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1st Session }

CONFIDENTIAL COMMITTEE PRINT

SOCIAL SECURITY AMENDMENTS OF 1967

PART I—MEDICARE AMENDMENTS

SOCIAL SECURITY AMENDMENTS  
COMMITTEE ON FINANCE  
UNITED STATES SENATE  
RUSSELL B. LONG, *Chairman*



OCTOBER 10, 1967

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COMMITTEE ON FINANCE

REPORT OF THE COMMITTEE ON FINANCE

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III

I. STAFF—HEW SUGGESTIONS

Section 125: Physician Payment Method

PRESENT LAW

H. R. 12080

2 methods: to physician on basis of assignment (charge has to be "reasonable charge"), or to patient on basis of receipted bill.

Adds 3d alternative method: Physician could submit his itemized bill to the carrier. Payment would be made to him if the bill was not higher than "reasonable charge"; if higher, or if the physician directs it, the payment would go to the patient; if the physician will not submit the bill to the medicare carrier the patient would receive the payment after submitting an itemized, unpaid bill. Effective January 1968.

Suggestion

2 methods: On the basis of assignment to physician. On basis of an itemized bill to patient (whether receipted or not).

Favor provision in H.R. 12080

Hearing page

- Alabama Department of Pensions and Security..... A7
- Community Council of Greater New York..... A34
- Community Service Society of N. Y. (would make patient liable for no more than 25% above medicare payments)..... 1517
- Hawaii, State of..... A123
- Louisiana State Medical Society..... 853
- Medical Association of Georgia.....
- Puerto Rico Medical Association..... 1388

Oppose provision in H.R. 12080; would pay patient on basis of unreceipted bill

- American Medical Association..... 751
- Florida Medical Association..... A114
- Harbin Clinic, Rome, Ga..... A37
- Medical Group Management Association..... A80
- National Association of Blue Shield Plans..... 1562
- Tarboro Clinic, Tarboro, N. C..... A11

Opposes provision in H.R. 12080

- Nalle Clinic Company, Charlotte, N. C..... A23

Oppose imposition of grade period before carrier is allowed to pay bill submitted by patient—suggest payment on first-come basis

- 15 insurance companies who are medicare insurance carriers... A146

*Factor eliminating provision requiring payment of patient where physician-submitted bill is more than reasonable charge—pay physician reasonable charge instead*

15 Insurance companies who are medicare insurance carriers—*Hearing page* A146

*Favors giving carriers lead time to prepare for the new procedures on itemized bills*

National Association of Blue Shield Plans—1562

*Favors specific word changes (see hearings record) so that physician is not involved*

Ohio State Medical Association—A23

*Prefer having assignment method as the only method*

AFL-CIO National Association of Social Workers—1415

**Agreement**

Would cover outpatient physical therapy services furnished by physical therapists working under the supervision clinic, rehabilitation center, and local health department or in the patients' home.

**Section 133: Physical Therapy**

PRESENT LAW

H.R. 12080

Covered only when provided as in-patient services or through home health plan. Would cover physical therapy under SMI when provided in a patient's home under the supervision of a hospital. Effective January 1968.

**Suggestion**

Would also cover outpatient physical therapy services furnished by physical therapists under an agreement with and under the supervision of approved clinics, rehabilitation centers and local public health agencies in the beneficiary's residence or in such approved clinics, rehabilitation centers, or local public health agencies.

*Factor provision in H.R. 12080*

American Association of Homes for the Aging (would make clear that such services would be covered if furnished through an extended care facility)

*Hearing page*

American Medical Association—751

American Physical Therapy Association (would extend to independent operating physical therapists on prescription of a physician)—1338

Blue Cross Association—915

National Association of Blue Shield Plans (urges provision to include the independent physical therapist who has no arrangements with a hospital)—1562

*Factor provision in H.R. 12080—Continued*

Orthopedic Clinic, Tulsa, Okla. (would include physical therapy provided by clinics)—*Hearing page* A22

Puerto Rico Medical Association—1388

*Oppose provision in H.R. 12080*

Harbin Clinic, Rome, Ga.—A37

Northwestern Clinic, Crookston, Minn.—A29

*Favors covering physical therapy furnished to hospital outpatients*

Kearney Clinic, Kearney, Nebr.—A16

**Section 135: Blood Deductibles**

PRESENT LAW

H.R. 12080

Provides for a deductible of three pints of whole blood for each spell of illness applied to HI (hospital insurance) only. A unit of packed red cells would be treated as a pint of blood; the patient would have to replace the first pint of blood with 2 pints rather than 1 (4 pints for 3 pints where patient receives 3 pints). A similar deductible would apply also to SMI (supplementary medical insurance). Effective January 1968.

**Suggestion**

Delete portion of House amendment pertaining to "four pints for three pints" as recommended by the American Red Cross. Retain portions of amendment relating to treatment of "packed red cells" and S.M.I. deductible.

