	Amendment No.	Description
EARNINGS EXEMPTION		
235	(170-172)	Committee amendment—Broadens title of section to reflect extension of increased earnings exemption to OAA and APTD recipients under amendments 181, 182, and 183.
236	(173)	Committee amendment—Provides that 100-percent earnings exemption would be available to any child whether above or below age 16 only if he was attending school full time. House bill provided complete exemption for children under 16 regardless of school attendance.
236	(174)	Floor amendment by Senator Brooke—Also provides complete earnings exemption for a part-time student who is not a full-time employee.
237	(175-176)	Committee amendment—Enlarges the earnings exemption provision to \$50 a month plus one-half of family earnings over \$50. The House bill provided an exemption of \$30 plus one-third of family earnings above \$30.
238	(177-178)	Floor amendment by Senator Kennedy of New York—Extends \$50 earnings exemption to support contributions received by AFDC family from a parent who is under a court order for support payments. Such contributions would be combined with the earned income of the family in determining the exempt amount. No comparable provision in House bill.
239	(179)	Technical—Renumbering.
239	(180)	Technical - Date changed from September 30, 1967, to December 31, 1967, to reflect passage of time. States would not be out of compliance with Federal requirement if they chose to apply the more generous AFDC earnings exemption between December 31, 1967, and July 1, 1969.
239	(181)	Committee amendment—Extends \$50 and 50-percent earned income exemption to old-age assistance program. Would be optional until July 1, 1969, but mandatory thereafter. Existing law provides an optional exclusion of the first \$20 a month plus one-half of the remainder. States would not be out of compliance with Federal requirement if they chose to apply the more generous OAA earnings exemption between December 31, 1967, and July 1, 1969. No comparable provision in House bill.
240	(182)	Committee amendment—Extends \$50 and 50-percent earned income exemption to aid to the permanently and totally disabled program. Would be optional until July 1, 1969, but mandatory

Bill page	Amendment No.	Description
241	(183)	<p>thereafter. Existing law provides an optional exclusion of the first \$20 a month plus one-half of the remainder. States would not be out of compliance with Federal requirement if they chose to apply the more generous APTD earnings exemption between December 31, 1967, and July 1, 1969. No comparable provision in House bill.</p> <p>Committee amendment—Extends \$50 and 50-percent earned income exemption to the combined OAA and APTD program under title XVI. Would be optional until July 1, 1969, but mandatory thereafter. Existing law provides an optional exclusion of the first \$20 a month plus one-half of the remainder. States would not be out of compliance with Federal requirement if they chose to apply the more generous OAA and APTD earnings exemption between December 31, 1967, and July 1, 1969. No comparable provision in House bill.</p>
242	(184)	<p>Committee amendment—Makes Social Security Act the only act for determining earnings exemption of all welfare recipients. Overrules other provisions of law allowing public assistance earnings exemption (Economic Opportunity Act and Elementary and Secondary Education Act). The House provision made the earnings exemption in the Social Security Act paramount only with respect to AFDC program.</p>
UNEMPLOYED FATHERS		
244	(185-186)	<p>Committee amendment—Deletes House requirement that father must have six calendar quarters of work out of 13-quarter period ending in the year before application for assistance, or have received unemployment compensation to be eligible for aid under the AFDC-UF program; also provides for prompt referral of unemployed fathers to the work incentive program established under amendment 198. House bill provided work and training for these fathers under a UF program by welfare agencies.</p>
245	(187-188)	<p>Technical—Relettering.</p>
246	(189)	<p>Committee amendment—Requires employment registration of unemployed father as a condition to continuation of AFDC-UF aid. Similar provision in House bill deleted by amendment 190.</p>

Bill page	Amendment No.	Description
246-247	(190-191)	Committee amendment—Conforming to work incentive program established under amendment 198. Also deletes House provision denying any aid to unemployed worker's family for so long as he is receiving unemployment compensation and provides a rule, same as present law, under which a State, at its option, may deny payments for any month or for any part of a month in which the father received unemployment compensation.
250	(192-196)	Technical—Date change to reflect passage of time. Amendment also conforms to work incentive program established under amendment 198.
251	(197)	Floor amendment by Senator Harris—Makes unemployed fathers program mandatory on the States beginning July 1, 1969.

