

[COMMITTEE PRINT]

AUGUST 28, 1967

NOTE: This committee print contains the amendments to H.R. 12080 recommended by the Department of Health, Education, and Welfare for consideration by the Committee. Matter proposed to be stricken is printed in linetype or enclosed in brackets and matter proposed to be inserted is printed in *italic*.

An explanation of the amendments as recommended by the Department of Health, Education, and Welfare together with estimated cost of these amendments begins at page 297.

90TH CONGRESS
1ST SESSION

H. R. 12080

IN THE SENATE OF THE UNITED STATES

AUGUST 18, 1967

Read twice and referred to the Committee on Finance

AN ACT

To amend the Social Security Act to provide an increase in benefits under the old-age, survivors, and disability insurance system, to provide benefits for additional categories of individuals, to improve the public assistance program and programs relating to the welfare and health of children, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act, with the following table of contents, may be
- 4 cited as the "Social Security Amendments of 1967".

TABLE OF CONTENTS

TITLE I—OLD-AGE, SURVIVORS, DISABILITY, AND HEALTH INSURANCE

PART 1—BENEFITS UNDER THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM

	Page
Sec. 101. Increase in old-age, survivors, and disability insurance benefits.....	5
Sec. 102. Increase in benefits for certain individuals age 72 and over.....	14
Sec. 103. Maximum amount of a wife's or husband's insurance benefit.....	15
Sec. 104. Benefits to disabled widows and widowers.....	30
Sec. 105. Insured status for younger disabled workers.....	40
Sec. 106. Benefits in case of members of the uniformed services.....	41
Sec. 107. Liberalization of earnings test.....	43
Sec. 108. Increase of earnings counted for benefit and tax purposes.....	43
Sec. 109. Changes in tax schedules.....	53
Sec. 110. Allocation to Disability Insurance Trust Fund.....	58

PART 2—COVERAGE UNDER THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM

Sec. 115. Coverage of ministers.....	59
Sec. 116. Coverage of State and local employees.....	62
Sec. 117. Inclusion of Illinois among States permitted to divide their retirement systems.....	64
Sec. 118. Taxation of certain earnings of retired partner.....	61

PART 3—HEALTH INSURANCE BENEFITS

Sec. 125. Method of payment to physicians under supplementary medical insurance program.....	80
Sec. 126. Elimination of requirement of physician certification in case of certain hospital services.....	81
Sec. 127. Inclusion of podiatrists' services under supplementary medical insurance program.....	83
Sec. 128. Exclusion of certain services.....	84
Sec. 129. Transfer of all outpatient hospital services to supplementary medical insurance program.....	85
Sec. 130. Billing by hospital for services furnished to outpatients.....	80
Sec. 131. Payment of reasonable charges for radiological or pathological services furnished by certain physicians to hospital inpatients.....	91
Sec. 132. Payment for purchase of durable medical equipment.....	92
Sec. 133. Payment for physical therapy services furnished by hospital to outpatients.....	93
Sec. 134. Payment for certain portable X-ray services.....	93
Sec. 135. Blood deductibles.....	94
Sec. 136. Enrollment under supplementary medical insurance program based on alleged date of attaining age 65.....	96
Sec. 137. Extension of maximum duration of benefits for inpatient hospital services to 120 days.....	97
Sec. 138. Limitation on special reduction in allowable days of inpatient hospital services.....	98
Sec. 139. Transitional provision on eligibility of presently uninsured individuals for hospital insurance benefits.....	99
Sec. 140. Advisory Council to study coverage of the disabled under title XVIII of the Social Security Act.....	101
Sec. 141. Study to determine feasibility of inclusion of certain additional services under part B of title XVIII of the Social Security Act.....	105

TABLE OF CONTENTS—Continued

TITLE I—OLD-AGE, SURVIVORS, DISABILITY, AND HEALTH INSURANCE—Continued

PART 4—MISCELLANEOUS AND TECHNICAL AMENDMENTS

	Page
Sec. 150. Eligibility of adopted child for monthly benefits.....	111
Sec. 151. Criteria for determining child's dependency on mother.....	117
Sec. 152. Underpayments	118
Sec. 153. Simplification of computation of primary insurance amount and quarters of coverage in case of 1937-1950 wages.....	123
Sec. 154. Definitions of widow, widower, and stepchild.....	130
Sec. 155. Husband's and widower's insurance benefits without requirement of wife's currently insured status.....	132
Sec. 156. Definition of disability.....	133
Sec. 157. Disability benefits affected by receipt of workmen's compensation	138
Sec. 158. Extension of time for filing reports of earnings.....	139
Sec. 159. Penalties for failure to file timely reports of earnings and other events.....	140
Sec. 160. Limitation on payment of benefits to aliens outside the United States.....	142
Sec. 161. Residual payments to certain children.....	146
Sec. 162. Transfer to Health Insurance Benefits Advisory Council of National Medical Review Committee functions; increase in Council's membership.....	148
Sec. 163. Advisory Council on Social Security.....	151
Sec. 164. Reimbursement of civil service retirement annuitants for certain premium payments under supplementary medical insurance program.....	151
Sec. 165. Appropriations to Supplementary Medical Insurance Trust Fund	152
Sec. 166. Disclosure to courts of whereabouts of certain individuals....	153
Sec. 167. Reports of Boards of Trustees to Congress.....	154
Sec. 168. General savings provision.....	154

TITLE II—PUBLIC WELFARE AMENDMENTS

PART 1—PUBLIC ASSISTANCE AMENDMENTS

Sec. 201. Programs of services furnished to families with dependent children	165
Sec. 202. Earnings exemption for recipients of aid to families with dependent children.....	176
Sec. 203. Dependent children of unemployed fathers.....	183
Sec. 204. Community work and training programs.....	191
Sec. 205. Federal participation in payments for foster care of certain dependent children.....	211
Sec. 206. Emergency assistance for certain needy families with dependent children.....	212
Sec. 207. Protective payments and vendor payments with respect to dependent children.....	214
Sec. 208. Limitation on number of children with respect to whom Federal payments may be made.....	216
Sec. 209. Federal payments for repairs to home owned by recipient of aid or assistance.....	217

PART 2—MEDICAL ASSISTANCE AMENDMENTS

Sec. 220. Limitation on Federal participation in medical assistance..	227
Sec. 221. Maintenance of State effort.....	233

TABLE OF CONTENTS—Continued

TITLE II—PUBLIC WELFARE AMENDMENTS—Continued

PART 2—MEDICAL ASSISTANCE AMENDMENTS—Continued

	Page
Sec. 222. Coordination of title XIX and the supplementary medical insurance program.....	235
Sec. 223. Modification of comparability provisions.....	238
Sec. 224. Required services under State medical assistance plan.....	239
Sec. 225. Extent of Federal financial participation in certain administrative expenses.....	239
Sec. 226. Advisory Council on Medical Assistance.....	240
Sec. 227. Free choice by individuals eligible for medical assistance.....	242
Sec. 228. Utilization of State facilities to provide consultative services to institutions furnishing medical care.....	243
Sec. 229. Payments for services and care by a third party.....	244
Sec. 230. Direct payments to certain recipients of medical assistance.....	245
Sec. 231. Date on which State plans under title XIX must meet certain financial participation requirements.....	246

PART 3—CHILD-WELFARE SERVICES AMENDMENTS

Sec. 235. Inclusion of child-welfare services in title IV.....	246
Sec. 236. Conforming amendments.....	259

PART 4—MISCELLANEOUS AND TECHNICAL AMENDMENTS

Sec. 245. Partial payments to States.....	262
Sec. 246. Contracts for cooperative research or demonstration projects..	263
Sec. 247. Permanent authority to support demonstration projects.....	263
Sec. 248. Special provisions relating to Puerto Rico, the Virgin Islands, and Guam.....	263
Sec. 249. Approval of certain projects.....	268

TITLE III—IMPROVEMENT OF CHILD HEALTH

Sec. 301. Consolidation of separate programs under title V of the Social Security Act.....	268
Sec. 302. Conforming amendments.....	287
Sec. 303. 1968 authorization for maternity and infant care projects.....	288
Sec. 304. Short title.....	288

TITLE IV—GENERAL PROVISIONS

Sec. 401. Social work manpower and training.....	288
Sec. 402. Incentive for lowering costs while maintaining quality and increasing efficiency in the provision of health services.....	290
Sec. 403. Changes to reflect codification of title 5, United States Code..	292
Sec. 404. Meaning of Secretary.....	296

EXPLANATION OF HEW AMENDMENTS

Social security.....	297
Public assistance.....	300
Medical assistance.....	302
Social work manpower training.....	302
Child health.....	302

ESTIMATED COST OF RECOMMENDED CHANGES

Table 1—Social security benefit costs.....	304
Table 2—Medicare benefit costs.....	304
Table 3—Financing changes.....	305
Table 4—Social security, public welfare, and child health costs.....	306

1 TITLE I—OLD-AGE, SURVIVORS, DISABILITY,
2 AND HEALTH INSURANCE

3 PART 1—BENEFITS UNDER THE OLD-AGE, SURVIVORS, AND
4 DISABILITY INSURANCE PROGRAM

5 INCREASE IN OLD-AGE, SURVIVORS, AND DISABILITY
6 INSURANCE BENEFITS

7 SEC. 101. (a) Section 215(a) of the Social Security
8 Act is amended by striking out the table and inserting in
9 lieu thereof the following:

"TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS

I (Primary insurance benefit under 1939 Act, as modified)		II (Primary insurance amount under 1955 Act)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (e)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—
At least—	But not more than—		At least—	But not more than—		
	\$18.48	\$44.00		\$67	\$50.00	\$75.00
\$18.49	14.00	45.00	\$68	69	50.70	76.10
14.01	14.48	46.00	70	70	51.80	77.70
14.49	18.00	47.00	71	72	52.90	79.40
18.01	16.60	48.00	73	74	54.00	81.00
16.61	16.20	49.00	76	76	55.20	82.80
16.21	16.84	50.00	77	78	56.30	84.50
16.85	17.00	51.00	79	80	57.40	86.10
17.01	18.40	52.00	81	81	58.50	87.80
18.41	19.24	53.00	82	83	59.70	89.60
19.25	20.00	54.00	84	85	60.80	91.20
20.01	20.64	55.00	85	87	61.90	92.90
20.65	21.28	56.00	88	89	63.00	94.50
21.29	21.88	57.00	90	90	64.20	96.30
21.89	22.28	58.00	91	92	65.30	98.00
22.29	22.68	59.00	93	94	66.40	99.60
22.69	23.08	60.00	95	96	67.50	101.30
23.09	23.44	61.00	97	97	68.70	103.10
23.45	23.76	62.10	99	99	69.80	104.90
23.77	24.20	63.20	100	101	71.00	106.70
24.21	24.60	64.20	102	102	72.20	108.50
24.61	25.00	65.30	103	104	73.50	110.30
25.01	25.48	66.40	105	106	74.70	112.10
25.49	25.92	67.50	107	107	75.90	114.00
25.93	26.40	68.60	108	109	77.10	115.70
26.41	26.94	69.99	110	113	78.30	117.50
26.95	27.46	70.70	114	118	79.40	119.40
27.47	28.00	71.70	119	122	80.70	121.10
28.01	28.69	72.80	123	127	81.90	122.90
28.69	29.25	73.00	128	132	83.20	124.80
29.26	29.68	74.00	133	136	84.70	126.50
29.69	30.36	75.00	137	141	85.50	128.30
30.37	30.92	77.10	142	146	86.80	130.20
30.93	31.36	78.20	147	150	88.00	132.00
31.37	32.00	79.20	151	155	89.10	133.70
32.01	32.60	80.30	156	160	90.40	135.60
32.61	33.20	81.40	161	164	91.90	137.40
33.21	33.68	82.40	165	169	92.70	139.10

"TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS—Continued

I (Primary insurance benefit under 1939 Act, as modified)		II (Primary insurance amount under 1966 Act)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (e)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—
At least—	But not more than—		At least—	But not more than—		
\$22.00	\$24.00	\$22.50	\$170	\$174	\$24.00	\$141.00
24.01	25.00	24.00	175	178	25.20	142.80
24.01	25.00	25.00	179	183	26.30	144.60
25.01	26.00	26.00	184	188	27.60	146.40
26.01	27.00	27.00	189	193	28.80	148.20
27.01	27.00	28.00	194	197	100.10	157.00
27.01	28.00	29.00	198	202	101.20	161.60
28.01	29.00	30.00	203	207	102.40	165.60
29.01	30.00	31.00	208	211	103.70	169.80
30.01	31.00	32.00	212	216	104.80	173.80
31.01	32.00	33.00	217	221	106.00	178.80
32.01	33.00	34.00	222	225	107.30	180.00
33.01	34.00	35.00	226	230	108.40	184.00
34.01	35.00	36.00	231	235	109.60	188.00
35.01	36.00	37.00	236	239	110.90	191.20
36.01	37.00	38.00	240	244	112.10	195.20
37.01	38.00	39.00	245	249	113.20	199.20
38.01	39.00	40.00	250	253	114.50	202.40
39.01	40.00	41.00	254	258	115.70	206.40
40.01	41.00	42.00	259	263	116.80	210.40
41.01	42.00	43.00	264	267	118.10	213.00
42.01	43.00	44.00	269	272	119.30	217.00
43.01	44.00	45.00	273	277	120.40	221.00
44.01	45.00	46.00	278	281	121.70	224.80
		47.00	283	286	122.90	228.80
		48.00	287	291	124.10	232.80
		49.00	292	296	125.30	236.00
		50.00	296	300	126.50	240.00
		51.00	301	305	127.70	244.00
		52.00	306	309	128.90	247.20
		53.00	310	314	130.10	251.90
		54.00	315	319	131.30	255.20
		55.00	320	323	132.60	258.40
		56.00	324	328	133.70	262.40
		57.00	329	333	134.90	266.40
		58.00	334	337	136.20	269.00
		59.00	338	342	137.30	273.00
		60.00	343	347	138.50	277.60
		61.00	348	351	139.80	280.80
		62.00	353	356	140.90	284.80
		63.00	357	361	142.10	288.90
		64.00	362	365	143.40	292.00
		65.00	366	370	144.50	296.00
		66.00	371	375	146.70	300.00
		67.00	376	379	147.00	303.20
		68.00	380	384	148.20	307.20
		69.00	385	389	149.30	311.20
		70.00	390	393	150.60	314.40
		71.00	394	398	151.80	318.40
		72.00	399	403	152.90	322.40
		73.00	404	407	154.20	325.80
		74.00	408	412	155.30	329.00
		75.00	413	417	156.40	333.00
		76.00	418	421	157.50	336.80
		77.00	422	426	158.70	340.90
		78.00	427	431	159.80	342.80
		79.00	432	436	160.90	344.80
		80.00	437	440	162.00	346.40
		81.00	441	445	163.20	348.40
		82.00	446	450	164.30	350.40
		83.00	451	454	165.40	352.00
		84.00	456	459	166.50	354.00
		85.00	460	464	167.70	356.00
		86.00	465	468	168.80	357.60
		87.00	469	473	169.90	359.00
		88.00	474	478	171.00	361.00
		89.00	479	482	172.20	363.20
		90.00	483	487	173.30	365.20
		91.00	488	492	174.40	367.20
		92.00	493	496	175.50	368.80
		93.00	497	501	176.70	370.80
		94.00	502	506	177.80	372.80
		95.00	507	510	178.90	374.40
		96.00	511	515	180.00	376.40
		97.00	516	520	181.20	378.40
		98.00	521	524	182.30	380.00

"TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS--Continued

"I (Primary insurance benefit under 1939 Act, as modified)		II (Primary insurance amount under 1935 Act)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is--		Or his primary insurance amount (as determined under subsec. (c)) is--	Or his average monthly wage (as determined under subsec. (b)) is--		The amount referred to in the preceding paragraphs of this subsection shall be--	And the maximum amount of benefits payable (as provided in sec. 203 (a)) on the basis of his wages and self-employment income shall be--
At least--	But not more than--		At least--	But not more than--		
		\$163.00	\$525	\$529	\$163.40	\$382.00
		164.00	530	534	164.50	384.00
		165.00	535	538	165.70	385.80
		166.00	539	543	166.80	387.60
		167.00	544	548	167.90	389.60
		168.00	549	552	169.00	391.20
			553	556	190.00	392.80
			557	559	191.00	394.00
			560	563	192.00	395.00
			564	566	193.00	396.80
			567	569	194.00	398.00
			570	573	195.00	399.60
			574	576	196.00	400.80
			577	580	197.00	402.40
			581	583	198.00	403.60
			584	587	199.00	405.20
			588	590	200.00	406.40
			591	594	201.00	408.00
			595	597	202.00	409.20
			599	601	203.00	410.80
			602	604	204.00	412.00
			605	608	205.00	413.60
			609	611	206.00	414.80
			612	615	207.00	416.40
			616	618	208.00	417.60
			619	622	209.00	419.20
			623	625	210.00	420.40
			626	629	211.00	421.60
			629	633	212.00	423.60

"Table for determining primary insurance amount and maximum family benefits

"I (Primary insurance benefit under 1939 Act, as modified)		II (Primary insurance amount under 1935 Act)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is--		Or his primary insurance amount (as determined under subsec. (c)) is--	Or his average monthly wage (as determined under subsec. (b)) is--		The amount referred to in the preceding paragraphs of this subsection shall be--	And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be--
At least--	But not more than--		At least--	But not more than--		
-----	\$23.10	\$70.00 or less	...	\$90	\$70.00	\$108.00
\$23.09	23.44	61.00	\$97	97	70.20	108.30
23.45	23.70	62.10	98	99	71.50	107.30
23.77	24.00	63.20	100	101	72.70	109.10
24.21	24.10	64.30	102	103	73.90	110.80
24.41	25.00	65.30	103	104	75.10	112.70
25.01	25.48	66.40	105	106	76.40	114.60
25.49	25.97	67.50	107	107	77.70	116.60
25.93	26.40	68.50	108	109	79.00	118.20
26.41	26.84	69.60	110	113	80.10	120.30
26.96	27.46	70.70	114	118	81.40	122.10
27.47	28.00	71.70	119	122	82.60	123.80
28.01	28.68	72.80	123	127	83.80	125.70
28.69	29.25	73.80	128	132	85.00	127.60
29.26	29.68	74.90	133	136	86.20	129.30
29.69	30.36	76.00	137	141	87.40	131.10
30.37	30.94	77.10	142	146	88.70	133.10
30.83	31.36	78.20	147	150	90.00	135.00
31.37	32.00	79.30	151	155	91.10	136.70
32.01	32.80	80.30	156	160	92.40	138.60
32.61	33.80	81.40	161	164	93.70	140.60
33.21	33.88	82.40	165	169	94.80	142.80
33.89	34.80	83.50	170	174	96.10	144.80
34.51	35.00	84.60	175	178	97.30	146.00
35.01	35.80	85.60	179	183	98.60	147.80
35.81	36.40	86.70	184	188	99.80	150.40
36.41	37.08	87.80	189	193	101.00	152.40
37.09	37.00	88.90	194	197	102.30	154.60
37.61	38.80	89.90	198	202	103.40	156.60
38.21	39.18	91.00	203	207	104.70	158.80
39.13	39.68	92.10	208	211	106.00	161.80

"Table for determining primary insurance amount and maximum family benefits—(Con.)

I (Primary insurance benefit under 1939 Act, as modified)		II (Primary insurance amount under 1955 Act)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (c)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—
At least—	But not more than—		At least—	But not more than—		
			\$599	\$601	\$207.00	\$480.40
			600	605	208.00	482.00
			601	608	209.00	483.80
			602	611	210.00	484.80
			603	616	211.00	486.40
			604	619	212.00	487.60
			605	623	213.00	489.20
			606	626	214.00	490.40
			607	630	215.00	492.00
			608	633	216.00	493.80
			609	637	217.00	494.80
			610	641	218.00	496.40
			611	644	219.00	497.60
			612	648	220.00	499.20
			613	651	221.00	500.40
			614	655	222.00	502.00
			615	658	223.00	503.80
			616	662	224.00	504.80
			617	665	225.00	506.40
			618	669	226.00	507.60
			619	673	227.00	509.20
			620	676	228.00	510.40
			621	680	229.00	512.00
			622	683	230.00	513.80
			623	687	231.00	514.80
			624	690	232.00	516.40
			625	694	233.00	517.60
			626	698	234.00	519.20
			627	701	235.00	520.40
			628	705	236.00	522.00
			629	709	237.00	523.80
			630	713	238.00	525.20
			631	716	239.00	526.40
			632	720	240.00	528.00
			633	724	241.00	529.80
			634	728	242.00	531.20
			635	732	243.00	532.80
			636	735	244.00	534.00
			637	739	245.00	535.60
			638	743	246.00	537.20
			639	747	247.00	538.80
			640	750	248.00	540.00
			641	754	249.00	541.60
			642	758	250.00	543.20
			643	762	251.00	544.80
			644	765	252.00	546.40
			645	769	253.00	548.00
			646	773	254.00	549.60
			647	777	255.00	551.20
			648	781	256.00	552.80
			649	785	257.00	554.40
			650	789	258.00	556.00
			651	793	259.00	557.60
			652	797	260.00	559.20
			653	800	261.00	560.40
			654	804	262.00	562.00
			655	808	263.00	563.80
			656	811	264.00	564.80
			657	815	265.00	566.40
			658	819	266.00	567.60
			659	823	267.00	569.20
			660	826	268.00	570.40
			661	830	269.00	572.00
			662	834	270.00	573.80
			663	838	271.00	575.20
			664	842	272.00	576.80
			665	845	273.00	578.00
			666	849	274.00	579.60
			667	853	275.00	581.20
			668	857	276.00	582.80
			669	861	277.00	584.40
			670	864	278.00	586.00
			671	868	279.00	587.60
			672	872	280.00	589.20
			673	876	281.00	590.40
			674	880	282.00	592.00
			675	883	283.00	593.80
			676	887	284.00	595.20
			677	891	285.00	596.80
			678	895	286.00	598.40
			679	899	287.00	600.00
			680	903	288.00	601.60

1 (b) Section 203 (a) of such Act is amended by striking
2 out paragraph (2) and inserting in lieu thereof the fol-
3 lowing:

4 “(2) when two or more persons were entitled
5 (without the application of section 202 (j) (1) and sec-
6 tion 223 (b)) to monthly benefits under section 202 or
7 223 for the second month following the month in which
8 the Social Security Amendments of 1967 are enacted on
9 the basis of the wages and self-employment income of
10 such insured individual, such total of benefits for such
11 second month or any subsequent month shall not be
12 reduced to less than the larger of—

13 “(A) the amount determined under this sub-
14 section without regard to this paragraph, or

15 “(B) an amount equal to the sum of the
16 amounts derived by multiplying the benefit amount
17 determined under this title (including this subsec-
18 tion, but without the application of section 222 (b) ,
19 section 202 (q) , and subsections (b) , (c) , and (d)
20 of this section) , as in effect prior to such second
21 month, for each such person for such second month,
22 by ~~112.5~~ 115 percent and raising each such in-
23 creased amount, if it is not a multiple of \$0.10, to
24 the next higher multiple of \$0.10;

25 but in any such case (i) paragraph (1) of this sub-

1 section shall not be applied to such total of benefits after
2 the application of subparagraph (B), and (ii) if sec-
3 tion 202 (k) (2) (A) was applicable in the case of any
4 such benefits for such second month, and ceases to
5 apply after such month, the provisions of subpara-
6 graph (B) shall be applied, for and after the month
7 in which section 202 (k) (2) (A) ceases to apply, as
8 though paragraph (1) had not been applicable to such
9 total of benefits for such second month, or”.

10 (c) (1) Section 215 (b) (4) of such Act is amended to
11 read as follows:

12 “(4) The provisions of this subsection shall be ap-
13 plicable only in the case of an individual—

14 “(A) who becomes entitled, in or after the
15 second month following the month in which the So-
16 cial Security Amendments of 1967 are enacted, to
17 benefits under section 202 (a) or section 223; or

18 “(B) who dies in or after such second month
19 without being entitled to benefits under section 202 (a)
20 or section 223; or

21 “(C) whose primary insurance amount is required
22 to be recomputed under subsection (f) (2).”

23 (2) Section 215 (b) (5) of such Act is repealed.

24 (d) Section 215 (c) of such Act is amended to read as
25 follows:

1 **"Primary Insurance Amount Under 1965 Act**

2 **"(c) (1) For the purposes of column II of the table**
3 **appearing in subsection (a) of this section, an individual's**
4 **primary insurance amount shall be computed on the basis**
5 **of the law in effect prior to the enactment of the Social**
6 **Security Amendments of 1967.**

7 **"(2) The provisions of this subsection shall be ap-**
8 **plicable only in the case of an individual who became en-**
9 **titled to benefits under section 202 (a) or section 223 before**
10 **the second month following the month in which the Social**
11 **Security Amendments of 1967 are enacted or who died**
12 **before such second month."**

13 **(e) The amendments made by this section shall apply**
14 **with respect to monthly benefits under title II of the**
15 **Social Security Act for and after the second month fol-**
16 **lowing the month in which this Act is enacted and with**
17 **respect to lump-sum death payments under such title in the**
18 **case of deaths occurring in or after such second month.**

19 **(f) If an individual was entitled to a disability insur-**
20 **ance benefit under section 223 of the Social Security Act**
21 **for the month following the month in which this Act is en-**
22 **acted and became entitled to old-age insurance benefits under**
23 **section 202 (a) of such Act for the second month following**
24 **the month in which this Act is enacted, or he died in such**
25 **second month, then, for purposes of section 215 (a) (4) of**

1 the Social Security Act (if applicable) the amount in column
 2 IV of the table appearing in such section 215 (a) for such
 3 individual shall be the amount in such column on the line
 4 on which in column II appears his primary insurance amount
 5 (as determined under section 215 (c) of such Act) instead
 6 of the amount in column IV equal to the primary insurance
 7 amount on which his disability insurance benefit is based.

8 *SPECIAL MINIMUM PRIMARY INSURANCE AMOUNT*

9 *SEC. 102. (a) Section 215(a) of the Social Security*
 10 *Act is amended by striking out "or" at the end of paragraph*
 11 *(3), by striking out the period at the end of paragraph (4)*
 12 *and inserting in lieu thereof "; or", and by inserting after*
 13 *paragraph (4) the following:*

14 *"(5) An amount equal to \$4 multiplied by his years*
 15 *of coverage.*

16 *For purposes of paragraph (5), an individual's 'years of*
 17 *coverage' is the number (not exceeding 25) equal to the sum*
 18 *of (A) the number (not exceeding 14 and disregarding any*
 19 *fraction) determined by dividing the total of the wages*
 20 *credited to him for years after 1936 and before 1951 by*
 21 *\$900, plus (B) the number equal to the number of years*
 22 *after 1950 each of which is a computation base year (within*
 23 *the meaning of subsection (b)(2)(C)) and in each of which*
 24 *he is credited with wages and self-employment income of not*

1 *less than 25 percent of the maximum amount which, pursuant*
 2 *to subsection (e), may be counted for each such year."*

3 *(b) Section 203(a) of such Act is amended by adding*
 4 *immediately after paragraph (3) thereof the following new*
 5 *sentence: "For purposes of this subsection, if the primary*
 6 *insurance amount of an individual does not appear in*
 7 *column IV of the table in section 215(a), the reference to the*
 8 *amount appearing in column V of such table shall be treated*
 9 *as referring to the amount on the line on which the next*
 10 *higher primary insurance amount appears."*

11 *(c) Section 215(f)(2)(C) of such Act is amended by*
 12 *striking out "(1) and (3)" and inserting in lieu thereof*
 13 *"(1), (3), and (5)".*

14 *(d) The amendments made by subsections (a), (b), and*
 15 *(c) shall apply with respect to monthly insurance benefits*
 16 *under title II of the Social Security Act for months for and*
 17 *after the second month following the month in which this Act*
 18 *is enacted and with respect to lump-sum death payments*
 19 *under such title in the case of deaths occurring in or after*
 20 *such month.*

21 INCREASE IN BENEFITS FOR CERTAIN INDIVIDUALS AGE 72

22 AND OVER

23 SEC. ~~102~~ 103. (a) (1) Section 227 (a) of the Social
 24 Security Act is amended by striking out "\$35" and inserting
 25 in lieu thereof "~~\$40~~" "\$50", and by striking out "\$17.50"
 26 and inserting in lieu thereof "~~\$20~~" "\$25".

1 (2) Section 227 (b) of such Act is amended by striking
2 out in the second sentence “\$35” and inserting in lieu thereof
3 ~~“\$40”~~ “\$50”.

4 (b) (1) Section 228 (b) (1) of such Act is amended by
5 striking out “\$35” and inserting in lieu thereof ~~“\$40”~~ “\$50”.

6 (2) Section 228 (b) (2) of such Act is amended by
7 striking out “\$35” and inserting in lieu thereof ~~“\$40”~~ “\$50”,
8 and by striking out “\$17.50” and inserting in lieu thereof
9 ~~“\$20”~~ “\$25”.

10 (3) Section 228 (c) (2) of such Act is amended by
11 striking out “\$17.50” and inserting in lieu thereof ~~“\$20”~~
12 “\$25”.

13 (4) Section 228 (c) (3) (A) of such Act is amended by
14 striking out “\$35” and inserting in lieu thereof ~~“\$40”~~ “\$50”.

15 (5) Section 228 (c) (3) (B) of such Act is amended by
16 striking out “\$17.50” and inserting in lieu thereof ~~“\$20”~~
17 “\$25”.

18 (c) The amendments made by subsections (a) and (b)
19 shall apply with respect to monthly benefits under title II
20 of the Social Security Act for and after the second month
21 following the month in which this Act is enacted.

22 **MAXIMUM AMOUNT OF A WIFE’S OR HUSBAND’S INSUR-**
23 **ANCE BENEFIT**

24 **SEC. 403 104.** (a) Section 202 (b) (2) of the Social
25 Security Act is amended to read as follows:

1 “(2) Except as provided in subsection (q), such wife’s
2 insurance benefit for each month shall be equal to whichever
3 of the following is the smaller: (A) one-half of the primary
4 insurance amount of her husband (or, in the case of a di-
5 vorced wife, her former husband) for such month, or (B)
6 \$105.”

7 (b) Section 202(c) (3) of such Act is amended to read
8 as follows:

9 “(3) Except as provided in subsection (q), such hus-
10 band’s insurance benefit for each month shall be equal to
11 whichever of the following is the smaller: (A) one-half of
12 the primary insurance amount of his wife for such month, or
13 (B) \$105.”

14 (c) Section 202(e) (4) of such Act is amended by
15 striking out “50 per centum of the primary insurance amount
16 of the deceased individual on whose wages and self-employ-
17 ment income such benefit is based” and inserting in lieu
18 thereof “whichever of the following is the smaller: (A) one-
19 half of the primary insurance amount of the deceased indi-
20 vidual on whose wages and self-employment income such
21 benefit is based, or (B) \$105”.

22 (d) Section 202(f) (5) of such Act is amended by
23 striking out “50 per centum of the primary insurance amount
24 of the deceased individual on whose wages and self-employ-

1 ment income such benefit is based” and inserting in lieu
 2 thereof “whichever of the following is the smaller: (A) one-
 3 half of the primary insurance amount of the deceased indi-
 4 vidual on whose wages and self-employment income such
 5 benefit is based, or (B) \$105”.

6 (e) The amendments made by subsections (a), (b),
 7 (c), and (d) shall apply with respect to monthly benefits
 8 under title II of the Social Security Act for and after the
 9 second month following the month in which this Act is
 10 enacted.

11 ~~BENEFITS TO DISABLED WIDOWS AND WIDOWERS~~

12 ~~SEC. 104. (a) (1) Subparagraph (B) of section 202~~
 13 ~~(c) (1) of the Social Security Act is amended to read as~~
 14 ~~follows:~~

15 ~~“(B) (i) has attained age 60, or (ii) has attained~~
 16 ~~age 50 but has not attained age 60 and is under a~~
 17 ~~disability (as defined in section 223(d)) which began~~
 18 ~~before the end of the period specified in paragraph (5),”.~~

19 ~~(2) So much of section 202(c) (1) of such Act as~~
 20 ~~follows subparagraph (E) is amended to read as follows:~~
 21 ~~“shall be entitled to a widow’s insurance benefit for each~~
 22 ~~month, beginning with—~~

23 ~~“(E) if she satisfies subparagraph (B) by reason~~

1 of clause (i) thereof, the first month in which she be-
 2 comes so entitled to such insurance benefits, or

3 ~~“(G) if she satisfies subparagraph (B) by reason~~
 4 ~~of clause (ii) thereof—~~

5 ~~“(i) the first month after her waiting period~~
 6 ~~(as defined in paragraph (6)) in which she be-~~
 7 ~~comes so entitled to such insurance benefits, or~~

8 ~~“(ii) the first month during all of which she is~~
 9 ~~under a disability and in which she becomes so en-~~
 10 ~~titled to such insurance benefits, but only if she was~~
 11 ~~previously entitled to insurance benefits under this~~
 12 ~~subsection on the basis of being under a disability~~
 13 ~~and such first month occurs (I) in the period speci-~~
 14 ~~fied in paragraph (5) and (II) after the month in~~
 15 ~~which a previous entitlement to such benefits on~~
 16 ~~such basis terminated,~~

17 and ending with the month preceding the first month in
 18 which any of the following occurs: she remarries, dies,
 19 becomes entitled to an old-age insurance benefit equal to or
 20 exceeding 82½ percent of the primary insurance amount of
 21 such deceased individual, or, if she became entitled to such
 22 benefits before she attained age 60, the third month following
 23 the month in which her disability ceases (unless she attains
 24 age 62 on or before the last day of such third month).²²

25 (3) Section 202(c) of such Act is further amended by
 26 adding after paragraph (4) the following new paragraph:

1 ~~“(5)~~ The period referred to in paragraph ~~(1)(B)(ii)~~,
 2 in the case of any widow or surviving divorced wife, is the
 3 period beginning with whichever of the following is the
 4 latest:

5 ~~“(A)~~ the month in which occurred the death of
 6 the fully insured individual referred to in paragraph ~~(1)~~
 7 on whose wages and self-employment income her bene-
 8 fits are or would be based; or

9 ~~“(B)~~ the last month for which she was entitled to
 10 mother's insurance benefits on the basis of the wages and
 11 self-employment income of such individual; or

12 ~~“(C)~~ the month in which a previous entitlement
 13 to widow's insurance benefits on the basis of such wages
 14 and self-employment income terminated because her
 15 disability had ceased;

16 and ending with the month before the month in which she
 17 attains age 60; or, if earlier, with the close of the eighty-
 18 fourth month following the month with which such period
 19 began.

20 ~~“(6)~~ The waiting period referred to in paragraph ~~(1)~~
 21 ~~(i)~~, in the case of any widow or surviving divorced wife, is
 22 the earliest period of six consecutive calendar months—

23 ~~“(A)~~ throughout which she has been under a disa-
 24 bility; and

25 ~~“(B)~~ which begins not earlier than with whichever

1 of the following is the later: ~~(i)~~ the first day of the
 2 eighteenth month before the month in which her applica-
 3 tion is filed; or ~~(ii)~~ the first day of the sixth month be-
 4 fore the month in which the period specified in para-
 5 graph ~~(5)~~ begins.”

6 ~~(b)(1)~~ Subparagraph ~~(B)~~ of section 202(f)(1) of
 7 such Act is amended to read as follows:

8 “~~(B)~~ ~~(i)~~ has attained age 62, or ~~(ii)~~ has attained
 9 age 50 but has not attained age 62 and is under a dis-
 10 ability ~~(as defined in section 223(d))~~ which began
 11 before the end of the period specified in paragraph
 12 ~~(6)~~.”

13 ~~(2)~~ So much of section 202(f)(1) of such Act as
 14 follows subparagraph ~~(E)~~ is amended to read as follows:
 15 “shall be entitled to a widower’s insurance benefit for each
 16 month, beginning with—

17 “~~(F)~~ if he satisfies subparagraph ~~(B)~~ by reason
 18 of clause ~~(i)~~ thereof, the first month in which he
 19 becomes so entitled to such insurance benefits; or

20 “~~(G)~~ if he satisfies subparagraph ~~(B)~~ by reason
 21 of clause ~~(ii)~~ thereof—

22 “~~(i)~~ the first month after his waiting period
 23 ~~(as defined in paragraph (7))~~ in which he be-
 24 comes so entitled to such insurance benefits; or

25 “~~(ii)~~ the first month during all of which he is

1 under a disability and in which he becomes so en-
2 titled to such insurance benefits, but only if he was
3 previously entitled to insurance benefits under this
4 subsection on the basis of being under a disability
5 and such first month occurs ~~(I)~~ in the period
6 specified in paragraph ~~(6)~~ and ~~(II)~~ after the
7 month in which a previous entitlement to such bene-
8 fits on such basis terminated,
9 and ending with the month preceding the first month in
10 which any of the following occurs: he remarries, dies, or
11 becomes entitled to an old-age insurance benefit equal to or
12 exceeding 82½ percent of the primary insurance amount of
13 his deceased wife, or the third month following the month
14 in which his disability ceases ~~(unless he attains age 62~~
15 ~~on or before the last day of such third month)."~~

16 ~~(3)~~ Section 202(f) ~~(3)~~ of such Act is amended by
17 inserting "subsection (g) and" after "provided in".

18 ~~(4)~~ Section 202(f) of such Act is further amended by
19 adding after paragraph ~~(5)~~ the following new paragraphs:

20 "~~(6)~~ The period referred to in paragraph ~~(1)~~(B) ~~(ii)~~,
21 in the case of any widower, is the period beginning with
22 whichever of the following is the latest:

23 "~~(A)~~ the month in which occurred the death of the
24 fully insured individual referred to in paragraph ~~(1)~~

1 on whose wages and self-employment income his bene-
2 fits are or would be based, or

3 ~~“(B) the month in which a previous entitlement~~
4 ~~to widower’s insurance benefits on the basis of such~~
5 ~~wages and self-employment income terminated because~~
6 ~~his disability had ceased,~~
7 and ending with the month before the month in which he
8 attains age 62, or, if earlier, with the close of the eighty-
9 fourth month following the month with which such period
10 began.

11 ~~“(7) The waiting period referred to in paragraph (1)~~
12 ~~(G), in the case of any widower, is the earliest period of~~
13 ~~six consecutive calendar months—~~

14 ~~“(A) throughout which he has been under a dis-~~
15 ~~ability, and~~

16 ~~“(B) which begins not earlier than with whichever~~
17 ~~of the following is the later: (i) the first day of the~~
18 ~~eighteenth month before the month in which his applica-~~
19 ~~tion is filed, or (ii) the first day of the sixth month be-~~
20 ~~fore the month in which the period specified in para-~~
21 ~~graph (6) begins.”~~

22 ~~(c)(1) The heading of section 202(q) of such Act is~~
23 ~~amended to read as follows:~~

24 ~~“Reduction of Benefit Amounts for Certain Beneficiaries”~~

25 ~~(2) So much of section 202(q)(1) of such Act as~~
26 ~~precedes subparagraph (A) is amended by striking out “or~~

1 widow's" and inserting in lieu thereof "widow's, or wid-
2 ower's";

3 ~~(3)~~ Subparagraph ~~(A)~~ of section 202(q)(1) of such
4 Act is amended by striking out "or widow's" and inserting
5 in lieu thereof ", widow's, or widower's".

6 ~~(4)~~ Section 202(q)(1) of such Act is amended by
7 adding at the end thereof the following:

8 "A widow's or widower's insurance benefit reduced pursuant
9 to the preceding sentence shall be further required by—

10 "~~(C)~~ ⁴³/₁₀₀ of 1 percent of the amount of such
11 benefit, multiplied by

12 "~~(D)~~ (i) the number of months in the additional
13 reduction period for such benefit (determined under
14 paragraph ~~(6)~~), if such benefit is for a month before
15 the month in which such individual attains retirement
16 age, or

17 "~~(ii)~~ the number of months in the additional ad-
18 justed reduction period for such benefit (determined
19 under paragraph ~~(7)~~), if such benefit is for the month
20 in which such individual attains retirement age or for
21 any month thereafter."

22 ~~(5)~~ Section 202(q)(3)(A) of such Act is amended—

23 ~~(A)~~ by striking out "or widow's" each place it ap-
24 pears and inserting in lieu thereof "widow's, or widow-
25 er's";

1 (B) by striking out "a widow's" and inserting in
2 lieu thereof "a widow's or widower's"; and

3 (C) by striking out "60" and inserting in lieu
4 thereof "50".

5 (6) Section 202(q)(3)(C) of such Act is amended
6 by striking out "or widow's" each time it appears and insert-
7 ing in lieu thereof "widow's, or widower's".

8 (7) Section 202(q)(3)(D) of such Act is amended
9 by striking out "or widow's" and inserting in lieu thereof
10 "widow's, or widower's".

11 (8) Section 202(q)(3)(E) of such Act is amended—

12 (A) by striking out "(or would, but for subsection
13 (e)(1), be)" and inserting in lieu thereof "(or would,
14 but for subsection (e)(1) in the case of a widow or
15 surviving divorced wife or subsection (f)(1) in the case
16 of a widower, be)";

17 (B) by striking out "widow's" each place it ap-
18 pears and inserting in lieu thereof "widow's or widow-
19 er's"; and

20 (C) by striking out "she" and inserting in lieu
21 thereof "she or he".

22 (9) Section 202(q)(3)(F) of such Act is amended—

23 (A) by striking out "(or would, but for subsection
24 (e)(1), be)" and inserting in lieu thereof "(or would,
25 but for subsection (e)(1) in the case of a widow or

1 surviving divorced wife or subsection (f)(1) in the
2 case of a widower, be);

3 (B) by striking out "widow's" each place it appears
4 and inserting in lieu thereof "widow's or widower's";
5 and

6 (C) by striking out "she" and inserting in lieu
7 thereof "she or he".

8 (10) Section 202(q)(3)(G) of such Act is amended—

9 (A) by striking out "(or would, but for subsection
10 (e)(1), be)" and inserting in lieu thereof "(or would,
11 but for subsection (e)(1) in the case of a widow or sur-
12 viving divorced wife or subsection (f)(1) in the case
13 of a widower, be)";

14 (B) by striking out "widow's" and inserting in lieu
15 thereof "widow's or widower's"; and

16 (C) by striking out "he" and inserting in lieu
17 thereof "she or he".

18 (11) Section 202(q)(6) of such Act is amended to
19 read as follows:

20 "(6) For the purposes of this subsection—

21 "(A) the 'reduction period' for an individual's old-
22 age, wife's, husband's, widow's, or widower's insurance
23 benefit is the period—

24 "(i) beginning—

25 "(I) in the case of an old-age or husband's

1 insurance benefit, with the first day of the first
2 month for which such individual is entitled
3 to such benefit, or

4 “(II) in the case of a wife’s insurance
5 benefit, with the first day of the first month
6 for which a certificate described in paragraph
7 ~~(5)(A)(i)~~ is effective, or

8 “(III) in the case of a widow’s or widow-
9 er’s insurance benefit, with the first day of the
10 first month for which such individual is entitled
11 to such benefit or the first day of the month in
12 which such individual attains age 60, whichever
13 is the later, and

14 “(ii) ending with the last day of the month
15 before the month in which such individual attains
16 retirement age; and

17 “(B) the ‘additional reduction period’ for an in-
18 dividual’s widow’s or widower’s insurance benefit is the
19 period—

20 “(i) beginning with the first day of the first
21 month for which such individual is entitled to such
22 benefit, but only if such individual has not attained
23 age 60 in such first month; and

24 “(ii) ending with the last day of the month
25 before the month in which such individual attains
26 age 60.”

1 ~~(12)~~ Section 202(q)(7) of such Act is amended—

2 (A) by inserting “or ‘additional adjusted reduction
3 period’” after “the ‘adjusted reduction period’”;

4 (B) by striking out “or widow’s” and inserting in
5 lieu thereof “widow’s, or widower’s”;

6 (C) by inserting “or additional reduction period
7 (as the case may be)” after “the reduction period”;

8 and

9 (D) by striking out “widow’s” in subparagraph
10 (E) and inserting in lieu thereof “widow’s or widow-
11 er’s”, by striking out “she” each place it appears in
12 such subparagraph and inserting in lieu thereof “she or
13 he”, and by striking out “her” in such subparagraph and
14 inserting in lieu thereof “her or his”.

15 (13) Section 202(q)(9) of such Act is amended by
16 striking out “widow’s” and inserting in lieu thereof “widow’s
17 or widower’s”.

18 (d)(1)(A) The third sentence of section 203(e) of
19 such Act is amended by striking out “or any subsequent
20 month” and inserting in lieu thereof “or any subsequent
21 month; nor shall any deduction be made under this subsec-
22 tion from any widow’s insurance benefit for any month in
23 which the widow or surviving divorced wife is entitled and
24 has not attained age 62 (but only if she became so entitled
25 prior to attaining age 60), or from any widower’s insurance

1 benefit for any month in which the widower is entitled and
2 has not attained age 62”.

3 ~~(B)~~ The third sentence of section 203(f)(1) of such
4 Act is amended by striking out “or ~~(D)~~” and inserting in
5 lieu thereof the following: “~~(D)~~ for which such individual
6 is entitled to widow’s insurance benefits and has not attained
7 age 62 (but only if she became so entitled prior to attain-
8 ing age 60) or widower’s insurance benefits and has not
9 attained age 62, or ~~(E)~~”.

10 ~~(C)~~ Section 203(f)(2) of such Act is amended by
11 striking out “and ~~(D)~~” and inserting in lieu thereof “~~(D)~~,
12 and ~~(E)~~”.

13 ~~(D)~~ Section 203(f)(4) of such Act is amended by
14 striking out “~~(D)~~” and inserting in lieu thereof “~~(E)~~”.

15 ~~(2)~~ Section 216(i)(1) of such Act is amended by
16 inserting “202(c), 202(f),” after “202(d),”.

17 ~~(3)(A)~~ Section 222(a) of such Act is amended by
18 inserting “widow’s insurance benefits, or widower’s insurance
19 benefits,” after “benefits,”.

20 ~~(B)~~ Section 222(b)(1) of such Act is amended by
21 striking out “child’s insurance benefits or if” and inserting in
22 lieu thereof “child’s insurance benefits, a widow or surviving
23 divorced wife who has not attained age 60, a widower who
24 has not attained age 62, or”.

25 ~~(4)(A)~~ Section 222(d)(1) of such Act is amended

1 by inserting "or" at the end of subparagraph (B), and by
2 inserting after such subparagraph the following new sub-
3 paragraphs:

4 ~~"(C)~~ entitled to widow's insurance benefits under
5 section 202(e) prior to attaining age 60, or

6 ~~"(D)~~ entitled to widower's insurance benefits under
7 section 202(f) prior to attaining age 62,".

8 ~~(B)~~ Section 222(d)(1) of such Act is further amended
9 by striking out "who have attained age 18 and are under
10 a disability," in the first sentence and inserting in lieu
11 thereof the following: "who have attained age 18 and are
12 under a disability, the benefits under section 202(e) for
13 widows and surviving divorced wives who have not attained
14 age 60 and are under a disability, the benefits under section
15 202(f) for widowers who have not attained age 62,".

16 ~~(5)(A)~~ The first sentence of section 225 of such Act
17 is amended by inserting after "under section 202(d)," the
18 following: "or that a widow or surviving divorced wife who
19 has not attained age 60 and is entitled to benefits under
20 section 202(e), or that a widower who has not attained age
21 62 and is entitled to benefits under section 202(f),".

22 ~~(B)~~ The first sentence of section 225 of such Act is
23 further amended by striking out "223 or 202(d)" and in-
24 serting in lieu thereof "202(d), 202(e), 202(f), or 223".

25 (e) The amendments made by this section shall apply

1 with respect to monthly benefits under title II of the
 2 Social Security Act for and after the second month fol-
 3 lowing the month in which this Act is enacted, but only
 4 on the basis of applications for such benefits filed in or after
 5 the month in which this Act is enacted.