*Factor provision in H.R. 12080*

Puerto Rico Medical Association—1388

*Hearing page*

*Oppose provision in H.R. 12080*

AFL-CIO—1415

American Red Cross—A181

National Council of Senior Citizens—1069

National Council on the Aging—861

National Retired Teachers Association, American Association of Retired Persons—1159

*Favors elimination of blood as a benefit*

Blue Cross Association—915

**Section 137: Covered Hospital Days**

PRESENT LAW

H.R. 12080

Up to 90 days in a spell of illness, with the patient paying \$10 a day after the 60th day. Would cover up to 120 days in a spell of illness, with the patient paying \$20 a day after the 90th day. Effective January 1968.

**Suggestion**

Delete House provision and have Department study the problem of the individual who cannot get a new spell of illness because he remains in an extended care facility and who, therefore, cannot get hospitalization for a subsequent acute illness. Conceivably a duration longer than that in House bill may be justified or a different approach may be preferable but, at present, there is a lack of data on the extent to which Title 19 and private health insurance are meeting such needs.

**AMENDMENT 300 (RIBICOFF)**

This amendment provides for the inclusion of optometrists in the definition of physician under the Medicare program for these services covered under the program which optometrists are licensed to provide.

**Suggestion**

Optometrists would be included under definition of "physician" and payment authorized for covered services which optometrists are licensed to perform, exclusive of diagnostic services (and referral charges therefor) where the optometrist would not be qualified to treat the disease if found.

*Favor coverage of services of optometrists*

American Optometric Association ..... *Hearing page* 872  
 Michigan Optometric Association ..... A169

*Opposes inclusion of coverage of services of optometrists*

American Medical Association ..... 751

**COORDINATION OF MEDICARE REIMBURSEMENT WITH STATE HEALTH PLANNING**

(Proposed by Administration in H.R. 5710 and by Senator Anderson, S. 283)

**Suggestion**

Effective July 1, 1970 (or earlier at State request) Medicare reimbursement would exclude depreciation and interest expense attributable to a capital expenditure exceeding \$50,000 or made for certain specified purposes, by a hospital or extended care facility if such expenditure had not been approved by the State "Partnership for Health" agency established under Public Law 89-749.

*Favor depreciation funding and facilities planning as in*

*sec. 129 of H.R. 5710*

AFL-CIO ..... *Hearing page* 1415  
 American Public Health Association ..... 1529

*Oppose depreciation funding and facilities planning as in sec. 129 of H.R. 5710*

American Medical Association ..... *Hearing page* 751  
 American Nursing Home Association ..... 1836  
 DeCell, John, vice president, Medicenters of America, Inc. .... 1117

**Section 402: Experimentation With Reimbursement Methods**

**PRESENT LAW**

H.R. 12080

No provision.

DHEW would have authority to experiment with alternative methods of reimbursement under medicare, medical and child health programs which would provide incentives for keeping costs down while maintaining quality.

**Suggestion**

To authorize similar experiments with respect to physicians' services.

*Favor provision in H.R. 12080*

AFL-CIO (would extend to reasonable charges of physicians) ..... *Hearing page* 1415  
 American Association of Homes for the Aging ..... 1529  
 American Public Health Association ..... 915  
 Blue Cross Association ..... 1517  
 Community Service Society of New York ..... 1307  
 Green, William S., member, New York State Assembly (would broaden to deal with all aspects of delivering medical care) ..... A123  
 Hawaii, State of ..... 1307  
 Illinois Public Aid Commission (would amend sec. 224 so that the requirement of paying "reasonable cost" for inpatient hospital services under Medicaid will have the alternative of paying on the basis of "charges" if they are less) ..... A147  
 Kaiser Foundation Health Plan, Inc. .... 841  
 National Farmers Union ..... 1108

*Favors modifying the language of the section to make the purpose of the experiments more in keeping with those envisioned in the House report, the maximization of public benefits derived from each dollar of health services expenditures*

American Hospital Association ..... 1170

**Qualifications of Health Personnel**

Through regulations, the Department has attempted to establish high professional standards for health personnel, such as physical, occupational, and speech therapists, licensed practical nurses, and laboratory directors and technicians.

The effect of these regulations—particularly those relating to educational and accreditation requirements—has been to exclude or limit usage of thousands of scarce personnel. Many of these people are properly excluded as incompetent or incapable—others however, through work experience and training of various sorts, may very well be capable of rendering proper service.

**Suggestion**

The Secretary will be directed (in Committee Report) to consult with appropriate public and private agencies, and in cooperation with State Health Departments or other State departments concerned, and to the extent feasible to develop and apply appropriate means of determining the proficiency of health personnel otherwise disqualified by regulations. The purpose of such determination being to identify and qualify those persons who are proficient. Additionally, the Secretary should encourage and assist programs designed to upgrade the skills of those who, with relatively little additional training, could qualify.

**Termination of Part B Coverage**

A Part B enrollee whose premiums are deducted from his monthly retirement check cannot withdraw from Part B until the end of an "open enrollment" period—which could be many months after he had decided to drop the coverage. However, a Part B enrollee who pays premiums on a cash basis can withdraw at any time.

