

CONF. REP. 86-2165, Conf. Rep. No. 2165, 86TH Cong., 2ND Sess. 1960, 1960 U.S.C.C.A.N. 3608, 1960 WL 4936 (Leg.Hist.)

*3749 P.L. 86-778, SOCIAL SECURITY AMENDMENTS OF 1960

SENATE REPORT NO. 86-1856,

AUG. 19, 1960 (TO ACCOMPANY H.R. 12580)

HOUSE REPORT NO. 86-1799,

JUNE 13, 1960 (TO ACCOMPANY H.R. 12580)

CONFERENCE REPORT NO. 86-2165,

AUG. 25, 1960 (TO ACCOMPANY H.R. 12580)

THE SENATE REPORT AND THE CONFERENCE REPORT ARE SET OUT.

(CONSULT NOTE FOLLOWING TEXT FOR INFORMATION ABOUT OMITTED MATERIAL. EACH COMMITTEE REPORT IS A SEPARATE DOCUMENT ON WESTLAW.)

CONFERENCE REPORT NO. 86-2165

AUG. 25, 1960

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

THE MANAGERS ON THE PART OF THE HOUSE AT THE CONFERENCE ON THE DISAGREEING VOTES OF THE TWO HOUSES ON THE AMENDMENTS OF THE SENATE TO THE BILL (H.R. 12580) TO EXTEND AND IMPROVE COVERAGE UNDER THE FEDERAL OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE SYSTEM AND TO REMOVE HARDSHIPS AND INEQUITIES, IMPROVE AND FINANCING OF THE TRUST FUNDS, AND PROVIDE DISABILITY BENEFITS TO ADDITIONAL INDIVIDUALS UNDER SUCH SYSTEM; TO PROVIDE GRANTS TO STATES FOR MEDICAL CARE FOR AGED INDIVIDUALS OF LOW INCOME; TO AMEND THE PUBLIC ASSISTANCE AND MATERNAL AND CHILD WELFARE PROVISIONS OF THE SOCIAL SECURITY ACT; TO IMPROVE THE UNEMPLOYMENT COMPENSATION PROVISIONS OF SUCH ACT; AND FOR OTHER PURPOSES, SUBMIT THE FOLLOWING STATEMENT IN EXPLANATION OF THE EFFECT OF THE ACTION AGREED UPON BY THE CONFEREES AND RECOMMENDED IN THE ACCOMPANYING CONFERENCE REPORT:

THE FOLLOWING SENATE AMENDMENTS MADE TECHNICAL, CLERICAL, CLARIFYING, OR CONFORMING CHANGES: 1, 2, 4, 5, 6, 15, 17, 18, 19, 20, 21, 22, 23, 25, 28, 29, 30, 32, 33, 34, 35, 36, 37, 38, 39, 41, 43, 44, 46, 47, 48, 52, 53, 54, 55, 56, 92, *3750 94, 95, 98, 100, 102, 103, 104, AND 105. WITH RESPECT TO THESE AMENDMENTS (1) THE HOUSE EITHER RECEDES OR RECEDES WITH AMENDMENTS WHICH ARE TECHNICAL, CLERICAL, CLARIFYING, OR CONFORMING IN NATURE, OR (2) THE SENATE RECEDES IN ORDER TO CONFORM TO OTHER ACTION AGREED UPON BY THE COMMITTEE OF CONFERENCE.

EXTENSION OF TIME FOR MINISTERS TO ELECT COVERAGE

AMENDMENT NO. 3: THE SENATE AMENDMENT ADDED TO SECTION 101(B) OF THE HOUSE BILL A NEW PROVISION AMENDING [SECTION 1402\(C\)\(3\) OF THE INTERNAL REVENUE CODE OF 1954](#). IT WOULD UNDER CERTAIN CONDITIONS PERMIT A MINISTER WHO, BEFORE THE ENACTMENT OF THE AMENDMENT, HAD FILED A CERTIFICATE ELECTING TO BE COVERED UNDER THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM EFFECTIVE BEGINNING WITH HIS FIRST TAXABLE YEAR ENDING AFTER 1956, TO FILE A SUPPLEMENTAL CERTIFICATE MAKING THE ORIGINAL CERTIFICATE EFFECTIVE BEGINNING WITH HIS FIRST TAXABLE YEAR ENDING AFTER 1955. THE HOUSE RECEDES.

LIMITATION ON STATES' LIABILITY UNDER COVERAGE AGREEMENT IN

CERTAIN CASES

AMENDMENT NO. 7: SECTION 102(E) OF THE HOUSE BILL AMENDED SECTION 218(E) OF THE SOCIAL SECURITY ACT SO AS TO PERMIT A COVERAGE AGREEMENT BETWEEN THE SECRETARY AND A STATE TO TREAT THE WAGES OF AN INDIVIDUAL WHO DURING THE COURSE OF A YEAR IS AN EMPLOYEE BOTH OF THE STATE AND A POLITICAL SUBDIVISION OR SUBDIVISIONS, OR OF MORE THAN ONE SUBDIVISION. AS THOUGH SUCH WAGES HAD BEEN PAID TO HIM BY A SINGLE EMPLOYER, IN ORDER TO LIMIT THE STATE'S LIABILITY FOR EMPLOYER CONTRIBUTIONS ON SUCH INDIVIDUAL'S WAGES TO THE MAXIMUM AMOUNT (PRESENTLY \$4,800 A YEAR) CREDITABLE FOR OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PURPOSES. PROVIDED THE STATE HAS BORNE THE ENTIRE COST OF SUCH CONTRIBUTIONS AND IS NOT REIMBURSED; BUT THESE NEW PROVISIONS COULD NOT BE MADE APPLICABLE WITH RESPECT TO WAGES PAID BEFORE THE YEAR IN WHICH THE SECRETARY RECEIVES THE AGREEMENT OR MODIFICATION WHICH MAKES THEM EFFECTIVE (AND IN NO CASE WITH RESPECT TO WAGES PAID BEFORE 1961). THE SENATE AMENDMENT PERMITTED THESE NEW PROVISIONS TO BE MADE APPLICABLE WITH RESPECT TO WAGES PAID ON OR AFTER JANUARY 1, 1957, OR JANUARY 1 OF THE THIRD YEAR PRECEDING THE YEAR IN WHICH THE AGREEMENT OR MODIFICATION IS DELIVERED TO THE SECRETARY, WHICHEVER IS LATER. THE HOUSE RECEDES WITH AN AMENDMENT UNDER WHICH THE NEW PROVISIONS CAN BE MADE APPLICABLE WITH RESPECT TO WAGES PAID ON OR AFTER JANUARY 1, 1957, IF THE AGREEMENT OR MODIFICATION IS DELIVERED TO THE SECRETARY BEFORE 1962, BUT ONLY WITH RESPECT TO WAGES PAID ON OR AFTER THE FIRST DAY OF THE YEAR IN WHICH THE AGREEMENT OR MODIFICATION IS DELIVERED TO THE SECRETARY (AS PROVIDED IN THE HOUSE BILL) IF THE AGREEMENT OR MODIFICATION IS DELIVERED TO THE SECRETARY AFTER 1961.

JUSTICES OF THE PEACE AND CONSTABLES IN NEBRASKA

AMENDMENT NO. 8: THIS AMENDMENT ADDED TO SECTION 102 OF THE HOUSE BILL A NEW SUBSECTION (I). WHICH WOULD PERMIT THE STATE OF NEBRASKA TO MODIFY ITS COVERAGE AGREEMENT WITH THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE UNDER SECTION 218 OF THE SOCIAL SECURITY ACT TO REMOVE FROM *3751 COVERAGE JUSTICES OF THE PEACE AND CONSTABLES PAID ON A FEE BASIS. THE HOUSE RECEDES.

TEACHERS IN MAINE

AMENDMENT NO. 9: THIS AMENDMENT ADDED TO SECTION 102 OF THE HOUSE BILL A NEW SUBSECTION (J), WHICH WOULD EXTEND FROM JULY 1, 1960, TO JULY 1, 1961, THE PERIOD DURING WHICH THE STATE OF MAINE IS PERMITTED (UNDER SEC. 316 OF THE SOCIAL SECURITY AMENDMENTS OF 1958) TO TREAT TEACHING AND NONTEACHING EMPLOYEES AS BEING COVERED BY SEPARATE RETIREMENT SYSTEMS FOR PURPOSES OF EXTENDING OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE COVERAGE TO SUCH EMPLOYEES. THE HOUSE RECEDES.