WORK INCENTIVE PROGRAM

251	(198)	<p>Committee amendment—Establishes a new work incentive program in place of the community work and training program under the House bill. Under Senate amendment the Labor Department, rather than HEW, would administer the work and training aspects of the program. As under the House bill, welfare agencies would decide which individuals were appropriate for referral to the program and would have to furnish child care and other services. Committee amendment (p. 277, line 19) would define in more detail than House bill those for whom referral is not appropriate: (1) a sick person, (2) a person remote from a project, (3) child attending school full time, (4) a person needed to care for another member of the household, (5) a mother actually caring for a preschool child, and (6) a person with respect to whom the State agency finds referral would not be in his best interests and inconsistent with objectives of the program.</p> <p>Floor amendment by Senator Kennedy of New York (p. 278, line 11-17)—Exempts a mother from working during hours a child under 16 is not in school. It also curtails the States' discretion described in clause (6) above (p. 278, line 20), by requiring the Secretary of Health, Education, and Welfare to issue criteria for States to follow.</p> <p>The Labor Department would assign recipients to one of three "priorities" after developing an employability plan for each suitable person referred to him which shall describe the education,</p>
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Bill page	Amendment No.	Description
251	(198)	<p>training, and work experience needed to enable the person to become self supporting.</p> <p>Under priority I, welfare recipients who are qualified for regular employment or on-the-job training would be so employed.</p> <p>Under priority II, recipients found in need of institutional training or work experience would be given such training (possibly through MDTA) or placed with a public agency for work experience.</p> <p>Priority III would involve special work projects arranged by the Secretary of Labor with public agencies (including Indian tribes on a reservation) or private nonprofit agencies organized for a public purpose. The arrangements could involve the payment of a subsidy to the employing agency which would be used to help make up the wage payment to the individuals participating in the special work project. The subsidy would not exceed the amount of welfare benefit otherwise payable with respect to a participant's family. It might be less in which case a savings would accrue to the Federal and State governments.</p> <p>The wages received by participants in the special work projects would be made up of two parts: a portion of the subsidy paid to the employer and the compensation paid by the employer for services rendered to him. These wages would be subject to both income and employment taxes.</p> <p>The employment record of persons in priority III would be reviewed periodically by the Secretary of Labor for the purpose of determining whether these persons could be moved into other employment.</p> <p>Persons employed under priority I would qualify for the earnings exemption provided by the bill. Persons being trained under priority II would be entitled to receive a training allowance of up to \$20 per week, while they are undergoing training. Persons participating in special work projects under priority III would be guaranteed a return equal to the amount of their welfare grant plus 20 percent of their wage. If their wage failed to produce this full amount the Welfare Department would send them a check for the difference.</p> <p>The Secretary of Labor (rather than the Secretary of HEW as in the House bill) will determine whether an individual refused to take work or training without good cause.</p> <p>Where there was no good cause for a refusal, States would have to pay benefits on behalf of</p>

Bill page	Amendment No.	Description
251	(198)	the children in the form of protective or vendor payments. (House bill would permit, but not require, the States to continue payments to the children in that form.) Amendment would also allow the needs of the relative who so refused to continue to be taken into account for a period of 60 days if during that period he accepts counseling designed to persuade him to accept the work or training. Payments for all members of the family would continue on protective or vendor basis during this period. Floor amendment by Senator Kennedy of New York—Would require that the payment on behalf of the children in the case where the relative refuses to accept work or training without good cause be paid to the relative (unless usual protective payment procedures were followed). However, the committee provision on protective or vendor payments would still apply to the relative during the 60-day counseling period. The combination of these provisions would mean that payments on behalf of the children would be made to the relative during that period but payments on behalf of the relative would have to be made to someone else. After the 60-day period under the Kennedy amendment payments on behalf of the children would continue to be made to the relative but the relative's needs would no longer be taken into account. Floor amendment by Senator Byrd of West Virginia (pp. 274-276)—Allows an assistance program financed out of Federal appropriations for the District of Columbia (but not under AFDC program) to participate in the work incentive program.
AFDC FOSTER CARE		
284	(199)	Technical—Renumbering.
288	(200)	Floor amendment by Senator Williams of New Jersey--Reduces matching maximum for AFDC child in foster care from an average of \$100 a month under House bill to \$50 a month. Related to amendment No. 293.
285	(201)	Technical—Date changes to reflect passage of time.
EMERGENCY ASSISTANCE		
285	(202)	Committee amendment strikes "dependent" out of section title.
285-286	(203-206)	Technical—Renumbering.

Bill page	Amendment No.	Description
286	(207)	Committee amendment--Increases from 30 days (House bill) to 60 days in any 12-month period during which emergency assistance may be given.
286-287	(208)	Committee amendment--Provides that emergency assistance may not be used where need for assistance came about because of a child's or relative's refusal without good cause to accept employment or training for employment.
287 (209-211)		Technical--Renumbering.
287	(212)	Committee amendment--Authorizes emergency assistance to migrant workers with families in the State or in such part or parts thereof as the State shall designate.

PROTECTIVE AND VENDOR PAYMENTS

288	(213)	Floor amendment by Senator Kennedy of New York - Deletes House provision which would not apply detailed procedural requirements for protective payments in cases of refusal to work or train without good cause. Committee amendment -Deletes House amendment striking 5-percent limitation on protective or vendor payments and inserts a 10-percent limitation but does not count refusal cases. Floor amendment by Senator Kennedy of New York--Would include refusal cases in computing 10-percent limitation.
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AFDC FREEZE

289	(214)	Committee amendment--Removes the House bill limitation on Federal financial participation in the AFDC program related to the proportion of the child population that could be aided because of the absence from the home of a parent.
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HOME REPAIRS

290 (215-216)		Technical--Editorial and renumbering.
290-291 (217-219)		Committee amendment--Adds the AFDC program to the other public assistance programs for which Federal matching in payments for home repairs is authorized.
291	(220)	Technical--Date changes to reflect passage of time.