**Suggestion**

A retiree whose part B premiums are deducted from his check may terminate Part B coverage as of the end of the quarter following the quarter in which he submits a valid notice of termination.

**Compensation of Hospital Volunteers**

The type of volunteer work intended to be covered under Medicare as a reimbursable expense was essentially that provided by full-time professionals and other members of religious orders.

Some hospitals are attempting to organize other types of volunteers, such as Red Cross workers, in order to collect. The Red Cross is upset and despite assurance of H.E.W. does not believe that current regulations take care of the matter.

The Red Cross has submitted suggested Report language (see letter of 8/14/67) which would make clear the Congressional intent that "services . . . traditionally rendered on a purely volunteer basis without cost to the hospitals. . . ." shall not be directly or indirectly reimbursable.

**Suggestion**

Agreement in principle on inclusion of language in Report covering this point.

**II. PRINTED AMENDMENTS****AMENDMENT 296 (RIBICOFF)**

This amendment authorizes the Secretary of Health, Education and Welfare to enter into agreements with the States to provide coverage for Hospital Insurance Benefits only of State and local government employees who are not covered under other agreements. Only employees who could be covered under OASDI would be permitted to be covered under this amendment. Hospital insurance taxes would be paid at the regular rates but OASDI taxes would not be paid.

Has since been modified by Senator Ribicoff to allow States to provide hospital insurance coverage to 65-year-old State and local employees, retired or active, or a full reimbursable basis to the medicare program for costs incurred.

**AMENDMENT 335 (HARTKE)**

This amendment would authorize the purchase or rental under Part B of Title XIX of equipment in addition to oxygen tents (which are authorized under present law) for equipment to administer air or drugs into the lungs. (Note.—Administration reports that the items intended to be covered by the amendment are covered under existing law.)

**AMENDMENT 326 (HARTKE)**

This amendment provides hospital insurance benefits and supplementary medical insurance benefits to persons entitled to social security and railroad retirement disability insurance benefits (workers and disabled children).

**AMENDMENT 382 (MILLER)**

This amendment provides for reimbursement of hospital skilled nursing home and home health services under Titles V, XVIII and XIX on the basis of average per diem costs. A return on capital would also be provided to each facility based upon a return of one and one-half times the then current rate of return received on social security investments (approximately 7% percent at present) applied to the fair market value of the facility as determined by the FHA. However, this return would be in lieu of depreciation and interest on capital indebtedness.

**AMENDMENT 384 (CHURCH)**

Eliminates the 10 percent penalty in the amount of SMI premium payment for beneficiaries who do not sign up in their initial enrollment period.

**III. ADMINISTRATION RECOMMENDATION**

Proposes covering Federal hospitals under medicare, as in H.R. 5710.

*Opposes authorizing payments to Federal hospitals as in*

*sec. 126 of H.R. 5710*

*Hearing*

*page*

National Rehabilitation Commission, American Legion----- A119  
Proposes to cover disabled beneficiaries under hospital insurance.  
(See section 140 in Part III for positions of witnesses.)

**IV. HOUSE-PASSED PROVISIONS NOT DISCUSSED PREVIOUSLY****Section 126: Physician Certification**

PRESENT LAW

H.R. 12080

Physician must certify in writing Present requirement is removed.  
for need for hospital care.

*Favor provision in H.R. 12080*

American Medical Association (would also recommend elimination of any certification requirement).....	Hearing page 753
Bennington County, Vt., Medical Society.....	A61
Blue Cross Association.....	915
National Association of Blue Shield plans.....	1562
Puerto Rico Medical Association.....	1388

*Oppose provision in H.R. 12080*

Community Service Society of New York.....	1517
National Farmers Union.....	1108

**Section 127: Services of Podiatrists**

PRESENT LAW

H. R. 12080

Not covered.

Would amend the definition of physician to include podiatrists for functions he is licensed to practice; no payment for routine foot care would be made no matter by whom performed. Effective January 1968.

*Favor provision in H.R. 12080*

AFL-CIO (would also cover routine foot care, all subject to the supervision of a physician).....	Hearing page 1415
American Association of Homes for the Aging.....	864
American Podiatry Association.....	1517
Community Service Society of New York.....	1485
Halpern, Hon. Seymour, Member of Congress.....	1388
Puerto Rico Medical Association.....	

*Oppose provision in H.R. 12080*

American Medical Association.....	751
Louisiana State Medical Society.....	853

**Section 128: Exclusion of Refractive Services**

PRESENT LAW

H. R. 12080

Excludes routine physical checkups. Excludes also refractive services per eyeglasses, or eye examinations for the purpose of prescribing, fitting or changing eyeglasses. Excludes during the course of any eye examination.