6 *BENEFITS FOR DISABLED WIDOWS AND WIDOWERS*

7 *SEC. 105. (a)(1) Subparagraph (B) of section 202(e)*
 8 *(1) of the Social Security Act is amended to read as follows:*

9 *“(B)(i) has attained age 60, or (ii) is under a*
 10 *disability (as defined in section 223(d)) which began*
 11 *before the end of the period specified in paragraph (5),”.*

12 *(2) So much of section 202(e)(1) of such Act as fol-*
 13 *lows subparagraph (E) is amended to read as follows: “shall*
 14 *be entitled to a widow’s insurance benefit for each month,*
 15 *beginning with--*

16 *“(F) if she satisfies subparagraph (B) solely by*
 17 *reason of clause (i) thereof, the first month in which she*
 18 *becomes so entitled to such insurance benefits, or*

19 *“(G) if she satisfied subparagraph (B) by reason*
 20 *of clause (ii) thereof--*

21 *“(i) the first month after her waiting period (as*
 22 *defined in paragraph (6)) in which she becomes so*
 23 *entitled to such insurance benefits, or*

24 *“(ii) the first month during all of which she is*
 25 *under a disability and in which she becomes so en-*

1 *titled to such insurance benefits, but only if she was*
2 *previously entitled to insurance benefits under this*
3 *subsection on the basis of being under a disability*
4 *and such first month occurs (I) in the period speci-*
5 *fied in paragraph (5) and (II) after the month in*
6 *which here previous entitlement to such benefits on*
7 *such basis terminated,*

8 *and ending with the month preceding the first month in which*
9 *any of the following occurs: she remarries, dies, or becomes*
10 *entitled to an old-age insurance benefit equal to or exceed-*
11 *ing 82½ percent of the primary insurance amount of such*
12 *deceased individual or the third month following the month*
13 *in which her disability ceases (unless she attains age 62*
14 *on or before the last day of such third month).”*

15 (3) *Section 202(e)(1) of such Act is further amended*
16 *by adding at the end thereof the following new sentence:*
17 *“No payment under this subsection may be made to a widow*
18 *or surviving divorced wife who is entitled to benefits on the*
19 *basis of being under a disability, but who would not meet*
20 *the definition of disability in section 223(d) except for para-*
21 *graph (1)(B) thereof, for any month in which she en-*
22 *gages in substantial gainful activity.”*

23 (4) *Section 202(e) of such Act is further amended by*
24 *adding after paragraph (4) the following new paragraphs:*

25 “(5) *The period referred to in paragraph (1)(B)*

1 *(ii), in the case of any widow or surviving divorced wife,*
2 *is the period beginning with whichever of the following is*
3 *the latest:*

4 *“(A) the month in which occurred the death of*
5 *the fully insured individual referred to in paragraph*
6 *(1) on whose wages and self-employment income her*
7 *benefits are or would be based, or*

8 *“(B) the last month for which she was entitled to*
9 *mother’s insurance benefits on the basis of the wages and*
10 *self-employment income of such individual, or*

11 *“(C) the month in which a previous entitlement to*
12 *widow’s insurance benefits on the basis of such wages and*
13 *self-employment income terminated because her disability*
14 *had ceased,*

15 *and ending with the month before the month in which she*
16 *attains age 65, or, if earlier, with the close of the eighty-*
17 *fourth month following the month with which such period*
18 *began.*

19 *“(6) The waiting period referred to in paragraph (1)*
20 *(G), in the case of any widow or surviving divorced wife,*
21 *is the earliest period of six consecutive calendar months—*

22 *“(A) throughout which she has been under a dis-*
23 *ability, and*

24 *“(B) which begins not earlier than with whichever*
25 *of the following is the later: (i) the first day of the*

1 *eighteenth month before the month in which her appli-*
2 *cation is filed, or (ii) the first day of the sixth month*
3 *before the month in which the period specified in para-*
4 *graph (5) begins.*

5 “(7) *A widow or surviving divorced wife entitled to*
6 *benefits under this subsection shall be entitled on the basis of*
7 *being under a disability (as defined in section 223(d)) which*
8 *began before the expiration of the period specified in para-*
9 *graph (5), but only if in the six calendar months preceding*
10 *such month she was also under a disability (as so defined)*
11 *unless she was previously entitled to benefits under this sub-*
12 *section on the basis of being under a disability.”*

13 (5) *Section 202(q)(5) of such Act is amended by add-*
14 *ing at the end thereof the following new subparagraph:*

15 “(E) *a widow’s insurance benefit which has been*
16 *reduced as provided in paragraph (1), for a month for*
17 *which she is entitled to benefits on the basis of being under*
18 *a disability and which occurs before the month in which*
19 *she attains age 62, shall be reduced for such month and*
20 *subsequent months by the amount (if any) such widow’s*
21 *insurance benefit would be reduced under such para-*
22 *graph had such individual attained age 62 in the first*
23 *month for which she was entitled to such benefits on the*
24 *basis of being under such disability; except that for any*

1 of such subsequent months in which she has not attained
 2 age 62 such reduction shall, notwithstanding the last sen-
 3 tence of such paragraph, be made as though such bene-
 4 fit had been determined under section 202(c)(2)(B).”

5 (6) Section 202(q) of such Act is amended by adding at
 6 the end thereof the following new paragraph:

7 “(10) For purposes of this subsection, the term ‘widow’s
 8 insurance benefit’ means only a benefit payable under subsec-
 9 tion (e) which is determined under subsection (c)(2)(A).”

10 (b)(1) Subparagraph (B) of section 202(f)(1) of
 11 such Act is amended to read as follows:

12 “(B) (i) has attained age 62, or (ii) is under a dis-
 13 ability (as defined in section 223(d)) which began before
 14 the end of the period specified in paragraph (6).”

15 (2) So much of section 202(f)(1) of such Act as fol-
 16 lows subparagraph (E) is amended to read as follows: “shall
 17 be entitled to a widower’s insurance benefit for each month,
 18 beginning with—

19 “(F) if he satisfies subparagraph (B) solely by rea-
 20 son of clause (i) thereof, the first month in which he
 21 becomes so entitled to such insurance benefits, or

22 “(G) if he satisfies subparagraph (B) by reason of
 23 clause (ii) thereof—

24 “(i) the first month after his waiting period (as
 25 defined in paragraph (7)) in which he becomes so
 26 entitled to such insurance benefits—

1 “(ii) the first month during all of which he is
2 under a disability and in which he becomes so entitled
3 to such insurance benefits, but only if he was previ-
4 ously entitled to insurance benefits under this subsec-
5 tion on the basis of being under a disability and such
6 first month occurs (i) in the period specified in para-
7 graph (6) and (II) after the month in which his
8 previous entitlement to such benefits on such basis
9 terminated,

10 and ending with the month preceding the first month in which
11 any of the following occurs: he remarries, dies, or becomes en-
12 titled to an old-age insurance benefit equal to or exceeding
13 82½ percent of the primary insurance amount of his deceased
14 wife, or the third month following the month in which his dis-
15 ability ceases (unless he attains age 62 on or before the last
16 day of such third month).”

17 (3) Section 202(f)(1) of such Act is further amended
18 by adding at the end thereof the following new sentence: “No
19 payment under this subsection may be made to a widower who
20 is entitled to benefits on the basis of being under a disability,
21 but who would not meet the definition of disability in section
22 223(d) except for paragraph (1)(B) thereof, for any month
23 in which he engages in substantial gainful activity.”

24 (4) Section 202(f) of such Act is further amended by
25 adding after paragraph (5) the following new paragraphs:

1 “(6) *The period referred to in paragraph (1)(B)(ii),*
2 *in the case of any widower, is the period beginning with*
3 *whichever of the following is the latest:*

4 “(A) *the month in which occurred the death of the*
5 *fully insured individual referred to in paragraph (1)*
6 *on whose wages and self-employment income her benefits*
7 *are or would be based, or died, or*

8 “(B) *the month in which a previous entitlement*
9 *to widower's insurance benefits on the basis of such wages*
10 *and self-employment income terminated because his disa-*
11 *bility had ceased,*

12 *and ending with the month before the month in which he*
13 *attains age 65, or, if earlier, with the close of the eighty-*
14 *fourth month following the month with which such period*
15 *began.*

16 “(7) *The waiting period referred to in paragraph (1),*
17 *in the case of any widower, is the earliest period of six*
18 *consecutive calendar months—*

19 “(A) *throughout which he has been under a disa-*
20 *bility, and*

21 “(B) *which begins not earlier than with whichever*
22 *of the following is the later: (i) the first day of the*
23 *eighteenth month before the month in which his applica-*
24 *tion is filed, or (ii) the first day of the sixth month*
25 *before the month in which the period specified in para-*
26 *graph (6) begins.*

1 “(8) A widower entitled to benefits under this subsection
2 shall be deemed to be so entitled on the basis of being under
3 a disability for any month in which he is under a disability
4 (as defined in section 223(d)) which began before the expira-
5 tion of the period specified in paragraph (6); but only
6 if in the six calendar months preceding such month he was
7 also under a disability (as so defined) unless he was pre-
8 viously entitled to benefits under this subsection on the basis
9 of being under a disability.”

10 (c)(1)(A) The third sentence of section 203(c) of such
11 Act is amended by striking out “or any subsequent month”
12 and inserting in lieu thereof “or any subsequent month; nor
13 shall any deduction be made under this subsection from any
14 widow’s insurance benefit for any month in which the widow
15 or surviving divorced wife is entitled, or from any widower’s
16 insurance benefit for any month in which the widower is
17 entitled, to such benefit on the basis of being under a
18 disability”.

19 (B) The third sentence of section 203(f)(1) of such
20 Act is amended by striking out “or (D)” and inserting in
21 lieu thereof the following: “(D) for which such individual
22 is entitled to widow’s insurance benefits or widower’s insur-
23 ance benefits on the basis of being under a disability, or (E)”.

24 (C) Section 203(f)(2) of such Act is amended by strik-
25 ing out “and (D)” and inserting in lieu thereof “(D),
26 and (E)”.

1 (D) Section 203(f)(4) of such Act is amended by
2 striking out “(D)” and inserting in lieu thereof “(E)”.

3 (2) Section 216(i)(1) of such Act is amended by in-
4 serting “202(e), 202(f),” after “202(d),”.

5 (3)(A) Section 222(a) of such Act is amended by in-
6 serting “individuals who are entitled to widow’s insurance
7 benefits or widower’s insurance benefits on the basis of being
8 under a disability,” after “determination of disability,”.

9 (B) Section 222(b)(1) of such Act is amended by
10 striking out “child’s insurance benefits or if” and inserting in
11 lieu thereof “child’s insurance benefits, a widow or surviving
12 divorced wife who has not attained age 62 and is entitled
13 to widow’s insurance benefits on the basis of being under a
14 disability, a widower who has not attained age 62 and is
15 entitled to widower’s insurance benefits on the basis of being
16 under a disability, or”.

17 (4)(A) Section 222(c)(1) of such Act is amended
18 by striking out “or 202(d)” and inserting in lieu thereof
19 “, 202(d), 202(e), or 202(f)”.

20 (B) The first sentence of section 222(c)(3) of such
21 Act is amended to read as follows: “A period of trial work
22 for any individual shall begin (i) in the case of an indi-
23 vidual who is entitled to disability insurance benefits, with
24 the month in which he becomes entitled to such benefits, (ii)
25 in the case of a widow or surviving divorced wife who has

1 not attained age 62 and is entitled to widow's insurance
2 benefits on the basis of being under a disability, with the
3 month in which she becomes entitled to such benefits, (iii)
4 in the case of a widower who has not attained age 62 and
5 is entitled to widower's insurance benefits on the basis of
6 being under a disability, with the month in which he becomes
7 entitled to such benefits, or (iv) in the case of an individual
8 who has attained age 18 and is entitled to benefits under
9 section 202(d) (and is under a disability), with the month
10 in which he becomes entitled to such benefits, or the month
11 in which he attains age 18, whichever is later."

12 (5)(A) Section 222(d)(1) of such Act is amended by
13 inserting "or" at the end of subparagraph (B), and by
14 inserting after such subparagraph the following new sub-
15 paragraphs:

16 "(C) entitled to widow's insurance benefits under
17 section 202(e) on the basis of being under a disability
18 prior to attaining age 62, or

19 "(D) entitled to widower's insurance benefits under
20 section 202(f) on the basis of being under a disability
21 prior to attaining age 62,".

22 (B) Section 222(d)(1) of such Act is further amended
23 by striking out "who have attained age 18 and are under
24 a disability," in the first sentence and inserting in lieu thereof

1 *the following: "who have attained age 18 and are under a*
 2 *disability, the benefits under section 202(e) for widows and*
 3 *surviving divorced wives who have not attained age 62 and*
 4 *are under a disability, the benefits under section 202(f) for*
 5 *widowers who have not attained age 62 and are under a*
 6 *disability,".*

7 *(6)(A) The first sentence of section 225 of such Act is*
 8 *amended by inserting after "under section 202(d)," the fol-*
 9 *lowing: "or that a widow or surviving divorced wife who*
 10 *has not attained age 62 and is entitled to benefits under*
 11 *section 202(e) on the basis of being under a disability, or*
 12 *that a widower who has not attained age 62 and is entitled*
 13 *to benefits under section 202(f) on the basis of being under*
 14 *a disability,".*

15 *(B) The first sentence of section 225 of such Act is*
 16 *further amended by striking out "223 or 202(d)" and insert-*
 17 *ing in lieu thereof "202(d), 202(e), 202(f), or 223".*

18 *(d) The amendments made by this section shall apply*
 19 *with respect to monthly insurance benefits under title II of*
 20 *the Social Security Act for and after the second month fol-*
 21 *lowing the month in which this Act is enacted, but only on the*
 22 *basis of applications for such benefits filed in or after the*
 23 *month in which this Act is enacted.*

24 **INSURED STATUS FOR YOUNGER DISABLED WORKERS**

25 **SEC. ~~405~~ 106.** (a) Subparagraph (B) (ii) of section
 26 **216 (i) (3)** of the Social Security Act is amended by strik-

1 ing out "and he is under a disability by reason of blindness
2 (as defined in paragraph (1))".

3 (b) Subparagraph (B) (ii) of section 223 (c) (1) of
4 such Act is amended by striking out "before he attains"
5 and inserting in lieu thereof "before the quarter in which
6 he attains", and by striking out "and he is under a disability
7 by reason of blindness (as defined in section 216 (i) (1))".

8 (c) The amendment made by subsection (a) shall
9 apply only with respect to applications for disability deter-
10 minations filed under section 216 (i) of the Social Security
11 Act in or after the month in which this Act is enacted. The
12 amendments made by subsection (b) shall apply with
13 respect to monthly benefits under title II of such Act for
14 and after the second month following the month in which
15 this Act is enacted, but only on the basis of applications for
16 such benefits filed in or after the month in which this Act is
17 enacted.

18 BENEFITS IN CASE OF MEMBERS OF THE UNIFORMED
19 SERVICES

20 SEC. 406 107. Title II of the Social Security Act is
21 amended by adding at the end thereof the following new
22 section:

23 "BENEFITS IN CASE OF MEMBERS OF THE UNIFORMED
24 SERVICES

25 "SEC. 229. (a) For purposes of determining entitle-
26 ment to and the amount of any monthly benefit for any

1 month after December 1967, or entitlement to and the
2 amount of any lump-sum death payment in case of a death
3 after such month, payable under this title on the basis of
4 the wages and self-employment income of any individual,
5 and for purposes of section 216 (i) (3), such individual
6 shall be deemed to have been paid, in each calendar quarter
7 occurring after 1967 in which he was paid wages for serv-
8 ice as a member of a uniformed service (as defined in sec-
9 tion 210 (m)) which was included in the term 'employment'
10 as defined in section 210 (a) as a result of the provisions
11 of section 210 (l), wages (in addition to the wages actually
12 paid to him for such service) of—

13 “(1) \$100 if the wages actually paid to him in
14 such quarter for such services were \$100 or less,

15 “(2) \$200 if the wages actually paid to him in
16 such quarter for such services were more than \$100 but
17 not more than \$200, or

18 “(3) \$300 in any other case.

19 “(b) There are authorized to be appropriated to the
20 Federal Old-Age and Survivors Insurance Trust Fund, the
21 Federal Disability Insurance Trust Fund, and the Federal
22 Hospital Insurance Trust Fund annually, as benefits under
23 this title and part A of title XVIII are paid after December
24 1967, such sums as the Secretary determines to be necessary
25 to meet (1) the additional costs, resulting from subsection

1 (a), of such benefits (including lump-sum death payments),
 2 (2) the additional administrative expenses resulting there-
 3 from, and (3) any loss in interest to such trust funds re-
 4 sulting from the payment of such amounts. Such additional
 5 costs shall be determined after any increases in such benefits
 6 arising from the application of section 217 have been made.”

7 LIBERALIZATION OF EARNINGS TEST

8 SEC. ~~107~~ 108. (a) (1) Paragraphs (1), (3), and (4)
 9 (B) of section 203 (f) of the Social Security Act are each
 10 amended by striking out “\$125” and inserting in lieu thereof
 11 “\$140”.

12 (2) Paragraph (1) (A) of section 203 (h) of such
 13 Act is amended by striking out “\$125” and inserting in
 14 lieu thereof “\$140”.

15 (b) The amendments made by subsection (a) shall
 16 apply with respect to taxable years ending after December
 17 1967.

18 INCREASE OF EARNINGS COUNTED FOR BENEFIT AND TAX

19 PURPOSES

20 SEC. 108. ~~(a) (1) (A)~~ Section 209 ~~(a) (4)~~ of the So-
 21 cial Security Act is amended by inserting “and prior to
 22 1968” after “1965”.

23 ~~(B)~~ Section 209 ~~(a)~~ of such Act is further amended by
 24 adding at the end thereof the following new paragraph:

25 “(5) That part of remuneration which, after remunera-

1 tion (other than remuneration referred to in the succeeding
2 subsections of this section) equal to \$7,600 with respect to
3 employment has been paid to an individual during any cal-
4 endar year after 1967, is paid to such individual during
5 such calendar year;”.

6 ~~(2)(A)~~ Section 211(b)(1)(D) of such Act is
7 amended by inserting “and prior to 1968” after “1965”, and
8 by striking out “; or” and inserting in lieu thereof “; and”.

9 ~~(B)~~ Section 211(b)(1) of such Act is further amended
10 by adding at the end thereof the following new subpara-
11 graph:

12 ~~(E)~~ For any taxable year ending after 1967,
13 ~~(i)~~ \$7,600, minus ~~(ii)~~ the amount of the wages
14 paid to such individual during the taxable year; or”.

15 ~~(3)(A)~~ Section 213(a)(2)(ii) of such Act is
16 amended by striking out “after 1965” and inserting in lieu
17 thereof “after 1965 and before 1968, or \$7,600 in the case
18 of a calendar year after 1967”.

19 ~~(B)~~ Section 213(a)(2)(iii) of such Act is amended
20 by striking out “after 1965” and inserting in lieu thereof
21 “after 1965 and before 1968, or \$7,600 in the case of a
22 taxable year ending after 1967”.

23 ~~(4)~~ Section 215(c)(1) of such Act is amended by
24 striking out “and the excess over \$6,600 in the case of any
25 calendar year after 1965” and inserting in lieu thereof “the

1 excess over \$6,600 in the case of any calendar year after
2 1965 and before 1968, and the excess over \$7,600 in the
3 case of any calendar year after 1967".

4 ~~(b)(1)(A)~~ Section 1402(b)(1)(D) of the Internal
5 Revenue Code of 1954 (relating to definition of self-employ-
6 ment income) is amended by inserting "and before 1968"
7 after "1965", and by striking out "; or" and inserting in lieu
8 thereof "; and".

9 ~~(B)~~ Section 1402(b)(1) of such Code is further
10 amended by adding at the end thereof the following new
11 subparagraph:

12 ~~(E)~~ for any taxable year ending after 1967,
13 (i) \$7,600, minus (ii) the amount of the wages
14 paid to such individual during the taxable year; or".

15 (2) Section 3121(a)(1) of such Code (relating to
16 definition of wages) is amended by striking out "\$6,600"
17 each place it appears and inserting in lieu thereof "\$7,600".

18 (3) The second sentence of section 3122 of such Code
19 (relating to Federal service) is amended by striking out
20 "\$6,600" and inserting in lieu thereof "\$7,600".

21 (4) Section 3125 of such Code (relating to returns
22 in the case of governmental employees in Guam, American
23 Samoa, and the District of Columbia) is amended by striking
24 out "\$6,600" each place it appears and inserting in lieu
25 thereof "\$7,600".

1 ~~(5)~~ Section 6413(c)(1) of such Code (relating to
2 special refunds of employment taxes) is amended—

3 (A) by inserting “and prior to the calendar year
4 1968” after “the calendar year 1965”;

5 (B) by inserting after “exceed \$6,600,” the fol-
6 lowing: “or (D) during any calendar year after the
7 calendar year 1967, the wages received by him during
8 such year exceed \$7,600,”; and

9 (C) by inserting before the period at the end
10 thereof the following: “and before 1968, or which ex-
11 ceeds the tax with respect to the first \$7,600 of such
12 wages received in such calendar year after 1967”.

13 ~~(6)~~ Section 6413(c)(2)(A) of such Code (relating
14 to refunds of employment taxes in the case of Federal em-
15 ployees) is amended by striking out “or \$6,600 for any
16 calendar year after 1965” and inserting in lieu thereof
17 “\$6,600 for the calendar year 1966 or 1967, or \$7,600 for
18 any calendar year after 1967”.

19 (c) The amendments made by subsections (a)(1) and
20 (a)(3)(A), and the amendments made by subsection (b)
21 (except paragraph (1) thereof), shall apply only with re-
22 spect to remuneration paid after December 1967. The
23 amendments made by subsections (a)(2), (a)(3)(B),
24 and (b)(1) shall apply only with respect to taxable years
25 ending after 1967. The amendment made by subsection (a)

1 ~~(4)~~ shall apply only with respect to calendar years after
2 1967.

3 SEC. 109. (a)(1)(A) Section 209(a)(4) of the So-
4 cial Security Act is amended by inserting "and prior to
5 1968" after "1965".

6 (B) Section 209(a) of such Act is further amended by
7 adding at the end thereof the following new paragraphs:

8 "(5) That part of remuneration which, after remunera-
9 tion (other than remuneration referred to in the succeeding
10 subsections of this section) equal to \$7,800 with respect to
11 employment has been paid to an individual during any cal-
12 endar year after 1967 and prior to 1971, is paid to such
13 individual during any such calendar year;

14 "(6) That part of remuneration which, after remunera-
15 tion (other than remuneration referred to in the succeeding
16 subsections of this section) equal to \$9,000 with respect to
17 employment has been paid to an individual during any cal-
18 endar year after 1970 and prior to 1974, is paid to such
19 individual during any such calendar year;

20 "(7) That part of remuneration which, after remunera-
21 tion (other than remuneration referred to in the succeeding
22 subsections of this section) equal to \$10,800 with respect
23 to employment has been paid to an individual during any
24 calendar year after 1973, is paid to such individual during
25 such calendar year;"

1 (2)(A) Section 211(b)(1)(D) of such Act is amended
2 by inserting "and prior to 1968" after "1965", by striking
3 out "; or" and inserting in lieu thereof "; and".

4 (B) Section 211(b)(1) of such Act is further amended
5 by adding at the end thereof the following new subpara-
6 graphs:

7 “(E) for any taxable year ending after 1967 and
8 prior to 1971, (i) \$7,800 minus (ii) the amount of the
9 wages paid to such individual during the taxable year;
10 and

11 “(F) for any taxable year ending after 1970 and
12 prior to 1974, (i) \$9,000, minus (ii) the amount of the
13 wages paid to such individual during the taxable year;
14 and

15 “(G) for any taxable year ending after 1973, (i)
16 \$10,800, minus (ii) the amount of the wages paid to
17 such individual during the taxable year; or”.

18 (3)(A) Section 213(a)(2)(ii) of such Act is amended
19 by striking out “after 1965” and inserting in lieu thereof
20 “after 1965 and before 1968, or \$7,800 in the case of a
21 calendar year after 1967 and before 1971, or \$9,000 in the
22 case of a calendar year after 1970 and before 1974, or
23 \$10,800 in the case of a calendar year after 1973”.

24 (B) Section 213(a)(2)(iii) of such Act is amended
25 by striking out “after 1965” and inserting in lieu thereof

1 "after 1965 and prior to 1968, or \$7,800 in the case of a
2 taxable year ending after 1967 and prior to 1971, or
3 \$9,000 in the case of a taxable year ending after 1970
4 and prior to 1974, or \$10,800 in the case of a taxable
5 year ending after 1973".

6 (4) Section 215(c)(1) of such Act is amended by
7 striking out "and the excess over \$6,600 in the case of any
8 calendar year after 1965" and inserting in lieu thereof "the
9 excess over \$6,600 in the case of any calendar year after
10 1965 and before 1968, the excess over \$7,800 in the case
11 of any calendar year after 1967 and before 1971, the
12 excess over \$9,000 in the case of any calendar year after
13 1970 and before 1974, and the excess over \$10,800 in the
14 case of any calendar year after 1973".

15 (b)(1)(A) Section 1402(b)(1)(D) of the Internal
16 Revenue Code of 1954 (relating to definition of self-employ-
17 ment income) is amended by inserting "and before 1968"
18 after "1965", and by striking out "; or" and inserting in
19 lieu thereof "; and".

20 (B) Section 1402(b)(1) of such Code is further
21 amended by adding at the end thereof the following new
22 subparagraphs:

23 "(E) for any taxable year ending after 1967 and
24 before 1971, (i) \$7,800, minus (ii) the amount of the

1 wages paid to such individual during the taxable year;
2 and

3 “(F) for any taxable year ending after 1970 and
4 before 1974, (i) \$9,000, minus (ii) the amount of
5 the wages paid to such individual during the taxable
6 year; and

7 “(G) for any taxable year ending after 1973, (i)
8 \$10,800 minus (ii) the amount of the wages paid to such
9 individual during the taxable year; or”.

10 (2)(A) Section 3121(a)(1) of such Code (relating to
11 definition of wages) is amended by striking out “\$6,600”,
12 each place it appears and inserting in lieu thereof “\$7,-
13 800”.

14 (B) Effective with remuneration paid after 1970, sec-
15 tion 3121(a)(1) of such Code is amended by striking out
16 “\$7,800” each place it appears and inserting in lieu thereof
17 “\$9,000”.

18 (C) Effective with remuneration paid after 1973, sec-
19 tion 3121(a)(1) of such Code is amended by striking out
20 “\$9,000” each place it appears and inserting in lieu thereof
21 “\$10,800”.

22 (3)(A) The second sentence of section 3122 of such
23 Code (relating to Federal service) is amended by striking
24 out “\$6,600” and inserting in lieu thereof “\$7,800”.

25 (B) Effective with remuneration paid after 1970, the

1 *second sentence of section 3122 of such Code is amended by*
2 *striking out “\$7,800” and inserting in lieu thereof “\$9,000”.*

3 *(C) Effective with remuneration paid after 1973, the*
4 *second sentence of section 3122 of such Code is amended by*
5 *striking out “\$9,000” and inserting in lieu thereof “\$10,-*
6 *800”.*

7 *(4)(A) Section 3125 of such Code (relating to returns*
8 *in the case of governmental employees in Guam, American*
9 *Samoa, and the District of Columbia) is amended by strik-*
10 *ing out “\$6,600” where it appears in subsections (a), (b),*
11 *and (c) and inserting in lieu thereof \$7,800”.*

12 *(B) Effective with remuneration paid after 1970, sec-*
13 *tion 3125 of such Code is amended by striking out “\$9,000”*
14 *where is appears in subsections (a), (b), and (c) and in-*
15 *serting in lieu thereof “\$9,000”.*

16 *(C) Effective with remuneration paid after 1973, sec-*
17 *tion 3125 of such Code is amended by striking out “\$9,000”*
18 *where is appears in subsections (a), (b), and (c) and in-*
19 *serting in lieu thereof “\$10,800”.*

20 *(5) Section 6413(c)(1) of such Code (relating to*
21 *special refunds of employment taxes) is amended—*

22 *(A) by inserting “prior to the calendar year 1968”*
23 *after “the calendar year 1965”,*

24 *(B) by inserting after “exceed \$6,600,” the fol-*

1 *lowing: "or (D) during any calendar year after the*
2 *calendar year 1967 and prior to the calendar year*
3 *1971, the wages received by him during such year ex-*
4 *ceed \$7,800, or (E) during any calendar year after*
5 *the calendar year 1970 and prior to the calendar year*
6 *1974, the wages received by him during such year ex-*
7 *ceed \$9,000, or (F) during any calendar year after*
8 *the calendar year 1973, the wages received by him*
9 *during such year exceed \$10,800," and*

10 *(C) by inserting before the period at the end thereof*
11 *the following: "and before 1968, or which exceeds the*
12 *tax with respect to the first \$7,800 of such wages received*
13 *in such calendar year after 1967 and before 1971, or*
14 *which exceeds the tax with respect to the first \$9,000*
15 *of such wages received in such calendar year after 1970*
16 *and before 1974, or which exceeds the tax with respect*
17 *to the first \$10,800 after 1973".*

18 *(6) Section 6413(c)(2)(A) of such Code (relating to*
19 *refunds of employment taxes in the case of Federal em-*
20 *ployees) is amended by striking out "or \$6,600 for any*
21 *calendar year after 1965" and inserting in lieu thereof*
22 *"\$6,000 for the calendar year 1966 or 1967, or \$7,800 for*
23 *the calendar year 1968, 1969, or 1970, or \$9,000 for the cal-*
24 *endar year 1971, 1972, or 1973, or \$10,800 for any calen-*
25 *dar year after 1973".*

CHANGES IN TAX SCHEDULES

1
2 SEC. ~~109~~ 110. (a) (1) Section 1401 (a) of the Internal
3 Revenue Code of 1954 (relating to rate of tax on self-
4 employment income for purposes of old-age, survivors, and
5 disability insurance) is amended by striking out paragraphs
6 (1), (2), (3), and (4) and inserting in lieu thereof the
7 following:

8 “(1) in the case of any taxable year beginning after
9 December 31, 1966, and before January 1, 1969, the
10 tax shall be equal to 5.9 percent of the amount of the
11 self-employment income for such taxable year;

12 “(2) in the case of any taxable year beginning after
13 December 31, 1968, and before January 1, 1971, the
14 tax shall be equal to 6.3 percent of the amount of the
15 self-employment income for such taxable year;

16 “(3) in the case of any taxable year beginning after
17 December 31, 1970, and before January 1, 1973, the
18 tax shall be equal to 6.9 percent of the amount of the
19 self-employment income for such taxable year; and

20 “(4) in the case of any taxable year beginning after
21 December 31, 1972, the tax shall be equal to 7.0 percent
22 of the amount of the self-employment income for such
23 taxable year.”

24 (2) Section 3101 (a) of such Code (relating to rate
25 of tax on employees for purposes of old-age, survivors, and

1 disability insurance) is amended by striking out paragraphs
2 (1), (2), (3), and (4) and inserting in lieu thereof the
3 following:

4 " (1) with respect to wages received during the cal-
5 endar years 1967 and 1968, the rate shall be 3.9 percent;

6 " (2) with respect to wages received during the
7 calendar years 1969 and 1970, the rate shall be 4.2
8 percent;

9 " (3) with respect to wages received during the
10 calendar years 1971 and 1972, the rate shall be 4.6
11 percent; and

12 " (4) with respect to wages received after Decem-
13 ber 31, 1972, the rate shall be 5.0 percent."

14 (3) Section 3111 (a) of such Code (relating to rate
15 of tax on employers for purposes of old-age, survivors, and
16 disability insurance) is amended by striking out paragraphs
17 (1), (2), (3), and (4) and inserting in lieu thereof the
18 following:

19 " (1) with respect to wages paid during the cal-
20 endar years 1967 and 1968, the rate shall be 3.9 per-
21 cent;

22 " (2) with respect to wages paid during the cal-
23 endar years 1969 and 1970, the rate shall be 4.2 per-
24 cent;

25 " (3) with respect to wages paid during the cal-

1 endar years 1971 and 1972, the rate shall be 4.6 per-
2 cent; and

3 “ (4) with respect to wages paid after December
4 31, 1972, the rate shall be 5.0 percent.”

5 (b) (1) Section 1401 (b) of such Code (relating to
6 rate of tax on self-employment income for purposes of hos-
7 pital insurance) is amended by striking out paragraphs (1)
8 through (6) and inserting in lieu thereof the following:

9 “ (1) in the case of any taxable year beginning
10 after December 31, 1966, and before January 1, 1969,
11 the tax shall be equal to 0.50 percent of the amount of
12 the self-employment income for such taxable year;

13 “ (2) in the case of any taxable year beginning
14 after December 31, 1968, and before January 1, ~~1973~~
15 1971, the tax shall be equal to ~~0.60~~ 0.65 percent of the
16 amount of the self-employment income for such taxable
17 year;

18 “ (3) in the case of any taxable year beginning
19 after December 31, ~~1972~~ 1970, and before January 1,
20 1976, the tax shall be equal to ~~0.65~~ 0.70 percent of the
21 amount of the self-employment income for such taxable
22 year;

23 “ (4) in the case of any taxable year beginning
24 after December 31, 1975, and before January 1, ~~1980~~
25 1981, the tax shall be equal to ~~0.70~~ 0.75 percent of the

1 amount of the self-employment income for such taxable
2 year;

3 “(5) in the case of any taxable year beginning
4 after December 31, ~~1979~~ 1980, and before January 1,
5 1987, the tax shall be equal to ~~0.80~~ 0.85 percent of the
6 amount of the self-employment income for such taxable
7 year; and

8 “(6) in the case of any taxable year beginning
9 after December 31, 1986, the tax shall be equal to ~~0.90~~
10 0.95 percent of the amount of the self-employment in-
11 come for such taxable year.”

12 (2) Section 3101 (b) of such Code (relating to rate of
13 tax on employees for purposes of hospital insurance) is
14 amended by striking out paragraphs (1) through (6) and
15 inserting in lieu thereof the following:

16 “(1) with respect to wages received during the cal-
17 endar years 1967 and 1968, the rate shall be 0.50 per-
18 cent;

19 “(2) with respect to wages received during the cal-
20 endar years ~~1969, 1970, 1971, and 1972~~, 1969 and
21 1970, the rate shall be ~~0.60~~ 0.65 percent;

22 “(3) with respect to wages received during the cal-
23 endar years 1971, 1972, 1973, 1974, and 1975, the rate
24 shall be ~~0.65~~ 0.70 percent;

25 “(4) with respect to wages received during the cal-

1 endar years 1976, 1977, 1978, ~~and 1979~~ 1979, and
2 1980, the rate shall be ~~0.70~~ 0.75 percent;

3 “(5) with respect to wages received during the cal-
4 endar years ~~1980~~, 1981, 1982, 1983, 1984, 1985, and
5 1986, the rate shall be ~~0.80~~ 0.85 percent; and

6 “(6) with respect to wages received after Decem-
7 ber 31, 1986, the rate shall be ~~0.90~~ 0.95 percent.”

8 (3) Section 3111 (b) of such Code (relating to rate
9 of tax on employers for purposes of hospital insurance) is
10 amended by striking out paragraphs (1) through (6) and
11 inserting in lieu thereof the following:

12 “(1) with respect to wages paid during the cal-
13 endar years 1967 and 1968, the rate shall be 0.50
14 percent;

15 “(2) with respect to wages paid during the cal-
16 endar years ~~1969, 1970, 1971, and 1972~~, 1969 and
17 1970, the rate shall be ~~0.60~~ 0.65 percent;

18 “(3) with respect to wages paid during the cal-
19 endar years 1971, 1972, 1973, 1974, and 1975, the rate
20 shall be ~~0.65~~ 0.70 percent;

21 “(4) with respect to wages paid during the cal-
22 endar years 1976, 1977, 1978, ~~and 1979~~, 1979, and
23 1980, the rate shall be ~~0.70~~ 0.75 percent;

24 “(5) with respect to wages paid during the cal-

1 endar years ~~1980~~, 1981, 1982, 1983, 1984, 1985, and
2 1986, the rate shall be ~~0.80~~ 0.85 percent; and

3 “(6) with respect to wages paid after December
4 31, 1986, the rate shall ~~0.90~~ 0.95 percent.”

5 (c) The amendments made by subsections (a) (1)
6 and (b) (1) shall apply only with respect to taxable years
7 beginning after December 31, 1967. The remaining amend-
8 ments made by this section shall apply only with respect
9 to remuneration paid after December 31, 1967.

10 **ALLOCATION TO DISABILITY INSURANCE TRUST FUND**

11 SEC. 410 111. (a) Section 201 (b) (1) of the Social
12 Security Act is amended—

13 (1) by inserting “(A)” after “(1)”;

14 (2) by striking out “1954, and” and inserting in
15 lieu thereof “1954, (B)”;

16 (3) by inserting “and before January 1, 1968,”
17 after “December 31, 1965,”; and

18 (4) by inserting after “so reported,” the following:
19 “and (C) 0.95 of 1 per centum of the wages (as so de-
20 fined) paid after December 31, 1967, and so reported.”

21 (b) Section 201 (b) (2) of such Act is amended—

22 (1) by inserting “(A)” after “(2)”;

23 (2) by striking out “1966, and” and inserting in
24 lieu thereof “1966, (B)”;

25 (3) by inserting after “December 31, 1965,” the

1 following: "and before January 1, 1968, and (C)
2 0.7125 of 1 per centum of the amount of self-employ-
3 ment income (as so defined) so reported for any taxable
4 year beginning after December 31, 1967,".

5 *ELIMINATION OF PROVISIONS DENYING BENEFITS TO IN-*
6 *DIVIDUALS BECAUSE OF MEMBERSHIP IN CERTAIN*
7 *ORGANIZATIONS*

8 *SEC. 112. (a) Section 103(b) of the Social Security*
9 *Amendments of 1965 is amended by striking out paragraph*
10 *(1), by redesignating paragraphs (2) and (3) as (1) and*
11 *(2), and by striking out "Paragraph (3)" in the second*
12 *sentence and inserting in lieu thereof "Paragraph (2)".*

13 *(b) The amendment made by subsection (a) shall take*
14 *effect July 30, 1965, as though it had been incorporated in*
15 *the Social Security Amendments of 1965 as enacted on that*
16 *date.*

17 **PART 2—COVERAGE UNDER THE OLD-AGE, SURVIVORS,**
18 **AND DISABILITY INSURANCE PROGRAM**

19 **COVERAGE OF MINISTERS**

20 **SEC. 115. (a)** The last sentence of section 211 (c) of
21 the Social Security Act is amended to read as follows:
22 "The provisions of paragraph (4) or (5) shall not apply
23 to service performed by an individual unless an exemption
24 under section 1402 (e) of the Internal Revenue Code of 1954
25 is effective with respect to him."

1 (b) (1) The last sentence of section 1402(c) of the
2 Internal Revenue Code of 1954 (relating to definition of
3 trade or business) is amended to read as follows:

4 "The provisions of paragraph (4) or (5) shall not apply
5 to service performed by an individual unless an exemption
6 under subsection (e) is effective with respect to him."

7 (2) Section 1402(e) of such Code (relating to min-
8 isters, members of religious orders, and Christian Science
9 practitioners) is amended to read as follows:

10 "(e) **MINISTERS, MEMBERS OF RELIGIOUS ORDERS,**
11 **AND CHRISTIAN SCIENCE PRACTITIONERS.—**

12 "(1) **EXEMPTION.—**Any individual who is (A)
13 a duly ordained, commissioned, or licensed minister of a
14 church or a member of a religious order or (B) a Chris-
15 tian Science practitioner, upon filing an application (in
16 such form and manner, and with such official, as may be
17 prescribed by regulations made under this chapter) to-
18 gether with a statement that he is conscientiously op-
19 posed to the acceptance (with respect to services
20 performed by him as such minister, member, or prac-
21 titioner) of any public insurance which makes pay-
22 ments in the event of death, disability, old age, or
23 retirement or makes payments toward the cost of, or
24 provides services for, medical care (including the bene-
25 fits of any insurance system established by the Social

1 Security Act), shall receive an exemption from the tax
2 imposed by this chapter with respect to services per-
3 formed by him as such minister, member, or practi-
4 tioner. Notwithstanding the preceding sentence,
5 an exemption may not be granted to an individual
6 under this subsection if he had filed an effective waiver
7 certificate under this section as it was in effect before
8 its amendment in 1967.

9 “(2) TIME FOR FILING APPLICATION.—Any indi-
10 vidual who desires to file an application pursuant to
11 paragraph (1) must file such application on or before
12 whichever of the following dates is later: (A) the due
13 date of the return (including any extension thereof) for
14 the second taxable year for which he has net earnings
15 from self-employment (computed without regard to
16 subsections (c) (4) and (c) (5)) of \$400 or more, any
17 part of which was derived from the performance of
18 service described in subsection (c) (4) or (c) (5);
19 or (B) the due date of the return (including any ex-
20 tension thereof) for his second taxable year ending after
21 1967.

22 “(3) EFFECTIVE DATE OF EXEMPTION.—An ex-
23 emption received by an individual pursuant to this sub-
24 section shall be effective for the first taxable year for
25 which he has net earnings from self-employment (com-

1 puted without regard to subsections (c) (4) and (c)
2 (5)) of \$400 or more, any part of which was derived
3 from the performance of service described in subsection
4 (c) (4) or (c) (5), and for all succeeding taxable years.
5 An exemption received pursuant to this subsection shall
6 be irrevocable.”

7 (c) The amendments made by subsections (a) and (b)
8 shall apply only with respect to taxable years ending after
9 1967.

10 COVERAGE OF STATE AND LOCAL EMPLOYEES

11 SEC. 116. (a) Section 218(d) (6) (D) of the Social
12 Security Act is amended by inserting “(i)” after “(D)”,
13 and by adding at the end thereof the following:

14 “ (ii) Notwithstanding clause (i), the State may, pur-
15 suant to subsection (c) (4) (B) and subject to the conditions
16 of continuation or termination of coverage provided for in
17 subsection (c) (7), modify its agreement under this section
18 to include services performed by all individuals described in
19 clause (i) other than those individuals to whose services the
20 agreement already applies. Such individuals shall be deemed
21 (on and after the effective date of the modification) to be
22 in positions covered by the separate retirement system
23 consisting of the positions of members of the division or part
24 who desire coverage under the insurance system established
25 under this title.”

1 (b) (1) (A) Section 218 (c) (3) of such Act is amended
2 by striking out subparagraph (A), and by redesignating
3 subparagraphs (B) and (C) as subparagraphs (A) and
4 (B), respectively.

5 (B) Paragraphs (4) and (7) of section 218 (c) of
6 such Act, and paragraph (5) (B) of section 218 (d) of such
7 Act, are each amended by striking out "paragraph (3) (C)"
8 wherever it appears and inserting in lieu thereof "paragraph
9 (3) (B)".

10 (C) Paragraph (4) (C) of section 218 (d) of such
11 Act is amended by striking out "subsection (c) (3) (C)"
12 and inserting in lieu thereof "subsection (c) (3) (B)".

13 (2) Section 218 (c) (6) of such Act is amended—

14 (A) by striking out "and" at the end of subpara-
15 graph (C) ;

16 (B) by striking out the period at the end of sub-
17 paragraph (D) and inserting in lieu thereof ", and";
18 and

19 (C) by adding at the end thereof the following new
20 subparagraph:

21 "(E) service performed by an individual as an
22 employee serving on a temporary basis in case of fire,
23 storm, snow, earthquake, flood, or other similar
24 emergency."

25 (3) The amendments made by this subsection shall be

1 effective with respect to services performed on or after
2 January 1, 1968.

3 (c) Section 218 (c) of such Act is amended by adding
4 at the end thereof the following new paragraph:

5 “(8) Notwithstanding any other provision of this sec-
6 tion, the agreement with any State entered into under this
7 section may at the option of the State be modified on or
8 after January 1, 1968, to exclude service performed by elec-
9 tion officials or election workers if the remuneration paid in a
10 calendar quarter for such service is less than \$50. Any modi-
11 fication of an agreement pursuant to this paragraph shall be
12 effective with respect to services performed after an effective
13 date, specified in such modification, which shall not be
14 earlier than the last day of the calendar quarter in which the
15 modification is mailed or delivered by other means to the
16 Secretary.”

17 INCLUSION OF ILLINOIS AMONG STATES PERMITTED TO
18 DIVIDE THEIR RETIREMENT SYSTEMS

19 SEC. 117. Section 218 (d) (6) (C) of the Social Secu-
20 rity Act is amended by inserting “Illinois,” after “Georgia,”.

21 TAXATION OF CERTAIN EARNINGS OF RETIRED PARTNER

22 SEC. 118. (a) Section 1402(a) of the Internal Reve-
23 nue Code of 1954 (relating to definition of net earnings
24 from self-employment) is amended—

25 (1) by striking out “and” at the end of paragraph

26 (8);

1 (2) by striking out the period at the end of para-
2 graph (9) and inserting in lieu thereof “; and”; and

3 (3) by inserting after paragraph (9) the following
4 new paragraph:

5 “(10) there shall be excluded amounts received by
6 a partner pursuant to a written plan of the partnership,
7 which meets such requirements as are prescribed by the
8 Secretary of the Treasury or his delegate, and which
9 provides for payments on account of retirement, on a
10 periodic basis, to partners generally or to a class or
11 classes of partners, such payments to continue at least
12 until such partner’s death, if—

13 “(A) such partner rendered no services with
14 respect to any trade or business carried on by such
15 partnership (or its successors) during the taxable
16 year of such partnership (or its successors), end-
17 ing within or with his taxable year, in which such
18 amounts were received, and

19 “(B) no obligation exists (as of the close of
20 the partnership’s taxable year referred to in sub-
21 paragraph (A)) from the other partners to such
22 partner except with respect to retirement payments
23 under such plan, and

24 “(C) such partner’s share, if any, of the capital
25 of the partnership has been paid to him in full before

1 the close of the partnership's taxable year referred
2 to in subparagraph (A)."

3 (b) Section 211(a) of the Social Security Act is
4 amended—

5 (1) by striking out "and" at the end of paragraph
6 (7);

7 (2) by striking out the period at the end of para-
8 graph (8) and inserting in lieu thereof "; and"; and

9 (3) by inserting after paragraph (8) the following
10 new paragraph:

11 "(9) There shall be excluded amounts received
12 by a partner pursuant to a written plan of the partner-
13 ship, which meets such requirements as are prescribed
14 by the Secretary of the Treasury or his delegate, and
15 which provides for payments on account of retirement,
16 on a periodic basis, to partners generally or to a class
17 or classes of partners, such payments to continue at least
18 until such partner's death, if—

19 "(A) such partner rendered no services with
20 respect to any trade or business carried on by such
21 partnership (or its successors) during the taxable
22 year of such partnership (or its successors), ending
23 within or with his taxable year, in which such
24 amounts were received, and

25 "(B) no obligation exists (as of the close of

1 the partnership's taxable year referred to in sub-
2 paragraph (A)) from the other partners to such
3 partner except with respect to retirement payments
4 under such plan, and

5 " (C) such partner's share, if any, of the cap-
6 ital of the partnership has been paid to him in full
7 before the close of the partnership's taxable year
8 referred to in subparagraph (A)."

9 (c) The amendments made by this section shall apply
10 only with respect to taxable years ending on or after De-
11 cember 31, 1967.

12 COVERAGE OF AGRICULTURAL LABOR

13 *SEC. 119. (a) Section 209(h)(2) of the Social Security*
14 *Act is amended by striking out "\$150" and inserting in lieu*
15 *thereof "\$50", and by striking out "twenty" and inserting in*
16 *lieu there of "ten".*

17 *(b) Section 213(a)(2)(iv) of such Act is amended by*
18 *striking out "\$100" and inserting in lieu thereof "\$50"; by*
19 *striking out "\$200" each time it appears and inserting in lieu*
20 *thereof "\$100"; by striking out "\$300" each time it appears*
21 *and inserting in lieu thereof "\$150"; and by striking out*
22 *"\$400" each time it appears and inserting in lieu thereof*
23 *"\$200".*

24 *(c) Section 3121(a)(8)(B) of the Internal Revenue*
25 *Code of 1954 (relating to the coverage of agricultural labor)*

1 is amended by striking out "\$150" and inserting in lieu
 2 thereof "\$50", and by striking out "20" and inserting in lieu
 3 thereof "10".

4 (d) The amendments made by subsections (a) and (c)
 5 shall apply with respect to remuneration paid after Decem-
 6 ber 1967; the amendments made by subsection (b) shall be
 7 applicable (A) in the case of monthly benefits under title II
 8 of the Social Security Act for months after December 1967,
 9 on the basis of applications filed after such month, (B) in
 10 the case of lump-sum death payments under such title, with
 11 respect to deaths occurring after such month, and (C) in the
 12 case of applications under section 216(i) of such Act or under
 13 section 103 of the Social Security Amendments of 1965, with
 14 respect to applications filed after such month.

15 **TRANSFER OF FEDERAL EMPLOYMENT CREDITS**

16 **SEC. 120.** (a) Section 205 of the Social Security Act is
 17 amended by adding at the end thereof the following new
 18 subsection:

19 "Crediting of Pay or Salary Under Civil Service Retire-
 20 ment, Foreign Service Retirement, or Central Intelli-
 21 gence Agency Retirement

22 "(q)(1) Notwithstanding paragraphs (5) and (6) of
 23 section 210(a)—

24 "(A) the basic pay (as defined in section 8331(3)
 25 of title 5, United States Code) of an individual at-

1 *tributable to service (other than service described in sec-*
2 *tion 8331(14) of title 5, United States Code) to which*
3 *subchapter III (relating to civil service retirement) of*
4 *chapter 83 of title 5, United States Code, applies and*
5 *which is performed after June 30, 1966,*

6 *“(B) the basic salary (as determined by the Secre-*
7 *tary of State) of an individual attributable to service*
8 *to which title VIII of the Foreign Service Act of 1946*
9 *applies and which is performed after June 30, 1966, or*

10 *“(C) the basic salary (as determined by the Direc-*
11 *tor of Central Intelligence) of an individual attribut-*
12 *able to service which the Central Intelligence Agency*
13 *Retirement Act of 1964 for Certain Employees applies*
14 *and which is performed after June 30, 1966,*

15 *shall constitute remuneration for employment under this title*
16 *if, after December 31, 1967, such individual is separated*
17 *from service to which such subchapter III, title VIII, or*
18 *Act of 1964 applies and neither such individual nor any of*
19 *his survivors is entitled, on the basis of such service of such*
20 *individual, to an annuity (deferred or otherwise) under the*
21 *retirement system established thereby or under any other*
22 *retirement system established for employees of the United*
23 *States or any instrumentality thereof or the District of*
24 *Columbia. The preceding provisions of this paragraph shall*
25 *not apply with respect to remuneration for (i) any period*

1 of service that terminated before the second month follow-
2 ing the month of enactment of the Social Security Amend-
3 ments of 1967 or (ii) service performed outside of the United
4 States by an individual who is not a citizen or national of
5 the United States.