Bill page	Amendment No.	Description
SUBPROFESSIONAL STAFF		
292	(221)	Committee amendment—Requires the States to train and use subprofessional staff, especially welfare recipients and others of low income, for programs under the Social Security Act. It also directs the States to use volunteers for the provision of services to recipients and to assist advisory committees. No comparable provision in House bill.
SIMPLICITY OF ADMINISTRATION		
295	(222)	Committee amendment—Provides in all cash assistance titles, effective July 1, 1969 (as now in medicaid, title XIX), a State plan requirement that eligibility for assistance will be determined in a manner consistent with simplicity of administration and the best interest of recipients. No comparable provision in House bill.
RUNAWAY FATHERS		
297	(223)	Committee amendment—State agencies making payments to families with dependent children in which parents desert and fail to make support payments, will have the assistance of the Department of Health, Education, and Welfare, and the Treasury Department in locating the parents. If the runaway parents are located outside the States where their dependent children reside and if they refuse to comply with the court orders for their support, the tax collector is to collect by levy or distraint an amount equal to the court-ordered support payments Federal share of the welfare payments to their families, or whichever is lower. No comparable provision in House bill.
PURCHASE OF WELFARE SERVICES		
306	(224)	Committee amendment—Adds to the House bill provision (see page 232, line 7) for the purchase of welfare services from private agencies for AFDC recipients by permitting the purchase of such services—i.e., homemaker or rehabilitation services— in programs for the aged, blind, and disabled. No comparable provision in House bill.
PUBLIC ASSISTANCE PASS-ALONG		
306	(225)	Committee amendment—Requires States, effective July 1, 1968, to adjust standards of need and maximum payment provisions to

Bill page	Amend- ment No.	Description
		<p>guarantee that recipients of old-age assistance, aid to the blind and aid to the disabled will receive, on the average, an increase in total income equal to \$7.50 a month. Provides that the Federal Government will pay (during period July 1, 1968 through June 30, 1970) the extra cost for those States unable to finance the cost of the increase from the savings achieved through larger social security benefits.</p> <p>Also requires States, by July 1, 1969, to adjust AFDC standards and maximums to reflect changes in cost of living and to make such adjustments at least annually thereafter. No comparable provision in House bill.</p> <p>Floor amendment by Senator Kuchel—Would exempt States with an automatic cost-of-living provision in effect on June 30, 1966, from the requirement of making increases above the standards in effect on December 31, 1966.</p>

TITLE XIX LIMITATION

310 (226) Committee amendment—Under the House bill, States would be limited in setting maximum income eligibility levels for Federal matching purposes to the lower of (1) 133 $\frac{1}{2}$ percent of the AFDC payments, or (2) 133 $\frac{1}{2}$ percent of the per capita income in a State applied to a family of four.

The Senate amendment would apply *both* of the following provisions:

(1) Beginning July 1, 1968, the Federal Government would not participate in matching any of the cost of medical assistance to persons whose income exceeds 150 percent of the old-age assistance standards in a given State; *and*

(2) Beginning July 1, 1969, Federal participation will be at the rate of—

(a) The Federal medical assistance percentage (which varies according to State per capita income from 50 percent to 83 percent) with respect to all cash assistance recipients and persons in medical institutions who would be eligible for cash assistance if not in such institutions; *and*

(b) The square of the Federal medical assistance percentage (which gives a result which varies between 25 percent and 69 percent) with respect to the medically needy (subject to the limitation in (1) above).

Bill page	Amendment No.	Description
MAINTENANCE OF STATE EFFORT		
316-319	(227-230)	Committee amendment—Would advance the expiration date for the maintenance of State effort provision from July 1, 1969 to July 1, 1968, and change the effective date from January 1, 1966, to July 1, 1966.

BUY-IN

321	(231)	Technical—Corrects technical defect in House bill.
321	(232)	Technical—Renumbering.

REQUIRED SERVICES—MEDICAID

323	(233)	Committee amendment—Under current law, States must provide at least five basic services: inpatient hospital services, outpatient hospital services, other laboratory and X-ray services, skilled nursing home services, and physician's services. States may select a number of other items from an additional list in the law. House bill provided that a State, as an alternative to the basic five items of services, might select any seven of the first 14 services listed in the law. Senate amendment would apply only to the medically indigent and would allow States to select either the first five, or at least seven out of 14, services authorized under present law, except that if nursing home or hospital care services are selected, a State must also provide physician's services in those institutions. The effect of Senate amendment is to continue to provide the five basic services to cash assistance recipients. Subsequent to July 1, 1970, a State would be required to also provide home health services for its assistance recipients who are eligible for skilled nursing home care.
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REASONABLE COST FOR NURSING HOMES

Miller floor amendment—Provides that, effective July 1, 1970, States must reimburse for skilled nursing home care, intermediate care, and home health services on basis of reasonable costs. No comparable provision in House bill.