*Favors provision in H.R. 12080*

Puerto Rico Medical Association.....	Hearing page 1388
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*Oppose provision in H.R. 12080*

AFL-CIO (would favor covering all eye examinations and glasses).....	1415
Northwestern Clinic, Crookston, Minn.....	A29

**Section 129: Transfer of Outpatient Hospital Services From Hospital Insurance to SMI**

PRESENT LAW

H. R. 12080

Outpatient hospital therapeutic services are covered under SMI subject to the usual \$50 deductible and 20-percent coinsurance. Outpatient hospital diagnostic services are covered under present law subject to the following limitations; a \$20 deductible is applied during each 20-day period; 80 percent of the remainder can be reimbursed. The payments made toward the \$20 deductible are creditable as covered expenses under SMI.

All hospital outpatient services would be covered under SMI of medicare, subject to the \$50 deductible and 20-percent coinsurance just as other covered expenses. Effective January 1968. (Similar provision in H. R. 5710.)

*Favor provision in H.R. 12080*

Alabama Department of Pensions and Security.....	A7
American College of Radiology.....	1491
American Medical Association.....	751
Hawaii, State of.....	A123
Puerto Rico Medical Association.....	1388

*Oppose provision in H.R. 12080*

Arthritis Foundation, New York Chapter.....	A180
Community Council of Greater New York.....	A34
Community Service Society of New York.....	1517
Oklahoma Hospital Association.....	A134
<i>Favors providing that all outpatient services be under part A and that the deductible and 20-day requirements be removed; favors in lieu thereof a straight coinsurance factor which could be applied to each individual service</i>	
American Hospital Association.....	1170

**Section 130: Simplified Billing for Outpatient Hospital Services**

PRESENT LAW

H. R. 12080

Hospitals must not bill medicare patients for covered outpatient services. Hospitals would be permitted, as an alternative to the present procedure, to collect from the patient charges for outpatient hospital services of less than \$50. The payments due the hospitals from the program and patients would be adjusted at intervals to assure that the hospital received its final reimbursement on a cost basis. Effective January 1968.

*Favor provision in H.R. 12080*

AFL-CIO.....	Hearing page 145
Alabama Hospital Association.....	A289
Puerto Rico Medical Association.....	1388

**Section 131: Payment of Full Charges of Inpatient Physician Services for Radiology and Pathology**

PRESENT LAW H.R. 12080  
 All physician charges, and all other services covered under SMI, are subject to the \$50 deductible and 20-percent coinsurance feature applied to the reasonable charge as determined by the carrier.  
 Physician services for radiological and pathological services to hospital inpatients would be reimbursed on the basis of 100 percent of the reasonable charge as determined by the carrier. Effective January 1968.

*Favor provision in H.R. 12080*

AFL-CIO.....	Hearing page
Alabama Hospital Association.....	1415
American College of Radiology.....	A289
College of American Pathologists.....	1491
Council of Jewish Federations and Welfare Funds, Federation of Jewish Philanthropies of New York.....	1611
National Association of Blue Shield Plans ("concerned with the potential impact this may have on hospital admission").....	1562
Physicians Forum.....	A241
Puerto Rico Medical Association.....	1388

*Oppose provision in H.R. 12080*

Harbin Clinic, Rome, Ga.....	A37
Kearney Clinic, Kearney, Nebr.....	A16
Medical Group Management Association.....	A80
Nalle Clinic Company, Charlotte, N.C.....	A23
Northwestern Clinic, Crookston, Minn.....	A29
Tarboro Clinic, Tarboro, N.C.....	A11

*Favors coverage of radiological or pathological services furnished by physicians to hospital inpatients under part B, but opposes removal of deductible and coinsurance requirements from part B*

American Medical Association.....	751
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*Favors amendment to authorize single billing and the use of a single intermediary*

American Hospital Association.....	1170
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**Section 132: Durable Medical Equipment**

PRESENT LAW H.R. 12080  
 Expenses for the rental of durable medical equipment are covered under SMI.  
 Payment could be made on a purchase or rental basis, whichever is more economical. Effective January 1968.

*Favor provision in H.R. 12080*

American Medical Association.....	Hearing page
Blue Cross Association.....	751
National Association of Blue Shield Plans.....	915
National Tuberculosis Association.....	1562
Puerto Rico Medical Association.....	A261
	1388

**Section 133**

Discussed earlier.

**Section 134: Portable X-ray Services**

PRESENT LAW H.R. 12080  
 No provision.  
 Diagnostic X-ray services provided in the patient's home or nursing home would be covered if provided under supervision of a physician and subject to health and safety regulations. Effective January 1968.

*Favor provision in H.R. 12080*

American Association of Homes for the Aging.....	Hearing page
American College of Radiology.....	9000
American Medical Association.....	1491
Blue Cross Association (but would make part of the home health benefit).....	751
National Association of Blue Shield Plans.....	915
Puerto Rico Medical Association.....	1562
	1388

**Section 135**

Discussed earlier.