6 “(2) The Chairman of the Civil Service Commission,
7 the Secretary of State, or the Director of Central Intelligence,
8 as the case may be, shall, at the request of the Secretary of
9 Health, Education, and Welfare, furnish him a record of
10 such individual's service and his basic pay or basic salary,
11 together with a certification as to whether such individual
12 or any of his survivors are, or are not, entitled to an annuity
13 on the basis of such service. Such record and certification
14 shall be final and conclusive upon the Secretary of Health,
15 Education, and Welfare. Pay or salary paid to any in-
16 dividual in any calendar year and included in any such
17 record shall, in the absence of evidence to the contrary, be
18 presumed to have been paid in equal proportions with respect
19 to all months in such year in which such individual per-
20 formed service for such pay or salary, as the case may be.”

21 (b) Section 201 of such Act is amended by adding at the
22 end thereof the following new subsection:

23 “(i)(1) Within the 6-month period after the close of
24 the fiscal year ending June 30, 1968, and within the 6-month
25 period after the close of each fiscal year thereafter, the Secre-

1 *tary of the Treasury shall transfer to the Federal Old-Age*
2 *and Survivors Insurance Trust Fund, the Federal Dis-*
3 *ability Insurance Trust Fund, and the Federal Hospital*
4 *Insurance Trust Fund—*

5 “(A) from the Civil Service Retirement and Dis-
6 *ability Fund, an amount determined by the Secretary*
7 *of Health, Education, and Welfare to be equal to the*
8 *total of the proportionate costs, attributable to the basic*
9 *pay for Federal service credited pursuant to section 205*
10 *(q), of the benefits of all individuals paid at any time*
11 *during such fiscal year out of each of such Trust Funds,*
12 *and*

13 “(B) from the Foreign Service Retirement and
14 *Disability Fund, an amount determined by the Secre-*
15 *tary of Health, Education, and Welfare to be equal to*
16 *the total of the proportionate costs, attributable to the*
17 *basic salary for Federal service credited pursuant to*
18 *section 205(q), of the benefits of all individuals paid*
19 *at any time during such fiscal year out of each of such*
20 *Trust Funds, and*

21 “(C) from the Central Intelligence Agency Retire-
22 *ment and Disability Fund, an amount determined by*
23 *the Secretary of Health, Education, and Welfare to be*
24 *equal to the total of the proportionate costs, attributable*
25 *to the basic salary for Federal service credited pursuant*

1 to section 205(q), of the benefits of all individuals paid
2 at any time such fiscal year out of each of such Trust
3 Funds, and

4 “(D) the interest on the amount determined under
5 subparagraphs (A), (B), and (C) from the date of
6 payment of such benefits out of such Trust Funds to the
7 date of such transfer; and the rate of such interest for
8 each of such Trust Funds shall be the average of the
9 rates of interest for the months of such fiscal year as
10 determined under the fifth sentence of subsection (d) of
11 this section.

12 In determining the amount to be transferred to each of such
13 Trust Funds under subparagraphs (A), (B), and (C), the
14 Secretary of Health, Education, and Welfare shall take into
15 account adjustments required by overpayments or underpay-
16 ments made with respect to prior years and benefits paid
17 indirectly through the financial interchange provisions of sec-
18 tion 5(k)(2) of the Railroad Retirement Act of 1937.

19 “(2) For purposes of paragraph (1), the proportionate
20 costs of the benefits of an individual attributable to the basic
21 pay or basic salary for Federal service which is credited pur-
22 suant to section 205(q) and with respect to which a tax equiv-
23 alent has been withheld by the Secretary of the Treasury
24 from his lump-sum credit under subchapter III (relating to
25 civil service retirement) of chapter 83 of title 5, United States

1 *Code, title VIII of the Foreign Service Act of 1946, or the*
 2 *Central Intelligence Agency Retirement Act of 1964 for Cer-*
 3 *tain Employees shall be the amount of benefits paid (either*
 4 *directly from the Trust Funds or indirectly through the finan-*
 5 *cial interchange provisions of section 5(k)(2) of the Rail-*
 6 *road Retirement Act of 1937) on the basis of the wages and*
 7 *self-employment income of such individual multiplied by the*
 8 *fraction—*

9 “(A) the numerator of which is the dollar amount of
 10 the basic pay or basic salary for Federal service which
 11 is credited pursuant to section 205(q), and

12 “(B) the denominator of which is the sum of (i) the
 13 amount determined under subparagraph (A), plus (ii)
 14 the dollar amount of such individual's wages and self-
 15 employment income (computed without regard to the basic
 16 pay or salary referred to in subparagraph (A)), plus
 17 (iii) the dollar amount of compensation of such indi-
 18 vidual under the Railroad Retirement Act of 1937 which
 19 would have been included as wages under this Act if serv-
 20 ice as an employee under the Railroad Retirement Act
 21 of 1937 after December 31, 1936, had been included in
 22 the term ‘employment’ as defined in this Act.

23 *The tax equivalent with respect to an individual means an*
 24 *amount equal to the taxes which would have been paid (but*
 25 *which have not been paid) under section 3101 of the Internal*

1 *Revenue Code of 1954 with respect to service after June 30,*
 2 *1966, of such individual who was subject to subchapter III*
 3 *(relating to civil service retirement) of chapter 83 of title 5,*
 4 *United States Code, title VIII of the Foreign Service Act*
 5 *of 1946, or the Central Intelligence Agency Retirement Act*
 6 *of 1964 for Certain Employees if such individual's basic pay*
 7 *or basic salary, as the case may be, for that service had at*
 8 *that time constituted remuneration for employment under this*
 9 *title.*

10 *COVERAGE STATUS OF FISHERMEN AND TRUCK LOADERS*
 11 *AND UNLOADERS*

12 *SEC. 121. (a)(1) Section 210(j) of the Social Secu-*
 13 *rity Act is amended by striking out the period at the end of*
 14 *paragraph (3) and inserting in lieu thereof “; or”, and by*
 15 *adding at the end thereof the following new paragraphs:*

16 *“(4) any individual who performs services for*
 17 *remuneration (whether on a share basis or any other*
 18 *basis) as an officer or member of the crew of a vessel*
 19 *while it is engaged in the catching, taking, harvesting,*
 20 *cultivating, or farming of any kind of fish, shellfish,*
 21 *crustacea, sponges, seaweeds, or other forms of aquatic*
 22 *animal or vegetable life (including services performed*
 23 *by any such individual as an ordinary incident to any*
 24 *such activity); except that an individual shall not be*
 25 *included in the term ‘employee’ under the provisions of*

1 this paragraph if, pursuant to the provisions of subsec-
 2 tion (p), any officer or member of the crew of such
 3 vessel is deemed to be his employee; or

4 “(5) any individual who performs services for
 5 remuneration in the loading or unloading of the contents
 6 of a truck, truck or tractor trailer, or similar convey-
 7 ance.”

8 (2) Section 210 of such Act is further amended by add-
 9 ing at the end thereof the following new subsections:

10 “Treatment of Owners and Lessees of Vessels as Employers

11 “(p) An individual who is an employee under the pro-
 12 visions of subsection (j)(4) shall be deemed to be the em-
 13 ployee of the owner of the vessel on or in connection with
 14 which his services are performed, except that if—

15 “(1) such vessel has been chartered or leased and
 16 the owner has no interest of any kind in the fish, shell-
 17 fish, crustacea, sponges, seaweeds, or other forms of
 18 aquatic animal or vegetable life caught, taken, harvested,
 19 cultivated, or farmed by such vessel, or in the proceeds
 20 thereof, and

21 “(2) any charterer or lessee of such vessel has such
 22 an interest,

23 such an individual shall be deemed to be the employee of
 24 such charterer or lessee. If by reason of the preceding sen-
 25 tence an individual is deemed to be the employee of more

1 *than one charterer or lessee, and one or more (but less than*
2 *all) of such charterers or lessees are not officers or members*
3 *of the crew of such vessel, such individual shall be deemed*
4 *to be the employee of each of the charterers or lessees who*
5 *is not an officer or member of the crew of such vessel.*

6 *“Employers of Truck Loaders and Unloaders*

7 *“(q) An individual who is an employee under the pro-*
8 *visions of subsection (j)(5) shall be deemed to be the em-*
9 *ployee of the driver in charge of the truck or other convey-*
10 *ance in connection with which his service is performed,*
11 *except that if such driver is the employee of another person*
12 *with respect to services he performs as the driver of such*
13 *truck or other conveyance, such individual shall be deemed*
14 *to be the employee of such other person. However, the preced-*
15 *ing sentence shall not apply with respect to an individual*
16 *if it can be shown by such driver or his employer that a*
17 *person other than such driver or employer has acknowledged*
18 *in writing on a form to be prescribed by the Secretary of*
19 *the Treasury or his delegate that he has the responsibility*
20 *for collecting and paying the taxes imposed by the Federal*
21 *Insurance Contributions Act with respect to such loading or*
22 *unloading services performed by such individual, in which*
23 *event the person who has made such acknowledgment in*
24 *writing shall be deemed to be the employer of such individual.”*

25 *(3) The amendments made by this subsection shall have*

1 the same effect as if included in the Social Security Act on
2 and after January 1, 1951.

3 (b)(1) Section 3121(d) of the Internal Revenue Code
4 of 1954 (definition of employee) is amended by striking out
5 the period at the end of paragraph (3) and inserting in
6 lieu thereof “; or” and by adding at the end thereof the
7 following new paragraphs:

8 “(4) any individual who performs services for
9 remuneration (whether on a share basis or any other
10 basis) as an officer or member of the crew of a vessel
11 while it is engaged in the catching, taking, harvesting,
12 cultivating, or farming of any kind of fish, shellfish,
13 crustacea, sponges, seaweeds, or other forms of aquatic
14 animal or vegetable life (including services performed by
15 any such individual as an ordinary incident to any such
16 activity); except that an individual shall not be in-
17 cluded in the term ‘employee’ under the provisions of this
18 paragraph if, pursuant to the provisions of subsection
19 (r), any officer or member of the crew of such vessel is
20 deemed to be his employee; or

21 “(5) any individual who performs services for re-
22 munerated in the loading or unloading of the contents
23 of a truck, truck or tractor trailer, or similar convey-
24 ance.”

1 (2) Section 3121 of such Code (definitions relating to
2 Federal Insurance Contributions Act) is amended by adding
3 at the end thereof the following new subsections:

4 “(r) TREATMENT OF OWNERS AND LESSEES OF VES-
5 SELS AS EMPLOYERS.—For purposes of this chapter, an
6 individual who is an employee under the provisions of sub-
7 section (d)(4) shall be deemed to be the employee of the own-
8 er of the vessel on or in connection with which his services
9 are performed, except that if—

10 “(1) such vessel has been chartered or leased and
11 the owner has no interest of any kind in the fish, shell-
12 fish, crustacea, sponges, seaweeds, or other forms of
13 aquatic animal or vegetable life caught, taken, harvested,
14 cultivated, or farmed by such vessel, or in the proceeds
15 thereof, and

16 “(2) any charterer or lessee of such vessel has such
17 an interest,

18 such individual shall be deemed to be the employee of such
19 charterer or lessee. If by reason of the preceding sentence an
20 individual is deemed to be the employee of more than one
21 charterer or lessee, and one or more (but less than all) of
22 such charterers or lessees are not officers or members of the
23 crew of such vessel, such individual shall be deemed to be
24 the employee of each of the charterers or lessees who is not
25 an officer or member of the crew of such vessel.

26 “(s) EMPLOYERS OF TRUCK LOADERS AND UNLOAD-

1 *ERS.—For purposes of this chapter, an individual who is an*
2 *employee under the provisions of subsection (d)(5) shall be*
3 *deemed to be the employee of the driver in charge of the truck*
4 *or other conveyance in connection with which his service is*
5 *performed, except that if such driver is the employee of an-*
6 *other person with respect to services he performs as the driver*
7 *of such truck or other conveyance, such individual shall be*
8 *deemed to be the employee of such other person. However, the*
9 *preceding sentence shall not apply with respect to an individ-*
10 *ual if it can be shown by such driver or his employer that a*
11 *person other than such driver or employer has acknowledged*
12 *in writing on a form to be prescribed by the Secretary or his*
13 *delegate that he has the responsibility for collecting and pay-*
14 *ing the taxes imposed by this chapter with respect to such*
15 *loading or unloading services performed by such individual,*
16 *in which event the person who has made such acknowledg-*
17 *ment in writing shall be deemed to be the employer of such*
18 *individual.”*

19 *(3) The amendments made by this subsection shall apply*
20 *with respect to remuneration paid after December 31, 1967,*
21 *for services performed after such date.*

22 *(c)(1) Section 3401(c) of such Code (definition of*
23 *employee for withholding tax purposes) is amended by strik-*
24 *ing out “an officer of a corporation” in the final sentence and*
25 *inserting in lieu thereof “the persons named in section 3121*
26 *(d), except that paragraph (3) shall not apply”.*

1 (2) *The amendment made by this subsection shall apply*
2 *with respect to remuneration paid after December 31, 1967,*
3 *for services performed after such date.*

4 **PART 3—HEALTH INSURANCE BENEFITS**

5 **METHOD OF PAYMENT TO PHYSICIANS UNDER SUPPLE-**
6 **MENTARY MEDICAL INSURANCE PROGRAM**

7 **SEC. 125. (a) Section 1842 (b) (3) (B) of the Social**
8 **Security Act is amended—**

9 (1) by striking out “(i)”; and

10 (2) by striking out “and (ii)” and all that fol-
11 lows and inserting in lieu thereof the following: “and
12 such payment will be made—

13 “(i) on the basis of a receipted bill; or

14 “(ii) on the basis of an assignment under the
15 terms of which the reasonable charge is the full
16 charge for the service; or

17 “(iii) on the basis of an itemized bill (I) to
18 the physician or other person providing the service,
19 if such bill is submitted by him in such form and
20 manner as the Secretary may prescribe and within
21 such time as may be specified in regulations and the
22 full charge is found not to exceed the reasonable
23 charge for the service, or (II) to the individual
24 receiving the service, if payment is not made in
25 accordance with clause (I) (either because the

1 charge made is found to exceed the reasonable
2 charge for the service, or because the physician or
3 other person providing the service fails to submit
4 the bill under clause (I) within the time specified
5 or directs that payment be made to the individual
6 receiving the service) and the bill is submitted in
7 such form and manner as the Secretary may pre-
8 scribe;

9 but only if the bill is submitted, or a written request for
10 payment is made in such other form as may be per-
11 mitted under regulations, no later than the close of the
12 calendar year following the year in which such service
13 is furnished (deeming any service furnished in the last
14 3 months of any calendar year to have been furnished
15 in the succeeding calendar year);”.

16 (b) The amendments made by subsection (a) shall
17 apply with respect to payments made under part B of title
18 XVIII of the Social Security Act on the basis of bills re-
19 ceived after December 31, 1967.

20 ELIMINATION OF REQUIREMENT OF PHYSICIAN CERTIFICA-
21 TION IN CASE OF CERTAIN HOSPITAL SERVICES

22 SEC. 126. (a) Section 1814 (a) of the Social Security
23 Act, (as amended by section 129 (c) (5) of this Act) is
24 amended—

1 (1) by striking out subparagraph (A) of para-
2 graph (2);

3 (2) by redesignating subparagraphs (B), (C),
4 (D), and (E) of paragraph (2) as subparagraphs
5 (A), (B), (C), and (D), respectively;

6 (3) by redesignating paragraphs (3), (4), (5),
7 and (6) as paragraphs (4), (5), (6), and (7), re-
8 spectively;

9 (4) by inserting immediately after paragraph (2)
10 the following new paragraph:

11 “(3) with respect to inpatient hospital services
12 (other than inpatient psychiatric hospital services and
13 inpatient tuberculosis hospital services) which are fur-
14 nished over a period of time, a physician certifies that
15 such services are required to be given on an inpatient
16 basis for such individual’s medical treatment, or that
17 inpatient diagnostic study is medically required and such
18 services are necessary for such purpose, except that (A)
19 such certification shall be furnished only in such cases,
20 with such frequency, and accompanied by such sup-
21 porting material, appropriate to the cases involved, as
22 may be provided by regulations, and (B) the first such
23 certification required in accordance with clause (A)
24 shall be furnished no later than the 20th day of such
25 period;” and

1 (5) by striking out “(D), or (E)” in the last
2 sentence and inserting in lieu thereof “or (D)”.

3 (b) Section 1835 (a) (2) (B) of such Act is amended
4 by inserting after “medical and other health services,” the
5 following: “except services described in subparagraphs (B)
6 and (C) of section 1861 (s) (2),”.

7 (c) The amendments made by this section shall apply
8 with respect to services furnished after the date of the enact-
9 ment of this Act.

10 **INCLUSION OF PODIATRISTS’ SERVICES UNDER SUP-**
11 **PLEMENTARY MEDICAL INSURANCE PROGRAM**

12 **SEC. 127.** (a) Section 1861 (r) of the Social Security
13 Act is amended—

14 (1) by striking out “or (2)” and inserting in lieu
15 thereof “(2)”; and

16 (2) by inserting before the period at the end thereof
17 the following: “, or (3) except for the purposes of sec-
18 tion 1814 (a), section 1835, and subsection (k) of this
19 section, a doctor of podiatry or surgical chiropody, but
20 (unless clause (1) of this subsection also applies to him)
21 only with respect to functions which he is legally author-
22 ized to perform as such by the State in which he per-
23 forms them”.

24 (b) Section 1862 (a) of such Act is amended—

1 (1) by striking out "or" at the end of paragraph
2 (11);

3 (2) by striking out the period at the end of para-
4 graph (12) and inserting in lieu thereof "; or"; and

5 (3) by adding after paragraph (12) the follow-
6 ing new paragraph:

7 " (13) where such expenses are for—

8 " (A) the treatment of flat foot conditions and
9 the prescription of supportive devices therefor,

10 " (B) the treatment of subluxations of the foot,
11 or

12 " (C) routine foot care (including the cutting
13 or removal of corns, warts, or calluses, the trimming
14 of nails, and other routine hygienic care)."

15 (c) The amendments made by subsections (a) and
16 (b) shall apply with respect to services furnished after
17 December 31, 1967.

18 EXCLUSION OF CERTAIN SERVICES

19 SEC. 128. Section 1862 (a) (7) of the Social Security
20 Act is amended by inserting after "changing eyeglasses," the
21 following: "procedures performed (during the course of any
22 eye examination) to determine the refractive state of the
23 eyes,".

1 TRANSFER OF ALL OUTPATIENT HOSPITAL SERVICES TO
2 SUPPLEMENTARY MEDICAL INSURANCE PROGRAM

3 SEC. 129. (a) Section 1861 (s) (2) of the Social Secu-
4 rity Act is amended—

5 (1) by inserting “(A)” after “(2)”;

6 (2) by striking out “physicians’ bills” and all that
7 follows and inserting in lieu thereof the following:
8 “physicians’ bills;

9 “(B) hospital services (including drugs and bio-
10 logicals which cannot, as determined in accordance with
11 regulations, be self-administered) incident to physicians’
12 services rendered to outpatients; and

13 “(C) diagnostic services which are—

14 “(i) furnished to an individual as an outpatient
15 by a hospital or by others under arrangements with
16 them made by a hospital, and

17 “(ii) ordinarily furnished by such hospital (or
18 by others under such arrangements) to its out-
19 patients for the purpose of diagnostic study;”.

20 (b) Section 1861 (s) of such Act is further amended
21 by adding at the end thereof (after and below paragraph
22 (11)) the following new sentence:

23 “There shall be excluded from the diagnostic services speci-

1 fied in paragraph (2) (C) any item or service (except
2 services referred to in paragraph (1)) which—

3 “(12) would not be included under subsection (b)
4 if it were furnished to an inpatient of a hospital; or

5 “(13) is furnished under arrangements referred to
6 in such paragraph (2) (C) unless furnished in the hos-
7 pital or in other facilities operated by or under the
8 supervision of the hospital or its organized medical staff.”

9 (c) (1) Section 226 (b) (1) of such Act is amended
10 by striking out “post-hospital home health services, and out-
11 patient hospital diagnostic services” and inserting in lieu
12 thereof “and post-hospital home health services”.

13 (2) Section 1812 (a) of such Act is amended—

14 (A) by adding “and” at the end of paragraph (2) ;

15 (B) by striking out “; and” at the end of para-
16 graph (3) and inserting in lieu thereof a period; and

17 (C) by striking out paragraph (4) .

18 (3) Section 1813 (a) of such Act is amended by strik-
19 ing out paragraph (2), and by redesignating paragraphs
20 (3) and (4) as paragraphs (2) and (3), respectively.

21 (4) (A) Section 1813 (b) (1) of such Act is amended
22 by striking out “or diagnostic study”.

23 (B) The first sentence of section 1813 (b) (2) of such
24 Act is amended by striking out “or diagnostic study”.

25 (5) (A) Section 1814 (a) (2) of such Act is amended—

1 (i) by adding "or" at the end of subparagraph
2 (D);

3 (ii) by striking out "or" at the end of subpara-
4 graph (E); and

5 (iii) by striking out subparagraph (F).

6 (B) The last sentence of section 1814 (a) of such Act
7 is amended by striking out "(E), or (F)" and inserting
8 in lieu thereof "or (E)".

9 (6) Section 1814 (d) of such Act is amended by strik-
10 ing out "or outpatient hospital diagnostic services".

11 (7) Section 1833 (b) of such Act is amended—

12 (A) by striking out "(or regarded under clause
13 (2) as incurred in such preceding year with respect to
14 services furnished in such last three months)"; and

15 (B) by striking out ", and (2)" and all that
16 follows and inserting in lieu thereof a period.

17 (8) Section 1833 (d) of such Act is amended by strik-
18 ing out "other than subsection (a) (2) (A) thereof".

19 (9) (A) Section 1835 (a) of such Act is amended by
20 striking out "Payment" and inserting in lieu thereof "Ex-
21 cept as provided in subsection (b), payment".

22 (B) Section 1835 of such Act is further amended by
23 redesignating subsection (b) as subsection (c), and by
24 inserting after subsection (a) the following new subsection:

1 “(b) Payment may also be made to any hospital for
2 services described in subparagraph (C) of section 1861 (s)
3 (2) furnished to an individual entitled to benefits under this
4 part even though such hospital does not have an agreement
5 in effect under this title if (A) such services were emergency
6 services and (B) the Secretary would be required to make
7 such payment if the hospital had such an agreement in
8 effect and otherwise met the conditions of payment here-
9 under. Such payments shall be made only in the amounts
10 provided under section 1833 (a) (2) and then only if such
11 hospital agrees to comply, with respect to the emergency
12 services provided, with the provisions of section 1866 (a).”

13 (C) Section 1861 (e) of such Act is amended—

14 (i) by striking out “except for purposes of sec-
15 tion 1814 (d),” and inserting in lieu thereof “except
16 for purposes of sections 1814 (d) and 1835 (b),”; and

17 (ii) by striking out “(including determination of
18 whether an individual received inpatient hospital serv-
19 ices for purposes of such section)” and inserting in lieu
20 thereof “and 1835 (b) (including determination of
21 whether an individual received inpatient hospital serv-
22 ices or diagnostic services for purposes of such sections)”.

23 (10) Section 1861 (p) of such Act is repealed.

24 (11) Section 1861 (y) (3) of such Act is amended by

1 striking out "1813 (a) (4)" and inserting in lieu thereof
2 "1813 (a) (3)".

3 (12) (A) Section 1866 (a) (2) (A) of such Act is
4 amended—

5 (i) by striking out ", (a) (2), or (a) (4)" and
6 inserting in lieu thereof "or (a) (3)"; and

7 (ii) by striking out "or, in the case of outpatient
8 hospital diagnostic services, for which payment is made
9 under part A".

10 (B) Section 1866 (a) (2) (C) of such Act is amended
11 by striking out "1813 (a) (3)" and inserting in lieu thereof
12 "1813 (a) (2)".

13 (13) Section 21 (a) of the Railroad Retirement Act
14 of 1937 is amended by striking out "post-hospital home
15 health services, and outpatient hospital diagnostic services"
16 and inserting in lieu thereof "and post-hospital home health
17 services".

18 (d) The amendments made by this section shall apply
19 with respect to services furnished after December 31, 1967.

20 BILLING BY HOSPITAL FOR SERVICES FURNISHED TO
21 OUTPATIENTS

22 SEC. 130. (a) Section 1835 (a) of the Social Security
23 Act (as amended by section 129 (c) (9) (A) of this Act)
24 is further amended by striking out "Except as provided in

1 subsection (b),” and inserting in lieu thereof “Except as
2 provided in subsections (b) and (c)”.

3 (b) Section 1835 of such Act (as amended by section
4 129 (c) (9) (B) of this Act) is amended by redesignating
5 subsection (c) (as redesignated) as subsection (d), and by
6 inserting after subsection (b) the following new subsection:

7 “(c) Notwithstanding the provisions of this section and
8 sections 1832, 1833, and 1866 (a) (1) (A), a hospital may,
9 subject to such limitations as may be prescribed by regula-
10 tions, collect from an individual the customary charges for
11 services specified in subparagraphs (B) and (C) of sec-
12 tion 1861 (s) (2) and furnished to him by such hospital,
13 but only if such charges for such services do not exceed
14 \$50, and such customary charges shall be regarded as ex-
15 penses incurred by such individual with respect to which
16 benefits are payable in accordance with section 1833 (a) (1).
17 Payments under this title to hospitals which have elected
18 to make collections from individuals in accordance with the
19 preceding sentence shall be adjusted periodically to place
20 the hospital in the same position it would have been had it
21 instead been reimbursed in accordance with section 1833
22 (a) (2).”

23 (c) The amendments made by this section shall apply
24 with respect to services furnished after December 31, 1967.

1 PAYMENT OF REASONABLE CHARGES FOR RADIOLOGICAL
2 OR PATHOLOGICAL SERVICES FURNISHED BY CERTAIN
3 PHYSICIANS TO HOSPITAL INPATIENTS

4 SEC. 131. (a) Section 1833 (a) (1) of the Social Secu-
5 rity Act is amended—

6 (1) by striking out “except that” and inserting
7 in lieu thereof “except that (A)”, and

8 (2) by striking out “of subsection (b)” and in-
9 serting in lieu thereof “of subsection (b), and (B) with
10 respect to expenses incurred for radiological or patho-
11 logical services for which payment may be made under
12 this part, furnished to an inpatient of a hospital by a
13 physician in the field of radiology or pathology, the
14 amounts paid shall be equal to 100 percent of the rea-
15 sonable charges for such services”.

16 (b) Section 1833 (b) of such Act (as amended by sec-
17 tion 129 (c) (7) of this Act) is amended by inserting before
18 the period at the end thereof the following: “, and (2) such
19 total amount shall not include expenses incurred for radio-
20 logical or pathological services furnished to such individual
21 as an inpatient of a hospital by a physician in the field of
22 radiology or pathology”.

23 (c) The amendments made by this section shall apply
24 with respect to services furnished after December 31, 1967.

1 **PAYMENT FOR PURCHASE OF DURABLE MEDICAL**
 2 **EQUIPMENT**

3 Sec. 132. (a) Section 1861 (s) (6) of the Social Se-
 4 curity Act is amended by striking out "rental of", and by
 5 inserting before the semicolon at the end thereof the follow-
 6 ing: ", whether furnished on a rental basis or purchased".

7 (b) Section 1833 of such Act is amended by adding
 8 at the end thereof the following new subsection:

9 “(f) In the case of the purchase of durable medical
 10 equipment included under section 1861 (s) (6), by or on
 11 behalf of an individual, payment shall be made in such
 12 amounts as the Secretary determines to be equivalent to pay-
 13 ments that would have been made under this part had such
 14 equipment been rented and over such period of time as the
 15 Secretary finds such equipment would be used for such in-
 16 dividual’s medical treatment, except that with respect to
 17 purchases of inexpensive equipment (as determined by the
 18 Secretary) payment may be made in a lump sum if the
 19 Secretary finds that such method of payment is less costly
 20 or more practical than periodic payments.”

21 (c) The amendments made by this section shall apply
 22 only with respect to items purchased after December 31,
 23 1967.

1 PAYMENT FOR PHYSICAL THERAPY SERVICES FURNISHED
2 BY HOSPITAL TO OUTPATIENTS

3 SEC. 133. (a) Subparagraph (B) of section 1861 (s)
4 (2) of the Social Security Act (as amended by section
5 129 (a) (2) of this Act) is amended by striking out “; and”
6 and inserting in lieu thereof “and physical therapy furnished
7 to an outpatient, in a place of residence used as such out-
8 patient’s home, by a hospital or by others under arrangements
9 with them made by such hospital if such therapy is under
10 the supervision of such hospital; and”.

11 (b) The amendment made by subsection (a) shall
12 apply to services furnished after December 31, 1967.

13 PAYMENT FOR CERTAIN PORTABLE X-RAY SERVICES

14 SEC. 134. (a) Section 1861 (s) (3) of the Social Secu-
15 rity Act is amended by striking out “diagnostic X-ray tests,”
16 and inserting in lieu thereof the following: “diagnostic X-ray
17 tests (including tests under the supervision of a physi-
18 cian, furnished in a place of residence used as the patient’s
19 home, if the performance of such tests meets such condi-
20 tions relating to health and safety as the Secretary may find
21 necessary),”.

22 (b) The amendment made by subsection (a) shall

1 apply with respect to services furnished after December 31,
2 1967.

3

BLOOD DEDUCTIBLES

4 SEC. 135. (a) (1) Section 1813 (a) (2) of the Social
5 Security Act (as redesignated by section 129 (c) (3) of this
6 Act) is amended to read as follows:

7 “(2) The amount payable to any provider of services
8 under this part for services furnished an individual during
9 any spell of illness shall be further reduced by a deduction
10 equal to the cost of the first three pints of whole blood (or
11 equivalent quantities of packed red blood cells, as defined
12 under regulations) furnished to him as part of such services
13 during such spell of illness.”

14 (b) Section 1866 (a) (2) (C) of such Act (as amended
15 by section 129 (c) (12) (B) of this Act) is amended—

16 (1) by striking out “may also charge” and insert-
17 ing in lieu thereof “may in accordance with its customary
18 practice also appropriately charge”;

19 (2) by inserting after “whole blood” the following:
20 “(or equivalent quantities of packed red blood cells, as
21 defined under regulations)”;

22 (3) by inserting after “blood” where it appears
23 in clauses (i), (ii), and (iii) the following: “(or
24 equivalent quantities of packed red blood cells, as so
25 defined)”;

1 (4) by adding at the end thereof the following new
2 sentence: "For purposes of clause (iii) of the preceding
3 sentence, whole blood (or equivalent quantities of packed
4 red blood cells, as so defined) furnished an individual
5 shall be deemed replaced when the provider of services
6 is given one pint of blood in addition to the number of
7 pints of blood (or equivalent quantities of packed red
8 blood cells, as so defined) furnished such individual with
9 respect to which a deduction is imposed under section
10 1813 (a) (2)."

11 (c) Section 1833 (b) of such Act (as amended by sec-
12 tions 129 (c) (7) and 131 (b) of this Act) is amended by
13 adding at the end thereof the following new sentence: "The
14 total amount of the expenses incurred by an individual as de-
15 termined under the preceding sentence shall, after the reduc-
16 tion specified in such sentence, be further reduced by an
17 amount equal to the expenses incurred for the first three pints
18 of whole blood (or equivalent quantities of packed red blood
19 cells, as defined under regulations) furnished to the indi-
20 vidual during the calendar year, except that such deductible
21 for such blood shall in accordance with regulations be ap-
22 propriately reduced to the extent that there has been a
23 replacement of such blood (or equivalent quantities of
24 packed red blood cells, as so defined); and for such
25 purposes blood (or equivalent quantities of packed red

1 blood cells, as so defined) furnished such individual shall be
2 deemed replaced when the institution or other person fur-
3 nishing such blood (or such equivalent quantities of packed
4 red blood cells, as so defined) is given one pint of blood in
5 addition to the number of pints of blood (or equivalent quan-
6 tities of packed red blood cells, as so defined) furnished such
7 individual with respect to which a deduction is made under
8 this sentence."

9 (d) The amendments made by this section shall apply
10 with respect to payment for blood (or packed red blood
11 cells) furnished an individual after December 31, 1967.

12 ENROLLMENT UNDER SUPPLEMENTARY MEDICAL INSUR-
13 ANCE PROGRAM BASED ON ALLEGED DATE OF ATTAIN-
14 ING AGE 65

15 SEC. 136. (a) Section 1837(d) of the Social Security
16 Act is amended by adding at the end thereof the following
17 new sentence: "Where the Secretary finds that an individual
18 who has attained age 65 failed to enroll under this part dur-
19 ing his initial enrollment period (based on a determination
20 by the Secretary of the month in which such individual at-
21 tained age 65), because such individual (relying on docu-
22 mentary evidence) was mistaken as to his correct date of
23 birth, the Secretary shall establish for such individual an ini-
24 tial enrollment period based on his attaining age 65 at the
25 time shown in such documentary evidence (with a coverage

1 period determined under section 1838 as though he had
2 attained such age at that time).”

3 (b) The amendment made by subsection (a) shall ap-
4 ply to individuals enrolling under part B of title XVIII in
5 months beginning after the date of the enactment of this Act.

6 **EXTENSION OF MAXIMUM DURATION OF BENEFITS FOR**
7 **INPATIENT HOSPITAL SERVICES TO 120 DAYS**

8 **SEC. 137.** (a) (1) Section 1812 (a) (1) of the Social
9 Security Act is amended by striking out “up to 90 days”
10 and inserting in lieu thereof “up to 120 days”.

11 (2) Section 1812 (b) (1) of such Act is amended by
12 striking out “for 90 days” and inserting in lieu thereof “for
13 120 days”.

14 (b) The second sentence of section 1813 (a) (1) of
15 such Act is amended to read as follows: “Such amount shall
16 be further reduced by a coinsurance amount equal to—

17 “(A) one-fourth of the inpatient hospital deduc-
18 tible for each day (before the 91st day) on which such
19 individual is furnished such services during such spell
20 of illness after such services have been furnished to him
21 for 60 days during such spell; and

22 “(B) one-half of the inpatient hospital deductible
23 for each day (before the 121st day) on which such in-
24 dividual is furnished such services during such spell of

1 illness after such services have been furnished to him for
2 90 days during such spell;
3 except that the reduction under this sentence for any day
4 shall not exceed the charges imposed for that day with re-
5 spect to such individual for such services (except that, if
6 the customary charges for such services are greater than
7 the charges so imposed, such customary charges shall be
8 considered to be the charges so imposed).”

9 (c) The amendments made by subsections (a) and
10 (b) shall apply with respect to services furnished after
11 December 31, 1967.

12 **LIMITATION ON SPECIAL REDUCTION IN ALLOWABLE DAYS**
13 **OF INPATIENT HOSPITAL SERVICES**

14 **SEC. 138.** (a) Section 1812 (c) of the Social Security
15 Act is amended by striking out “in the 90-day period im-
16 mediately before such first day shall be included in deter-
17 mining the 90-day limit under subsection (b) (1) (but not
18 in determining the 190-day limit under subsection (b)
19 (3))” and inserting in lieu thereof “in the 120-day period
20 immediately before such first day shall be included in
21 determining the 120-day limit under subsection (b) (1) in-
22 sofar as such limit applies to (1) inpatient psychiatric hos-
23 pital services and inpatient tuberculosis hospital services, or
24 (2) inpatient hospital services for an individual who is an
25 inpatient primarily for the diagnosis or treatment of mental

1 illness or tuberculosis (but shall not be included in determin-
 2 ing such 120-day limit insofar as it applies to other inpatient
 3 hospital services or in determining the 190-day limit under
 4 subsection (b) (3))”.

5 (b) The amendment made by subsection (a) shall ap-
 6 ply with respect to payment for services furnished after
 7 December 31, 1967.

8 **TRANSITIONAL PROVISION ON ELIGIBILITY OF PRESENTLY**
 9 **UNINSURED INDIVIDUALS FOR HOSPITAL INSURANCE**
 10 **BENEFITS**

11 **SEC. 139.** Section 103 (a) (2) of the Social Security
 12 Amendments of 1965 is amended by striking out “1965”
 13 in clause (B) and inserting in lieu thereof “1966”.

14 **ADVISORY COUNCIL TO STUDY COVERAGE OF THE DIS-**
 15 **ABLED UNDER TITLE XVIII OF THE SOCIAL SECURITY ACT**

16 **SEC. 140.** (a) The Secretary of Health, Education, and
 17 Welfare shall appoint an Advisory Council to study the need
 18 for coverage of the disabled under the health insurance pro-
 19 gram of title XVIII of the Social Security Act.

20 (b) The Council shall be appointed by the Secretary
 21 during 1968 without regard to the provisions of title 5,
 22 United States Code, governing appointments in the competi-
 23 tive service and shall consist of 12 persons who shall, to
 24 the extent possible, represent organizations of employers and

1 employees in equal numbers, and represent self-employed
2 persons and the public.

3 (c) The Council is authorized to engage such technical
4 assistance, including actuarial services, as may be required
5 to carry out its functions, and the Secretary shall, in addition,
6 make available to such Council such secretarial, clerical, and
7 other assistance and such actuarial and other pertinent data
8 prepared by the Department of Health, Education, and Wel-
9 fare as it may require to carry out such functions.

10 (d) Members of the Council, while serving on the busi-
11 ness of the Council (inclusive of travel time), shall receive
12 compensation at rates fixed by the Secretary, but not exceed-
13 ing \$100 per day and, while so serving away from their
14 homes or regular places of business, they may be allowed
15 travel expenses, including per diem in lieu of subsistence, as
16 authorized by section 5703 of title 5, United States Code, for
17 persons in the Government employed intermittently.

18 (e) The Council shall make findings on the unmet need
19 of the disabled for health insurance, on the costs involved in
20 providing the disabled with insurance protection to cover the
21 cost of hospital and medical services, and on the ways of
22 financing this insurance. The Council shall submit a report
23 of its findings to the Secretary not later than January 1,
24 1960, together with recommendations on how such protec-
25 tion should be financed and, if such financing is to be accom-

1 plished through the trust funds established under title XVIII
 2 of the Social Security Act, on the extent to which each of
 3 such trust funds should bear the cost of such financing. Such
 4 report shall thereupon be transmitted to the Congress and
 5 to the Boards of Trustees created by sections 1817(b) and
 6 1841(b) of the Social Security Act. After the date of trans-
 7 mittal to the Congress of the report, the Council shall cease
 8 to exist.

9 *HOSPITAL INSURANCE FOR THE DISABLED*

10 *SEC. 140. (a) (1) Section 226(a) of the Social Security*
 11 *Act is amended to read as follows:*

12 *“(a) (1) Every individual who—*

13 *“(A) has attained age 65, and*

14 *“(B) is entitled to monthly insurance benefits under*
 15 *section 202 or is a qualified railroad retirement*
 16 *beneficiary,*

17 *shall be entitled to hospital insurance benefits under part A*
 18 *of title XVIII for each month for which he meets the condi-*
 19 *tion specified in subparagraph (B), beginning with the first*
 20 *month after June 1966 for which he meets the conditions*
 21 *specified in subparagraphs (A) and (B).*

22 *“(2) Every individual who—*

23 *“(A) has not attained age 65, but*

24 *“(B) (i) is entitled to disability insurance benefits*
 25 *under section 223, or (ii) has attained the age of 18*

1 *and is entitled to child's insurance benefits under section*
2 *202(d) and is under a disability (as defined in section*
3 *223(d)) which began before he attained age 18, or*
4 *(iii) has not attained age 65 and is entitled to widow's*
5 *insurance benefits on the basis of being under a dis-*
6 *ability (as defined in section 223(d)) (or would be*
7 *entitled to such benefits if section 202(e)(1)(E) did*
8 *not operate), or (iv) has not attained age 65 and is*
9 *entitled to widower's insurance benefits on the basis of*
10 *being under a disability (as defined in section 223(d))*
11 *(or would be entitled to such benefits if section 202(f)*
12 *(1)(E) did not operate), or (v) is a qualified railroad*
13 *retirement beneficiary,*

14 *shall be entitled to hospital insurance benefits under part A*
15 *of title XVIII for each month beginning with the later of*
16 *(a) January 1968 or (b) the first month for which he*
17 *satisfies the applicable conditions of subparagraph (B),*
18 *and ending with the eleventh month after the first month*
19 *in which he ceases to meet the applicable conditions of sub-*
20 *paragraph (B) or, if earlier, with the month before the*
21 *month in which he attains age 65."*

22 *(2) Section 226(b)(1) of such Act is amended by*
23 *striking out "occurred after June 30, 1966, or on or after*
24 *the first day of the month in which he attains age 65, which-*
25 *ever is later" in clause (B) and inserting in lieu thereof*

1 *“occurred (i) after June 30, 1966, or on or after the*
 2 *first day of the month in which he attains age 65, whichever*
 3 *is later, or (ii) if he was entitled to hospital insurance bene-*
 4 *fits pursuant to paragraph (2) of subsection (a), at a time*
 5 *when he was so entitled (but if there has been no inter-*
 6 *vening termination of such entitlement)”.*

7 *(3) Section 226(b)(2) of such Act is amended by*
 8 *inserting “or 223” after section “202”.*

9 *(b)(1) The heading of title XVIII of such Act is*
 10 *amended by striking out “FOR THE AGED” and insert-*
 11 *ing in lieu thereof “FOR THE AGED OR DISABLED”.*

12 *(2) The heading of part A of title XVIII of such Act*
 13 *is amended by striking out “FOR THE AGED” and inserting*
 14 *in lieu thereof “FOR THE AGED OR DISABLED”.*

15 *(3) Section 1811 of such Act is amended by striking out*
 16 *“and are entitled to retirement” and inserting in lieu thereof*
 17 *the following: “or disabled, and are entitled to retirement or*
 18 *disability”.*

19 *(c) Section 1875(a) of such Act is amended by striking*
 20 *out “health care of the aged” and inserting in lieu thereof*
 21 *“health care of the aged and disabled”.*

22 *(d)(1) Section 21(b) of the Railroad Retirement Act*
 23 *of 1937 is amended to read as follows:*

24 *“(b) Except as otherwise provided in this section, every*
 25 *individual who—*

1 “(1) has attained age 65, and—

2 “(A) is entitled to an annuity under this Act,

3 or

4 “(B) would be entitled to such an annuity had
5 he ceased compensated service and, in the case of a
6 spouse, had such spouse's husband or wife ceased
7 compensated service, or

8 “(C) had been awarded a pension under sec-
9 tion 6, or

10 “(D) bears a relationship to an employee which,
11 by reason of section 3(e), has been, or would be,
12 taken into account in calculating the amount of an
13 annuity of such employee or his survivors, or

14 “(2) is under age 65, and is entitled to an annuity
15 under paragraph 4 of 5 of section 2(a), is not in a
16 ‘waiting period’ (as defined in section 223(c)(2) of the
17 Social Security Act), and is in a ‘period of disability’
18 (as this term is described in the last paragraph of
19 section 3(e)),

20 shall be certified to the Secretary of Health, Education, and
21 Welfare as a qualified railroad retirement beneficiary under
22 section 226 of the Social Security Act. Individuals certified
23 under paragraph (2) of this subsection shall be subject to
24 the same conditions, restrictions, and other provisions as are
25 disability beneficiaries under title II of the Social Security

1 *Act in connection with their eligibility for hospital insurance*
2 *benefits under part A of title XVIII of such Act."*

3 (2) *The heading of section 21 of such Act is amended*
4 *to read as follows:*

5 "HOSPITAL INSURANCE BENEFITS FOR THE AGED AND
6 THE DISABLED".

7 STUDY TO DETERMINE FEASIBILITY OF INCLUSION OF CER-
8 TAIN ADDITIONAL SERVICES UNDER PART B OF TITLE
9 XVIII OF THE SOCIAL SECURITY ACT

10 SEC. 141. The Secretary shall make a study relating to
11 the inclusion under the supplementary medical insurance
12 program (part B of title XVIII of the Social Security Act)
13 of services of additional types of licensed practitioners per-
14 forming health services in independent practice. The Secre-
15 tary shall make a report to the Congress prior to January
16 1, 1969, of his finding with respect to the need for cover-
17 ing, under the supplementary medical insurance program,
18 any of the various types of services such practitioners per-
19 form and the costs to such program of covering such addi-
20 tional services, and shall make recommendations as to the
21 priority and method for covering these services and the
22 measures that should be adopted to protect the health and
23 safety of the individuals to whom such services would be
24 furnished.

1 *HEALTH INSURANCE PAYMENTS TO FEDERAL FACILITIES*

2 *SEC. 142. (a) Section 1814 of the Social Security Act*
 3 *is amended by striking out subsection (c) and by redesign-*
 4 *ating subsections (d), (e), and (f), and references thereto,*
 5 *as subsections (c), (d), and (e), respectively.*

6 *(b) Section 1835 of such Act is amended by striking out*
 7 *subsection (b) and by redesignating section 1835(a), and*
 8 *references thereto, as section 1835.*

9 *(c) The amendments made by subsections (a) and (b)*
 10 *shall apply with respect to services furnished after Decem-*
 11 *ber 31, 1967.*

12 *DEPRECIATION ALLOWANCE FOR PURPOSE OF DETER-*
 13 *MINING REASONABLE COST*

14 *SEC. 143. (a)(1) Section 1861(v) of the Social Secu-*
 15 *rity Act is amended by adding at the end thereof the follow-*
 16 *ing new paragraph:*

17 *“(5)(A) Notwithstanding any other provision of this*
 18 *title, the term ‘reasonable cost’ shall include amounts attrib-*
 19 *utable to depreciation of plant and equipment in the case of*
 20 *any provider of service, but only with respect to periods dur-*
 21 *ing which such provider of service furnishes, pursuant to such*
 22 *regulations as the Secretary may prescribe, satisfactory as-*
 23 *urance that such provider will—*

24 *“(i) set aside, and keep separate and apart from any*
 25 *other funds or assets, such amounts attributable to deprecia-*

1 *tion of plant and equipment (including any interest on such*
2 *amounts) as he may be paid to such provider under this*
3 *title;*

4 *“(ii) furnish to the Secretary, at such time or times as*
5 *he may request such timely information and reports, with*
6 *respect to such amounts, as the Secretary finds necessary*
7 *in performing his functions under this title;*

8 *“(iii) not utilize such amounts for improper capital;*
9 *expenditures; and*

10 *“(iv) not utilize such amounts for noncapital expendi-*
11 *tudes except under such conditions as may be approved, in*
12 *accordance with regulations prescribed by the Secretary, by*
13 *the State agency designated pursuant to section 1864(c).*

14 *“(B) A capital expenditure by a provider of service shall*
15 *be deemed improper if the State agency, designated pursuant*
16 *to section 1864(c) determines that such capital expenditure*
17 *does not conform to the overall plan developed, in accordance*
18 *with regulations prescribed by the Secretary, by such State*
19 *agency for adequate health care facilities and such provider*
20 *of service had notice of such overall plan.*

21 *“(C) Where a provider of service utilizes funds*
22 *(whether or not such funds include the amounts referred*
23 *to in subparagraph (A)), for a capital expenditure which,*
24 *under the provisions of subparagraph (B), is determined to*

1 *be improper, or such provider fails substantially to comply*
2 *with clause (i), (ii), or (iv) of subparagraph (A), the*
3 *Secretary may—*

4 “(i) *terminate the agreement with such provider of*
5 *service entered into pursuant to section 1866, and for such*
6 *purposes the provisions of subsection (b) of such section shall*
7 *apply, or*

8 “(ii) *deduct from future payments under this title to*
9 *such provider of services, for such periods of time as the*
10 *Secretary finds necessary to effectuate the purposes of this*
11 *paragraph, the amounts attributable to depreciation of such*
12 *improper capital expenditure, and such portion (or any part*
13 *thereof) of other cost of services to individuals covered by*
14 *the insurance programs established by this title as the Secre-*
15 *tary finds attributable to such improper capital expenditures.”*

16 “(D) *For purposes of this paragraph, a ‘capital expendi-*
17 *ture’ means (except to the extent that the meaning of such*
18 *term shall be modified pursuant to regulations of the Secre-*
19 *tary) an expenditure which, under accepted accounting pro-*
20 *cedures, is not properly chargeable as an expense of operation*
21 *or maintenance except that it shall not include any such ex-*
22 *penditure if it is not a substantial amount (as determined in*
23 *accordance with regulations of the Secretary).”*

24 “(2) *The amendment made by this subsection shall be*
25 *effective with respect to payments under title XVIII of the*

1 *Social Security Act to provider of service for services pro-*
2 *vided after June 30, 1969.*

3 *(b) The heading of section 1864 of such Act is amended*
4 *by adding at the end thereof "AND TO PROVIDE PROGRAMS*
5 *OF HEALTH-CARE FACILITY PLANNING".*

6 *(c) Section 1864 of such Act is further amended by add-*
7 *ing at the end thereof the following new subsections:*

8 *"(c)(1) For purposes of administering the provision of*
9 *section 1861(v)(5), the Secretary shall make an agreement*
10 *with any State which is able and willing to do so under which*
11 *he will be authorized to utilize the services of a State agency*
12 *(designated by the State) which (A) provides for health-*
13 *care facility and equipment planning in all political sub-*
14 *divisions of the State to meet the needs in the most efficient*
15 *and economical manner possible of residents of the States for*
16 *adequate health-care, (B) coordinates its activities with other*
17 *agencies engaged in health service planning and participate*
18 *in interstate and regional health-care facility program, (C)*
19 *assists the health-care facilities located within the State with*
20 *their programs of planning for carrying on health, educa-*
21 *tional and research activities, including related educational*
22 *and research activities, (D) provides for the reconsideration*
23 *of its determinations under section 1861(v)(5) upon the*
24 *request of a provider of service who is dissatisfied with its*
25 *determination under section 1861(v)(5)(B), and (E) if the*

1 *agency designated by the State is other than an agency estab-*
 2 *lished pursuant to section 314(a)(2) of the Public Health*
 3 *Service Act, coordinated (or provides reasonable assurance*
 4 *that it will coordinate) its activities under section 1861(v)*
 5 *(5) with and in these activities is guided by the planning*
 6 *policies and procedures of, the agency established pursuant to*
 7 *such section 314(a)(2).*

8 “(2) The Secretary shall pay from the Federal Hospital
 9 Insurance Trust Fund to any State with which he makes an
 10 agreement described in paragraph (1), in advance or by way
 11 of reimbursement, as may be provided in the agreement with
 12 it (and may make adjustments in such payments on account
 13 of overpayments or underpayments previously made) for
 14 the reasonable cost of performing the services for purposes of
 15 carrying out paragraph (5)(B) of section 1861(v).”