FREE CHOICE

328	(234-235)	Floor amendment by Senator Long of Louisiana—Specifies "community pharmacy" among the providers of services for whom "freedom of choice" is assured to recipients, relates to amendment No. 295.
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Bill page	Amendment No.	Description
DIRECT BILLING--MEDICAID		
331	(236)	Committee amendment--House bill permits States to make payment directly to the recipient for physicians' services with respect to those medical assistance recipients who are not also receiving cash assistance. Senate amendment would broaden the provision to include dentists as well as physicians and to apply also to those recipients who are receiving cash assistance. The Secretary would establish safeguards to assure that charges by physicians to the recipients are reasonable and to assure the quality of the services.

CHRISTIAN SCIENTISTS

332	(237)	Committee amendment--Provides under medical assistance (title XIX) and the child health programs (title V), that no provision in such titles would require an individual to undergo medical screening, diagnosis, or treatment where contrary to his religious belief, except in cases involving infection, contagious disease, or environmental health. No comparable provision in House bill.
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ESSENTIAL PERSONS

333	(238)	Committee amendment--Extends medical assistance to certain "essential persons." An "essential person" is defined as the spouse of an aged, blind, or disabled recipient who is living with him, who is essential or necessary to his welfare, and whose needs are taken into account in determining the amount of his cash payment. No comparable provision in House bill.
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GAO--HEW AUDIT AUTHORITY

334	(239)	Committee amendment--Makes clear that auditors of the General Accounting Office and Department of Health, Education, and Welfare are authorized, on a spot check basis or in cases where there is good cause to believe fraud may be present, to review records and examine the premises of providers of services who receive funds under medical assistance programs in which there is Federal financial participation. No comparable provision in House bill.
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Bill page	Amendment No.	Description
SKILLED NURSING HOME STANDARDS		
339	(240)	<p>Committee amendment-- Requires the States to place public assistance recipients only in those nursing homes which are licensed as meeting certain conditions. The conditions include requirements which relate to environment, sanitation, and housekeeping now applicable to extended care facilities under medicare, as well as the fire and safety standards of the Life Safety Code of the National Fire Protection Association (unless the Secretary finds that a State's existing fire code is adequate).</p> <p>The committee amendment also requires the States to have a professional medical audit program under which periodic medical evaluations of the appropriateness of the kind and level of care provided title XIX patients in nursing homes and in mental hospitals are made.</p> <p>Effective July 1, 1970, States which provide skilled nursing home care under medicaid will also have to provide home health care services. No comparable provision in House bill.</p>
HOSPITAL DEDUCTIBLE -- MEDICAID		
345	(241)	<p>Committee amendment: Costs of hospital care received by the medically needy may be subject to deductibles or other cost sharing if a State so desires. No comparable provision in Housebill.</p>
LICENSING OF NURSING HOME ADMINISTRATORS		
346	(242)	<p>Committee amendment: Requires States to license administrators of nursing homes. Those administrators currently operating homes who do not initially meet the standards for licensure established by a State would have until July 1, 1972, to qualify. States would be required to offer programs of training to assist such administrators to qualify. A nine-member advisory group, appointed by the Secretary prior to July 1, 1968, would study, develop, and advise the Secretary and the States on matters relating to the qualifications, training, and other areas related to a proper program of licensure. (The advisory group would terminate as of December 31, 1971.) No comparable provision in House bill.</p>

Bill page	Amendment No.	Description
MEDICAL SAFEGUARD		
353	(243)	Floor amendment by Senator Ribicoff--Requires States to establish and employ procedures designed to safeguard against unnecessary utilization of health services under medicaid. No comparable provision in House bill.
SHELTER COSTS--MEDICAID		
353	(244)	Floor amendment by Senator Kennedy of New York--Permits States to vary income standards to take into account variations between rural and urban shelter costs. No comparable provision in House bill.
CHILD WELFARE SERVICES		
355	(245-246)	Committee amendment House bill increased child welfare authorizations from \$55 million for fiscal year 1969 to \$100 million, and from \$60 million for later years to \$110 million. Committee amendment would further increase these authorizations to \$125 million and \$160 million, respectively.
356 and 358	(247-248)	Committee amendment Adds a State plan requirement to the child welfare day-care provisions for development of arrangements for the more effective involvement of parents. Also, the day-care standards in the child welfare services programs will be made applicable to day care provided to AFDC children. No comparable provision in House bill.
359	(249)	Committee amendment Provides for use of subprofessional staff people in child welfare programs, conforming with amendment No. 221. No comparable provision in House bill.
365	(250-251)	Committee amendment Modifies House amendment so that local agencies administering State plan need not have a single organizational unit to administer child welfare and AFDC services, conforming with amendments 154 and 155.
366	(252-253)	Committee amendment Would exempt from single State organizational unit requirement any State which on the enactment date has an agency administering child welfare services which is different from the single State agency administering AFDC (Kentucky and Illinois), conforming with amendment 167.

Bill page	Amendment No.	Description
DEMONSTRATION PROJECTS		
372	(254)	Committee amendment—Provides a specific authorization for cooperative research and demonstration grant programs for purposes related to the Social Security programs. (This amendment would not increase the funds available for these research programs.) No comparable provision in House bill.
373	(255)	Committee amendment—Provides for \$10 million a year to encourage the States to develop demonstrations in improved methods of providing service to recipients or in improved methods of administration. House-approved bill increased this amount to \$4 million annually. Two million dollars annually is currently available.
375	(256)	Technical—Renumbering and relettering, conforming to work incentive program established under amendment 198.