**Section 136: Enrollment Under SMI**

PRESENT LAW H.R. 12080  
 Must enroll in 7-month period beginning 3 months before age 65 or wait until next open enrollment period.  
 Would allow an individual who is over 65, but who believes himself to be just 65 on the basis of documentary evidence, to enroll using the date of attainment of age 65 as shown on the documentary evidence. Effective for enrollments after month of enactment. (Similar provision in H.R. 5710)

*Favor provision in H.R. 12080*

National Farmers Union.....	Hearing page
Puerto Rico Medical Association.....	1108
	1388



**Section 138: Counting days in TB or mental institutions against days of coverage**

PRESENT LAW

H.R. 12080

The days spent in a TB or mental institution in the period just before entitlement to hospital insurance is counted against the days of coverage an individual would otherwise have.

Would make present provision inapplicable if the patient goes into a general hospital for a condition other than TB or mental illness. Effective January 1968.

*Favor provision in H.R. 12080*

Hearing page

Blue Cross Association----- 915  
Puerto Rico Medical Association----- 1388

*Favors, but urges complete deletion of section 1812(c) in present law*

American Medical Association----- 751

*Favors deleting that part of section 1812(c) which relates to tuberculosis hospitals and which provides that the 90 days of hospital benefits ordinarily available in the beneficiary's first spell of illness will be reduced by the number of days he has been in such a hospital during the 90-day period immediately preceding that first day*

National Tuberculosis Association----- A261

**Section 139: Hospital insurance for the uninsured**

PRESENT LAW

H.R. 12080

People ineligible for cash social security benefits attaining age 65 in 1968 need 6 quarters of coverage to be eligible for hospital insurance.

Would give eligibility with 3 quarters of coverage in 1968 with corresponding changes for later years as follows:

COVERAGE REQUIREMENTS UNDER THE INSURED STATUS PROVISION OF PRESENT LAW AND UNDER H.R. 12080

Year attains age 65	Men			Women		
	Present law	H.R. 12080	OASI	Present law	H.R. 12080	OASI
1967 or earlier	19	0	0	13	0	0
1968	17	6	3	14	6	3
1969	18	9	6	15	9	6
1970	19	12	9	16	12	9
1971	20	15	12	17	15	12
1972	21	18	15	18	18	15
1973	22	21	18	19	21	18
1974	23	24	21	20	24	21
1975	24	24	24	20	20	20

*Favor provision in H.R. 12080*

National Association of Social Workers----- 930  
National Council of Senior Citizens (during the next 2 years)----- 1069  
National Retired Teachers Association, American Association of Retired Persons----- 1159  
National Medical Association----- 1388

**Section 140: Health Insurance for the Disabled**

PRESENT LAW

H.R. 12080

No provision.

Would establish an Advisory Council to study the problems relative to including the disabled under medicare.

*Favor provision in H.R. 12080*

American Medical Association (favors provision specifying that the advisory council which is to study coverage of the disabled "shall take into consideration the availability of assistance under title XIX of the Social Security Act")----- 751

Chamber of Commerce----- 1450  
Health Insurance Association of America (favors requiring council to take into consideration title XIX and other provisions to see which best fit needs of disabled)----- A141

National Association of Life Underwriters----- 1388  
Puerto Rico Medical Association----- 1543  
Wynnan, George K., commissioner, New York State Department of Social Services-----

*Favor provision to cover disabled under medicare*

AFL-CIO----- 1415  
American Federation of Government Employees (as in H.R. 5710)----- A128

American Foundation for the Blind, Inc.----- A167  
American Nurses Association----- 951  
Arthritis Foundation, New York Chapter----- A180

Blinded Veterans' Association, American Association of Workers for the Blind----- A160  
Community Council of Greater New York----- 1617  
Community Service Society of New York (as in H.R. 5710)----- 1517

Council of Jewish Federations and Welfare Funds, Federation of Jewish Philanthropies of New York----- 1611  
Field, Harold E., Orange, Calif.----- A89  
Flint, Mich., Chapter of National Association of Social Workers-----

Halberrn, Hon. Seymour, Member of Congress----- 1485  
Hoff, Hon. Philip H., Governor of Vermont----- A107  
Javits, Hon. Jacob K., U.S. Senator----- 1397  
Kennedy, Hon. Edward M., U.S. Senator----- 900

National Association for Retarded Children (as in H.R. 5710)----- 1934  
National Association of Social Workers (as recommended by Administration)----- 930

National Consumers League (as in H.R. 5710)----- A121  
National Council on the Aging----- 861  
National Council of Senior Citizens----- 1069

National Farmers Union----- 1108  
National Federation of the Blind----- 1049  
National Federation of Settlements and Neighborhood Centers-----

*Favor provision to cover disabled under medicare—Continued*

New York City Central Labor Council, AFL-CIO, and New York Labor-Management Council of Health and Welfare Plans (and survivors)-----Hearing page 1943  
 Pennsylvania Department of Public Welfare Perkins, Hon. Carl D., Member of Congress-----A253  
 Physicians Forum-----A5  
 Townsend Foundation (and all benefit categories under social security)-----A241  
 United Auto Workers-----1061  
 YWCA (as under H.R. 5710)-----1637  
 1632