CERTAIN EMPLOYEES IN CALIFORNIA

AMENDMENT NO. 10: THIS AMENDMENT ADDED TO SECTION 102 OF THE HOUSE BILL A NEW SUBSECTION (K), WHICH WOULD PERMIT THE STATE OF CALIFORNIA, AT ANY TIME PRIOR TO 1962, TO MODIFY ITS COVERAGE AGREEMENT WITH THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE UNDER SECTION 218 OF THE SOCIAL SECURITY ACT TO EXTEND OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE COVERAGE TO CERTAIN EMPLOYEES OF STATE AND LOCAL HOSPITALS IN CALIFORNIA WHO HAVE BEEN REMOVED FROM COVERAGE UNDER A STATE OR LOCAL RETIREMENT SYSTEM. THE HOUSE RECEDES WITH A TECHNICAL AMENDMENT.

ADDITION OF TEXAS TO LIST OF STATES ELIGIBLE TO SPLIT RETIREMENT SYSTEMS

AMENDMENT NO. 11: THIS AMENDMENT ADDED TO SECTION 102 OF THE HOUSE BILL A NEW SUBSECTION (L), WHICH WOULD ADD THE STATE OF TEXAS TO THE LIST OF STATES WHICH ARE PERMITTED (UNDER SEC. 218(D)(6)(C) OF THE SOCIAL SECURITY ACT) TO DIVIDE A RETIREMENT SYSTEM INTO TWO PARTS FOR PURPOSES OF OBTAINING OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE COVERAGE FOR ONLY THOSE EMPLOYEES IN THE SYSTEM WHO DESIRE IT. THE HOUSE RECEDES.

EXTENSION OF COVERAGE TO GUAM AND AMERICAN SAMOA

AMENDMENT NO. 12: SECTION 103 OF THE HOUSE BILL EXTENSIVELY AMENDED TITLE II OF THE SOCIAL SECURITY ACT, THE INTERNAL REVENUE CODE OF 1954, AND RELATED LAWS SO AS TO EXTEND COVERAGE UNDER THE OLD-AGE, SURVIVORS; AND DISABILITY INSURANCE PROGRAM TO EMPLOYEES AND SELF-EMPLOYED INDIVIDUALS IN GUAM AND AMERICAN SAMOA AND TO PROVIDE FOR THE EFFECTIVE ADMINISTRATION OF THE PROGRAM AS SO EXTENDED. THE SENATE AMENDMENT DELETED THIS SECTION OF THE HOUSE BILL. THE CONFERENCE AGREEMENT PROVIDES (WITH TECHNICAL AMENDMENTS) FOR THE EXTENSION OF COVERAGE UNDER THE PROGRAM TO GUAM AND AMERICAN SAMOA AS CONTAINED IN THE HOUSE BILL.

DOCTORS OF MEDICINE

AMENDMENT NO. 13: SECTION 104 OF THE HOUSE BILL AMENDED SECTION 211(C) OF THE SOCIAL SECURITY ACT AND [SECTION 1402\(C\) OF THE INTERNAL REVENUE CODE OF 1954](#) SO AS TO EXTEND COVERAGE UNDER THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE SYSTEM TO EARNINGS DERIVED BY SELF-EMPLOYED *3752 DOCTORS FROM THE PRACTICE OF MEDICINE. IT ALSO AMENDED SECTION 210(A) OF THE SOCIAL SECURITY ACT AND [SECTION 3121\(B\) OF THE INTERNAL REVENUE CODE OF 1954](#) TO EXTEND COVERAGE TO SERVICES PERFORMED BY MEDICAL AND DENTAL INTERNS IN THE SAME MANNER AS FOR OTHER EMPLOYEES OF TRAINING SCHOOLS AND HOSPITALS FOR WHICH THEY ARE EMPLOYED. THE SENATE AMENDMENT DELETED THIS PROVISION OF THE HOUSE BILL; THEREBY CONTINUING IN EFFECT THE PRESENT EXCLUSIONS FROM COVERAGE OF SELF-EMPLOYED PHYSICIANS AND INTERNS. THE HOUSE RECEDES.

SERVICE OF PARENT FOR SON OR DAUGHTER

AMENDMENT NO. 14: SECTION 105 OF THE HOUSE BILL AMENDED SECTION 210(A)(3) OF THE SOCIAL SECURITY ACT AND [SECTION 3121\(B\)\(3\) OF THE INTERNAL REVENUE CODE OF 1954](#) SO AS TO PROVIDE COVERAGE UNDER THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM FOR SERVICE (OTHER THAN DOMESTIC SERVICE OR CASUAL LABOR) PERFORMED BY AN INDIVIDUAL IN THE EMPLOY OF HIS SON OR DAUGHTER. THE SENATE AMENDMENT DELETED THIS SECTION OF THE HOUSE BILL. THE CONFERENCE AGREEMENT (WITH A TECHNICAL AMENDMENT) FOLLOWS THE HOUSE BILL AND EXTENDS COVERAGE TO INDIVIDUALS PERFORMING SERVICE OF THIS TYPE.

EMPLOYEES OF CERTAIN LABOR ORGANIZATIONS IN THE CANAL ZONE

AMENDMENT NO. 16: SECTION 106(D) OF THE HOUSE BILL AMENDED SECTION 210(C) OF THE SOCIAL SECURITY ACT AND [SECTION 3121\(H\) OF THE INTERNAL REVENUE CODE OF 1954](#) SO AS TO INCLUDE IN THE DEFINITION OF 'AMERICAN EMPLOYER' CERTAIN TAX-EXEMPT LABOR ORGANIZATIONS CREATED OR ORGANIZED IN THE CANAL ZONE, IF THEY ARE CHARTERED BY LABOR ORGANIZATIONS CREATED OR ORGANIZED IN THE UNITED STATES. THIS PROVISION OF THE HOUSE BILL WOULD HAVE EXTENDED COVERAGE TO SERVICE PERFORMED OUTSIDE THE UNITED STATES BY U.S. CITIZENS IN THE EMPLOY OF SUCH ORGANIZATIONS. THE PROVISION WOULD ALSO HAVE PERMITTED THE VALIDATION OF CERTAIN REMUNERATION ERRONEOUSLY REPORTED BY AN ORGANIZATION WHICH QUALIFIES AS AN 'AMERICAN EMPLOYER' UNDER THE PROVISION. THE SENATE AMENDMENT DELETED THIS PROVISION OF THE HOUSE BILL. THE HOUSE RECEDES.

AMERICAN CITIZEN EMPLOYEES OF FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS

AMENDMENT NOS. 24 AND 26: SECTION 107 OF THE HOUSE BILL AMENDED SECTION 211(C)(2) OF THE SOCIAL SECURITY ACT AND [SECTION 1402\(C\)\(2\) OF THE INTERNAL REVENUE CODE OF 1954](#) IN ORDER TO PROVIDE COVERAGE AS SELF-EMPLOYED INDIVIDUALS FOR AMERICAN CITIZEN EMPLOYEES OF FOREIGN GOVERNMENTS, WHOLLY OWNED FOREIGN GOVERNMENT INSTRUMENTALITIES, AND INTERNATIONAL ORGANIZATIONS. THE SENATE AMENDMENT DELETED THE PROVISIONS OF THIS SECTION WHICH EXTENDED SUCH COVERAGE TO EMPLOYEES OF INTERNATIONAL ORGANIZATIONS. THE SENATE RECEDES.

DOMESTIC SERVICE AND CASUAL LABOR

AMENDMENTS NOS. 27 AND 31: SECTION 108 OF THE HOUSE BILL REDUCED FROM \$50 TO \$25 THE AMOUNT OF CASH WAGES WHICH AN INDIVIDUAL MUST RECEIVE *3753 IN A CALENDAR QUARTER FOR DOMESTIC SERVICE IN A PRIVATE HOME OR FOR SERVICE NOT IN THE COURSE OF THE EMPLOYER'S TRADE OR BUSINESS IN ORDER TO BE COVERED UNDER THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM, AND EXCLUDED FROM COVERAGE ALL EARNINGS IN SUCH DOMESTIC SERVICE AND CASUAL LABOR PERFORMED BY PERSONS WHO ARE UNDER AGE 16. THE SENATE AMENDMENT DELETED THE PROVISION REDUCING THE CASH WAGE REQUIREMENT. THE HOUSE RECEDES WITH AN AMENDMENT DELETING THE PROVISION EXCLUDING EARNINGS IN SUCH DOMESTIC SERVICE AND CASUAL LABOR PERFORMED BY PERSONS WHO ARE UNDER AGE 16.