WELFARE ASSISTANCE STUDY

378	(257)	Committee amendment—Directs the Secretary to study and report to the Congress, by July 1, 1969, the extent to which staff of welfare agencies are serving the needs of assistance recipients in securing the full benefits and protection of local, State, and Federal laws relating to health, housing, and related laws and the degree to which assistance recipients are helped to take advantage of the public welfare and other related programs in the community. No comparable provision in House bill.
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INTERMEDIATE CARE FACILITIES

379	(258)	Committee amendment—Authorizes vendor payments for persons who qualify for OAA, AB, or APTD, who are living in facilities which provide more than room and board but less service than skilled nursing homes. Federal sharing for payments for care in those institutions would be at the same rate as for medical assistance under title XIX. Such homes would have to meet standards of safety and sanitation comparable to those required for nursing homes in a given State. No comparable provision in House bill.
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Bill
page Amend-
 ment
 No.

Description

TITLE III—CHILD HEALTH

APPROPRIATIONS

382-384 (259-263) Committee amendment—The House-approved bill combined existing authorizations for maternal and child health for totals of \$250,000,000 for fiscal year 1969, \$275,000,000 for fiscal year 1970, \$300,000,000 for fiscal year 1971, \$325,000,000 for fiscal year 1972, and \$350,000,000 for later years. These figures would be increased by \$30,000,000 in 1970 and \$60,000,000 for later years, with an eventual 20 percent of all maternal and child health funds earmarked for family planning purposes.

388 (264) Floor amendment by Senator Miller—Conforming with amendment No. 233 with respect to reasonable costs for nursing homes.

OPTOMETRISTS

390 (264a,
265-266) Committee amendment—Assures persons receiving services under child health programs freedom to utilize the services of optometrists when appropriate.

VOLUNTARY FAMILY PLANNING

395 (267) Floor amendment by Senator Tydings—Language added to clarify that the acceptance of family planning services would be voluntary and not a requisite for the receipt of assistance. Conforms with similar provision in the AFDC program.

HEALTH PERSONNEL TRAINING

399 (268) Committee amendment—Amends child health training provisions so that "special attention" rather than "priority" shall be given to undergraduate training.

CHRISTIAN SCIENTISTS

401 (269-270) Committee amendment—Conforms with amendment No. 237.

SUBPROFESSIONAL STAFF

403 (271) Committee amendment—Conforms with amendment No. 221.

CRIPPLED CHILDREN'S PROGRAM

403 (272) Committee amendment—Requires that the Children's Bureau administer the crippled children's program. Under a recent HEW reorganization this program would be administered by the rehabilitation administration. No comparable provision in House bill.

Bill page	Amendment No.	Description
REPORT SUBMISSION DATE		
404	(273)	Floor amendment by Senator Ribicoff—Extends for 1 year time for submitting report of Joint Commission on Mental Health of Children.
404	(274)	Technical—Renumbering.
TITLE IV—GENERAL PROVISIONS		
REIMBURSEMENT EXPERIMENTATION—HEALTH PROGRAMS		
406-407	(275-281)	Committee amendment—Modifies House provision which authorizes the Secretary to experiment on a voluntary basis with various methods of reimbursement to organizations and institutions participating under medicare, medicaid, and the child health programs which would provide incentives for limiting costs of the program while maintaining quality care. Under the Senate bill, the authorization would also cover similar experiments with respect to physicians' services.
FAMILY AND CHILD ALLOWANCE STUDY		
412	(282)	Floor amendment by Senator Kennedy of Massachusetts—Requires Secretary of Labor to study and report to the President and the Congress on various proposals for family and child allowances. No comparable provision in House bill.
TITLE V—MISCELLANEOUS PROVISIONS		
413	(283)	Technical—Identifies new title.
MEDICAL EXPENSE DEDUCTION		
413	(284)	Floor amendment by Senator Smathers—Restores pre-1967 full deduction for medical expenses for persons aged 65 and over. Committee had provided the deduction but only if the persons aged 65 and over elected to forgo their rights to all medicare benefits. No comparable provision in House bill.
HOSPITAL JOINT ENTERPRISES		
415	(285)	Committee amendment—Extends tax-exempt status to a joint enterprise organized and operated on a cooperative basis by tax-exempt or governmentally owned hospitals to perform joint services