*Opposes coverage of the disabled; believes title XIX should be used to assist the disabled*

Medical Association of Georgia-----1562  
 National Association of Blue Shield Plans-----  
*Opposes any expansion in medicare until there is more information on its impact on medical costs*  
 National Association of Manufacturers-----A161

*Opposes coverage of disabled under medicare*

Louisiana State Medical Society-----853  
*Favors including representatives of health insurance and the medical profession in the council*  
 American Medical Association-----751

*Opposes extending medicare to persons under 65 until costs of program are clear*

International Association of Health Underwriters-----1628  
**Section 140: Study of Coverage Under SMI of Additional Types of Health Practitioners**

PRESENT LAW

H.R. 12080

No provision.  
 Secretary of HEW would be required to conduct a study of the need for, and make recommendations on, the coverage of additional types of health practitioners under SMI. Report due by Jan. 1, 1969.

*Favor provision in H.R. 12080*

American Physical Therapy Association-----Hearing page 1338  
 Puerto Rico Medical Association-----1338

*Favor inclusion of chiropractic services under medicare*

American Chiropractic Association-----Hearing page 1576  
 International Chiropractors Association-----867  
 Utah Chiropractic Association, Inc-----869  
 Vermont Chiropractic Association-----A83  
 Wright, Ralph G., Juneau, Alaska-----A68

*Oppose inclusion of chiropractic services under medicare*

American Medical Association-----751  
 Louisiana State Medical Society-----853  
 Medical Association of Georgia-----

*Favor coverage of services of optometrists*

American Optometric Association-----872  
 Michigan Optometric Association-----A169  
*Opposes inclusion of coverage of services of optometrists*  
 American Medical Association-----751

**Section 162: Health Insurance Benefits Advisory Council (HIBAC)**

PRESENT LAW

H.R. 12080

Provides for a National Medical Review Committee (NMRC) as well as HIBAC; duties of NMRC are to study utilization of covered services, and make recommendations on administration and charges in law. (HIBAC has 16 members.)  
*Favor provision in H.R. 12080*

AFL-CIO (favors consumer representation)-----Hearing page 1415

American Medical Association (would add provision that at least a majority of the members shall be physicians)-----751

National Association of Blue Shield Plans (favors providing for participation by "persons who are representatives of organizations and associations directly involved in mechanisms for financing medical care services")-----1562

National Association of Retail Druggists (increase Council to 20 members so that it may include a pharmacy owner—or leave at 19 and require a pharmacy owner)-----A137

National Association of Social Workers (favors adding "representing the major segments of the community" after reference to consumers)-----930

*Favors combining with Advisory Council on Medical Assistance (Sec. 226) to form an Advisory Council on Personal Health Services*

National Association of Social Workers-----930

*Favors increase in membership of National Medical Review Committee*

Hearing page 1108

National Farmers Union

**Section 164: Reimbursement for Civil Service Annuitants for Premium Payments Under SMI**

PRESENT LAW

H.R. 12080

No provision.

Federal employee health benefit plans would be permitted to reimburse civil service retirement annuitants who are members of group health plans for the premium payments they make to the supplementary medical insurance program. Effective upon enactment.

No testimony.

**Section 165: Appropriations to SMI Trust Fund**

PRESENT LAW

H.R. 12080

Beneficiary premium payments are matched by general revenue funds; no specific provision as to when the funds are to be deposited in the trust fund, but legislative intent was for current deposits.

Whenever the transfer of general revenue funds to the SMI trust fund is not made at the time the enrollee payment is made, the general revenues would also pay the fund interest to put the fund in the same position that it would have been had the funds been deposited timely.

No testimony.

**V. OTHER CHANGES IN TITLE XVIII—HEALTH INSURANCE FOR THE AGED—SUGGESTED BY WITNESSES AT HEARINGS ON H.R. 12080**

**DEDUCTIBLES AND COINSURANCE**

*Oppose deductibles and coinsurance under Title XVIII,*

AFL-CIO  
Aiken, Hon. George D., U.S. Senator  
Alabama League of Aging Citizens  
American Public Health Association  
Community Council of Greater New York  
Dann, Mary E., St. Louis, Mo.  
National Association of Social Workers  
National Consumers League  
National Council of Senior Citizens  
New York City Central Labor Council, AFL-CIO, and New York Labor-Management Council of Health & Welfare Plans  
Physicians Forum  
Townsend Foundation

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1061

*Favors only one deductible covering both plans A and B, and that patients who have a card testifying to their indigence or medical indigence should have the deductible*

Hearing page

*Favors elimination of \$50 deductible for hospital outpatient benefits, substituting therefor a copay amount on each charge*

Blue Cross Association

915

**ADDITIONAL BENEFITS**

*Favors extending medicare coverage without deductibles or other limitation to the entire population*

Physicians Forum

A241

*Favors graduated medicare benefit schedule the higher the income the less will be the need for title 18 or 19 coverage*

Miller, Murray J., M.D.