ADOPTED CHILDREN OF DISABILITY INSURANCE BENEFICIARIES

AMENDMENT NO. 40: SECTION 201(B) OF THE HOUSE BILL AMENDED SECTION 202(D)(1) OF THE SOCIAL SECURITY ACT SO AS TO PERMIT A CHILD WHO WAS BORN TO, WAS ADOPTED BY, OR BECAME A STEPCHILD OF A WORKER, AFTER THE WORKER BECAME ENTITLED TO DISABILITY INSURANCE BENEFITS, TO QUALIFY FOR BENEFITS; EXCEPT THAT IN THE CASE OF AN ADOPTED CHILD THE ADOPTION MUST HAVE BEEN COMPLETED WITHIN 2 YEARS OF THE TIME AS OF WHICH THE WORKER BECAME ENTITLED TO DISABILITY INSURANCE BENEFITS. THE SENATE AMENDMENT ADDED AN ADDITIONAL REQUIREMENT WITH RESPECT TO ADOPTED CHILDREN SO THAT IN ORDER FOR SUCH A CHILD TO GET BENEFITS THE WORKER MUST HAVE INSTITUTED ADOPTION PROCEEDINGS IN OR BEFORE THE MONTH IN WHICH HIS PERIOD OF DISABILITY BEGAN OR THE CHILD MUST HAVE BEEN LIVING WITH HIM IN SUCH MONTH. THE HOUSE RECEDES.

INSURED STATUS

AMENDMENT NO. 42: SECTION 204(A) OF THE HOUSE BILL AMENDED SECTION 214(A) OF THE SOCIAL SECURITY ACT TO PROVIDE THAT A PERSON WOULD BE A FULLY INSURED INDIVIDUAL UNDER THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM IF HE HAS ONE QUARTER OF COVERAGE (NO MATTER WHEN ACQUIRED) FOR EVERY FOUR ELAPSED QUARTERS (I.E., FOR EVERY FOUR QUARTERS ELAPSING AFTER DECEMBER 31, 1950 (OR, IF LATER, AFTER THE YEAR IN WHICH THE PERSON REACHES AGE 21) AND BEFORE THE YEAR IN WHICH THE PERSON DIED (OR, IF EARLIER, THE YEAR IN WHICH HE REACHED RETIREMENT AGE)) RATHER THAN ONLY IF HE HAS ONE QUARTER OF COVERAGE FOR EACH TWO ELAPSED QUARTERS AS UNDER PRESENT LAW. UNDER THE SENATE AMENDMENT THE REQUIREMENT FOR FULLY INSURED STATUS WOULD HAVE REMAINED AS IN PRESENT LAW; THAT IS, ONE QUARTER OF COVERAGE FOR EACH TWO ELAPSED QUARTERS. THE HOUSE RECEDES WITH AN AMENDMENT PROVIDING THAT A PERSON WILL BE FULLY INSURED UNDER THE PROGRAM IF HE HAS ONE QUARTER OF COVERAGE FOR EACH THREE ELAPSED QUARTERS.

TIME NEEDED TO ACQUIRE STATUS OF WIFE, CHILD OR HUSBAND IN CERTAIN CASES

AMENDMENT NO. 45: SECTION 207 OF THE HOUSE BILL AMENDED SECTION 216 OF THE SOCIAL SECURITY ACT SO AS TO REDUCE THE DURATION-OF-RELATIONSHIP REQUIREMENTS FOR ENTITLEMENT TO WIFE'S, CHILD'S, AND HUSBAND'S BENEFITS IN CASES WHERE THE WORKER IS ALIVE FROM 3 YEARS TO 1 YEAR, THE SAME AS THE REQUIREMENT THAT IS PRESENTLY APPLICABLE FOR PURPOSES OF ENTITLEMENT TO SURVIVORS' BENEFITS WHERE THE WORKER IS DECEASED. THE SENATE AMENDMENT DELETED THIS SECTION OF THE BILL. THE SENATE RECEDES.

***3754** ACTUARIALLY REDUCED BENEFITS FOR MEN AT AGE 62

AMENDMENT NO. 49: THE SENATE AMENDMENT ADDED TO THE HOUSE BILL A NEW SECTION (SEC. 210) AMENDING SECTION 216(A) OF THE SOCIAL SECURITY ACT TO REDUCE RETIREMENT AGE FOR MEN TO 62 (THE AGE ALREADY APPLICABLE IN THE CASE OF WOMEN), AND AMENDING SECTION 202(Q) AND OTHER PROVISIONS OF SUCH ACT TO PROVIDE THAT WHERE A MAN ELECTS TO RECEIVE HIS BENEFITS BEFORE ATTAINING AGE 65 SUCH BENEFITS WILL BE ACTUARIALLY REDUCED IN SUBSTANTIALLY THE SAME WAY AS IS DONE UNDER PRESENT LAW IN THE CASE OF A WOMAN WHO ELECTS TO RECEIVE HER OLD-AGE BENEFITS BEFORE ATTAINING AGE 65. THE SENATE RECEDES.

EARNED INCOME LIMITATION

AMENDMENT NO. 50: THE SENATE AMENDMENT ADDED TO THE HOUSE BILL A NEW SECTION 211, UNDER WHICH THE AMOUNT OF YEARLY EARNINGS WHICH A BENEFICIARY CAN HAVE AND STILL GET ALL OF HIS BENEFITS FOR THE YEAR WOULD BE INCREASED FROM \$1,200 TO \$1,800; UNDER THE SENATE AMENDMENT (AS UNDER EXISTING LAW) THE BENEFICIARY WOULD LOSE 1 MONTH'S BENEFIT, REGARDLESS OF ITS AMOUNT, FOR EACH \$80 OR FRACTION THEREOF BY WHICH HIS EARNINGS EXCEED THE SPECIFIED DOLLAR LIMIT. THE HOUSE RECEDES WITH AN AMENDMENT WHICH PROVIDES AS FOLLOWS:

- (1) IF THE BENEFICIARY EARNS \$1,200 OR LESS IN A YEAR, NO BENEFITS WILL BE WITHHELD (JUST AS UNDER PRESENT LAW),
- (2) IF THE BENEFICIARY EARNS BETWEEN \$2,100 AND \$1,500, 50 CENTS IN BENEFITS WILL BE WITHHELD FOR EACH \$1 OF EARNINGS ABOVE \$1,200, AND
- (3) IF THE BENEFICIARY EARNS MORE THAN \$1,500, 50 CENTS IN BENEFITS WILL BE WITHHELD FOR EACH \$1 OF EARNINGS BETWEEN \$1,200 AND \$1,500 (\$150 WITHHELD ON ACCOUNT OF THE \$300 OF EARNINGS), AND \$1 IN BENEFITS WILL BE WITHHELD FOR EACH \$1 OF EARNINGS ABOVE \$1,500.

UNDER THE CONFERENCE AGREEMENT, AS UNDER EXISTING LAW, NO BENEFIT WOULD BE WITHHELD IN ANY CASE FOR ANY MONTH IN WHICH THE BENEFICIARY EARNS \$100 OR LESS IN WAGES AND DOES NOT ENGAGE IN SELF-EMPLOYMENT.

CHILDREN OF INDIVIDUALS IN LOCO PARENTIS

AMENDMENT NO. 51: THE SENATE AMENDMENT ADDED TO THE HOUSE BILL A NEW SECTION (SEC. 212) AMENDING SECTIONS 216(E)(3) AND 202(D) OF THE SOCIAL SECURITY ACT SO AS TO PERMIT A CHILD WITH RESPECT TO WHOM AN INSURED INDIVIDUAL HAS STOOD IN LOCO PARENTIS FOR AT LEAST 5 YEARS TO QUALIFY FOR CHILD'S INSURANCE BENEFITS ON SUCH INDIVIDUAL'S WAGE RECORD EVEN THOUGH SUCH CHILD IS NEITHER THE NATURAL, ADOPTED, OR STEPCHILD OF SUCH INDIVIDUAL. THE SENATE RECEDES.