Bill page	Amendment No.	Description
415	(285)	solely for them. No comparable provision in House bill.
AMISH		
417	(286)	Committee amendment --Permits members of a religious sect opposed to social insurance additional time to file applications for exemption from the self-employment tax. No comparable provision in House bill.
FISHING BOATS AND TRUCKERS		
419	(287)	Committee amendment--Fixes rules under which a trucker or owner of a fishing vessel would usually be treated as the employer of truckloaders and unloaders and certain commercial fishermen for employment tax purposes. No comparable provision in House bill.
HOSPITAL INSURANCE TAX REFUNDS		
425	(288)	Committee amendment--Entitles persons employed under social security and railroad retirement programs who pay hospital insurance contributions under both programs on earnings in excess of the taxable wage base to a refund of the excess contributions. No comparable provision in House bill.
BLUE CROSS AND BLUE SHIELD		
427	(289)	Committee amendment--Authorizes the Treasury Department upon the request of two or more tax-exempt organizations each of which are provided with services by the employees of one, to designate which organization is to be considered the employer for purposes of employment taxes and pension plans. No comparable provision in House bill.
REPATRIATED AMERICANS		
428	(290)	Committee amendment--Extends to July 1, 1969, provision of present law providing aid to repatriated Americans. No comparable provision in House bill.
VETERANS		
428	(291)	Floor amendment by Senator Prouty-- Provides that for purposes of determining entitlement to a benefit under veterans' law, any increase in social security benefits as a result of the 1967 amendments will not be counted as income. No comparable provision in House bill.

Bill page	Amendment No.	Description
INTEREST RATES—SAVINGS BONDS		
429	(292)	Floor amendment by Senator Williams of Delaware—Removes ceiling on interest paid on Series E Government savings bonds. No comparable provision in House bill.
FOSTER CARE		
430	(293)	Floor amendment by Senator Williams of New Jersey—Provides variable Federal matching for foster care up to \$50, for non-AFDC cases. No comparable provision in House bill.
EMPLOYMENT TAX—RETIREMENT PLANS		
442	(294)	Floor amendment by Senator Bennett—Excludes from definition of wages subject to employment taxes certain payments under plans established by the employer and made to the employee or his dependent upon retirement, death, or disability. No comparable provision in House bill.
DRUG QUALITY AND COSTS—WELFARE AND MEDICAL CARE		
444	(295)	Floor amendment by Senator Long of Louisiana—Provides, through use of a formulary committee, for determining those drugs appropriate for Federal payment or matching under the public assistance and medicare programs. The amendment includes provisions establishing mechanisms for assuring drug quality and determining reasonable reimbursement. Federal matching would be limited (effective July 1, 1970) to the range of wholesale prices charged for a representative and generally available selection of different manufacturer's products of a drug included in the formulary. The top of such range would be the amount allowable toward the cost of higher priced products of the same drug. The limitation would not apply with respect to (1) hospitals using approved formulary systems; (2) prescriptions hand written by a physician for a particular drug product prescribed by its generic name plus the name of the manufacturer; (3) sole source drugs (included in the formulary); and (4) drug products which have distinct demonstrated therapeutic advantages over other standard products of the same drug. No comparable provision in House bill.

COSTS

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE

Estimated additional OASDI benefit payments in calendar years 1968, 1969, and 1972 under House bill

[In millions]

Item	1968	1969	1972
General benefit increase	\$2,117	\$2,948	\$3,328
Benefit increase for transitional insured	5	7	5
Benefit increase for transitional noninsured	39	43	25
Liberalized benefits with respect to women workers	64	89	100
Special disability insured status under age 31	53	72	77
Disabled widow's benefits at age 60	15	63	72
Earnings test liberalization	140	221	244
Total	2,463	3,443	3,851

NOTE—It is assumed that the general benefit increase and all other changes except the earnings test liberalization are effective for March 1968 (with 1st payment in next month).

Estimated additional OASDI benefit payments in calendar years 1968, 1969, and 1972 under Senate Finance Committee bill

[In millions]

Item	1968	1969	1972
General benefit increase ¹	\$3,057	\$4,245	\$4,789
Benefit increase for transitional insured	16	20	15
Benefit increase for transitional noninsured	140	156	89
Liberalized benefits with respect to women workers	67	92	103
Special disability insured status under age 31	55	74	79
Disabled widow's benefits	62	90	103
Earnings test liberalization	140	450	691
Reduction of minimum eligibility age from 62 to 60		555	522
Special benefits for blind persons ²		165	210
Child disability benefits for those disabled at ages 18 to 21	6	8	19
Total	3,543	5,855	6,611

¹ Effective for March 1968 (1st payment in next month).

² Effective for December 1968 (1st payment in next month).

Estimated additional OASDI benefit payments in calendar years 1968, 1969, and 1972 under Senate bill

[In millions]

Item	1968	1969	1972
General benefit increase ¹	\$3,057	\$4,245	\$4,789
Benefit increase for transitional insured	16	20	15
Benefit increase for transitional noninsured	140	156	89
Liberalized benefits with respect to women workers	67	92	103
Special disability insured status under age 31	55	74	79
Disabled widow's benefits	83	135	155
Earnings test liberalization	770	1,215	1,341
Reduction of minimum eligibility age from 62 to 60		555	522
Special benefits for blind persons ²		182	231
Child disability benefits for those disabled at ages 18 to 21	6	8	10
Mother's and wife's benefits for children in high school	29	42	55
Elimination of new definition of disability	70	129	291
Total	4,393	6,853	7,689

¹ Effective for March 1968 (1st payment in next month).

² Effective for December 1968 (1st payment in next month).

³ Effective for 2d month after month of enactment (1st payment in next month).

⁴ The cost of the elimination of the new special definition of disability for widow's (and widower's) benefits is included in the figure for disabled widow's benefits, above.