*Favors expanding medicare to cover cost of eyeglasses, hearing aids, and generic drugs prescribed by physicians for outpatients*

Physicians Forum

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*Favors coverage under medicare of all eye and dental needs, hearing aids, and surgical and orthopedic appliances, as prescribed by physicians*

National Council of Senior Citizens

1069

*Favors broadening limits on coverage of chronic illness*

Kennedy, Hon. Edward M., U.S. Senator

900

*Favors coverage of treatment in a hospital not approved by medicare if beneficiary is by accident treated in such a hospital*

Aiken, Hon. George D., U.S. Senator

*Favors coverage of routine physical checkups, as in S. 110*

Aiken, Hon. George D., U.S. Senator

*Favors provision for emergency hospital service outside of the United States, as in S. 110*

Aiken, Hon. George D., U.S. Senator

*Favors coverage of eyeglasses and dental care, as well as other prosthetic devices, as in S. 110*

Aiken, Senator George D., U.S. Senator

*Favors covering speech therapy outside institutions or as part of home health services*

American Speech and Hearing Association

A57

*Favors expansion of definition of hospital care under part A to include ambulatory care, outpatient diagnostic workups and hospital based home care*

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*Favors having medicare "pay for certain diagnostic treatments and services on an outpatient as well as inpatient basis"*

National Consumers League ----- A122

*Favors covering eye examinations*

National Federation of Settlements and Neighborhood Centers

*Favors comprehensive health coverage*

National Federation of Settlements and Neighborhood Centers

*Favors eliminating the 190 day lifetime limit on treatment in a psychiatric hospital under title XVIII*

American Psychiatric Association, National Association of Psychiatric Private Hospitals  
American Medical Association ----- 751

*Favors outpatient care for psychiatric patients on the same basis as outpatient care for other patients under title XVIII*

American Psychiatric Association, National Association of Psychiatric Private Hospitals -----

REIMBURSEMENT FORMULA

*Recommends that, as a minimum, all special-purpose donations made before the enactment of medicare be automatically excluded from its provisions:*

American Hospital Association ----- 1170

*Favors increasing the 2 percent reimbursement factor to one which adequately recognizes the ongoing capital requirements of hospitals, perhaps reimbursing for depreciation on a replacement cost basis*

American Hospital Association ----- 1170

*Favors amending medicare reimbursement provisions to (1) pay a reasonable profit to proprietary hospitals, (2) use cost plus factor and a return on investment based on current values, and (3) in the case of leased premises, the current value*

Federation of American Hospitals ----- 1237

*Favors average per diem method of reimbursement*  
Alabama Hospital Association ----- A71

*Favor more adequate reimbursement formula*

American Association of Homes for the Aging  
Mary Hitchcock Memorial Hospital, Hanover, N.H. ----- A65

*Favors improved medicare reimbursement formula*

Caldwell Memorial Hospital and Progressive Care Center, Boise, Idaho ----- A62

*Favors changing reimbursement formula for hospitals under title XVIII and XIX in following ways: (1) use average per diem cost, (2) recognize bad debt and free care costs for noncovered patients, (3) clarify formula so as to enlarge 2% formula, (4) use replacement cost rather than historical cost in depreciation computation, (5) recognize amortization of debts for hospitals borrowing capital funds*

Oklahoma Hospital Association ----- A134

*Favors reimbursement on basis of reasonable charges*

American Nursing Home Association ----- 1836

*Favors original Miller amendment for reimbursing nursing homes*

American Nursing Home Association ----- 1836

MISCELLANEOUS MEDICARE AMENDMENTS

*Favor removal of 3-day prior hospitalization requirement*

Alabama League of Aging Citizens ----- A12

Aiken, Hon. George D., U.S. Senator as in 110

American Public Health Association ----- 1529

Nolen, William A., M.D., Litchfield, Minn. ----- A113

*Favors coverage under medicare of all OASDI beneficiaries and their dependents and survivors*

Episcopal Action Group on Poverty -----

*Opposes present definition of "Spell of illness"; favors relating definition to medical illness*

American Association of Homes for the Aging -----

*Favors both hospital and physician outpatient services under part A*

Physicians Forum ----- A241

*Favors permitting an acute hospital or extended care facility to establish a home health care agency with the approval of the Social Security Administration*

Miller, Murray J., M.D.-----Hearing  
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A264

*Favors providing for a measure to provide older people with a level of care such as custodial care*

Miller, Murray J., M.D.-----A264

*Favors providing that new facilities should have their effective date of certification made retroactive to their date of application*

Miller, Murray J., M.D.-----A264

*Favors making members of utilization review committees immune from liability while functioning on behalf of the committee in order to get it to function more adequately*

Miller, Murray J., M.D.-----A264

*Favors amending sec. 1861 (v) (1) to delete the requirement that reimbursement be limited to the costs incurred for the individuals covered under the medicare program*