THE UNEMPLOYMENT COMPENSATION PROGRAM

AMENDMENTS NOS. 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, AND 90:

THE BILL AS PASSED THE HOUSE CONTAINED A NUMBER OF AMENDMENTS AFFECTING THE FEDERAL-STATE PROGRAM OF EMPLOYMENT SECURITY. THESE INCLUDED: (1) A RAISE IN THE FEDERAL UNEMPLOYMENT TAX RATE FROM 3.0 PERCENT TO 3.1 PERCENT; (2) PROVISIONS GOVERNING FINANCING OF THE ADMINISTRATIVE EXPENSES OF THE FEDERAL STATE EMPLOYMENT SECURITY PROGRAM; (3) IMPROVEMENTS *3755 IN THE OPERATION OF THE FEDERAL UNEMPLOYMENT ACCOUNT (THE LOAN FUND) BY TIGHTENING THE CONDITIONS PERTAINING TO ELIGIBILITY FOR THE REPAYMENT OF ADVANCES TO STATES WITH DEPLETED RESERVE ACCOUNTS; (4) EXTENSION OF COVERAGE OF THE UNEMPLOYMENT COMPENSATION PROGRAM TO SEVERAL GROUPS OF WORKERS; AND (5) TREATING PUERTO RICO AS A STATE FOR THE PURPOSES OF THE UNEMPLOYMENT COMPENSATION PROGRAM.

THE SENATE AMENDMENTS ADOPTED ONLY ONE OF THESE CHANGES-- THE ONE RELATING TO ELIGIBILITY FOR AND REPAYMENT OF ADVANCES. IN ADDITION, THE SENATE AMENDMENTS PROVIDED FOR A LARGE LOAN FUND BY INCREASING THE AMOUNT AUTHORIZED TO BE BUILT UP IN THE FEDERAL UNEMPLOYMENT ACCOUNT FROM \$200 MILLION TO \$500 MILLION (UNDER THE BILL AS PASSED THE HOUSE AND FEDERAL UNEMPLOYMENT ACCOUNT WOULD BE PERMITTED TO INCREASE TO \$550 MILLION, OR IF GREATER, FOUR-TENTHS OF 1 PERCENT OF THE TOTAL WAGES SUBJECT TO CONTRIBUTIONS UNDER ALL STATE UNEMPLOYMENT COMPENSATION LAWS FOR THE APPLICABLE CALENDAR YEAR).

THE CONFERENCE AGREEMENT CONTAINS THE PROVISIONS OF THE BILL AS PASSED THE HOUSE WITH TWO TECHNICAL AMENDMENTS.

MEDICAL SERVICES FOR THE AGED

AMENDMENTS NOS. 91, 96, AND 99:

THE HOUSE BILL.

THE BILL AS PASSED THE HOUSE ADDED A NEW TITLE XVI TO THE SOCIAL SECURITY ACT FOR THE PURPOSE OF ESTABLISHING A NEW FEDERAL-STATE GRANTS-IN-AID PROGRAM TO HELP THE STATES ASSIST LOW-INCOME AGED INDIVIDUALS WHO NEED ASSISTANCE IN MEETING THEIR MEDICAL EXPENSES. PARTICIPATION IN THE PROGRAM WOULD BEGIN AFTER JUNE 1961, UPON APPROVAL OF A PLAN MEETING THE GENERAL REQUIREMENTS SPECIFIED IN THE BILL. PARTICIPATION IN THE FEDERAL-STATE PROGRAM WOULD BE COMPLETELY OPTIONAL WITH THE STATES, WITH EACH STATE DETERMINING THE EXTENT AND CHARACTER OF ITS OWN PROGRAM, INCLUDING (WITHIN BROAD LIMITS) STANDARDS OF ELIGIBILITY AND SCOPE OF BENEFITS.

PERSONS 65 YEARS OF AGE AND OVER, WHOSE INCOME AND RESOURCES (TAKING INTO ACCOUNT THEIR OTHER LIVING REQUIREMENTS AS DETERMINED BY A STATE) ARE INSUFFICIENT TO MEET THE COST OF THEIR MEDICAL SERVICES, WOULD BE ELIGIBLE UNDER THE PROGRAM. PERSONS ELIGIBLE TO PARTICIPATE UNDER THIS PROGRAM WOULD NOT INCLUDE THOSE PERSONS PARTICIPATING UNDER THE OTHER FEDERAL-STATE PUBLIC ASSISTANCE PROGRAMS.

THE SCOPE OF MEDICAL BENEFITS AND SERVICES PROVIDED WOULD BE DETERMINED BY THE STATES. THE FEDERAL GOVERNMENT, HOWEVER, WOULD PARTICIPATE UNDER THE MATCHING FORMULA IN ANY PROGRAM PROVIDING ANY OR ALL OF THE FOLLOWING SERVICES (WHERE LIMITS ARE APPLICABLE THEY ARE SPECIFIED), PROVIDED BOTH INSTITUTIONAL AND NONINSTITUTIONAL SERVICES ARE AVAILABLE:

- (A) INPATIENT HOSPITAL SERVICES UP TO 120 DAYS PER YEAR;
- (B) SKILLED NURSING-HOME SERVICES;
- (C) PHYSICIANS SERVICES;
- (D) OUTPATIENT HOSPITAL SERVICES;
- (E) ORGANIZED HOME CARE SERVICES;
- (F) PRIVATE DUTY NURSING SERVICES;
- (G) THERAPEUTIC SERVICES;
- (H) MAJOR DENTAL TREATMENT;
- (I) LABORATORY AND X-RAY SERVICES UP TO \$200 PER YEAR;
- (J) PRESCRIBED DRUGS UP TO \$200 PER YEAR.

***3756** THE FEDERAL GOVERNMENT WOULD PROVIDE FUNDS FOR PAYMENTS FOR MEDICAL BENEFITS UNDER AN APPROVED STATE PLAN IN ACCORDANCE WITH AN EQUALIZATION FORMULA UNDER WHICH THE FEDERAL SHARE WOULD BE BETWEEN 50 PERCENT AND 65 PERCENT OF THE COSTS DEPENDING UPON THE PER CAPITA INCOME OF THE STATE. THIS IS THE SAME MATCHING FORMULA WHICH APPLIES NOW ON THAT PART OF THE AVERAGE OLD-AGE ASSISTANCE PAYMENTS BETWEEN \$30 AND \$65 A MONTH.

THE PAYMENTS UNDER THIS PROGRAM WOULD BE MADE DIRECTLY TO PROVIDERS OF THE MEDICAL SERVICES.

UNDER THE HOUSE BILL, CONTINGENT UPON A SHOWING OF A SIGNIFICANT IMPROVEMENT IN THEIR MEDICAL PAYMENT PROGRAMS FOR OLD-AGE ASSISTANCE RECIPIENTS. STATES WOULD GET SOMEWHAT MORE FAVORABLE FEDERAL MATCHING, EFFECTIVE OCTOBER 1960, FOR ADDITIONAL EXPENDITURES UP TO AN AVERAGE OF \$5 PER RECIPIENT IN MEDICAL PAYMENTS.

SENATE AMENDMENTS.

SENATE AMENDMENT NO. 91 STRIKES OUT THE NEW TITLE XVI ADDED TO THE SOCIAL SECURITY ACT BY THE HOUSE BILL. SENATE AMENDMENT NO. 96 MAKES AMENDMENTS TO TITLE I OF THE SOCIAL SECURITY ACT (1) TO PROVIDE FOR INCREASED FEDERAL FINANCIAL PARTICIPATION IN EXPENDITURES BY THE STATES FOR PAYMENTS TO PERSONS PROVIDING MEDICAL SERVICES TO RECIPIENTS OF OLD-AGE ASSISTANCE, AND (2) TO ASSIST THE STATES IN FURNISHING MEDICAL ASSISTANCE ON BEHALF OF AGED INDIVIDUALS WHO ARE NOT RECIPIENTS OF OLD-AGE ASSISTANCE BUT WHOSE INCOME AND RESOURCES ARE INSUFFICIENT TO MEET THE COSTS OF NECESSARY MEDICAL SERVICES. SENATE AMENDMENT NO. 99 MAKES THESE CHANGES IN TITLE I OF THE SOCIAL SECURITY ACT EFFECTIVE OCTOBER 1, 1960.

THE PROVISIONS OF THE SENATE AMENDMENTS IN THIS AREA ARE IN SUBSTANCE THE SAME AS THE PROVISIONS CONTAINED IN THE ACCOMPANYING CONFERENCE REPORT WHICH ARE EXPLAINED BELOW, WITH THE EXCEPTIONS NOTED IN THE EXPLANATION WHICH FOLLOWS.

CONFERENCE AGREEMENT.