Changes in actuarial balance of old-age, survivors, and disability insurance system, expressed in terms of estimated level cost as percentage of taxable payroll, by type of change, moving from present law to Senate bill, based on 3.75 percent interest

[In percent]

Item	Old-age and survivors insurance	Disability insurance	Total system
Actuarial balance of present system.....	+0.89	-0.15	+0.74
Increase in earnings base.....	+ .21	+ .02	+ .23
Earnings test liberalization.....	-.06	(1)	-.06
Disabled widow's benefits at age 50.....	-.03	(2)	-.03
Special disability insured status at age 31.....	(2)	-.02	-.02
Liberalized benefits with respect to women workers.....	-.07	(1)	-.07
Benefit formula change.....	-.89	-.10	-.99
Revised contribution schedule.....	-.01	+ .25	+ .24
Actuarial balance under House bill.....	+ .04	.00	+ .04
Further increase in earnings base.....	+ .27	+ .02	+.29
Further liberalization of earnings test.....	-.11	(1)	-.11
Liberalization of disabled widow's benefits.....	-.03	(2)	-.03
Special benefits for blind persons.....	(2)	-.05	-.05
Reduction of minimum eligibility age from 62 to 60.....	(1)	(1)	(1)
Liberalization of benefit formula change.....	-.33	-.02	-.35
Further revision of contribution schedule.....	+ .11	.00	+ .11
Actuarial balance under Senate Finance Committee bill.....	-.05	-.05	-.10
Further liberalization of earnings test.....	-.17	(1)	-.17
Liberalization of special benefits for blind persons.....	(2)	-.01	-.01
Mother's and wife's benefits for children in high school.....	-.01	(1)	-.01
Elimination of new definition of disability.....	-.03	-.10	-.13
Actuarial balance under senate bill.....	-.26	-.16	-.42

¹ Less than 0.005 percent.

² Not applicable in this program.

HOSPITAL INSURANCE

Level-cost analysis for hospital insurance trust fund under various versions of bill

[In percent of taxable payroll]

Bill	Level cost of benefits ¹	Level equivalent of contributions	Actuarial balance
Present law, original estimate.....	1.23	1.23	0
Present law, revised estimate.....	1.54	1.23	-.31
House bill.....	1.41	1.41	0
Senate Finance Committee bill.....	1.23	1.34	+ .11
Senate bill.....	1.30	1.34	+ .04

¹ Including administrative expenses.

Changes in actuarial balance of hospital insurance system, expressed in terms of estimated level cost as percent of taxable payroll, by type of change, intermediate-cost estimate, present law and bill, based on 3.75 percent interest

[In percent]

Item	House bill	Senate Finance Committee bill	Senate bill
Actuarial balance of present system.....	-0.31	-0.31	-0.31
Increase in taxable earnings base.....	+ .42	+ .31	+ .31
Revised contribution schedule.....	+ .18	+ .11	+ .11
Transfer of outpatient diagnostic benefits to SMI.....	+ .01	+ .01	+ .01
Further hospital benefits beyond 90 days.....	(1)	-.01	-.01
Modified reimbursement basis.....	(2)	(2)	-.07
Total effect of changes in bill.....	+ .31	+ .42	+ .35
Actuarial balance under bill.....	0	+ .11	+ .04

¹ Less than 0.005 percent.

² Not contained in this version of bill.

**OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—
HOSPITAL INSURANCE BENEFIT OUTGO-CONTRIBUTION INCOME**

[In billions]

Basis	Contribution income	Benefit outgo	Excess of contributions over benefits
Calendar year 1968:			
Present law	\$29.6	\$25.5	\$4.1
House bill:			
If effective for all 12 months	30.8	28.7	2.1
If effective for last 9 months only ¹	30.8	27.9	2.9
Senate Finance Committee bill	31.2	29.0	2.2
Senate bill	31.2	29.9	1.3
Calendar year 1969:			
Present law	33.7	26.9	6.8
House bill	34.9	30.3	4.6
Senate Finance Committee bill	36.3	32.7	3.6
Senate bill	36.3	34.0	2.3

¹ So that benefit increase would be effective for March (as in the Senate Finance Committee bill and Senate bill).

SUPPLEMENTARY MEDICAL INSURANCE PROGRAM

<i>Item</i>	<i>Cost</i>
Changes made by House bill:	
Nonprofessional component of outpatient diagnostic services	\$0.12
Elimination of cost-sharing for inpatient pathology and radiology	.20
Total, House bill	.32
Additional changes made by Senate Finance Committee bill:	
Chiropractor services	.20
Extending coverage of physical therapy services benefits	.05
Total, Senate Finance Committee bill	.57

The cost of covering the services of clinical psychologists (even though without referral of a physician and not billed through a physician)—as added by the Senate bill—is estimated at \$0.01 per month per capita or less (taking into account that the same special cost-sharing and maximum-benefit provisions would be applicable as relate to services of psychiatrists). The cost of covering certain limited services furnished by podiatrists (as provided under all three versions of the bill) and by optometrists (as provided under the Senate Finance Committee and Senate versions) would similarly be very small.