American Hospital Association-----1170

*Favors depreciation allowances only where in the judgment of DHEW the hospital is doing everything possible to curtail costs*

National Farmers Union-----1108

*Favors tightening up quality controls on laboratory tests*

National Farmers Union-----1108

*Favors concept of Federal prepaid health care and medical facility insurance program for everyone*

National Farmers Union-----1108

*Favors program of multiphasic screening for preventive care under medicare*

National Council of Senior Citizens-----1069

*Favors making all women eligible for medicare at age 62*

National Council of Senior Citizens-----1069

*Favors reasonable controls on doctors' fees and hospital charges*

National Council of Senior Citizens-----1069

*Opposes increase in premium without increase in medicare benefits*

National Council of Senior Citizens-----Hearing  
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1069

*Favors coverage of all social security beneficiaries*

National Association of Social Workers-----930

*Favors billing hospital costs, professional and nonprofessional, through Part A with periodic adjustment between Part A and Part B trust funds*

Blue Cross Association-----915

*Favors expanding home health services to provide comprehensive health care*

American Public Health Association-----1529

*Opposes DHEW regulation defining custodial care*

American Nursing Home Association-----1836

*Favors making all types of health care arrangements for providing health care reimbursable*

American Public Health Association-----1529

*Favors covering hospital-based physicians under part A*

AFL-CIO-----1415

*Opposes provision of S. 110 which would include payment under part A of the costs of hospital inpatient professional services in the fields of pathology, radiology, psychiatry and anesthesiology*

American Society of Anesthesiologists, Inc.-----771

*Favors listing reasonable fees in each doctor's office*

AFL-CIO-----1415

*Opposes standardized fee schedules for physicians*

American Medical Association-----751

*Favors "at an appropriate time" giving consideration to restructuring the medicare program, particularly part B*

American Medical Association-----751

*Favors reducing the age limit for women from 65 to 62 under medicare, as in S. 110*

Aiken, Hon. George D., U.S. Senator-----

*Favors provision for specialists' services to be considered as part of hospital services, as in S. 110* Hearing  
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Aiken, Hon. George D., U.S. Senator Hearing  
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*Favors provision for fee schedules for physicians, as in S. 110*

Aiken, Hon. George D., U.S. Senator  
*Favors requiring hospitals and ECFs to have a transfer agreement with a home health agency*

Johnson, Elmer M., St. Louis, Mo.  
*Favors permitting Federal employees to select medicare coverage, hospital and medical, on an optional basis*

Government Employees Council, AFL-CIO  
*Favors provision to allow patients to pay for nursing home care and seek reimbursement from medicare*

Szymanski, Dorothy, R.N.  
*Favors elimination of enrollment periods and waiting periods*

Alabama League of Aging Citizens  
*Favors using "services in speech pathology and audiology" for term "speech therapy" in medicare law*

American Speech and Hearing Association  
*"We laud the inclusion of inpatient pathology and diagnostic radiology in part A of medicare"*

Community Council of Greater New York  
*Opposes restricting out-patient diagnostic and therapeutic services to patients under part B*

Community Council of Greater New York  
*Favors amendment to title XVIII to present duplication with respect to liability recoveries by medicare beneficiaries*

American Mutual Insurance Alliance, American Insurance Association, National Association of Independent Insurers

*Opposes H.R. 5740 covering hospital insurance services in Federal hospitals where critical lack of space in other facilities* Hearing  
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National Rehabilitation Commission, American Legion  
*Favors reasonable controls on high hospital charges and physician fees under medicare*

American Federation of Government Employees  
*Cover retired or active Federal employees under hospital insurance program who are age 65 or over*

American Federation of Government Employees  
*Supports adequate measurement of hospital costs between medicare and other patients*

Health Insurance Association of America  
*Favors sufficient lead time for implementation of medicare amendments*

Fifteen insurance companies who are medicare carriers  
*Favors changing "spell of illness" provision so that it is related to an actual period of an illness*

American Nursing Home Association  
*Favors establishing utilization review programs for both United Auto Workers*

United Auto Workers  
*Favors paying doctors directly from the Federal Government*

United Auto Workers  
*Favors requiring JCAH standards for extended care facilities*

American Association of Homes for the Aging  
*Favors consideration of congressional intent with reference to exemptions made heretofore of physician and hospital laboratories*

American Association of Bioanalysts

*Opposes governmental price fixing or price setting in relation to health care services*

American Hospital Association-----

Hearing  
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1170

*Favors provision for alternate means of reimbursement under Part B. believes reimbursement on per capita or salary basis would be preferable to fee-for-service; where fee-for-service is used believes a fixed fee schedule with variations in different communities according to customary and usual charges is a reasonable basis for a relative value fee schedule.*

Physicians Forum-----

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*Supports testimony of the AMA*  
Medical Association of Georgia-----

(117)

*Question to be asked is whether and why Part B of the Social Security Act should be amended to provide for a reasonable value fee schedule.*

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