UNDER THE CONFERENCE AGREEMENT, SECTION 601 OF THE BILL AMENDS TITLE I OF THE SOCIAL SECURITY ACT SO AS TO PROVIDE FOR FEDERAL FINANCIAL PARTICIPATION IN APPROVED STATE PLANS FOR OLD-AGE ASSISTANCE OR FOR MEDICAL ASSISTANCE FOR THE AGED OR FOR BOTH OLD-AGE ASSISTANCE AND MEDICAL ASSISTANCE FOR THE AGED. TITLE I OF THE SOCIAL SECURITY ACT NOW AUTHORIZES SUCH PARTICIPATION ONLY IN STATE PLANS FOR OLD-AGE ASSISTANCE.

SUBSECTION (A) OF SECTION 601 CHANGES THE HEADING OF TITLE I OF THE SOCIAL SECURITY ACT TO REFLECT THE EXPANSION OF THAT TITLE TO INCLUDE MEDICAL ASSISTANCE FOR THE AGED.

SUBSECTION (B) OF SECTION 601 REVISES SECTIONS 1 AND 2 OF THE SOCIAL SECURITY ACT. SECTION 1 NOW STATES THE PURPOSE OF TITLE I OF THE ACT AND AUTHORIZES APPROPRIATIONS THEREFOR. UNDER THE CONFERENCE AGREEMENT THIS SECTION IS AMENDED TO STATE THE ADDITIONAL PURPOSE OF ENABLING THE STATES, AS FAR AS PRACTICABLE UNDER THE CONDITIONS EXISTING THEREIN, TO FURNISH MEDICAL ASSISTANCE FOR THE AGED WHO ARE NOT RECIPIENTS OF OLD-AGE ASSISTANCE BUT WHOSE INCOME AND RESOURCES ARE INSUFFICIENT TO MEET THE COST OF NECESSARY MEDICAL SERVICES.

SECTION 2 OF THE SOCIAL SECURITY ACT NOW SETS FORTH THE CONDITIONS WHICH A STATE PLAN FOR OLD-AGE ASSISTANCE MUST MEET IN ORDER TO BE APPROVED BY THE SECRETARY AND THEREBY QUALIFY FOR FEDERAL FINANCIAL PARTICIPATION IN EXPENDITURES UNDER THE PLAN.

UNDER THE CONFERENCE AGREEMENT SECTION 2 CONTAINS THE REQUIREMENTS WHICH STATE PLANS MUST MEET IN ORDER TO QUALIFY FOR FEDERAL PARTICIPATION. *3757 THESE REQUIREMENTS MAY BE DIVIDED INTO THREE CATEGORIES: (A) THOSE WHICH APPLY TO BOTH OLD-AGE ASSISTANCE AND MEDICAL ASSISTANCE FOR THE AGED; (B) THOSE WHICH APPLY ONLY TO OLD-AGE ASSISTANCE; AND (C) THOSE WHICH APPLY ONLY TO MEDICAL ASSISTANCE FOR THE AGED.

(A) REQUIREMENTS APPLYING TO BOTH OLD-AGE ASSISTANCE AND MEDICAL ASSISTANCE FOR THE AGED.

A STATE PLAN MUST--

(1) PROVIDE THAT IT WILL BE IN EFFECT IN ALL POLITICAL SUBDIVISIONS AND BE MANDATORY UPON THOSE SUBDIVISIONS OF ADMINISTERED BY THEM;

(2) PROVIDE FOR FINANCIAL PARTICIPATION BY THE STATE;

(3) PROVIDE FOR ESTABLISHMENT OR DESIGNATION OF A SINGLE STATE AGENCY TO ADMINISTER OR SUPERVISE ADMINISTRATION OF THE PLAN;

(4) PROVIDE FOR GIVING CLAIMANTS A FAIR HEARING IF THEIR CLAIMS ARE DENIED OR NOT ACTED UPON WITH REASONABLE PROMPTNESS;

(5) PROVIDE METHODS OF ADMINISTRATION FOUND NECESSARY FOR THE PROPER AND EFFICIENT OPERATION OF THE PLAN-- THESE MUST INCLUDE A MERIT SYSTEM FOR PERSONNEL;

(6) PROVIDE FOR MAKING OF NECESSARY REPORTS TO THE SECRETARY;

(7) PROVIDE SAFEGUARDS AGAINST USE AND DISCLOSURE OF INFORMATION CONCERNING APPLICANTS FOR THE RECIPIENTS OF ASSISTANCE, EXCEPT FOR PURPOSES DIRECTLY CONNECTED WITH THE ADMINISTRATION OF THE PLAN;

(8) PROVIDE ALL INDIVIDUALS WISHING TO DO SO AN OPPORTUNITY TO APPLY FOR ASSISTANCE, AND PROVIDE THAT ASSISTANCE WILL BE FURNISHED WITH REASONABLE PROMPTNESS TO THOSE WHO ARE

ELIGIBLE; AND

(9) PROVIDE, IF THE PLAN INCLUDES ASSISTANCE FOR OR ON BEHALF OF INDIVIDUALS IN PRIVATE OR PUBLIC INSTITUTIONS, FOR THE ESTABLISHMENT OR DESIGNATION OF A STATE AUTHORITY OR AUTHORITIES TO BE RESPONSIBLE FOR ESTABLISHING AND MAINTAINING STANDARDS FOR SUCH INSTITUTIONS.

THESE CONDITIONS APPEAR IN VIRTUALLY IDENTICAL FORM AND SUBSTANCE IN THE EXISTING LAW, BUT APPLY ONLY WITH RESPECT TO OLD-AGE ASSISTANCE. IN ADDITION. THESE CONDITIONS APPEAR IN VIRTUALLY IDENTICAL FORM AND SUBSTANCE IN THE SENATE AMENDMENTS, WITH TWO EXCEPTIONS. THE FIRST EXCEPTION IS THAT SECTION 2(A)(2) OF THE SOCIAL SECURITY ACT, AS AMENDED BY THE SENATE AMENDMENTS, READS AS FOLLOWS:

(2) PROVIDE FOR FINANCIAL PARTICIPATION BY THE STATE WHICH SHALL, EFFECTIVE JANUARY 1, 1962, EXTEND TO ALL ASPECTS OF THE STATE PLAN;

THE SECOND EXCEPTION IS THAT THE CONDITION SET FORTH IN PARAGRAPH (9) ABOVE WAS, UNDER THE SENATE AMENDMENTS, APPLICABLE ONLY IN THE CASE OF OLD-AGE ASSISTANCE; WHEREAS, UNDER THE CONFERENCE AGREEMENT IT IS APPLICABLE ALSO WITH RESPECT TO MEDICAL ASSISTANCE FOR THE AGED.

(B) REQUIREMENTS APPLYING ONLY TO OLD-AGE ASSISTANCE.

A STATE PLAN MUST--

(1) PROVIDE FOR TAKING INTO CONSIDERATION ANY OTHER INCOME AND RESOURCES OF AN INDIVIDUAL CLAIMING OLD-AGE ASSISTANCE IN DETERMINING HIS NEED THEREFOR:

(2) INCLUDE REASONABLE STANDARDS, CONSISTENT WITH THE OBJECTIVES OF TITLE I OF THE SOCIAL SECURITY ACT, FOR DETERMINING THE ELIGIBILITY OF INDIVIDUALS FOR OLD-AGE ASSISTANCE AND THE EXTENT OF SUCH ASSISTANCE; AND

***3758** (3) PROVIDE A DESCRIPTION OF THE SERVICES MADE AVAILABLE TO HELP APPLICANTS AND RECIPIENTS ATTAIN SELF-CARE.

ITEMS 1 AND 3 ARE THE SAME AS PROVISIONS NOW INCLUDED IN SECTION 2 OF THE SOCIAL SECURITY ACT. THE LANGUAGE OF ITEM 2 IS NOT INCLUDED IN EXISTING LAW.

(C) REQUIREMENTS APPLYING ONLY TO MEDICAL ASSISTANCE FOR THE AGED. (THESE REQUIREMENTS DO NOT APPEAR IN EXISTING LAW.)

A STATE PLAN MUST--

(1) PROVIDE FOR INCLUSION OF SOME INSTITUTIONAL AND SOME NONINSTITUTIONAL CARE;

(2) PROHIBIT ENROLLMENT FEES, PREMIUMS, AND SIMILAR CHARGES AS A CONDITION OF ELIGIBILITY;

(3) INCLUDE PROVISIONS, TO THE EXTENT REQUIRED BY THE SECRETARY'S REGULATIONS, PROVISION FOR THE FURNISHING OF ASSISTANCE TO RESIDENTS OF THE STATE WHO ARE TEMPORARILY ABSENT THEREFROM;

(4) INCLUDE REASONABLE STANDARDS FOR DETERMINING ELIGIBILITY FOR ASSISTANCE AND THE EXTENT OF ASSISTANCE WHICH ARE CONSISTENT WITH THE OBJECTIVES OF THE AMENDED TITLE I; AND

(5) PROVIDE THAT PROPERTY LIENS WILL NOT BE IMPOSED ON ACCOUNT OF BENEFITS RECEIVED UNDER THE PLAN DURING A RECIPIENT'S LIFETIME (EXCEPT PURSUANT TO A COURT JUDGMENT ON ACCOUNT OF BENEFITS INCORRECTLY PAID), AND LIMIT RECOVERY OF BENEFITS CORRECTLY PAID TO RECOVERY FROM THE RECIPIENT'S ESTATE AFTER THE DEATH OF HIS SURVIVING SPOUSE, IF ANY.