16 (d) Section 1902(a)(13) of the Social Security Act is
 17 amended by—

18 (1) designating clauses (A) and (B) as clauses
 19 (i) and (ii), respectively;

20 (2) inserting “(A)” after “services, and”; and

21 (3) by adding before the semicolon at the end thereof
 22 the following: “, and (B) effective July 1, 1969, provide
 23 that in determining the reasonable cost of inpatient
 24 hospital services provided under the plan, there shall be
 25 included an amount attributable to depreciation of plant

1 *and equipment but only, in the case of any institution*
 2 *furnishing such services, during such period as the State*
 3 *has satisfactory assurances, in accordance with standards*
 4 *prescribed by the Secretary, that such institution will*
 5 *comply with the requirements of subparagraph (A)*
 6 *and (B) of paragraph (5) of section 1861(v) with*
 7 *respect to such amount”.*

8 *(e) Effective with calendar quarters beginning after*
 9 *July 1, 1969, section 1903(a)(1) of such Act is amended*
 10 *by striking out “the cost thereof” and inserting in lieu thereof*
 11 *“the cost thereof, and expenditures for inpatient hospital*
 12 *services attributable to depreciation of plant and equipment*
 13 *of institutions furnishing such services but only if the require-*
 14 *ments of section 1902(a)(13)(B) are met”.*

15 **PART 4—MISCELLANEOUS AND TECHNICAL AMENDMENTS**

16 **ELIGIBILITY OF ADOPTED CHILD FOR MONTHLY**

17 **BENEFITS**

18 **SEC. 150. (a)** The second sentence of section 216(e)
 19 of the Social Security Act is amended by striking out “before
 20 the end of two years after the day on which such individual
 21 died or the date of enactment of this Act” and inserting in
 22 lieu thereof “only if ~~(A)~~ proceedings for the adoption of
 23 the child had been instituted by such individual before his
 24 death, or ~~(B)~~ such child was adopted by such individual’s
 25 surviving spouse before the end of two years after ~~(i)~~ the

1 day on which such individual died or ~~(ii)~~ the date of en-
2 actment of the Social Security Amendments of 1958”.

3 ~~(b)~~ The amendment made by subsection ~~(a)~~ shall
4 apply with respect to monthly benefits payable under title
5 II of the Social Security Act for and after the second
6 month following the month in which this Act is enacted,
7 but only on the basis of an application filed in or after the
8 month in which this Act is enacted.

9 *ELIGIBILITY OF CERTAIN CHILDREN FOR MONTHLY*
10 *BENEFITS*

11 *SEC. 150 (a) Section 216(e) of the Social Security*
12 *Act is amended—*

13 *(1) by inserting “(1)” after “(e)”;* and

14 *(2) by striking out the first sentence and inserting*
15 *in lieu thereof the following: “The term ‘child’ means—*

16 *“(A) the child or legally adopted child of an*
17 *individual,*

18 *(B) a stepchild who has been such stepchild for*
19 *not less than one year immediately preceding the day*
20 *on which application for child’s insurance benefits*
21 *is filed or (if the insured individual is deceased) the*
22 *day on which such individual died,*

23 *“(C) in the case of a living individual, a per-*
24 *son who is related by blood or adoption to such in-*
25 *dividual or such individual’s spouse, and who was*

1 *living in such individual's household and receiving*
2 *at least one-half of his support (as determined in*
3 *accordance with regulations prescribed by the Secre-*
4 *tary) from such individual on, and for a continuous*
5 *period of not less than 5 years immediately preced-*
6 *ing, whichever of the following days*

7 *“(i) the day on which such individual be-*
8 *came entitled to benefits under section 202(a)*
9 *or 223, or*

10 *“(ii) if such individual had a period of*
11 *disability which continued until he became en-*
12 *titled to benefits under section 202(a) or 223,*
13 *the day on which such period of disability began,*
14 *but only if such continuous period of not less than 5*
15 *years began before such person attained age 18 and*
16 *continued, insofar as the requirement of living in*
17 *such individual's household is concerned, until ap-*
18 *plication for child's insurance benefits is filed, and*

19 *“(D) in the case of a deceased individual, a*
20 *person who is related by blood or adoption to such*
21 *individual or such individual's spouse, and who*
22 *was living in such individual's household and re-*
23 *ceiving at least one-half of his support (as deter-*
24 *mined in accordance with regulations prescribed*

1 by the Secretary) from such individual on, and
2 for a continuous period of not less than one year
3 immediately preceding—

4 “(i) the day such individual died, or

5 “(ii) if such individual had a period of
6 disability which continued until he became en-
7 titled to benefits under section 202(a) or died,
8 whichever is later, the day on which such period
9 of disability began,

10 but only if such continuous period of not less than
11 one year began before such person attained age 18
12 and continued, insofar as the requirement of living
13 in such individual's household is concerned, until
14 such individual died.”

15 (b) Section 202(d) of such Act is amended by adding
16 at the end thereof the following new paragraph:

17 “(10) A child who is a child of an individual under
18 paragraph (1)(C) or (1)(D) of section 216(e) shall be
19 deemed dependent on such individual at the time specified
20 in paragraph (1)(C) of this section unless throughout the
21 5-year or 1-year period required by such paragraph (1)
22 (C) or (1)(D) of section 216(e) such child was receiving
23 regular contributions toward his support from (A) his
24 natural or adopting parent, or his stepparent, or (B) a
25 public or private welfare organization which had placed

1 *such child in such individual's household under a foster-*
2 *care program; except that the provisions of clause (A) shall*
3 *not apply if such individual is the mother or father of such*
4 *child."*

5 *(c) Section 216(e) of such Act is amended by striking*
6 *out the semicolon and all that follows in the second sentence*
7 *and inserting in lieu thereof a period, and by inserting after*
8 *and below the second sentence the following new sentence:*
9 *"The preceding sentence shall not apply if at the time of such*
10 *individual's death such person was receiving regular con-*
11 *tributions toward his support from—*

12 *"(C) someone other than such individual or his*
13 *spouse, or*

14 *"(D) a public or private welfare organization which*
15 *had placed such person in such individual's household*
16 *under a foster-care program.*

17 *except that the provisions of subparagraph (C) shall not*
18 *apply if such individual is the mother or father of such*
19 *person."*

20 *(d) The amendments made by this section shall apply*
21 *with respect to monthly benefits under title II of the Social*
22 *Security Act for and after the second month following the*
23 *month in which this Act is enacted, but only on the basis of*
24 *an application filed in or after the month in which this Act*
25 *is enacted.*

1 *ELIGIBILITY OF ADOPTED CHILD FOR MONTHLY BENEFITS*

2 *SEC. 151. (a) Section 216(e) of the Social Security*
3 *Act (as amended by section 150 of this Act) is amended by*
4 *striking out the second sentence and inserting in lieu thereof*
5 *the following:*

6 *“(2) Except as may be provided in the succeeding sen-*
7 *tence of this paragraph, for the purposes of paragraph*
8 *(1)(A), a person shall be deemed, as of the date of death of*
9 *an individual, to be the legally adopted child of such individ-*
10 *ual if such person was at the time of such individual’s death*
11 *living in such individual’s household and was legally adopted*
12 *by such individual’s surviving spouse after such individual’s*
13 *death, but only if—*

14 *“(A) proceedings for the adopting of the child had*
15 *been instituted by such individual before his death, or*

16 *“(B) such child was adopted by such individual’s*
17 *surviving spouse before the end of two years after (i)*
18 *the day on which such individual died or (ii) the date of*
19 *the enactment of the Social Security Amendments of*
20 *1958.”*

21 *(b) Section 216(e) of the Social Security Act (as*
22 *amended by subsection (a) of this section and by section 150*
23 *of this Act) is amended by striking out “For purposes of*
24 *clause (2)” and inserting in lieu thereof the following:*

25 *“(3) For the purposes of paragraph (1)(B),”.*

1 (c) *The amendments made by subsections (a) and (b)*
 2 *shall apply with respect to monthly benefits payable under title*
 3 *II of the Social Security Act for and after the second month*
 4 *following the month in which this Act is enacted, but only on*
 5 *the basis of an application filed in or after the month in which*
 6 *this Act is enacted.*

7 **CRITERIA FOR DETERMINING CHILD'S DEPENDENCY ON**
 8 **MOTHER**

9 SEC. ~~151~~ 152. (a) Section 202 (d) (3) of the Social
 10 Security Act is amended—

11 (1) by inserting “or his mother or adopting moth-
 12 er” after “his father or adopting father” in the first
 13 sentence; and

14 (2) by striking out “, if such individual is the
 15 child's father,” in the second sentence.

16 (b) Section 202 (d) (4) of such Act is amended by
 17 inserting “or stepmother” after “stepfather” each place it
 18 appears.

19 (c) Section 202 (d) of such Act is further amended by
 20 striking out paragraph (5), and by redesignating para-
 21 graphs (6) through (10) as paragraphs (5) through (9),
 22 respectively.

23 (d) (1) The paragraph of section 202 (d) of such Act
 24 redesignated as paragraph (9) by subsection (c) of this

1 section is amended by striking out "under paragraph (9)"
2 and inserting in lieu thereof "under paragraph (8)".

3 (2) Paragraphs (2) and (3) of section 202 (s) of
4 such Act are each amended by striking out "(d) (6)," and
5 inserting in lieu thereof "(d) (5)".

6 (3) Section (5) (1) (1) of the Railroad Retirement
7 Act of 1937 is amended—

8 (A) by striking out "(3), (4), or (5)" in the
9 third sentence and inserting in lieu thereof "(3) or
10 (4)"; and

11 (B) by striking out "paragraph (8)" in the ninth
12 sentence and inserting in lieu thereof "paragraph (7)".

13 (e) The amendments made by this section shall apply
14 with respect to monthly benefits payable under title II of
15 the Social Security Act (and annuities accruing under the
16 Railroad Retirement Act of 1937) for and after the second
17 month following the month in which this Act is enacted,
18 but only on the basis of applications filed in or after the
19 month in which this Act is enacted.

20 **UNDERPAYMENTS**

21 ~~SEC. 152~~ 153. (a) Section 204 (d) of the Social Secu-
22 rity Act is amended to read as follows:

23 "(d) Notwithstanding the provisions of subsection (a),
24 if an individual dies before any payment due him under this
25 title is completed, payment of the amount due (including
26 the amount of any unnegotiated checks) shall be made—

1 “(1) to the surviving spouse of the deceased indi-
2 vidual who was, for the month in which the deceased
3 individual died, entitled to a monthly benefit on the basis
4 of the same wages and self-employment income as was
5 the deceased individual;

6 “(2) if there is no person who meets the require-
7 ments of paragraph (1), or if the person who meets
8 such requirements dies before the payment due him
9 under this title is completed, to the child or children, if
10 any, of the deceased individual who were, for the month
11 in which the deceased individual died, entitled to monthly
12 benefits on the basis of the same wages and self-em-
13 ployment income as was the deceased individual (and,
14 in case there is more than one such child, in equal parts
15 to each such child) ;

16 “(3) if there is no person who meets the require-
17 ments of paragraph (1) or (2), or if each person who
18 meets such requirements dies before the payment due
19 him under this title is completed, to the parent or parents,
20 if any, of the deceased individual who were, for the
21 month in which the deceased individual died, entitled
22 to monthly benefits on the basis of the same wages and
23 self-employment income as was the deceased individual
24 (and, in case there is more than one such parent, in
25 equal parts to each such parent) ;

1 “(4) if there is no person who meets the require-
2 ments of paragraph (1), (2), or (3), or if each person
3 who meets such requirements dies before the payment
4 due him under this title is completed, to the legal repre-
5 sentative of the estate of the deceased individual;

6 “(5) if there is no person who meets the require-
7 ments of paragraph (1), (2), (3), or (4), or if each
8 person who meets such requirements dies before the pay-
9 ment due him under this title is completed, to the person,
10 if any, determined by the Secretary to be the surviving
11 spouse of the deceased individual; or

12 “(6) if there is no person who meets the require-
13 ments of paragraph (1), (2), (3), (4), or (5), or
14 if each person who meets such requirements dies before
15 the payment due him under this title is completed, to the
16 person or persons, if any, determined by the Secretary
17 to be the child or children of the deceased individual
18 (and, in case there is more than one such child, in equal
19 parts to each such child).”

20 (b) The heading of section 1870 of such Act is amended
21 by adding at the end thereof “AND SETTLEMENT OF CLAIMS
22 FOR BENEFITS ON BEHALF OF DECEASED INDIVIDUALS”.

23 (c) Section 1870 of such Act is amended by adding
24 after subsection (d) the following new subsections:

25 “(e) If an individual who received medical and other

1 health services for which payment may be made under sec-
2 tion 1832 (a) (1) dies, and payment for such services was
3 made (other than under this title) and the individual died
4 before any payment due with respect to such services was
5 completed, payment of the amount due (including the
6 amount of any unnegotiated checks) shall be made—

7 “(1) if the payment for such services was made
8 by a person other than the deceased individual, to the
9 person or persons determined by the Secretary under
10 regulations to have paid for such services; or

11 “(2) if the payment for such services was made
12 by the deceased individual before his death, or if there
13 is no person to whom payment can be made under para-
14 graph (1) (or each such person dies before such pay-
15 ment is completed) —

16 “(A) to the legal representative of the estate
17 of such deceased individual, if any;

18 “(B) if there is no legal representative, to the
19 person, if any, determined by the Secretary to be
20 the surviving spouse of the deceased individual and
21 to have been living in the same household with the
22 deceased at the time of his death;

23 “(C) if there is no person who meets the re-
24 quirements of subparagraph (A) or (B), or if each
25 person who meets such requirements dies before the

1 payment due him under this title is completed, to
2 the surviving spouse of the deceased individual who
3 was, for the month in which the deceased individual
4 died, entitled to a monthly benefit under title II on
5 the basis of the same wages and self-employment
6 income as was the deceased individual; or

7 “(D) if there is no person who meets the re-
8 quirements of subparagraph (A), (B) or (C), or
9 if each person who meets such requirements dies
10 before the payment due him under this title is com-
11 pleted, to the person or persons, if any, determined
12 by the Secretary to be the child or children of such
13 deceased individual (and in case there is more than
14 one such child, in equal parts to each such child).

15 “(f) If an individual who received medical and other
16 health services for which payment may be made under sec-
17 tion 1832 (a) (1) dies, and—

18 “(1) no assignment of the right to payments was
19 made by such individual before his death, and

20 “(2) payment for such services has not been made,
21 payment for such services shall be made to the physician or
22 other person who provided such services, but payment shall
23 be made under this subsection only in such amount and sub-
24 ject to such conditions as would have been applicable if the
25 individual who received the services had not died, and only

1 if the person or persons who provided the services agrees
2 that the reasonable charge is the full charge for the services.”

3 (d) Section 1842 (b) (3) (B) of such Act (as amended
4 by section 123 (a) of this Act) is amended by striking out
5 “and such payment will be made” and inserting in lieu
6 thereof “and such payment will (except as otherwise pro-
7 vided in section 1870 (f)) be made”.

8 SIMPLIFICATION OF COMPUTATION OF PRIMARY INSUR-
9 ANCE AMOUNT AND QUARTERS OF COVERAGE IN
10 CASE OF 1937-1950 WAGES

11 SEC. ~~153~~ 154. (a) (1) Section 215 (d) (1) of the Social
12 Security Act is amended to read as follows:

13 “Primary Insurance Benefit Under 1939 Act

14 “(d) (1) For purposes of column I of the table ap-
15 pearing in subsection (a) of this section, an individual’s
16 primary insurance benefit shall be computed as follows:

17 “(A) The individual’s average monthly wage shall
18 be determined as provided in subsection (b) (but with-
19 out regard to paragraph (4) thereof) of this section,
20 except that for purposes of paragraph (2) (C) and (3)
21 of such subsection, 1936 shall be used instead of 1950.

22 “(B) For purposes of subparagraphs (B) and (C)
23 of subsection (b) (2), an individual whose total wages
24 prior to 1951 (as defined in subparagraph (C) of this
25 subsection) —

1 “(i) do not exceed \$27,000 shall be deemed to
2 have been paid such wages in equal parts in nine
3 calendar years after 1936 and prior to 1951;

4 “(ii) exceed \$27,000 and are less than
5 \$42,000 shall be deemed to have been paid (I)
6 \$3,000 in each of such number of calendar years
7 after 1936 and prior to 1951 as is equal to the
8 integer derived by dividing such total wages by
9 \$3,000, and (II) the excess of such total wages
10 over the product of \$3,000 times such integer, in
11 an additional calendar year in such period; or

12 “(iii) are at least \$42,000 shall be deemed to
13 have been paid \$3,000 in each of the fourteen
14 calendar years after 1936 and prior to 1951.

15 “(C) For the purposes of subparagraph (B),
16 ‘total wages prior to 1951’ with respect to an indi-
17 vidual means the sum of (i) remuneration credited to
18 such individual prior to 1951 on the records of the
19 Secretary, (ii) wages deemed paid prior to 1951 to such
20 individual under section 217, and (iii) compensation
21 under the Railroad Retirement Act of 1937 prior to
22 1951 creditable to him pursuant to this title.

23 “(D) The individual’s primary insurance benefit
24 shall be 45.6 per centum of the first \$50 of his average
25 monthly wage as computed under this subsection, plus

1 11.4 per centum of the next \$200 of such average
2 monthly wage.”

3 (2) Section 215 (d) (2) of such Act is amended to
4 read as follows:

5 “(2) The provisions of this subsection shall be appli-
6 cable only in the case of an individual—

7 “(A) with respect to whom at least one of the
8 quarters elapsing prior to 1951 is a quarter of coverage;

9 “(B) except as provided in paragraph (3), who
10 attained age 22 after 1950 and with respect to whom
11 less than six of the quarters elapsing after 1950 are
12 quarters of coverage, or who attained such age before
13 1951; and

14 “(C) (i) who becomes entitled to benefits under
15 section 202 (a) or 223 after the date of the enactment
16 of the Social Security Amendments of 1967, or

17 “(ii) who dies after such date without being en-
18 titled to benefits under section 202 (a) or 223, or

19 “(iii) whose primary insurance amount is required
20 to be recomputed under section 215 (f) (2).”

21 (3) Section 215 (d) (3) of such Act is amended to
22 read as follows:

23 “(3) The provisions of this subsection as in effect prior
24 to the enactment of the Social Security Amendments of
25 1967 shall be applicable in the case of an individual—

1 “(A) who attained age 21 after 1936 and prior
2 to 1951, or

3 “(B) who had a period of disability which began
4 prior to 1951, but only if the primary insurance amount
5 resulting therefrom is higher than the primary insur-
6 ance amount resulting from the application of this
7 section (as amended by the Social Security Amend-
8 ments of 1967) and section 220.”.

9 (4) So much of section 215 (f) (2) of such Act as
10 precedes subparagraph (E) is amended to read as follows:

11 “(2) If an individual has wages or self-employment
12 income for a year after 1965 for any part of which he is
13 entitled to old-age insurance benefits, the Secretary shall, at
14 such time or times and within such period as he may by
15 regulations prescribe, recompute such individual's primary
16 insurance amount with respect to each such year. Such
17 recomputation shall be made as provided in subsection
18 (a) (1) and (3) as though the year with respect to which
19 such recomputation is made is the last year of the period
20 specified in subsection (b) (2) (C). A recomputation under
21 this paragraph with respect to any year shall be effective—”

22 (5) Subparagraphs (E) and (F) of such section
23 215 (f) (2) are redesignated as subparagraphs (A) and
24 (B), respectively.

1 (6) Section 215 (f) of such Act is further amended by
2 adding at the end thereof the following new paragraph:

3 “(5) In the case of a man who became entitled to
4 old-age insurance benefits and died before the month in
5 which he attained age 65, the Secretary shall recompute
6 his primary insurance amount as provided in subsection (a)
7 as though he became entitled to old-age insurance benefits
8 in the month in which he died; except that (i) his computa-
9 tion base years referred to in subsection (b) (2) shall in-
10 clude the year in which he died, and (ii) his elapsed years
11 referred to in subsection (b) (3) shall not include the year
12 in which he died or any year thereafter. Such recomputation
13 of such primary insurance amount shall be effective for and
14 after the month in which he died.”

15 (7) (A) The amendments made by paragraphs (4)
16 and (5) shall apply with respect to recomputations made
17 under section 215 (f) (2) of the Social Security Act after the
18 date of the enactment of this Act.

19 (B) The amendment made by paragraph (6) shall
20 apply with respect to individuals who die after the date of
21 enactment of this Act.

22 (8) In any case in which—

23 (A) any person became entitled to a monthly
24 benefit under section 202 or 223 of the Social Security

1 Act after the date of enactment of this Act and before
 2 the second month following the month in which this
 3 Act is enacted, and

4 (B) the primary insurance amount on which the
 5 amount of such benefit is based was determined by ap-
 6 plying section 215 (d) of the Social Security Act as
 7 amended by this Act,

8 such primary insurance amount shall, for purposes of section
 9 215 (e) of the Social Security Act, as amended by this Act,
 10 be deemed to have been computed on the basis of the Social
 11 Security Act in effect prior to the enactment of this Act.

12 (9) The amendment made by paragraphs (1) and (2)
 13 shall not apply with respect to monthly benefits for any
 14 month prior to January 1967.

15 (b) (1) Section 213 of the Social Security Act is
 16 amended by adding at the end thereof the following new
 17 subsection:

18 "Alternative Method for Determining Quarters of Coverage
 19 With Respect to Wages in the Period from 1937 to
 20 1950

21 "(c) For purposes of section 214 (a), an individual
 22 shall be deemed to have one quarter of coverage for each
 23 \$400 of his total wages prior to 1951 (as defined in section
 24 215 (d) (1) (C)), except where—

25 "(1) such individual is not a fully insured individ-

1 ...ual on the basis of the number of quarters of coverage
2 ...so derived plus the number of quarters of coverage
3 ...derived from the wages and self-employment income
4 ...credited to him for periods after 1950, or

5 “(2) such individual’s elapsed years (for purposes
6 ...of section 214 (a) (1)) are less than 7.”

7 (2) The amendment made by paragraph (1) shall
8 ...apply only in the case of an individual who applies for bene-
9 ...fits under section 202 (a) of the Social Security Act after
10 ...the date of the enactment of this Act, or who dies after
11 ...such date without being entitled to benefits under sec-
12 ...tion 202 (a) or 223 of the Social Security Act.

13 (c) Section 303 (g) (1) of the Social Security Amend-
14 ...ments of 1960 is amended---

15 (1) by striking out “section 302 of” and by strik-
16 ...ing out “Amendments of 1965” and inserting in lieu
17 ...thereof “Amendments of 1965 and 1967” in the first
18 ...sentence; and

19 (2) by striking out “after 1965, or dies after 1965”
20 ...and inserting in lieu thereof “after the date of the enact-
21 ...ment of the Social Security Amendments of 1967, or dies
22 ...after such date”, and by striking out “Amendments of
23 ...1965” and inserting in lieu thereof “Amendments of
24 ...1967”, in the second sentence.

1 **DEFINITIONS OF WIDOW, WIDOWER, AND STEPCHILD**

2 **SEC. 154 155.** (a) Section 216 (c) of the Social Secu-
3 rity Act is amended by striking out "not less than one year"
4 in clause (5) and inserting in lieu thereof "not less than
5 nine months".

6 (b) The first sentence of section 216 (e) of such Act
7 is amended by striking out "the day on which such indi-
8 vidual died" and inserting in lieu thereof "not less than
9 nine months immediately preceding the day on which such
10 individual died".

11 (c) Section 216 (g) of such Act is amended by striking
12 out "not less than one year" in clause (5) and inserting
13 in lieu thereof "not less than nine months".

14 (d) Section 216 of such Act is further amended by add-
15 ing at the end thereof the following new subsection:

16 **"Waiver of Nine-Month Requirement for Widow, Stepchild,**
17 **or Widower in Case of Accidental Death or in Case**
18 **of Serviceman Dying in Line of Duty :**

19 **"(k) The requirement in clause (5) of subsection (c)**
20 **or clause (5) of subsection (g) that the surviving spouse of**
21 **an individual have been married to such individual for a**
22 **period of not less than nine months immediately prior to the**
23 **day on which such individual died in order to qualify as such**
24 **individual's widow or widower, and the requirement in sub-**
25 **section (e) that the stepchild of a deceased indi-**

1 vidual have been such stepchild for not less than nine months
2 immediately preceding the day on which such individual died
3 in order to qualify as such individual's child, shall be deemed
4 to be satisfied, where such individual dies within the applica-
5 ble nine-month period, if his death—

6 “(1) is accidental, or

7 “(2) occurs in line of duty while he is a member
8 of a uniformed service serving on active duty (as
9 defined in section 210 (1) (2)),

10 and he would satisfy such requirement if a three-month
11 period were substituted for the nine-month period; except
12 that this subsection shall not apply if the Secretary deter-
13 mines that at the time of the marriage involved the indi-
14 vidual could not have reasonably been expected to live for
15 nine months. For purposes of paragraph (1) of the preced-
16 ing sentence, the death of an individual is accidental if he
17 receives bodily injuries solely through violent, external,
18 and accidental means and, as a direct result of the bodily
19 injuries and independently of all other causes, loses his life
20 not later than three months after the day on which he
21 receives such bodily injuries.”

22 (e) The amendments made by this section shall apply
23 with respect to monthly benefits under title II of the
24 Social Security Act for and after the second month fol-
25 lowing the month in which this Act is enacted, but only on

1 the basis of applications filed in or after the month in which
2 this Act is enacted.

3 HUSBAND'S AND WIDOWER'S INSURANCE BENEFITS WITH-
4 OUT REQUIREMENT OF WIFE'S CURRENTLY INSURED
5 STATUS

6 SEC. 455 156. (a) (1) Section 202 (c) (1) of the Social
7 Security Act is amended by striking out "a currently insured
8 individual (as defined in section 214 (b))" in the matter
9 preceding subparagraph (A) and inserting in lieu thereof
10 "an individual".

11 (2) Section 202 (c) (2) of such Act is amended by
12 striking out "The requirement in paragraph (1) that the
13 individual entitled to old-age or disability insurance benefits
14 be a currently insured individual, and the provisions of sub-
15 paragraph (C) of such paragraph," and inserting in lieu
16 thereof "The provisions of subparagraph (C) of paragraph
17 (1)".

18 (b) (1) Section 202 (f) (1) of such Act is amended—

19 (A) by striking out "and currently" in the matter
20 preceding subparagraph (A), and

21 (B) by striking out ", and she was a currently
22 insured individual," in subparagraph (D) (ii).

23 (2) Section 202 (f) (2) of such Act is amended by
24 striking out "The requirement in paragraph (1) that the
25 deceased fully insured individual also be a currently insured

1 individual, and the provisions of subparagraph (D) of such
 2 paragraph," and inserting in lieu thereof "The provisions
 3 of subparagraph (D) of paragraph (1)".

4 (c) In the case of any husband who would not be en-
 5 titled to husband's insurance benefits under section 202 (c)
 6 of the Social Security Act or any widower who would not
 7 be entitled to widower's insurance benefits under section
 8 202 (f) of such Act except for the enactment of this sec-
 9 tion, the requirement in section 202 (c) (1) (C) or 202 (f)
 10 (1) (D) of such Act relating to the time within which
 11 proof of support must be filed shall not apply if such proof
 12 of support is filed within two years after the month follow-
 13 ing the month in which this Act is enacted,

14 (d) The amendments made by this section shall apply
 15 with respect to monthly benefits payable under title II
 16 of the Social Security Act for and after the second month
 17 following the month in which this Act is enacted, but only
 18 on the basis of applications filed in or after the month in
 19 which this Act is enacted.

20 **DEFINITION OF DISABILITY**

21 **SEC. 156 157.** (a) Section 223 (c) of the Social Secu-
 22 rity Act is amended—

23 (1) by inserting "of Insured Status and Waiting
 24 Period" after "Definitions" in the heading;

25 (2) by striking out paragraph (2); and

1 (3) by redesignating paragraph (3) as paragraph
2 (2).

3 (b) Section 223 of such Act is further amended by add-
4 ing at the end thereof the following new subsection:

5 “Definition of Disability

6 “(d) (1) The term ‘disability’ means—

7 “(A) inability to engage in any substantial gain-
8 ful activity by reason of any medically determinable
9 physical or mental impairment which can be expected
10 to result in death or which has lasted or can be expected
11 to last for a continuous period of not less than 12
12 months; or

13 “(B) in the case of an individual who has attained
14 the age of 55 and is blind (within the meaning of ‘blind-
15 ness’ as defined in section 216(i) (1)), inability by
16 reason of such blindness to engage in substantial gainful
17 activity requiring skills or abilities comparable to those
18 of any gainful activity in which he has previously en-
19 gaged with some regularity and over a substantial period
20 of time.

21 “(2) For purposes of paragraph (1) (A)—

22 “(A) an individual (except a widow, surviving
23 divorced wife, or widower for purposes of section 202
24 (e) or (f)) shall be determined to be under a disability
25 only if his physical or mental impairment or impair-

1. Impairments are of such severity that he is not only unable to
 2. do his previous work but cannot, considering his age,
 3. education, and work experience, engage in any other
 4. kind of substantial gainful work which exists in the na-
 5. tional economy, regardless of whether such work exists
 6. in the general area in which he lives, or whether a
 7. specific job vacancy exists for him, or whether he would
 8. be hired if he applied for work.

9. " (B) A widow, surviving divorced wife, or
 10. widower shall not be determined to be under a dis-
 11. ability (for purposes of section 202 (e) or (f)) unless
 12. his or her physical or mental impairment or impair-
 13. ments are of a level of severity which under regulations
 14. prescribed by the Secretary is deemed to be sufficient
 15. to preclude an individual from engaging in any *substan-*
 16. *tial* gainful activity.

17. " (3) For purposes of this subsection, a 'physical or
 18. mental impairment' is an impairment that results from ana-
 19. tomical, physiological, or psychological abnormalities which
 20. are demonstrable by medically acceptable clinical and lab-
 21. oratory diagnostic techniques.

22. " (4) The Secretary shall by regulations prescribe the
 23. criteria for determining when services performed or earnings
 24. derived from services demonstrate an individual's ability to

1 engage in substantial gainful activity. Notwithstanding the
2 provisions of paragraph (2), an individual whose services
3 or earnings meet such criteria shall, except for purposes of
4 section 222 (c), be found not to be disabled.

5 “(5) An individual shall not be considered to be under
6 a disability unless he furnishes such medical and other evi-
7 dence of the existence thereof as the Secretary may require.”

8 (c) (1) Section 202 (d) (1) (B) of such Act is amend-
9 ed by striking out “section 223 (c)” and inserting in lieu
10 thereof “section 223 (d)”.

11 (2) Paragraphs (1), (2), and (3) of section 202 (s)
12 of such Act are each amended by striking out “section
13 223 (c)” and inserting in lieu thereof “section 223 (d)”.

14 (3) Section 221 (a) of such Act is amended by striking
15 out “or 223 (c)” and inserting in lieu thereof “or 223 (d)”.

16 (4) Section 221 (c) of such Act is amended by strik-
17 ing out “or 223 (c)” and inserting in lieu thereof “or
18 223 (d)”.

19 (5) Section 222 (c) (4) (B) of such Act is amended
20 by striking out “section 223 (c) (2)” and inserting in lieu
21 thereof “section 223 (d)”.

22 (6) Section 223 (a) (1) (D) of such Act is amended
23 by striking out “subsection (c) (2)” and inserting in lieu
24 thereof “subsection (d)”.

25 (7) The first sentence of section 223 (a) (1) of such

1 Act is further amended by striking out "subsection (c) (3)"
 2 and inserting in lieu thereof "subsection (c) (2)".

3 (8) The last sentence of section 223 (a) (1) is amended
 4 by striking out "subsection (c) (2) except for subparagraph
 5 (B) thereof" and inserting in lieu thereof "subsection (d)
 6 except for paragraph (1) (B) thereof".

7 (9) Section 225 of such Act is amended by striking out
 8 "section 223 (c) (2)" and inserting in lieu thereof "section
 9 223 (d)".

10 (d) Section 216 (i) (1) of such Act is amended by
 11 striking out the third sentence and inserting in lieu thereof
 12 the following: "The provisions of paragraphs (2) (A), (3),
 13 (4), and (5) of section 223 (d) shall be applied for pur-
 14 poses of determining whether an individual is under a disa-
 15 bility within the meaning of the first sentence of this para-
 16 graph in the same manner as they are applied for purposes
 17 of paragraph (1) of such section."

18 (e) The amendments made by this section shall be
 19 effective with respect to applications for disability insurance
 20 benefits under section 223 of the Social Security Act, and for
 21 disability determinations under section 216 (i) of such Act,
 22 filed—

23 (1) in or after the month in which this Act is
 24 enacted, or

1 (2) before the month in which this Act is enacted
2 if the applicant has not died before such month and if—

3 (A) notice of the final decision of the Secretary
4 of Health, Education, and Welfare has not been
5 given to the applicant before such month; or

6 (B) the notice referred to in subparagraph
7 (A) has been so given before such month but a civil
8 action with respect to such final decision is com-
9 menced under section 205 (g) of the Social Security
10 Act (whether before, in, or after such month) and
11 the decision in such civil action has not become
12 final before such month.

13 **DISABILITY BENEFITS AFFECTED BY RECEIPT OF WORK-**
14 **MEN'S COMPENSATION**

15 SEC. 457 158. (a) (1) The last sentence of section 224
16 (a) of the Social Security Act is amended by inserting after
17 “his wages and self-employment income” where it first
18 appears in clause (B) the following: “(computed without
19 regard to the limitations specified in section 209 (a) and
20 211 (b) (1))”.

21 (2) Section 224 (a) of such Act is further amended by
22 adding at the end thereof the following: “In any case where
23 an individual's wages and self-employment income reported
24 to the Secretary for a calendar year reach the limitations
25 specified in sections 209 (a) and 211 (b) (1), the Secretary

1 under regulations shall estimate the total of such wages and
2 self-employment income for purposes of clause (B) of the
3 preceding sentence on the basis of such information as may
4 be available to him indicating the extent (if any) by which
5 such wages and self-employment income exceed such limita-
6 tions.”

7 (b) (1) The amendments made by subsection (a) shall
8 apply only with respect to monthly benefits under title II
9 of the Social Security Act for months after the month in
10 which this Act is enacted.

11 (2) For purposes of any redetermination which is made
12 under section 224 (f) of the Social Security Act in the
13 case of benefits subject to reduction under section 224 of
14 such Act, where such reduction as first computed was effec-
15 tive with respect to benefits for the month in which this
16 Act is enacted or a prior month, the amendments made by
17 subsection (a) of this section shall also be deemed to have
18 applied in the initial determination of the “average current
19 earnings” of the individual whose wages and self-employ-
20 ment income are involved.

21 **EXTENSION OF TIME FOR FILING REPORTS OF EARNINGS**

22 **SEC. 548 159.** (a) Section 203 (h) (1) (A) of the
23 Social Security Act is amended by adding at the end thereof
24 the following new sentence: “The Secretary may grant a
25 reasonable extension of time for making the report of earn-

1 ings required in this paragraph if he finds that there is valid
 2 reason for a delay, but in no case may the period be extended
 3 more than three months.”

4 (b) Section 203 (h) (2) of such Act is amended by
 5 striking out “within the time prescribed therein” and in-
 6 serting in lieu thereof “within the time prescribed by or in
 7 accordance with such paragraph”.

8 **PENALTIES FOR FAILURE TO FILE TIMELY REPORTS**
 9 **OF EARNINGS AND OTHER EVENTS**

10 **SEC. 459 160.** (a) Section 203 (h) (2) (A) of the So-
 11 cial Security Act is amended by inserting before the semi-
 12 colon at the end thereof the following: “, except that if the
 13 deduction imposed under subsection (b) by reason of his
 14 earnings for such year is less than the amount of his benefit
 15 (or benefits) for the last month of such year for which he was
 16 entitled to a benefit under section 202, the additional deduc-
 17 tion shall be equal to the amount of the deduction imposed
 18 under subsection (b) but not less than \$10”.

19 (b) Section 203 (g) of such Act is amended by striking
 20 out all that follows “shall suffer” and inserting in lieu
 21 thereof the following: “deductions in addition to those
 22 imposed under subsection (c) as follows:

23 “(1) if such failure is the first one with respect to
 24 which an additional deduction is imposed by this sub-
 25 section, such additional deduction shall be equal to his

1 benefit or benefits for the first month of the period for
2 which there is a failure to report even though such
3 failure is with respect to more than one month;

4 “(2) if such failure is the second one with respect
5 to which an additional deduction is imposed by this
6 subsection, such additional deduction shall be equal to
7 two times his benefit or benefits for the first month of
8 the period for which there is a failure to report even
9 though such failure is with respect to more than two
10 months; and

11 “(3) if such failure is the third or a subsequent one
12 for which an additional deduction is imposed under this
13 subsection, such additional deduction shall be equal to
14 three times his benefit or benefits for the first month
15 of the period for which there is a failure to report even
16 though the failure to report is with respect to more than
17 three months;

18 except that the number of additional deductions re-
19 quired by this subsection shall not exceed the number of
20 months in the period for which there is a failure to report.

21 As used in this subsection, the term ‘period for which there
22 is a failure to report’ with respect to any individual means
23 the period for which such individual received and
24 accepted insurance benefits under section 202 without mak-

1 ing a timely report and for which deductions are required
2 under subsection (c).”

3 (c) The amendments made by this section shall apply
4 with respect to any deductions imposed on or after the date
5 of the enactment of this Act under subsections (g) and (h)
6 of section 203 of the Social Security Act on account of failure
7 to make a report required thereby.

8 **LIMITATION ON PAYMENT OF BENEFITS TO ALIENS OUTSIDE**

9 **THE UNITED STATES**

10 **SEC. 460 161.** (a) (1) Section 202 (t) (1) of the Social
11 Security Act is amended by adding at the end thereof (after
12 and below subparagraph (B)) the following new sentence:
13 “For purposes of the preceding sentence, after an individual
14 has been outside the United States for any period of thirty
15 consecutive days he shall be treated as remaining outside the
16 United States until he has been in the United States for a
17 period of thirty consecutive days.”

18 (2) The amendment made by paragraph (1) shall
19 apply only with respect to six-month periods (within the
20 meaning of section 202 (t) (1) (A) of the Social Security
21 Act) which begin after the date of the enactment of this Act.

22 ~~(b) (1) Section 202 (t) (4) of such Act is amended—~~

23 ~~(A) by striking out the period at the end of sub-~~
24 ~~paragraph (E) and inserting in lieu thereof a semi-~~
25 ~~colon; and~~

1 ~~(B)~~ by adding at the end thereof ~~(after and below~~
2 ~~subparagraph (E))~~ the following:

3 “except that subparagraphs ~~(A)~~ and ~~(B)~~ of this paragraph
4 shall not apply in the case of any individual who is a citizen
5 of a foreign country that has in effect a social insurance or
6 pension system which is of general application in such coun-
7 try and which satisfies subparagraph ~~(A)~~ but not sub-
8 paragraph ~~(B)~~ of paragraph ~~(2)~~, or who is a citizen of a
9 foreign country that has no social insurance or pension sys-
10 tem of general application if at any time within five years
11 prior to the month in which the Social Security Amendments
12 of 1967 are enacted ~~(or the first month thereafter for which~~
13 ~~his benefits are subject to suspension under paragraph (1))~~
14 ~~payments to individuals residing in such country were with-~~
15 ~~held by the Treasury Department under the first section~~
16 ~~of the Act of October 9, 1949 (31 U.S.C. 123).”~~

17 ~~(2)~~ The amendment made by paragraph ~~(1)~~ shall
18 apply only with respect to monthly benefits under title II
19 of the Social Security Act for and after the sixth month
20 following the month in which this Act is enacted.

21 ~~(c)(1)~~ Section 202~~(t)~~ of such Act is further amended
22 by adding at the end thereof the following new paragraph:

23 “~~(10)~~ Notwithstanding any other provision of this
24 title, no monthly benefits shall be paid under this section or

1 under section 223, for any month beginning on or after the
2 date on which this paragraph is enacted, to an individual
3 who is not a citizen or national of the United States and
4 who resides during such month in a foreign country if pay-
5 ments for such month to individuals residing in such country
6 are withheld by the Treasury Department under the first
7 section of the Act of October 9, 1940 (31 U.S.C. 123)."

8 (2) Section 202(t)(6) of such Act is amended by
9 striking out "by reason of paragraph (1)" and inserting in
10 lieu thereof "by reason of paragraph (1) or (10)".

11 (3) Whenever benefits which an individual who is not
12 a citizen or national of the United States was entitled
13 to receive under title II of the Social Security Act for
14 months beginning prior to the date of the enactment of this
15 Act have been withheld by the Treasury Department under
16 the first section of the Act of October 9, 1940 (31 U.S.C.
17 123), any such benefits, payable to such individual for
18 months after the month in which the determination by the
19 Treasury Department that the benefits should be so withheld
20 was made, shall not be paid—

21 (A) to any person other than such individual, or,
22 if such individual dies before such benefits can be paid,
23 to any person other than an individual who was entitled
24 for the month in which the deceased individual died
25 (with the application of section 202(j)(1) of the Social

1 ~~Security Act)~~ to a monthly benefit under title II of
2 such Act on the basis of the same wages and self-em-
3 ployment income as such deceased individual, or

4 ~~(B)~~ in excess of the equivalent of the last twelve
5 months' benefits that would have been payable to such
6 individual.

7 *(b)(1) Section 202(t) of such Act is further amended*
8 *by adding at the end thereof the following new paragraph:*

9 *“(10) Whenever payments to which an individual is*
10 *entitled under title II of the Social Security Act have been*
11 *withheld by the Secretary of the Treasury under the first*
12 *section of the Act of October 9, 1940 (31 U.S.C. 123),*
13 *and such individual dies while such payments are being*
14 *withheld, such payments shall, after the Secretary of the*
15 *Treasury has made a determination that such payments*
16 *should no longer be withheld under such Act, be made only*
17 *to a person who, for the first month with respect to which*
18 *such determination is applicable, is (or upon filing appli-*
19 *cation in such month would be) entitled to monthly benefits*
20 *under title II on the basis of the wages and self-employment*
21 *income with respect to which such deceased individual was*
22 *entitled to such payment, except that the total amount of*
23 *such payments which may be paid to such person (or per-*
24 *sons so entitled) shall not be in excess of the equivalent of*

1 *the last 12 months' benefits that would have been payable*
2 *to such individual."*

3 *(2) The amendment made by this section shall be ap-*
4 *plicable only with respect to benefits that become payable*
5 *under title II of the Social Security Act for months after*
6 *the month in which this Act is enacted.*

7 **RESIDUAL PAYMENTS TO CERTAIN CHILDREN**

8 **SEC. 161.** ~~(a)~~ The last sentence of section 202(a) of
9 the Social Security Act is amended to read as follows:
10 "Whenever a reduction is made under this subsection in
11 the total of monthly benefits to which individuals are entitled
12 for any month on the basis of the wages and self-employment
13 income of an insured individual, each such benefit other than
14 the old-age or disability insurance benefit shall be propor-
15 tionately decreased; except that if such total of benefits for
16 such month includes any benefit or benefits under section
17 202(d) which are payable solely by reason of section 216
18 (h)(3), the reduction shall be first applied to reduce (pro-
19 portionately where there is more than one benefit so pay-
20 able) the benefits so payable (but not below zero)."

21 ~~(b)~~ The amendments made by subsection (a) of this
22 section shall apply with respect to monthly benefits payable
23 under title II of the Social Security Act for and after the
24 second month after the month in which this Act is enacted.

1 *SPECIAL SAVING PROVISION FOR CERTAIN CHILDREN*2 *SEC. 162. (a) Where—*

3 *(1) one or more persons were entitled (without the*
4 *application of section 202(j)(1) of the Social Security*
5 *Act) to monthly benefits under section 202 or 223 of*
6 *such Act for August 1965 and for the effective month*
7 *on the basis of the wages and self-employment income*
8 *of an individual, and*

9 *(2) one or more persons (not included in paragraph*
10 *(1)) became entitled to monthly benefits for September*
11 *1965 under section 202(d) by reason of section 216*
12 *(h)(3), on the basis of such wages and self-employment*
13 *income and are so entitled for the effective month, and*

14 *(3) the total of benefits to which all persons are*
15 *entitled under such section 202 or 223 on the basis of*
16 *such wages and self-employment for the effective month*
17 *are reduced by reason of section 203(a) of such Act,*
18 *as amended by this Act (or would, but for the penulti-*
19 *mate sentence of such section 203(a), be so reduced),*
20 *then the amount of the benefit to which each such person*
21 *referred to in paragraph (1) above is entitled for months*
22 *after the effective month shall be increased, after the applica-*
23 *tion of such section 203(a), to the amount it would have*

1 been if the person or persons referred to in paragraph (2)
2 were not entitled to a benefit referred to in such paragraph.

3 (b) For purposes of subsection (a), the term "effec-
4 tive month" means the month after the month in which this
5 Act is enacted.

6 TRANSFER TO HEALTH INSURANCE BENEFITS ADVISORY
7 COUNCIL OF NATIONAL MEDICAL REVIEW COMMITTEE
8 FUNCTIONS; INCREASE IN COUNCIL'S MEMBERSHIP

9 SEC. ~~162~~ 163. (a) Section 1867 of the Social Security
10 Act is amended to read as follows:

11 "HEALTH INSURANCE BENEFITS ADVISORY COUNCIL

12 "SEC. 1867. (a) There is hereby created a Health In-
13 surance Benefits Advisory Council which shall consist of 19
14 persons, not otherwise in the employ of the United States,
15 appointed by the Secretary without regard to the provisions
16 of title 5, United States Code, governing appointments in
17 the competitive service. The Secretary shall from time to
18 time appoint one of the members to serve as Chairman. The
19 members shall include persons who are outstanding in fields
20 related to hospital, medical, and other health activities, per-
21 sons who are representative of organizations and associations
22 of professional personnel in the field of medicine, and at least
23 one person who is representative of the general public. Each
24 member shall hold office for a term of 4 years, except that
25 any member appointed to fill a vacancy occurring prior

1 to the expiration of the term for which his predecessor was
2 appointed shall be appointed for the remainder of such term.
3 A member shall not be eligible to serve continuously for more
4 than 2 terms. The Secretary may, at the request of the Ad-
5 visory Council or otherwise, appoint such special advisory
6 professional or technical committees as may be useful in car-
7 rying out this title. Members of the Advisory Council and
8 members of any such advisory or technical committee, while
9 attending meetings or conferences thereof or otherwise serv-
10 ing on business of the Advisory Council or of such committee,
11 shall be entitled to receive compensation at rates fixed by
12 the Secretary, but not exceeding \$100 per day, including
13 travel time, and while so serving away from their homes or
14 regular places of business they may be allowed travel ex-
15 penses, including per diem in lieu of subsistence, as author-
16 ized by section 5703 of title 5, United States Code, for per-
17 sons in the Government service employed intermittently. The
18 Advisory Council shall meet as frequently as the Secretary
19 deems necessary. Upon request of 5 or more members, it
20 shall be the duty of the Secretary to call a meeting of the
21 Advisory Council.

22 “(b) It shall be the function of the Advisory Council
23 (1) to advise the Secretary on matters of general policy in
24 the administration of this title and in the formulation of reg-
25 ulations under this title, and (2) to study the utilization of:

1 hospital and other medical care and services for which pay-
2 ment may be made under this title with a view to recom-
3 mending any changes which may seem desirable in the way
4 in which such care and services are utilized or in the ad-
5 ministration of the programs established by this title, or in
6 the provisions of this title. The Advisory Council shall make
7 an annual report to the Secretary on the performance of
8 its functions, including any recommendations it may have
9 with respect thereto, and such report shall be transmitted
10 promptly by the Secretary to the Congress.

11 “(c) The Advisory Council is authorized to engage such
12 technical assistance as may be required to carry out its func-
13 tions, and the Secretary shall, in addition, make available to
14 the Advisory Council such secretarial, clerical, and other
15 assistance and such pertinent data obtained and prepared
16 by the Department of Health, Education, and Welfare as
17 the Advisory Council may require to carry out its functions.”