The total cost of \$0.57 per month per capita relative to the current \$6 monthly premium rate will probably be increased to about \$0.71 when the likely increase in the standard premium rate for the period after March 1968 is taken into account. This total cost of \$0.71 per month per capita is equivalent to an annual cost of \$153 million with respect to 18 million participants (half of which cost comes from the general fund of the Treasury).

DETAIL OF PUBLIC WELFARE COSTS—COMPARISON OF HOUSE AND SENATE BILLS

[In millions of dollars]

	Fiscal year 1968		Fiscal year 1969		Fiscal year 1970		Fiscal year 1971		Fiscal year 1972	
	House	Senate	House	Senate	House	Senate	House	Senate	House	Senate
Public assistance:										
AFDC costs if there is no change in present law ¹					1,462	1,555	1,647	1,741	1,837	
Title XIX costs if there is no change in present law ²					1,391	1,913	2,289	2,690	3,118	
All other public assistance costs if there is no change in present law ³					1,647	1,700	1,725	1,750	1,776	
Subtotal, present law					4,500	5,168	5,661	6,181	6,731	
Increases in the bill:										
Day care	(9)	(9)	\$75.0	\$45.0	\$155	\$70	\$250.0	\$140.0	\$470.0	\$320.0
Other social services	(9)	(9)	35.0	35.0	70	70	100.0	100.0	125.0	125.0
Earnings exemptions	(9)	(9)	20.0	35.0	25	40	30.0	50.0	35.0	55.0
Work training	(9)	130	45.0	190.0	90	195	135.0	247.0	225.0	364.0
Foster care	(9)	(9)	10.0	70.0	20	110	35.0	150.0	40.0	190.0
Emergency assistance	(9)	(9)	10.0	20.0	20	40	35.0	70.0	35.0	70.0
Puerto Rico, et al	(9)	(9)	7.8	7.8	11	11	14.2	14.2	17.5	17.5
Demonstration project	(9)	(9)	2.0	8.0	2	8	2.0	8.0	2.0	8.0
Mandatory AFDC UP						60		65.0		70.0
Additional child health requirements in title XIX					30	30	40.0	40.0	50.0	50.0
OAA, AB, APTE spouses under medical		(9)		14.0		15		16.0		17.0
Medical review program for nursing homes				2.5		5		7.5		10.0
Unemployed parent amendments		(9)		4.0		4		4.0		4.0
Modification of reasonable cost				20.0		25		20.0		25.0
Subtotal, increases	25	150	201.8	451.3	423	683	639.2	1,111.7	989.5	1,535.5

Decreases in the bill:										
AFDC limitation	-18									
AFDC reductions for persons trained				-41.0	-10	-115	-55.0	-214.0	-130.0	-340.0
Restrictions on title XIX			-336.0	-45.0	-692	-702	-1,058.0	-998.0	-1,434.0	-1,294.0
Decrease in public assistance due to social security benefit increase	-85	-50	-190.0	-45.0	-200	-50	-205.0	-75.0	-210.0	-75.0
Federal participation in cost of care in "physical care facilities"				-10.0		-20		-29.0		-29.0
Collections from runaway parents				-1.0		-2		-3.0		-3.0
Drug amendments ⁶				+2.0		+5		-45.0		-50.0
Subtotal, decreases	-193	-50	-526.0	-140.0	-902	-884	-1,318.0	-1,254.0	-1,774.0	-1,791.0
Net cost of savings due to public assistance amendments	-78	100	-321.2	311.3	-479	-201	-678.8	-222.3	-774.5	-255.5
Total public assistance as amended by bill	4,422	4,600	4,846.8	5,479.3	5,182	5,460	5,502.2	5,958.7	5,956.5	6,475.5
Child welfare:										
Present Law	55	55	55.0	55.0	60	60	60.0	6.0	60.0	60.0
Increase for child welfare services			45.0	70.0	50	100	50.0	100.0	50.0	100.0
Increase for child welfare research			5.0	5.0	10	10	15.0	15.0	15.0	15.0
Subtotal, increases			50.0	75.0	60	110	65.0	115.0	65.0	115.0
Social work manpower			5.0	5.0	5	5	5.0	5.0	5.0	5.0
Net public welfare cost or savings in bill	-78	100	-266.2	391.3	-414	-86	-608.8	-102.3	-704.5	-135.5

¹ Assumes annual increase in the rolls of about 200,000, based on the experience of the past several years, allows more use of \$1 each year in the average monthly payment per recipient, in line with recent experience.

² Includes all medical vendor payments; assumes 5-per-cent annual increase in unit costs after 1968.

³ Assumes continued decline in number of old-age assistance and aid to the blind recipients, and continued increase in aid to the permanently and totally disabled, based on experience; allows increases for average payments.

⁴ 1968 cost undistributed.

⁵ 1968 cost of \$20,000,000 related to these items undistributed.

⁶ Committee estimates.

NOTE: - Costs are based on 1968 prices except as noted in the assumptions.

MEDICAL EXPENSE DEDUCTION

The Medical expense deduction would decrease income tax collections by \$210 million in each of the next 5 years.

VETERANS

Excluding the social security benefit increases from veterans' incomes would increase veterans' benefit payments by \$90 million in 1968.