SUBSECTION (B) OF SECTION 2 OF THE SOCIAL SECURITY ACT, AS AMENDED UNDER THE CONFERENCE AGREEMENT REQUIRES THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE TO APPROVE ANY STATE PLAN WHICH FULFILLS THE CONDITIONS SPECIFIED ABOVE, EXCEPT THAT HE MAY NOT APPROVE A PLAN WHICH IMPOSES AS A CONDITION OF ELIGIBILITY FOR ASSISTANCE UNDER THE PLAN AN AGE REQUIREMENT OF MORE THAN 65 YEARS OR A CITIZENSHIP REQUIREMENT WHICH EXCLUDES ANY CITIZEN OF THE UNITED STATES. THESE LIMITATIONS ARE CONTAINED IN EXISTING LAW. ALSO CARRIED OVER FROM EXISTING LAW IS THE PROHIBITION OF APPROVAL OF A PLAN WHICH, AS TO OLD-AGE ASSISTANCE APPLICANTS, INCLUDES ANY RESIDENCE REQUIREMENT WHICH EXCLUDES ANY RESIDENT OF THE STATE WHO HAS RESIDED THEREIN FOR 5 YEARS DURING THE 9 YEARS IMMEDIATELY PRECEDING HIS APPLICATION AND WHO HAS RESIDED THEREIN CONTINUOUSLY FOR 1 YEAR IMMEDIATELY PRECEDING HIS APPLICATION. A DIFFERENT LIMITATION IS TO BE APPLIED TO THE RESIDENCE REQUIREMENTS WHICH A STATE, WHOSE PLAN INCLUDES MEDICAL ASSISTANCE FOR THE AGED, COULD IMPOSE AS A CONDITION OF ELIGIBILITY FOR SUCH ASSISTANCE. IN THE CASE OF SUCH A PLAN, APPROVAL WOULD BE PROHIBITED IF IT INCLUDES ANY RESIDENCE REQUIREMENT WHICH EXCLUDES ANY INDIVIDUAL (APPLYING FOR MEDICAL ASSISTANCE FOR THE AGED) WHO RESIDES IN THE STATE.

SUBSECTION (C) OF THE NEW SECTION 2 OF THE SOCIAL SECURITY ACT PROVIDES THAT NOTHING IN THE AMENDED TITLE I IS TO BE CONSTRUED TO PERMIT A STATE TO HAVE IN EFFECT WITH RESPECT TO ANY PERIOD MORE THAN ONE STATE PLAN APPROVED UNDER SUCH TITLE. THIS SUBSECTION IS NOT CONTAINED IN THE SENATE AMENDMENTS.

SECTION 601(C) OF THE BILL AS AGREED TO IN CONFERENCE AMENDS SECTION 3(A) OF THE SOCIAL SECURITY ACT. THIS SECTION SETS FORTH THE FORMULA BY WHICH FEDERAL PAYMENTS TO STATES WITH APPROVED PLANS UNDER TITLE I ARE DETERMINED. UNDER THE NEW SECTION 3(A) A STATE WOULD CONTINUE, AS UNDER EXISTING LAW, *3759 TO RECEIVE FEDERAL PAYMENTS EQUAL TO FOUR-FIFTHS OF THE FIRST \$30 OF ITS AVERAGE MONTHLY PAYMENT FOR EACH RECIPIENT (INCLUDING OLD-AGE ASSISTANCE IN THE FORM OF CASH PAYMENTS TO THE INDIVIDUAL AND OLD-AGE ASSISTANCE IN THE FORM OF MEDICAL OR OTHER REMEDIAL CARE ON HIS BEHALF) PLUS AN AMOUNT EQUAL TO THE FEDERAL PERCENTAGE (DESCRIBED BELOW) OF THE REMAINDER OF THE AVERAGE MONTHLY PAYMENT, BUT EXCLUDING THAT PART IN EXCESS OF \$65.

IN ADDITION, THE STATE WOULD RECEIVE THE FEDERAL MEDICAL PERCENTAGE (DESCRIBED BELOW) OF THE EXCESS OVER THE ABOVE-MENTIONED \$65 AVERAGE MONTHLY PAYMENT FOR EACH RECIPIENT, EXCLUDING THAT PART OF THE AVERAGE PAYMENT IN EXCESS OF \$77; EXCEPT THAT IF A STATE'S VENDOR MEDICAL CARE EXPENDITURES UNDER OLD-AGE ASSISTANCE FOR A MONTH AVERAGE LESS THAN \$12 PER RECIPIENT, THIS \$77 WOULD BE REDUCED BY THE AMOUNT BY WHICH SUCH EXPENDITURES ARE LESS THAN \$12. THUS, IF A STATE IS SPENDING AN AVERAGE OF \$75 PER MONTH PER RECIPIENT FOR OLD-AGE ASSISTANCE, OF WHICH \$8 IS FOR VENDOR MEDICAL CARE, THE STATE WOULD RECEIVE, IN ADDITION TO FOUR-FIFTHS OF THE FIRST \$30 OF ITS AVERAGE PAYMENT PLUS THE FEDERAL PERCENTAGE OF THE NEXT \$35 THEREOF. THE FEDERAL MEDICAL PERCENTAGE OF THE NEXT \$8.

STATES WITH AVERAGE MONTHLY PAYMENTS PER RECIPIENT UNDER OLD-AGE ASSISTANCE OF MORE THAN \$65 WOULD, IN LIEU OF THE ADDITIONAL AMOUNT DESCRIBED IN THE PRECEDING PARAGRAPH, RECEIVE 15 PERCENT OF THE FIRST \$12 OF THEIR AVERAGE VENDOR MEDICAL CARE PAYMENTS FOR EACH RECIPIENT IF THIS IS LARGER. AN EXAMPLE OF WHERE THIS ALTERNATIVE WOULD APPLY IS A STATE WITH A FEDERAL PERCENTAGE (AND, THEREFORE, A FEDERAL MEDICAL PERCENTAGE) OF 60

PERCENT THAT IS SPENDING AN AVERAGE OF \$66 PER MONTH PER RECIPIENT FOR OLD-AGE ASSISTANCE, OF WHICH \$12 IS FOR VENDOR MEDICAL CARE. SUCH A STATE WOULD RECEIVE, IN ADDITION TO FOUR-FIFTHS OF THE FIRST \$30 OF ITS AVERAGE PAYMENT PLUS 60 PERCENT OF THE NEXT \$35 THEREOF, 15 PERCENT OF \$12 FOR EACH RECIPIENT OR AN ADDITIONAL PAYMENT OF \$1.80 (AS AGAINST AN ADDITIONAL PAYMENT OF 60 PERCENT OF \$1 OR \$0.60 UNDER THE FORMULA DESCRIBED IN THE PRECEDING PARAGRAPH).

STATES WITH AVERAGE MONTHLY PAYMENTS PER RECIPIENT UNDER OLD-AGE ASSISTANCE OF \$65 OR LESS WOULD ALSO RECEIVE ADDITIONAL FEDERAL FUNDS IN CONNECTION WITH THEIR VENDOR MEDICAL CARE PROGRAMS. THESE STATES WOULD RECEIVE THE SAME PROPORTIONS OF THEIR AVERAGE PAYMENTS AS ARE PROVIDED UNDER EXISTING LAW. PLUS AN ADDITIONAL 15 PERCENT OF THE FIRST \$12 OF THEIR AVERAGE VENDOR MEDICAL CARE PAYMENTS FOR EACH RECIPIENT. THUS, A STATE WITH AN AVERAGE MONTHLY PAYMENT PER RECIPIENT OF \$55, OF WHICH \$10 IS FOR VENDOR MEDICAL CARE, WOULD RECEIVE FOUR-FIFTHS OF THE FIRST \$30 OF THE AVERAGE PAYMENT FOR EACH RECIPIENT, PLUS THE FEDERAL PERCENTAGE OF THE NEXT \$25 FOR EACH RECIPIENT, PLUS AN ADDITIONAL 15 PERCENT OF \$10 FOR EACH RECIPIENT.