18 (b) The amendment made by subsection (a) shall not
19 be construed as affecting the terms of office of the members
20 of the Health Insurance Benefits Advisory Council in office
21 on the date of the enactment of this Act or their successors.
22 The terms of office of the three additional members of the
23 Health Insurance Benefits Advisory Council first appointed
24 pursuant to the increase in the membership of such Council
25 provided by such amendment shall expire, as designated by

1 the Secretary at the time of appointment, one at the end of
2 the first year, one at the end of the second year, and one at
3 the end of the third year after the date of appointment.

4 (c) Section 1868 of the Social Security Act is repealed.

5 **ADVISORY COUNCIL ON SOCIAL SECURITY**

6 **SEC. ~~163~~ 164.** (a) (1) Section 706 (a) of the Social
7 Security Act is amended by striking out "During 1968 and
8 every fifth year thereafter" and inserting in lieu thereof
9 "During February 1969 and during February of every fourth
10 year thereafter".

11 (2) The first sentence of section 706 (d) of such Act
12 is amended by striking out "second".

13 (b) Section 706 (b) of such Act is amended by striking
14 out "shall consist of the Commissioner of Social Security, as
15 Chairman, and 12 other persons, appointed by the Secretary"
16 and inserting in lieu thereof "shall consist of a Chairman and 12
17 other persons, appointed by the Secretary".

18 **REIMBURSEMENT OF CIVIL SERVICE RETIREMENT ANNUI-**
19 **TANTS FOR CERTAIN PREMIUM PAYMENTS UNDER**
20 **SUPPLEMENTARY MEDICAL INSURANCE PROGRAM**

21 **SEC. ~~164~~ 165.** Section 1840 (e) (1) of the Social Secu-
22 rity Act is amended by adding at the end thereof the follow-
23 ing new sentence: "A plan described in section 8903 of title
24 5, United States Code, may reimburse each annuitant en-
25 rolled in such plan an amount equal to the premiums paid by

1 him under this part if such reimbursement is paid entirely
2 from funds of such plan which are derived from sources other
3 than the contributions described in section 8906 of such
4 title.”

5 **APPROPRIATIONS TO SUPPLEMENTARY MEDICAL**
6 **INSURANCE TRUST FUND**

7 **SEC. 165 166.** (a) Section 1844 (a) of the Social Secu-
8 rity Act is amended to read as follows:

9 “(a) There are authorized to be appropriated from time
10 to time, out of any moneys in the Treasury not otherwise ap-
11 propriated, to the Federal Supplementary Medical Insurance
12 Trust Fund—

13 “(1) a Government contribution equal to the ag-
14 gregate premiums payable under this part and deposited
15 in the Trust Fund, and

16 “(2) such sums as the Secretary deems necessary
17 to place the Trust Fund, at the end of any fiscal year
18 occurring after June 30, 1967, in the same position in
19 which it would have been at the end of such fiscal year
20 if (A) a Government contribution representing the ex-
21 cess of the premiums deposited in the Trust Fund during
22 the fiscal year ending June 30, 1967, over the Govern-
23 ment contribution actually appropriated to the Trust
24 Fund during such fiscal year had been appropriated to
25 it on June 30, 1967, and (B) the Government contri-

1 contribution for premiums deposited in the Trust Fund after
2 June 30, 1967, had been appropriated to it when such
3 premiums were deposited.”

4 (b) Section 1844 (b) of such Act is amended by strik-
5 ing out “1967” and inserting in lieu thereof “1969”.

6 DISCLOSURE TO COURTS OF WHEREABOUTS OF

7 CERTAIN INDIVIDUALS

8 SEC. ~~166~~ 167. (a) Section 1106 (c) (1) of the Social
9 Security Act is amended by inserting “(A)” after “(c)
10 (1)”, by redesignating subparagraphs (A) through (D) as
11 clauses (i) through (iv), respectively, and by adding at the
12 end thereof the following new subparagraph:

13 “(B) If a request for the most recent address of any
14 individual so included is filed (in accordance with paragraph
15 (2) of this subsection) by a court having jurisdiction to issue
16 orders against individuals for the support and maintenance
17 of their children, the Secretary shall furnish such address, or
18 the address of the individual’s most recent employer, or both,
19 for the court’s own use in issuing or determining whether to
20 issue such an order against such individual (and for no other
21 purpose), if the court certifies that the information is re-
22 quested for such use.”

23 (b) (1) Section 1106 (c) (2) of such Act is amended
24 by striking out “, and shall be accompanied” and all that
25 follows and inserting in lieu thereof “(and, in the case of a

1 request under paragraph (1) (A), shall be accompanied by
 2 a certified copy of the order referred to in clauses (i) and
 3 (iv) thereof.”

4 (2) Section 1106(c) (3) of such Act is amended by
 5 striking out “authorized by subparagraph (D) thereof” and
 6 inserting in lieu thereof “authorized by subparagraph (A)
 7 (iv) or (B) thereof”.

8 **REPORTS OF BOARDS OF TRUSTEES TO CONGRESS**

9 **SEC. 167 168.** (a) Sections 201 (c) (2), 1817 (b) (2),
 10 and 1841 (b) (2) of the Social Security Act are each
 11 amended by striking out “March” and inserting in lieu
 12 thereof “April”.

13 (b) Section 201 (c) of such Act is amended by insert-
 14 ing immediately before the last sentence the following new
 15 sentence: “Such report shall also include an actuarial analy-
 16 sis of the benefit disbursements made from the Federal Old-
 17 Age and Survivors Insurance Trust Fund with respect to
 18 disabled beneficiaries.”

19 **GENERAL SAVINGS PROVISION**

20 **SEC. 168 169.** (a) Where—

21 (1) one or more persons were entitled (without
 22 the application of section 202 (j) (1) of the Social Se-
 23 curity Act) to monthly benefits under section 202 or
 24 223 of such Act for the effective month on the basis of
 25 the wages and self-employment income of an individual,
 26 and

1 (2) one or more persons (not included in paragraph
2 (1)) become entitled to monthly benefits under such
3 section 202 for the first month after the effective month
4 on the basis of such wages and self-employment by rea-
5 son of the amendments made to such Act by sections
6 ~~104, 150, 151, 154, and 155~~ of this Act, and *105, 150,*
7 *151, 152, 155, 156, and 170 of this Act, and*

8 (3) the total of benefits to which all persons are
9 entitled under such section 202 or 223 on the basis of
10 such wages and self-employment for such first month
11 are reduced by reason of section 203 (a) of such Act,
12 as amended by this Act (or would, but for the penulti-
13 mate sentence of such section 203 (a), be so reduced),
14 then the amount of the benefit to which each such person
15 referred to in paragraph (1) is entitled for months after
16 the effective month shall be increased, after the application
17 of such section 203 (a), to the amount it would have been
18 if the person or persons referred to in paragraph (2) were
19 not entitled to a benefit referred to in such paragraph.

20 (b) For purposes of subsection (a), the term "effective
21 month" means the month after the month in which this
22 Act is enacted.

23 *PARENT'S INSURANCE BENEFITS*

24 *SEC. 170. (a) Paragraphs (1) and (2) of section 202*
25 *(h) of the Social Security Act is amended to read as follows:*

1 “(1) Every parent (as defined in this subsection) of an
2 individual entitled to old-age or disability insurance benefits,
3 or of an individual who died a fully insured individual, if
4 such parent—

5 “(A) has attained age 62,

6 “(B) was receiving at least one-half of his support,
7 as determined in accordance with regulations prescribed
8 by the Secretary from such deceased or insured indi-
9 vidual—

10 “(i) if such individual is entitled to old-age or
11 disability insurance benefits, at the time he became
12 entitled to such benefits,

13 “(ii) if such individual has died, at the time
14 of death, or

15 “(iii) if such individual had a period of dis-
16 ability which continued until he became entitled to
17 old-age or disability insurance benefits, or (if he has
18 died) until the month of his death, at the beginning
19 of such period of disability,

20 and has filed proof of such support within two years
21 after the month in which such individual filed applica-
22 tion with respect to such period of disability, became en-
23 titled to such benefits, or died, whichever is applicable,

24 “(C) is not entitled to old-age insurance benefits
25 (or, if such individual is living, to disability insurance
26 benefits), or is entitled to such benefits each of which—

1 “(i) if such individual is living, is based on a
2 primary insurance amount which is less than 50
3 percent of such individual's primary insurance
4 amount, or

5 “(ii) if such individual is deceased, is less than
6 82½ percent of such individual's primary insurance
7 amount in a case where the amount of such parent's
8 insurance benefit for the month is determinable under
9 paragraph (2)(A), or is less than 75 percent of
10 such primary insurance amount in any other case,

11 “(D) has not married since the time as of which it
12 is determined, under subparagraph (B) of this para-
13 graph, that such parent was receiving at least one-half
14 of his support from such individual, and

15 “(E) has filed application for parent's insurance
16 benefits, shall be entitled to a parent's insurance benefit
17 for each month, beginning with the first month in which
18 he becomes so entitled to such insurance benefits and end-
19 ing with the month preceding the first month in which any
20 of the following occurs—

21 “(F) such parent dies or marries, or

22 “(G) (i) if such individual is entitled to old-age or
23 disability insurance benefits, such parent becomes entitled
24 to an old-age or disability insurance benefit based on a
25 primary insurance amount which is equal to or exceeds

1 50 percent of the primary insurance amount of such in-
2 dividual, or

3 “(ii) if such individual has died, such parent be-
4 comes entitled to an old-age insurance benefit which is
5 equal to or exceeds $82\frac{1}{2}$ percent of such individual’s
6 primary insurance amount in a case where the amount
7 of the parent’s insurance benefit for the month is de-
8 terminable under paragraph (2)(A), or is equal to or
9 exceeds 75 percent of such primary insurance amount in
10 any other case, or

11 “(H) such individual is living but is not entitled to dis-
12 ability insurance benefits and is not entitled to old-age insur-
13 ance benefits.

14 “(2)(A) Except as provided in subparagraphs (B)
15 and (C), and in subsection (q), such parent’s insurance
16 benefit for each month shall be equal to—

17 “(i) if the individual on the basis of whose wages
18 and self-employment income the parent is entitled to such
19 benefit has not died prior to the end of such month, one-
20 half of the primary insurance amount of such individual
21 for such month, or

22 “(ii) if such individual has died in or prior to such
23 month, $82\frac{1}{2}$ percent of the primary insurance amount of
24 such individual.

25 “(B) For any month for which more than one parent

1 *is entitled to parent's insurance benefits on the basis of the*
2 *wages and self-employment income of an individual who*
3 *died in or prior to such month, such benefit for each such*
4 *parent for such month shall (except as provided in subpara-*
5 *graph (C)) be equal to 75 per centum of the primary insur-*
6 *ance amount of such individual.*

7 “(C) *In any case in which—*

8 “(i) *any parent is entitled to a parent's insurance*
9 *benefit for a month on the basis of the wages and self-*
10 *employment income of an individual who died in or*
11 *prior to such month, and*

12 “(ii) *another parent of such individual is entitled*
13 *to parent's insurance benefits for such month on the*
14 *basis of such wages and self-employment income, and*
15 *on the basis of an application filed after such month and*
16 *after the month in which the application for the parent's*
17 *insurance benefits referred to in clause (i) was filed,*
18 *the amount of the parent's insurance benefit of the parent*
19 *referred to in clause (i) for the month referred to in such*
20 *clause shall be determined under subparagraph (A) instead*
21 *of subparagraph (B) and the amount of the parent's insur-*
22 *ance benefit of the parent referred to in clause (ii) for such*
23 *month shall be equal to 150 per centum of the primary in-*
24 *surance amount of such individual minus the amount (be-*

1 fore the application of section 203(a)) of the benefit for such
2 month of the parent referred to in clause (i)."

3 (b) Section 202(q) of such Act is amended—

4 (1) by inserting "PARENT'S," in the heading after
5 "HUSBAND'S,";

6 (2) by inserting "parent's," in paragraph (1) after
7 "husband's", and by striking out "or husband's" in
8 such paragraph and inserting in lieu thereof ", hus-
9 band's, or parent's";

10 (3) by inserting "parent's," after "husband's,"
11 wherever it appears in paragraph (3), and by striking
12 out "or husband's" wherever it appears in such para-
13 graph and inserting in lieu thereof ", husband's, or
14 parent's";

15 "(ii) another parent of such individual is entitled
16 to a parent's insurance benefit for such month on the
17 basis of such wages and self-employment income, and on
18 the basis of an application filed after such month and
19 after the month in which the application for the parent's
20 insurance benefits referred to in clause (i) was filed,
21 the amount of the parent's insurance benefit of the parent
22 referred to in clause (i) for the month referred to in such
23 clause shall be determined under subparagraph (A) instead
24 of subparagraph (B) and the amount of the parent's insur-
25 ance benefit of the parent referred to in clause (ii) for such

1 month shall be equal to 150 per centum of the primary insur-
 2 ance amount of such individual minus the amount (before
 3 the application of section 203(a)) of the benefit for such
 4 month of the parent referred to in clause (i)."

5 (b) Section 202(q) of such Act is amended—

6 (1) by striking out "or Widow's" in the heading and
 7 inserting in lieu thereof "Widow's, or "Parent's";

8 (2) by striking out "or widow's" where it first ap-
 9 pears in paragraph (1) and inserting in lieu thereof
 10 "widow's, or parent's", and by striking out "or hus-
 11 band's" in such paragraph and inserting in lieu thereof
 12 ", husband's, or parent's";

13 (3) by striking out "or widow's" wherever it ap-
 14 pears in paragraph (3) and inserting in lieu thereof
 15 "widow's, or parent's", and by striking out "or hus-
 16 band's" wherever it appears in such paragraph and
 17 inserting in lieu thereof ", husband's, or parent's";

18 (4) by striking out "or widow's" wherever it ap-
 19 pears in paragraph (6) and inserting in lieu thereof
 20 "widow's, or parent's";

21 (5) by striking out "or widow's" in paragraph (7)
 22 and inserting in lieu thereof "widow's, or parent's";
 23 by inserting at the end of subparagraph (A) of such
 24 paragraph the following: "and, in the case of a par-

1 ent's insurance benefit, any month in which no such
 2 benefit was payable as a result of the operation of sec-
 3 tion 203(a),"; by striking out "or husband's" in sub-
 4 paragraph (C) of such paragraph and inserting in lieu
 5 thereof ", husband's, or parent's"; and by striking out
 6 "spouse" in subparagraph (C) of such paragraph and
 7 inserting in lieu thereof "individual";

8 (6) by striking out "or husband's" in paragraph
 9 (9) and inserting in lieu thereof "husband's, or par-
 10 ent's"; and

11 (7) by amending paragraph (10) (as added by
 12 section 103(a)(8) of this Act) to read as follows:

13 “(10) For purposes of this subsection—

14 “(A) the term ‘widow's insurance benefit’ means
 15 only a benefit payable under subsection (e) which is
 16 determined under subsection (e)(2)(A); and

17 “(B) the term ‘parent's insurance benefit’ means
 18 only a benefit payable under subsection (h) to a parent
 19 on the basis of the wages and self-employment income
 20 of an individual entitled to old-age or disability insur-
 21 ance benefits.”

22 (c) Section 202(r) of such Act is amended—

23 (1) by striking out "or Husband's" in the heading
 24 and inserting in lieu thereof ", Husband's, or "Parent's";

25 (2) by striking out "is eligible for a wife's or hus-

1 *band's insurance benefit for such first month" in para-*
 2 *graph (1) and inserting in lieu thereof "is eligible for*
 3 *a wife's or husband's insurance benefit or (in a case*
 4 *where the insured individual is living) a parent's in-*
 5 *surance benefit for such first month";*

6 *(3) by striking out "or husband's insurance bene-*
 7 *fits." in paragraph (1) and inserting in lieu thereof*
 8 *“, husband's, or parent's insurance benefits.”; and*

9 *(4) by striking out "or husband's" in paragraph*
 10 *(2) and inserting in lieu thereof “; husband's, or*
 11 *parent's”.*

12 *(d) The last sentence of section 203(a) of such Act is*
 13 *amended to read as follows: “Whenever a reduction is made*
 14 *under this subsection in the total of monthly benefits to which*
 15 *individuals are entitled for any month on the basis of the*
 16 *wages and self-employment income of an insured individual—*

17 *“(A) if such total of benefits for such month in-*
 18 *cludes any benefit or benefits under section 202(h),*
 19 *the reduction shall first be applied to reduce (but not*
 20 *below zero) such benefit (or proportionately such bene-*
 21 *fits) under section 202(h);*

22 *“(B) if no benefits under section 202(h) are in-*
 23 *cluded in such total or if such reduction exceeds the sum*
 24 *of the benefits under section 202(h) for such month,*
 25 *all of such reduction or such excess, as the case may*

1 *be, shall be applied against the benefits (other than those*
2 *under section 202(h)) included in such total of benefits*
3 *for such month by proportionately decreasing each of*
4 *them, except the old-age or disability insurance benefit.”*

5 *(e) Section 203(d)(1) of such Act is amended by*
6 *striking out “or child’s” wherever it appears and inserting in*
7 *lieu thereof “child’s, or parent’s” and by striking out “or*
8 *child” and inserting in lieu thereof “child, or parent”.*

9 *(f) Section 201(h) of such Act is amended by striking*
10 *out “or (d)” and inserting in lieu thereof “(d), or (h)”.*

11 *(g)(1) The amendments made by subsections (a), (b),*
12 *(c), (e), and (f) of this section shall apply with respect to*
13 *monthly insurance benefits under title II of the Social Secu-*
14 *rity Act and for and after the second month following the*
15 *month in which this Act is enacted, but only on the basis*
16 *of applications filed in or after the month in which this Act*
17 *is enacted.*

18 *(2) The amendment made by subsection (d) of this*
19 *section shall apply only in the case of an individual whose*
20 *first month of entitlement to benefits under section 202(h)*
21 *of the Social Security Act is after the month following the*
22 *month in which this Act is enacted.*

23 *(h) The requirement in section 202(h)(1)(B) of the*
24 *Social Security Act that proof of support be filed within*
25 *two years after a specified time in order to establish eligi-*

1 *bility for parent's insurance benefits shall, insofar as such*
 2 *requirement applies to cases where applications under such*
 3 *subsection are filed by parents on the basis of the wages and*
 4 *self-employment income of an individual entitled to old-age or*
 5 *disability insurance benefits, be deemed to have been met if*
 6 *such proof of support is filed within two years after the*
 7 *date of the enactment of this Act.*

8 TITLE II PUBLIC WELFARE AMENDMENTS

9 PART 1—PUBLIC ASSISTANCE AMENDMENTS

10 PROGRAMS OF SERVICES FURNISHED TO FAMILIES WITH 11 DEPENDENT CHILDREN

12 ~~SEC. 201 (a)-(1)~~ Section 402(a) of the Social Secu-
 13 rity Act (as amended by section 202(a) of this Act) is
 14 amended by striking out "and" at the end of clause (13);
 15 by striking out "and provide for coordination of such pro-
 16 grams" and all that follows in clause (14); by striking out
 17 the period at the end of clause (14) and inserting in lieu
 18 thereof a semicolon; and by adding after clause (14) the
 19 following new clauses: "~~(15)~~ provide—

20 "~~(A)~~ for the development of a program for each
 21 appropriate relative and dependent child receiving aid
 22 under the plan; and each appropriate individual (living
 23 in the same home as a relative and child receiving such
 24 aid) whose needs are taken into account in making the
 25 determination under clause (7), with the objective of—

1 ~~“(i) assuring, to the maximum extent possible,~~
 2 ~~that such relative, child, and individual will enter~~
 3 ~~the labor force and accept employment so that they~~
 4 ~~will become self-sufficient, and~~

5 ~~“(ii) preventing or reducing the incidence of~~
 6 ~~illegitimate births, and otherwise strengthening fam-~~
 7 ~~ily life,~~

8 ~~“(B) for the implementation of such programs by~~
 9 ~~assuring that—~~

10 ~~“(i) the employment potential of such rela-~~
 11 ~~tives, children, and individuals is evaluated and they~~
 12 ~~are furnished such services as child-care services and~~
 13 ~~testing, counseling, basic education, vocational train-~~
 14 ~~ing, and special job development to assist them in~~
 15 ~~securing and retaining employment or in raising the~~
 16 ~~level of their skills to secure advancement in their~~
 17 ~~employment, and~~

18 ~~“(ii) in all appropriate cases family planning~~
 19 ~~services are offered to them,~~

20 *COMPREHENSIVE PROGRAM OF SERVICES FURNISHED OF*
 21 *FAMILIES WITH DEPENDENT CHILDREN*

22 *SEC. 201. (a) Section 402(a) of the Social Security*
 23 *Act is amended by striking out clauses (12) and (13) and*
 24 *inserting in lieu thereof the following: “(12) provide—*

25 ~~“(A) for the development of a comprehensive pro-~~

1 *gram for each relative and dependent child receiving aid*
2 *to families with dependent children under the plan with*
3 *the objective of—*

4 “(i) *maintaining and strengthening family life*
5 *and assisting such relative and child to attain or*
6 *retain capability for self-support or care, and*

7 “(ii) *assuring, to the maximum extent possible,*
8 *that each appropriate relative and child will enter*
9 *the labor force and accept employment so that they*
10 *will become self-sufficient, and*

11 “(iii) *preventing or reducing the incidence of*
12 *illegitimate births,*

13 “(B) *for the implementation of such programs by—*

14 “(i) *evaluating the employment potential of*
15 *such relatives and children and their needs for train-*
16 *ing, education, rehabilitation, and medical services*
17 *in order to secure and retain employment or to raise*
18 *the level of their skills to secure advancement in their*
19 *employment, and*

20 “(ii) *furnishing such individuals child-welfare*
21 *services as defined in section 425, family services as*
22 *defined in section 406(d), and such other services*
23 *as the Secretary may prescribe to accomplish the*
24 *objectives of such comprehensive program,*

25 and in appropriate cases by providing aid to families

1 with dependent children in the form of payments of the
2 types described in section 406 (b) (2),

3 “(C) for such review of each such program as may
4 be necessary (as frequently as may be necessary, but at
5 least once a year) to insure that it is being effectively
6 implemented,

7 “(D) for furnishing the Secretary with such re-
8 ports as he may specify showing the results of such pro-
9 grams, and

10 “(E) to the extent that such programs are de-
11 veloped and implemented by services furnished by the
12 staff of the State agency or the local agency administer-
13 ing the State plan in each of the political subdivisions of
14 the State, for the establishment of a single organizational
15 unit in such State or local agency, as the case may be,
16 responsible for the furnishing of such services;

17 ~~(16)~~ (13) provide that where the State agency has reason
18 to believe that the home in which a relative and child receiv-
19 ing aid reside is unsuitable for the child because of the
20 neglect, abuse, or exploitation of such child it shall bring such
21 condition to the attention of the appropriate court or law
22 enforcement agencies in the State, providing such data with
23 respect to the situation it may have; ~~(17)~~ (14) provide—

24 “(A) for the development and implementation of
25 a program under which the State agency will under-
26 take—

1 “(i) in the case of an illegitimate child receiv-
2 ing aid to families with dependent children, to
3 establish the paternity of such child and secure sup-
4 port for him, and

5 “(ii) in the case of any child receiving such
6 aid who has been deserted or abandoned by his par-
7 ent, to secure support for such child from such par-
8 ent (or from any other person legally liable for
9 such support), utilizing any reciprocal arrangements
10 adopted with other States to obtain or enforce court
11 orders for support, and

12 “(B) for the establishment of a single organizational
13 unit in the State agency or local agency administering
14 the State plan in each political subdivision which will be
15 responsible for the administration of the program re-
16 ferred to in clause (A) ;

17 ~~(18)~~ (15) provide for entering into cooperative arrange-
18 ments with appropriate courts and law enforcement officials
19 (A) to assist the State agency in administering the pro-
20 gram referred to in clause ~~(17)~~ (14) (A), including the en-
21 tering into of financial arrangements with such courts and
22 officials in order to assure optimum results under such pro-
23 gram, and (B) with respect to any other matters of common
24 concern to such courts or officials and the State agency or
25 local agency administering the State plan.”

1 (2) Section 402 (a) (13) of such Act (as redesignated
2 by section 202 (a) of this Act) is amended by striking out
3 “(if any)”.

4 (b) Section 402 of such Act is amended by adding at
5 the end thereof the following new subsection:

6 “(c) The Secretary shall, on the basis of his review of
7 the reports received from the States under clause ~~(15)~~ (12)
8 of subsection (a), compile such data as he believes neces-
9 sary and from time to time publish his findings as to the
10 effectiveness of the programs developed and administered
11 by the States under such clause. The Secretary shall an-
12 nually report to the Congress (with the first such report
13 being made on or before July 1, 1970) on the programs
14 developed and administered by each State under such clause
15 ~~(15)~~ (12).”

16 ~~(e)~~ Section 403(a)(3) of such Act is amended by
17 striking out subparagraphs ~~(A)~~ and ~~(B)~~ and inserting in
18 lieu thereof the following:

19 “~~(A)~~ 75 per centum of so much of such ex-
20 penditures as are for—

21 “~~(i)~~ services which are furnished pursuant
22 to clause ~~(15)~~ of section 402(a) and which
23 are provided to any relative or child who is
24 receiving aid under the plan or to any other
25 individual (living in the same home as such

1 relative and child) whose needs are taken into
2 account in making the determination under
3 clause (7) of such section; or

4 “(ii) any of the services specified in or
5 under subsection (c) and provided to any rel-
6 ative or dependent child who is applying for
7 or receiving aid under the plan; or any other in-
8 dividual (living in the same home as such rel-
9 ative and child) whose needs are taken into
10 account in making the determination under
11 clause (7) of section 402(a); or

12 “(iii) any of the services specified in clause
13 (15) of section 402(a); or specified in or
14 under subsection (c); which are provided to
15 any child who is applying for aid under the
16 plan or who, within such period or periods
17 as the Secretary may prescribe, has been or
18 is likely to become an applicant for or re-
19 ceipient of such aid; or to any relative with
20 whom any such child is living; or to any other
21 individual (living in the same home as such
22 relative and child) whose needs are or would
23 be taken into account in making the determi-
24 nation under clause (7) of section 402(a); or

1 “~~(iv)~~ the training of personnel employed
2 or preparing for employment by the State
3 agency or by the local agency administering the
4 plan in the political subdivision; plus”.

5 (c) Section 403(a)(3) of such Act is amended by strik-
6 ing out subparagraphs (A) and (B) and inserting in lieu
7 thereof the following:

8 “(A) 75 per centum of so much of such ex-
9 penditures as are for—

10 “(i) services which are furnished pursu-
11 ant to clause (12) of section 402(a) and which
12 are provided to any child or relative who is
13 receiving aid to families with dependent chil-
14 dren,

15 “(ii) any of the services described in clause
16 (12) of section 402(a) which are provided to
17 any child or relative who is applying for aid
18 to families with dependent children or who,
19 within such period or periods as the Secretary
20 may prescribe, has been or is likely to become
21 an applicant for or recipient of such aid, or

22 (iii) the training of personnel employed or
23 preparing for employment by the State agency
24 or by the local agency administering the plan
25 in the political subdivision; plus”.

1 (d) Section 403 (a) (3) of such Act is further
2 amended—

3 (1) by striking out “subparagraphs (A) and (B)”
4 in the sentence following subparagraph (C) and insert-
5 ing in lieu thereof “subparagraph (A)”;

6 (2) by inserting before the period at the end of the
7 sentence following subparagraph (C) the following:
8 “; and except that, to the extent specified by the Secre-
9 tary, child-welfare services, family planning services,
10 services, and family services may be provided from
11 sources other than those referred to in subparagraphs
12 (D) and (E)”;

13 (3) by striking out “subparagraphs (B) and (C)
14 apply” in the last sentence and inserting in lieu thereof
15 “subparagraph (C) applies”.

16 ~~(e) (1)~~ Section 403 ~~(e)~~ of such Act is amended to read
17 as follows:

18 “~~(e)~~ For purposes of paragraphs ~~(3) (A) (ii)~~ and ~~(3)~~
19 ~~(A) (iii)~~ of subsection ~~(a)~~, the services referred to in such
20 paragraphs as specified in or under this subsection include—

21 “~~(1)~~ child-welfare services as defined in section
22 425;

23 “~~(2)~~ family services as defined in section 406 (d);
24 and

25 “~~(3)~~ other services to maintain and strengthen

1 family life for children, and to help relatives with whom
2 children are living and other individuals ~~(living in the~~
3 ~~same home as a relative and child)~~ whose needs are or
4 would be taken into account in making the determination
5 under clause ~~(7)~~ of section 402(a) to attain or retain
6 capability for self-support or self-care, which are specified
7 by the Secretary.

8 but only with respect to a State whose State plan approved
9 under section 402 provides that when such services are fur-
10 nished by the staff of the State agency or local agency
11 administering such plan, the organizational unit referred to
12 in section 402(a)(15) ~~(E)~~ will be responsible for furnish-
13 ing such services.”

14 *(c)(1) Section 403(c) of such Act is repealed.*

15 (2) Section 403(a)(3) of such Act is amended by
16 striking out “whose State plan approved under section 402
17 meets the requirements of subsection (c)(1)”, and by strik-
18 ing out “; and” at the end and inserting in lieu thereof a
19 period.

20 (3) Section 403(a)(4) of such Act is repealed.

21 (4) Section 408(d) of such Act is amended by striking
22 out “and (4)”.

23 ~~(f)~~ Section 406 of such Act is amended by adding at
24 the end thereof the following new subsection:

25 “~~(d)~~ The term ‘family services’ means services to a

1 family or any member thereof for the purpose of preserving,
2 rehabilitating, reuniting, or strengthening the family, and
3 such other services as will assist members of a family to at-
4 tain or retain capability for the maximum self-support and
5 personal independence."

6 ~~(g) (1)~~ The amendments made by subsection (a) of
7 this section shall be effective October 1, 1967; except that
8 a State shall not be deemed to have failed to comply with
9 such amendments prior to July 1, 1969, because its plan
10 approved under section 402 of the Social Security Act has
11 not been modified to comply with such amendments.

12 ~~(2)~~ The amendments made by subsections (c), (d),
13 and (e) of this section shall apply in the case of any State
14 with respect to services and training furnished on or after
15 the date as of which the modification of the State plan
16 to comply with the amendments made by subsection (a)
17 is approved.

18 ~~(h)~~ Notwithstanding subparagraph (A) of section
19 403(a)(3) of the Social Security Act (as amended by
20 subsection (c) of this section), the rate specified in such
21 subparagraph in the case of any State shall be 85 per centum
22 (rather than 75 per centum) with respect to expenditures,
23 for services furnished pursuant to clause (15) of section
24 402(a) of such Act, made on or after October 1, 1967, and
25 prior to July 1, 1969.

1 (f) Section 406 of such Act is amended by adding at
 2 the end thereof the following new subsection:

3 “(d) The term ‘family services’ means services to a
 4 family or any member thereof for the purpose of preserving,
 5 rehabilitating, reuniting, or strengthening the family, in-
 6 cluding family planning services, and such other services
 7 as will assist members of a family to attain or retain capabil-
 8 ity for the maximum self-support and personal independ-
 9 ence.”

10 (g) (1) The amendments made by subsections (a), (b),
 11 (d), (e), and (f) of this section shall be effective April 1,
 12 1968.

13 (2) The amendment made by subsection (c) shall apply
 14 with respect to services furnished after March 31, 1968.

15 EARNINGS EXEMPTION FOR RECIPIENTS OF AID TO
 16 FAMILIES WITH DEPENDENT CHILDREN

17 ~~SEC. 202.~~ (a) Clauses (8) through (13) of section
 18 402(a) of the Social Security Act are redesignated as
 19 clauses (9) through (14), respectively.

20 EARNINGS EXEMPTION OF PUBLIC ASSISTANCE RECIPIENTS

21 *SEC. 202.* (a) (1) Clauses (8) through (15) of section
 22 402(a) of the Social Security Act are redesignated as clauses
 23 (9) through (16), respectively.

24 ~~(b)~~ (2) Effective July 1, 1969, section 402 (a) of such
 25 Act is amended by striking out clause (7) and inserting in

1 lieu thereof the following: “ (7) except as may be otherwise
 2 provided in clause (8), provide that the State agency shall,
 3 in determining need, take into consideration any other in-
 4 come and resources of any child or relative claiming aid to
 5 families with dependent children, or of any other individual
 6 (living in the same home as such child and relative) whose
 7 needs the State determines should be considered in determin-
 8 ing the need of the child or relative claiming such aid, as well
 9 as any expenses reasonably attributable to the earning of any
 10 such income; (8) provide that, in making the determination
 11 under clause (7), the State agency—

12 “ (A) shall with respect to any month disregard—

13 “ (i) all of the earned income of each depend-
 14 ent child receiving aid to families with dependent
 15 children for any month in which such child (I) is
 16 under age 16, or (II) if age 16 or over but under
 17 age 21, is (as determined by the State in accord-
 18 ance with standards prescribed by the Secretary)
 19 a full-time student attending a school, college, or
 20 university, or a course of vocational or technical
 21 training designed to fit him for gainful employment,
 22 and

23 “ (ii) in the case of earned income of a depend-
 24 ent child not included under clause (i), a relative

1 receiving such aid, and any other individual (living
2 in the same home as such relative and child) whose
3 needs are taken into account in making such
4 determination, the first ~~\$30~~ \$50 of the total of such
5 earned income for such month plus ~~one-third~~ *one-*
6 *half* of the remainder of such income for such month;
7 and

8 “(B) (i) may, subject to the limitations prescribed
9 by the Secretary, permit all or any portion of the earned
10 or other income to be set aside for future identifiable
11 needs of a dependent child, and (ii) may, before dis-
12 regarding the amounts referred to in subparagraph (A)
13 and clause (i) of this subparagraph, disregard not more
14 than \$5 per month of any income;

15 except that, with respect to any month, the State agency
16 shall not disregard any earned income (other than income
17 referred to in subparagraph (B)) of—

18 “(C) any one of the persons specified in clause (ii)
19 of subparagraph (A) if such person—

20 “(i) terminated his employment or reduced his
21 earned income without good cause within such
22 period (of not less than 30 days) preceding such
23 month as may be prescribed by the Secretary; or

24 “(ii) refused without good cause, within such
25 period preceding such month as may be prescribed

1 by the Secretary, to accept employment in which
2 he is able to engage which is offered through the
3 public employment offices of the State, or is other-
4 wise offered by an employer if the offer of such em-
5 ployer is determined by the State or local agency
6 administering the State plan, after notification by
7 him, to be a bona fide offer of employment; or

8 “(D) any of such persons specified in clause (ii)
9 of subparagraph (A) if with respect to such month the
10 income of the persons so specified (within the meaning
11 of clause (7)) was in excess of their need as deter-
12 mined by the State agency pursuant to clause (7)
13 (without regard to clause (8)), unless, for any one of
14 the four months preceding such month, the needs of such
15 persons were met by the furnishing of aid under the
16 plan;”.

17 ~~(e)~~ (3) A State whose plan under section 402 of the
18 Social Security Act has been approved by the Secretary shall
19 not be deemed to have failed to comply substantially with the
20 requirements of section 402 (a) (7) of such Act (as in effect
21 prior to July 1, 1969) for any period beginning after Sep-
22 tember 30, 1967, and ending prior to July 1, 1969, if for
23 such period the State agency disregards earned income of the
24 individuals involved in accordance with the requirements

1 specified in section 402(a) (7) and (8) of such Act as
2 amended by this section.

3 (b)(1) Effective July 1, 1969, clauses (i) and (ii) of
4 section 2(a)(10)(A) of such Act are amended to read
5 as follows: "(i) the State agency shall with respect to any
6 month disregard the first \$50 of the total of the earned income
7 of such individual for such month plus one-half of the re-
8 mainder of such income for such month and (ii) the State
9 may, before disregarding the amount referred to in clause
10 (i), disregard no more than \$5 per month of any income;"

11 (b)(2) A State whose plan under section 2 of the Social
12 Security Act has been approved by the Secretary shall not
13 be deemed to have failed to comply substantially with the
14 requirements of section 2(a)(10)(A) of such Act (as in
15 effect prior to July 1, 1969) for any period beginning
16 after September 30, 1967 and ending prior to July 1,
17 1969 if for such period the State agency disregards earned
18 income of the individual involved in accordance with the
19 requirements specified in clause (i) of section 2(a)(10)
20 (A) of such Act as amended by this section.

21 (c)(1) Effective July 1, 1969, clauses (A) and (B)
22 of section 1402(a)(8) of such Act are amended to read as
23 follows: "(A) the State agency shall with respect to any
24 month disregard the first \$50 of the total of the earned
25 income of such individual for such months plus one-half

1 of the remainder of such income for such month, and (B)
2 the State may, before disregarding the amount referred to
3 in clause (A), disregard no more than \$5 per month of any
4 income, and”.

5 (2) A State whose plan under section 1402 of the
6 Social Security Act has been approved by the Secretary
7 shall not be deemed to have failed to comply substantially
8 with the requirements of section 1402(a)(8) of such Act
9 (as in effect prior to July 1, 1969) for any period beginning
10 after September 30, 1967, and ending prior to July 1,
11 1969, if for such period the State agency disregards earned
12 income of the individual involved in accordance with the
13 requirements specified in clause (A) of section 1402(a)(8)
14 of such Act as amended by this section.

15 (d)(1) Clause (i) of section 1602(a)(14)(B) is
16 amended to read as follows: “(i) the State agency shall
17 with respect to any month disregard the first \$50 of the
18 total of the earned income of such individual for such month
19 plus one-half of the remainder of such income for such
20 month, and”.

21 (2) Subparagraph (C) of section 1602(a)(14) is
22 amended to read as follows: “if such individual has attained
23 age 65 and is neither blind nor permanently disabled, the
24 State agency shall with respect to any month disregard the
25 first \$50 of the total of the earned income of such individual

1 *for such month plus one-half of the remainder of such income*
2 *for such month, and”.*

3 *(3) A State whose plan under section 1602 of the Social*
4 *Security Act has been approved by the Secretary shall not*
5 *be deemed to have to comply substantially with the require-*
6 *ments of section 1602(a)(14) of such Act (as in effect prior*
7 *to July 1, 1969) for any period beginning after September*
8 *30, 1967, and ending prior to July 1, 1969, if for such*
9 *period the State agency disregards earned income of the*
10 *individual involved in accordance with the requirements*
11 *specified in clause (i) of section 1602(a)(14)(B) or sub-*
12 *paragraph (C) of section 1602(a)(14) as amended by*
13 *this section.*

14 *(4) In determining the need of individuals claiming aid*
15 *to families with dependent children (and individuals whose*
16 *needs are taken into account in making such determination)*
17 *under a State plan approved under section 402 of the Social*
18 *Security Act which provides for the determination of such*
19 *need under the provisions of section 402(a) (7) and (8) of*
20 *such Act as amended by this section, the State shall apply*
21 *such provisions notwithstanding any provision of law (other*
22 *than such Act) requiring the State to disregard earned in-*
23 *come of such individuals in determining need under such State*
24 *plan.*

25 *(c) In determining the need of individuals claiming aid*

1 *or assistance under a State plan approved under titles I,*
 2 *XIV, or XVI or part A of title IV of the Social Security*
 3 *Act which provides for the determination of such need under*
 4 *the provisions of such titles or such part as amended by this*
 5 *section, the State shall apply such provisions notwithstanding*
 6 *any provisions of law (other than such Act) requiring the*
 7 *State to disregard earned income of such individuals in deter-*
 8 *mining need under such State plans.*

9 DEPENDENT CHILDREN OF UNEMPLOYED FATHERS

10 SEC. 203. (a) Section 407 of the Social Security Act is
 11 amended to read as follows:

12 “DEPENDENT CHILDREN OF UNEMPLOYED FATHERS

13 “SEC. 407. (a) The term ‘dependent child’ shall, not-
 14 withstanding section 406 (a), include a needy child who
 15 meets the requirements of section 406 (a) (2), who has been
 16 deprived of parental support or care by reason of the unem-
 17 ployment (as determined in accordance with standards pre-
 18 scribed by the Secretary) of his father, and who is living
 19 with any of the relatives specified in section 406 (a) (1)
 20 in a place of residence maintained by one or more of such
 21 relatives as his (or their) own home.

22 “(b) The provisions of subsection (a) shall be applicable
 23 to a State if the State’s plan approved under section 402—

24 “(1) requires the payment of aid to families with

1 dependent children with respect to a dependent child as
2 defined in subsection (a) when—

3 “(A) such child’s father has not been employed
4 (as determined in accordance with standards pre-
5 scribed by the Secretary) for at least 30 days prior
6 to the receipt of such aid,

7 “(B) such father has not without good cause,
8 within such period (of not less than 30 days) as
9 may be prescribed by the Secretary, refused a bona
10 fide offer of employment or training for employ-
11 ment, and *employment; and*

12 ~~“(C) (i) such father has 6 or more quarters of~~
13 ~~work (as defined in subsection (d)(1)) in any 13-~~
14 ~~calendar-quarter period ending within one year~~
15 ~~prior to the application for such aid or (ii) he re-~~
16 ~~ceived unemployment compensation under an unem-~~
17 ~~ployment compensation law of a State or of the~~
18 ~~United States, or he was qualified (within the mean-~~
19 ~~ing of subsection (d)(3)) for unemployment com-~~
20 ~~ensation under the unemployment compensation~~
21 ~~law of the State, within one year prior to the appli-~~
22 ~~cation for such aid; and~~

23 “(2) provides—

24 ~~“(A) (i) for the establishment of a work and~~
25 ~~training program in accordance with section 400,~~

1 ~~and (ii)~~ for such assurances as will satisfy the Sec-
2 retary that fathers of dependent children as defined
3 in subsection (a) are assigned as participants to
4 projects under ~~such program~~ *a work and training*
5 *program (established and maintained under section*
6 *409 or 410)* within 30 days after receipt of aid
7 with respect to such children;

8 “(B) that the services of the public em-
9 ployment offices in the State shall be utilized in
10 order to assist fathers of dependent children as de-
11 fined in subsection (a) to secure employment or
12 occupational training, including appropriate provi-
13 sion for registration and periodic reregistration of
14 such fathers and for maximum utilization of the
15 job placement services and other services and facili-
16 ties of such offices;

17 “(C) for entering into cooperative arrange-
18 ments with the State agency responsible for admin-
19 istering or supervising the administration of voca-
20 tional education in the State, designed to assure
21 maximum utilization of available public vocational
22 education services and facilities in the State in order
23 to encourage the retraining of individuals capable
24 of being retrained; and

1 “(D) for the denial of aid to families with de-
2 pendent children to any child or relative specified
3 in subsection (a) if, and for as long as, such child’s
4 father—

5 “(i) is not currently registered with the
6 public employment offices in the State,

7 “(ii) refuses without good cause to under-
8 take, or continue to undertake, work or training
9 in the program referred to in subparagraph
10 (A),

11 “(iii) refuses without good cause to accept
12 employment in which he is able to engage
13 which is offered through the public employment
14 offices of the State, or is otherwise offered by an
15 employer if the offer of such employer is de-
16 termined by the State or local agency adminis-
17 tering the State plan, after notification by him,
18 to be a bona fide offer of employment,

19 “(iv) refuses without good cause to un-
20 dergo the retraining referred to in subpara-
21 graph (C), or

22 “(v) receives unemployment compensa-
23 tion under an unemployment compensation law
24 of a State or of the United States;

25 “(e) Notwithstanding any other provision of this sec-

1 tion, expenditures pursuant to this section shall be excluded
2 from aid to families with dependent children—

3 “(1) where such expenditures are made with re-
4 spect to any dependent child as defined in subsection
5 (a)—

6 “(A) for any part of the 30-day period re-
7 ferred to in subparagraph (A) of subsection (b)(1),
8 or

9 “(B) for any period prior to the time when
10 the father satisfies subparagraph (B) and (C) of
11 subsection (b)(1), and

12 “(2) if, and for as long as, no action is taken under
13 the program specified in subparagraph (A) of sub-
14 section (b)(2) (after the 30-day period referred to
15 therein) to assign such child's father to a project under
16 such program, unless the State agency or local agency
17 administering the plan determines, in accordance with
18 standards prescribed by the Secretary, that any such as-
19 signment would be detrimental to the health of such
20 father or that no such project is available.

21 “(d) For purposes of this section—

22 “(1) the term ‘quarter of work’ with respect to any
23 individual means a calendar quarter in which such indi-
24 vidual received earned income of not less than \$50 (or
25 which is a ‘quarter of coverage’ as defined in section

1 ~~213 (a) (2)~~); or in which such individual participated
 2 in a community work and training program under section
 3 409 or any other work and training program subject to
 4 the limitations in section 409;

5 “(2) the term ‘calendar quarter’ means a period of
 6 3 consecutive calendar months ending on March 31,
 7 June 30, September 30, or December 31; and

8 “(3) an individual shall be deemed qualified for un-
 9 employment compensation under the State’s unemploy-
 10 ment compensation law if—

11 “(A) he would have been eligible to receive
 12 such unemployment compensation upon filing appli-
 13 cation; or

14 “(B) he performed work not covered under
 15 such law and such work, if it had been covered,
 16 would (together with any covered work he per-
 17 formed) have made him eligible to receive such
 18 unemployment compensation upon filing applica-
 19 tion.”

20 (b) In the case of an application for aid to families with
 21 dependent children under a State plan approved under sec-
 22 tion 403 of such Act with respect to a dependent child as
 23 defined in section 407(a) of such Act (as amended by this
 24 section) within 6 months after the effective date of the modi-
 25 fication of such State plan which provides for payments in

1 accordance with section 407 of such Act as so amended, the
2 father of such child shall be deemed to meet the requirements
3 of subparagraph (C) of section 407(b)(1) of such Act (as
4 so amended) if at any time after April 1964 and prior to
5 the date of application such father met the requirements of
6 such subparagraph (C). For purposes of the preceding sen-
7 tence, an individual receiving aid to families with dependent
8 children (under section 407 of the Social Security Act as
9 in effect before the enactment of this Act) for the last
10 month ending before the effective date of the modification
11 referred to in such sentence shall be deemed to have filed
12 application for such aid under such section 407 (as amended
13 by this section) on the day after such effective date.

14 “(c) Notwithstanding any other provisions of this sec-
15 tion---

16 “(1) a State plan may, at the option of the State,
17 provide for denial of all (or any part) of the aid under
18 the plan with respect to a dependent child as defined in
19 subsection (a) to which any child or relative might
20 otherwise be entitled for any month if the father of such
21 child receives unemployment compensation under an
22 unemployment compensation law of a State or of the
23 United States for any week any part of which is in-
24 cluded in such month, and

25 “(2) expenditures pursuant to this section shall

1 *be excluded from aid to families with dependent children*
 2 *(A) where such expenditures are made under the plan*
 3 *with respect to any dependent child as defined in sub-*
 4 *section (a), (i) for any part of the 30-day period*
 5 *referred to in subparagraph (A) of subsection (b)(1),*
 6 *or (ii) for any period prior to the time when the father*
 7 *satisfies subparagraph (B) of such subsection, and (B)*
 8 *if, and for as long as, no action is taken (after the*
 9 *30-day period referred to in subparagraph (A) of sub-*
 10 *section (b)(2) under the program therein specified to*
 11 *assign such child's father to a project under such pro-*
 12 *gram, unless the State agency or local agency admin-*
 13 *istering the plan determines, in accordance with stand-*
 14 *ards prescribed by the Secretary, that any such assign-*
 15 *ment would be detrimental to the health of such father*
 16 *or that no such project is available."*

17 ~~(e)~~ (b). The amendment made by subsection (a) shall
 18 be effective October 1, 1967; except that ~~(4)~~ no State which
 19 had in operation a program of aid with respect to children of
 20 unemployed parents under section 407 of the Social Security
 21 Act (as in effect prior to such amendment) in the calendar
 22 quarter commencing July 1, 1967, shall be required to in-
 23 clude any additional child or family under its State plan
 24 approved under section 402 of such Act, by reason of the
 25 enactment of such amendment, prior to July 1, 1969; and
 26 ~~(2)~~ ¹ no such State shall be required to deny aid under such

1 State plan to any individual, because the plan does not estab-
2 lish a community work and training program in accordance
3 with section 409 of such Act, prior to July 1, 1969.