(THE ABOVE PROVISIONS WOULD NOT BE APPLICABLE TO PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM. HOWEVER, A COMPARABLE LIBERALIZATION OF THE FORMULA APPLICABLE TO THEM IS ALSO INCLUDED IN THE BILL.)

IT IS EXPECTED THAT THESE ADDITIONAL OLD-AGE ASSISTANCE VENDOR MEDICAL CARE FUNDS WILL RESULT IN THE IMPROVEMENT OF PROGRAMS FOR SUCH CARE, OR FOR INITIATING PROGRAMS OF MEDICAL ASSISTANCE FOR THE AGED, OR BOTH.

UNDER EXISTING LAW THE FEDERAL PERCENTAGES FOR THE SEVERAL STATES VARY INVERSELY WITH THE SQUARE OF THEIR RESPECTIVE PER CAPITA INCOMES, BUT WITH A MINIMUM OF 50 PERCENT AND A MAXIMUM OF 65 PERCENT. THE FEDERAL MEDICAL PERCENTAGE WOULD BE DETERMINED IN THE SAME WAY EXCEPT THAT THE MAXIMUM WOULD BE 80 PERCENT INSTEAD OF 65 PERCENT.

***3760** FOR ALL STATES WHICH HAVE APPROVED PROGRAMS FOR MEDICAL ASSISTANCE FOR AGED PERSONS WHO ARE NOT RECIPIENTS OF OLD-AGE ASSISTANCE, THE FEDERAL PAYMENTS WOULD BE EQUAL TO THE FEDERAL MEDICAL PERCENTAGE OF THE TOTAL AMOUNTS EXPENDED UNDER THESE PROGRAMS.

ALSO (AS UNDER EXISTING LAW), ALL STATES WOULD CONTINUE TO RECEIVE FEDERAL PAYMENTS EQUAL TO ONE-HALF OF THEIR EXPENDITURES FOR NECESSARY AND PROPER ADMINISTRATION OF THEIR STATE PLANS.

SECTION 601(D) IS A CONFORMING AMENDMENT TO SECTION 3(B)(2)(B) OF THE ACT, STRIKING OUT 'OLD-AGE ASSISTANCE' AND INSERTING IN LIEU THEREOF 'ASSISTANCE'.

SECTION 601(E) IS A CONFORMING AMENDMENT TO SECTION 4 OF THE ACT UNDER WHICH THE SECRETARY COULD SUSPEND OR DENY FEDERAL PAYMENTS TO STATES WHOSE PLANS DO NOT CONFORM TO THE REQUIREMENTS OF THE ACT OR WHOSE PROGRAMS ARE OPERATED IN CONTRAVENTION OF THE PROVISIONS OF THE STATE PLAN.

SECTION 601(F) AMENDS SECTION 6 OF THE ACT. EXISTING SECTION 6 BECOMES SUBSECTION (A) OF SECTION 6 AND TWO NEW SUBSECTIONS (B) AND (C) ARE ADDED. THE NEW SUBSECTION (A) CONTINUES THE PRESENT DEFINITION OF 'OLD-AGE ASSISTANCE.' EXCEPT THAT IT (IN EFFECT) PERMITS FEDERAL FINANCIAL PARTICIPATION IN STATE EXPENDITURES FOR MEDICAL CARE ON BEHALF OF AN INDIVIDUAL WHO IS A PATIENT IN A MEDICAL INSTITUTION, AS THE RESULT OF A DIAGNOSIS OF TUBERCULOSIS OR PSYCHOSIS, FOR 42 DAYS (WHETHER OR NOT CONSECUTIVE) AFTER SUCH DIAGNOSIS. (UNDER THE SENATE AMENDMENTS, THE DEFINITION OF 'OLD-AGE ASSISTANCE' INCLUDED

MONEY PAYMENTS TO, OR MEDICAL CARE ON BEHALF OF OR ANY TYPE OF REMEDIAL CARE RECOGNIZED UNDER STATE LAW ON BEHALF OF, INDIVIDUALS WHO ARE PATIENTS IN INSTITUTIONS FOR TUBERCULOSIS OR MENTAL DISEASES AND INDIVIDUALS WHO HAVE BEEN DIAGNOSED AS HAVING TUBERCULOSIS OR PSYCHOSIS AND ARE PATIENTS IN MEDICAL INSTITUTIONS AS A RESULT THEREOF.)

THE NEW SUBSECTION (B) OF SECTION 6 DEFINES 'MEDICAL ASSISTANCE FOR THE AGED'. THIS TERM IS DEFINED TO MEAN PAYMENTS FOR MEDICAL SERVICES TO PERSONS 65 YEARS OF AGE OR OVER WHO ARE NOT RECIPIENTS OF OLD-AGE ASSISTANCE, BUT WHOSE INCOME AND RESOURCES ARE INSUFFICIENT TO MEET THE COST OF THE FOLLOWING CARE AND SERVICES:

- (1) INPATIENT HOSPITAL SERVICES;
- (2) SKILLED NURSING-HOME SERVICES;
- (3) PHYSICIANS' SERVICES;
- (4) OUTPATIENT HOSPITAL OR CLINIC SERVICES;
- (5) HOME HEALTH CARE SERVICES;
- (6) PRIVATE DUTY NURSING SERVICES;
- (7) PHYSICAL THERAPY AND RELATED SERVICES;
- (8) DENTAL SERVICES;
- (9) LABORATORY AND X-RAY SERVICES;
- (10) PRESCRIBED DRUGS, EYEGLASSES, DENTURES, AND PROSTHETIC DEVICES;
- (11) DIAGNOSTIC, SCREENING, AND PREVENTIVE SERVICES; AND
- (12) ANY OTHER MEDICAL CARE OR REMEDIAL CARE RECOGNIZED UNDER STATE LAW.

THE TERM 'MEDICAL ASSISTANCE FOR THE AGED' DOES NOT INCLUDE SERVICES FOR ANY INDIVIDUAL WHO IS AN INMATE OF A PUBLIC INSTITUTION EXCEPT AS A PATIENT IN A MEDICAL INSTITUTION; NOR DOES IT INCLUDE SERVICES FOR ANY INDIVIDUAL WHO IS A PATIENT IN A TUBERCULOSIS OR MENTAL INSTITUTION. IN THE CASE OF AN INDIVIDUAL WHO IS A PATIENT IN A MEDICAL INSTITUTION (OTHER THAN A TUBERCULOSIS OR MENTAL *3761 INSTITUTION) AS A RESULT OF A DIAGNOSIS OF TUBERCULOSIS OR PSYCHOSIS, SERVICES PROVIDED HIM AFTER HE HAS BEEN SUCH A PATIENT IN THE INSTITUTION FOR 42 DAYS (WHETHER OR NOT CONSECUTIVE) AS A RESULT OF THIS DIAGNOSIS ARE ALSO NOT INCLUDED. (UNDER THE SENATE AMENDMENTS, THE TERM 'MEDICAL ASSISTANCE FOR THE AGED' DID NOT EXCLUDE PAYMENTS WITH RESPECT TO CARE OR SERVICES FOR INDIVIDUALS WHO ARE PATIENTS IN INSTITUTIONS FOR TUBERCULOSIS OR MENTAL DISEASES. AND DID NOT EXCLUDE INDIVIDUALS WHO HAVE BEEN DIAGNOSED AS HAVING TUBERCULOSIS OR PSYCHOSIS AND ARE PATIENTS IN MEDICAL INSTITUTIONS AS A RESULT THEREOF.)

THE NEW SECTION 6(C) DEFINES THE TERM 'FEDERAL MEDICAL PERCENTAGE'.

THE FEDERAL MEDICAL PERCENTAGE FOR ANY STATE WOULD BE 100 PERCENT MINUS THE PERCENTAGE WHICH BEARS THE SAME RELATIONSHIP TO 50 PERCENT AS THE SQUARE OF THE PER CAPITA INCOME OF THE STATE BEARS TO THE SQUARE OF THE PER CAPITA INCOME OF THE 50 STATES. THE FEDERAL MEDICAL PERCENTAGE COULD NOT, HOWEVER, BE LESS THAN 50 PERCENT OR MORE THAN 80 PERCENT. ALSO, THIS PERCENTAGE FOR PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM

WOULD BE SET AT 50 PERCENT.