4 COMMUNITY WORK AND TRAINING PROGRAMS

5 SEC. 204. (a) Section 409 of the Social Security Act
6 is amended to read as follows:

7 "COMMUNITY WORK AND TRAINING PROGRAMS

8 "SEC. 409. For the purpose of assisting the States in en-
9 couraging, through community work and training programs
10 of a constructive nature, the conservation of work skills and
11 the development of new skills in appropriate cases for chil-
12 dren and relatives receiving aid to families with dependent
13 children, and other individuals (living in the same home as
14 a relative and child receiving such aid) whose needs are
15 taken into account in making the determination under sec-
16 tion 402(a)-(7), under conditions which are designed to
17 assure protection of the health and welfare of such persons,
18 expenditures (other than for medical or any other type of
19 remedial care) for any month with respect to a dependent
20 child under a State plan approved under section 402 shall
21 be included in the term 'aid to families with dependent
22 children' (as defined in section 406(b)) where such ex-
23 penditures are made in the form of payments for work per-
24 formed in such month by such child, relative, or other indi-
25 vidual if—

1 “(1) such child, relative, or other individual has
2 attained age 16;

3 “(2) such work is performed under a work and
4 training program administered or supervised by the State
5 agency and maintained and operated by that agency or
6 another public or nonprofit agency for the purpose of
7 preparing individuals for, or restoring them to, employa-
8 bility;

9 “(3) there is State financial participation in such
10 expenditures;

11 “(4) the State plan includes provisions which, in
12 the judgment of the Secretary, provide reasonable assur-
13 ance that—

14 “(A) such work and training program con-
15 forms to standards prescribed by the Secretary;

16 “(B) such program is in effect in those political
17 subdivisions of the State in which there is a sig-
18 nificant number (determined in accordance with
19 standards prescribed by the Secretary) of individuals
20 who have attained age 16 and are receiving aid
21 to families with dependent children;

22 “(C) (i) the vocational needs and potential of
23 each appropriate child and each relative (applying
24 for or receiving aid to families with dependent chil-
25 dren); and of each other appropriate individual (liv-

1 ing in the same home as a relative and child receiving
2 such aid) whose needs are (or would but for section
3 402(a)(20)(B) be) taken into account in making
4 the determination under section 402(a)(7), are
5 evaluated; and (ii) the program is made available to
6 any such child, relative, or other individual who is
7 determined to have the capability for employment;

8 “(D) appropriate standards for health, safety,
9 and other conditions applicable to the performance
10 of such work are established and maintained (except
11 that if State law establishes standards for health
12 and safety which are applicable to the performance
13 of such work in the State, the requirements of this
14 subparagraph shall be deemed to be satisfied);

15 “(E) payments for such work are at rates not
16 less than the minimum rate (if any) provided by
17 or under applicable Federal or State law for the
18 same type of work and not less than the rates pre-
19 vailing for similar work in the community (except
20 that in the case of work by individuals who under
21 such law are considered learners or handicapped
22 persons, payments may be at any special minimum
23 rates established for them by or under such law);

24 “(F) such work is performed on projects which

1 serve a useful public purpose and do not result in
2 displacement of regular workers, with provision in
3 appropriate cases for the performance of such work
4 (pursuant to agreement entered into by the State
5 or local agency administering the State plan) for
6 Federal, State, or local agencies or for private em-
7 ployers, organizations, agencies, or institutions;

8 “(G) in determining the needs of any such
9 child, relative, or other individual, any additional
10 expenses reasonably attributable to such work will
11 be considered;

12 “(H) any such child, relative, or other indi-
13 vidual shall have reasonable opportunities to seek
14 regular employment and to secure any appropriate
15 training or retraining which may be available; and

16 “(I) any such child, relative, or other individ-
17 ual will, with respect to the work so performed, be
18 covered under the State workmen’s compensation
19 law or be provided comparable protection; and

20 “(5) the State plan includes—

21 “(A) provision for entering into cooperative
22 arrangements with the public employment offices in
23 the State for the utilization of such offices to assist
24 any such child, relative, or other individual perform-
25 ing such work under such program to secure employ-

1 ment or occupational training, including appropriate
2 provision for registration and periodic reregistration
3 of such individuals and for maximum utilization of
4 the job placement, vocational evaluation, testing,
5 counseling, and other services and facilities of such
6 offices;

7 ~~“(B) provision that the services and facilities~~
8 under title II of the Manpower Development and
9 Training Act of 1962, and the services and facili-
10 ties under any other Federal and State programs
11 for manpower training, retraining, and work ex-
12 perience, shall, to the extent available, be utilized
13 for the training, retraining, and work experience of
14 the persons accepted for participation under such
15 work and training program;

16 ~~“(C) provision for entering into cooperative~~
17 arrangements with the Federal and State agencies
18 responsible for administering or supervising the ad-
19 ministration of vocational education and adult
20 education in the State, designed to assure maximum
21 utilization of available public vocational or adult
22 education services and facilities in the State in order
23 to encourage the training or retraining of any such
24 child, relative, or other individual performing work

1 under such program and otherwise assist them in
2 preparing for regular employment;

3 ~~“(D)~~ provision for assuring appropriate ar-
4 rangements for the care and protection of children
5 during the absence from the home of any such rela-
6 tive performing work or receiving training under
7 such program; and

8 ~~“(E)~~ provision that there will be no adjust-
9 ment or recovery by the State or any political sub-
10 division thereof on account of any payments which
11 are correctly made for such work.”

12 (b) Section 402(a) of such Act (as amended by
13 sections 201(a) and 202(a) of this Act) is amended by in-
14 serting before the period at the end thereof the following
15 new clauses: “; (10) include provisions to assure that all
16 appropriate children and relatives receiving aid to families
17 with dependent children, and all other appropriate individuals
18 (living in the same home as a relative and child receiving
19 such aid) whose needs are taken into account in making the
20 determination under clause (7), register and periodically
21 reregister with the public employment offices of the State;
22 (20) provide that (A) if and for as long as any such appro-
23 priate child or relative refuses without good cause to so
24 register or reregister, or refuses without good cause to accept
25 employment in which he is able to engage and which is

1 offered through the public employment offices of the State
 2 or is otherwise offered by an employer (and the offer of
 3 such employer is determined by the State or local agency
 4 administering the State plan; after notification by him; to
 5 be a bona fide offer of employment); or refuses without
 6 good cause to participate in a work and training program
 7 under section 408 or undergo any other training for employ-
 8 ment; then—

9 “(i) if the relative makes such refusal; such rela-
 10 tive's needs shall not be taken into account in making
 11 the determination under clause (7); and aid for any
 12 dependent child in the family in any form other than
 13 payments of the type described in section 406(b)(2)
 14 (which may be made in such a case without regard
 15 to clauses (A) through (F) thereof) or section 408
 16 will be denied;

17 “(ii) aid with respect to a dependent child will
 18 be denied if a child who is the only child receiving aid
 19 in the family makes such refusal; and

20 “(iii) if there is more than one child receiving aid
 21 in the family; aid for any such child will be denied if that
 22 child makes such refusal;

23 and (B) if and for as long as any such other appropriate
 24 individual makes such a refusal; such individual's needs
 25 shall not be taken into account in making the determina-

1 tion under clause (7); (21) effective July 1, 1969, provide
 2 for (A) a work and training program meeting the require-
 3 ments of section 409 for appropriate individuals who have
 4 attained age 16 and are receiving aid to families with depend-
 5 ent children; and for other appropriate individuals living
 6 in the same home whose needs are taken into account
 7 in making the determination under clause (7); with the
 8 objective that a maximum number of such individuals will
 9 be benefited through the conservation of their work skills
 10 and the development of new skills; and (B) expenditures
 11 in the form of payments described in such section 409”.

12 (c) Section 403(a)(3) of such Act (as amended by
 13 section 201(c) of this Act) is amended by inserting after
 14 subparagraph (A) the following new subparagraph:

15 “(B) 75 per centum of so much of such ex-
 16 penditures as are for—

17 “(i) training, supervision, materials, and
 18 such other items as are authorized by the Secre-
 19 tary, in connection with a work and training
 20 program described in section 409; and

21 “(ii) other services (not included in clause
 22 (i)), specified by the Secretary, which are
 23 related to the purposes of such a program and
 24 are provided to individuals who are participants
 25 in such a program; plus”.

1 ~~(d)~~ Section 403~~(a)~~ of such Act is further amended by
 2 adding at the end thereof the following new sentence:
 3 “For purposes of subparagraph ~~(B)~~ of paragraph ~~(3)~~,
 4 subject to limitations prescribed by the Secretary, the
 5 services and items referred to in clauses ~~(i)~~ and ~~(ii)~~ of such
 6 subparagraph may be furnished, pursuant to agreement
 7 entered into by the State or local agency administering the
 8 State plan, by employers, organizations, agencies, and insti-
 9 tutions equipped to furnish such services and items.”

10 ~~(e)~~ Notwithstanding subparagraph ~~(B)~~ of section 403
 11 ~~(a)~~ ~~(3)~~ of the Social Security Act (as added by subsec-
 12 tion ~~(c)~~ of this section), the rate specified in such sub-
 13 paragraph in the case of any State shall be 85 per centum
 14 ~~(rather than 75 per centum)~~ with respect to expenditures,
 15 for services and training furnished, made on or after Oc-
 16 tober 1, 1967, and prior to July 1, 1969.

17 ~~(f)~~ ~~(1)~~ Title III of the Social Security Act is amended
 18 by adding at the end thereof the following new section:

19 “SERVICES FURNISHED BY PUBLIC EMPLOYMENT OFFICES
 20 OF THE STATE

21 “SEC. 304. The Secretary of Health, Education, and
 22 Welfare shall enter into cooperative agreements with the
 23 Secretary of Labor for the provision through the public em-
 24 ployment offices in each State of such services as the Secre-
 25 tary of Health, Education, and Welfare shall specify as

1 necessary to assure that individuals receiving or applying for
2 aid to families with dependent children under a plan ap-
3 proved under part A of title IV of this Act ~~(1)~~ are regis-
4 tered and periodically reregistered at such offices; ~~(2)~~ are
5 receiving testing and counseling services and such other
6 services as such offices make available to individuals to assist
7 them in securing and retaining employment; and ~~(3)~~ are,
8 in appropriate cases, referred to employers who have re-
9 quested such offices to furnish applicants for job placement.
10 The State agency administering or supervising the adminis-
11 tration of the plan of any State approved under section
12 402 of this Act shall pay the Secretary of Labor (as
13 expenses subject to section 403(a)~~(3)~~(B) of this Act)
14 for any costs incurred in providing the services described
15 in clause ~~(2)~~ of the preceding sentence with respect to in-
16 dividuals who are receiving or applying for aid (or whose
17 needs are taken into account) under such plan.”

18 ~~(2)~~ Section 402(a) of such Act (as amended by the
19 preceding provisions of this Act) is amended by inserting
20 before the period at the end thereof the following new clause:
21 “; ~~(22)~~ provide for payment to the Secretary of Labor
22 for any costs incurred in providing the services described in
23 clause ~~(2)~~ of the first sentence of section 304 with respect
24 to individuals who are receiving or applying for aid (or
25 whose needs are taken into account) under the plan”.

1 ~~(g)~~ The amendments made by subsections ~~(a)~~, ~~(c)~~,
 2 and ~~(f)-(2)~~ shall be effective on July 1, 1968, or, if earlier
 3 ~~(in the case of any State)~~, on the date as of which the mod-
 4 ification of the State plan to comply with such amendments
 5 is approved. Except as otherwise specifically indicated
 6 therein, the amendment made by subsection ~~(b)~~ shall be
 7 effective April 1, 1968.

8 FEDERAL ASSISTANCE IN MEETING THE COSTS OF
 9 COMMUNITY WORK AND TRAINING

10 SEC. 204. (a) Section 402(a) of the Social Security
 11 Act is amended by inserting before the period at the end
 12 thereof after clause (16) (redesignated by section 202(a)
 13 of this Act) the following:”; (17) effective July 1, 1968
 14 provide (A) for entering into agreements with the Secretary
 15 of Labor, or such delegate as he may designate, for the
 16 referral of all appropriate individuals who have attained
 17 age 16 and are receiving aid to families with dependent
 18 children to a work and training program established and
 19 maintained by the Secretary of Labor or his delegate under
 20 section 410 in the geographical area in which such individ-
 21 uals live for purposes of preparing such individuals for, or
 22 restoring them to, employability, (B) that such aid will not
 23 be denied by reason of such referral, or by reason of the
 24 refusal of such individual to perform any such work if he
 25 has good cause for such refusal, and (C) that any addi-

1 *tional expenses attributable to participation in such program*
2 *will be considered in determining the needs of such individ-*
3 *uals, and (18), effective July 1, 1968, provide for—*

4 “(A) *the establishment of a work and training pro-*
5 *gram (which conforms to standards prescribed by the*
6 *Secretary) for appropriate individuals who have at-*
7 *tained age 16 and are receiving aid to families with*
8 *dependent children with the objective that a maximum*
9 *number of such individuals will be benefited through the*
10 *conservation of their work skills and the development*
11 *of new skills,*

12 “(B) *such a program to be in effect in those political*
13 *subdivisions of the State in which there is a significant*
14 *number (determined in accordance with standards pre-*
15 *scribed by the Secretary) of individuals who have at-*
16 *tained age 16 and are receiving aid to families with*
17 *dependent children;*

18 “(C) *expenditures described in section 409(a) in*
19 *the form of payments to such individuals, and*

20 “(D) *meeting the requirements of such section*
21 *409(a);*

22 *but only if the Secretary of Labor or his delegate does not*
23 *maintain and operate any work and training program as*
24 *authorized under section 410 in the State, and has certified*
25 *that it is not practicable for him to maintain and operate*
26 *such a program anywhere in the State”.*

1 (b) Section 402(a)(8) of such Act is amended by
2 adding after subparagraph (B) the following new subpara-
3 graph:

4 “(C) effective July 1, 1968, shall disregard any
5 training incentive of not more than \$20 a week paid
6 under a program of work and training maintained and
7 operated either by the State agency as authorized under
8 section 409 or by the Secretary of Labor or his delegate
9 as authorized under section 410;”.

10 (c) (1) Effective with respect to expenditures made after
11 September 30, 1967, section 409 of such Act is amended
12 by—

13 (A) adding at the end of the heading of such sec-
14 tion the following: “by the State Agency”;

15 (B) striking out in so much of the matter in sub-
16 section (a) as precedes paragraph (1) “the relatives
17 with whom such child is living” and inserting in lieu
18 thereof “such individuals”, and striking out in such
19 material “18” and inserting in lieu thereof “16”;

20 (C) striking out in paragraphs (1), (3), and (4)
21 “relative” and “relatives” and inserting in lieu thereof
22 “individual” and “individuals”, respectively; and

23 (D) deleting paragraph (2) of subsection (a) and
24 inserting in lieu thereof the following new paragraph:

25 “(2) provision that the services of the public employ-

1 *ment offices in the State shall, to the extent reasonably*
2 *available, be utilized in order to assist such individuals*
3 *performing work under such program to secure employ-*
4 *ment or occupational training, including appropriate*
5 *provision for registration and periodic reregistration of*
6 *such individuals and for maximum utilization of the job*
7 *placement services and other services and facilities of*
8 *such offices;”.*

9 *(2) Effective July 1, 1968, striking out “(which need*
10 *not be in effect in all political subdivisions of the State)”.*

11 *(d)(1) Section 409(b) of such Act is amended by strik-*
12 *ing out “In the case of any State” and inserting in lieu*
13 *thereof “Except as may be provided in subsection (c), in*
14 *the case of any State”.*

15 *(2) Effective October 1, 1967, section 409 of such Act*
16 *is amended by adding the following new subsection:*

17 *“(c)(1) From the sums appropriated pursuant to sub-*
18 *section (g)(1) of this section the Secretary of the Treasury*
19 *shall for each quarter after September 30, 1967 pay each*
20 *State, which has a plan for aid and services to needy*
21 *families with children which has been approved under sec-*
22 *tion 402, for its expenditures under the plan (in such*
23 *amount as is specified in paragraph (2)), found necessary*
24 *by the Secretary of Health, Education, and Welfare, for*
25 *the proper and efficient administration of such plan, which*

1 are for (1) training, supervision, materials, and such other
2 items as are authorized by the Secretary in connection with
3 work or training on a project which is undertaken pursuant
4 to subsection (a) and which the Secretary finds complies
5 with such standards and limitations as he may prescribe
6 to assure that such work and training are for the purpose
7 of preparing for, or restoring to, employability individuals
8 who have attained age 16 and are receiving aid to families
9 with dependent children, (2) other services specified by the
10 Secretary which are related to the purposes of this section
11 and are provided for such individuals, or (3) incentive
12 payments to any such individuals of not more than \$20 per
13 week, as authorized by the State. The State may, in accord-
14 ance with such standards as the Secretary may prescribe,
15 enter into contracts with employers, organizations, agencies,
16 or institutions to furnish the services and items specified
17 in the preceding sentence in order to carry out the pur-
18 poses of this section.

19 “(2) The amount referred to in paragraph (1) shall
20 not exceed 90 percent of the expenditures for the items and
21 services referred to in such paragraph unless the Secretary
22 determines that payments in excess thereof are required to
23 give full effect to the purposes of this section. Non-Federal
24 contributions may be in cash or kind, fairly evaluated, in-
25 cluding but not limited to plant, equipment, and services.”

1 *(e) Effective July 1, 1968, section 409 of such Act is*
2 *amended by adding at the end thereof (after subsection (c),*
3 *added to such section by subsection (d) (2) of this section of*
4 *this Act) the following new subsection:*

5 *“(d) Notwithstanding the previous provisions of this*
6 *section, expenditures pursuant to subsection (a) shall be*
7 *excluded from aid to families with dependent children with*
8 *respect to individuals living in geographical areas (1) in*
9 *which the Secretary of Labor maintains and operates a*
10 *work and training program, as authorized under section 410,*
11 *or (2) where the Secretary of Labor has not found it im-*
12 *practicable for him to maintain and operate such a program.*
13 *The provisions of this subsection shall not apply with respect*
14 *to any geographical area with respect to which the Secretary*
15 *of Labor has agreed that the State agency may establish a*
16 *work and training program meeting the requirements of*
17 *subsection (a).”*

18 *(f) Section 409 of such Act is further amended by add-*
19 *ing after subsection (d) (added to such section by subsection*
20 *(e) of this section of this Act) the following new subsection:*

21 *“(e) (1) In order to stimulate the adoption of programs*
22 *designed to help unemployed parents and related members of*
23 *the same household, the Secretary is authorized to make*
24 *grants beginning with the fiscal year ending June 30, 1968,*
25 *to public agencies, organizations, and institutions for experi-*

1 *mental or pilot projects relating to community work and*
2 *training which may assist in better carrying out the purposes*
3 *of this section and section 410 and, to the extent he deems*
4 *it appropriate, the Secretary may require the recipient of*
5 *any grant to contribute money, facilities, or services for*
6 *carrying out such experimental or pilot projects.*

7 “(2) *Payments of grants under this subsection may be*
8 *made in advance or by way of reimbursement, and in such*
9 *installments as the Secretary may determine; and shall be*
10 *made on such conditions as the Secretary finds necessary to*
11 *carry out the purposes of the grants and shall include the*
12 *condition that in the case of a grant to any State agency,*
13 *which has a plan approved under this title such agency must*
14 *comply with the requirements of section 402(a)(15) with*
15 *respect to individuals provided assistance under such experi-*
16 *mental or pilot projects.”*

17 “(g) *Section 409 of such Act is further amended by*
18 *adding at the end thereof after subsection (e) (added to such*
19 *section by subsection (f) of this section of this Act) the fol-*
20 *lowing subsection:*

21 “(f) *Notwithstanding any other provision in section*
22 *402(a) (but only with respect to periods prior to July 1,*
23 *1969) a State plan may, at the option of the State, provide*
24 *for meeting (in conjunction with other income and resources)*

1 *all the need, as determined in accordance with standards*
2 *applicable under the plan for determining need, of indi-*
3 *viduals participating in a work and training program main-*
4 *tained and operated either by the State agency as authorized*
5 *under section 409 or by the Secretary of Labor or his dele-*
6 *gate as authorized under section 410."*

7 *(h) Section 409 of such Act is further amended by add-*
8 *ing at the end thereof after subsection (f) (added to such*
9 *section by subsection (g) of this section of this Act) the fol-*
10 *lowing subsection:*

11 *"(g)(1) There are hereby authorized to be appropriated*
12 *such sums as may be necessary to carry out the purposes*
13 *of subsection (c)(1) and (e)(1) of this section and of section*
14 *410.*

15 *"(2) The Secretary of Health, Education, and Welfare,*
16 *shall transfer to the Secretary of Labor from time to time*
17 *sufficient amounts, out of monies appropriated pursuant to*
18 *paragraph (1) of this subsection, to enable him to carry*
19 *out the purposes of section 410."*

20 *(i) Part A of title IV of such Act is further amended*
21 *by adding at the end thereof a new section to read as follows:*

22 *"COMMUNITY WORK AND TRAINING PROGRAMS BY THE*
23 *SECRETARY OF LABOR*

24 *"SEC. 410. (a) The Secretary of Labor shall provide*
25 *work and training programs for the purpose of preparing*

1 for, or restoring to, employability individuals who are re-
2 ferred pursuant to section 402(a)(15) and section 409(e).

3 “(b) Such programs may include services required to
4 determine vocational potential and needs, such as testing and
5 counseling, basic education, communications and employment
6 skills, work experience, vocational training, job development,
7 job placement and follow-up required to assist participants in
8 securing and retaining employment and securing possibilities
9 for advancement.

10 “(c) For the purposes of carrying out programs under
11 this section, the Secretary of Labor may make grants to, or
12 enter into agreements with, public or private agencies or
13 organizations if he determines the program meets the require-
14 ments of this section. Assistance under this section shall not
15 include reimbursement of the individual for his time spent
16 in work or training but may include the cost of training, su-
17 pervision, materials, administration, and such other items
18 as are authorized by the Secretary of Labor. Federal assist-
19 ance under this section shall not exceed 90 per centum of such
20 costs unless the Secretary of Labor determines that payments
21 in excess thereof are required to give full effect to the purposes
22 of this section. Non-Federal contributions may be in cash or
23 in kind, fairly evaluated, including but not limited to plant,
24 equipment, and services.

1 “(d) The Secretary of Labor shall not assist any pro-
2 gram authorized under this section unless he determines, in
3 accordance with such regulations as he may prescribe, that it
4 meets all the requirements of this section, including the re-
5 quirements that—

6 “(1) appropriate standards for health, safety, and
7 other conditions applicable to the performance of such
8 work by individuals are established and maintained;

9 “(2) the program will not result in the displace-
10 ment of employed workers or impair existing contracts for
11 services;

12 “(3) the conditions of employment are appropriate
13 and reasonable in the light of such factors as the type of
14 work, geographical region, and proficiency of the par-
15 ticipant;

16 “(4) the rates of pay for the time spent in work,
17 when measured against the aid or assistance received by
18 the participant in the program and the incentive pay-
19 ments paid to him under subsection (e), are not less than
20 the minimum rate provided by law for the same type of
21 work and are not less than the rates prevailing on similar
22 work in the community; and

23 “(5) any such individual will, with respect to the
24 work so performed, be provided appropriate workmen’s
25 compensation.

1 “(e) The Secretary of Labor is authorized to pay to
2 any participant in a program under this section an incentive
3 payment of not more than \$20 per week and additional ex-
4 penses attributable to training under such program.

5 “(f) The Secretary of Labor may issue such rules and
6 regulations as he finds necessary to carry out the purposes of
7 this section; provided that in developing policies for programs
8 under this section the Secretary of Labor shall consult with
9 the Secretary of Health, Education, and Welfare.”

10 FEDERAL PARTICIPATION IN PAYMENTS FOR FOSTER CARE

11 OF CERTAIN DEPENDENT CHILDREN

12 SEC. 205. (a) Section 402 (a) of the Social Security
13 Act (as amended by the preceding provisions of this Act)
14 is amended by inserting before the period at the end thereof
15 the following new clause: “; and ~~(23)~~ (19) effective July 1,
16 1969, provide for aid to families with dependent children in
17 the form of foster care in accordance with section 408”.

18 (b) Section 403 (a) (1) (B) of such Act is amended
19 by striking out “as exceeds” and all that follows and insert-
20 ing in lieu thereof the following: “as exceeds (i) the product
21 of \$32 multiplied by the total number of recipients of aid to
22 families with dependent children (other than such aid in the
23 form of foster care) for such month, plus (ii) the product
24 of \$100 multiplied by the total number of recipients

1 of aid to families with dependent children in the form of
2 foster care for such month; and”.

3 (c) Section 408 (a) of such Act is amended by
4 inserting “(A)” after “and (4) who”, and by inserting
5 before the semicolon at the end thereof the following: “, or
6 (B) (i) would have received such aid in or for such month if
7 application had been made therefor, or (ii) in the case of a
8 child who had been living with a relative specified in section
9 406 (a) within 6 months prior to the month in which such
10 proceedings were initiated, would have received such aid in
11 or for such month if in such month he had been living with
12 (and removed from the home of) such a relative and appli-
13 cation had been made therefor”.

14 (d) Sections 135 (e) and 155 (b) of the Public Wel-
15 fare Amendments of 1962 are each amended by striking out
16 “, and ending with the close of June 30, 1968”.

17 (e) The amendments made by subsections (b) and (c)
18 shall apply only with respect to foster care provided after
19 September 1967.

20 **EMERGENCY ASSISTANCE FOR CERTAIN NEEDY FAMILIES**

21 **WITH DEPENDENT CHILDREN**

22 **SEC. 206.** (a) Section 403 (a) of the Social Security
23 Act (as amended by section 201 (e) of this Act) is amended
24 by striking out the period at the end of paragraph (3) and
25 inserting in lieu thereof “; and”, and by inserting after
26 paragraph (3) the following new paragraph:

1 “(4) in the case of any State, an amount equal to
2 the sum of—

3 “(A) ~~50~~ 75 per centum of the total amount
4 expended under the State plan during such quarter
5 as emergency assistance to needy families with chil-
6 dren in the form of payments or care specified in
7 paragraph (1) of section 406 (e), and

8 “(B) 75 per centum of the total amount ex-
9 pended under the State plan during such quarter as
10 emergency assistance to needy families with chil-
11 dren in the form of services specified in paragraph
12 (2) of section 406 (e).”

13 (b) Section 406 of such Act (as amended by section
14 201 (f) of this Act) is amended by adding at the end thereof
15 the following new subsection:

16 “(e) The term ‘emergency assistance to needy families
17 with children’ means any of the following, furnished for a
18 period not in excess of ~~30~~ 120 days in any 12-month period,
19 in the case of a needy child under the age of 21 who is (or,
20 within such period as may be specified by the Secretary, has
21 been) living with any of the relatives specified in subsection
22 (a) (1) in a place of residence maintained by one or more of
23 such relatives as his or their own home, but only where such
24 child is without available resources and the payments, care,
25 or services involved are necessary to avoid destitution of such

child or to provide suitable living arrangements in a home
for such child—

“(1) money payments, payments in kind, or such
other payments as the State agency may specify with re-
spect to; or medical care or any other type of remedial
care recognized under State law on behalf of, such child
or any other member of the household in which he is
living, and

“(2) such services as may be specified by the Sec-
retary;

but only with respect to a State whose State plan approved
under section 402 includes provision for such assistance.”

PROTECTIVE PAYMENTS AND VENDOR PAYMENTS WITH
RESPECT TO DEPENDENT CHILDREN

SEC. 207. (a) (1) Section 406 (b) (2) of the Social
Security Act is amended by striking out all that follows
“(2)” and precedes “but only”, and inserting in lieu thereof
the following: “payments with respect to any dependent
child (including payments to meet the needs of the relative,
and the relative’s spouse, with whom such child is living,
and the needs of any other individual living in the same
home if such needs are taken into account in making the
determination under section 402 (a) (7)) which do not meet
the preceding requirements of this subsection, but which
would meet such requirements except that such payments are

1 made to another individual who (as determined in accord-
2 ance with standards prescribed by the Secretary) is inter-
3 ested in or concerned with the welfare of such child or rela-
4 tive, or are made on behalf of such child or relative directly
5 to a person furnishing food, living accommodations, or other
6 goods, services, or items to or for such child, relative, or
7 other individual.”

8 (2) Section 406 (b) (2) of such Act is further amended
9 by striking out clause (B), and redesignating clauses (C)
10 through (F) as clauses (B) through (E), respectively.

11 ~~(3) Section 406 (B) of such Act is further amended by~~
12 ~~adding at the end thereof (after and below clause (E) (as~~
13 ~~redesignated by paragraph (2) of this subsection)) the~~
14 ~~following: “except that payments made under this clause~~
15 ~~(2) shall be included in aid to families with dependent chil-~~
16 ~~dren without regard to clauses (A) through (J) in the case~~
17 ~~of a refusal described in section 402 (a) (20);”~~

18 ~~(b) Section 403 (a) of such Act (as amended by the~~
19 ~~preceding provisions of this Act) is amended by striking out~~
20 ~~the sentence immediately following paragraph (4).~~

21 ~~(b) Section 403 (a) of such Act (as amended by the~~
22 ~~preceding provisions of this Act) is amended by striking out~~
23 ~~“5” in the sentence immediately following paragraph (4)~~
24 ~~and inserting in lieu thereof “10”.~~

1 (c) Section 202 (e) of the Public Welfare Amendments
 2 of 1962 is amended by striking out “, and ending with the
 3 close of June 30, 1968”.

4 **LIMITATION OF NUMBER OF CHILDREN WITH RESPECT TO**
 5 **TO WHOM FEDERAL PAYMENTS MAY BE MADE**

6 **SEC. 208. (a)** Section 403 (a) of the Social Security
 7 Act is amended by striking out “shall pay” in the matter
 8 preceding paragraph (1) and inserting in lieu thereof the
 9 following: “shall (subject to subsection (d)) pay”.

10 (b) Section 403 of such Act is further amended by
 11 adding at the end thereof the following new subsection:

12 “(d) Notwithstanding any other provision of this Act,
 13 the number of dependent children who have been deprived
 14 of parental support or care by reason of the continued
 15 absence from the home of a parent with respect to whom pay-
 16 ments under this section may be made to a State for any
 17 calendar quarter after 1967 shall not exceed the number
 18 which bears the same ratio to the total population of such
 19 State under the age of 21 on the first day of the year in
 20 which such quarter falls as the number of such dependent
 21 children with respect to whom payments under this section
 22 were made to such State for the calendar quarter beginning
 23 January 1, 1967, bore to the total population of such State
 24 under the age of 21 on that date.”

1 FEDERAL PAYMENTS FOR REPAIRS TO HOME OWNED BY
 2 RECIPIENT OF AID OR ASSISTANCE

3 SEC. 200 208. (a) Title XI of the Social Security Act
 4 is amended by adding at the end thereof the following new
 5 section:

6 "FEDERAL PARTICIPATION IN PAYMENTS FOR REPAIRS TO
 7 HOME OWNED BY RECIPIENT OF AID OR ASSISTANCE

8 "SEC. 1119. In the case of an expenditure for repairing
 9 the home owned by an individual who is receiving aid or
 10 assistance, other than medical assistance to the aged, under
 11 a State plan approved under title I, X, XIV, or XVI, or
 12 part A of title IV, if—

13 " (1) the State agency or local agency adminis-
 14 tering the plan approved under such title has made a
 15 finding (prior to making such expenditure) that (A)
 16 such home is so defective that continued occupancy is
 17 unwarranted, (B) unless repairs are made to such
 18 home, rental quarters will be necessary for such indi-
 19 vidual, and (C) the cost of rental quarters to take care
 20 of the needs of such individual (including his spouse
 21 living with him in such home and any other person
 22 whose needs were taken into account in determining
 23 the need of such individual) would exceed (over such
 24 time as the Secretary may specify) the cost of repairs

1 needed to make such home habitable together with
 2 other costs attributable to continued occupancy of such
 3 home; and
 4 "(2) no such expenditures were made for repair-
 5 ing such home pursuant to any prior finding under this
 6 section;
 7 the amount paid to any such State for any quarter under
 8 section 3 (a), 403 (a), 1003 (a), 1403 (a), or 1603 (a) shall
 9 be increased by 50 per centum of such expenditures, except
 10 that the excess above \$500 expended with respect to any one
 11 home shall not be included in determining such expenditures."

12 (b) The amendment made by subsection (a) shall
 13 apply with respect to expenditures made after September
 14 30, 1967.

15 **REQUIREMENT FOR MEETING FULL NEED**
 16 *SEC. 209. (a) Section 2(a)(10) of the Social Security*
 17 *Act is amended by striking out "and" at the end of subpara-*
 18 *graph (B) and (C) and by adding after subparagraph (C)*
 19 *the following new subparagraph: (D) For individuals*
 20 *applying "(D) provide (i), effective July 1, 1969, for meet-*
 21 *ing (in conjunction with other income that is not dis-*
 22 *counted or regarded under the plan and other resources) all the*
 23 *need, as determined in accordance with the standards*
 24 *applicable under the plan for determining need, of eli-*
 25 *gible individuals (and such standards shall be no lower*

1 than the standards for determining need in effect on
 2 January 1, 1967), and (ii), effective July 1, 1968, for
 3 an annual review of such standards and (to the extent
 4 prescribed by the Secretary) for up-dating such stand-
 5 ards to take into account changes in living costs;"

6 (b) (1) Section 402(a) of such Act is amended by re-
 7 designating clauses (9) through (17) (as redesignated and
 8 added by preceding sections of this Act) as clauses (10)
 9 through (18).

10 (2) Section 402(a) of such Act is further amended by
 11 adding after clause (8) (as added by section 202(a) of this
 12 Act) the following new clause:

13 "(9) provide (A), effective July 1, 1969, for meeting (in
 14 conjunction with other income that is not disregarded, or set
 15 aside for future needs, under the plan and other resources)
 16 all the need, as determined in accordance with standards
 17 applicable under the plan for determining need, of individ-
 18 uals eligible to receive aid to families with dependent chil-
 19 dren (and such standards shall be no lower than the stand-
 20 ards for determining need in effect on January 1, 1967),
 21 and (B), effective July 1, 1968, for an annual review of such
 22 standards and (to the extent prescribed by the Secretary) for
 23 up-dating such standards to take into account changes in liv-
 24 ing costs;"

25 (c) Section 1002(a) of such Act is amended by striking

1 out "and" at the end of clause (12) and by inserting before
 2 the period at the end thereof after clause (13) the following:
 3 "; and (14) provide (A), effective July 1, 1969, for meet-
 4 ing (in conjunction with other income that is not disregarded
 5 under the plan and other resources) all the need, as deter-
 6 mined in accordance with standards applicable under the
 7 plan for determining need, of eligible individuals (and such
 8 standards shall be no lower than the standards for deter-
 9 mining need in effect on January 1, 1967); and (B), effec-
 10 tive July 1, 1968, for an annual review of such standards
 11 and (to the extent prescribed by the Secretary) for up-dating
 12 such standards to take into account changes in living costs".

13 (d) Section 1402(a) of such Act is amended by striking
 14 out "and" at the end of clause (11) and by inserting before
 15 the period at the end thereof after clause (12) the following:
 16 "; and (13) provide (A), effective July 1, 1969, for
 17 meeting (in conjunction with other income that is not dis-
 18 regarded under the plan and other resources) all the need,
 19 as determined in accordance with standards applicable under
 20 the plan for determining need, of eligible individuals (and
 21 such standards shall be no lower than the standards for
 22 determining need in effect on January 1, 1967), and (B),
 23 effective July 1, 1968, for an annual review of such stand-
 24 ards and (to the extent prescribed by the Secretary) for
 25 up-dating such standards to take into account changes in
 26 living costs".

1 (c) Section 1602(a) of such Act is amended by striking
 2 out "and" at the end of paragraph (16), the period at
 3 the end of paragraph (17) and inserting "; and" in lieu
 4 thereof, and by adding after such paragraph (17) the
 5 following new paragraph:

6 “(18) provide (A), effective July 1, 1969, for
 7 meeting (in conjunction with other income that is not
 8 disregarded under the plan and other resources) all the
 9 need, as determined in accordance with standards ap-
 10 plicable under the plan for determining need, of eligible
 11 individuals (and such standards shall be no lower than
 12 the standards for determining need in effect on January
 13 1, 1967) and (B), effective July 1, 1968, for an annual
 14 review of such standards and (to the extent prescribed
 15 by the Secretary) for up-dating such standards to take
 16 into account increases in living costs.”

17 **INCOME IN DETERMINING ELIGIBILITY**

18 **SEC. 210.** (a) Section 2(a)(10)(A) of the Social Se-
 19 curity Act is amended by deleting “and” at the end of clause
 20 (i) and inserting in lieu thereof a comma, and by inserting
 21 before the semicolon at the end thereof the following: “, and
 22 (iii) effective July 1, 1969, the State agency shall not con-
 23 sider such individual's (or his family's) income (that is not
 24 disregarded under the plan) a basis for finding that he is not
 25 in need, if such income is less than 66 $\frac{2}{3}$ percent of the amount

1 of income established for individuals (or their families)
2 under subsection (f)(1) of section 1903, in determining
3 whether payments pursuant to such section may be made for
4 expenditures for medical assistance with respect to such in-
5 dividuals (or families) and for such purposes the provisions
6 of subsection (f)(3) of such section shall apply”.

7 (b) Section 402(a)(8) of such Act is amended by add-
8 ing after subparagraph (C) the following subparagraph:
9 “(D) effective July 1, 1969, the State agency shall
10 not consider such individual’s (or his family’s) income
11 (that is not disregarded, or set aside for future need,
12 under the plan) a basis for finding that he (or the
13 family) is not in need, if such income is less than 66 $\frac{2}{3}$
14 percent of the amount of income established for individ-
15 uals (or their families) under subsection (f)(1) of sec-
16 tion 1903 in determining whether payment pursuant to
17 such section may be made for expenditures for medical
18 assistance with respect to such individuals (or families)
19 and for such purposes the provisions of subsection
20 (f)(3) of such section shall apply”.

21 (c) Section 1002(a)(8) of such Act is amended—
22 (1) by striking out “and” at the end of clause (B)
23 thereof; and
24 (2) by inserting before the semicolon at the end
25 thereof the following: “, and (D) effective July 1, 1969,
26 the State agency shall not consider such individual’s

1 ~~his~~ (or his family's) income (that is not disregarded) un-
2 der the plan a basis for finding that he is not in need
3 is less than 66 $\frac{2}{3}$ percent of the amount of income estab-
4 lished for individuals (or their families) under subsec-
5 tion (f) (1) of section 1903 in determining whether
6 payments pursuant to such section may be made for
7 expenditures for medical assistance with respect to such
8 individuals (or families) and for such purposes the pro-
9 visions of subsection (f) (3) of such section shall apply".

10 (ii) Section 1402(a) (8) of such Act is amended—

11 (1) by striking out "and" at the end of clause (B)

12 thereof; and

13 (2) by inserting before the semicolon at the end

14 thereof the following: ", and (D) effective July 1, 1969,

15 the State agency shall not consider such individual's (or

16 his family's) income (that is not disregarded under

17 the plan) a basis for finding that he is not in need if

18 such income is less than 66 $\frac{2}{3}$ percent of the amount of

19 income established for individuals (or their families)

20 under subsection (f) (1) of section 1903 in determining

21 whether payments pursuant to such section may be made

22 for expenditures for medical assistance with respect to

23 such individuals (or families) and for such purposes

24 the provisions of subsection (f) (3) of such section shall

25 apply".

1 (e) Section 1602(a)(14) of such Act is amended—
 2 (1) by striking out “and” at the end of subpara-
 3 graph (C);
 4 (2) by striking out the semicolon at the end of
 5 subparagraph (d) and inserting in lieu thereof “, and”;
 6 and
 7 (3) by adding after subparagraph (D) the fol-
 8 lowing new subparagraph:
 9 “(E) effective July 1, 1969, the State agency shall
 10 not consider such individual’s (or his family’s) income
 11 (that is not disregarded under the plan) a basis for
 12 finding that he is not in need if such income is less than
 13 66 $\frac{2}{3}$ percent of the amount of income established for in-
 14 dividuals (or their families) under subsection (f)(1)
 15 of section 1903 in determining whether payments pur-
 16 suant to such section may be made for expenditures for
 17 medical assistance with respect to such individuals (or
 18 families) and for such purposes the provisions of sub-
 19 section (f)(3) of such section shall apply”.

20 **ADDITIONAL FEDERAL PAYMENTS TO MEET NON-FEDERAL**
 21 **SHARE OF CASH ASSISTANCE EXPENDITURES**

22 **SEC. 211.** Title XI of the Social Security Act is
 23 amended by adding after section 1119 (added by section 209
 24 of this Act) the following new section:

1 "ADDITIONAL FEDERAL PAYMENTS TO MEET NON-
2 FEDERAL SHARE OF CASH ASSISTANCE EXPENDITURES

3 "SEC. 1120. (a) (1) *The Secretary shall, in the case of*
4 *any State, determine the expenditures in the form of money*
5 *payments made, during the period beginning July 1, 1969,*
6 *and ending with the close of June 30, 1971, under the plans*
7 *of such State approved under title I, X, XIV, or XVI, or*
8 *part A of title IV which are necessitated by compliance with*
9 *the new requirements under such title imposed by amend-*
10 *ments included under part 1 of title II of the Social Secu-*
11 *rity Amendments of 1967.*

12 "(2) *The Secretary is authorized to pay to any State*
13 *a part of so much of the expenditures determined pursuant*
14 *to paragraph (1) hereof as are in excess of such payments*
15 *as he may make with respect to such expenditures under other*
16 *provision of law.*

17 "(b) *In determining whether or not to make payments*
18 *under subsection (a) to any State, and the amount thereof,*
19 *the Secretary shall consider such factors as he deems relevant,*
20 *including such as the following:*

21 "*(1) the relative fiscal ability of the State;*

22 "*(2) the fiscal effort being made by the State for*
23 *welfare and related programs;*

1 “(3) the effect of increases in social security benefits
2 on the needs for assistance expenditures; and

3 “(4) the amount of the additional funds required
4 from non-Federal sources in order to comply with such
5 new requirements and the relation thereof to prior ex-
6 penditures from such sources under the plans.

7 “(c) There are authorized to be appropriated for pay-
8 ments under this section \$60,000,000 each for the fiscal year
9 ending June 30, 1970, and the succeeding fiscal year.”

10 TEMPORARY ASSISTANCE FOR MIGRATORY WORKERS

11 SEC. 212. Title XI of the Social Security Act is further
12 amended by adding after section 1120 (added by section 210
13 of this Act) the following new section:

14 “TEMPORARY ASSISTANCE FOR MIGRATORY WORKERS

15 “SEC. 1121. (a) The Secretary is authorized to make
16 grants to any State agency designated or established pursuant
17 to a State plan approved under title I, X, XIV, XVI, XIX,
18 or part A of title IV, or to any local agency participating in
19 the administration of such a plan, for pilot or demonstration
20 projects for the provision of temporary assistance to indi-
21 viduals who, as determined in accordance with regulations of
22 the Secretary, are migratory workers, and to the members of
23 their families who are with them.

24 “(b) An individual shall be eligible for assistance under
25 a project under this section only if he is not eligible for aid

1 or assistance under a State plan approved under title I, X,
2 XIV, XVI, XIX, or part A of title IV.

3 “(c) Temporary assistance under this section to any in-
4 dividual in a State shall include such payments, goods, and
5 services, and only such amounts thereof, as would be provided
6 in that State under a State plan of such State approved under
7 title I, X, XIV, XVI, XIX, or part A of title IV and only
8 for such period of time, not in excess of 60 days, as may be
9 provided in regulations of the Secretary.

10 “(d) There are authorized to be appropriated for carry-
11 ing out this section for any fiscal year ending after June 30,
12 1967, such sums as may be necessary.”

13 **AMENDMENT MAKING PERMANENT PROVISION FOR ASSIST-**
14 **ANCE FOR UNITED STATES CITIZENS RETURNED FROM**
15 **FOREIGN COUNTRIES**

16 **SEC. 213.** Section 1113(d) of the Social Security Act
17 is repealed.

18 **PART 2—MEDICAL ASSISTANCE AMENDMENTS**

19 **LIMITATION ON FEDERAL PARTICIPATION IN MEDICAL**
20 **ASSISTANCE**

21 **SEC. 220.** ~~(a)~~ Section 1903 of the Social Security Act is
22 amended by adding at the end thereof the following new
23 subsection:

24 “~~(f) (1) (A)~~ Payment under the preceding provisions
25 of this section shall not be made with respect to any amount

1 expended as medical assistance in a calendar quarter, in any
 2 State, for any member of a family the annual income of
 3 which exceeds the applicable income limitation determined
 4 under this paragraph.

5 “(B) (i) Except as provided in subparagraph (C) and
 6 in clause (ii) of this subparagraph, the applicable income
 7 limitation with respect to any family is the amount deter-
 8 mined, in accordance with standards prescribed by the Sec-
 9 retary, to be equivalent to $133\frac{1}{3}$ percent of the highest
 10 amount which would ordinarily be paid to a family of the
 11 same size without any income or resources, in the form of
 12 money payments, under the plan of the State approved under
 13 section 402 of this Act.

14 “(ii) If the Secretary finds that the operation of a uni-
 15 form maximum limits payments to families of more than
 16 one size, he may adjust the amount otherwise determined
 17 under clause (i) to take account of families of different sizes.

18 “(C) If $133\frac{1}{3}$ percent of the average per capita income
 19 of the State is lower, by any percentage, than the amount
 20 that would be determined under subparagraph (B) in the
 21 case of a family consisting of four individuals—

22 “(i) the applicable income limitation for such a
 23 family shall be $133\frac{1}{3}$ percent of such average per capita
 24 income; and

25 “(ii) the applicable income limitation as otherwise

1 determined under subparagraph ~~(B)~~ for a family of any
2 other size shall be reduced by the same percentage.

3 ~~“(D) The total amount of any applicable income limita-~~
4 ~~tion determined under subparagraph ~~(B)~~ or ~~(C)~~ shall, if it~~
5 ~~is not a multiple of \$100 or such other amount as the Secre-~~
6 ~~tary may prescribe, be rounded by the next higher multiple~~
7 ~~of \$100 or such other amount, as the case may be.~~

8 ~~“(2) In computing a family’s income for purposes of~~
9 ~~paragraph ~~(1)~~, there shall be excluded may costs ~~(whether~~
10 ~~in the form of insurance premiums or otherwise) incurred~~
11 ~~by such family for medical care or for any other type of~~
12 ~~remedial care recognized under State law.~~~~

13 ~~“(3) For purposes of paragraph ~~(1)~~(B), in the case~~
14 ~~of a family consisting of only one individual, the ‘highest~~
15 ~~amount which would ordinarily be paid’ to such family~~
16 ~~under the State’s plan approved under section 402 of this Act~~
17 ~~shall be the amount determined by the State agency ~~(on the~~
18 ~~basis of reasonable relationship to the amounts payable un-~~
19 ~~der such plan to families consisting of two or more persons)~~
20 ~~to be the amount of the aid which would ordinarily be pay-~~
21 ~~able under such plan to a family ~~(without any income or~~
22 ~~resources) consisting of one person if such plan ~~(without~~
23 ~~regard to section 408) provided for aid to such a family.~~~~~~~~

24 ~~“(4) For purposes of paragraph ~~(1)~~(C), the per~~
25 ~~capita income of each State shall be promulgated by the Sec-~~

1 retary between July 1 and August 31 of each year, on the
2 basis of the most recent calendar year for which satisfactory
3 data are available from the Department of Commerce. Such
4 promulgation shall be conclusive for each of the four quarters
5 in the calendar year next succeeding such promulgation:
6 *Provided, That the Secretary shall make the promulgation*
7 *which is effective for quarters in the calendar year 1968 as*
8 *soon as possible after the enactment of the Social Security*
9 *Amendments of 1967."*

10 (b)(1) In the case of any State whose plan under
11 title XIX of the Social Security Act is approved by the
12 Secretary of Health, Education, and Welfare under section
13 1902 after July 25, 1967, the amendment made by sub-
14 section (a) shall apply with respect to calendar quarters
15 beginning after the date of enactment of this Act.

16 (2) In the case of any State whose plan under title
17 XIX of the Social Security Act was approved by the Secre-
18 tary of Health, Education, and Welfare under section 1902
19 of the Social Security Act prior to July 26, 1967, the
20 amendments made by subsection (a) shall apply with re-
21 spect to calendar quarters beginning June 30, 1968, except
22 that—

23 (A) with respect to the third and fourth calendar
24 quarters of 1968, such subsection shall be applied by
25 substituting in subsection (f) of section 1903 of the

1 Social Security Act 150 percent for 133 $\frac{1}{3}$ percent each
 2 time such latter figure appears in such subsection ~~(f)~~,
 3 and

4 ~~(B)~~ with respect to all calendar quarters during
 5 1969, such subsection shall be applied by substituting in
 6 subsection ~~(f)~~ of section 1903 of such Act 140 percent
 7 for 133 $\frac{1}{3}$ percent each time such latter figure appears
 8 in such subsection ~~(f)~~.

9 *LIMITATION ON FEDERAL PARTICIPATION IN MEDICAL*
 10 *ASSISTANCE*

11 *SEC. 220. (a) Section 1903 of the Social Security Act is*
 12 *amended by adding at the end thereof the following new sub-*
 13 *section:*

14 *"(f)(1) Payments under the preceding provisions of*
 15 *this section shall not be made with respect to any expenditures*
 16 *for medical assistance in any State for individuals whose*
 17 *income exceeds the amount determined, in accordance with*
 18 *standards prescribed by the Secretary, to be equivalent to 150*
 19 *percent of the highest amount, applicable in the State for*
 20 *determining need, for determining eligibility of an individual*
 21 *for aid or assistance in the form of money payments under*
 22 *the plan of such State approved under title I, X, XIV, XVI,*
 23 *or part A of title IV, or if there is more than one such indi-*
 24 *vidual living in the same home, the amount so determined for*
 25 *one such individual plus such additional amounts for each of*

1 the other individuals living in the same home, as may be
2 determined in accordance with such standards prescribed by
3 the Secretary, the total so determined, if it is not a multiple of
4 \$100 or such other amount, as the Secretary may prescribe,
5 to be rounded to the next higher multiple of \$100 or such other
6 amount, as the case may be.

7 “(2) In computing an individual’s (or family’s) in-
8 come for purposes of the preceding paragraph there shall be
9 excluded any costs (whether in the form of insurance pre-
10 miums or otherwise) incurred by him (or the family) for
11 medical care or for any other type of remedial care rec-
12 ognized under State law.

13 “(3) In determining the amount which is equivalent to
14 150 percent of the highest amount of income applicable to an
15 individual or family for purposes of determining eligibility
16 for aid or assistance in the form of money payments under
17 a State’s plan under titles I, X, XIV, XVI, or part A of
18 title IV of the Social Security Act, the Secretary shall give
19 consideration to variations in shelter costs and to special
20 needs, if recognized for a significant number of individuals,
21 and where necessary, may prescribe methods for estimating
22 the total cost of items and services recognized by a State in
23 determining eligibility for aid or assistance under plans
24 approved under such titles.”

25 (b) The amendment made by subsection (a) shall apply

1 *with respect to calendar quarters beginning after June 30,*
2 *1968.*

3 **MAINTENANCE OF STATE EFFORT**

4 **SEC. 221. (a)** Section 1117 (a) of the Social Security
5 Act is amended by adding at the end thereof the following
6 new sentence: "For any fiscal year ending on or after
7 June 30, 1967, and before July 1, 1969, in lieu of the
8 substitution provided by paragraph (3) or (4), at the
9 option of the State (i) paragraphs (1) and (2) of this
10 subsection shall be applied on a fiscal year basis (rather
11 than on a quarterly basis), and (ii) the base period fiscal
12 year shall be either the fiscal year ending June 30, 1965,
13 or the fiscal year ending June 30, 1964 (whichever is
14 chosen by the State).

15 **(b)** Section 1117 of such Act is further amended by
16 adding at the end thereof the following new subsection:

17 **"(d) (1)** In the case of the quarters in any fiscal year
18 ending before July 1, 1969, the reduction (if any) under
19 this section shall, at the option of the State, be determined
20 under paragraph (2), (3), or (4) of this subsection instead
21 of under the preceding provisions of this section.

22 **"(2)** If the reduction determination is made under this
23 paragraph for a State, then--

24 **"(A)** subsection (a) shall be applied by taking
25 into account only money payments under plans of the

1 State approved under titles I, X, XIV, and XVI, and
2 part A of title IV,

3 “(B) subsection (b) shall be applied by eliminat-
4 ing each reference to title XIX, and

5 “(C) subsection (c) shall be applied by eliminat-
6 ing the reference to section 1903, and by substituting
7 a reference to this paragraph for the reference to sub-
8 sections (a) and (b).

9 “(3) If the reduction determination is made under this
10 paragraph for a State, then—

11 “(A) subsection (a) shall be applied by taking
12 into account payments under section 523 and section
13 422,

14 “(B) subsection (b) shall be applied by adding a
15 reference to section 523 and section 422 after each ref-
16 erence to title XIX, and

17 “(C) subsection (c) shall be applied by adding a
18 reference to section 523 and section 422 after the refer-
19 ence to section 1903, and by substituting a reference to
20 this paragraph for the reference to subsections (a) and
21 (b).

22 “(4) If the reduction determination is made under this
23 paragraph for a State, then—

24 “(A) subsection (a) shall be applied by taking
25 into account only (i) money payments under plans of

1 the State approved under titles I, X, XIV, and XVI,
 2 and part A of title IV, and (ii) payments under sec-
 3 tion 523 and section 422,

4 “(B) subsection (b) shall be applied by elimi-
 5 nating each reference to title XIX and substituting a
 6 reference to section 523 and section 422, and

7 “(C) subsection (c) shall be applied by eliminating
 8 the reference to section 1903 and substituting a reference
 9 to section 523 and section 422, and by substituting a
 10 reference to this paragraph for the reference to subsec-
 11 tions (a) and (b).”

12 COORDINATION OF TITLE XIX AND THE SUPPLEMENTARY
 13 MEDICAL INSURANCE PROGRAM

14 SEC. 222. (a) Section 1843 of the Social Security Act
 15 is amended by adding at the end thereof the following new
 16 subsection:

17 “(h) (1) The Secretary shall, at the request of a State
 18 made before January 1, 1970, enter into a modification of
 19 an agreement entered into with such State pursuant to sub-
 20 section (a) under which the coverage group described in
 21 subsection (b) and specified in such agreement is broadened
 22 to include individuals who are eligible to receive medical
 23 assistance under the plan of such State approved under title
 24 XIX.

25 “(2) For purposes of this section, an individual shall

1 be treated as eligible to receive medical assistance under the
2 plan of the State approved under title XIX if, for the month
3 in which the modification is entered into under this subsec-
4 tion or for any month thereafter, he has been determined to
5 be eligible to receive medical assistance under such plan. In
6 the case of any individual who would (but for this subsec-
7 tion) be excluded from the agreement, subsections (c) and
8 (d) (2) shall be applied as if they referred to the modifica-
9 tion under this subsection (in lieu of the agreement under
10 subsection (a)), and subsection (d) (2) (C) shall be applied
11 by substituting 'second month following the first month' for
12 'first month'."

13 (b) (1) Section 1843 (d) (3) (A) of such Act is
14 amended by striking out "ineligible for money payments of
15 a kind specified in the agreement" and inserting in lieu
16 thereof the following: "ineligible both for money payments
17 of a kind specified in the agreement and (if there is in effect
18 a modification entered into under subsection (h)) for medi-
19 cal assistance".

20 (2) Section 1843 (f) of such Act is amended—

21 (A) by inserting after "or XVI" the following:
22 "or eligible to receive medical assistance under the plan
23 of such State approved under title XIX"; and

24 (B) by inserting after "and XVI" the following:
25 "and individuals eligible to receive medical assistance
26 under the plan of the State approved under title XIX".

1 (3) The heading of section 1843 of such Act is amended
2 by adding at the end thereof the following: “(OR ARE
3 ELIGIBLE FOR MEDICAL ASSISTANCE)”.

4 (c) Section 1903 (b) of such Act is amended by insert-
5 ing “(1)” after “(b)”, and by adding at the end thereof
6 the following new paragraph:

7 “(2) Notwithstanding the preceding provisions of this
8 section, the amount determined under subsection (a) (1)
9 for any State for any quarter beginning after December 31,
10 1967, shall not take into account any amounts expended as
11 medical assistance with respect to individuals aged 65 or
12 over which would not have been so expended if the indi-
13 viduals involved had been enrolled in the insurance program
14 established by part B of title XVIII.”

15 (d) Effective with respect to calendar quarters begin-
16 ning after December 31, 1967, section 1903 (a) (1) of such
17 Act is amended by striking out “and other insurance pre-
18 miums” and inserting in lieu thereof “and, except in the case
19 of individuals sixty-five years of age or older who are not
20 enrolled under part B of title XVIII, other insurance
21 premiums”.

22 (e) (1) Section 1843 (a) of such Act is amended by
23 striking out “1968” and inserting in lieu thereof “1970”.

24 (2) Section 1843 (c) of such Act is amended—

25 (A) by striking out “and before January 1, 1968”;

26 and

1 (B) by striking out "thereafter before January
2 1968"; and inserting in lieu thereof "thereafter".

3 (3) Section 1843 (d) (2) (D) of such Act is amended
4 by striking out "(not later than January 1, 1968)".

5 MODIFICATION OF COMPARABILITY PROVISIONS

6 SEC. 223. (a) Section 1902 (a) (10) of the Social
7 Security Act is amended—

8 (1) by inserting "(I)" after "except that" in the
9 matter following subparagraph (B), and

10 (2) by inserting before the semicolon at the end
11 the following: ", and (II) the making available of sup-
12 plementary medical insurance benefits under part B of
13 title XVIII to individuals eligible therefor (either pur-
14 suant to an agreement entered into under section 1843
15 or by reason of the payment of premiums under such
16 title by the State agency on behalf of such individuals),
17 or provision for meeting part or all of the cost of the
18 deductibles, cost sharing, or similar charges under part
19 B of title XVIII for individuals eligible for benefits
20 under such part, shall not, by reason of this paragraph
21 (10), require the making available of any such benefits;
22 or the making available of services of the same amount,
23 duration, and scope, to any other individuals".

24 (b) The amendments made by subsection (a) shall

1 apply with respect to calendar quarters beginning after
2 June 30, 1967.

3 **REQUIRED SERVICES UNDER STATE MEDICAL ASSISTANCE**
4 **PLAN**

5 **SEC. 224.** Section 1902 (a) (13) of the Social Security
6 Act is amended by striking out "provide (A) for inclusion
7 of at least the care and services listed in clauses (1) through
8 (5) of section 1905 (a), and (B)" and inserting in lieu
9 thereof the following: "provide (A) for inclusion of at
10 least—

11 " (i) the care and services listed in clauses (1)
12 through (5) of section 1905 (a), or

13 " (ii) the care and services listed in any seven
14 of the clauses numbered (1) through (14) of such
15 section,
16 and (B)".

17 **EXTENT OF FEDERAL FINANCIAL PARTICIPATION IN**
18 **CERTAIN ADMINISTRATIVE EXPENSES**

19 **SEC. 225.** (a) Section 1903 (a) (2) of the Social Secu-
20 rity Act is amended by striking out "of the State agency (or
21 of the local agency administering the State plan in the
22 political subdivision)" and inserting in lieu thereof "of the
23 State agency or any other public agency".

24 (b) The amendment made by subsection (a) shall

1 apply with respect to expenditures made after December 31,
2 1967.

3 ADVISORY COUNCIL ON MEDICAL ASSISTANCE

4 SEC. 226. Title XIX of the Social Security Act is
5 amended by adding at the end thereof the following new
6 section:

7 “ADVISORY COUNCIL ON MEDICAL ASSISTANCE

8 “SEC. 1906. For the purpose of advising the Secretary
9 on matters of general policy in the administration of this
10 title (including the relationship of this title and title XVIII)
11 and making recommendations for improvements in such
12 administration, there is hereby created a Medical Assistance
13 Advisory Council which shall consist of twenty-one persons,
14 not otherwise in the employ of the United States, appointed
15 by the Secretary without regard to the provisions of title 5,
16 United States Code, governing appointments in the competi-
17 tive service. The Secretary shall from time to time appoint
18 one of the members to serve as Chairman. The members shall
19 include representatives of State and local agencies and non-
20 governmental organizations and groups concerned with
21 health, and of consumers of health services, and a majority of
22 the membership of the Advisory Council shall consist of
23 representatives of consumers of health services. Each member
24 shall hold office for a term of four years, except that any
25 member appointed to fill a vacancy occurring prior to the

1 expiration of the term for which his predecessor was ap-
2 pointed shall be appointed for the remainder of such term,
3 and except that the terms of office of the members first
4 taking office shall expire, as designated by the Secretary at
5 the time of appointment, five at the end of the first year, five
6 at the end of the second year, five at the end of the third year,
7 and six at the end of the fourth year after the date of appoint-
8 ment. A member shall not be eligible to serve continuously
9 for more than two terms. The Secretary may, at the request
10 of the Council or otherwise, appoint such special advisory
11 professional or technical committees as may be useful in
12 carrying out this title. Members of the Advisory Council
13 and members of any such advisory or technical committee,
14 while attending meetings or conferences thereof or otherwise
15 serving on business of the Advisory Council or of such com-
16 mittee, shall be entitled to receive compensation at rates fixed
17 by the Secretary, but not exceeding \$100 per day, including
18 travel time, and while so serving away from their homes or
19 regular places of business they may be allowed travel ex-
20 penses, including per diem in lieu of subsistence, as author-
21 ized by section 5703 of title 5, United States Code, for per-
22 sons in the Government service employed intermittently. The
23 Advisory Council shall meet as frequently as the Secretary
24 deems necessary. Upon request of five or more members, it

1 shall be the duty of the Secretary to call a meeting of the
2 Advisory Council.”

3 **FREE CHOICE BY INDIVIDUALS ELIGIBLE FOR MEDICAL**
4 **ASSISTANCE**

5 **SEC. 227. (a) Section 1902 (a) of the Social Security**
6 **Act is amended—**

7 (1) by striking out “and” at the end of paragraph
8 (21);

9 (2) by striking out the period at the end of para-
10 graph (22) and inserting in lieu thereof “; and ”; and

11 (3) by adding after paragraph (22) the following
12 new paragraph;

13 “(23) provide that any individual eligible for med-
14 ical assistance may obtain such assistance from any insti-
15 tution, agency, or person, qualified to perform the service
16 or services required (including an organization which
17 provides such services, or arranges for their availability,
18 on a prepayment basis), who undertakes to provide him
19 such services.”

20 (b) The amendments made by this section shall apply
21 with respect to calendar quarters beginning after June 30,
22 1969; except that such amendments shall apply in the case
23 of Puerto Rico, the Virgin Islands, and Guam only with
24 respect to calendar quarters beginning after June 30, 1972.

1 UTILIZATION OF STATE FACILITIES TO PROVIDE CONSULTA-
2 TIVE SERVICES TO INSTITUTIONS FURNISHING MEDI-
3 CAL CARE

4 SEC. 228. (a) Section 1902 (a) of the Social Security
5 Act (as amended by section 227 of this Act) is amended—

6 (1) by striking out “and” at the end of paragraph
7 (22) ;

8 (2) by striking out the period at the end of para-
9 graph (23) and inserting in lieu thereof “; and”; and

10 (3) by inserting after paragraph (23) the follow-
11 ing new paragraph :

12 “(24) effective July 1, 1969, provide for consulta-
13 tive services by health agencies and other appropriate
14 agencies of the State to hospitals, nursing homes, home
15 health agencies, clinics, laboratories, and such other
16 institutions as the Secretary may specify in order to
17 assist them (A) to qualify for payments under this Act,
18 (B) to establish and maintain such fiscal records as may
19 be necessary for the proper and efficient administration
20 of this Act, and (C) to provide information needed to
21 determine payments due under this Act on account of
22 care and services furnished to individuals.”

23 (b) Effective July 1, 1969, the last sentence of ~~secti~~ n
24 1864 (a) of such Act is repealed.

1 PAYMENTS FOR SERVICES AND CARE BY A THIRD PARTY

2 SEC. 229. (a) Section 1902 (a) of the Social Security
3 Act (as amended by section 228 of this Act) is amended—

4 (1) by striking out “and” at the end of paragraph
5 (23) ;

6 (2) by striking out the period at the end of para-
7 graph (24) and inserting in lieu thereof “; and”; and

8 (3) by inserting after paragraph (24) the follow-
9 ing new paragraph:

10 “(25) provide (A) that the State or local agency
11 administering such plan will take all reasonable meas-
12 ures to ascertain the legal liability of third parties to pay
13 for care and services (available under the plan) arising
14 out of injury, disease, or disability, (B) that where the
15 State or local agency knows that a third party has such
16 a legal liability such agency will treat such legal liability
17 as a resource of the individual on whose behalf the care
18 and services are made available for purposes of para-
19 graph (17) (B), and (C) that in any case where such
20 a legal liability is found to exist after medical assistance
21 has been made available on behalf of the individual, the
22 State or local agency will seek reimbursement for such
23 assistance to the extent of such legal liability.”

24 (b) The amendment made by subsection (a) shall

1 apply with respect to legal liabilities of third parties arising
2 after March 31, 1968.

3 (c) Section 1903 (d) (2) of such Act is amended by
4 adding at the end thereof the following new sentence: "Ex-
5 penditures for which payments were made to the State under
6 subsection (a) shall be treated as an overpayment to the ex-
7 tent that the State or local agency administering such plan
8 has been reimbursed for such expenditures by a third party
9 pursuant to the provisions of its plan in compliance with
10 section 1902 (a) (25)."

11 DIRECT PAYMENTS TO CERTAIN RECIPIENTS OF MEDICAL
12 ASSISTANCE

13 SEC. 230. (a) Section 1905 (a) of the Social Security
14 Act is amended by inserting after "for individuals" in the
15 matter preceding clause (i) the following: ", and, with
16 respect to physicians' services, at the option of the State, to
17 individuals not receiving aid or assistance under the State's
18 plan approved under title I, X, XIV, or XVI, or part A of
19 title IV,".

20 (b) Section 1902(a) of such Act (as amended by sec-
21 tion 229 of this Act) is amended—

22 (1) by striking out "and" at the end of paragraph
23 (24);

1 (2) by striking out the period at the end of para-
2 graph (24) and insert in lieu thereof “; and “; and

3 (3) by inserting after paragraph (25) the follow-
4 ing new paragraph:

5 “(26) if the State elects, pursuant to section 1905
6 (a), to make payment to individuals with respect to
7 physician services for care and services furnished to
8 such individuals under the plan, provide that, where
9 care and services under the plan are furnished to in-
10 dividuals eligible for medical assistance by physicians
11 who are employed full-time in medical schools or county
12 hospitals, payment under the plan will be made to such
13 physicians for such care and services.”

14 DATE ON WHICH STATE PLANS UNDER TITLE XIX MUST
15 MEET CERTAIN FINANCIAL PARTICIPATION REQUIRE-
16 MENTS

17 SEC. 231. Section 1902 (a) (2) of the Social Security
18 Act is amended by striking out “July 1, 1970” and inserting
19 in lieu thereof “July 1, 1969”.

20 PART 3—CHILD-WELFARE SERVICES AMENDMENTS

21 INCLUSION OF CHILD-WELFARE SERVICES IN TITLE IV

22 SEC. 235. (a) The heading of title IV of the Social
23 Security Act is amended to read as follows:

1 "TITLE IV—GRANTS TO STATES FOR AID AND
2 SERVICES TO NEEDY FAMILIES WITH CHIL-
3 DREN AND FOR CHILD-WELFARE SERVICES"

4 (b) Title IV of such Act is further amended by insert-
5 ing immediately after the heading of the title the following:

6 "PART A—AID TO FAMILIES WITH DEPENDENT
7 CHILDREN"

8 (c) Title IV of such Act is further amended by adding
9 at the end thereof the following new part:

10 "PART B—CHILD-WELFARE SERVICES
11 "APPROPRIATION

12 "SEC. 420. For the purpose of enabling the United
13 States, through the Secretary, to cooperate with State public
14 welfare agencies in establishing, extending, and strengthen-
15 ing child-welfare services, the following sums are hereby
16 authorized to be appropriated: \$55,000,000 for the fiscal
17 year ending June 30, 1968, \$100,000,000 for the fiscal year
18 ending June 30, 1969, and \$110,000,000 for each fiscal
19 year thereafter.

20 "ALLOTMENTS TO STATES

21 "SEC. 421. The sum appropriated pursuant to section
22 420 for each fiscal year shall be allotted by the Secretary
23 for use by cooperating State public welfare agencies which

1 have plans developed jointly by the State agency and the
2 Secretary, as follows: He shall allot \$70,000 to each State,
3 and shall allot to each State an amount which bears the same
4 ratio to the remainder of the sum so appropriated for such
5 year as the product of (1) the population of such State under
6 the age of 21 and (2) the allotment percentage of such
7 State (as determined under section 423) bears to the sum
8 of the corresponding products of all the States.

9 "PAYMENT TO STATES

10 "SEC. 422. (a) From the sums appropriated therefor
11 and the allotment available under this part, the Secretary
12 shall from time to time pay to each State—

13 "(1) that has a plan for child-welfare services
14 which has been developed as provided in this part and
15 which—

16 "(A) provides for coordination between the
17 services provided under such plan and the services
18 provided for dependent children under the State
19 plan approved under part A of this title, with a view
20 to provision of welfare and related services which
21 will best promote the welfare of such children and
22 their families, and

23 "(B) provides, with respect to day care serv-
24 ices (including the provision of such care) provided
25 under the plan—

1 “(i) for cooperative arrangements with the
2 State health authority and the State agency
3 primarily responsible for State supervision of
4 public schools to assure maximum utilization of
5 such agencies in the provision of necessary
6 health services and education for children
7 receiving day care,

8 “(ii) for an advisory committee, to advise
9 the State public welfare agency on the general
10 policy involved in the provision of day care
11 services under the plan, which shall in-
12 clude among its members representatives of
13 other State agencies concerned with day care
14 or services related thereto and persons repre-
15 sentative of professional or civic or other public
16 or nonprofit private agencies, organizations, or
17 groups concerned with the provision of day
18 care,

19 “(iii) for such safeguards as may be neces-
20 sary to assure provision of day care under the
21 plan only in cases in which it is in the best
22 interest of the child and the mother and only
23 in cases in which it is determined, under cri-
24 teria established by the State, that a need for
25 such care exists; and, in cases in which the fam-

1 ily is able to pay part or all of the costs of such
2 care, for payment of such fees as may be rea-
3 sonable in the light of such ability,

4 “ (iv) for giving priority, in determining
5 the existence of need for such day care, to mem-
6 bers of low-income or other groups in the popu-
7 lation, and to geographical areas, which have
8 the greatest relative need for extension of such
9 day care, and

10 “ (v) that day care provided under the
11 plan will be provided only in facilities (in-
12 cluding private homes) which are licensed by
13 the State, or approved (as meeting the stand-
14 ards established for such licensing) by the
15 State agency responsible for licensing facilities
16 of this type, and

17 “ (2) that makes a satisfactory showing that the
18 State is extending the provision of child-welfare services
19 in the State, with priority being given to communities
20 with the greatest need for such services after giving con-
21 sideration to their relative financial need, and with a view
22 to making available by July 1, 1975, in all political sub-
23 divisions of the State, for all children in need thereof,
24 child-welfare services provided by the staff (which shall
25 to the extent feasible be composed of trained child-wel-

1 fare personnel) of the State public welfare agency or of
2 the local agency participating in the administration of
3 the plan in the political subdivision,
4 an amount equal to the Federal share (as determined under
5 section 423) of the total sum expended under such plan
6 (including the cost of administration of the plan) in meeting
7 the costs of State, district, county, or other local child-welfare
8 services, in developing State services for the encouragement
9 and assistance of adequate methods of community child-
10 welfare organization, in paying the costs of returning any
11 runaway child who has not attained the age of eighteen to his
12 own community in another State, and of maintaining such
13 child until such return (for a period not exceeding fifteen
14 days), in cases in which such costs cannot be met by the
15 parents of such child or by any person, agency, or institution
16 legally responsible for the support of such child. In develop-
17 ing such services for children, the facilities and experience of
18 voluntary agencies shall be utilized in accordance with child-
19 care programs and arrangements in the State and local com-
20 munities as may be authorized by the State.

21 “(b) The method of computing and paying such
22 amounts shall be as follows:

23 “(1) The Secretary shall, prior to the beginning
24 of each period for which a payment is to be made, esti-

1 mate the amount to be paid to the State for such period
2 under the provisions of subsection (a).

3 “(2) From the allotment available therefor, the
4 Secretary shall pay the amount so estimated, reduced
5 or increased, as the case may be, by any sum (not pre-
6 viously adjusted under this section) by which he finds
7 that his estimate of the amount to be paid the State for
8 any prior period under this section was greater or less
9 than the amount which should have been paid to the
10 State for such prior period under this section.

11 “ALLOTMENT PERCENTAGE AND FEDERAL SHARE

12 “SEC. 423. (a) The ‘allotment percentage’ for any
13 State shall be 100 per centum less the State percentage;
14 and the State percentage shall be that percentage which
15 bears the same ratio to 50 per centum as the per capita
16 income of such State bears to the per capita income of the
17 United States; except that (1) the allotment percentage
18 shall in no case be less than 30 per centum or more than
19 70 per centum, and (2) the allotment percentage shall be
20 70 per centum in the case of Puerto Rico, the Virgin
21 Islands, and Guam.

22 “(b) The ‘Federal share’ for any State for any fiscal
23 year shall be 100 per centum less that percentage which
24 bears the same ratio to 50 per centum as the per capita in-
25 come of such State bears to the per capita income of the

1 United States, except that (1) in no case shall the Federal
2 share be less than $33\frac{1}{2}$ per centum or more than $66\frac{2}{3}$ per
3 centum, and (2) the Federal share shall be $66\frac{2}{3}$ per centum
4 in the case of Puerto Rico, the Virgin Islands, and Guam.

5 “(c) The Federal share and the allotment percentage
6 for each State shall be promulgated by the Secretary be-
7 tween July 1 and August 31 of each even-numbered year,
8 on the basis of the average per capita income of each State
9 and of the United States for the three most recent calendar
10 years for which satisfactory data are available from the
11 Department of Commerce. Such promulgation shall be con-
12 clusive for each of the two fiscal years in the period begin-
13 ning July 1 next succeeding such promulgation: *Provided,*
14 That the Federal shares and allotment percentages promul-
15 gated under section 524 (c) of the Social Security Act in
16 1966 shall be effective for purposes of this section for the
17 fiscal years ending June 30, 1968, and June 30, 1969.

18 “(d) For purposes of this section, the term ‘United
19 States’ means the fifty States and the District of Columbia.

20 “REALLOTMENT

21 “SEC. 424. The amount of any allotment to a State
22 under section 421 for any fiscal year which the State cer-
23 tifies to the Secretary will not be required for carrying out
24 the State plan developed as provided in such section shall
25 be available for reallootment from time to time, on such dates

1 as the Secretary may fix, to other States which the Secre-
2 tary determines (1) have need in carrying out their State
3 plans so developed for sums in excess of those previously
4 allotted to them under that section and (2) will be able to
5 use such excess amounts during such fiscal year. Such reallocot-
6 ments shall be made on the basis of the State plans so de-
7 veloped, after taking into consideration the population under
8 the age of twenty-one, and the per capita income of each
9 such State as compared with the population under the age
10 of twenty-one, and the per capita income of all such States
11 with respect to which such a determination by the Secretary
12 has been made. Any amount so reallocated to a State shall
13 be deemed part of its allotment under section 421.

14 "DEFINITION

15 "SEC. 425. For purposes of this title, the term 'child-
16 welfare services' means public social services which supple-
17 ment, or substitute for, parental care and supervision for
18 the purpose of (1) preventing or remedying, or assisting
19 in the solution of problems which may result in, the neglect,
20 abuse, exploitation, or delinquency of children, (2) pro-
21 tecting and caring for homeless, dependent, or neglected
22 children, (3) protecting and promoting the welfare of chil-
23 dren of working mothers, and (4) otherwise protecting and
24 promoting the welfare of children, including the strengthen-
25 ing of their own homes where possible or, where needed,

1 the provision of adequate care of children away from their
2 homes in foster family homes or day-care or other child-care
3 facilities.

4 "RESEARCH, TRAINING, OR DEMONSTRATION PROJECTS

5 "SEC. 426. (a) There are hereby authorized to be ap-
6 propriated for each fiscal year such sums as the Congress
7 may determine—

8 " (1) for grants by the Secretary—

9 " (A) to public or other nonprofit institutions
10 of higher learning, and to public or other nonprofit
11 agencies and organizations engaged in research or
12 child-welfare activities, for special research or dem-
13 onstration projects in the field of child welfare which
14 are of regional or national significance and for spe-
15 cial projects for the demonstration of new methods
16 or facilities which show promise of substantial con-
17 tribution to the advancement of child welfare;

18 " (B) to State or local public agencies responsi-
19 ble for administering, or supervising the administra-
20 tion of, the plan under this part, for projects for the
21 demonstration of the utilization of research (includ-
22 ing findings resulting therefrom) in the field of
23 child welfare in order to encourage experimental
24 and special types of welfare services; and

25 " (C) to public or other nonprofit institutions

1 of higher learning for special projects for training
2 personnel for work in the field of child welfare, in-
3 cluding traineeships with such stipends and allow-
4 ances as may be permitted by the Secretary; and

5 “(2) for contracts or jointly financed cooperative
6 arrangements with States and public and other organi-
7 zations and agencies for the conduct of research, special
8 projects, or demonstration projects relating to such
9 matters.

10 “(b) Payments of grants or under contracts or co-
11 operative arrangements under this section may be made in
12 advance or by way of reimbursement, and in such install-
13 ments, as the Secretary may determine; and shall be made
14 on such conditions as the Secretary finds necessary to carry
15 out the purposes of the grants, contracts, or other arrange-
16 ments.”

17 (d) (1) Subparagraphs (A) and (B) of section 422
18 (a) (1) of the Social Security Act (as added by subsection
19 (c) of this section) are redesignated as (B) and (C).

20 (2) So much of paragraph (1) of section 422 (a) of
21 such Act (as added by subsection (c) of this section) as
22 precedes subparagraph (B) (as redesignated) is amended
23 to read as follows:

24 “(1) that has a plan for child-welfare services

1 which has been developed as provided in this part and
2 which—

3 “(A) provides that (i) the State agency desig-
4 nated pursuant to section 402 (a) (3) to administer
5 or supervise the administration of the plan of the
6 State approved under part A of this title will ad-
7 minister or supervise the administration of such plan
8 for child-welfare services and (ii) to the extent
9 that child-welfare services are furnished by the staff
10 of the State agency or local agency administering
11 such plan for child-welfare services, the organiza-
12 tional unit in such State or local agency established
13 pursuant to section 402 (a) (15) will be responsible
14 for furnishing such child-welfare services.”

15 (e) (1) Part 3 of title V of the Social Security Act is
16 repealed on the date this Act is enacted.

17 (2) Part B of title IV of the Social Security Act (as
18 added by subsection (c) of this section), and the amend-
19 ments made by subsections (a) and (b) of this section, shall
20 become effective on the date this Act is enacted.

21 (3) The amendments made by subsection (d) shall
22 become effective July 1, 1969.

23 (f) In the case of any State which has a plan devel-

1 oped as provided in part 3 of title V of the Social Security
2 Act as in effect prior to the enactment of this Act—

3 (1) such plan shall be treated as a plan developed,
4 as provided in part B of title IV of such Act, on the
5 date this Act is enacted;

6 (2) any sums appropriated, allotted, or reallocated
7 pursuant to part 3 of title V for the fiscal year ending
8 June 30, 1968, shall be deemed appropriated, allotted,
9 or reallocated (as the case may be) under part B of title
10 IV of such Act for such fiscal year; and

11 (3) any overpayment or underpayment which the
12 Secretary determines was made to the State under sec-
13 tion 523 of the Social Security Act and with respect to
14 which adjustment has not then already been made under
15 subsection (b) of such section shall, for purposes of sec-
16 tion 422 of such Act, be considered an overpayment or
17 underpayment (as the case may be) made under section
18 422 of such Act.

19 (g) Any sums appropriated or grants made pursuant
20 to section 526 of the Social Security Act (as in effect prior
21 to the enactment of this Act) shall be deemed to have been
22 appropriated or made (as the case may be) under section
23 426 of the Social Security Act (as added by subsection (c)
24 of this section).

25 (h) Each State plan approved under title IV of the Social

1 Security Act as in effect on the day preceding the date of the
2 enactment of this Act shall be deemed, without the necessity
3 of any change in such plan, to have been conformed with the
4 amendments made by subsections (a) and (b) of this section.

5 **CONFORMING AMENDMENTS**

6 SEC. 236. (a) Section 228 (d) (1) of the Social Se-
7 curity Act is amended by striking out “IV,” and by insert-
8 ing after “XVI,” the following: “or part A of title IV,”.

9 (b) (1) The first sentence of section 401 of the Social
10 Security Act is amended by striking out “title” and inserting
11 in lieu thereof “part”.

12 (2) The proviso in section 403 (a) (3) (D) of such Act
13 is amended by striking out “title” and inserting in lieu thereof
14 “part”.

15 (3) The last sentence of section 403 (c) (2) of such Act
16 is amended by striking out “title” and inserting in lieu there-
17 of “part”.

18 (4) Section 404 (b) of such Act is amended by striking
19 out “title” and inserting in lieu thereof “part”.

20 (5) Section 406 of such Act is amended by striking out
21 “title” in the matter preceding subsection (a) and inserting
22 in lieu thereof “part”.

23 (c) (1) Section 1106 (c) (1) of such Act is amended
24 by striking out “IV,” and by inserting after “XIX,” the
25 following: “or part A of title IV,”.

1 (2) Section 1109 of such Act is amended by striking
2 out "IV," and by inserting after "XIX" the following: "
3 or part A of title IV,".

4 (3) Section 1111 of such Act is amended by striking
5 out "IV," and by inserting after "XVI," the following:
6 "and part A of title IV,".

7 (4) Section 1115 of such Act is amended by striking
8 out "IV," and by inserting after "XIX" the following:
9 ", or part A of title IV,".

10 (5) Section 1116 of such Act is amended—

11 (A) by striking out "IV," in subsection (a) (1),
12 and by inserting after "XIX," in such subsection the fol-
13 lowing: "or part A of title IV,"; and

14 (B) by striking out "IV," in subsections (b) and
15 (d), and by inserting after "XIX" in such subsections
16 the following: ", or part A of title IV,".

17 (6) Section 1117 of such Act is amended—

18 (A) by striking out "IV," in clause (A) of sub-
19 section (a) (2), and by inserting after "XIX" in such
20 clause the following: ", and part A of title IV,";

21 (B) by striking out "IV," each place it appears in
22 subsection (b) ;

23 (C) by inserting after "and XIX" in subsection
24 (b) the following: ", and part A of title IV,";

1 (D) by inserting after "or XIX" in subsection
2 (b) the following: ", or part A of title IV".

3 (7) Section 1118 of such Act is amended by striking
4 out "IV,", and by inserting after "XVI," the following:
5 "and part A of title IV,".

6 (d) Section 1602 (a) (11) of such Act is amended by
7 striking out "title IV, X, or XIV" and inserting in lieu
8 thereof "part A of title IV or under title X or XIV".

9 (e) (1) Section 1843 (b) (2) of such Act is amended
10 by striking out "IV,", and by inserting after "XVI" the fol-
11 lowing: ", and part A of title IV".

12 (2) Section 1843 (f) of such Act is amended—

13 (A) by striking out "IV," in the first sentence, and
14 by inserting after "XVI," the first place it appears in
15 such sentence the following: "or part A of title IV,";
16 and

17 (B) by striking out "IV," in the second sentence,
18 and by inserting after "XVI" in such sentence the fol-
19 lowing: ", and part A of title IV".

20 (f) (1) Section 1902 (a) (10) of such Act is amended
21 by striking out "IV,", and by inserting after "XVI" the
22 following: ", and part A of title IV".

23 (2) Section 1902 (a) (17) of such Act is amended by

1 striking out "IV," and by inserting after "XVI" the follow-
2 ing: ", or part A of title IV".

3 (3) Section 1902 (b) (2) of such Act is amended by
4 striking out "title IV" and inserting in lieu thereof "part A
5 of title IV".

6 (4) Section 1902 (c) of such Act is amended by strik-
7 ing out "IV," and by inserting after "XVI" the following:
8 ", or part A of title IV".

9 (5) Section 1903 (a) (1) of such Act is amended by
10 striking out "IV," and by inserting after "XVI," the fol-
11 lowing: "or part A of title IV,".

12 (6) Section 1905 (a) (ii) of such Act is amended by
13 striking out "title IV" and inserting in lieu thereof "part A
14 of title IV".

15 **PART 4—MISCELLANEOUS AND TECHNICAL AMENDMENTS**

16 **PARTIAL PAYMENTS TO STATES**

17 **SEC. 245.** Sections 4, 404 (a), 1004, and 1404 of the
18 **Social Security Act** are each amended—

19 (1) by striking out "further payments will not be
20 made to the State" and inserting in lieu thereof "further
21 payments will not be made to the State (or, in his dis-
22 cretion, that payments will be limited to categories under
23 or parts of the State plan not affected by such failure)";
24 and

25 (2) by striking out the last sentence and inserting

1 "LIMITATION ON PAYMENTS TO PUERTO RICO, THE VIRGIN
2 ISLANDS, AND GUAM

3 "SEC. 1108. (a) The total amount certified by the
4 Secretary of Health, Education, and Welfare under title I,
5 X, XIV, and XVI, and under part A. of title IV (exclu-
6 sive of any amounts on account of services and items to
7 which subsection (b) applies)—

8 "(1) for payment to Puerto Rico shall not exceed—

9 "(A) \$12,500,000 with respect to the fiscal
10 year 1968,

11 "(B) \$15,000,000 with respect to the fiscal
12 year 1969,

13 "(C) \$18,000,000 with respect to the fiscal
14 year 1970,

15 "(D) \$21,000,000 with respect to the fiscal
16 year 1971, or

17 "(E) \$24,000,000 with respect to the fiscal
18 year 1972 and each fiscal year thereafter;

19 "(2) for payment to the Virgin Islands shall not
20 exceed—

21 "(A) \$425,000 with respect to the fiscal year
22 1968,

23 "(B) \$500,000 with respect to the fiscal year
24 1969,

1 “(C) \$600,000 with respect to the fiscal year
2 1970,

3 “(D) \$700,000 with respect to the fiscal year
4 1971, or

5 “(E) \$800,000 with respect to the fiscal year
6 1972 and each fiscal year thereafter; and

7 “(3) for payment to Guam shall not exceed—

8 “(A) \$575,000 with respect to the fiscal year
9 1968,

10 “(B) \$690,000 with respect to the fiscal year
11 1969,

12 “(C) \$825,000 with respect to the fiscal year
13 1970,

14 “(D) \$960,000 with respect to the fiscal year
15 1971, or

16 “(E) \$1,100,000 with respect to the fiscal
17 year 1972 and each fiscal year thereafter.

18 “(b) The total amount certified by the Secretary under
19 part A of title IV, on account of family planning services and
20 services and items referred to in sections 403 (a) (3) (B)
21 and 304 (2) with respect to any fiscal year—

22 “(1) for payment to Puerto Rico shall not exceed
23 \$2,000,000,

1 “(2) for payment to the Virgin Islands shall not
2 exceed \$65,000, and

3 “(3) for payment to Guam shall not exceed
4 \$90,000.

5 “(c) The total amount certified by the Secretary under
6 title XIX with respect to any fiscal year—

7 “(1) for payment to Puerto Rico shall not exceed
8 \$20,000,000,

9 “(2) for payment to the Virgin Islands shall not
10 exceed \$650,000, and

11 “(3) for payment to Guam shall not exceed
12 \$900,000.

13 “(d) Notwithstanding the provisions of sections 502 (a)
14 and 512 (a) of this Act, and the provisions of sections 421,
15 503 (1), and 504 (1) of this Act as amended by the Social
16 Security Amendments of 1967, and until such time as the
17 Congress may by appropriation or other law otherwise
18 provide, the Secretary shall, in lieu of the initial allotment
19 specified in such sections, allot such smaller amounts to Guam
20 as he may deem appropriate.”

21 (2) The amendment made by paragraph (1) shall
22 apply with respect to fiscal years beginning after June 30,
23 1967.

24 (b) Notwithstanding subparagraphs (A) and (B) of
25 section 403 (a) (3) of such Act (as amended by this Act),

1 the rate specified in such subparagraphs in the case of
2 Puerto Rico, the Virgin Islands, and Guam shall be 60
3 per centum (rather than 75 or 85 per centum).

4 (c) Effective July 1, 1969, neither the provisions of
5 clauses (A) through (C) of section 402 (a) (7) of such
6 Act as in effect before the enactment of this Act nor the
7 provisions of section 402 (a) (8) of such Act as amended
8 by section 202 (b) of this Act shall apply in the case of
9 Puerto Rico, the Virgin Islands, or Guam. Effective no
10 later than July 1, 1972, the State plans of Puerto Rico,
11 the Virgin Islands, and Guam approved under section 402
12 of such Act shall provide for the disregarding of income
13 in making the determination under section 402 (a) (7) of
14 such Act in amounts (agreed to between the Secretary
15 and the State agencies involved) sufficiently lower than
16 the amounts specified in section 402 (a) (8) of such Act to
17 reflect appropriately the applicable differences in income
18 levels.

19 (d) The amendment made by section 220 (a) of this
20 Act shall not apply in the case of Puerto Rico, the Virgin
21 Islands, or Guam.

22 ~~(e) Effective with respect to quarters after 1967, sec-~~
23 ~~tion 1905 (b) of such Act is amended by striking out "55~~
24 ~~per centum"~~ and inserting in lieu thereof "50 per centum".

1 APPROVAL OF CERTAIN PROJECTS

2 SEC. 249. Title XI of the Social Security Act is amended
3 by adding at the end thereof (after the new section added by
4 section 209 of this Act) the following new section:

5 "APPROVAL OF CERTAIN PROJECTS

6 "SEC. 1120. (a) No payment shall be made under this
7 Act with respect to any experimental, pilot, demonstration,
8 or other project all or any part of which is wholly financed
9 with Federal funds made available under this Act (without
10 any State, local, or other non-Federal financial participation)
11 unless such project shall have been personally approved by
12 the Secretary or Under Secretary of Health, Education, and
13 Welfare.

14 "(b) As soon as possible after the approval of any proj-
15 ect under subsection (a), the Secretary shall submit to the
16 Congress a description of such project including a state-
17 ment of its purpose, probable cost, and expected
18 duration."

19 TITLE III—IMPROVEMENT OF CHILD HEALTH
20 CONSOLIDATION OF SEPARATE PROGRAMS UNDER TITLE V
21 OF THE SOCIAL SECURITY ACT

22 SEC. 301. Effective with respect to fiscal years begin-
23 ning after June 30, 1968, title V of the Social Security Act
24 (as otherwise amended by this Act) is amended to read as
25 follows:

1 "TITLE V—MATERNAL AND CHILD HEALTH
2 AND CRIPPLED CHILDREN'S SERVICES

3 "AUTHORIZATION OF APPROPRIATIONS

4 "SEC. 501. For the purpose of enabling each State to
5 extend and improve (especially in rural areas and in areas
6 suffering from severe economic distress), as far as practicable
7 under the conditions in such State,

8 "(1) services for reducing infant mortality and
9 otherwise promoting the health of mothers and children;
10 and

11 "(2) services for locating, and for medical, surgical,
12 corrective, and other services and care for and facilities
13 for diagnosis, hospitalization, and aftercare for, children
14 who are crippled or who are suffering from conditions
15 leading to crippling,

16 there are authorized to be appropriated \$250,000,000 for the
17 fiscal year ending June 30, 1969, \$275,000,000 for the
18 fiscal year ending June 30, 1970, \$300,000,000 for the
19 fiscal year ending June 30, 1971, \$325,000,000 for the fiscal
20 year ending June 30, 1972, and \$350,000,000 for the fiscal
21 year ending June 30, 1973, and each fiscal year thereafter.
22 *there are authorized to be appropriated such sums as may*
23 *be necessary for the fiscal year ending June 30, 1969, and*
24 *succeeding fiscal years.*

1 "PURPOSES FOR WHICH FUNDS ARE AVAILABLE

2 "SEC. 502. (a) Appropriations pursuant to section 501
3 shall be available for the following purposes in the following
4 proportions:

5 " (1) In the case of the fiscal year ending June 30,
6 1969, and each of the next 3 fiscal years, (A) ~~50~~ 48
7 percent of the appropriation for such year shall be for
8 allotments pursuant to sections 503 and 504; (B) ~~40~~ 37
9 percent thereof shall be for grants pursuant to sections
10 508, 509, and 510; and (C) ~~10~~ 15 percent thereof shall
11 be for grants, contracts, or other arrangements pursuant
12 to sections 511 and 512.

13 " (2) In the case of the fiscal year ending June 30,
14 1970, and each of the next 2 fiscal years, (A) 45 per-
15 cent of the appropriation for such year shall be for allot-
16 ments pursuant to sections 503 and 504; (B) 35 percent
17 thereof shall be for grants pursuant to sections 508, 509,
18 and 510; and (C) 20 percent shall be for grants, con-
19 tracts, and other arrangements pursuant to sections 511
20 and 512.

21 "~~(2)~~ (3) In the case of the fiscal year ending June
22 30, 1973, and each fiscal year thereafter, (A) ~~90~~ 80
23 percent of the appropriation for such year shall be for
24 allotments pursuant to sections 503 and 504; and (B)
25 ~~10~~ 20 percent thereof shall be for grants, contracts, or
26 other arrangements pursuant to sections 511 and 512.

1 Not to exceed 5 percent of the appropriation for any fiscal
2 year under this section shall be transferred, at the request of
3 the Secretary, from one of the purposes specified in para-
4 graph (1) or (2) to another purpose or purposes so spec-
5 ified. For each fiscal year, the Secretary shall determine the
6 portion of the appropriation, within the percentage deter-
7 mined above to be available for sections 503 and 504, which
8 shall be available for allotment pursuant to section 503 and
9 the portion thereof which shall be available for allotment
10 pursuant to section 504.

11 "ALLOTMENTS TO STATES FOR MATERNAL AND CHILD
12 HEALTH SERVICES

13 "SEC. 503. The amount determined to be available pur-
14 suant to section 502 for allotments under this section shall be
15 allotted for payments for maternal and child health services
16 as follows:

17 "(1) One-half of such amount shall be allotted by
18 allotting to each State \$70,000 plus such part of the
19 remainder of such one-half as he finds that the number
20 of live births in such State bore to the total number of
21 live births in the United States in the latest calendar
22 year for which he has statistics.

23 "(2) The remaining one-half of such amount shall
24 (in addition to the allotments under paragraph (1)) be
25 allotted to the States from time to time according to the

1 financial need of each State for assistance in carrying
2 out its State plan, as determined by the Secretary after
3 taking into consideration the number of live births in
4 such State; except that not more than 25 percent of such
5 one-half shall be available for grants to State agencies
6 (administering or supervising the administration of a
7 State plan approved under section 505), and to public
8 or other nonprofit institutions of higher learning (situ-
9 ated in any State), for special projects of regional or na-
10 tional significance which may contribute to the advance-
11 ment of maternal and child health.

12 "ALLOTMENTS TO STATES FOR CRIPPLED CHILDREN'S
13 SERVICES

14 "SEC. 504. The amount determined to be available pur-
15 suant to section 502 for allotments under this section shall
16 be allotted for payments for crippled children's services as
17 follows:

18 " (1) One-half of such amount shall be allotted by
19 allotting to each State \$70,000 and allotting the re-
20 mainder of such one-half according to the need of each
21 State as determined by him after taking into considera-
22 tion the number of crippled children in such State in need
23 of the services referred to in paragraph (2) of section
24 501 and the cost of furnishing such services to them.

25 " (2) The remaining one-half of such amount shall

1 (in addition to the allotments under paragraph (1)) be
2 allotted to the States from time to time according to the
3 financial need of each State for assistance in carrying
4 out its State plan, as determined by the Secretary after
5 taking into consideration the number of crippled children
6 in each State in need of the services referred to in para-
7 graph (2) of section 501 and the cost of furnishing
8 such services to them; except that not more than 25 per-
9 cent of such one-half shall be available for grants to
10 State agencies (administering or supervising the admin-
11 istration of a State plan approved under section 505),
12 and to public or other nonprofit institutions of higher
13 learning (situated in any State), for special projects of
14 regional or national significance which may contribute
15 to the advancement of services for crippled children.

16 "APPROVAL OF STATE PLANS

17 "SEC. 505. (a) In order to be entitled to payments
18 from allotments under section 502, a State must have a
19 State plan for maternal and child health services and services
20 for crippled children which—

21 "(1) provides for financial participation by the
22 State;

23 "(2) provides for the administration of the plan
24 by the State health agency or the supervision of the

1 administration of the plan by the State health agency;
2 except that in the case of those States which on July 1,
3 1967, provided for administration (or supervision there-
4 of) of the State plan approved under section 513 (as in
5 effect on such date) by a State agency other than the
6 State health agency, the plan of such State may be
7 approved under this section if it would meet the require-
8 ments of this subsection except for provision of adminis-
9 tration (or supervision thereof) by such other agency
10 for the portion of the plan relating to services for crip-
11 pled children, and, in each such case, the portion of such
12 plan which each such agency administers, or the admin-
13 istration of which each such agency supervises, shall be
14 regarded as a separate plan for purposes of this title;

15 “(3) provides such methods of administration (in-
16 cluding methods relating to the establishment and main-
17 tenance of personnel standards on a merit basis, except
18 that the Secretary shall exercise no authority with re-
19 spect to the selection, tenure of office, and compensation
20 of any individual employed in accordance with such
21 methods) as are necessary for the proper and efficient
22 operation of the plan;

23 “(4) provides that the State agency will make such
24 reports, in such form and containing such information,
25 as the Secretary may from time to time require, and

1 comply with such provisions as he may from time to
2 time find necessary to assure the correctness and verifica-
3 tion of such reports;

4 “(5) provides for cooperation with medical, health,
5 nursing, educational, and welfare groups and organiza-
6 tions and, with respect to the portion of the plan relating
7 to services for crippled children, with any agency in
8 such State charged with administering State laws pro-
9 viding for vocational rehabilitation of physically handi-
10 capped children;

11 “(6) provides for payment of the reasonable cost
12 (as determined in accordance with standards approved
13 by the Secretary and included in the plan) of inpatient
14 hospital services provided under the plan;

15 “(7) provides, with respect to the portion of the
16 plan relating to services for crippled children, for early
17 identification of children in need of health care and serv-
18 ices, and for health care and treatment needed to correct
19 or ameliorate defects or chronic conditions discovered
20 thereby, through provision of such periodic screening
21 and diagnostic services, and such treatment, care and
22 other measures to correct or ameliorate defects or chronic
23 conditions, as may be provided in regulations of the
24 Secretary;

25 “(8) effective July 1, 1972, provides a program

1 (carried out directly or through grants or contracts) of
2 projects described in section 508 which offers reasonable
3 assurance, particularly in areas with concentrations of
4 low-income families, of satisfactorily helping to reduce
5 the incidence of mental retardation and other handicap-
6 ping conditions caused by complications associated with
7 child bearing and of satisfactorily helping to reduce infant
8 and maternal mortality;

9 “(9) effective July 1, 1972, provides a program
10 (carried out directly or through grants or contracts) of
11 projects described in section 509 which offers reasonable
12 assurance, particularly in areas with concentrations of
13 low-income families, of satisfactorily promoting the
14 health of children and youth of school or preschool age;

15 “(10) effective July 1, 1972, provides a program
16 (carried out directly or through grants or contracts) of
17 projects described in section 510 which offers reasonable
18 assurance, particularly in areas with concentrations of
19 low-income families, of satisfactorily promoting the
20 dental health of children and youth of school or preschool
21 age;

22 “(11) provides for carrying out the purposes speci-
23 fied in section 501; and

24 “(12) provides for the development of demonstra-
25 tion services (with special attention to dental care for

1 children and family planning services for mothers) in
2 needy areas and among groups in special need.