AS UNDER THE SENATE AMENDMENTS, THESE CHANGES IN TITLE I OF THE SOCIAL SECURITY ACT WILL TAKE EFFECT ON OCTOBER 1, 1960.

PLANNING GRANTS TO STATES

AMENDMENT NO. 93: SECTION 603 OF THE HOUSE BILL AUTHORIZED A 2-YEAR PROGRAM OF GRANTS TO THE STATES TO COVER ONE-HALF OF THEIR COSTS. UP TO A MAXIMUM FEDERAL PAYMENT OF \$50,000 OF MAKING PLANS AND INITIATING ADMINISTRATIVE ARRANGEMENTS FOR OPERATIONS UNDER THE NEW TITLE XVI OF THE SOCIAL SECURITY ACT (RELATING TO MEDICAL SERVICES FOR THE AGED). THE SENATE AMENDMENT DELETED THIS PROVISION OF THE HOUSE BILL. THE HOUSE RECEDES.

INCREASE IN LIMITATIONS ON ASSISTANCE PAYMENT TO PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM

AMENDMENT NO. 97: SENATE AMENDMENT NUMBERED 97 ADDED TO THE BILL AMENDMENTS TO SECTION 1108 OF THE SOCIAL SECURITY ACT. THIS SECTION OF THE ACT PLACES DOLLAR LIMITATIONS ON THE AMOUNTS WHICH MAY BE PAID TO PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM UNDER TITLES I, IV, X, AND XIV OF THE ACT. THE SENATE AMENDMENT INCREASED THESE DOLLAR AMOUNTS. NO COMPARABLE PROVISION WAS INCLUDED IN THE HOUSE BILL. THE HOUSE RECEDES.

UNDER THE CONFERENCE AGREEMENT, SECTION 1108 OF THE SOCIAL SECURITY ACT IS AMENDED TO INCREASE THE DOLLAR LIMITATIONS DESCRIBED ABOVE AS FOLLOWS:

PUERTO RICO-- FROM \$8,500,000 TO \$9 MILLION PER FISCAL YEAR:

VIRGIN ISLANDS-- FROM \$300,000 TO \$315,000 PER FISCAL YEAR; AND

GUAM-- FROM \$400,000 TO \$420,000 PER FISCAL YEAR.

THESE INCREASES MAY BE USED ONLY FOR PAYMENTS CERTIFIED UNDER SECTION 3(A)(2)(B) OF THE ACT (RELATING TO FEDERAL MATCHING FOR OLD-AGE ASSISTANCE EXPENDITURES IN EXCESS OF THE PRESENT MAXIMUM OF \$35 PER-MONTH PER BENEFICIARY). HOWEVER, THE DOLLAR LIMITS WOULD NOT APPLY TO PAYMENTS UNDER THE NEW SECTION 3(A)(3) OF THE ACT (RELATING TO FEDERAL PAYMENTS FOR MEDICAL ASSISTANCE FOR THE AGED).

ADVISORY COUNCIL ON SOCIAL SECURITY FINANCING

AMENDMENT NO. 101: SECTION 704(B) OF THE HOUSE BILL AMENDED SECTION 116 OF THE SOCIAL SECURITY AMENDMENTS OF 1956 SO AS TO DIRECT THE ADVISORY *3762 COUNCIL ON SOCIAL SECURITY FINANCING WHICH WILL BE APPOINTED DURING 1963 (UNDER SEC. 116(E) OF THE 1956 AMENDMENTS AS AMENDED BY SEC. 704(A) OF THE BILL) TO MAKE FINDINGS AND RECOMMENDATIONS WITH RESPECT TO EXTENSIONS OF COVERAGE, ADEQUACY OF BENEFITS, AND ALL ASPECTS OF THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM IN ADDITION TO THE OTHER FINDINGS AND RECOMMENDATIONS (RELATIVE TO FINANCING) WHICH IT IS REQUIRED TO MAKE UNDER SUCH SECTION 116. THE SENATE AMENDMENT DELETED THIS PROVISION OF THE HOUSE BILL. THE SENATE RECEDES.

CHILD-WELFARE SERVICES

AMENDMENT NO. 106: SECTION 707(A)(3)(A) OF THE HOUSE BILL AMENDED SECTION 521 OF THE SOCIAL

SECURITY ACT SO AS TO INCREASE FROM \$17 MILLION TO \$20 MILLION THE AMOUNT AUTHORIZED TO BE APPROPRIATED EACH YEAR TO ENABLE THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE TO MAKE GRANTS TO STATE AGENCIES FOR CHILD-WELFARE SERVICES. THE SENATE AMENDMENT INCREASED THIS AMOUNT TO \$25 MILLION. THE HOUSE RECEDES, WITH AN AMENDMENT PROVIDING THAT THE UNIFORM AMOUNT IN THE ALLOTMENTS TO EACH STATE AS PRESCRIBED BY THE PRESENT CHILD-WELFARE SERVICES LAW (WHICH IS BASED ON THE RATIO BETWEEN THE AMOUNT AUTHORIZED AND THE AMOUNT APPROPRIATED FOR CHILD-WELFARE PURPOSES, APPLIED TO A DOLLAR AMOUNT WHICH IS INCREASED FROM \$60,000 TO \$70,000 BY THE BILL) SHALL IN NO CASE BE LESS THAN \$50,000.

AID TO THE BLIND

AMENDMENT NO. 107: THIS AMENDMENT ADDED TO THE HOUSE BILL A NEW SECTION 710, AMENDING SECTION 1002(A)(8) OF THE SOCIAL SECURITY ACT TO PROVIDE THAT THE STATE AGENCY ADMINISTERING AID TO THE BLIND, IN TAKING AN INDIVIDUAL'S INCOME AND RESOURCES INTO CONSIDERATION FOR PURPOSES OF DETERMINING HIS NEED FOR SUCH AID, MAY EITHER DISREGARD THE FIRST \$1,000 OF HIS EARNED INCOME PER YEAR PLUS ONE-HALF OF THE EXCESS OVER \$1,000 OR CONTINUE TO DISREGARD THE FIRST \$50 PER MONTH OF EARNED INCOME AS IT IS DIRECTED TO DO UNDER EXISTING LAW, WITH THE FURTHER PROVISION THAT EFFECTIVE JULY 1, 1961, THE STATE AGENCY MUST DISREGARD THE FIRST \$1,000 OF THE INDIVIDUAL'S EARNED INCOME EACH YEAR PLUS ONE-HALF OF HIS EARNED INCOME IN EXCESS OF THAT FIGURE. THE HOUSE RECEDES WITH AN AMENDMENT WHICH PLACES THE NEW EARNED INCOME EXEMPTION ON A MONTHLY BASIS AS IN EXISTING LAW RATHER THAN ON AN ANNUAL BASIS AS IN THE SENATE AMENDMENT, AND PROVIDES THAT THE NEW EXEMPTION WILL BECOME MANDATORY ON THE STATES ON JULY 1, 1962; UNDER THE CONFERENCE AGREEMENT THE STATE AGENCY, IN DETERMINING NEED, IS PERMITTED EITHER TO DISREGARD THE FIRST \$85 OF THE INDIVIDUAL'S EARNED INCOME PER MONTH PLUS ONE-HALF OF HIS EARNED INCOME IN EXCESS OF THAT FIGURE OR TO CONTINUE TO APPLY THE EXISTING \$50 PER MONTH EXEMPTION UNTIL THE 1962 DATE, AFTER WHICH IT MUST DISREGARD THE FIRST \$85 OF EARNED INCOME PER MONTH PLUS ONE-HALF OF EARNED INCOME IN EXCESS OF THAT FIGURE.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING.
THOMAS J. O'BRIEN,
N. M. MASON,
JOHN W. BYRNES,
HOWARD H. BAKER,
MANAGERS ON THE PART OF THE HOUSE.

(Note: 1. PORTIONS OF THE SENATE, HOUSE AND CONFERENCE REPORTS, WHICH ARE DUPLICATIVE OR ARE DEEMED TO BE UNNECESSARY TO THE INTERPRETATION OF THE LAWS, ARE OMITTED. OMITTED MATERIAL IS INDICATED BY FIVE ASTERISKS: *****. 2. TO RETRIEVE REPORTS ON A PUBLIC LAW, RUN A TOPIC FIELD SEARCH USING THE PUBLIC LAW NUMBER, e.g., TO(99-495))

CONF. REP. 86-2165, Conf. Rep. No. 2165, 86TH Cong., 2ND Sess. 1960, 1960 U.S.C.C.A.N. 3608, 1960 WL 4936 (Leg.Hist.)