3 “(b) The Secretary shall approve any plan which meets
4 the requirements of subsection (a).

5 “PAYMENTS

6 “SEC. 506. (a) From the sums appropriated therefor
7 and the allotments available under section 503 (1) or 504
8 (1), as the case may be, the Secretary shall pay to each
9 State which has a plan approved under this title, for each
10 quarter, beginning with the quarter commencing July 1,
11 1968, an amount, which shall be used exclusively for carry-
12 ing out the State plan, equal to one-half of the total sum
13 expended during such quarter for carrying out such plan
14 with respect to maternal and child health services and
15 services for crippled children, respectively.

16 “(b) (1) Prior to the beginning of each quarter, the
17 Secretary shall estimate the amount to which a State will
18 be entitled under subsection (a) for such quarter, such esti-
19 mates to be based on (A) a report filed by the State con-
20 taining its estimate of the total sum to be expended in such
21 quarter in accordance with the provisions of such subsec-
22 tion, and stating the amount appropriated or made avail-
23 able by the State and its political subdivisions for such
24 expenditures in such quarter, and if such amount is less than
25 the State's proportionate share of the total sum of such

1 estimated expenditures, the source or sources from which
2 the difference is expected to be derived, and (B) such other
3 investigation as the Secretary may find necessary.

4 “(2) The Secretary shall then pay to the State, in
5 such installments as he may determine, the amount so esti-
6 mated, reduced or increased to the extent of any overpay-
7 ment or underpayment which the Secretary determines was
8 made under this section to such State for any prior quarter
9 and with respect to which adjustment has not already been
10 made under this subsection.

11 “(3) Upon the making of an estimate by the Secretary
12 under this subsection, any appropriations available for pay-
13 ments under this section shall be deemed obligated.

14 “(c) The Secretary shall also from time to time make
15 payments to the States from their respective allotments pur-
16 suant to section 503 (2) or 504 (2). Payments of grants
17 under sections 503 (2), 504 (2), 508, 509, 510, and 511,
18 and of grants, contracts, or other arrangements under section
19 512, may be made in advance or by way of reimbursement,
20 and in such installments, as the Secretary may determine;
21 and shall be made on such conditions as the Secretary finds
22 necessary to carry out the purposes of the section involved.

23 “(d) The total amount determined under subsections
24 (a) and (b) and the first sentence of subsection (c)
25 for any fiscal year ending after June 30, 1968, shall

1 be reduced by the amount by which the sum expended
2 (as determined by the Secretary) from non-Federal sources
3 for maternal and child health services and services for
4 crippled children for such year is less than the sum expended
5 from such sources for such services for the fiscal year ending
6 June 30, 1968. In the case of any such reduction, the Secre-
7 tary shall determine the portion thereof which shall be
8 applied, and the manner of applying such reduction, to the
9 amounts otherwise payable from allotments under section 503
10 or section 504.

11 “(e) Notwithstanding the preceding provisions of this
12 section, no payment shall be made to any State thereunder
13 from the allotments under section 503 or section 504 for any
14 period after June 30, 1968, unless the State makes a satis-
15 factory showing that it is extending the provision of services,
16 including services for dental care for children and family
17 planning for mothers, to which such State's plan applies in
18 the State with a view to making such services available by
19 July 1, 1975, to children and mothers in all parts of the
20 State.

21 “OPERATION OF STATE PLANS

22 “SEC. 507. If the Secretary, after reasonable notice and
23 opportunity for hearing to the State agency administering or
24 supervising the administration of the State plan approved
25 under this title, finds—

1 “(1) that the plan has been so changed that it no
2 longer complies with the provisions of section 505; or

3 “(2) that in the administration of the plan there
4 is a failure to comply substantially with any such pro-
5 vision;

6 the Secretary shall notify such State agency that further pay-
7 ments will not be made to the State (or, in his discretion,
8 that payments will be limited to categories under or parts of
9 the State plan not affected by such failure), until the Secre-
10 tary is satisfied that there will no longer be any such failure
11 to comply. Until he is so satisfied he shall make no further
12 payments to such State (or shall limit payments to cate-
13 gories under or parts of the State plan not affected by such
14 failure).

15 “SPECIAL PROJECT GRANTS FOR MATERNITY AND INFANT
16 CARE

17 “SEC. 508. (a) In order to help reduce the incidence of
18 mental retardation and other handicapping conditions caused
19 by complications associated with childbearing and to help
20 reduce infant and maternal mortality, the Secretary is au-
21 thorized to make, from the sums available under clause (B)
22 of paragraph (1) of section 502, grants to the State health
23 agency of any State and, with the consent of such agency,
24 to the health agency of any political subdivision of the State,
25 and to any other public or nonprofit private agency, institu-
26 tion, or organization, to pay not to exceed 75 percent of

1 the cost (exclusive of general agency overhead) of any
2 project for the provision of—

3 “(1) necessary health care to prospective mothers
4 (including, after childbirth, health care to mothers and
5 their infants) who have or are likely to have conditions
6 associated with childbearing or are in circumstances
7 which increase the hazards to the health of the mothers
8 or their infants (including those which may cause physi-
9 cal or mental defects in the infants), or

10 “(2) necessary health care to infants during their
11 first year of life who have any condition or are in
12 circumstances which increase the hazards to their health,
13 or

14 “(3) family planning services,
15 but only if the State or local agency determines that the re-
16 cipient will not otherwise receive such necessary health care
17 or services because he is from a low-income family or for
18 other reasons beyond his control.

19 “(b) No grant may be made under this section for any
20 project for any period after June 30, 1972.

21 “SPECIAL PROJECT GRANTS FOR HEALTH OF SCHOOL AND
22 PRESCHOOL CHILDREN

23 “SEC. 509. (a) In order to promote the health of chil-
24 dren and youth of school or preschool age, particularly in
25 areas with concentrations of low-income families, the Sec-

1 retary is authorized to make, from the sums available under
2 clause (B) of paragraph (1) of section 502, grants to the
3 State health agency of any State and (with the consent of
4 such agency) to the health agency of any political subdi-
5 vision of the State, to the State agency of the State admin-
6 istering or supervising the administration of the State plan
7 approved under section 505, to any school of medicine (with
8 appropriate participation by a school of dentistry), and to
9 any teaching hospital affiliated with such a school, to pay
10 not to exceed 75 percent of the cost of projects of a compre-
11 hensive nature for health care and services for children and
12 youth of school age or for preschool children (to help them
13 prepare to start school). No project shall be eligible for a
14 grant under this section unless it provides (1) for the co-
15 ordination of health care and services provided under it
16 with, and utilization (to the extent feasible) of, other State
17 or local health, welfare, and education programs for such
18 children, (2) for payment of the reasonable cost (as deter-
19 mined in accordance with standards approved by the Secre-
20 tary) of inpatient hospital services provided under the proj-
21 ect, and (3) that any treatment, correction of defects, or
22 aftercare provided under the project is available only to
23 children who would not otherwise receive it because they

1 are from low-income families or for other reasons beyond
2 their control; and no such project for children and youth
3 of school age shall be considered to be of a comprehensive
4 nature for purposes of this section unless it includes (subject
5 to the limitation in the preceding provisions of this sentence)
6 at least such screening, diagnosis, preventive services, treat-
7 ment, correction of defects, and aftercare, both medical and
8 dental, as may be provided for in regulations of the Secretary.

9 “(b) No grant may be made under this section for any
10 project for any period after June 30, 1972.

11 “SPECIAL PROJECT GRANTS FOR DENTAL HEALTH OF
12 CHILDREN

13 “SEC. 510. (a) In order to promote the dental health of
14 children and youth of school or preschool age, particularly
15 in areas with concentrations of low-income families, the Sec-
16 retary is authorized to make grants, from the sums available
17 under clause (B) of paragraph (1) of section 502, to the
18 State health agency of any State and (with the consent of
19 such agency) to the health agency of any political subdivi-
20 sion of the State, and to any other public or nonprofit private
21 agency, institution, or organization, to pay not to exceed 75
22 percent of the cost of projects of a comprehensive nature for
23 dental care and services for children and youth of school age
24 or for preschool children. No project shall be eligible for a

1 grant under this section unless it provides that any treatment,
2 correction of defects, or aftercare provided under the project
3 is available only to children who would not otherwise receive
4 it because they are from low-income families or for other
5 reasons beyond their control, and unless it includes (subject
6 to the limitation in the foregoing provisions of this sentence)
7 at least such preventive services, treatment, correction of
8 defects, and after care, for such age groups, as may be pro-
9 vided in regulations of the Secretary. Such projects may also
10 include research looking toward the development of new
11 methods of diagnosis or treatment, or demonstration of the
12 utilization of dental personnel with various levels of training.

13 “(b) No grant may be made under this section for
14 any project for any period after June 30, 1972.

15 “TRAINING OF PERSONNEL

16 “SEC. 511. From the sums available under clause (C) of
17 paragraph (1) or clause (B) of paragraph (2) of section
18 502, the Secretary is authorized to make grants to public or
19 nonprofit private institutions of higher learning for training
20 personnel for health care and related services for mothers and
21 children, particularly mentally retarded children and children
22 with multiple handicaps. In making such grants, the Secre-
23 tary shall give priority to programs providing training at the
24 undergraduate level.

1 "RESEARCH PROJECTS RELATING TO MATERNAL AND CHILD
2 HEALTH SERVICES AND CRIPPLED CHILDREN'S SERVICES

3 "SEC. 512. From the sums available under clause (C)
4 of paragraph (1) or clause (B) of paragraph (2) of section
5 502, the Secretary is authorized to make grants to or jointly
6 financed cooperative arrangements with public or other non-
7 profit institutions of higher learning, and public or nonprofit
8 private agencies and organizations engaged in research or
9 in maternal and child health or crippled children's programs,
10 and contracts with public or nonprofit private agencies
11 and organizations engaged in research or in such programs,
12 for research projects relating to maternal and child health
13 services or crippled children's services which show promise
14 of substantial contribution to the advancement thereof. Effec-
15 tive with respect to grants made and arrangements entered
16 into after June 30, 1968, (1) special emphasis shall be
17 accorded to projects which will help in studying the need
18 for, and the feasibility, costs, and effectiveness of, comprehen-
19 sive health care programs in which maximum use is made of
20 health personnel with varying levels of training, and in study-
21 ing methods of training for such programs, and (2) grants
22 under this section may also include funds for the training of
23 health personnel for work in such projects.

“ADMINISTRATION

1

2 “SEC. 513. (a) The Secretary of Health, Education,
3 and Welfare shall make such studies and investigations as
4 will promote the efficient administration of this title.

5 “(b) Such portion of the appropriations for grants under
6 section 501 as the Secretary may determine, but not exceed-
7 ing one-half of 1 percent thereof, shall be available for evalua-
8 tion by the Secretary (directly or by grants or contracts) of
9 the programs for which such appropriations are made and,
10 in the case of allotments from any such appropriation, the
11 amount available for allotments shall be reduced accordingly.

12 “(c) Any agency, institution, or organization shall, if
13 and to the extent prescribed by the Secretary, as a condition
14 to receipt of grants under this title, cooperate with the State
15 agency administering or supervising the administration of the
16 State plan approved under title XIX in the provision of care
17 and services, available under a plan or project under this
18 title, for children eligible therefor under such plan approved
19 under title XIX.

20

“DEFINITION

21 “SEC. 514. For purposes of this title, a crippled child
22 is an individual under the age of 21 who has an organic
23 disease, defect, or condition which may hinder the achieve-
24 ment of normal growth and development.”

CONFORMING AMENDMENTS

1
2 SEC. 302. (a) Section 1905(a) (4) of the Social
3 Security Act is amended by inserting “(A)” after “(4)”,
4 and by inserting before the semicolon at the end thereof the
5 following: “(B) effective July 1, 1969, such early and
6 periodic screening and diagnosis of individuals who are
7 eligible under the plan and are under the age of 21 to
8 ascertain their physical or mental defects, and such health
9 care, treatment, and other measures to correct or ameliorate
10 defects and chronic conditions discovered thereby, as may be
11 provided in regulations of the Secretary”.

12 (b) Section 1902(a) (11) of such Act is amended by
13 inserting “(A)” after “(11)”, and by inserting before the
14 semicolon at the end thereof the following: “, and (B) effec-
15 tive July 1, 1969, provide, to the extent prescribed by the
16 Secretary, for entering into agreements, with any agency,
17 institution, or organization receiving payments for part or all
18 of the cost of plans or projects under title V, (i) pro-
19 viding for utilizing such agency, institution, or organiza-
20 tion in furnishing care and services which are available
21 under such plan or project under title V and which are
22 included in the State plan approved under this section and
23 (ii) making such provision as may be appropriate for reim-

1 bursing such agency, institution, or organization for the
 2 cost of any such care and services furnished any individual
 3 for which payment would otherwise be made to the State
 4 with respect to him under section 1903”.

5 1968 AUTHORIZATION FOR MATERNITY AND INFANT
 6 CARE PROJECTS

7 SEC. 303. Section 531 (a) of the Social Security Act is
 8 amended by striking out “and \$30,000,000 for each of the
 9 next three fiscal years” and inserting in lieu thereof “\$30,-
 10 000,000 for each of the next 2 fiscal years, and \$35,000,000
 11 for the fiscal year ending June 30, 1968”.

12 SHORT TITLE

13 SEC. 304. This title may be cited as the “Child Health
 14 Act of 1967”.

15 TITLE IV—GENERAL PROVISIONS

16 SOCIAL WORK MANPOWER AND TRAINING

17 SEC. 401. Title VII of the Social Security Act is
 18 amended by adding at the end thereof the following new
 19 section:

20 “GRANTS FOR EXPANSION AND DEVELOPMENT OF
 21 UNDERGRADUATE AND GRADUATE PROGRAMS

22 “SEC. 707. (a) There is authorized to be appropri-
 23 ated \$5,000,000 for the fiscal year ending June 30, 1969,
 24 and ~~\$5,000,000~~ for each of the three succeeding fiscal ~~years,~~
 25 *years such sums as Congress may determine* for grants by the

1 Secretary to public or nonprofit private colleges and univer-
2 sities and to accredited graduate schools of social work or an
3 association of such schools to meet part of the costs of devel-
4 opment, expansion, or improvement of (respectively) under-
5 graduate programs in social work and programs for the
6 graduate training of professional social work personnel, in-
7 cluding the costs of compensation of additional faculty and
8 administrative personnel and minor improvements of existing
9 facilities. Not less than one-half of the sums appropriated for
10 any fiscal year under the authority of this subsection shall be
11 used by the Secretary for grants with respect to undergrad-
12 uate programs.

13 “(b) In considering applications for grants under this
14 section, the Secretary shall take into account the relative
15 need in the States for personnel trained in social work and
16 the effect of the grants thereon.

17 “(c) Payment of grants under this section may be made
18 (after necessary adjustments on account of previously made
19 overpayments or underpayments) in advance or by way of
20 reimbursement, and on such terms and conditions and in
21 such installments, as the Secretary may determine.

22 “(d) For purposes of this section—

23 “(1) the term ‘graduate school of social work’
24 means a department, school, division, or other adminis-

1 trative unit, in a public or nonprofit private college or
 2 university, which provides, primarily or exclusively, a
 3 program of education in social work and allied subjects
 4 leading to a graduate degree in social work;

5 “(2) the term ‘accredited’ as applied to a graduate
 6 school of social work refers to a school which is accredited
 7 by a body or bodies approved for the purpose by the
 8 Commissioner of Education or with respect to which
 9 there is evidence satisfactory to the Secretary that it
 10 will be so accredited within a reasonable time; and

11 “(3) the term ‘nonprofit’ as applied to any college
 12 or university refers to a college or university which is a
 13 corporation or association, or is owned and operated by
 14 one or more corporations or associations, no part of the
 15 net earnings of which inures, or may lawfully inure, to
 16 the benefit of any private shareholder or individual.”

17 INCENTIVE FOR LOWERING COSTS WHILE MAINTAINING
 18 QUALITY AND INCREASING EFFICIENCY IN THE PRO-
 19 VISION OF HEALTH SERVICES

20 SEC. 402. (a) The Secretary of Health, Education,
 21 and Welfare is authorized to develop and engage in experi-
 22 ments under which organizations and institutions which
 23 would otherwise be entitled to reimbursement or payment
 24 on the basis of reasonable cost for services provided—

25 (1) under title XVIII of the Social Security Act

1 (2) under a State plan approved under title XIX
2 of such Act, or

3 (3) under a plan developed under title V of such
4 Act,

5 and which are selected by the Secretary in accordance
6 with regulations established by the Secretary, would be
7 reimbursed or paid in any manner mutually agreed upon
8 by the Secretary and the organization or institution. The
9 method of reimbursement which may be applied in such
10 experiments shall be such as the Secretary may select and
11 may be based on charges or costs adjusted by incentive
12 factors and may include specific incentive payments or
13 reductions of payments for the performance of specific ac-
14 tions but in any case shall be such as he determines may,
15 through experiment, be demonstrated to have the effect of
16 increasing the efficiency and economy of health services
17 through the creation of additional incentives to these ends
18 without adversely affecting the quality of such services.

19 (b) In the case of any experiment under subsection
20 (a), the Secretary may waive compliance with the require-
21 ments of titles XVIII, XIX, and V of the Social Security
22 Act insofar as such requirements relate to reimbursement
23 or payment on the basis of reasonable cost; and costs
24 incurred in such experiment in excess of the costs which
25 would otherwise be reimbursed or paid under such titles

1 may be reimbursed or paid to the extent that such waiver
2 applies to them (with such excess being borne by the
3 Secretary).

4 (c) Section 1875 (b) of the Social Security Act is
5 amended by inserting after "under parts A and B" the fol-
6 lowing: "(including the experimentation authorized by sec-
7 tion 402 of the Social Security Amendments of 1967)".

8 CHANGES TO REFLECT CODIFICATION OF TITLE 5, UNITED
9 STATES CODE

10 SEC. 403. (a) (1) Section 210 (a) (6) (C) (iv) of the
11 Social Security Act is amended by striking out "under section
12 2 of the Act of August 4, 1947" and inserting in lieu thereof
13 "under section 5351 (2) of title 5, United States Code", and
14 by striking out "; 5 U.S.C., sec. 1052".

15 (2) Section 210 (a) (6) (C) (vi) of such Act is
16 amended by striking out "the Civil Service Retirement Act"
17 and inserting in lieu thereof "subchapter III of chapter 83
18 of title 5, United States Code,".

19 (3) Section 210 (a) (7) (D) (ii) of such Act is
20 amended by striking out "under section 2 of the Act of Au-
21 gust 4, 1947" and inserting in lieu thereof "under section
22 5351 (2) of title 5, United States Code", and by striking out
23 "; 5 U.S.C. 1052".

24 (b) Section 215 (h) (1) of such Act is amended—

25 (1) by striking out "of the Civil Service Retirement

1 Act," and inserting in lieu thereof "of subchapter III
2 of chapter 83 of title 5, United States Code,"; and

3 (2) by striking out "under the Civil Service Retirement
4 Act" and inserting in lieu thereof "under sub-
5 chapter III of chapter 83 of title 5, United States
6 Code,".

7 (c) (1) Section 217 (f) (1) of such Act is amended—

8 (A) by striking out "the Civil Service Retirement
9 Act of May 29, 1930, as amended," and inserting in lieu
10 thereof "subchapter III of chapter 83 of title 5, United
11 States Code,"; and

12 (B) by striking out "such Act of May 29, 1930, as
13 amended," and inserting in lieu thereof "such subchapter
14 III".

15 (2) Section 217 (f) (2) of such Act is amended by
16 striking out "the Civil Service Retirement Act of May 29,
17 1930, as amended," and inserting in lieu thereof "subchapter
18 III of chapter 83 of title 5, United States Code,".

19 (d) (1) Section 706 (b) of such Act is amended by
20 striking out "the civil service laws" and inserting in lieu
21 thereof "the provisions of title 5, United States Code, govern-
22 ing appointments in the competitive service".

23 (2) Section 706 (c) (2) of such Act is amended by
24 striking out "section 5 of the Administrative Expenses Act

1 of 1946 (5 U.S.C. 73b-2)" and inserting in lieu thereof
2 "section 5703 of title 5, United States Code,".

3 (e) (1) Section 1114 (b) of such Act is amended by
4 striking out "the civil-service laws" and inserting in lieu
5 thereof "the provisions of title 5, United States Code, govern-
6 ing appointments in the competitive service".

7 (2) Section 1114 (f) of such Act is amended by strik-
8 ing out "the civil-service laws" and inserting in lieu thereof
9 "the provisions of title 5, United States Code, governing
10 appointments in the competitive service".

11 (3) Section 1114 (g) of such Act is amended by strik-
12 ing out "section 5 of the Administrative Expenses Act of
13 1946 (5 U.S.C. 73b-2)" and inserting in lieu thereof "sec-
14 tion 5703 of title 5, United States Code."

15 (f) (1) Section 1501 (a) (6) of such Act is amended
16 by striking out "the Civil Service Retirement Act of 1930"
17 and inserting in lieu thereof "subchapter III of chapter 83 of
18 title 5, United States Code,".

19 (2) Section 1501 (a) (9) of such Act is amended by
20 striking out "under section 2 of the Act of August 4, 1947"
21 and inserting in lieu thereof "under section 5351 (2) of title
22 5, United States Code", and by striking out "5 U.S.C., sec.
23 1052".

24 (g) (1) Section 1840 (e) (1) of such Act is amended

1 by striking out "the Civil Service Retirement Act, or other
2 Act" and inserting in lieu thereof "subchapter III of chapter
3 83 of title 5, United States Code, or any other law".

4 (2) Section 1840 (e) (2) of such Act is amended by
5 striking out "such other Act" and inserting in lieu thereof
6 "such other law".

7 (h) Section 103 (b) (3) of the Social Security Amend-
8 ments of 1965 is amended—

9 (1) by striking out "the Federal Employees Health
10 Benefits Act of 1959" in subparagraph (A) and insert-
11 ing in lieu thereof "chapter 89 of title 5, United States
12 Code"; and

13 (2) by striking out "such Act" in subparagraph
14 (C) and inserting in lieu thereof "such chapter".

15 (i) (1) Section 3121 (b) (6) (C) (iv) of the Internal
16 Revenue Code of 1954 is amended by striking out "under
17 section 2 of the Act of August 4, 1947" and inserting in
18 lieu thereof "under section 5351 (2) of title 5, United States
19 Code", and by striking out "; 5 U.S.C., sec. 1052".

20 (2) Section 3121 (b) (6) (C) (vi) of such Code is
21 amended by striking out "the Civil Service Retirement Act"
22 and inserting in lieu thereof "subchapter III of chapter 83
23 of title 5, United States Code,".

24 (3) Section 3121 (b) (7) (C) (ii) of such Code is

**Statement of the Department of Health, Education, and Welfare on
Their Proposed Social Security, Public Welfare, and Child Health
Amendments to H.R. 12080, Social Security Amendments of 1967**

This statement supplements the testimony of the Department of Health, Education, and Welfare on H.R. 12080, "The Social Security Amendments of 1967," as passed by the House of Representatives.

As indicated in the statement of the Secretary of Health, Education, and Welfare, the Department recommends the benefit increase of at least 15 percent, and the increase in the benefit and contribution base to \$10,800 by 1974, that were provided in H.R. 5710, and the extension of hospital insurance protection to the disabled. In addition to these major concerns, there are a number of Administration proposals that were not included in H.R. 12080 that the Department believes should be added and a number of provisions of H.R. 12080 that the Department believes should be modified.

Provisions of H.R. 5710 that the Department believes should be added to Title I of the bill (relating to social security) are as follows:

SOCIAL SECURITY

1. Special minimum for long-term employment.—A special minimum benefit would be given for long-service workers. It would be equal to \$4 multiplied by the number of years of coverage up to 25, so that a worker with 25 years or more of coverage will receive a benefit of at least \$100 a month. About 140,000 people would benefit under this provision. About \$8 million in additional benefits would be paid in 1968.

2. Transfer of Federal employment credits.—Under present law, Federal employees subject to the Civil Service or Foreign Service retirement system or the Central Intelligence Agency retirement system have no survivor or disability protection during the first 5 years of service. Employees who leave after 5 or more years of service lose their survivor and disability protection; the great majority of those who leave before retirement lose their retirement protection as well because they take refunds of their contributions.

H.R. 5710 would fill these serious gaps in the protection of large numbers of workers with Federal employment by providing for transferring credit to social security for Federal employment subject to the Civil Service or Foreign Service retirement system if there is no protection based on that employment when the worker dies, becomes disabled, or reaches retirement age. The social security trust funds would be reimbursed by the Federal staff retirement systems for the proportionate cost of benefits that is attributable to the transferred credits.

3. Social security coverage of farm employees.—Under present law, the farm worker's earnings in regard to his work for an employer are covered only if the employer pays him \$150 or more in cash wages during the year or the employee works for the employer on 20 or more days in the year for cash pay on a time basis—e.g., if he is paid by the hour, day, or week. A farm worker earns one quarter of coverage credit, to a total of four in a year, for each \$100 of annual covered farm wages.

H.R. 5710 would modify these provisions so as to improve the coverage of 500,000 farm workers. Under H.R. 5710, the annual cash wage test for social security coverage of farm workers would be reduced from the present \$150 to \$50, the 20-day time test would be reduced to 10 days, and a quarter of coverage credit would be given, to a total of 4 in a year, for each \$50 of annual covered farm wages. These changes would have no cost effect.

4. *Coverage status of fishermen and truck loaders and unloaders.*—The Social Security Administration and the Internal Revenue Service have generally found captains and crew members of fishing vessels and loaders and unloaders of trucks to be employees (under the common-law rules) of the owners of the fishing vessels or trucks. The employment status of such individuals has been contested in the courts by some of the owners of the vessels and trucks who have been billed for social security taxes. The decisions of the courts in these tax cases have not been uniform. It is desirable to remove the cause of such inconclusive litigation by clarifying that individuals of the types mentioned are employees of the owners of the vessels or trucks.

5. *Coverage of Federal facilities under medicare.*—Services rendered in State and local hospitals are now covered and it is reasonable that similar services rendered in Federal hospitals should also be covered. If Federal facilities were included under the medicare system, there would be some savings to the general taxpayer, since he would not have to pay through other taxes to meet hospital and doctor expenses of some people who are covered by the medicare system and receive care in Federal facilities.

6. *Coordination of medicare reimbursement with State health planning.*—At present, no provision is made under title XVIII of the Social Security Act to coordinate payments under medicare with the health facility planning activities being carried on in the States by public and private planning agencies. Federal legislation (P.L. 89-749—the Partnership for Health Act) was enacted by the last Congress providing additional support for planning in the States through grants to the States for comprehensive health planning and through project grants to other public and nonprofit private agencies.

It is proposed that hospitals be required to fund depreciation payments made to them under medicare and that substantial capital expenditures be in conformity with any recommendations of the federally supported health planning activities of the States.

7. *Eligibility of certain children for monthly benefits.*—The amendment would provide for the payment of child's benefits, based on the earnings record of a worker who was not the child's parent if the child was living with and supported by the worker for at least a year before the worker died or at least 5 years before the worker became disabled or retired. Under this provision about 15,000 people would be affected immediately and \$11 million would be paid out in calendar year 1968.

8. *Parent's insurance benefits.*—The amendment would provide for the payment of benefits to the parents of retired and disabled workers. The benefits for the dependent parents of living workers would be actuarially reduced if taken before age 65 and parent's insurance benefits in the future would be residual. Under this provision about 30,000 people would be affected immediately and about \$15 million would be paid out in the first full year.

The combined cost of the above provisions for paying benefits to children and the provision for parent's benefits is 0.01 percent of payroll.

9. *Elimination of provisions denying hospital insurance benefits to non-insured individuals because of membership in certain organizations.*—This provision would repeal the provision of the Social Security Amendments of 1965 denying hospital insurance to noninsured persons over 65 because of membership in subversive organizations.

Provisions of Title I of H.R. 12080 that the Department believes should be modified are as follows:

1. *Increase in special payments to certain people age 72 and older.*—H.R. 12080 provides for increasing from \$35 to \$40 for a single person (from \$52.50 to \$60 for a couple) the amount of the monthly payments to people age 72 and older who are not insured for regular retirement benefits. In keeping with the minimum benefit of \$70 that the Department is proposing for people who meet the regular insured-status requirements, the Department recommends special payments of \$50 (\$75 for couples) for those age 72 and older who do not meet these requirements.

2. *Benefits for disabled widows and widowers.*—Under the provision in H.R. 12080 for paying benefits to disabled widows and widowers, benefits

would not be payable before age 50 and the benefits would be reduced according to the disabled widow's or widower's age at entitlement. The Department favors removal of the age-50 limitation and payment of the full amount of the benefit—82½ percent of the spouse's benefit—to disabled widows and widowers. The Department also recommends that the definition of disability for widows and widowers in H.R. 12080 be modified to specify a level of severity that would be deemed sufficient to preclude any *substantial* gainful activity (rather than any gainful activity). The Department would retain the requirement in H.R. 12080 that determinations of disability be based on medical factors only. The cost of the provision now in H.R. 12080 is 0.03 percent of taxable payroll; the cost of the provision we recommend is 0.06 percent of taxable payroll.

3. Limitations of payments to aliens outside the United States.—Under present law, benefits are not paid to aliens outside the United States unless they meet one of several specified exceptions to a general alien nonpayment provision. Among these exceptions are the provisions under which benefits are payable to an alien outside of the United States if he lived in the United States for 10 years or if he had 40 quarters of coverage—about 10 years of work in covered employment. H.R. 12080 includes a provision, not included in H.R. 5710, under which the 10-years-residence and 40-quarters-of-coverage exceptions would not apply to a citizen of a country that has a social insurance system under which benefits would not be paid to otherwise qualified Americans outside that country. The Department believes that the present provision is satisfactory and that no further restriction should be placed on the application of the 10-year-residence and 46-quarters-of-coverage exceptions of present law.

Moreover, under H.R. 12080, the elimination of the 10-years-residence and 40-quarters-of-coverage exceptions would apply not only to people becoming eligible for benefits in the future but also to those now getting benefits, with the result that thousands of present beneficiaries might have their benefits stopped when the provision becomes effective six months after enactment. The Department strongly recommends that, in the event that any restriction on the applicability of the 10-years-residence and 40-quarters-of-coverage exceptions is retained in the bill, it be made entirely prospective in effect—that is, that it apply only to aliens who become eligible for benefits in the future.

The provisions of H.R. 12080 relating to benefits for people in countries where Treasury regulations prevent payment go considerably beyond those recommended by the Department and raise questions of constitutionality and of conflict with existing treaties between the United States and certain foreign countries. The question of constitutionality arises because the provision would prevent payment of benefits that have already accrued to aliens in countries where the Treasury ban applies. In such cases payment has been withheld under the Treasury regulation only because it was not possible to assume that the beneficiary would actually get the check or be able to negotiate it for full value—to protect his right to his benefits; under H.R. 12080 this right would be taken away and benefits accrued in the past would be limited to twelve months of payment. Another problem is that under certain treaties there is agreement to treat citizens of the other country just as American citizens are treated for social security purposes, yet under H.R. 12080 benefit payments to aliens living in countries subject to the Treasury regulations are stopped even though such aliens are citizens of another country and that country has such a treaty with the United States.

The Department, therefore, recommends that the provisions in question be modified so that amounts accumulated before enactment of the amendments now being considered, as well as benefits that are withheld by the Treasury Department in the future, would be payable in full to the beneficiary from whom they have been withheld. If he has died before the ban is lifted, the withheld benefits would be payable only to a survivor entitled on the same earnings record and only in an amount equal to the last 12 months' benefits that have been withheld. As under present law, where the beneficiary is alive when payments are resumed, the full amount of the withheld benefits would be payable to him.

4. *Residual payments to certain children.*—The provision in H.R. 12080 under which certain children would get "residual" benefits would take care of a situation that developed under the 1965 amendments, where, for example, a widow already getting benefits might have had her benefits or the benefits of her children reduced under the family maximum provisions because another child of her husband became entitled to benefits by reason of the 1965 change in the law.

It would, however, provide unduly harsh treatment in the future for children made eligible by the 1965 amendments. We believe the 1965 provision (inserted by the Senate) should be retained but that benefits payable prior to the 1965 provision should be restored to the full amount without regard to the family maximum.

PUBLIC ASSISTANCE

1. *Meeting full need.*—Present law requires States to establish public assistance needs standards but does not require that payments meet the need in full. Our amendments would: (1) require States to meet full need as reflected in their own standards; (2) require the standards to be set at least at two-thirds of the medical assistance eligibility level under title XIX; (3) require the standards to be at least as high as they were in January 1967; (4) require standards to be updated on July 1, 1968, and reviewed annually and modified with significant changes in the cost of living; and (5) provide an authorization of \$60 million in fiscal years 1970 and 1971 to help States with special fiscal problems meet the new requirements.

2. *Earned income exemptions.*—The House bill requires States to allow AFDC recipients 16 and over an earned income exemption of the first \$30 monthly earnings plus one-third of additional earnings. We propose: (1) to increase the exemption to \$50 monthly plus one-half of additional earnings, and (2) to extend this same exemption to the aged and permanently and totally disabled.

3. *Work training.*—The House bill requires States to establish community work and training programs (with 75% Federal matching) for virtually all appropriate AFDC adults and children over 16 not attending school full time. We recommend in lieu of the House work training provisions, those proposed by the President and incorporated in H.R. 5710. This proposal would authorize the Secretary of Labor to provide work and training programs for AFDC recipients over 16. Funds for these programs would be transferred from our public assistance appropriation. If the Secretary of Labor does not operate a program, or finds it impractical to do so throughout a State, programs could be set up by the State welfare agency. The Federal Government would pay 90% of the cost of training, supplies and material. The proposal also provides for training incentive payments of up to \$20 a week for trainees, and project grants for needy persons ineligible for AFDC. Of the various changes we are proposing, only these last two will require additional funds above the House bill.

Present law requires that appropriate arrangements be provided for the care and protection of a child while his parent is participating in a work training program "in order to assure that such absence and work will not be inimical to the welfare of the child." The House bill omits the clause containing the word "inimical." We urge its restoration. No cost is involved.

4. *Mandatory work training.*—In the House bill, work training is mandatory both on the State and on the individual: The State must provide work training, and the AFDC recipient must accept it (unless she has good cause) or face loss of assistance. We endorse the requirement that work training be offered in all parts of the State with significant numbers of AFDC recipients, but recommend that acceptance of training not be mandatory on AFDC mothers. With such positive features of the bill as the availability of work training, training incentive payments, day care, and earned income exemptions, we do not feel that AFDC mothers need to be compelled to undergo training.

Along the same lines, the plan required by the House bill for each AFDC family should be truly comprehensive and not aimed solely at employment.

6. Limitation on Federal participation in AFDC.—The House bill requires that the rate of child dependency due to the absence of a parent be frozen as of January 1967 for purposes of Federal matching beginning January 1968. We strongly recommend that this limitation be deleted.

6. Unemployed parent under AFDC.—The House bill sets a Federal definition of unemployment. We recommend deleting these two limitations on the definition in the House bill; (1) the exclusion of fathers who have received any unemployment compensation during the month, and (2) the exclusion of fathers who have had little or no connection with the labor force. The House bill associated no significant savings to these limitations since they involve relatively few persons; hence we are attributing no significant cost to their reinstatement.

7. Protective and vendor payments.—The House bill requires all States to have a program of protective payments and vendor payments which can be used in those relatively few cases of demonstrated, fiscal irresponsibility. The present law limits the existing provision to 5 percent of the cases. We believe that the House provision is appropriate, but feel that as a safeguard against abuse, a State should be limited in its use of protective or vendor payments. We would have no objection to raising the limit from 5% to 10%. Since this provision concerns the method of payment rather than the amount, it would involve no significant cost or savings.

8. Emergency assistance.—The House bill allows the State a large measure of flexibility in an emergency situation by providing 50% Federal matching for emergency assistance to children and their families for up to 30 days in a 12 month period. The provision in the House bill is an excellent one but the time period is too limited. We recommend that emergency assistance be available for up to 120 days, and that the Federal share be increased to 75%.

9. Migratory workers.—We recommend an amendment to authorize the Secretary of Health, Education, and Welfare to make project grants for temporary assistance to migratory workers and their families. The assistance would be limited to 60 days duration and would be consistent with assistance payments in that State.

10. Repatriated United States Nationals.—Legislation originally enacted in 1961 authorized our department to provide temporary assistance and care to United States citizens who have been returned to this country because of destitution, illness, war on similar crises and who are without resources. Since 1961, the program has assisted repatriates from two countries involved in such crises—Cuba and the Dominican Republic. The present authorization expires by June 30, 1968. We request that the authorization for this small but significant program be made permanent.

11. Public assistance demonstration grants.—Five years ago, the Congress established a program under the Social Security Act to support demonstration grants in the area of public assistance. The program has a \$2 million limitation under present law; The House bill increases this limit to \$4 million. We recommend an increase in the authorization to \$10 million in 1968 and \$25 million thereafter.

12. Home repairs.—The House bill provides 50% Federal matching to meet the cost (up to \$500) of repairing the home of an assistance recipient if the home cannot be occupied and if the cost of rent would exceed the cost of repairs. This provision may prove a useful tool in allowing some recipients to remain in their own homes. Unfortunately, the House bill excludes AFDC recipients from this provision. We recommend that this exclusion be removed. Since this provision can only be used if a higher rental is involved, there will be no additional cost.

MEDICAL ASSISTANCE (TITLE XIX)

13. Limitation on Federal participation.—The House bill does not permit Federal matching after July, 1968, for families whose income is more than 133% of the highest cash assistance payment ordinarily made to a family of the same size on AFDC. For States with programs now in operation, the percentages are 150% July-December 1968; 140% calendar year 1969; and 133% beginning January 1, 1970. We propose instead that the limitation be set at 100% of the highest comparable cash assistance standard.

14. Puerto Rico, Virgin Islands, and Guam.—The House bill sets a dollar ceiling on Federal title XIX funds in these three areas, and reduces the Federal share from the 85% in present law to 50%. We recommend that the 55% Federal share be retained in the bill. This would not increase the cost in view of the overall dollar limitation.

15. Direct billing.—The House bill permits, at the State's option, direct billing of medically indigent persons by physicians. We recommend that States choosing this option be required to permit physicians employed full time in medical schools or county hospitals to bill for services on a basis comparable to physicians in private practice. Our recommended change involves no cost.

SOCIAL WORK MANPOWER TRAINING

16. Social work manpower training.—The House bill authorizes \$5 million in each of the next four years for a program of grants to colleges, universities, and accredited graduate schools of social work to meet part of the costs of developing, expanding, or improving their social work training resources. The grants would be available to pay the cost of additional faculty members and administrative personnel and to make minor improvements in existing facilities.

We anticipate that this program will help to increase substantially the number of trained social workers serving in public welfare and other programs. But room for expansion is needed. We urge the Senate to remove the ceiling on the authorization for the program for 1970 to 1972.

CHILD HEALTH

17. Research and training.—The House bill provides expanded research and training authority to increase the supply of scarce professional personnel providing services for mothers and children and to experiment with and demonstrate the use of obstetric and pediatric assistants in bringing comprehensive health care to large numbers of mothers and children, particularly in areas that suffer from lack of adequate maternal and child health services. But the limitations in funding in the House bill will not permit us to mount the research and training program which is essential if we are to meet the health care needs of mothers and children. We urge that the authorizations in the House bill be increased.

Estimated Cost of Recommended Changes

August 22, 1967.

Memorandum

From: Robert J. Myers, Chief Actuary, Social Security Administration.
Subject: Changes in Cost for Administration Proposal as Compared with H.R. 12080, Social Security and Medicare Programs.

This memorandum has been prepared at the request of Senator Williams in order to show the changes in cost, by items, for the Administration proposal, as compared with H.R. 12080 as passed by the House of Representatives. These changes in cost were requested for each calendar year for 1968-72 and are shown for all items resulting in significant changes. In a few instances, described below, it has not been possible to present specific cost estimates.

Table 1 deals with OASDI benefit changes, while table 2 deals with Medicare benefit changes and Table 3 deals with financing changes. In all these tables, no account has been taken of the following changes:

(a) *Transfer of wage credits of Federal employees.*—This provision will have significant effect on both income and outgo over the long range (although the net effect will be largely counterbalancing), but will have relatively little effect in the early years of operation.

(b) *Coverage provisions relating to various categories (including truck loaders, certain fishermen, certain intermittent farm workers, and ministers).*—These changes will have relatively small effects as to increased income and outgo, with the former being of more significant size in the early years of operation.

(c) *Elimination of restriction on payment of benefits to certain aliens residing abroad.*—H.R. 12080 would make certain additional restrictions on the payment of benefits to aliens residing outside the United States (in addition to restrictions contained in existing law); these restrictions would principally relate to citizens of countries that have pension systems of general application and do not pay benefits to otherwise qualified Americans who are outside the particular country. The Administration proposal would eliminate these additional restrictions (and thus, in general, retain the provisions of present law). As compared with H.R. 12080, the Administration proposal would increase benefit expenditures by an annual rate of about \$18 million (beginning about the middle of 1968) if the foreign countries concerned do not change their provisions as to not paying benefits to otherwise eligible Americans living outside of the particular country. On the other hand, if these countries introduce reciprocity into their programs, there will be little increase in cost over what the situation would be under H.R. 12080.

ROBERT J. MYERS.

TABLE 1.—Changes in cost for administration proposal as compared with H.R. 12080 as passed by House of Representatives, old-age, survivors, and disability insurance benefit changes, by calendar year

(In millions)

	Provision in H.R. 12080	Provision in administration proposal	Increase in cost over bill				
			1968	1969	1970	1971	1972
A. General benefit increase. ¹	12% percent, with \$30 minimum PIA.	15 percent with \$7 minimum PIA.	\$1,263	\$1,312	\$1,345	\$1,382	\$1,414
B. Benefit increase for certain persons aged 72 or over. ¹	\$40 (\$60 for couples).	\$50 (\$75 for couples).	148	126	106	89	74
C. Special \$100 minimum benefit for 25 years of coverage.	None	Yes	8	9	10	11	12
D. Benefits for disabled widows and widowers.	At age 50, with reduced rate.	At all ages, with full benefits.	11	13	14	16	14
E. Benefits for dependent parents of retired or disabled workers.	None	Yes	13	17	19	20	20
F. Benefits for children dependent on workers other than parents.	None	Yes	11	16	20	23	23
G. Total			1,454	1,493	1,517	1,549	1,559

¹ The figures for the administration proposal are derived on the assumption that the maximum earnings base schedule therein is adopted; if the earnings base in H.R. 12080 were to prevail, the figures for the change shown here would be slightly lower.

² About 90 percent of the increase in cost is paid by the general fund.

TABLE 2.—Changes in cost for administration proposal as compared with H.R. 12080 as passed by House of Representatives, medicare benefit changes, by calendar year

(In millions)

	Provision in H.R. 12080	Provision in administration proposal	Increase in cost over bill				
			1968	1969	1970	1971	1972
A. Hospital insurance benefits for disabled beneficiaries.	None	Yes	\$691	\$792	\$870	\$940	\$1,010
B. Payments to Federal facilities for medicare beneficiaries. ¹	None	Yes	130	148	163	177	180
C. Total			821	940	1,033	1,117	1,190

¹ These figures would be reduced by about 50 percent if the freeping change is not included.

TABLE 3.—Changes in cost for administration proposal as compared with H.R. 18080 as passed by the House of Representatives, financing changes, by calendar year

(In millions)

	Provision in H.R. 18080	Provision in administration proposal	Increase in tax income over bill				
			1968	1969	1970	1971	1972
A. Increase in maximum taxable earnings base.	\$7,600 in 1968 and after.	\$7,600 in 1968-70; \$9,600 in 1971-72; \$10,000 thereafter.	\$392	\$396	\$337	\$1,819	\$2,458
B. Increase in hospital insurance contribution rates.	0.2 percent increase in combined rate ¹ for 1968 and after.	0.3 percent increase in combined rate ¹ for 1968 and after.	---	330	377	604	424
C. Total.....	-----	-----	392	626	714	2,223	2,882

¹ For employer and employee combined.

Estimated cost of changes recommended by the Department of Health, Education, and Welfare in H.R. 18080, Social Security Amendments of 1967

(In millions of dollars)

	Fiscal year 1968	Fiscal year 1969	Fiscal year 1970	Fiscal year 1971	Fiscal year 1972
A. Social security: Special payments to certain persons 72 and over (\$50 for individuals, \$75 for couple).....	---	---	73.0	133.0	116.0
B. Public welfare and child health: Increases:					
1. Development of cash assistance standards: Total.....	0	0	467.0	467.0	537.0
(a) Require State cash assistance standards at least equal to two-thirds of the medical assistance level of title XIX.....	0	0	60.0	70.0	80.0
(b) Require cash payment meet full need under State standard: Total.....	0	0	147.0	147.0	147.0
(1) Aid to families with dependent children.....	0	0	95.0	95.0	95.0
(2) Programs for adults.....	0	0	52.0	52.0	52.0

Estimated cost of changes recommended by the Department of Health, Education, and Welfare in H.R. 12490, Social Security Amendments of 1967—Continued

[In millions of dollars]

	Fiscal year 1968	Fiscal year 1969	Fiscal year 1970	Fiscal year 1971	Fiscal year 1972
B. Public welfare and child health—Continued					
Increases—Continued					
1. Development of child care.—Cont'd					
(c) Require States to update their standards: Total	0	0	200.0	200.0	200.0
(1) Aid to families with depend- ent children	0	0	90.0	90.0	90.0
(2) Programs for adults	0	0	110.0	110.0	110.0
(d) Require States to reprice their standards each year: Total	0	0	0	50.0	100.0
(1) Aid to families with depend- ent children	0	0	0	23.0	46.0
(2) Programs for adults	0	0	0	27.0	54.0
2. Mandatory earned income exemp- tion in AFDC of up to \$50 per earner (including adults) and up to family maximum of \$150 monthly; and make mandatory the present discretionary earned income exemptions for the aged and the disabled	0	15.0	15.0	20.0	20.6
3. Federal funds to help States meet cost of various provisions	0	0	60.0	60.0	0
4. Expansion of demonstration proj- ect program (present program expires June 30, 1968)	6.0	21.0	21.0	21.0	21.0
5. Social work manpower and train- ing: Grants for expansion and development of graduate and undergraduate programs	0	0	3.0	12.5	20.0
6. Migratory workers	0	3.0	3.0	3.0	3.0
7. Training incentives	0	20.0	45.0	65.0	110.0
8. Training project grants	0	10.0	15.0	20.0	25.0
9. Extended repatriation of U.S. nationals	0	.1	.1	.1	.1
10. Emergency assistance	0	20.0	40.0	70.0	70.0
11. Child health	0	20.0	20.0	40.0	50.0
12. Title XIX amendments	-15.0	290.0	500.0	650.0	800.0
Subtotal	-0.0	401.1	143.1	430.6	648.1
Savings: Total change in Federal funds as a result of social security proposals	-27.6	-56.5	-51.0	-55.2	-58.5
Total net cost of public welfare and child health changes	-36.6	350.6	1,092.1	375.3	589.6

NOTE.—These estimated costs are in addition to those costs estimated for H. R. 12490 as passed by the House.



SEP 18 1967

Library Only

Y4.F49:501/17/errata

ERRATA

Senate Finance Committee Print of August 28, 1967 of H.R. 12080

THE UNDER SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., August 31, 1967.

Mr. THOMAS VAIL
Chief Counsel, Senate Committee on Finance,
United States Senate, Washington, D.C. 20510

DEAR MR. VAIL: The August 28, 1967 Committee Print of H.R. 12080 containing the amendments recommended by the Department of Health, Education, and Welfare for consideration by the Finance Committee is incorrect with respect to years in which the increased tax rates for hospital insurance benefits are effective. Attached is an errata sheet showing the necessary corrections. We would appreciate very much your making these changes in your next print of H.R. 12080.

Sincerely yours,

WILBUR J. COHEN,
Under Secretary.

On page 55, line 14, reinstate "1973"

line 15, delete "1971"

line 19, reinstate "1972" and delete "1970"

line 24, reinstate "1980"

line 25, delete "1981"

On page 56, line 4, reinstate "1979" and delete "1980"

line 20, reinstate "1969, 1970, 1971, and 1972," and delete "1969 and 1970,"

line 23, delete "1971, 1972,"

On page 57, line 1, reinstate "and 1979" and delete "1979, and"

line 2, delete "1980"

line 4, reinstate "1980,"

line 16, reinstate "1969, 1970, 1971, and 1972," and delete "1969 and"

line 17, delete "1970,"

line 19, delete "1971, 1972,"

line 22, reinstate "and 1979," and delete "1979, and"

line 23, delete "1980,"

On page 58, line 1, reinstate "1980,"